Empresa de Transporte de Pasajeros Metro S.A. and Subsidiaries

Interim Consolidated Financial Statements

As of and for the periods ended

September 30, 2020 and 2019 and December 31, 2019

EMPRESA DE TRANSPORTE DE PASAJEROS METRO S.A. AND SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of and for the periods ended
September 30, 2020 and 2019 and December 31, 2019

Contents:

✓ Interim Consolidated Statements of Financial Position

✓ Interim Consolidated Statements of Comprehensive Income by Function

✓ Interim Consolidated Statements of Changes in Equity

✓ Interim Consolidated Statements of Cash Flows

✓ Notes to the Interim Consolidated Financial Statements

ThCh$	Figures expressed in thousands of Chilean Pesos
MCh$	Figures expressed in millions of Chilean Pesos
US$	Figures expressed in United States dollars
ThUS$	Figures expressed in thousands of United States dollars
MUS$	Figures expressed in millions of United States dollars
ThUF	Figures expressed in thousands of Unidades de Fomento (inflation-adjusted units)
Ch$	Figures expressed in Chilean pesos

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

Interim Consolidated Statements of Financial Position 5

Interim Consolidated Statements of Comprehensive Income by Function 7

Interim Consolidated Statements of Changes in Equity 9

Interim Consolidated Statements of Cash Flows 10

Note 1. Company Profile 11

Note 2. Summary of significant accounting policies 11

2.1 Basis of preparation 11

2.2 Basis of consolidation 12

2.3 Foreign currency transactions 14

2.3.1 Functional and presentation currency 14

2.3.2 Transactions and balances in foreign currency and indexation units 14

2.3.3 Foreign currency translations 15

2.4 Property, plant and equipment 15

2.5 Investment property 16

2.6 Intangible assets other than goodwill 17

2.6.1 Easements 17

2.6.2 Computer software 17

2.7 Finance income and expenses 17

2.8 Losses due to impairment of non-financial assets 18

2.9 Financial assets 18

2.9.1 Financial assets at amortized cost 19

2.9.2 Financial assets at fair value through other comprehensive income 19

2.9.3 Financial assets at fair value through profit or loss 19

2.10 Inventories 20

2.11 Trade and other receivables 20

2.12 Cash and cash equivalents 20

2.13 Share capital 20

2.14 Trade and other payables 20

2.15 Financial liabilities 21

2.16 Income tax and deferred taxes 24
2.17 Employee benefits 24
2.17.1 Accrued vacations 24
2.17.2 Severance indemnity payments 24
2.17.3 Incentive and recognition bonuses 25
2.18 Provisions 25
2.19 Classification of balances (current and non-current) 25
2.20 Revenue and expense recognition 25
2.21 Lease agreements 26
2.22 New IFRS and interpretations issued by the IFRS Interpretations Committee (IFRIC) 27
Note 3. Management's estimates and accounting criteria 29
3.1 Severance indemnity payments 29
3.2 Useful life of property, plant and equipment 29
3.3 Litigation and other contingencies 29
3.4 Measurements and/or valuations at fair value 30
Note 4. Cash and cash equivalents 33
Note 5. Trade and other receivables, current 35
Note 6. Inventories 36
Note 7. Intangible assets other than goodwill 37
Note 8. Property, plant and equipment 38
Note 9. Investment property 43
Note 10. Other financial assets, current and non-current 45
Note 11. Other non-financial assets, current and non-current 48
Note 12. Other financial liabilities, current and non-current 48
Note 13. Other non-financial liabilities, current and non-current 55
Note 14. Balances and transactions with related entities 56
Note 15. Trade and other payables 57
Note 16. Segment information 57
Note 17. Employee benefits 58
Note 18. Income tax 61
Note 19. Provisions, contingencies and guarantees 62
Note 20. Changes in equity 63
Note 21. Income and expenses 66

Note 22. Third party guarantees 71

Note 23. Risk management policies 72

23.1 Description of the market in which the Company operates 72

23.2 Financial risks 75

23.3 Capital risk management 82

23.4. Commodities risk 83

Note 24. Environment 84

Note 25. Sanctions 84

Note 26. Subsequent events 84

Interim Consolidated Statements of Financial Position

As of September 30, 2020 and as of December 31, 2019

(In thousands of Chilean pesos)

ASSETS	NOTE	09-30-2020	12-31-2019
CURRENT ASSETS			
Cash and cash equivalents	4	331,325,534	106,503,269
Other current financial assets	10	61,813,434	156,487,558
Other current non-financial assets	11	10,940,316	9,853,393
Trade and other receivables, current	5	15,014,771	16,090,004
Current inventories	6	19,529,238	17,430,294
Current tax assets		1,236,897	1,221,974
Total current assets		**439,860,190**	**307,586,492**
NON-CURRENT ASSETS			
Other non-current financial assets	10	70,519,850	61,608,881
Other non-financial assets, non-current	11	70,017,138	31,403,969
Accounts receivable, non-current		1,095,780	1,578,060
Intangible assets other than goodwill	7	8,399,594	8,376,304
Property, plant and equipment	8	4,961,786,211	4,867,401,435
Investment property	9	25,101,746	25,342,044
Total non-current assets		**5,136,920,319**	**4,995,710,693**
TOTAL ASSETS		**5,576,780,509**	**5,303,297,185**

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Financial Position, continued

As of September 30, 2020 and as of December 31, 2019

(In thousands of Chilean pesos)

EQUITY AND LIABILITIES	NOTE	09-30-2020	12-31-2019
LIABILITIES			
CURRENT LIABILITIES			
Other current financial liabilities	12	89,486,930	153,979,573
Trade and other payables	15	83,009,140	112,512,046
Other short-term provisions	19	453,173	623,810
Employee benefits, current	17	18,420,259	14,473,391
Other current non-financial liabilities	13	15,039,271	14,500,340
Total current liabilities		**206,408,773**	**296,089,160**
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	12	2,580,469,919	2,072,205,775
Non-current accounts payable	15	2,413,052	1,424,782
Due to related companies, non-current	14	159,745,380	22,515,130
Employee benefits, non-current	17	12,906,865	13,087,241
Other non-financial liabilities, non-current	13	55,493,370	49,763,434
Total non-current liabilities		2,811,028,586	2,158,996,362
Total liabilities		**3,017,437,359**	**2,455,085,522**
EQUITY			
Share capital	20	3,820,777,960	3,712,166,008
Own shares	20	(108,611,952)	-
Accumulated deficit	20	(1,183,884,664)	(886,493,888)
Other reserves	20	31,072,451	22,550,188
Equity attributable to owners of parent		2,559,353,795	2,848,222,308
Non-controlling interests	20	(10,645)	(10,645)
Total equity		2,559,343,150	2,848,211,663
Total equity and liabilities		**5,576,780,509**	**5,303,297,185**

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income by Function

For the periods of nine and three months ended September 30, 2020 and 2019

(In thousands of Chilean pesos)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION	NOTE	ACCUMULATED		QUARTER	
		01-01-2020 09-30-2020	01-01-2019 09-30-2019	07-01-2020 09-30-2020	07-01-2019 09-30-2019
Revenue	21	126,103,058	335,322,366	28,375,149	117,389,432
Cost of sales	21	(270,169,774)	(284,948,599)	(90,035,411)	(94,657,684)
Gross profit		(144,066,716)	50,373,767	(61,660,262)	22,731,748
Other income by function	21	4,431,492	32,223,467	(755,698)	3,922,387
Administrative expenses	21	(26,460,998)	(30,184,700)	(9,009,602)	(10,683,899)
Other expenses by function	21	(4,206,736)	(979,714)	692,729	(181,114)
Other income (expenses)	21	(2,132,050)	90,696	(816,463)	25,773
Finance income	21	10,516,188	7,808,422	726,328	2,272,114
Finance costs	21	(72,739,012)	(64,043,226)	(26,102,119)	(22,388,095)
Foreign currency translation differences	21	(49,402,504)	(44,827,783)	57,193,432	(66,956,646)
Loss from inflation-adjusted units	21	(12,786,439)	(17,579,589)	(1,068,069)	(4,798,652)
Loss before taxes		(296,846,775)	(67,118,660)	(40,799,724)	(76,056,384)
Income tax expense					
Loss from continued operations		(296,846,775)	(67,118,660)	(40,799,724)	(76,056,384)
Profit (loss) from discontinued operations					
Net loss		(296,846,775)	(67,118,660)	(40,799,724)	(76,056,384)
NET LOSS ATTRIBUTABLE TO:					
Owners of parent		(296,846,775)	(67,118,660)	(40,799,724)	(76,056,384)
Non-controlling interests					
Net loss		(296,846,775)	(67,118,660)	(40,799,724)	(76,056,384)

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income by Function, continued

For the periods of nine and three months ended September 30, 2020 and 2019

(In thousands of Chilean pesos)

STATEMENTS OF COMPREHENSIVE INCOME	NOTE	ACCUMULATED		QUARTER	
		01-01-2020 09-30-2020	01-01-2019 09-30-2019	07-01-2020 09-30-2020	07-01-2019 09-30-2019
Net loss		(296,846,775)	(67,118,660)	(40,799,724)	(76,056,384)
Actuarial income (loss) on defined benefit plans	21	407,590	(739,712)	581,421	(209,599)
Total other comprehensive income that will not be reclassified to profit or loss for the period, before taxes	21	407,590	(739,712)	581,421	(209,599)
Components of other comprehensive income that will be reclassified to profit or loss for the period, before taxes					
Income (loss) from exchange rate differences, before taxes					
Income (loss) on cash flow hedges, before taxes	21	8,114,673	(10,142,862)	(1,058,252)	(4,943,225)
Total other comprehensive income (loss) that will be reclassified to profit or loss for the period, before taxes	21	8,114,673	(10,142,862)	(1,058,252)	(4,943,225)
Other comprehensive income (loss), before taxes	21	8,522,263	(10,882,574)	(476,831)	(5,152,824)
Income taxes related to components of other comprehensive income that will be reclassified to profit or loss for the period					
Total other comprehensive income (loss)	21	8,522,263	(10,882,574)	(476,831)	(5,152,824)
Total comprehensive loss		(288,324,512)	(78,001,234)	(41,276,555)	(81,209,208)

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Changes in Net Equity

For the periods of nine months ended September 30, 2020 and 2019

(In thousands of Chilean pesos)

Items	Share capital	Own shares	Other sundry reserves					Retained earnings (accumulated deficit)	Equity attributable to owners of parent	Non-controlling interests	Total net equity
			Other sundry reserves	Revaluation surplus	Cash flow hedges	Reserves for actuarial gain (loss) on defined benefit plans	Total Other Reserves				
Opening balance 01-01-2020	3,712,166,008	-	30,336,377	3,042,584	(10,228,760)	(600,013)	22,550,188	(886,493,888)	2,848,222,308	(10,645)	2,848,211,663
Loss	-	-	-	-	-	-	-	(296,846,775)	(296,846,775)	-	(296,846,775)
Other comprehensive income	-	-	-	-	8,114,673	407,590	8,522,263	-	8,522,263	-	8,522,263
Comprehensive income	-	-	-	-	8,114,673	407,590	8,522,263	(296,846,775)	(288,324,512)	-	(288,324,512)
Equity issuance	108,611,952	-	-	-	-	-	-	-	108,611,952	-	108,611,952
Decreases due to transactions with own shares, equity	-	(108,611,952)	-	-	-	-	-	-	(108,611,952)	-	(108,611,952)
Increases (decreases) due to other changes, equity	-	-	-	-	-	-	-	(544,001)	(544,001)	-	(544,001)
Closing balance 09-30-2020	3,820,777,960	(108,611,952)	30,336,377	3,042,584	(2,114,087)	(192,423)	31,072,451	(1,183,884,664)	2,559,353,795	(10,645)	2,559,343,150

Opening balance 01-01-2019	3,455,533,978	-	30,336,377	3,042,584	-	-	33,378,961	(690,995,637)	2,797,917,302	(10,645)	2,797,906,657
Loss	-	-	-	-	-	-	-	(67,118,660)	(67,118,660)	-	(67,118,660)
Other comprehensive income	-	-	-	-	(10,142,862)	(739,712)	(10,882,574)	-	(10,882,574)	-	(10,882,574)
Comprehensive income	-	-	-	-	(10,142,862)	(739,712)	(10,882,574)	(67,118,660)	(78,001,234)	-	(78,001,234)
Equity issuance	96,614,721	-	-	-	-	-	-	-	96,614,721	-	96,614,721
Decreases due to transactions with own shares, equity	-	(96,614,721)	-	-	-	-	-	-	(96,614,721)	-	(96,614,721)
Closing balance 09-30-2019	3,552,148,699	(96,614,721)	30,336,377	3,042,584	(10,142,862)	(739,712)	22,496,387	(758,114,297)	2,719,916,068	(10,645)	2,719,905,423

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

For the periods of nine months ended September 30, 2020 and 2019

(In thousands of Chilean pesos)

Consolidated Statements of Cash Flows (direct method)	01-01-2020 09-30-2020	01-01-2019 09-30-2019
Net cash flows provided by (used in) operating activities		
Collection from sales of assets and service renderings	111,495,220	323,170,072
Other collections for operating activities	10,985,038	21,953,250
Payments to suppliers for the provision of goods and services	(147,628,429)	(150,642,223)
Payments to, and on behalf of, employees	(64,837,814)	(75,938,227)
Other payments for operating activities	(5,365,355)	(5,622,433)
Net cash flows provided by (used in) operating activities	(95,351,340)	112,920,439
Cash flows provided by (used in) investing activities		
Purchases of property, plant and equipment	(178,454,167)	(245,240,834)
Purchases of intangible assets	(2,500)	(3,400)
Collection due to the reimbursement of advances granted to third parties - expropriation	-	1,497,372
Cash advances granted to third parties – expropriation	(39,816,104)	(349,625)
Other collections to acquire equity or debt instruments of other entities	278,672,514	322,102,118
Other payments to acquire equity or debt instruments of other entities	(189,137,418)	(248,592,529)
Interest paid	(13,162,758)	(17,965,189)
Net cash flows used in investing activities	(141,900,433)	(188,552,087)
Net cash flows provided by (used in) financing activities		
Loans from related entities - Contribution from the Chilean Treasury	137,230,250	80,017,309
Amounts from long-term loans	1,220,789,305	16,619,127
Other collections of cash	46,697,356	10,510,451
Repayment of loans	(813,873,283)	(51,984,815)
Interest paid	(70,788,228)	(72,347,349)
Other cash outflows	(22,503,679)	(547,000)
Net cash flows provided by (used in) financing activities	497,551,721	(17,732,277)
Net increase (decrease) in cash and cash equivalents before effect of changes in the exchange rate	260,299,948	(93,363,925)
Effects of variations in the exchange rate on cash and cash equivalents	(35,477,683)	656,725
Net (decrease) increase in cash and cash equivalents	224,822,265	(92,707,200)
Cash and cash equivalents at the beginning of the period	106,503,269	165,110,682
Cash and cash equivalents at the end of the period	331,325,534	72,403,482

The accompanying notes are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2020 AND 2019 AND AS OF DECEMBER 31, 2019

(In thousands of Chilean pesos)

1. Company Profile

Empresa de Transporte de Pasajeros Metro S.A., (hereinafter also referred to as the Company) is a Chilean state-owned company created by Law 18,772 on January 28, 1989 as the legal successor to the Dirección General de Metro, as a result of which all the assets and liabilities of the latter were transferred to the Company.

The Company is a stock corporation bound by the principles applicable to open stock corporations, and has its registered office at 1414 Avenida Libertador Bernardo O'Higgins, Santiago, Chile.

The Company is registered on the Register of Securities under number 421 and is subject to the supervision of the Financial Market Commission (referred to as CMF).

The Company's corporate purpose is to carry out all the activities associated with passenger transportation in metropolitan railways or other complementary electrical vehicles, and the provision of ground transportation services by buses or vehicles of any technology, as well as activities related to such line of business.

These Consolidated Financial Statements are presented in thousands of Chilean pesos (unless expressly stated otherwise) since this is the functional currency of the primary economic environment in which the Company operates.

2. Summary of significant accounting policies

The main accounting policies adopted in preparing these Interim Consolidated Financial Statements, as required by IAS 1, are based on International Financial Reporting Standards (hereinafter "IFRS") (with the exception of the application of International Public Sector Accounting Standard 21 as discussed in the following paragraph) in effect as of September 30, 2020, and have been applied on a consistent basis to all accounting periods presented in the Interim Consolidated Financial Statements.

2.1. Basis of preparation

The Interim Consolidated Financial Statements comprise the Interim Consolidated Statement of Financial Position as of September 30, 2020 and as of December 31, 2019; the Interim Consolidated Statements of Comprehensive Income for the periods of nine and three months ended September 30, 2020 and 2019 and the Interim Consolidated Statements of Changes in Equity and the Interim Consolidated Statements of Cash Flows for the periods of nine months then ended, prepared in accordance with the standards and instructions issued by the Financial Market Commission. These standards and instructions require the Company to comply with the International Financial Reporting Standards (IFRS), and also with IAS 34 "Interim Financial Reporting", as issued by the International Accounting Standards Board (IASB), except for follows:

Through Ruling No. 6158 dated March 5, 2012, the Company was authorized by the Financial Market Commission to exceptionally apply International Public Sector Accounting Standard 21 (hereinafter "IPSAS 21"), instead of IAS 36. Please see Note 2.8 for further details regarding this exception.

The Management of the Company is responsible for the information contained in these Interim Consolidated Financial Statements, which have been approved by the Board of Directors on November 23, 2020, with the Management being authorized to publish them.

The Interim Consolidated Financial Statements have been prepared on the basis of historical cost. In general, the historical cost is based on the fair value of the consideration given in exchange for the goods and services. Fair value is the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether this price is observable or estimated using another valuation technique. The Company considers the characteristics of the assets and liabilities if the market participants take those characteristics into consideration at the time of fixing the price of the asset or liability at the measurement date.

The preparation of these Interim Consolidated Financial Statements, in accordance with IFRS and in accordance with the standards and instructions issued by the Financial Market Commission, requires the use of certain critical accounting estimates, necessary for the quantification of certain assets, liabilities, income and expenses.

It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 "Management's Estimates and Accounting Criteria.”

2.2. Basis of consolidation

The Interim Consolidated Financial Statements include the financial statements of the Parent Company and of the entities controlled by the Company. Control is achieved when the Company has:

Power over the investee.

Exposure, or rights, to variable returns from involvement with the investee.

The ability to use power over the investee to affect the amount of those returns.

The Company evaluated control based on all facts and circumstances and the conclusion is re-evaluated if there is an indication that a change has occurred in at least one of the three conditions detailed above.

Empresa de Transporte Suburbano de Pasajeros S.A. (Transub S.A.), Sociedad Metro SpA and Sociedad Metro Emisora de Medios de Pago S.A. (MetroPago S.A.) are consolidated from the date on which control of these entities was transferred to the Company. Consolidation includes the financial statements of the Parent company and its subsidiaries, which comprises all assets, liabilities, income, expenses and cash flows of the subsidiaries, once adjustments and eliminations for intra-group transactions have been made.

The non-controlling interest in the consolidated subsidiaries is presented under shareholders' equity, in “Non-controlling interests,” in the Interim Consolidated Statement of Financial Position and in “Income (loss) attributable to non-controlling interest” in the Interim Consolidated Statements of Comprehensive Income.

Empresa de Transporte Suburbano de Pasajeros S.A. is in an organizational and start-up period, has not yet registered any activity since its inception to the present date and was consolidated under the instructions of General Ruling No.1819 issued by the Financial Market Commission on November 14, 2006.

On April 26, 2019, the Company “Metro Emisora de Medios de Pago S.A” (MetroPago S.A.) was incorporated by means of a public deed, under Taxpayer ID Number 77,057,498-6 and is governed by the regulations of the Chilean Corporations Act.

On May 30, 2019, the Superintendency of Banks and Financial Institutions (currently, Financial Market Commission) authorized the existence of MetroPago S.A. as a special corporation, in accordance with Title XIII of Act No. 18,046 (the Chilean Corporations Act). The extract of the deed of incorporation of this company was registered on page 57735, under No. 28465, of the Registry of Commerce for the year 2019 of the Santiago Real Estate Registrar. Also, the extract of the deed of incorporation was published in the Official Gazette on July 26, 2019.

The Company's sole purpose is to issue its own payment cards with provision of funds under the terms authorized by Act No. 20,950 and the other regulations governing the issuance of payment cards with provision of funds. In addition, this company may perform activities supplementary to the performance of its line of business. These activities must be authorized by the Financial Market Commission or the agency that succeeds or replaces it.

This company is in an organizational and start-up stage, since it requires authorization from the Financial Market Commission (FMC) for registration in the FMC’s Single Register of Payment Cards Issuers.

The financial statements of Metro Pago S.A. are prepared in accordance with accounting standards and instructions issued by the Financial Market Commission because due to the nature of its business, this company is regulated and supervised by both those regulatory agencies. As a result, the financial statements of this subsidiary were prepared on a comprehensive basis that considers accounting bases other than those applied by Metro S.A. However, due to the stage the subsidiary is in, there were no significant differences between such.other comprehensive basis and the framework under which the Company and its other subsidiaries report. The participation percentages in the entities which are consolidated by the Company are as follows:

Tax ID No. :	Company name	Ownership percentage					
		09-30-2020			12-31-2019		
		Direct	Indirect	Total	Direct	Indirect	Total
96,850,680-3	Transub S.A.	66.66	-	66.66	66.66	-	66.66
76,920,952-2	Metro SpA.	100.00	-	100.00	100.00	-	100.00
77,057,498-6	MetroPago S.A.	99.00	1.00	100.00	99.00	1.00	100.00

The ownership in these subsidiaries is not subject to joint control.

The Company does not have ownership interests in joint ventures or in associates.

Non-controlling interests - Non-controlling interests in the Interim Consolidated Statement of Financial Position are presented, within equity, separately from the equity of the owners of the parent company.

2.3. Foreign currency transactions

2.3.1. Functional and presentation currency

Items included in the Interim Consolidated Financial Statements are measured using the currency of the primary economic environment in which the reporting entity operates (the “functional currency”). The Company's functional currency is the Chilean peso.All information is presented in thousands of Chilean pesos (ThCh$) rounded to the nearest unit.

2.3.2. Transactions and balances in foreign currency and indexation units

Foreign currency and indexation unit transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the comprehensive income statement, unless other accounting standards dictate, such as in the case of cash flow hedges where such effects may be recorded in equity.

Exchange rate differences affecting financial assets classified as measured at fair value through profit or loss are presented as part of the profit or loss.

2.3.3. Exchange rates

Assets and liabilities in foreign currency and in Unidades de Fomento (an inflation-linked unit of account used in Chile referred to as UF), are presented at the following exchange and translation rates:

Date	US$	EUR	UF
09-30-2020	788.15	923.11	28,707.85
12-31-2019	748.74	839.58	28,309.94
09-30-2019	728.21	793.86	28,048.53
12-31-2018	694.77	794.75	27,565.79

US$ = US dollar

EUR = Euro

UF = Unidad de Fomento (an inflation-linked unit of account)

2.4. Property, plant and equipment

All property, plant and equipment are initially stated at acquisition cost, plus all costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating for its intended use.

Subsequently they are stated at historical cost less accumulated depreciation and impairment losses, which, if any, are recorded in the interim consolidated statement of comprehensive income.

Costs include expenditure directly attributable to the acquisition of assets and the capitalized interest incurred during the construction and development period.

The cost of constructed assets includes the cost of materials and direct labor costs; any other cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and the costs of dismantling and removing the items and restoring the site in which they are located.

Work in progress is reclassified as operating assets under property, plant and equipment once the testing period has been completed and the assets are available for use, at which point their depreciation begins.

Costs of additions, modernization or improvements that represent an increase in productivity, capacity, efficiency or extension of the useful lives of assets are capitalized as an increase of the cost of the corresponding assets.

The substitutions or renovations of assets that increase their useful life, or their economic capacity, are recorded as the higher value of the respective assets, with the consequent accounting withdrawal of the replaced or renewed assets.

Periodic expenses for maintenance, conservation and repair are recognized directly in profit or loss as costs of the period in which they are incurred.

Major maintenance costs of rolling stock, vertical transportation equipment and infrastructure, which includes among other things, replacement of parts and pieces, are capitalized as an asset that is independent from the main asset, if it is probable that future economic benefits related to the costs are received.

Depreciation of property, plant and equipment items is calculated using the straight-line method to allocate costs over their estimated economic useful lives, except in the case of certain technical components identified in rolling stock, which are depreciated on the basis of cycles and kilometers traveled.

Amortization (depreciation) of property, plant and equipment according to IAS 16 must be recorded separately for each significant part that makes up a final property, plant and equipment item. In the case of rolling stock, the Company separately depreciates the significant components of a property, plant and equipment item that have different useful lives than the rest of the items that form it.

Residual values, where they are defined, and useful lives of assets are reviewed and adjusted prospectively in each statement of financial position, so that the remaining useful lives are consistent with the asset’s current service use and effective use.

An item of property, plant and equipment is derecognized upon disposal or upon its permanent decommission and when no future economic benefits are expected from its use or disposal.

Gains and losses on the sale of property, plant and equipment are calculated by comparing the income obtained to the carrying amount and are included in the interim consolidated statement of comprehensive income.

At least once a year the Company evaluates the existence of possible impairment of property, plant and equipment, in accordance with IPSAS 21, as described in Note 2.8.

The effects of the impairment analysis are recognized directly in profit or loss.

2.5. Investment property

The Company’s investment property includes real estate (commercial stores, land and buildings) held to earn rentals or for capital appreciation as a result of possible future increases in their market prices.

The Company has commercial stores, land and buildings leased under operating leases.

Investment property that corresponds to land and buildings are valued using the cost model.

Reclassification of a property within, or outside of, the investment property category requires performing an assessment of whether the involved property meets, or has ceased to meet, the definition of investment property, and this must be backed up by observable evidence that a change in use has occurred.

As of the date of issuance of these financial statements, no such reclassification has been made as no item has begun to meet or ceased to meet the definition of investment property and therefore, there has been no substantial impact resulting therefrom on these financial statements.

The estimated useful lives of investment property are detailed as follows:

Type of asset	Useful life
Commercial stores	68 years on average
Other buildings	88 years on average

2.6. Intangible assets other than goodwill

2.6.1. Easements

Easements are presented at historical cost. If easements have indefinite useful lives, they are not subject to amortization. However, indefinite useful life assets are subject to review at each reporting period, to determine whether the determination of indefinite useful life is still applicable. These assets are subject to annual impairment testing.

2.6.2. Computer software

Licenses for information technology programs acquired are capitalized on the basis of the costs incurred to acquire them and prepare them for use. Such costs are amortized over their estimated useful lives.

Expenses related to in-house developing and maintaining computer programs do not qualify for capitalization and are expensed when incurred.

2.7. Finance income and expenses

Finance income consists of interest from investing cash and cash equivalents, from derivative transactions and other finance income, and is recognized in the Interim Consolidated Statement of Comprehensive Income over the term of the financial instrument, using the effective interest method in the case of assets at amortized cost and fair value in the case of derivative transactions.

Finance costs, both interest and expenses on bank borrowings, and bonds, among others (those recorded on an amortized cost basis) are recognized in the Interim Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method. Costs of interest incurred in the construction of any asset qualified as property, plant and equipment, are capitalized over the period necessary to complete the asset for its intended use, other interest costs are recorded as an expense in the consolidated statement of comprehensive income.

2.8. Losses due to impairment of non-financial assets

Since the Company is a state-owned entity, its business model is focused on serving the public and puts emphasis on providing social benefits. It has an operating, services and infrastructure operation model, which means that its main source of income is established through a technical fare determined by the authority that does not cover recovery of its assets.

This business model defined by its shareholders, the Ministry of Finance and the Corporación de Fomento de la Producción, referred to as CORFO, goes against the concept of economic profitability of assets, as per IAS 36, where the value in use corresponds to the present value of estimated future cash flows expected to be obtained from the operation of the assets.

Therefore, the Company formally requested authorization from the Financial Market Commission to apply IPSAS 21, a standard specific rule for State-owned entities which hold non-cash-generating assets instead of IAS 36. Through Ruling 6158 dated March 5, 2012 the Financial Market Commission authorized the Company to apply IPSAS 21 to assess the impairment of its assets.

The application of this standard allows the Interim Consolidated Financial Statements to present the economic and financial reality of the Company.

This standard defines the value in use of a non-cash generating asset as the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using the Depreciated Replacement Cost Approach or the Restoration Cost Approach.

However, under specific circumstances in which certain assets lose their service potential, the loss of value is recognized directly in profit or loss.

2.9. Financial assets

The Company classifies its financial assets in accordance with IFRS 9, in the following valuation categories: at amortized cost, at fair value through profit or loss, at fair value in other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2.9.1. Financial assets at amortized cost

A financial asset must be measured at amortized cost, if the following two conditions are met:

(a) The financial asset is held within a business model whose purpose is to hold the financial assets to obtain contractual cash flows and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

In accordance with “IFRS 7 Financial Instruments: Disclosures”, we consider that the carrying value of the assets, measured at amortized cost, is a reasonable approximation of fair value. Therefore, as indicated in IFRS 7, it is not necessary to make disclosures regarding the fair value of each asset.

2.9.2. Financial assets at fair value through other comprehensive income.

A financial asset should be measured at fair through other comprehensive income, if the following two conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

2.9.3. Financial assets at fair value through profit or loss

A financial asset should be measured at fair value through profit or loss, unless measured at amortized cost or at fair value through other comprehensive income.

When a derivative financial instrument is not designated as a hedging instrument, all changes in fair value are recognized immediately in profit or loss.

As of September 30, 2020, Metro S.A. did not observe any indications of impairment in its financial assets. Financial assets are tested for impairment on a quarterly basis and if any impairment is found, its impact on profit or loss is determined.

Derecognition of financial assets

The Company and its subsidiaries derecognize a financial asset only when the contractual rights on the financial assets' cash flows have expired, or when all the risks and rewards of ownership of the financial asset are substantially transferred to some other entity. If the Company does not transfer substantially all the risks and rewards of ownership and continues to exercise control over the transferred asset, the asset is accounted for and an associated liability is recorded for the amounts that must be paid. If the Company substantially retains all the risks and rewards of ownership of the financial asset, the Company still recognizes the financial asset and also a liability for the received cash flows.

2.10. Inventories

Inventories correspond to spare parts required for the operations and which are estimated to be used or consumed during one year.

Inventories are initially valued at their acquisition cost, subsequently valued at the lower of cost value or net realizable value. Cost is determined using the weighted average purchase price.

Spare parts classified as inventory are adjusted to their net realizable value, and their technological obsolescence is recognized with a direct charge to profit or loss.

2.11. Trade and other receivables

Trade accounts receivable are recognized initially at fair value (nominal value which includes an implicit interest rate, if applicable) and subsequently at amortized costs by the effective interest method, less the provision for impairment. The provision is established for expected credit losses over the life of the asset, at each balance sheet date, applying the simplified approach for trade accounts receivable.

The Company is using the expected loss model, which contains historical collection information for each tranche/stratification of its accounts receivable for the last three years (using a matrix where the provision is stratified by maturity or default per days) and additionally includes the expected losses projected by the statistical calculation of a "forward look", which takes into account the most relevant macroeconomic factors that affect uncollectibility, and the projection is based on the probability of each scenario.

Trade receivables are presented net of an allowance for uncollectible accounts and a provision is recognized as a charge to the Interim Consolidated Statement of Comprehensive Income.

2.12. Cash and cash equivalents

Cash and cash equivalents include cash, checking account balances, term deposits and other highly liquid short-term investments with original maturities of three months or less and with no restrictions on their use and with little risk of a change in their fair value.

2.13. Share capital

The Company´s share capital are the Series A and Series B common shares.

2.14. Trade and other payables

Suppliers and other accounts payable are initially recognized at their fair value net of directly attributable costs. They are subsequently valued at amortized cost.

2.15. Financial liabilities

Financial liabilities are classified either as financial liability "at fair value through profit and loss" or as "other financial liabilities".

a) Financial liabilities at fair value through profit or loss (FVTPL):

Financial liabilities are classified at fair value through profit or loss when they are held for trading or are designated at fair value through profit and loss.

IFRS 9 largely preserves the existing requirements of IAS 39 for the classification of financial liabilities. However, under IAS 39 all changes in the fair value of liabilities designated as FVTPL are recognized in profit or loss, whereas under IFRS 9 these changes in fair value are generally presented as follows:

i) the amount of the change in fair value that is attributable to changes in the liability's credit risk is presented in the other comprehensive income; and

ii) the remaining amount of the change in fair value is presented in profit or loss.

b) Other financial liabilities:

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortized cost using the effective interest rate method, in which interest expense is recognized on the basis of effective interest rate.

The effective interest rate corresponds to the method of calculating the amortized cost of a financial asset or liabilities and of allocating the interest income (expense) over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows receivable or payable (including all costs on points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the financial instrument. All the Company's long-term financial liabilities are accounted for under this method.

De-recognition of financial liabilities

Metro de-recognizes financial liabilities when, and only when, the Company's obligations are fulfilled, paid off or have expired. The difference between the carrying amount of the de-recognized financial liability and the consideration paid and payable is recognized in profit or loss.

When Metro exchanges a debt instrument with the existing lender for another debt instrument with substantially different terms, such exchange is accounted for by de-recognizing the original financial liability and recognizing a new financial liability. Similarly, Metro accounts for any substantial modification of the terms of an existing liability or part of it by de-recognizing the original financial debt and recognizing a new debt. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including financing costs net of income received and discounted using the original cash rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial debt. If the modification is not substantial, the difference between: (1) the carrying amount of the liability prior to the modification; and (2) the present value of the cash flows after the modification is recognized in income as a gain or a loss.

Derivative Financial Instruments

The Company uses derivative financial instruments to manage its exposure to volatility risks in interest rates and exchange rates, including the use of foreign currency forward contracts and interest rate swaps. See Note 23 for a detailed explanation of derivative financial instruments.

Derivatives are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value at each reporting period end. The resulting gain or loss is recognized immediately in profit or loss, unless the derivative is designated and is effective as a hedging instrument, in which case the timing for recognizing it in profit or loss will depend on the nature of the hedging relationship.

Hedge accounting.

The Company designates certain derivatives as hedging instruments against the foreign exchange risk and as cash flow hedges against the inflation risk.

At the beginning of the hedging relationship, the Company documents the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and the Company's strategy to carry out various hedging transactions. In addition, at the beginning of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective to offset changes in the hedged item's fair value or cash flows attributable to the hedged risk, which occurs when the hedging relationship meets the following effectiveness requirements:

- ✓ There is an economic relationship between the hedged item and the hedging instrument;
- ✓ The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- ✓ The hedge ratio is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If the hedge ratio of a hedging relationship fails to meet the hedge effectiveness requirement, but the risk management objective for that designated hedging relationship remains unchanged, the Company will adjust the hedge ratio of the hedging relationship (this is referred to in IFRS 9 as "rebalancing the hedge relationship") so that it complies with hedge effectiveness requirement again.

Cash flow hedges - (cross currency swap and forward - exchange rate and inflation)

The effective portion of changes in the fair value of derivatives that are designated and considered as cash flow hedges is recognized in other comprehensive income and recorded in the line "Cash flow hedge reserve" in equity, limited to the cumulative change in the fair value of the hedged item from the inception of the hedge. The gain or loss relating to the ineffective portion of the hedging instrument is immediately recognized in profit or loss and is included in "other profits (losses)".

The amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item is recognized in profit or loss.

The Company discontinues hedge accounting only when the hedging relationship (or a part of it) fails to meet the classification requirements (after rebalancing the hedge relationship, if applicable). This includes instances where the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in equity until that date remains in equity and is recognized when the forecasted transaction is finally recognized in profit or loss. When the forecasted transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Embedded derivatives

The Company and its subsidiaries have established a procedure that enables them to check for embedded derivatives in financial and non-financial contracts. In case there is an embedded derivative, and if the host contract is not accounted for at fair value, there is a determination of whether the characteristics and risks of some portion of the contract´s cash flows are not closely related to the host contract, in which case such portion is required to be separately recorded.

To date, the analyses carried out indicate that there are no embedded derivatives in the contracts of the Company and its subsidiaries that are required to be accounted for separately.

2.16. Income tax and deferred taxes

The income tax provision is determined through the application of the tax rate on the net taxable profit for the period, after applying the permitted tax deductions, plus variations in deferred tax assets and liabilities and tax credits.

Differences between the carrying amount of the assets and liabilities and their tax base generate deferred tax assets or liabilities balances, which are calculated using the tax rates that are expected to be in force when the assets and liabilities are realized.

The tax system applicable to the Company as of January 1, 2017, as it is a stock corporation with no connection to final taxpayers, is the first category tax (the Chilean corporate income tax) for the profits it obtains from operating its business. According to the Chilean Income Tax Act (Act No. 824) this tax has a rate of 25%.

The deferred tax rate is measured using the tax rates expected to be applicable to the temporary differences in the period when they are reversed using tax rates that by enactment or substantial enactment will be applicable to the Company at the reporting date.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized, (See Note 18).

2.17. Employee benefits

2.17.1. Accrued vacations

The Company recognizes accrued vacation expenses using the accrual method.

2.17.2. Severance indemnity payments

The Company has created provisions for its obligations to pay severance indemnity payments to all employees whose contracts and collective agreements state that they are entitled to this benefit in all cases.

The liability recognized is the present value of that obligation plus/minus adjustments on actuarial profits or losses and discounted debt service. The present value of the obligation is determined by discounting estimated outgoing cash flows, at a market interest rate for long-term debt instruments that approximates the term of the termination benefits obligation up to their expiration date.

2.17.3. Incentive bonuses

The Company has an annual incentive bonus plan for achieving objectives, based on the individual conditions of each employment contract. These incentives consist of a percentage of the applicable monthly salary and are accrued on the basis of the estimated amount to be paid.

2.18. Provisions

The Company recognizes provisions when:

- ✓ It has a present obligation, whether legal or constructive, as a result of past events;
- ✓ It is probable that an outflow of resources will be necessary to settle the obligation; and
- ✓ The amount of the obligation can be estimated reliably.

The amount recognized as a provision must be the best estimate of the disbursement necessary to pay the present obligation at the end of the reporting period.

2.19. Classification of balances (current and non-current)

In the Interim Consolidated Statements of Financial Position, balances are classified as current when the maturity is equal to twelve months or less from the cut-off date of the Interim Consolidated Financial Statements and as non-current, when it is in excess of that period.

2.20. Revenue and Expense Recognition

The Company recognizes revenue from the following main sources:

- ✓ Passenger transportation service
- ✓ Sales channel
- ✓ Lease of stores, and commercial and advertising spaces
- ✓ Lease in inter-modal terminals
- ✓ Lease of spaces for telephone and fiber optic antennas
- ✓ Lease of land
- ✓ Advisory services

The income is measured based on the consideration specified in the contracts with customers. The Company recognizes revenue when performance obligations are satisfied.

Revenue from passenger transportation service: The Company has a contract in place with the Ministry of Transport and Telecommunications of Chile to provide public passenger transportation services in Santiago.

Passenger transportation service revenue is recognized at fair value, and is recorded daily based on use (number of trips) when a user passes the Bip card through the turnstile. This number of pass-throughs is multiplied by the technical fare.

Revenue sales channel - Santiago Metro maintains a contract with the Ministry of Transport and Telecommunications of Chile, providing services of issuance and post sale and provision of a marketing network and uploading the means of access to the transportation system public passengers of Santiago. These revenues are recognized monthly and are equivalent to a total percentage of collections for transport fees charged as discussed in the previous paragraph. Consequently, revenues are recognized over time when the performance obligation is met.

Revenue from lease of stores, and commercial and advertising spaces: Revenue from operating leases are recognized monthly on an accrual basis.

Revenue from lease at intermodal terminals: Intermodal terminal revenue is recognized monthly on an accrual basis.

Revenue from lease space for telephone and fiber optic antennas: This kind of revenue is recognized monthly on an accrual basis.

Revenue from lease of land: Revenue from lease of land is recognized monthly on an accrual basis.

Revenue from advisory services: Metro de Santiago provides advisory services to foreign public and private companies that are developing railway systems. This revenue is recognized over time in the financial statements based on the hours incurred in the advisory services project, based on the percentage of completion method.

Expenses include both losses and expenses that arise in the ordinary activities of the Company. Expenses also include cost of sales, salaries and depreciation. In general, expenses represent an outflow or decrease in assets such as cash and cash equivalents, inventory or property, plant and equipment.

2.21. Lease agreements

The Company as lessor

The Company has a contract with the characteristics of a financial lease, which has been accounted for as established in IFRS 16 "Leases." Finance leases are leases where the lessor transfers substantially all the risks and rewards incidental to ownership of the asset to the lessee. Contracts that do not meet the requirements of a finance lease are classified as operating leases, i.e. a lease is an operating lease whenever the lessor retains a significant part of the risks and rewards incidental to ownership of the leased assets.

In the case of finance leases, at the inception date, the Company recognizes the assets held under finance leases and presents them as an account receivable, equal in value to the net investment in the lease. The net investment in the lease is calculated as the sum of the present value of the lease payments.

Subsequently, the Company recognizes the finance income over the term of the lease, based on a model that reflects a constant rate of return on the net financial investment made in the lease.

The Company as lessee

The Company evaluates whether a contract is or contains a lease at the inception of the contract. If the contract does contain a lease, the Company recognizes a right-of-use asset and a and lease liability. The start date of the lease is that on which the lessor makes the asset available to the lessee for the lessee to use it.

The valuation of the right to use the asset includes the following items:

- ✓ The amount of the initial valuation of the lease liability
- ✓ Any lease payment made to the lessor prior to the start date or on the start date.
- ✓ Any initial direct cost incurred by the lessee.
- ✓ An estimate of the costs that the Company will incur in dismantling and withdrawing or restoring the asset.

Subsequently, the right-of-use asset will be accounted for in accordance with IAS 16 Properties, plants and equipment.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.

2.22. New IFRS and interpretations issued by the IFRS Interpretations Committee (IFRIC).

New standards, amendments to standards and interpretations that are mandatory for the first time for periods beginning on January 1, 2020.

IFRS Amendments	Effective date
Definition of a Business (Amendments to IFRS 3)	Annual periods beginning on or after January 01, 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual periods beginning on or after January 01, 2020
Interest rate benchmark reform (amendment to IFRS 9, IAS 39 and IFRS 7)	Annual periods beginning on or after January 01, 2020
Conceptual Framework for Revised Financial Reporting	Annual periods beginning on or after January 01, 2020
Lease Concessions Related to COVID-19 (amendments to IFRS 16)	Annual periods beginning on or after June 1, 2020

Impact of application of Amendments, New Interpretations

The application of the amendments and new interpretations did not have a significant impact on the amounts reported in these Interim Consolidated Financial Statements. However, they may affect the accounting for future transactions or arrangements.

The following new standards and interpretations have been issued but their application date is not yet mandatory:

New IFRS	**Effective date**
IFRS 17 — Insurance Contracts	Annual periods beginning on or after January 01, 2021
IFRS Amendments	**Effective date**
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2022. Earlier application is permitted.
Reference to the Conceptual Framework (amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	Annual periods beginning on or after January 1, 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	Annual periods beginning 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 beginning on or after January 1, 2022

Management considers that the future application of these standards and amendments and interpretations is not expected to have a significant effect on the Interim Consolidated Financial Statements.

3. Management's estimates and accounting criteria

The estimates and criteria used by management are continuously assessed and are based on historical experience and other factors, including the expectation of occurrence of future events that are considered reasonable based on the circumstances.

The most relevant management estimates and accounting criteria are detailed as follows:

3.1. Severance indemnity payments

The Company recognizes a liability for the agreed upon obligations for severance payments using an actuarial methodology that considers factors such as the discount rate, effective turnover and other factors inherent to the Company. Any change in these factors and assumptions, shall have an impact on the carrying amount of the severance obligation.

The Company determines the discount rate at the end of each year considering the market conditions as of the valuation date. This interest rate is used to determine the present value of estimated future cash outflows to be required to settle the severance obligation. When determining interest rates, the Company considers representative rates of financial instruments that are denominated in the currency in which the obligation is expressed and which have expiry terms that are close to the payment terms of such obligation.

Actuarial gains and losses arise from variances between estimated and actual performance of actuarial assumptions and/or the modification of established actuarial assumptions, which are reported directly in Other Comprehensive Income for the period.

3.2. Useful life of property, plant and equipment

Property, plant and equipment and intangible assets with finite useful lives are depreciated using the straight-line method on the basis of an estimated useful life. Such estimate takes into consideration technical aspects, nature and conditions of use of those assets and might vary significantly as a consequence of technological innovations or other variables, which will imply adjusting the remaining useful lives, and recognizing higher or lower depreciation, as applicable. Likewise, residual values are determined based on technical aspects that might vary in accordance with the specific conditions of each asset.

3.3. Litigation and other contingencies

The Company has various types of lawsuits for which it is not possible to determine exactly the economic effects that these may have on the Interim Consolidated Financial Statements. In cases where the Administration and the lawyers expect an unfavorable result and where such results may be estimated reliably, provisions have been made with a charge to expense based on estimates of the most likely amount to be paid.

3.4. Measurements and/or valuations at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the assumptions that market participants would use when establishing the price of the asset or liability under current market conditions, including assumptions regarding risk. To measure fair value the following must be determined:

a) The actual asset or liability to be measured.

b) For a non-financial asset, the highest and best use of the asset and if the asset is used in combination with other assets or in an independent manner.

c) The market in which an orderly transaction would take place for the asset or liability; and

d) The appropriate valuation technique(s) to be used when measuring fair value. The valuation technique(s) used must maximize the use of relevant observable entry data and minimize non-observable entry data.

To determine the expected loss model of IFRS 9 (simplified model), the Company and its subsidiary have introduced variables in the simplified model so that they can measure fair value based on historical data, percentages of recoverability of accounts receivable and macroeconomic variables.

Market value hierarchies for items at fair value:

Each of the market values for the financial instruments is supported by a methodology for calculation and entry of information. Each of them has been analyzed to determine at which of the following levels they can be allocated:

Level 1, corresponds to methodologies using market units (without adjustment) in active markets and considering the same assets and liabilities valued.

Level 2, corresponds to methodologies using market trading data, not included in Level 1, which are observable for the assets and liabilities valued, whether directly (prices) or indirectly (derived from prices).

Level 3, corresponds to methodologies using valuation techniques, which include data on the assets and liabilities valued, which are not supported by observable market data, where it would have a significant effect.

The Company measures and/or assesses all financial instruments at fair value upon initial measurement; financial instruments are subsequently measured at amortized cost, except for derivative transactions, cross currency swaps (CCS), forwards and interest rate swaps (IRS), which continue to be measured at fair value after their initial recognition.

The Company hierarchically classifies its measurement of fair value under level 2, as established in IFRS 13, and the costs of transactions attributable to those instruments are recognized in income as they are incurred.

The changes in the fair value for the Interest Rate Swap (IRS) are considered as components of the net profit or loss of the year, while for the Cross Currency Swap (CCS) and forward, the changes in the fair value are considered as described above with respect to cash flow hedges.

The valuation techniques used to measure the fair value of assets and liabilities are:

The valuation techniques used by the Company are appropriate in the circumstances and over which there exists sufficient available data to measure fair value, maximizing the use of relevant observable variables and minimizing the use of unobservable variables. The specific technique used by the Company to value and or measure the fair value of its assets (derivative financial instruments) is discounted cash flow, based on market curves.

Entry data for fair value measurement:

Level 1:

- ✓ Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:

- ✓ Quoted prices for identical or similar assets in markets that are not active.
- ✓ Variables other than quoted prices that are observable for the asset, for example: Interest rates, observable yield curves at commonly quoted intervals and implicit volatilities.

Level 3:

- ✓ Unobservable inputs.

Items where gains (losses) are recognized on fair value measurements.

Fair value measurement gains (losses) in Interest Rate Swaps (IRS) are recognized as Other Gains (Losses) in profit or loss, while for Cross Currency Swaps (CCS) and forward they are recognized in equity.

Fair value measurement for assets and liabilities

Measurement of fair value requires the determination of the asset or liability to measure (derivative financial instruments). The Company uses the assumptions that market participants would use when establishing the price of the asset or liability under current market conditions, including assumptions regarding risk at the date of the measurement. Should there be restrictions on the asset or payment of any liability, they would be taken into account.

The detail and classification of financial assets as of September 30, 2020 and as of December 31, 2019 is as follows:

09-30-2020	Amortized Cost ThCh$	Assets at Fair value through profit or loss ThCh$	Assets at Fair value through equity ThCh$	Total ThCh$
Trade and other receivables	16,110,551	-	-	16,110,551
Cash and cash equivalents	**329,040,193**	**2,285,341**	-	**331,325,534**
Cash and banks	-	2,285,341	-	2,285,341
Term deposits	329,040,193	-	-	329,040,193
Repurchase agreements		-	-	-
Other financial assets	**115,940,117**	**16,393,167**	**-**	**132,333,284**
Term deposits	60,802,228	-	-	60,802,228
Derivative transactions	-	16,393,167	-	16,393,167
Finance lease	1,948,001	-	-	1,948,001
Promissory notes receivable	382,085	-	-	382,085
Advertising receivables	52,804,071	-	-	52,804,071
Other financial assets	3,732	-	-	3,732
Total financial assets	**461,090,861**	**18,678,508**	**-**	**479,769,369**

12-31-2019	Amortized Cost ThCh$	Assets at Fair value through profit or loss ThCh$	Assets at Fair value through equity ThCh$	Total ThCh$
Trade and other receivables	17,668,064	-	-	17,668,064
Cash and cash equivalents	**101,741,543**	**4,761,726**	-	**106,503,269**
Cash and banks	-	4,761,726	-	4,761,726
Term deposits	99,295,250	-	-	99,295,250
Repurchase agreements	2,446,293	-	-	2,446,293
Other financial assets	**201,414,717**	**273,997**	**16,407,725**	**218,096,439**
Term deposits	151,649,628	-	-	151,649,628
Derivative transactions	-	273,997	16,407,725	16,681,722
Finance lease	2,156,039	-	-	2,156,039
Promissory notes receivable	678,522	-	-	678,522
Advertising receivables	46,925,199	-	-	46,925,199
Other financial assets	5,329	-	-	5,329
Total financial assets	**320,824,324**	**5,035,723**	**16,407,725**	**342,267,772**

The detail and classification of financial liabilities as of September 30, 2020 and as of December 31, 2019 is as follows:

09-30-2020	Amortized Cost ThCh$	Liabilities at Fair value through profit or loss ThCh$	Liabilities at Fair value through equity ThCh$	Total ThCh$
Interest-bearing loans	2,669,357,006	-	-	2,669,357,006
Trade and other payables	85,422,192	-	-	85,422,192
Hedge liabilities	-	-	597,097	597,097
Other financial liabilities	2,746	-	-	2,746
Total financial liabilities	**2,754,781,944**	**-**	**597,097**	**2,755,379,041**

12-31-2019	Amortized Cost ThCh$	Liabilities at Fair value through profit or loss ThCh$	Liabilities at Fair value through equity ThCh$	Total ThCh$
Interest-bearing loans	2,221,979,112	-	-	2,221,979,112
Trade and other payables	113,936,828	-	-	113,936,828
Hedge liabilities	-	46,026	4,157,464	4,203,490
Other financial liabilities	2,746	-	-	2,746
Total financial liabilities	**2,335,918,686**	**46,026**	**4,157,464**	**2,340,122,176**

4. Cash and cash equivalents

Balances of cash and cash equivalents are detailed as follows:

Item	Currency	09-30-2020 ThCh$	12-31-2019 ThCh$
Cash			
Cash on hand	Ch$	415,693	36,501
	US$	2,893	5,212
Bank	Ch$	1,862,615	4,714,824
	US$	4,140	5,189
Total cash		**2,285,341**	**4,761,726**
Term deposits	Ch$	159,663,400	92,702,109
	US$	169,376,793	6,593,141
Total term deposits		**329,040,193**	**99,295,250**
Repurchase agreements	Ch$	-	2,446,293
Total repurchase agreements		-	**2,446,293**
Total cash and cash equivalents		**331,325,534**	**106,503,269**
Subtotal by currency	Ch$	161,941,708	99,899,727
	US$	169,383,826	6,603,542

Cash equivalents represent short-term highly liquid investments such as term deposits and fixed income investments –repurchase agreements- that are easily convertible into cash, and are subject to insignificant risk of changes in value, which are maintained to comply with short-term payment commitments. The detail as of September 30, 2020 and December 31, 2019 is as follows:

Term deposits

Type of investment	Currency of origin	Principal in domestic currency in thousands	Annual average rate	Average days to maturity	Principal in domestic currency ThCh$	Accrued interest in domestic currency ThCh$	Carrying amount 09-30-2020 ThCh$
MetroPago term deposits	Ch$	2,480,003	0.37%	47	2,480,003	1,095	2,481,098
Term deposits	Ch$	157,148,569	0.30%	34	157,148,569	33,733	157,182,302
	US$	214,886.41	0.13%	26	169,362,726	14,067	169,376,793
Total					**328,991,298**	**48,895**	**329,040,193**

Type of investment	Currency of origin	Principal in domestic currency in thousands	Annual average rate	Average days to maturity	Principal in domestic currency ThCh$	Accrued interest in domestic currency ThCh$	Carrying amount 12-31-2019 ThCh$
Term deposits	Ch$	92,529,152	2.17%	19	92,529,152	172,957	92,702,109
	US$	8,801.24	2.62%	22	6,589,840	3,301	6,593,141
Total					**99,118,992**	**176,258**	**99,295,250**

Repurchase agreements 2019

Code	Date		Counterparty	Original currency	Subscription amount ThCh$	Nominal rate %	Maturity amount ThCh$	Instrument identification	Carrying amount 12-31-2019 ThCh$
	Beginning	End							
CRV	12-27-2019	01-02-2020	ITAU CORREDOR DE BOLSA	CLP	1,000,000	1.96%	1,000,320	PROMISSORY NOTE NR	1,000,213
CRV	12-30-2019	01-03-2020	ITAU CORREDOR DE BOLSA	Ch$	446,000	1.96%	446,098	PROMISSORY NOTE NR	446,025
CRV	12-30-2019	01-06-2020	ITAU CORREDOR DE BOLSA	Ch$	1,000,000	1.96%	1,000,385	CORPBANC BOND	1,000,055
Total					**2,446,000**		**2,446,803**		**2,446,293**

5. Trade and other receivables, current

As of September 30, 2020 and as of December 31, 2019, this item consists of the following:

Trade and Other Receivables, Gross	09-30-2020 ThCh$	12-31-2019 ThCh$
Trade debtors and other accounts receivable, gross	**15,844,017**	**16,743,890**
Trade receivables, gross (*)	12,113,570	10,521,935
Sales channel accounts receivable, gross	1,910,869	3,783,958
Other receivables, gross	1,819,578	2,437,997

Trade and Other Receivables, Net	09-30-2020 ThCh$	12-31-2019 ThCh$
Trade and other receivables, net	**15,014,771**	**16,090,004**
Trade receivables, net	11,284,324	9,868,049
Sales channel accounts receivable, net	1,910,869	3,783,958
Other receivables, net	1,819,578	2,437,997

(*) Effective as of March 10, 2020, amendment No. 1 was signed to the contract with Massiva S.A., lasting a period of 11 years (July 2019 to June 2030), which establishes a minimum annual guaranteed income (MAG) payable during the term of the amendment.

As of September 30, 2020 and as of December 31, 2019, the analysis of net trade and accounts receivable by age and expiration date is detailed below:

Trade receivables, net	09-30-2020 ThCh$	12-31-2019 ThCh$
Aged 3 months	7,676,277	4,231,606
Aged more than 3 months up to 1 year	3,324,325	5,113,450
Aged more than 1 year	283,722	522,993
Total	**11,284,324**	**9,868,049**

Sales Channel Accounts Receivable, net	09-30-2020 ThCh$	12-31-2019 ThCh$
Aged 3 months	1,883,864	3,685,763
Aged more than 3 months up to 1 year	4,768	71,664
Aged more than 1 year	22,237	26,531
Total	**1,910,869**	**3,783,958**

Other Receivables, net	09-30-2020 ThCh$	12-31-2019 ThCh$
With 3 months maturity	1,380,379	1,974,972
With 3 months up to 1 year maturity	439,199	463,025
Total	**1,819,578**	**2,437,997**

Movements as of September 30, 2020 and as of December 31, 2019 in the impairment provision are as follows:

Past due and outstanding trade receivables with impairment	ThCh$
Balance as of December 31, 2018	**611,902**
Increase for the period	175,305
Decrease for the period	(131,821)
Write-offs for the period	(1,500)
Balance as of December 31, 2019	**653,886**
Increase for the period	224,142
Decrease for the period	(48,239)
Write-offs for the period	(543)
Balance as of September 30, 2020	**829,246**

The Company establishes a provision based on an expected loss for trade receivables.
The Company only uses the provision method and no direct write-offs, for better control of this item. Once pre-judicial and judicial collection measures have been exhausted, the assets are written-off against the provision recorded.

6. Inventories

This item comprises the following:

Classes of inventories	09-30-2020 ThCh$	12-31-2019 ThCh$
Inventories and stock	2,293,811	2,083,438
Spare parts and accessories for maintenance	15,985,713	14,721,017
Imports in transit and other	1,249,714	625,839
Total	**19,529,238**	**17,430,294**

As of September 2020 and 2019, inventory consumption was charged to the Consolidated Statement of Comprehensive Income in the cost of sales line item, in the amount of ThCh$3,435,633 and ThCh$6,936,662, respectively.

As of September 2020, there were no write-offs of inventories. As of the same period of the previous year they amounted to ThCh$6,624. Based on the analysis carried out by the Technical Management for the stock of spare parts, maintenance accessories and supplies presented in this group, no objective evidence of impairment was found for this asset class.

During the year, the Company records no inventory items subject to pledge or guarantee.

7. Intangible assets other than goodwill

Intangible assets other than goodwill correspond to licenses and software and transit easements. They are accounted for using the acquisition cost and subsequently they are carried at cost net of accumulated amortization and impairment losses, if any.

Licenses and software are amortized using the straight-line method over the applicable useful life, which is generally estimated at four years. For easements, since the contracts are established with no expiry date, easements are considered to have indefinite useful life, and therefore they are not amortized.

At the balance sheet date, the Company found no objective evidence of impairment for this type of asset.

The items within the Interim Consolidated Statement of Comprehensive Income that include amortization of intangible assets with finite useful lives are in the cost of sales and administrative expenses line items.

There are no intangible assets with ownership restrictions or that provide security for any liabilities of the Company.

a) Intangible assets other than goodwill for the September 2020 period and the 2019 year, are as follows:

Item	09-30-2020			12-31-2019		
	Intangible assets, gross ThCh$	Accumulated amortization ThCh$	Intangible assets, net ThCh$	Intangible assets, gross ThCh$	Accumulated amortization ThCh$	Intangible assets, net ThCh$
Licenses and Software	9,869,364	(5,818,499)	4,050,865	9,200,644	(5,170,569)	4,030,075
Easements	4,348,729	-	4,348,729	4,346,229	-	4,346,229
Total	**14,218,093**	**(5,818,499)**	**8,399,594**	**13,546,873**	**(5,170,569)**	**8,376,304**

b) Movements of intangible assets other than goodwill for the period ended September 30, 2020, are as follows:

Movements	Licenses and Software ThCh$	Easements ThCh$	Total intangible assets, net ThCh$
Opening balance 01-01-2020	4,030,075	4,346,229	8,376,304
Additions	68,155	2,500	70,655
Transfers	600,565	-	600,565
Amortization	(647,930)	-	(647,930)
Closing balance 09-30-2020	4,050,865	4,348,729	8,399,594
Average remaining useful life	4.37 years	Indefinite	

Movements of intangible assets other than goodwill for the year ended December 31, 2019, are as follows:

Movements	Licenses and Software ThCh$	Easements ThCh$	Total intangible assets, net ThCh$
Opening balance 01-01-2019	2,062,224	4,329,892	6,392,116
Additions	30,001	16,337	46,338
Transfers	2,637,319	-	2,637,319
Amortization	(699,469)	-	(699,469)
Closing balance 12-31-2019	4,030,075	4,346,229	8,376,304
Average remaining useful life	4 years	Indefinite	

8. Property, plant and equipment

a) Property, plant and equipment items comprise the following:

Property, plant and equipment	09-30-2020 ThCh$	12-31-2019 ThCh$
Classes of property, plant and equipment, net		
Property, plant and equipment, net	**4,961,786,211**	**4,867,401,435**
Works in progress, net	597,343,279	495,582,298
Land, net	134,389,439	132,899,647
Civil works, net	2,648,777,553	2,670,687,286
Buildings, net	166,786,605	167,366,517
Rolling stock, net	1,029,201,081	1,006,350,544
Electrical equipment, net	339,346,603	354,825,762
Machinery and equipment, net	25,500,159	21,210,182
Other, net	20,441,492	18,479,199
Classes of property, plant and equipment, gross		
Property, plant and equipment, gross	**5,850,096,758**	**5,675,209,325**
Works in progress, gross	597,343,279	495,582,298
Land, gross	134,389,439	132,899,647
Civil works, gross	2,890,800,163	2,886,832,809
Buildings, Gross	191,665,811	189,893,979
Rolling stock, gross	1,373,502,442	1,321,524,848
Electrical equipment, gross	592,719,832	586,742,886
Machinery and equipment, gross	49,234,300	43,253,659
Other, gross	20,441,492	18,479,199
Classes of accumulated depreciation and impairment, Property, plant and equipment		
Total accumulated depreciation and impairment, Property, plant and equipment	**888,310,547**	**807,807,890**
Accumulated depreciation of civil works	242,022,610	216,145,523
Accumulated depreciation of buildings	24,879,206	22,527,462
Accumulated depreciation of rolling stock	344,301,361	315,174,304
Accumulated depreciation of electrical equipment	253,373,229	231,917,124
Accumulated depreciation of machinery and equipment	23,734,141	22,043,477

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2020 AND 2019 AND AS OF DECEMBER 31, 2019

b) The detail of movements in property, plant and equipment for the 2020 period and 2019 year, is as follows:

	2020 movements	Works in progress	Land	Civil works	Buildings	Rolling stock	Electrical equipment	Machinery and equipment	Other	Property, plant and equipment, net
	Opening balance at January 1, 2020	495,582,298	132,899,647	2,670,687,286	167,366,517	1,006,350,544	354,825,762	21,210,182	18,479,199	4,867,401,435
Movements	Additions	162,061,282	1,489,792	3,791,972	10,531	10,258,437	2,026,215	499,139	-	180,137,368
	Transfers	(60,199,599)	-	175,382	1,761,301	47,561,379	4,214,071	5,886,901	-	(600,565)
	Spare parts transfer	-	-	-	-	-	-	-	1,962,293	1,962,293
	Derecognition or sales	(100,702)	-	-	-	(33,157)	(60,561)	(5,593)	-	(200,013)
	Depreciation expense	-	-	(25,877,087)	(2,351,744)	(34,936,122)	(21,658,884)	(2,090,470)	-	(86,914,307)
	Total movements	101,760,981	1,489,792	(21,909,733)	(579,912)	22,850,537	(15,479,159)	4,289,977	1,962,293	94,384,776
	Closing balance as of September 30, 2020	597,343,279	134,389,439	2,648,777,553	166,786,605	1,029,201,081	339,346,603	25,500,159	20,441,492	4,961,786,211

	2019 movements	Works in progress	Land	Civil works	Buildings	Rolling stock	Electrical equipment	Machinery and equipment	Other	Property, plant and equipment, net
	Opening balance at January 1, 2019	1,436,411,396	132,620,404	1,916,968,710	111,266,828	807,013,830	262,608,816	23,294,181	15,303,906	4,705,488,071
Movements	Additions	149,173,750	279,243	99,598,163	148,348	17,076,527	47,074,075	1,297,408	82,151	314,729,665
	Transfers	(1,090,002,848)	-	709,478,821	59,289,688	236,425,093	77,912,378	1,219,109	-	(5,677,759)
	Spare parts transfer	-	-	-	-	-	-	-	3,093,142	3,093,142
	Derecognition or sales	-	-	(20,574,176)	(275,659)	(8,730,945)	(2,945,508)	(1,867,391)	-	(34,393,679)
	Depreciation expense	-	-	(34,784,232)	(3,062,688)	(45,433,961)	(29,823,999)	(2,733,125)	-	(115,838,005)
	Total movements	(940,829,098)	279,243	753,718,576	56,099,689	199,336,714	92,216,946	(2,083,999)	3,175,293	161,913,364
	Closing balance as of December 31, 2019	495,582,298	132,899,647	2,670,687,286	167,366,517	1,006,350,544	354,825,762	21,210,182	18,479,199	4,867,401,435

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2020 AND 2019 AND AS OF DECEMBER 31, 2019

c) The useful lives of the main assets are as follows:

Item	Estimated useful life in years
Road network	60
Stations	100
Tunnels	100
Rolling stock	41

d) Written-off assets

In 2020 period, property, plant and equipment worth ThCh$181,621 has been written off.

As of September 30, 2020, 136 stations are operational, representing 100% of the network. In addition, all the lines are operational (L1, L2, L3, L4, L4A, L5 and L6).

2019 Write-offs

The violent riots that broke out on October 18, 2019 led to mass fare-dodging evasions at most of the stations and later on inflicted damage to Metro's infrastructure. The Company suspended operations across the entire network effective October 18 through October 20, 2019, conducting technical analyses to determine the amount and impact of the damage.

Following the review of those technical reports, budget estimation and accounting analyses, 6 evaluations of damaged assets were prepared: i) System and Equipment, ii) Rolling stock, iii) Stations, iv) Vertical transportation, v) Charge and toll network, and vi) Technological support, which contained a detail of all the damaged assets, accounting balances on the SAP system, purchase value, net value, derecognition value, total useful life, residual useful life and/or percentage of write-off of each asset.

Type of Asset	Minutes No.	Amount of Assets	Amount (MCh$)
Systems and Equipment	38	321	18,182
Rolling stock	30	13	8,714
Stations	34	272	5,114
Vertical Transportation	37	75	1,350
Cargo network and toll	33	153	958
Technological Support	36	86	4
Total			34,322

As of December 31, 2019, 111 out of the 136 stations are operational, representing 82% of the network. In addition, all the lines are operational (L1, L2, L3, L4, L4A, L5 and L6). From the point of view of the extension in kilometers, 92% of the total network is operational.

Lines	Non-Operating Stations (as of December 31)		
1	Baquedano L1	San Pablo	Neptuno
2	Los Héroes (Only for transfer)		
3	Cardenal Caro		
4	Macul Trinidad	Los Quillayes Elisa Correa	Protectora de Infancia San Jose de la Estrella
4A	Santa Julia	La Granja	San Ramón
5	Plaza Maipú Santiago Bueras Del Sol Monte Tabor	Barrancas Cumming Baquedano L5 Las Parcelas	Ñuble (Only for transfer) Pedrero Laguna Sur
6	Ñuble (Only transfer)		

As of December 31, 2019, property, plant and equipment worth ThCh$34,322,243 had to be written off following the damage these assets sustained amid the violence that broke out on October 18, 2019. The following table provides a detail of the assets written off and the amounts (ThCh$) involved:

Classes of property, plant and equipment	Property, plant and equipment, gross	Accumulated depreciation of the value of property, plant and equipment	Written off property, plant and equipment, net
Buildings	378,450	(119,590)	258,860
Electrical equipment	5,342,671	(2,424,655)	2,918,016
Machinery and equipment	2,251,809	(394,774)	1,857,035
Rolling stock	11,955,797	(3,241,641)	8,714,156
Civil works	23,950,197	(3,376,021)	20,574,176
Total	43,878,924	(9,556,681)	34,322,243

e) Investment projects

As of September 30, 2020, the estimated balance to be executed for the authorized projects that are part of the Company's expansion plan amounts to approximately MCh$396,073, composed, by investment type, of: MCh$222,118 in Civil Works, MCh$115,338 in Systems and Equipment and MCh$58,617 in Rolling Stock, with scheduled end in the year 2026.

As of December 31, 2019, the estimated balance to be executed for the authorized projects that are part of the Company's expansion plan amounts to approximately MCh$438,737, composed, by investment type, of: MCh$238,608 in Civil Works, MCh$175,078 in Systems and Equipment and MCh$25,051 in Rolling Stock, with scheduled end in the year 2026.

f) Spare parts and accessories

As of September 30, 2020, spare parts and accessories and maintenance materials amounted to ThCh$22,831,751 (ThCh$20,964,346 in 2019). These amounts include spare parts that have remained idle for over four years, which resulted in an allowance for obsolescence of ThCh$2,643,866 during the 2020 period and 2019 year.

g) Other disclosures

1. The property, plant and equipment that is fully amortized and is still in use is ThCh$26,056,507 as of September 30, 2020 (ThCh$26,589,292 in 2019).
2. There are no property, plant and equipment items withdrawn and not classified, that are recorded as held for sale in accordance with IFRS 5.
3. In 2015 the Company revalued the useful life of rolling stock NS74. The useful life was extended for five years on a residual value of ThCh$133,138. Due to the effect of the revaluation of the useful life the impact on depreciation is ThCh$18,784 in the 2020 period and ThCh$19,101 in the 2019 period.
4. There are no elements of property, plant and equipment with restrictions of ownership or guarantee for the fulfillment of obligations according to IAS 16 paragraph 74, a.

h) Financing costs

During 2020, capitalized borrowing costs associated with property, plant and equipment amounted to ThCh$12,710,702 (ThCh$16,016,181 in 2019).

i) Criteria for additions of property, plant and equipment (PPE) and statement of cash flow.

Additions of property, plant and equipment are recorded on the accrual basis, while purchases are recorded in the Statement of Cash Flows on a paid basis; therefore, there could be mismatches between actual payments and these additions.

9. Investment property

Investment property corresponds mainly to commercial stores, land and buildings that are held by the Company to be exploited under operating leases.

Investment property is measured using the cost model.

The total investment property amounts to ThCh$25,101,746 as of September 30, 2020 (ThCh$25,342,044 in 2019).

Investment property	Commercial stores	Land	Buildings	Total
Balances as of 01-01-2020	16,577,416	607,816	8,156,812	25,342,044
Additions	-	-	1,847	1,847
Depreciation	(171,169)	-	(70,976)	(242,145)
Balances as of 09-30-2020	**16,406,247**	**607,816**	**8,087,683**	**25,101,746**
Investment property	**Commercial stores**	**Land**	**Buildings**	**Total**
Balance as of 01-01-2019	13,781,411	607,816	8,252,192	22,641,419
Transfers	3,040,440	-	-	3,040,440
Write offs (*)	(12,453)	-	(740)	(13,193)
Depreciation	(231,982)	-	(94,640)	(326,622)
Balances as of 12-31-2019	**16,577,416**	**607,816**	**8,156,812**	**25,342,044**

(*) These are the stores damaged by the riots that began on October 18, 2019; they are reported in the minutes of damaged assets.

As established by IAS 40, an estimate of fair value must be disclosed for investment properties valued at the Cost Model. For this purpose, we have determined such calculation using internal valuations, based on discounted future projected cash flows. It is estimated that as of September 30, 2020 this fair value amounts to ThCh$194,805,332 (ThCh$167,476,262 as of December 2019).

Investment property has been classified as a Level 3 fair value, based on the inputs for the valuation technique used (see Note 3.4) as follows:

Item	09-30-2020 ThCh$	12-31-2019 ThCh$
Commercial stores	103,515,612	102,641,404
Land	76,953,171	53,639,961
Buildings	14,336,549	11,194,897
Total	**194,805,332**	**167,476,262**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2020 AND 2019 AND AS OF DECEMBER 31, 2019

Income and associated costs from investment property as of September 2020 and 2019 is as follows:

Investment property income and expenses	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Commercial stores	3,603,127	4,679,983	(2,772)	1,002,112
Land	2,507,828	2,035,360	1,274,141	1,113,857
Buildings	581,019	567,675	193,827	191,183
Total rental income	**6,691,974**	**7,283,018**	**1,465,196**	**2,307,152**
Commercial stores (real estate tax)	(118,128)	(115,706)	(39,376)	(39,271)
Land (real estate tax)	(44,338)	(41,543)	(14,779)	(13,848)
Buildings (real estate tax)	(86,609)	(84,068)	(28,870)	(28,023)
Commercial stores (depreciation)	(171,169)	(173,987)	(55,250)	(61,523)
Buildings (depreciation)	(35,456)	(35,459)	(11,819)	(11,820)
Total lease expenses	**(455,700)**	**(450,763)**	**(150,094)**	**(154,485)**

The Company has not established liens, mortgages or other kind of security to provide the investment property as collateral.

Lease contracts generally establish the obligation to maintain and repair properties. Therefore, expenses are borne by the lessees, except for expenses for the payment of property taxes, which are borne by the less or.

The future cash flow projections associated with commercial stores, land and buildings, based on a discount rate of 3.05% as of September 2020 (3.32% as of September 2019), are the following:

Item	09-30-2020 ThCh$	09-30-2019 ThCh$
Commercial stores		
Up to 1 year	3,496,483	4,319,312
More than 1 year up to 5 years	15,990,035	19,601,739
More than 5 years	93,065,981	107,061,478
Land		
Up to 1 year	2,433,603	1,939,716
More than 1 year up to 5 years	11,129,297	8,802,744
More than 5 years	64,775,279	48,079,139
Buildings		
Up to 1 year	563,822	462,669
More than 1 year up to 5 years	2,578,458	2,099,667
More than 5 years	15,007,269	11,468,035
Total	**209,040,227**	**203,834,499**

10. Other financial assets, current and non-current

Other current and non-current financial assets are detailed below:

Item	09-30-2020		12-31-2019	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Financial investments, more than three months	60,802,228	-	151,649,628	-
Derivative transactions	931,769	15,461,398	4,601,090	12,080,632
Finance lease	79,437	1,868,564	236,840	1,919,199
Promissory notes receivable	-	382,085	-	678,522
Advertising receivable (*)	-	52,804,071	-	46,925,199
Other accounts receivable	-	3,732	-	5,329
Total	**61,813,434**	**70,519,850**	**156,487,558**	**61,608,881**

(*) Effective as of March 10, 2020, amendment No. 1 was signed to the contract with Massiva S.A., lasting a period of 11 years (July 2019 to June 2030), which establishes a minimum annual guaranteed income (MAG) payable during the term of the amendment.

Financial investments, over 3 months

Term deposits

Type of investment	Currency of origin	Principal in domestic origin in thousands	Annual rate	Average days to Maturity	Principal in domestic currency ThCh$	Interest interest in domestic currency ThCh$	Carrying amount 09-30-2020 ThCh$
Term deposit	Ch$	36,328,422	0.38%	39	36,328,422	30,980	36,359,402
	US$	30,980.00	0.36%	49	24,416,887	25,939	24,442,826
Total					**60,745,309**	**56,919**	**60,802,228**

Type of investment	Currency of origin	Principal in domestic origin in thousands	Annual rate	Average days to Maturity	Principal in domestic currency ThCh$	Interest interest in domestic currency ThCh$	Carrying amount 09-30-2019 ThCh$
Term deposits	Ch$	151,028,183	2.31%	63	151,028,183	621,445	151,649,628
Total					**151,028,183**	**621,445**	**151,649,628**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2020 AND 2019 AND AS OF DECEMBER 31, 2019

Derivative transactions

Financial assets of Metro S.A., Tax ID No. 61,219,000 - 3, country Chile, with local and foreign entities as of 09-30-2020.

						Current			Non-current		
						Maturity		Total current	Maturity		Total non-current
Tax ID No.	Name	Country	Currency	Nominal rate	Type of amortization	Up to 90 days	90 days-1 year	09-30-2020	1 to 3 years	Over 5 years	09-30-2020
						ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
97,004,000-5	Banco de Chile	Chile	US$	4.75000%	maturity	-	174,707	174,707	1,938,821	323,137	2,261,958
97,032,000-8	Scotiabank	Chile	US$	4.75000%	maturity	-	174,707	174,707	2,129,946	354,990	2,484,936
97,036,000-K	Banco Santander	Chile	US$	4.75000%	maturity	-	174,707	174,707	2,324,696	387,449	2,712,145
97,032,000-8	Scotiabank	Chile	US$	4.75000%	maturity	-	174,707	174,707	2,442,212	407,035	2,849,247
97,004,000-5	Banco de Chile	Chile	US$	4.75000%	maturity	-	232,941	232,941	4,416,953	736,159	5,153,112
			Total			**-**	931,769	**931,769**	**13,252,628**	**2,208,770**	**15,461,398**

Financial assets of Metro S.A., Tax ID No. 61,219,000 - 3, country Chile, with local and foreign entities as of 12-31-2019.

						Current			Non-current		
						Maturity		Total current	Maturity		Total non-current
Tax ID No.	Name	Country	Currency	Nominal rate	Type of amortization	Up to 90 days	90 days-1 year	12-31-2019	1 to 3 years	Over 5 years	12-31-2019
						ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
97,004,000-5	Banco de Chile	Chile	US$	4.75000%	maturity	432,709	-	432,709	-	549,735	549,735
97,032,000-8	Scotiabank	Chile	US$	4.75000%	maturity	432,709	-	432,709	-	779,471	779,471
97,036,000-K	Banco Santander	Chile	US$	4.75000%	maturity	432,709	-	432,709	-	1,519,466	1,519,466
97,036,000-K	Banco Santander	Chile	US$	4.75000%	maturity	432,709	-	432,709	-	1,447,597	1,447,597
97,036,000-K	Banco Santander	Chile	US$	4.75000%	maturity	432,709	-	432,709	-	1,025,405	1,025,405
97,036,000-K	Banco Santander	Chile	US$	4.75000%	maturity	432,709	-	432,709	-	1,192,407	1,192,407
97,004,000-5	Banco de Chile	Chile	US$	4.75000%	maturity	432,709	-	432,709	-	1,192,392	1,192,392
97,032,000-8	Scotiabank	Chile	US$	4.75000%	maturity	432,709	-	432,709	-	1,152,887	1,152,887
97,004,000-5	Banco de Chile	Chile	US$	4.75000%	maturity	576,947	-	576,947	-	2,871,854	2,871,854
97,004,000-5	Banco de Chile	Chile	US$	4.75000%	maturity	288,474	-	288,474	-	349,418	349,418
59,046,320-5	BNP Paribas	France	US$	4.19000%	half-yearly	123,384	150,613	273,997	-	-	-
			Total			**4,450,477**	**150,613**	**4,601,090**	**-**	**12,080,632**	**12,080,632**

Finance lease

On August 1, 2004 and through July 31, 2034, the Company leased out to Enel Distribución Chile S.A. (Ex ChilectraS.A.) each and every one of the components of the SEAT Rectification Substations, Vicente Valdés and the 20 KV networks up to their arrival to the verifying spots. The useful life of the assets has the same duration as the respective lease contract, therefore and in accordance with IFRS 16, it is a finance lease. For that reason, machinery and equipment was derecognized from property, plant and equipment and was recognized as a right to collect payments for lease, calculated at the present value of the lease payments.

The present value of the lease payments receivable is projected until the year 2034, considering a discount rate of 10% that is expressed in the respective lease agreement.

Metro S.A. issues an annual invoice to Enel Distribución Chile S.A., during the first 15 days of July, which shall be paid 30 days after that invoice is received. The payments that the tenant makes are divided into two parts, one that represents the financial burden and another which reduces the existing principal of the obligation. The total financial burden is distributed among the years that constitute the term of the lease.

There are no amounts of unsecured residual values accrued in favor of the lessor.

There is no accumulated provision for minimum payments on uncollectible leases.

There are no contingent leases recognized as income for the year.

Outstanding future minimum lease payments	09-30-2020			12-31-2019		
	Gross Amount ThCh$$	Interest ThCh$	Current Value ThCh$	Gross Amount ThCh$$	Interest ThCh$	Current Value ThCh$
Up to 1 year	249,306	169,869	79,437	236,840	-	236,840
More than 1 year up to 5 years	1,246,531	713,065	533,466	1,184,200	765,364	418,836
More than 5 years	1,745,142	410,044	1,335,098	2,131,559	631,196	1,500,363
Total	**3,240,979**	**1,292,978**	**1,948,001**	**3,552,599**	**1,396,560**	**2,156,039**

11. Other non-financial assets, current and non-current

Other current and non-current non-financial assets are detailed below:

Other non-financial assets, current	09-30-2020 ThCh$	12-31-2019 ThCh$
Pre-paid expenses	3,036	99,215
Advance payments to suppliers and personnel	7,714,341	6,482,194
Bonus for collective bargaining	2,579,397	2,512,757
Other accounts receivable	643,542	759,227
Total	**10,940,316**	**9,853,393**

Other non-financial assets, non-current	09-30-2020 ThCh$	12-31-2019 ThCh$
Funds allocated to pay for expropriations of new lines	52,120,478	13,794,166
VAT credit	12,285,784	9,903,699
Investment land under lease contracts	1,032,161	1,018,037
Advance for severance indemnities and other loans to personnel	2,607,831	2,233,755
Bonus for collective bargaining	1,970,884	4,454,312
Total	**70,017,138**	**31,403,969**

12. Other financial liabilities, current and non-current

This item comprises the following:

Item	09-30-2020		12-31-2019	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Interest-bearing loans	9,411,175	17,929,924	71,407,756	407,673,720
Bonds	79,478,658	2,562,537,249	78,368,327	1,664,529,309
Derivative transactions	597,097	-	4,203,490	-
Other	-	2,746	-	2,746
Total	**89,486,930**	**2,580,469,919**	**153,979,573**	**2,072,205,775**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2020 AND 2019 AND AS OF DECEMBER 31, 2019

Half-yearly and equivalent interest-bearing loans, of Metro S.A., Tax ID No. 61,219,000 - 3, country Chile, with local and foreign entities as of 09-30-2020.

					Current			Non-current			
					Maturity		Total, current	Maturity			Total non-current
Tax ID No.	Name	Country	Currency	Nominal and effective rate	Up to 90 days ThCh$	90 days - 1 year ThCh$	09-30-2020 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	09-30-2020 ThCh$
59,046,320-5	BNP Paribas	France	US$	4.19%	5,976,594	-	5,976,594	-	-	-	-
O-E	Natixis Bank	France	US$	0.64%	978,400	2,382,740	3,361,140	9,709,008	3,903,554	4,167,944	17,780,506
O-E	Natixis Bank	France	Euros	2.00%	27,951	45,490	73,441	149,418	-	-	149,418
			Total		**6,982,945**	**2,428,230**	**9,411,175**	**9,858,426**	**3,903,554**	**4,167,944**	**17,929,924**

Half-yearly and equivalent interest-bearing loans, of Metro S.A., Tax ID No. 61,219,000 - 3, country Chile, with local and foreign entities as of 12-31-2019.

					Current			Non-current			
					Maturity		Total, current	Maturity			Total non-current
Tax ID No.	Name	Country	Currency	Nominal and effective rate	Up to 90 days ThCh$	90 days - 1 year ThCh$	12-31-2019 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	12-31-2019 ThCh$
59,046,320-5	BNP Paribas	France	US$	4.40%	-	45,040,705	45,040,705	98,502,014	65,668,009	89,458,258	253,628,281
O-E	Natixis Bank	France	US$	0.90%	692,841	2,498,358	3,191,199	9,523,196	4,572,599	5,059,072	19,154,867
O-E	Natixis Bank	France	Euros	2.00%	8,689	57,681	66,370	170,074	7,197		177,271
O-E	Sumitomo Mitsui Banking Corp	Japan	US$	3.41%		23,109,482	23,109,482	67,356,650	44,904,434	22,452,217	134,713,301
			Total		**701,530**	**70,706,226**	**71,407,756**	**175,551,934**	**115,152,239**	**116,969,547**	**407,673,720**

Interest-bearing loans:

- ✓ Loan from Natixis Bank (financial protocol of the French Government to the Chilean government) in the amount of US$87,793,769.88. As of September 30, 2020 it has been fully used, leaving a principal balance of US$26,799,453.03 (US$29,822,455.03 in 2019).

- ✓ Loan from Natixis Bank (financial protocol of the French Government to the Chilean government) in the amount of €1,573,093.76. As of September 30, 2020 it has been fully used, leaving a principal balance of Euros 240,517.57 (Euros 289,796.26 in 2019).

- ✓ Buyer Credit Agreement for Extension Projects on Line 5 to Maipú and Extension of Line 1 to Los Dominicos, with a syndicate of international banks headed by BNP Paribas, in the amount of US$260,000,000.00. This financing is not guaranteed by the Government. As of September 30, 2020 it has been fully used, leaving a principal balance of US$7,495,822.62 (US$14,991,645.25 in 2019).

- ✓ Buyer Credit Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by BNP Paribas S.A., of US$550,000,000,00 signed on December 18, 2014. On October 26, 2016, the Company agreed with the bank to reduce the authorized amount to US$450,000,000,00. This financing is not guaranteed by the Government. As of September 30, 2020, there are no balances resulting from the prepayment made on May 29, 2020 (US$ 382,592,470.71 in 2019).

- ✓ Financial Loan Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by Sumitomo Mitsui Banking, in the amount of US$250,000,000,00 signed on December 18, 2014. On October 26, 2016, the Company agreed with the bank on reducing the authorized amount to US$225,000,000.00. This financing is not guaranteed by the Government. As of September 30, 2020, there are no balances resulting from the prepayment made on May 22, 2020 (US$ 209,906,666.67 in 2019).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2020 AND 2019 AND AS OF DECEMBER 31, 2019

Bonds payable

The Company's domestic and foreign bonds as of 09-30-2020

								Current			Non-current			
								Maturity		Total, current	Maturity			Total non-current
Series	Tax ID No. : Bank	Banco RTB (*) and payer	Country	Currency	Nominal rate	Nominal effective	Type of amortization	Up to 90 days ThCh$	90 days - 1 year ThCh$	09-30-2020 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	09-30-2020 ThCh$
A	97,080,000-K	Banco Bice	Chile	UF	5.6%	6.3%	half-yearly	3,014,324	3,928,240	6,942,564	39,186,215	31,558,611	-	70,744,826
B	97,080,000-K	Banco Bice	Chile	UF	5.6%	5.9%	half-yearly	2,443,741	1,507,162	3,950,903	16,955,574	16,578,783	3,699,292	37,233,649
C	97,080,000-K	Banco Bice	Chile	UF	5.5%	5.5%	half-yearly	2,870,785	3,791,617	6,662,402	27,272,458	31,578,635	15,727,686	74,578,779
D	97,004,000-5	Banco de Chile	Chile	UF	5.5%	5.1%	half-yearly	2,870,785	3,857,391	6,728,176	17,224,710	31,578,635	32,982,383	81,785,728
E	97,004,000-5	Banco de Chile	Chile	UF	5.5%	4.9%	half-yearly	3,327,794	2,009,550	5,337,344	12,057,297	15,071,621	34,873,266	62,002,184
F	97,004,000-5	Banco de Chile	Chile	UF	5.5%	5.0%	half-yearly	1,363,623	1,863,503	3,227,126	8,181,737	10,227,172	23,564,544	41,973,453
G	97,080,000-K	Banco Bice	Chile	UF	4.5%	3.1%	half-yearly	1,339,700	1,472,196	2,811,896	12,057,297	8,038,198	49,355,207	69,450,702
I	97,036,000-K	Banco Santander	Chile	UF	4.7%	4.8%	half-yearly	3,718,968	4,375,550	8,094,518	22,313,807	14,875,871	21,948,346	59,138,024
J	97,036,000-K	Banco Santander	Chile	UF	4.5%	4.5%	half-yearly	5,652,808	3,827,710	9,480,518	22,966,257	15,310,838	64,765,039	103,042,134
K	97,004,000-5	Banco de Chile	Chile	UF	3.8%	4.0%	half-yearly	-	246,510	246,510	-	-	145,955,317	145,955,317
L	97,004,000-5	Banco de Chile	Chile	UF	3.9%	3.8%	maturity	624,956	-	624,956	-	-	42,762,473	42,762,473
M	97,080,000-K	Banco Bice	Chile	UF	2.9%	2.5%	half-yearly	-	226,844	226,844	-	-	116,994,906	116,994,906
1		Deutsche Bank T	EEUU	US$	4.8%	5.0%	maturity	-	961,833	961,833	127,231,576	-	-	127,231,576
2		Deutsche Bank T	EEUU	US$	5.0%	5.2%	maturity	-	3,612,353	3,612,353	-	-	381,325,563	381,325,563
3		Bank of New York	EEUU	US$	3.7%	4.4%	maturity	5,753,495	-	5,753,495	-	-	371,441,924	371,441,924
4		Bank of New York	EEUU	US$	4.7%	4.9%	maturity	14,817,220	-	14,817,220	-	-	776,876,011	776,876,011
				Total				**47,798,199**	**31,680,459**	**79,478,658**	**305,446,928**	**174,818,364**	**2,082,271,957**	**2,562,537,249**

The Company's domestic and foreign bonds as of 12-31-2019

								Current			Non-current			
								Maturity		Total, current	Maturity			Total non-current
Series	Tax ID No. : Bank	Banco RTB (*) and payer	Country	Currency	Nominal rate	Nominal effective	Type of amortization	Up to 90 days ThCh$	90 days - 1 year ThCh$	12-31-2019 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	12-31-2019 ThCh$
A	97,080,000-K	Banco Bice	Chile	UF	5.6%	6.3%	half-yearly	5,092,483	2,972,544	8,065,027	28,239,165	32,697,981	14,473,784	75,410,930
B	97,080,000-K	Banco Bice	Chile	UF	5.6%	5.9%	half-yearly	1,486,272	1,869,394	3,355,666	14,119,583	16,348,990	7,653,946	38,122,519
C	97,080,000-K	Banco Bice	Chile	UF	5.5%	5.5%	half-yearly	4,956,080	2,830,994	7,787,074	16,985,964	31,140,934	31,077,357	79,204,255
D	97,004,000-5	Banco de Chile	Chile	UF	5.5%	5.1%	half-yearly	5,097,752	2,830,994	7,928,746	16,985,964	21,232,455	48,292,902	86,511,321
E	97,004,000-5	Banco de Chile	Chile	UF	5.5%	4.9%	half-yearly	1,321,131	2,430,553	3,751,684	11,890,175	11,394,751	40,049,727	63,334,653
F	97,004,000-5	Banco de Chile	Chile	UF	5.5%	5.0%	half-yearly	2,018,055	896,482	2,914,537	8,068,333	5,378,889	30,762,662	44,209,884
G	97,080,000-K	Banco Bice	Chile	UF	4.5%	3.1%	half-yearly	2,221,373	1,321,130	3,542,503	10,569,045	7,926,783	53,171,648	71,667,476
H	97,036,000-K	Banco Santander	Chile	UF	4.3%	4.5%	half-yearly	2,942,077	2,830,994	5,773,071	-	-	-	-
I	97,036,000-K	Banco Santander	Chile	UF	4.7%	4.8%	half-yearly	5,238,793	3,667,420	8,906,213	22,004,522	14,669,682	28,925,476	65,599,680
J	97,036,000-K	Banco Santander	Chile	UF	4.5%	4.5%	half-yearly	3,774,655	4,376,610	8,151,265	22,647,929	15,098,620	67,605,254	105,351,803
K	97,004,000-5	Banco de Chile	Chile	UF	3.8%	4.0%	half-yearly	1,610,499	-	1,610,499	-	-	143,722,122	143,722,122
L	97,004,000-5	Banco de Chile	Chile	UF	3.9%	3.8%	maturity	-	211,430	211,430	-	-	42,159,452	42,159,452
M	97,080,000-K	Banco Bice	Chile	UF	2.9%	2.5%	half-yearly	998,044	-	998,044	-	-	115,547,302	115,547,302
1		Deutsche Bank T	EEUU	US$	4.8%	4.9%	maturity	7,261,218	-	7,261,218	-		371,574,642	371,574,642
2		Deutsche Bank T	EEUU	US$	5.0%	5.2%	maturity	8,111,350	-	8,111,350	-	-	362,113,270	362,113,270
				Total				**52,129,782**	**26,238,545**	**78,368,327**	**151,510,680**	**155,889,085**	**1,357,129,544**	**1,664,529,309**

(*) RTB: Representative of Bondholders.

On July 31, 2001, December 5, 2001, August 9, 2002, December 3, 2003, September 23, 2004 and September 14, 2005, the Company issued Series A to G bonds in the domestic market, all calculated on the basis of a 360-day year, at a 25-year term with 10 years of grace period for the principal payment, with half-yearly interest payments and without early redemption.

On September 3, 2008, the Company placed Series H and I bonds in the domestic market, calculated on the basis of a 360-day year, with a 12-year term and 7 years of grace period for series H and a 21-year term with 10 years of grace period for Series I, with half-yearly interest payments and early redemption.

On November 18, 2009, the Company placed Series J bonds in the domestic market, calculated on the basis of a 360-day year, at a 25-year term with 10 years of grace period, with half-yearly payment of interest and without early redemption.

On October 6, 2011, the Company placed series K bonds in the domestic market, calculated on the basis of a 360-day year, at a 21-year term with 16 years of grace period for principal payment, with half-yearly interest payments and allowing early redemption.

On May 24, 2012, the Company placed Series L bonds in the domestic market, calculated on the basis of a 360-day year, at a 21-year term with 21 years of grace period for principal payment, with payment of half-yearly interest and allowing early redemption.

On February 4, 2014, the Company placed a bond in the international market for MUS$500 with a 4.846% interest rate for placement. The bond's coupon rate is 4.75%, calculated on the basis of a 360-day year, at 10-year term with 10 years of grace period for principal payment, with payment of half-yearly interest and allowing early redemption. On May 6, 2020, a partial prepayment of this instrument (a Tender Offer) covering 67.55% of the outstanding balance was made, and after that date MUS$ 162,265 remains to be amortized, maintaining the bond coupon rate and the same previous maturity.

On September 29, 2016, the Company issued Series M bonds in the domestic market, calculated on the basis of a 360-day year, at a 30-year term with 26 years of grace period for principal payment, with payment of half-yearly interest and allowing early redemption.

On January 25, 2017, the Company placed a bond in the international market for MUS$500 with a 5.151% interest rate for placement. The bond's coupon rate is 5.00%, calculated on the basis of a 360-day year, at 30-year term with 30 years of grace period for principal payment, with payment of half-yearly interest and allowing early redemption.

On May 04, 2020, the Company placed a bond in the international market for MUS$500 with a 3.679% interest rate for placement. The bond's coupon rate is 3.65%, calculated on the basis of a 360-day year, at 10-year term with 10 years of grace period for principal payment, with payment of half-yearly interest and allowing early redemption.

On May 04, 2020, the Company placed a bond in the international market for MUS$1000 with a 4.781% interest rate for placement. The bond's coupon rate is 4.7%, calculated on the basis of a 360-day year, at 30-year term with 30 years of grace period for principal payment, with payment of half-yearly interest and allowing early redemption.

The Series A and B bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196, 18,382 and 19,702, in Exempt Decree 117 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 389 issued by the Ministry of Finance, both on April 20, 2001.

The Series C bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196, 18,382 and 19,774, in Exempt Decree 274 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 363 issued by the Ministry of Finance, both on May 13, 2002.

The Series D and E bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196, and 19,847, in Exempt Decree 222 dated April 29, 2003 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 356 issued by the Ministry of Finance, on May 7, 2003.

The Series F bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196 and 19,847. The authorization to issue and guarantee bonds in the domestic market was authorized by Supreme Decree 1,024, dated November 11, 2003 issued by the Ministries of Finance and Economy and of Development and Reconstruction.

The Series G bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196 and 19,847. The authorization to issue and guarantee bonds in the domestic market was authorized by Supreme Decree 592, dated May 11, 2005 issued by the Ministries of Finance and Economy and of Development and Reconstruction.

The Series H, I, J, K, L, M and International bonds are not guaranteed, notwithstanding the creditors' general pledge right set forth in Chilean law.

The Company is not subject to any financial or other restrictive covenants under the instruments governing its Series A to G bonds. For the Series H, I, J, K and L bonds, the Company is required during each calendar year to maintain a debt/equity ratio that is lower than 1,7, equity in excess of ThCh$700 million and an interest coverage ratio greater than 1.0. Those covenants are calculated and determined using the consolidated financial statements prepared as of December 31 of each calendar year and presented to the CMF.

Series M bonds require in each calendar year a debt to equity ratio equal to or less than 1.70 times and a minimum equity of ThCh$700 million.

Those covenants are calculated and determined using the consolidated financial statements prepared as of December 31 of each calendar year and presented to the CMF. International bonds are not subject to related restrictions or covenants.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2020 AND 2019 AND AS OF DECEMBER 31, 2019

Derivative transactions

Derivative liabilities as of 09-30-2020

									Current		
									Maturity		Total, current
Tax ID No. :	Name	Country	Tax ID No.		Country	Currency	Nominal rate	Type of amortization	Up to 90 days	90 days - 1 year	09-30-2020
									ThCh$	ThCh$	ThCh$
61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.66%	maturity	-	118,378	118,378
61,219,000-3	Metro S.A.	Chile	97,032,000-8	Scotiabank	Chile	UF	3.59%	maturity	-	115,450	115,450
61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	3.44%	maturity	-	110,162	110,162
61,219,000-3	Metro S.A.	Chile	97,032,000-8	Scotiabank	Chile	UF	3.50%	maturity	-	111,044	111,044
61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.50%	maturity	-	142,063	142,063
						Total			-	597,097	597,097

Derivative liabilities as of 12-31-2019

									Current		
									Maturity		Total, current
Tax ID No. :	Name	Country	Tax ID No.	Name	Country	Currency	Nominal rate	Type of amortization	Up to 90 days	90 days - 1 year	12-31-2019
									ThCh$	ThCh$	ThCh$
61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.66%	maturity	304,349	-	304,349
61,219,000-3	Metro S.A.	Chile	97,032,000-8	Scotiabank	Chile	UF	3.59%	maturity	296,823	-	296,823
61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	3.51%	maturity	281,841	-	281,841
61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	3.41%	maturity	276,140	-	276,140
61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	3.44%	maturity	283,227	-	283,227
61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	UF	3.51%	maturity	286,099	-	286,099
61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.45%	maturity	281,805	-	281,805
61,219,000-3	Metro S.A.	Chile	97,032,000-8	Scotiabank	Chile	UF	3.50%	maturity	285,497	-	285,497
61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.50%	maturity	365,244	-	365,244
61,219,000-3	Metro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	UF	3.73%	maturity	206,492	-	206,492
61,219,000-3	Metro S.A.	Chile	59,046,320-5	BNP Paribas	France	US$	1.56%	half-yearly	46,026	-	46,026
						Total			2,913,543	-	2,913,543

Forward

Tax ID No.:	Name	Country	Tax ID No.	Name	Country	Currency	Amount	Fair value		
								Maturity		Total, current
								Up to 90 days	90 days - 1 year	12-31-2019
							rate	ThCh$	ThCh$	ThCh$
61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	US$	12,500,000.00	225,500	-	225,500
61,219,000-3	Metro S.A.	Chile	97,018,000-1	Banco Scotiabank	Chile	US$	4,750,000.00	85,500	-	85,500
61,219,000-3	Metro S.A.	Chile	97,018,000-1	Banco Scotiabank	Chile	US$	947,665.77	16,556	-	16,556
61,219,000-3	Metro S.A.	Chile	97,018,000-1	Banco Scotiabank	Chile	US$	3,244,671.56	-	57,625	57,625
61,219,000-3	Metro S.A.	Chile	97,018,000-1	Banco Scotiabank	Chile	US$	10,843,858.60	-	196,382	196,382
61,219,000-3	Metro S.A.	Chile	97,018,000-1	Banco Scotiabank	Chile	US$	16,500,162.60	-	256,413	256,413
61,219,000-3	Metro S.A.	Chile	97,018,000-1	Banco Scotiabank	Chile	US$	18,608,554.30	-	301,272	301,272
61,219,000-3	Metro S.A.	Chile	97,018,000-1	Banco Scotiabank	Chile	US$	7,813,387.28	-	129,546	129,546
61,219,000-3	Metro S.A.	Chile	97,036,000-K	Banco Santander	Chile	US$	1,271,201.34	-	21,153	21,153
						Total	76,479,501.45	327,556	962,391	1,289,947

Rollforward of financial liabilities derived from financing activities.

Item	Balance as of 12-31-2019	Cash flows from financing activities		Changes that have no effect on cash flow from financing activities		Balance as of 09-30-2020
		From	Used	Foreign exchange differences	Other	
Interest-bearing loans	479,081,476	-	(495,553,282)	34,955,210	8,857,695	27,341,099
Bonds	1,742,897,636	1,220,789,305	(383,652,863)	(3,428,940)	65,410,769	2,642,015,907
Derivative transactions	4,203,490	-	(5,455,366)	-	1,848,973	597,097
Other	2,746	-	-	-	-	2,746
Total	**2,226,185,348**	**1,220,789,305**	**(884,661,511)**	**31,526,270**	**76,117,437**	**2,669,956,849**

13. Other non-financial liabilities, current and non-current

Other current and non-current non-financial liabilities are detailed below:

Current	09-30-2020 ThCh$	12-31-2019 ThCh$
Real estate tax	6,627,562	5,950,106
Deferred income (*)	1,068,686	824,165
Deferred advertising income (**)	4,547,611	6,256,693
Guarantees received	2,795,412	1,469,376
Total	**15,039,271**	**14,500,340**

Non-current	09-30-2020 ThCh$	12-31-2019 ThCh$
Deferred income (*)	2,689,299	2,838,235
Deferred advertising income (**)	52,804,071	46,925,199
Total	**55,493,370**	**49,763,434**

(*) Corresponds to advances on operating leases.

(**) Effective as of March 10, 2020, amendment No. 1 was signed to the contract with Massiva S.A., lasting a period of 11 years (July 2019 to June 2030), which establishes a minimum annual guaranteed income (MAG) payable during the term of the amendment.

14. Balances and transactions with related parties

Documents and accounts receivable:

As of September 30, 2020 and as of December 31, 2019, the Company records no outstanding balances of receivables from related parties.

Documents and accounts payable:

These are contributions received from the Government of Chile for network expansion projects. As of September 30, 2020, contributions pending capitalization amounted to ThCh$159,745,380 (ThCh$22,515,130 in 2019).

Transactions:

The Company received ThCh$137,230,250 in contributions from the Chilean Treasury in the third quarter of 2020 and contributions of ThCh$80,017,309 in the third quarter of 2019.

The outstanding balance to be capitalized amounts to ThCh$159,745,380 as of September 30, 2020, and consists of contributions received during the years 2020, 2019 and 2018.

As detailed in Note 12 to the financial statements, the Chilean Treasury is guarantor of certain bank loans and bonds issued by the Company.

Key management personnel

The key personnel of Metro S.A. are those persons with authority and responsibility for planning, directing and controlling the entity's activities. The Company has determined that the key management personnel are the Directors, General Manager and Managers of the Company's different areas (principal executives).

The expense for compensation received by key management personnel is detailed as follows:

Directors' income are as follows:

Directors' income	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Fixed remuneration	142,103	152,183	45,424	50,097
Variable remunerations	7,551	8,089	7,551	8,089
Total	**149,654**	**160,272**	**52,975**	**58,186**

Board of Directors' expenses

During the third quarter of 2020 and 2019, there were no airplane ticket expenses.

During the third quarter of 2020 and 2019, there were no travel and lodging expenses.

Remunerations of the General Manager and Other Managers:

As of September 30, 2020, the compensation paid to the General Manager was ThCh$176,094 (ThCh$198,918 as of September 30, 2019) and compensation paid to Other Managers (20 most senior executives) was ThCh$2,066,783 (ThCh$2,416,900 paid to the -20 most senior executives as of September 30, 2019).

15. Trade and other payables

This item comprises the following:

Current Liabilities	09-30-2020 ThCh$	12-31-2019 ThCh$
Debts for purchases or services received	58,273,093	66,647,224
Accounts payable to Transantiago system	3,198,981	6,857,044
Withholdings	239,341	3,638,385
Supplier of property, plant and equipment	17,690,265	32,532,904
Megaproject contract withholding	3,016,069	1,825,616
Other payables	358,306	777,788
Accounts payable to AVO (Americo Vespucio Oriente)	233,085	233,085
Total	**83,009,140**	**112,512,046**

Non-Current Liabilities	09-30-2020 ThCh$	12-31-2019 ThCh$
Accounts payable to AVO (Americo Vespucio Oriente)	2,413,052	1,424,782
Total	**2,413,052**	**1,424,782**

The Company's main creditors in the third quarter of the year are: Alstom Chile S.A., Obrascon Huarte Lain S.A., Ferrovial Agroman Chile S.A., China Railway Tunnel Ltda., and Piques y Tunes S. A., among others.

Metro S.A. Has been given a Propyme seal. The Pro Pyme Seal was created in the Ministry of Economy, Development and Tourism in order to guarantee better conditions for small-sized companies in the country.

The seal is a recognition given to large entities provided that they pay their small-sized suppliers within a maximum period of 30 consecutive days.

16. Segment information

The Company reports segment information in accordance with IFRS 8 “Operating Segments.” IFRS 8 stipulates that this Standard must be applied by entities with capital stock or debt securities which are publicly traded or by entities that are in the process of issuing securities to be traded in public markets.

Metro S.A. is a corporation that must follow the rules for publicly-traded corporations in Chile. Its corporate purpose is to carry out all the activities associated with passenger transportation in metropolitan trains or other supplementary electrical systems, and surface transportation by bus or vehicles of any technology, as well as activities that supplement this line of business. In this regard, the Company may incorporate, or have an interest in, companies, and carry out any act or operation related to its line of business, whose main income corresponds to the transportation of passengers.

Services are provided using a common technological and administrative infrastructure. The current activities consist in the provision of services in a national environment, and have a common environment in terms of economic and political conditions.

The Company manages its operations and presents its financial information as one single operating segment: transportation of passengers in the city of Santiago, Chile, considering that all other areas of business are derived from this main line of business.

17. Employee benefits

Current

Item	09-30-2020 ThCh$	12-31-2019 ThCh$
Accrued vacations	8,832,499	4,491,350
Employee benefit obligations	3,366,427	2,588,848
Production bonus obligations	6,221,333	7,393,193
Total	**18,420,259**	**14,473,391**

Non-current

Item	09-30-2020 ThCh$	12-31-2019 ThCh$
Provision for terminations of employment contracts	14,144,430	14,250,051
Provision for resignations	35,954	40,274
Provision for mortality	532,742	591,710
Advance for severance indemnity payments	(1,806,261)	(1,794,794)
Total	**12,906,865**	**13,087,241**

Movements in severance indemnity payments as of September 30, 2020 and for the 2019 year are detailed as follows:

Item	ThCh$
Liabilities as of 01-01-2020	13,087,241
Service interest	290,924
Benefits paid	(607,711)
Actuarial profit (loss)	136,411
Liabilities as of 09-30-2020	**12,906,865**

Item	ThCh$
Liabilities as of 01-01-2019	12,797,234
Service interest	612,610
Benefits paid	(922,616)
Actuarial profit (loss)	600,013
Liabilities as of 12-31-2019	**13,087,241**

Sensitivity analysis

Reasonable possible changes in the relevant actuarial assumptions at the reporting date, provided that other assumptions remain constant, would have affected the defined benefit obligation by the following amounts:

2020

Items	Increase	Base	Decrease reflected	Increase ThCh$	Decrease reflected ThCh$
Discount rates (change of 0.5)	3.460%	2.960%	2.460%	12,862,915	12,906,865
Increase in salary (change of 0.5)	4.530%	4.030%	3.530%	13,132,906	12,688,632
Labor turnover (25% change)	1.813%	1.450%	1.088%	12,885,459	12,929,054
Mortality rate (25% change)	25.00%	CB14 and RV14	-25.00%	12,896,054	12,917,774

2019

Items	Increase	Base	Decrease reflected	Increase ThCh$	Decrease reflected ThCh$
Discount rates (change of 0.5)	4.210%	3.710%	3.210%	12,982,098	13,180,474
Increase in salary (change of 0.5)	4.530%	4.030%	3.530%	13,336,117	12,846,940
Labor turnover (25% change)	1.813%	1.450%	1.088%	13,068,739	13,106,420
Mortality rate (25% change)	25.00%	CB14 and RV14	-25.00%	13,075,886	13,098,716

Projection of the actuarial calculation for the following year:

The projected calculation for the following year is ThCh$13,328,183.

Estimate of expected cash flows for the following year:

The Company estimates that for the following years there will be expected payment flows for obligations on a monthly average of ThCh$40,938 as of September 30, 2020 (ThCh$86,061 as of September 30, 2019).

General considerations

The Company has benefits that are agreed upon with its active employees and frozen severance indemnity payments, which require actuarial valuation and it has collective agreements, which include benefits for the concept of termination, voluntary retirement and death of an employee. In agreements with its unions, the Company froze the benefits accrued by employees on different dates.

Frozen severance:

Frozen indemnity corresponds to the severance benefits established in the respective collective agreements of the Company. The benefit is based on the various reasons for termination of the employment contract, such as on employee's resignation and death.

The freezing dates established in the agreements are May 31, 2002, August 31, 2003 and November 30, 2003, depending on the union and the reason for the termination.

Actuarial assumptions:

Actuarial assumptions are long-term assumptions and, should there be sufficient substantive evidence, they must be updated.

1. Mortality:

   The CB-H-2014 men and RV-M-2014 women's mortality tables established by the Chilean Superintendency of Pensions and Financial Market Commission were used.

2. Employee turnover:

   The turnover tables were prepared using information available in the Company. Constant ratios may be observed in the following table:

Reason	Rate %
Dismissal	1.26
Resignation	0.12
Other	0.07

3. Discount rate:

   The real annual discount rates used for each year are as follows:

Year	Rate %
12-31-2019	3.71
09-30-2020	2.96

4. Termination:

   The estimated maximum average termination ages are:

Item	Age
Women	62 years
Men	68 years

18. Income tax

The Company had a negative first category (corporate) tax base of ThCh$1,713,515,251 as of September 2020, of ThCh$1,369,910,339 as of December 2019, and of ThCh$1,241,057,044 as of September 2019, determined in accordance with current legal provisions; therefore no income tax provision has been recognized as of these dates.

Because the Company has consistently recorded tax losses since the 1996 taxable year, the Company considers that it is unlikely that there will be sufficient future taxable profits to allow it to reverse the deferred tax assets; therefore these have been recognized up to the amount of deferred tax liabilities(1).

Temporary Difference	Tax assets		Tax liabilities	
	09-30-2020 ThCh$	12-31-2019 ThCh$	09-30-2020 ThCh$	12-31-2019 ThCh$
Provision for impairment of accounts receivable	207,312	163,471	-	-
Deferred revenue	939,496	915,600	-	-
Accrued vacations	2,208,125	1,122,837	-	-
Severance indemnity	1,293,600	1,290,228	-	-
Provision for lawsuits	113,293	155,953	-	-
Maintenance provision	1,300,766	2,511,853	-	-
Provision for employee benefits	841,607	647,212	-	-
Provision for spare parts	660,967	660,967	-	-
Irrecoverable VAT credit for extensions	-	-	32,779,951	32,295,517
Capitalized expenses	-	-	70,381,944	63,986,473
Property, plant and equipment	174,105,167	156,558,336	-	-
Tax loss	428,378,813	342,477,585	-	-
Other	2,923,602	2,893,020	-	-
Subtotal	612,972,748	509,397,062	103,161,895	96,281,990
Deferred tax assets, net	509,810,853	413,115,072	-	-
Reduction of deferred tax assets (1)	(509,810,853)	(413,115,072)	-	-
Deferred taxes, net	-	-	-	-

19. Provisions, contingencies and guarantees

As of September 30, 2020 and the year 2019, the Company is involved in legal proceedings (civil and labor), which include subsidiary lawsuits, which are not provisioned because of the application of IAS 37, due to the remote probability of unfavorable judgment.

The amount of the provision for lawsuits is as follows:

Other short-term provisions	09-30-2020 ThCh$	12-31-2019 ThCh$
Provision for lawsuits	453,173	623,810
Total	**453,173**	**623,810**

According to the current status of legal proceedings, Management believes those provisions recorded in the Interim Consolidated Financial Statements properly cover the risks associated with the litigation, which are not expected to generate any additional liabilities.

Considering the risk's characteristics that these provisions cover, it is impossible to determine a reasonable payment schedule.

Movements of provisions are as follows:

Item	Amount ThCh$
Balance as of 01-01-2019	795,662
Accrued provisions	583,674
Cash payments	(755,526)
Balances as of 12-31-2019	623,810
Accrued provisions	718,685
Cash payments	(889,322)
Balances as of 09-30-2020	453,173

Direct guarantees

The guarantees in force granted by the Company are in UF, expressed in thousands of Chilean pesos as of September 30, 2020. They are according to the following detail.

Type of guarantee	No. of guarantee	Issuing entity	Currency	Amount	Beneficiary	Date entity	Date maturity	Rate ThCh$
Bank Guarantee	4403310	Banco Santander	UF	10,000.00	Enel Distribuidora S.A.	10-17-2019	11-17-2020	287,079
Bank Guarantee	4403312	Banco Santander	UF	22,500.00	Pelicano Solar Company SPA	10-17-2019	12-31-2020	645,927
Bank Guarantee	5279190	Banco Santander	UF	1,128.00	Director Gral de Concesiones de O. Publicas	11-6-2019	12-31-2020	32,382
Bank Guarantee	5760260	Banco Santander	UF	13,071.63	Junaeb	3-23-2020	6-30-2022	375,258
Bank Guarantee	537164	BCI	UF	10,000.00	San Juan S.A.	3-24-2020	4-1-2021	287,079
Bank Guarantee	4419388	Banco Itau Corpbanca	UF	5,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	143,539
Bank Guarantee	4419389	Banco Itau Corpbanca	UF	5,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	143,539
Bank Guarantee	4419390	Banco Itau Corpbanca	UF	5,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	143,539
Bank Guarantee	4419391	Banco Itau Corpbanca	UF	5,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	143,539
Bank Guarantee	4419392	Banco Itau Corpbanca	UF	5,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	143,539
Bank Guarantee	4419393	Banco Itau Corpbanca	UF	5,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	143,539
Bank Guarantee	4419394	Banco Itau Corpbanca	UF	5,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	143,539
Bank Guarantee	4419395	Banco Itau Corpbanca	UF	5,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	143,539
Bank Guarantee	4419396	Banco Itau Corpbanca	UF	5,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	143,539
Bank Guarantee	4419397	Banco Itau Corpbanca	UF	5,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	143,539
Bank Guarantee	4419398	Banco Itau Corpbanca	UF	1,000.00	Subsecretaría de Transportes	7-8-2020	8-10-2021	28,708

As of the closing date of the Interim Consolidated Financial Statements, there are no balances pending payment, since they are Performance Guarantees.

20. Changes in equity

2020 Capital increase

At the Extraordinary Shareholders' Meeting held on August 18, 2020, the shareholders of the Company agreed to:

- ✓ Increase the subscribed and paid-in capital as of the date of the Shareholders' Meeting by capitalizing nominal contributions of Ch$108,611,952,000, an amount allocated to financing the new Line 7, for which 4,453,134,563 ordinary no par value Series “A” shares would be issued, and that would be subscribed by CORFO at a value of Ch$ 24.39 per share. These shares will be paid in no later than December 31, 2020. As a result, the shareholders are as follows: a 68.24% interest is held by Corporación de Fomento de la Producción and 31.76% is held by the Chilean Treasury.

2019 Capital increase

At the Extraordinary Shareholders' Meeting held on December 30, 2019, the shareholders of the Company agreed to:

- ✓ Increase the Company’s share capital by capitalizing government contributions of ThCh$160,017,309 at a nominal value, intended for financing Lines 2 and 3 extensions and projects to improve the Metro Transportation System as well as for debt service, through the issuance of 6,045,232,679 Series A shares subscribed and fully-paid by the Government and CORFO pro rata of their ownership percentage.

On November 19, 2019, CORFO paid the government contributions signed on September 27, 2019.

At the Extraordinary Shareholders' Meeting held on September 27, 2019, the shareholders of the Company agreed to:

✓ Increase the Company's share capital by capitalizing government contributions of ThCh$96,614,721 at a nominal value, through the issuance of 3,427,269,280 Series A shares which CORFO will subscribe and pay in on December 31, 2019 at the latest.

a. Capital

As of September 30, 2020 the capital of the Company is represented by 94,097,868,466 and 19,163,677,063 Series A and B nominative shares with no par value, respectively, with 77,284,559,957 shares corresponding to CORFO and 35,976,985,572 to the Chilean Government.

As of December 31, 2019 the capital of the Company is represented by 89,644,733,903 and 19,163,677,063 Series A and B nominative shares with no par value, respectively, with 72,831,425,394 shares corresponding to CORFO and 35,976,985,572 to the Chilean Government.

Series A shares correspond to the initial capital and capital increases that are subscribed and paid by the Government and CORFO and cannot be disposed of. Series B shares correspond to capital increases that could allow the incorporation of other shareholders.

Shareholders are detailed as follows:

Shareholders	09-30-2020			12-31-2019		
	Number of shares and percentages					
	Subscribed shares	Paid-in shares	Ownership %	Subscribed shares	Paid-in shares	Ownership %
Corporación de Fomento de la Producción	77,284,559,957	72,831,425,394	68.24%	72,831,425,394	72,831,425,394	66.94%
Chilean Treasury - Ministry of Finance	35,976,985,572	35,976,985,572	31.76%	35,976,985,572	35,976,985,572	33.06%
Total	**113,261,545,529**	**108,808,410,966**	**-**	**108,808,410,966**	**108,808,410,966**	**-**
Corporación de Fomento de la Producción						
Series A	65,181,088,651	60,727,954,088	-	60,727,954,088	60,727,954,088	-
Series B	12,103,471,306	12,103,471,306	-	12,103,471,306	12,103,471,306	-
Total	**77,284,559,957**	**72,831,425,394**	**-**	**72,831,425,394**	**72,831,425,394**	**-**
Chilean Treasury - Ministry of Finance						
Series A	28,916,779,815	28,916,779,815	-	28,916,779,815	28,916,779,815	-
Series B	7,060,205,757	7,060,205,757	-	7,060,205,757	7,060,205,757	-
Total	**35,976,985,572**	**35,976,985,572**	**-**	**35,976,985,572**	**35,976,985,572**	**-**

b. Distribution of net income and dividends

The Company's dividend policy is consistent with current legislation according to which at least 30% of net profits for the year must be distributed as cash dividends, unless otherwise resolved by the Shareholders' Meeting by the unanimous vote of the outstanding shares issued.

At the Ordinary Shareholders' Meeting held on April 28, 2020, the shareholders resolved not to distribute net income or dividends.

Since the Company earned no profits, the shareholders agree not to withdraw dividends and reiterate that the Company's policy in this matter follows the provisions in the Company's by-laws and in the Chilean corporation law.

c. Non-controlling interests

Non-controlling interests correspond to the recognition by the Company of the share in the equity and net income of its subsidiary not directly or indirectly attributable to the Company. The detail for periods ended September 30, 2020 and 2019, respectively, is as follows:

Subsidiary	Percentage Non-controlling interest		Non-controlling interest equity		Share of profit or loss income (expense)	
	2020 %	2019 %	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Transub S.A.	33.33	33.33	(10,645)	(10,645)	-	-

d. Other reserves

Other reserves are composed of revaluation of paid-in capital for the year of transition to IFRS, revaluation surplus (first-time adoption) of land and adjustments originating from the exception in IFRS accounting standards, as reiterated in Ruling 456 issued by the Financial Market Commission:

The cash flow hedge reserve arises from the application of hedge accounting on certain financial assets and liabilities. The purpose of this reserve is to affect the profit or loss when the hedged item records effects thereto.

Other reserves	**09-30-2020 ThCh$**	**12-31-2019 ThCh$**
Price-level restatement of paid-in capital	30,336,377	30,336,377
Revaluation surplus	3,042,584	3,042,584
Actuarial (loss) on defined benefit plans	(192,423)	(600,013)
Cash flow hedges	(2,114,087)	(10,228,760)
Total	**31,072,451**	**22,550,188**

Additional and supplementary information is presented in the Interim Consolidated Statement of Changes in Net Equity.

21. Income and expenses

Revenue:

For the periods ended September 30, 2020 and 2019, revenue is detailed as follows:

Revenue	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Revenue from passenger transportation services	94,343,828	277,107,389	19,892,566	97,611,908
Sales channel income	13,529,173	36,485,880	3,245,624	11,764,527
Lease of commercial stores, and commercial and advertising spaces	10,050,500	13,486,967	2,596,614	5,069,891
Lease in inter-modal terminals	1,681,624	1,284,259	466,331	383,581
Lease of spaces for telephone and fiber optic antennas	5,744,817	5,611,330	1,949,469	1,926,517
Lease of land	609,993	595,846	204,408	198,530
Advisory services	6,401	203,501	4,798	46,477
Other	136,722	547,194	15,339	388,001
Total	**126,103,058**	**335,322,366**	**28,375,149**	**117,389,432**

Other income, by function

For the periods ended September 30, 2020 and 2019, other income by function is detailed as follows:

Other income, by function	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Income from fines and indemnities (*)	842,665	24,047,533	113,705	371,703
Funding for welfare costs	399,216	407,527	137,609	140,382
Sale of proposals	23,956	38,059	11,003	17,804
Net present value VAT	2,489,472	6,243,202	(1,355,355)	2,947,187
Other income	676,183	1,487,146	337,340	445,311
Total	**4,431,492**	**32,223,467**	**(755,698)**	**3,922,387**

(*) In the 2020 period, the income from fines and indemnities correspond to the application of fines for breaches of contracts by of suppliers, and in the 2019 period they correspond mainly to income from judgments and arbitration rulings favorable to Metro S.A.

Operating income

The operating income in XBRL format (common electronic format for business reporting) for the periods ended September 30, 2020 and 2019, is as follows:

Operating income	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Revenue	126,103,058	335,322,366	28,375,149	117,389,432
Cost of sales	(270,169,774)	(284,948,599)	(90,035,411)	(94,657,684)
Gross profit	(144,066,716)	50,373,767	(61,660,262)	22,731,748
Other income	4,431,492	32,223,467	(755,698)	3,922,387
Administrative expenses	(26,460,998)	(30,184,700)	(9,009,602)	(10,683,899)
Other expenses by function	(4,206,736)	(979,714)	692,729	(181,114)
Other income (expenses)	(2,132,050)	90,696	(816,463)	25,773
Profit (loss) from operating activities	**(172,435,008)**	**51,523,516**	**(71,549,296)**	**15,814,895**

Expenses by nature:

The following is the detail of cost of sales, administrative expenses and other expenses by function for the periods ended September 30, 2020 and 2019:

Expenses by nature	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Employee expenses	72,201,461	71,976,750	24,691,956	24,143,579
Operation and maintenance expenses	64,671,891	64,477,098	21,746,976	22,289,120
Purchase of energy	38,582,907	44,066,691	12,636,349	13,318,601
General and other expenses	37,576,867	48,208,827	9,983,556	16,286,266
Depreciation and amortization	87,804,382	87,383,647	29,293,447	29,485,131
Total	**300,837,508**	**316,113,013**	**98,352,284**	**105,522,697**

Personnel expenses:

For the periods ended September 30, 2020 and 2019, this item is detailed as follows:

Employee expenses	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Salaries and wages	49,683,369	49,681,077	16,163,227	16,400,506
Other Benefits	18,839,156	17,507,998	7,229,840	6,317,479
Expenses for social security and collective bargaining benefits	1,313,048	2,437,220	576,908	695,445
Social security contribution	2,365,888	2,350,455	721,981	730,149
Total	**72,201,461**	**71,976,750**	**24,691,956**	**24,143,579**

Maintenance and operating expenses:

For the periods ended September 30, 2020 and 2019, this item is detailed as follows:

Operation and maintenance expenses	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Maintenance of rolling stock, stations and other	55,268,573	49,060,057	18,401,172	17,156,469
Spare parts and materials	6,537,625	10,503,516	2,472,192	2,687,812
Repairs, leases and other	2,865,693	4,913,525	873,612	2,444,839
Total	**64,671,891**	**64,477,098**	**21,746,976**	**22,289,120**

General and other expenses:

For the periods ended September 30, 2020 and 2019, this item is detailed as follows:

General expenses	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Service contracts	16,668,667	22,233,369	5,180,399	7,697,098
Real estate taxes	4,277,805	4,424,596	1,613,740	1,740,703
Corporate image expenses	330,559	1,383,828	109,536	290,455
Sales channel operator expense	10,008,585	16,378,513	2,826,749	5,433,887
Insurance, materials and other	6,291,251	3,788,521	253,132	1,124,123
Total	**37,576,867**	**48,208,827**	**9,983,556**	**16,286,266**

Other expenses by function:

For the years ended September 30, 2020 and 2019, other expenses by function are as follows:

Other expenses by function	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Write-offs due to destroyed and/or damaged property, plant and equipment	181,621	52,013	22,858	27,017
Inventories disposals	119,995	64,205	117,319	37,610
Fines and Compensation	289,011	39,096	(2,164)	12,018
Reconstruction services contracts	2,735,171	-	168,635	-
Other expenses	880,938	824,400	(999,377)	104,469
Total	**4,206,736**	**979,714**	**(692,729)**	**181,114**

Depreciation and amortization:

For the periods ended September 30, 2020 and 2019, this item is detailed as follows:

Depreciation, amortization	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Depreciation	87,156,452	86,892,207	29,065,572	29,274,747
Amortization	647,930	491,440	227,875	210,384
Total	87,804,382	87,383,647	29,293,447	29,485,131

Financial income/costs results and exchange differences:

The Company's financial income/costs results and exchange differences for the periods ended September 30, 2020 and 2019, are detailed as follows:

Financial profit or loss	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Finance income				
Interest from cash and cash equivalents	2,309,744	5,422,876	363,117	1,225,764
Finance income from swaps	2,691,156	2,114,748	309,927	928,462
Other finance income	5,515,288	270,798	53,284	117,888
Subtotal	**10,516,188**	**7,808,422**	**726,328**	**2,272,114**
Finance expenses				
Interest and expenses on bank loans	(5,250,609)	(13,076,128)	(98,534)	(4,491,270)
Bond interest and expenses	(64,832,551)	(49,048,699)	(25,322,877)	(17,174,873)
Other financial costs	(2,655,852)	(1,918,399)	(680,708)	(721,952)
Subtotal	**(72,739,012)**	**(64,043,226)**	**(26,102,119)**	**(22,388,095)**
Loss from financial result	**(62,222,824)**	**(56,234,804)**	**(25,375,791)**	**(20,115,981)**

Foreign currency translation and indexation units	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Foreign currency translation difference				
Profit (loss) from exchange differences (foreign loans, bonds, swap and investments)	(49,402,504)	(44,827,783)	57,193,432	(66,956,646)
Total foreign currency translation difference	(49,402,504)	(44,827,783)	57,193,432	(66,956,646)
Indexation units				
Profit (loss) from Indexation unit (bonds)	(12,786,439)	(17,579,589)	(1,068,069)	(4,798,652)
Total indexation units	**(12,786,439)**	**(17,579,589)**	**(1,068,069)**	**(4,798,652)**

Other income (expenses)

Other Company's profit (losses) for the periods ended September 30, 2020 and 2019, are detailed as follows:

Other income (losses)	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Net present value of swap	(2,132,050)	90,696	(816,463)	25,773
Total	**(2,132,050)**	**90,696**	**(816,463)**	**25,773**

Other comprehensive income:

For the periods ended September 30, 2020 and 2019, this item is detailed as follows:

Other comprehensive income	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	07-01-2020 09-30-2020 ThCh$	07-01-2019 09-30-2019 ThCh$
Actuarial profit (loss) on defined benefit plans	(407,590)	(739,712)	581,421	(209,599)
Loss on cash flow hedges	(8,114,673)	(10,142,862)	(1,058,252)	(4,943,225)
Total	**(8,522,263)**	**(10,882,574)**	**(476,831)**	**(5,152,824)**

22. Third-party guarantees

Guarantees received as of December 31, 2018, are detailed as follows:

Grantor	Guarantee amount ThCh$	Originating operation	Relationship
Abengoa Chile S.A.	68,538,185	Services contract	Supplier
Alstom Chile S.A.	360,237,476	Services contract	Supplier
Alstom Transport S.A.	37,366,618	Services contract	Supplier
Arrigoni Proyectos Especiales	6,786,843	Services contract	Supplier
Besalco Dragados S.A.	69,933,712	Services contract	Supplier
CAF Chile S.A.	922,445,666	Services contract	Supplier
China Railway Tunnel GR.CO. Ltda.	39,037,956	Services contract	Supplier
Colas Rail	4,009,338	Services contract	Supplier
Colas Rail Establecimiento Permanente	20,682,242	Services contract	Supplier
Compañía Americana de Multiservicios	4,991,004	Services contract	Supplier
Consorcio EI-OSSA S.A.	107,029,572	Works contract	Supplier
Construcción y Auxiliar de Ferrocarril	39,246,756	Works contract	Supplier
Construcciones Especializadas	6,886,109	Works contract	Supplier
Dominion Instalaciones y Montajes S.A.	7,468,625	Services contract	Supplier
Elecnor Chile S.A.	9,133,109	Services contract	Supplier
ETF	12,357,132	Services contract	Supplier
Eurocorp Dos S.A.	14,134,598	Services contract	Supplier
Ferrostal Chile S.A.	4,624,142	Services contract	Supplier
Ferrovial Agroman Chile S.A.	6,483,770	Services contract	Supplier
Gabriela De Las Nieves Ramirez	14,354,400	Services contract	Supplier
IDOM Consulting, Engineering, Architecture S.A	4,942,627	Services contract	Supplier
Iron Mountain Chile S.A.	93,508,249	Services contract	Supplier
ISS Servicios Integrales Limitada	3,897,722	Services contract	Supplier
Obrascon Huarte Laín	34,800,312	Services contract	Supplier
OFC SpA	20,119,270	Services contract	Supplier
Proyectos y Soluciones Técnicas	6,519,008	Services contract	Supplier
Servicios de Aseo y Jardines Maclea	3,189,101	Services contract	Supplier
Servicios de Respaldo de Energía Teknica Ltda.	5,593,934	Services contract	Supplier
Sice Agencia Chile S.A.	73,150,269	Services contract	Supplier
Sociedad de Mantención e Instalaciones Técnicas	6,238,394	Services contract	Supplier
Soler y Palau S.A.	38,801,792	Services contract	Supplier
Systra Agencia en Chile	4,602,193	Services contract	Supplier
Thales Canadá INC.	15,134,011	Services contract	Supplier
Thales International Chile Ltda.	19,585,452	Services contract	Supplier
Thyssenkrupp Elevadores S.A.	5,906,511	Services contract	Supplier
Other	93,000,446	Services contract	Supplier
TOTAL	**2,184,736,544**		

23. Risk management policies

The Company is exposed to several risks which are inherent to the activities that are carried out in the public passenger transportation services, in addition to risks of an economic and financial nature associated with changes in market conditions or force majeure, among others.

Currently, as a result of the measures implemented by the government to curb the spread of Covid-19, which include restrictions on free movement of people, Metro has experienced a significant decrease in the number of transported passengers, which has had an impact on the risk associated with demand. In this regard, the Company's transportation revenue has declined in comparison to previous years. Likewise, the income from the Sales Channel (-63% compared to the same period in the previous year), leases of stores, commercial and advertising spaces (-25% compared to the same period in the previous year), among others, has fallen due to the Covid-19 pandemic and the lockdowns.

As a result, management has adopted measures that have partially mitigated the effects of the pandemic: a reduction in operating hours, a reduction in the supply of trains, and application of sanitation plans in both Metro facilities and in trains in order to protect the health of both passengers and Metro employees. These measures will be discussed in more detail in the section Measures adopted due to Covid-19.

23.1 Description of the market in which the Company operates

The main market in which the Company operates is the public transportation of passengers in the Metropolitan Region of Santiago and is composed of users seeking a quick and safe journey.

Secondary activities to the Company's main line of business include collection of transportation fees and sale of means of payment (Tarjeta Bip and tickets), leasing of advertising spaces, and leasing of business premises at the network stations, among others.

Fares

On February 10, 2007, the Company became part of the Integrated Public Passenger Transport System of Santiago (Metropolitan Mobility Network) and its fare revenue was originally based on the effectively confirmed number of passengers transported and the technical fare established in Exhibit 1 of the Tender Documents for the Use of the Thoroughfares of the City of Santiago.

On December 14, 2012 a Transportation Agreement was signed by the Company with the Ministry of Transportation and Telecommunications of Chile to replace the aforementioned Exhibit 1.

Beginning on February 11, 2019 a new transportation agreement is in force between the Company and the Ministry of Transportation and Telecommunications of Chile, which established a flat-rate technical fare of Ch$480.18 per confirmed transported passenger, taking November 2018 as a base, and which is updated monthly by the indexation polynomial, included in this new agreement, which takes into consideration changes in the variables making up the Company's long-term cost structure (CPI, US dollar, euro, power and electric energy price. This allows for a partial natural hedge in case of cost variations caused by an increase in certain variables making up the polynomial.

On February 5, 2020, an amendment was made to the Transportation Agreement that took effect on February 10, 2020. The amendment added a 12-month extension to the term of the agreement signed in 2019, which, as a result, will be in force until February 11, 2021. In addition, the income associated with the Inter-modal stations is established in the form of a fixed remuneration, eliminating the associated concept from the base fare and replacing it with fixed income quotas expressed in U.F., thus generating a new base fare of Ch$ 478.67 per validated transported passenger, based on November 2018.

The fare paid by the public is different than the fare that the Company receives per transported passenger. In September 2020, customers paid Ch$800 at peak hours, Ch$720 at valley hours and Ch$640 at low hours, whereas on average the Company received a technical fare of Ch$516.43 per passenger.

Beginning on July 1, 2013, the supplementary contract for issuance and post-sale of means of access and provision of the network for sales and charge of the means of access to the Santiago public transportation system entered into by and between the Ministry of Transportation and Telecommunication of Chile and Metro S.A., became effective.

Beginning on October 22, 2019, the supplementary contract for issuance and post-sale of means of access and provision of the network for sales and charge of the means of access to the Santiago public transportation system entered into by and between the Ministry of Transportation and Telecommunication of Chile and Metro S.A., became effective.

Demand

The Company is part of the Integrated System of Public Passenger Transport (Metropolitan Mobility Network). As of September 2020, Metro reached 182.2 million transported passengers, with an average of 0.82 million trips on a working day.

The risk related to the demand of Metro passengers is mainly associated with the level of economic activity in Chile, level of use and quality of the ground passenger transportation service (buses). In effect, the demand for passenger transport is a demand derived from other economic activities. As of September 2020, there is a 387.4 million drop in trips, 68.0% down compared to the same date in 2019. This drop is due basically to Covid-19 and the measures implemented by the government to contain its spread. Also the acts of violence that caused damage to the network in October 2019 contributed to a drop in the number of transported passengers in the first months of 2020. As of September 30, 2020, thanks to the progress in its reconstruction process, Metro has all of its 136 stations operational.

Measures adopted due to Covid-19

The coronavirus outbreak and the measures implemented in Chile to contain its spread, or the economic damage suffered as a result of the coronavirus, have had, and will continue to have, an impact on Metro's business, financial position, operating results and liquidity. In particular, the foregoing has contributed to a widespread slowdown in the Chilean economy and as a consequence the number of transported passengers has fallen significantly. The pandemic and its consequences have caused delays in the Company's projects and have required the implementation of cost-cutting measures, in order not to jeopardize compliance with Metro's financial covenants associated with debt instruments or compliance with Metro's overall obligations.

Regarding demand, the Company is part of the Integrated Public Passenger Transport System (Metropolitan Mobility Network). As of September 2020, Metro reached 182.2 million transported passengers, with an average of 0.82 million trips on a working day. As of September 2020, there is a 387.4 million drop in trips, 68.0% down compared to the same date in 2019. The above is explained mainly by Covid-19 and the measures implemented by the government to stop its spread, including restrictions on the free movement of people (lockdowns, the so-called "step-by-step plan"), in addition to social distancing, teleworking y suspension of classes; these measures have caused a significant decrease in the number of passengers transported by Metro in the year 2020. Also the acts of violence that caused damage to the network in October 2019 contributed to a drop in the number of transported passengers in the first months of 2020. As of September 30, 2020, thanks to the progress in its reconstruction process, Metro has all of its 136 stations operational.

Likewise, the income from the Sales Channel (-63% compared to the same period in the previous year), leases of stores, commercial and advertising spaces (-25% compared to the same period in the previous year), among others, has fallen due to the Covid-19 pandemic and the lockdowns.

The following are some of the operational measures taken by Metro to deal with the pandemic:

- ✓ Reduction of operating hours to comply with sanitary measures, and in keeping with the restriction of free movement of people at certain hours (curfew).
- ✓ Adjustments to the train offer programs, based on the current level of passenger demand on the network. As of September 2020, the offer reached a total of 78.7 million coach-km, down 35.8% from the offer in the same period of the previous year (122.5 million coach-km).
- ✓ Application of sanitation measures in facilities and trains.

These measures are aimed at providing a transportation service with a sanitary standard capable to deal with the pandemic, so as to protect as much as possible the health of both passengers and Metro employees. As of September 30, 2020, Metro has incurred expenses associated with sanitary measures totaling MCh$ 248,930, consisting mainly in the purchase of supplies such as masks, gloves, and sanitizing items, and sanitation measures conducted both in the trains and in Metro facilities.

Liquidity risk due to Covid-19

In financial terms, no liquidity or solvency issues are anticipated for Metro, since the Company raised US$1,500 millions in the international market through a bond issue, and this money was allocated to refinancing operations, thereby optimizing the financial structure.

Metro has the backing of the Chilean government, allowing the Company to execute its growth plan and the reconstruction of its network following the acts of violence that broke out in October 2019 causing damage to 118 of the 136 stations.

23.2 Financial risks

The main risks to which the Company is exposed and which arise from financial assets and liabilities are: market risk, liquidity risk and credit risk.

In loans from financial institutions, the nominal rate is similar to the effective rate since there are no additional transaction costs to be considered.

Market risk

The technical fare that the Company receives is updated monthly by the indexation polynomial which takes into consideration changes in the variables making up the Company's long- term cost structure (CPI, US dollar, euro, power and electric energy price). This allows for a partial natural hedge in case of cost variations caused by an increase in certain variables making up the polynomial.

The Company, as per its financial risk management policy, takes financial derivatives to hedge its exposure to currency variations (exchange rate) and to inflation. Currency derivatives are used to set the exchange rate of the US dollar against the Chilean peso (Ch$) and Unidad de Fomento (UF), in the case of investments or obligations in currencies other than the Chilean peso. These instruments are Cross Currency Swaps, whose notional amount is MUS$ 160 and MUS$ 300 as of September 30, 2020 and 2019, respectively. These instruments meet the hedge accounting criteria under IFRS 9 as of 2019.

Particularly, the Company is exposed to two market risks, which are:

Interest rate risk

As of September 2020, the share of the debt at a variable rate has undergone a considerable variation with respect to December 2019, as a result of the refinancing operations carried out. On May 4, 2020 Metro placed the following bonds in the international market: i) Bonds worth US$ 500 million at 3.65% maturing in 2030 and ii) Bonds worth US$ 1 billion at 4.70% maturing in 2050. The funds raised were mainly used to refinance the Company's liabilities.

Additionally, on May 6, 2020, Metro completed a Tender Offer for an International Bond 2024 (4.75%) on 67.55% of the unpaid balance, an amount of MUS$162 remains to be amortized since that date. The above caused that 100% of Metro’s debt is associated with a fixed rate Associates, mitigating the present risk, as can be seen in the following table:

Detail of debt	09-30-2020 %	12-31-2019 %
Fixed rate	100.0	79.3
Variable rate	-	20.7
Total	**100.0**	**100.0**

Exchange rate risk and inflation

The Company has obligations with financial institutions and has issued bonds in foreign markets, agreed to in foreign currencies, to finance the extensions in the Metro network. To minimize exchange rate risks, the Company has contracted cross currency swaps (CCS) financial derivatives, whose notional amount is MUS$160 as of September 30, 2020.

The following table shows the composition of the Company's debt, expressed in millions of US dollars (current derivatives transactions are considered):

Financial Debt Structure	09-30-2020				12-31-2019			
	Original currency		Equivalent in MUS$	%	Original currency		Equivalent in MUS$	%
Debt in UF	ThUF	36,514	1,330	39%	MUF	41,289	1,561	53%
Debt in US$	MUS$	2,059	2,059	61%	MUS$	1,370	1,370	47%
Total Financial Debt			3,389	100%			2,931	100%

As of September 30, 2020 the structure of the financial debt is divided into UF (39%) and US dollars (61%).

This composition is defined by Metro's Financial Risk Hedging Policy, which seeks to mitigate the financial risk derived from the effect of the Exchange Rate and the Interest Rates, and is intended to ensure the capacity to generate cash flows that allow the Company to fulfill its financial commitments.

This structure, divided by currency, is in line with Metro's operating cash flows, in which the indexation polynomial updates the Company's technical fare in case of changes in the US dollar and the Consumer Price Index (CPI), in addition to other variables, which produces a partial "natural hedge" between long-term operating cash flows and debt service.

When we analyze the sensitivity of the Consolidated Statement of Comprehensive Income as of September 30, 2020, in case of a possible 5% depreciation/appreciation of the Chilean peso in respect to the US dollar, leaving all the rest of the parameters constant, we estimate that an unrealized loss or profit of ThCh$81,142,833 would arise, which is the accounting effect on the principal of the US dollar-denominated debt, and not the effect on cash, because the latter is hedged by the policy described above.

Sensitivity analysis Effect on profit or loss as of September 2020	5% Depreciation ThCh$	5% Appreciation ThCh$
Impact of variation of 5% in Ch$/ US$ exchange rate	81,142,833	(81,142,833)

Likewise, in case of a possible appreciation of 3% of the value of UF, leaving all the rest of the parameters constant, we estimate that an unrealized loss of ThCh$31,446,870 would arise,which is the accounting effect on the principal of the UF-denominated debt, and not the effect on cash, because, as in the case of the US dollar, the latter is also hedged by the Financial Risk Hedging Policy.

Sensitivity analysis Effect on profit or loss as of September 2020	3% Appreciation ThCh$
Impact of variation of 3% in UF	31,446,870

It is worth pointing out that the results generated by the sensitivities presented above produce only an unrealized loss or profit in the items Exchange difference and Profit (loss) from inflation-adjusted units. Therefore, the foregoing does not affect the objective of hedging the company's cash flow, because, since the company has in place an indexation polynomial to update the technical fare, the latter performs the function of a partial natural hedge, by mitigating the effects in the cash flow from operating activities of the previously analyzed macroeconomic variables, included in the polynomial, generating a hedge for Metro's cash flow.

Liquidity risk

Revenue from fares associated with Metro S.A. passenger transportation, based on the new transport contract, are deducted daily from the funds collected by the Company's sales channel under normal conditions of passenger transportation, generating the liquidity necessary to cover the Company's commitments. This revenue corresponds approximately to 80% of total revenue.

The maturity of interest-bearing debt, by terms, separated in principal and interest payable, is detailed as follows:

	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Principal	54,367,134	315,305,354	178,721,918	2,122,922,059	2,671,316,465
Interest payment	118,251,371	215,151,614	205,353,241	1,558,629,061	2,097,385,287
Total	**172,618,505**	**530,456,968**	**384,075,159**	**3,681,551,120**	**4,768,701,752**

The detail of the maturities of the contracted debt, separating the current portion into tranches according to terms, is as follows:

Maturity	**09-30-2020**			
	Up to 30 days ThCh$	**30 days - 90 days ThCh$**	**90 days - 1 year ThCh$**	**Total**
Capital maturities	**1,507,152**	**18,751,293**	**34,108,689**	**54,367,134**

Financial liability structure

The Company's financial debt classified by maturity (on an accrual basis) is presented as follows:

Financial Liabilities	09-30-2020				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Interest-bearing loans	9,411,175	9,858,426	3,903,554	4,167,944	27,341,099
Bonds	79,478,658	305,446,928	174,818,364	2,082,271,957	2,642,015,907
Derivative transactions	597,097	-	-	-	597,097
Total	**89,486,930**	**315,305,354**	**178,721,918**	**2,086,439,901**	**2,669,954,103**

Financial Liabilities	12-31-2019				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Interest-bearing loans	71,407,756	175,551,934	115,152,239	116,969,547	479,081,476
Bonds	78,368,327	151,510,680	155,889,085	1,357,129,544	1,742,897,636
Derivative transactions	4,203,490	-	-	-	4,203,490
Total	**153,979,573**	**327,062,614**	**271,041,324**	**1,474,099,091**	**2,226,182,602**

In general, the Company's debt structure consists mainly of long-term bonds and, to a lesser extent, bank loans, which are intended to ensure financial stability and improve matching with the maturity terms of the Company's assets.

Carrying amounts and fair value of the debt in loans and bonds of the Company as of September 30, 2020 are detailed as follows.

	Book value ThCh$	Fair value ThCh$
Loans	27,341,099	27,416,403
Bonds	2,642,015,907	3,496,584,739

Valuation technique: Discounted cash flows: The Level 2 valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate.

The following methodology is used to calculate the fair value:

Loans: Discounted cash flows of each credit using the LIBOR 180 days in US dollars at each quarter-end, where the fair value is the addition of the present value of each credit.

Local bonds: Discounted cash flows of each bond using the valuation rates provided by Risk America, where each bond is discounted at its related rate.

International bond: For such calculation the Company uses the rate reported by Bloomberg for transactions performed as of the quarter-end.

Credit risk

The Company's credit risk refers to the exposure to possible losses due to a counterparty’s breach of conditions stipulated in a contract or financial instrument. It considers both credit granted to customers and financial assets in portfolio.

Accounts receivable

The risk of accounts receivable arising from the Company’s main business (passenger transportation) is limited, since over 80% of the Company's revenue is received daily in cash, whereas the remaining fraction corresponds to income not related to the main business. However, as a result of the effects of the Covid-19 pandemic, the above percentages may experience changes. For that reason, they are being permanently monitored.

The maximum exposure to credit risk arises from trade receivables.

Trade and other receivables	09-30-2020 ThCh$	12-31-2019 ThCh$
Trade receivables, gross	12,113,570	10,521,935
Impairment of trade receivables	(829,246)	(653,886)
Trade receivables, net	**11,284,324**	**9,868,049**
Sales channel accounts receivable, net	1,910,869	3,783,958
Other receivables, net	1,819,578	2,437,997
Total	**15,014,771**	**16,090,004**

Other receivables relate mainly to leases of commercial stores, advertising and invoices receivable with low delinquency under normal conditions. However, it is possible that the Covid-19 pandemic may cause changes in delinquency levels. The Company is constantly monitoring accounts receivables for any changes and for their financial impact.

Impairment of accounts receivable is determined using the reports issued by the Company´s Business Division, and considering the level of default of the receivable and the judicial collection and non-judicial collection measures taken.

Analysis of accounts receivable based on age is detailed as follows:

Age of trade receivables, net	09-30-2020 ThCh$	12-31-2019 ThCh$
Less than 3 month	7,676,277	4,231,606
3 months to 1 year	3,324,325	5,113,450
More than 1 year	283,722	522,993
Total	**11,284,324**	**9,868,049**

Age of Sales channel accounts receivable, net	09-30-2020 ThCh$	12-31-2019 ThCh$
Less than 3 month	1,883,864	3,685,763
3 months to 1 year	4,768	71,664
More than 1 year	22,237	26,531
Total	**1,910,869**	**3,783,958**

Age of Other receivables, net	09-30-2020 ThCh$	12-31-2019 ThCh$
Less than 3 month	1,380,379	1,974,972
3 months to 1 year	439,199	463,025
Total	**1,819,578**	**2,437,997**

Financial assets

The level of exposure of financial assets to risk is established in the Company's financial investment policy.

As of September 30, 2020, the financial assets' maturity schedule is as follows:

Financial Assets	09-30-2020			
	Up to 1 year ThCh$	1 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Cash and cash equivalents				
Cash	2,285,341	-	-	2,285,341
Term deposits	329,040,193	-	-	329,040,193
Repurchase agreements	-	-	-	-
Subtotal	331,325,534	-	-	331,325,534
Other financial assets				
Financial Investments	60,802,228	-	-	60,802,228
Derivative transactions	931,769	15,461,398	-	16,393,167
Finance lease	79,437	533,466	1,335,098	1,948,001
Promissory notes receivable	-	382,085	-	382,085
Advertising receivables	-	29,335,595	23,468,476	52,804,071
Other accounts receivable	-	3,732	-	3,732
Subtotal	**61,813,434**	**45,716,276**	**24,803,574**	**132,333,284**
Total	**393,138,968**	**45,716,276**	**24,803,574**	**463,658,818**

At the close of 2019, the financial assets' maturity schedule is as follows:

Financial Assets	12-31-2019			
	Up to 1 year ThCh$	1 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Cash and cash equivalents				
Cash	4,761,726	-	-	4,761,726
Term deposits	99,295,250	-	-	99,295,250
Repurchase agreements	2,446,293	-	-	2,446,293
Subtotal	106,503,269	-	-	106,503,269
Other financial assets				
Financial Investments	151,649,628	-	-	151,649,628
Derivative transactions	4,601,090	12,080,632	-	16,681,722
Finance lease	236,840	418,836	1,500,363	2,156,039
Promissory notes receivable	-	678,522	-	678,522
Advertising receivables	-	27,603,058	19,322,141	46,925,199
Other accounts receivable	-	5,329	-	5,329
Subtotal	**156,487,558**	**40,786,377**	**20,822,504**	**218,096,439**
Total	**262,990,827**	**40,786,377**	**20,822,504**	**324,599,708**

The average period of maturity of financial investments as of September 30, 2020 is less than 90 days and they are invested in banks authorized in Metro S.A.'s Financial Investment Policy.

The above is due to the fact that the Company's Financial Investment Policy focuses on reducing the risks by diversifying the portfolio, and establishing maximum limits of investment per bank and minimum risk ratings per issuer.

23.3 Capital risk management

Pursuant to capital management, the Company seeks to maintain an optimal capital structure while reducing its cost and ensuring its long-term financial stability. At the same time, it complies with its financial obligations and covenants established in the debt contracts.

Every year the Company, through the Extraordinary Shareholders' Meeting, capitalizes Government contributions associated with the financing of its expansion projects.

The Company follows up on the capital structure through debt and equity ratios, which are detailed below:

Index	09-30-2020	12-31-2019
Leverage (times)	1.18	0.86
Equity (MCh$)	2,559,343	2,848,212

23.4 Commodities risk

The Company's commodities risk factors include the supply of electric energy it requires for its operation and the need for continuity of service, in case of possible supply interruptions. In this respect, the Company has a supply system that allows it to decrease exposure in case of supply interruption by having four points of direct connection to the National Electrical System, which supply Lines 1, 2 and 5, two points that supply Lines 3 and 6, as well as two points for supplying Lines 4 and 4A.

In addition it should be noted that the electric energy supply systems are redundant and in the event either fails, there is always a back-up to ensure the Company maintains the energy supply for normal network operation.

The operating control systems are designed with redundant criteria, i,e, they operate on stand-by. Therefore in case of absence of one of the systems, the other begins operating immediately, resulting in normal network operation.

In the case of Lines 1, 2 and 5, if there is an interruption in the National Electrical Coordinator, the distribution company has defined replacement of the supply that feeds the civic neighborhood of Santiago as a first priority, which allows the Metro network to have energy almost immediately, since Metro is supplied by the same sources.

Currently, the power supply is provided by three companies: San Juan, El Pelicano and Enel. The first two companies relate to wind and photovoltaic power generation, respectively, the contracts of which were entered into on May 19, 2016, for 15 years and both supply 60% of Metro’s energy through Non-Conventional Renewable Energies (NCRE). Likewise, Enel is a distributor entity with which the Company entered into a contract on September 2015 for 40% of power supply until December 2023.

On December 29, 2018 El Pelicano was sold, resulting in the change only of its majority shareholder (Sunpower), generating no operating risks for Metro’s electrical supply.

24. Environment

Disbursements related to improvements and/or investments that directly or indirectly affect protection of the environment, for the periods ended September 30, 2020 and 2019, are detailed as follows:

Project	Allocated to administration expenses		Allocated to property, plant and equipment		Expenditures commited in the future
	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	01-01-2020 09-30-2020 ThCh$	01-01-2019 09-30-2019 ThCh$	2020 Amount ThCh$
Noises and vibrations	26,130	498	2,109,964	1,533,423	1,348,817
Waste treatment	60,191	46,782	366,959	17,949	895,647
Run-off water	109,846	88,290	-	-	30,657
Environmental management	2,126	6,649	1,766,098	3,294,726	1,965,172
Monitoring of polluting parameters	3,657	-	-	-	4,300
Total	**201,950**	**142,219**	**4,243,021**	**4,846,098**	**4,244,593**

The aforementioned projects are currently in progress as of September 30, 2020.

25. Sanctions

During the periods 2020 and 2019, the Company and its Directors have not been sanctioned by the Chilean Financial Market Commission or any other regulator.

26. Subsequent events

Through letter No. 469, dated November 24, 2020, in an ordinary meeting of the Company's Board of Directors, held on November 23, 2020 concerning the bond issuance contracts by line of securities relating to the lines registered in the Securities Registry of the Chilean Financial Market Commission under No. 515, with current issues corresponding to Series I; No. 619, with current issues charged to Series J; and No. 681, with current issues charged to Series K and L (hereinafter, jointly referred to as the "Bond Issue Contracts"), it was agreed, by unanimous decision, to ask the representatives of the respective bondholders to convene a bondholder meeting.

The purpose of the meeting is to propose to the respective bondholders a modification of the financial covenant involving the interest hedge ratio established in the respective clauses of the aforementioned Bond Issue Contracts, in the terms and conditions that will be reported in the aforementioned bondholder meeting.

Through letter No. 470 dated November 24, 2020, the members of the Board of Directors unanimously agreed, at a meeting held on November 23, 2020, to convene an Extraordinary Shareholders' Meeting of Empresa de Transporte de Pasajeros Metro S.A. for December 29, 2020 at 12:30 a.m. at the Company's offices or remotely, in accordance with the provisions of NCG No. 435 and Circular Letter No. 1,141 of the CMF, in order to reach a decision on the capitalization of contributions of Ch$167,341,401,900.

Between October 1, 2020 and the date of issuance of these financial statements, no other subsequent events have occurred that would affect these financial statements.

Julio E, Pérez Silva	Rubén Alvarado Vigar
General Accountant	General Manager