



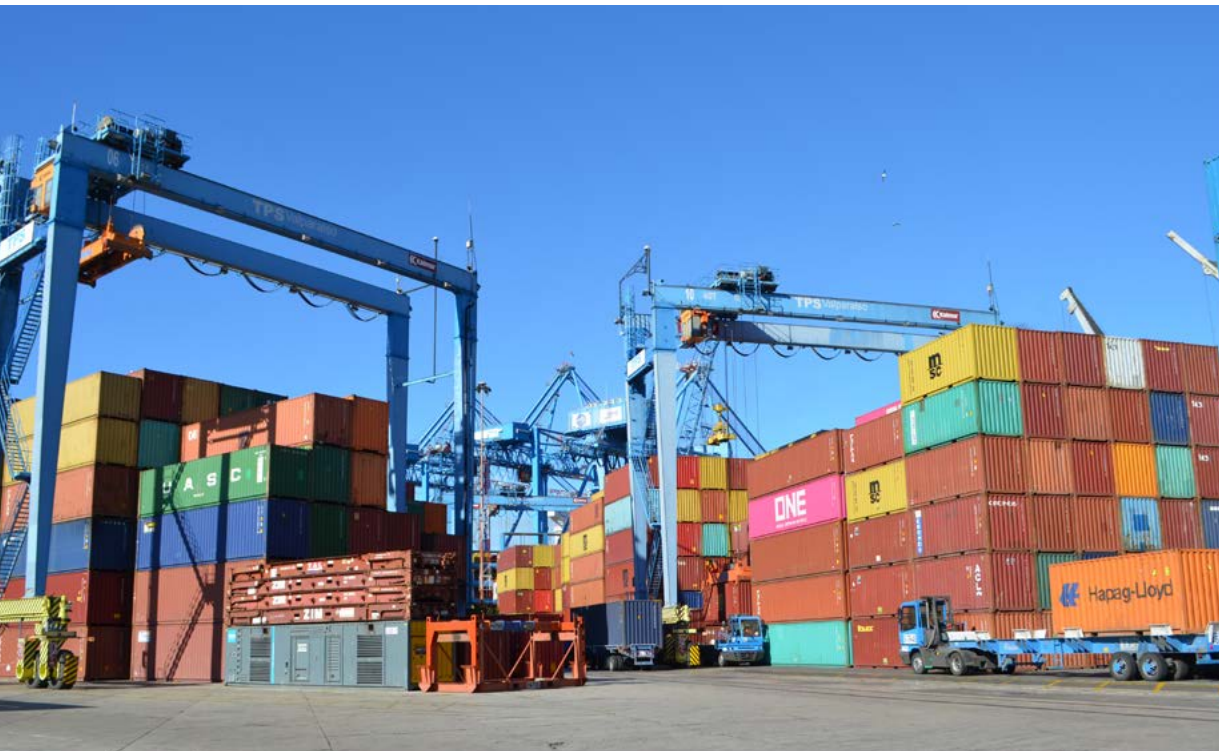
TPS
20 Años con
Valparaíso

ANNUAL REPORT 2020

TERMINAL PACÍFICO SUR VALPARAÍSO



Two decades dedicated to developing and making the port of Valparaíso more competitive, based on a strong commitment to safety and efficiency.



TERMINAL PACÍFICO SUR VALPARAÍSO

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LETTER FROM THE CHAIRMAN OF THE BOARD

Dear Shareholders:

The period covered by this Annual Report represents the 20th Anniversary since the beginning of our concession. This period is probably one of the most difficult to summarise due to the profound changes that the maritime and port industry, and the global and local economy, had to face because of the global pandemic we are all aware of.

According to ECLAC data about the effects of covid-19 in Latin America and the Caribbean, the most profound impacts on international trade originated in two phenomena: the interruption of productive activities, which began in Asia and very quickly spread to Europe and North America; and, on the other hand, the generalised closure of borders.

Regarding the performance of Chilean foreign trade this year, the Chilean Maritime and Port Chamber reported a drop of 8,27% in the value of our foreign trade, strongly influenced by the decline in general cargo, which represents around 60% of the total value of Chilean exports and imports.

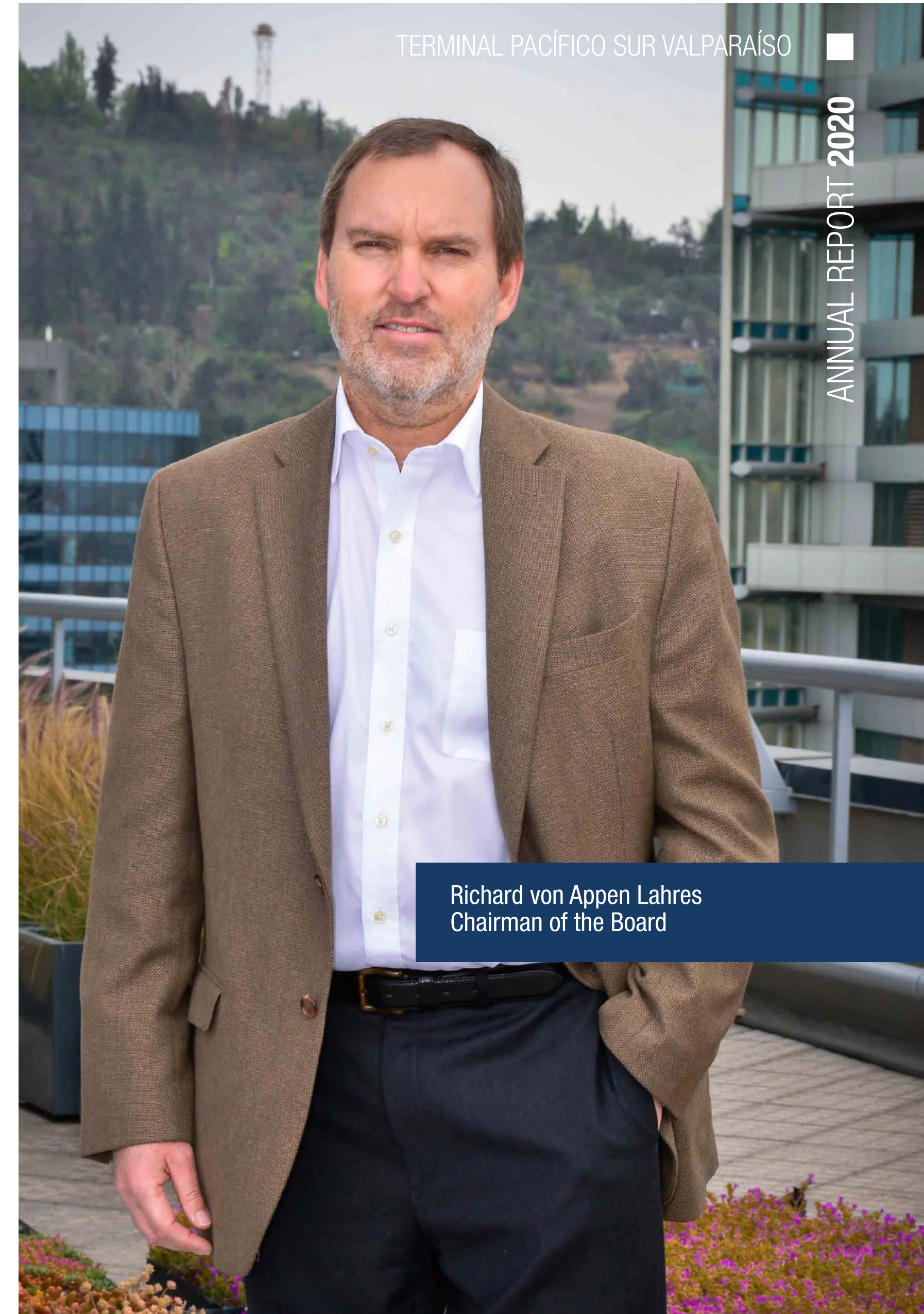
The indicators reported by the Central Bank indicate that in 2020 Chilean exports reached US\$71,728.1 million, which is a positive closing by 2.6% compared to 2019, thanks to the increase in mining shipments. In contrast, total imports registered US\$59,032.4 million, an amount that is 15.4% lower than in 2019.

It is in this complex context that our Terminal completed two decades of concession of Terminal 1 of the port of Valparaíso, an important milestone considering the deep changes brought about by 20 years to a company, to a port and to a city.

For our company, 2020 was a year in which we redoubled our efforts to fulfil our commitment that has been sustained since our beginnings: to maintain the continuity of the operation to ensure the competitiveness of Valparaíso, but putting people first, who are the reason for everything we do.

We started on this path in 2000 and we set out to be leaders in the operation of a port terminal. This is the path we have followed over time, guided by the principles of safety and efficiency, as well as solid values that are the core of our corporate culture and the hallmark of the activity we carry out.

The timeline of these two decades is marked by numerous milestones, too many to detail in these lines, but which demonstrate that both in the operation and in technological, safety and people development aspects, we have achieved our purpose and are an example of port leadership, recognised beyond our borders.



TERMINAL PACÍFICO SUR VALPARAÍSO

ANNUAL REPORT 2020

Richard von Appen Lahres
Chairman of the Board

I say this with no other purpose than to recognise the people who have made it possible for us to be where we are: our employees. As I have mentioned on other occasions: willingness, hard work and permanent collaboration with the port system are the characteristics that best describe our people, but above all, a genuine love for this activity that is so important for the economy of our country.

For the port of Valparaiso, these 20 years have been marked by unprecedented operational stability. It is thanks to this continuity that our customers and the market in general have recognised us and have given us their trust, which we receive with humility and gratitude.

And as for the city, it is this same stability that has provided solid economic activity in a commune that has also been seriously affected in terms of employment and development, not only because of the pandemic, but also because of other factors that have been dragging on for several years. In this aspect, we feel a great responsibility towards the people of Valparaíso because of our role in the foreign trade chain, which generates a large part of the city's jobs.

The Board of Directors that I lead looks forward with the satisfaction of all the good things we have achieved in these first 20 years and with the learning that always comes from difficult moments; and especially with the conviction that the future is full of more challenges that we will be able to face with all that we have built together. We will always move forward, committed to Valparaíso.

Best regards,

Richard Von Appen Lahres
Chairman of the Board



MESSAGE FROM THE MANAGING DIRECTOR

We are celebrating 20 years of operation and we are concluding one of the most complex periods of our activity, in the midst of a sanitary emergency due to the coronavirus, whose scope in international trade has set records that were difficult to foresee. Despite everything, 2020 left us with some very important things to highlight in our Terminal's activity.

First of all, the speed and effectiveness with which we were able to react to the abrupt appearance and accelerated expansion of covid-19, as a result of what we have built in these two decades as a team. This allowed us to implement protocols to take care of the health and safety not only of our employees, but of all the people who interact with our terminal and in this way, be able to maintain the operation to guarantee the country's supply.

This meant adapting practically all the processes of our activity, which we achieved successfully thanks to the commitment of our employees, who assumed from the first moment the mission to continue working, and thus allow us to collaborate with the country to continue functioning. Our greatest satisfaction, in this sense, is that we have been able to provide our workers with everything we can to protect their health.

Undoubtedly, the safety of people and the operation was the main focus of all our activities throughout the year. As this is one of the pillars of our culture, this meant reinforcing the programs that we have been working on with our employees, companies that are part of the operation and independent contractors, as well as implementing new projects with a comprehensive vision that

encompasses the health care of people, care for the environment and accident prevention. In this sense, we can highlight more than one thousand leadership outings, 12,000 observations of procedures and the first safety and environmental consultation, in which almost 700 people participated, among the main actions implemented during 2020.

Another of the highlights of the year, which is included in this Annual Report is the Remote Document Endorsement, a procedure that we were able to develop successfully in the midst of all the difficulties imposed by the pandemic, thanks to which our customers and customs agents were able to carry out their activities remotely, in order to limit their exposure to the disease; and which also saves important resources in the logistics chain, especially time.

Also due to the economic effects of the pandemic, we made an additional effort to support smaller suppliers with the early payment of their invoices, making it in a period of less than 30 days, aware of the importance for many SMEs to be able count with these resources quickly.

In technological matters, we also made important advances in the security of transactions and ease of access for our customers; we also carried out projects in the area of engineering and maintenance, taking advantage of the knowledge, experience and dedication of our collaborators, which are described in the pages of this report.



Oliver Weinreich Román
Managing Director

In terms of operations, we transferred 7.14 million tonnes in 2020, including containerised and general cargo. Although it is lower than the total of the previous year, this result is explained by several factors, among them the significant drop in cargo transfer worldwide due to the pandemic, which in the case of Valparaíso was reflected in a sharp drop in imports during the second quarter of the year. This was reversed and stabilized during the last quarter, as well as the reorganisation of some services.

One aspect which we have maintained very good results is in the export of fresh fruit, where we have a service recognised by the market. We ended 2020 with close to 1,200,000 tonnes transferred, representing an increase of around 20% over the previous year. In this type of service, we highlight the shipment of cherries, a premium product that is very valued in the Far East, and which requires a very specific operation due to the deadlines imposed by the season. During the year we moved almost 126 thousand tonnes of this product.

It is important to note that weather factors were more unpredictable than usual on our coasts, which significantly affected other ports that do not have a bay protected from storm surges, as is the case of Valparaíso. This allowed us to attend ships that were diverted from other ports without any inconvenience.

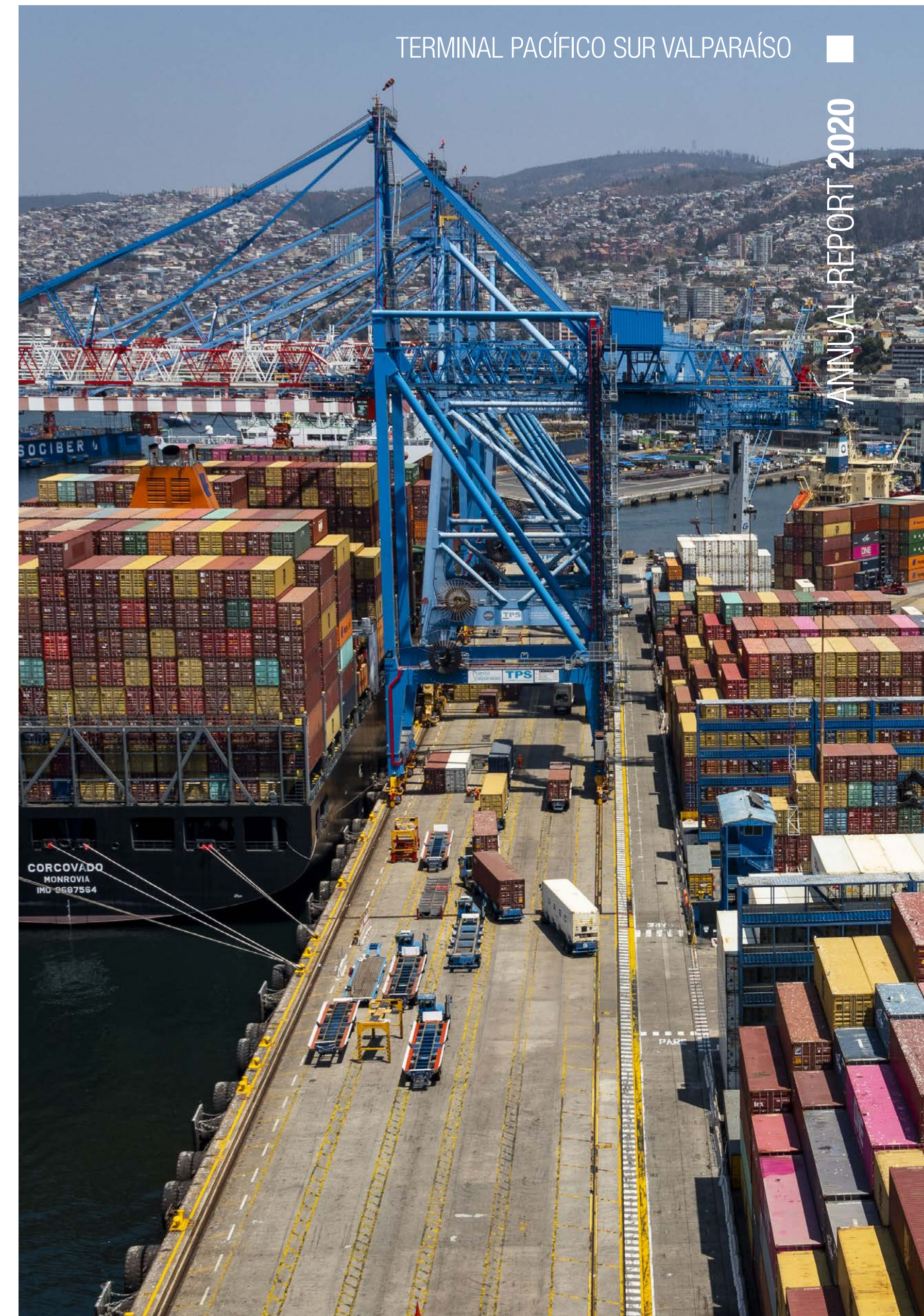
One area in which we could not make significant progress during 2020 was in our sports, cultural and educational projects with the community of Valparaiso. Unfortunately, as elsewhere in the

world, the pandemic forced us to suspend most of these activities, which allowed us to connect with our neighbours on a very close level, but people's health is above all other considerations. We are sure that, when conditions permit, we will continue those projects that for many years have brought us closer to the city.

Finally, I would like to thank our customers for their trust, with whom we have a very good communication, and to whom we owe every day; our suppliers, whose commitment contributes daily to the achievement of our objectives; and also, to recognise our employees, who in this year, so different from others, once again showed us that they are a first-class team, with whom we have built a culture that makes us proud. Thanks to them, we will always be ready for more demanding goals.

Best regards,

Oliver Weinreich Román
Managing Director
Terminal Pacífico Sur Valparaíso S. A.



THE TERMINAL: 20 YEARS OF PORT LEADERSHIP



TIMELINE : 20 years of port leadership

2000

We start our operations as the concessionaire of Terminal 1 in the port of Valparaíso. We carried out our first container shipment in the main port of the country.



2002

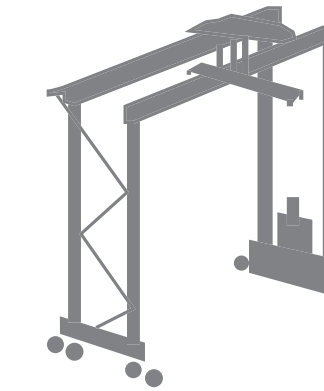
The first two Ship to Shore (STS) quay gantry cranes for container transfer came into operation.

Sergio Pizarro, gantry crane operator: "It was a crane on which we learned, one of the first we started operating, and it was a school for us. For many operators who are still working today, it brings back many memories".



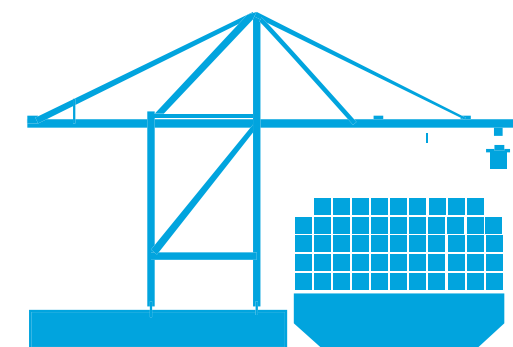
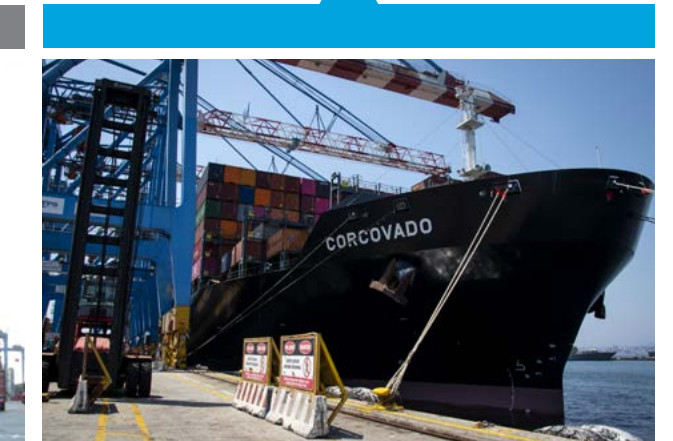
2004

TPS was the first terminal in Chile to obtain the ISPS certification, an international code for the security of ships and port facilities.



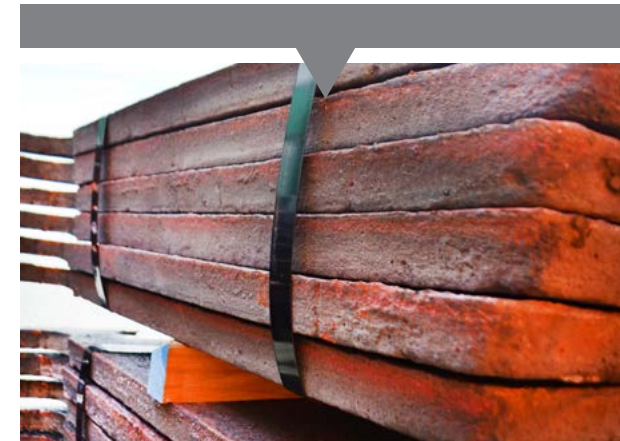
2006

We achieved a 63% increase in cargo transfer and added two new Ship to Shore (STS) quay gantry cranes.



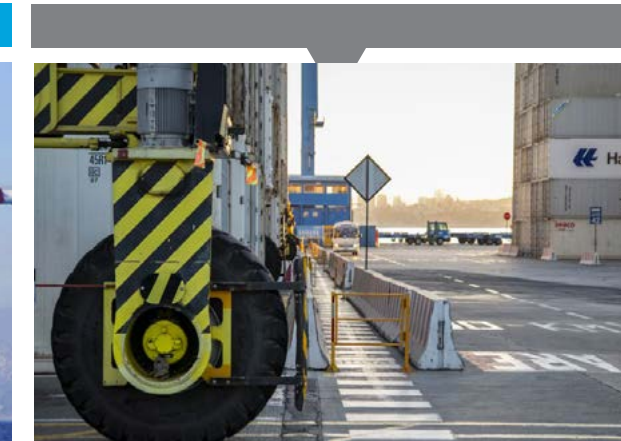
2001

The copper throughput was tripled compared to the previous year, with more than 87,000 tonnes transferred in the first semester of the year.



2003

We obtained the OHSAS 18001 certification, management system for occupational health and safety at work, starting a permanent commitment to the safety of all people.

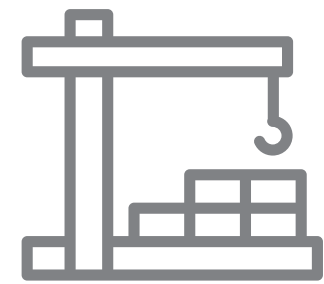


2005

With a US\$2.5 million investment, the first two yard RTG cranes (Rubber Tyred Gantry) were incorporated to our equipment.



2008



We reached 926 thousand TEUs transferred in the period, a historical record in the volume transferred in our country. In addition, TPS established a strategic alliance with Santiago Wanderers, the most important sports club in Valparaíso.

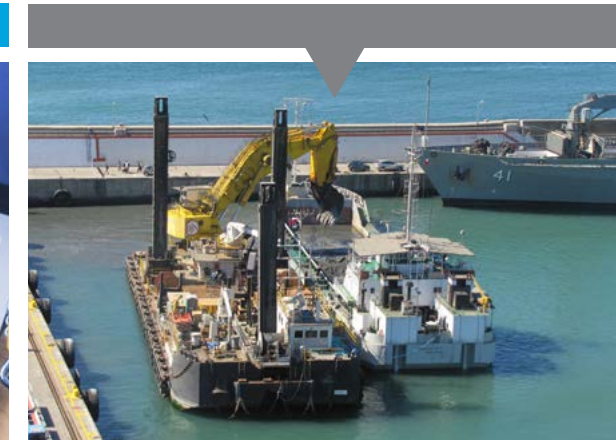


2010

In ten years of operations, TPS has invested close to US\$ 80 million, mainly focused on three areas: port equipment with state-of-the-art technology, training of our staff and modernisation of processes.

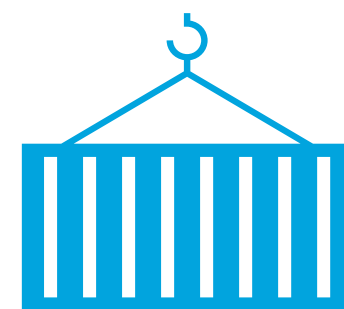
2012

Using the Greenhouse Gas Protocol (GHG protocol) and World Ports Climate Initiative (WPCI) methodologies, the most renowned in the world, we began to measure our Carbon Footprint.



2007

Our equipment already included 4 quay gantry cranes (STS), 8 yard gantry cranes (RTG), 3 mobile cranes, 19 container yard cranes (Reach Stacker) and OCR (Optical Character Recognition) system at the gates.

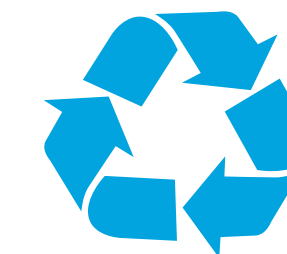


2009

30 passenger vessels arrived at our terminal, carrying almost 100,000 people, including those who embarked, disembarked and were in transit.

2011

We carried out the dredging for the deepening of Berth Sites 1,2 and 3, reaching a depth of 14,5 metres, which allows us to receive ships of greater draft.



2013

We became the first company in the region that obtained the ProPyme Seal from the Ministry of Economy, certification that guarantees payments to our smaller suppliers in a maximum of 30 days.

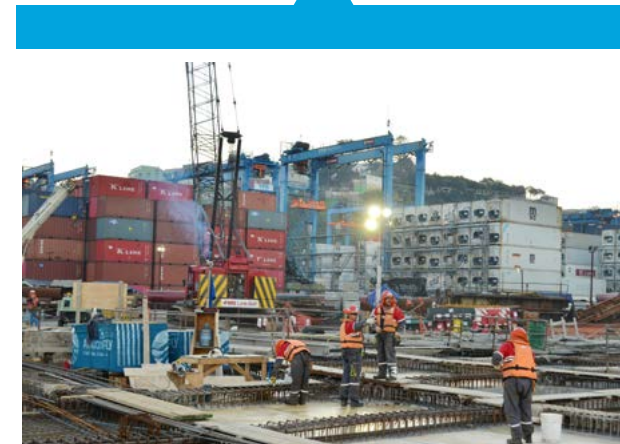
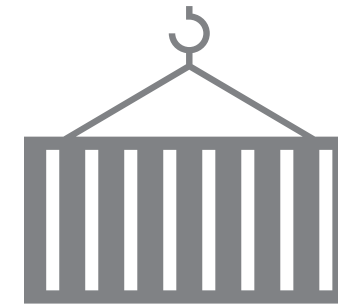
2014

With the effort and commitment of all our employees, we achieved a new historical record reaching 994 thousand TEUs mobilized. We recovered the remains of the ship “El Infatigable”, a Navy ship sunk in the bay 150 years ago.



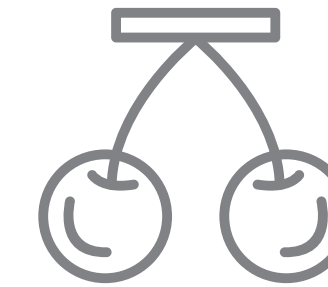
2016

The most important port expansion of Valparaíso in a century was completed. TPS extended the main quay front by 120 meters to reach 740 meters. We incorporated 3 new STS gantry cranes, the biggest on the West Coast of South America.



2018

We carried out the controlled collapse of the terminal's first gantry crane, in an unprecedented manoeuvre in a Chilean port. Also, we incorporated 2 STS Gantry Cranes identical to the 3 previous ones, bringing the total of 9 Gantry Cranes in our main berth.



2020

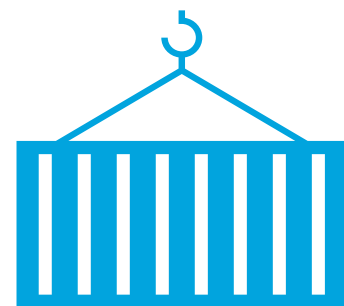
We celebrate 20 years working for the competitiveness of the Port of Valparaíso, in a context of efficiency and safety for people, cargo and facilities. All of these has been achieved while working based on constant innovation, continuous improvement and solid values which are the core of what we do.



2015

We implemented NAVIS, the most widely used operating system for high efficiency terminals in the world.

Jorge Mella, from “Information Hub”: “We began the container’s registration, reception of merchandise, loading of manifests and all the paperwork with a pen and paper. Today everything is done through the system. Now it is much faster, and we are improving every day to give a better service to our clients. This allows us to provide a complete service, without further paperwork and in a more efficient way”.



2017

We achieved 1 million TEUs transferred in one year and at the same time we reached 10 million tonnes of cargo transferred.

Rodrigo Cabrera, Deputy Director of Human Resource said: “This achievement is very important for us and it’s a one-time accomplishment. Every year we were increasing, and we were close to one million TEUs, but we had not reached the goal. This year, with the new services that arrived, and the effort made by our collaborators, we achieved it. We are very proud to have reached that number”.



2019

We achieved a record transfer of cherries destined to the Chinese New Year: 120,000 tonnes moved between November and December, which is equivalent to 60% of total Chilean exports for this year.



WHERE WE ARE

Terminal Pacífico Sur has a footprint of approximately 15 hectares in the sheltered waters of Valparaíso bay, which is located in the central region of Chile at the following coordinates: 33° 01' 33" Latitude S and 71° 38' 22" Longitude W. The commune of Valparaíso has an area of 16,396 square kilometres, and it is part of the province of the same name.

Only 110 kilometres away from Santiago, the country's capital, our Terminal's hinterland concentrates over 50% of the country's population and economic activity. Valparaíso is 204 kilometres away from the Los Libertadores Border Crossing, the main land gateway connecting Argentina and Chile across the Andes Mountains.

Our Terminal is connected to the rest of the country by some of the main highways in the Central Zone like Route 68, Route 60 CH, and Route F72.





THE ROLE OF TPS IN INTERNATIONAL TRADE

THE ROLE OF TPS IN INTERNATIONAL TRADE

International Overview

Since the beginning, TPS has distinguished itself for having a very high cargo throughput in relation to the terminal's surface area. Most remarkably in the back-up areas, which has been achieved by improving the scheduling of operations, in addition to the implementation of efficient and secure computer systems, along with investments in facilities and equipment.

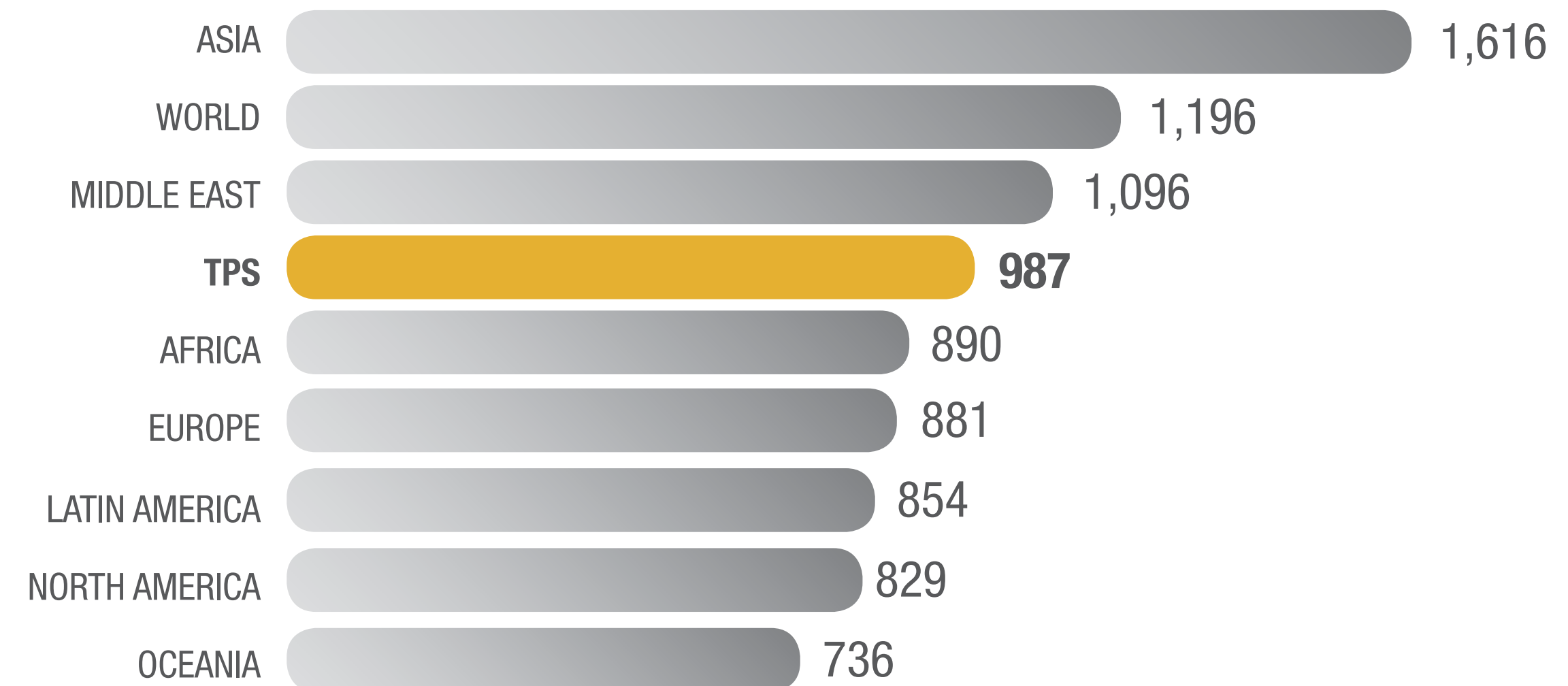
In this way, our terminal outperforms the average of every continent in terms of the number of containers transferred in relation to the linear metres of quay



987

TEUS per linear metres of quay

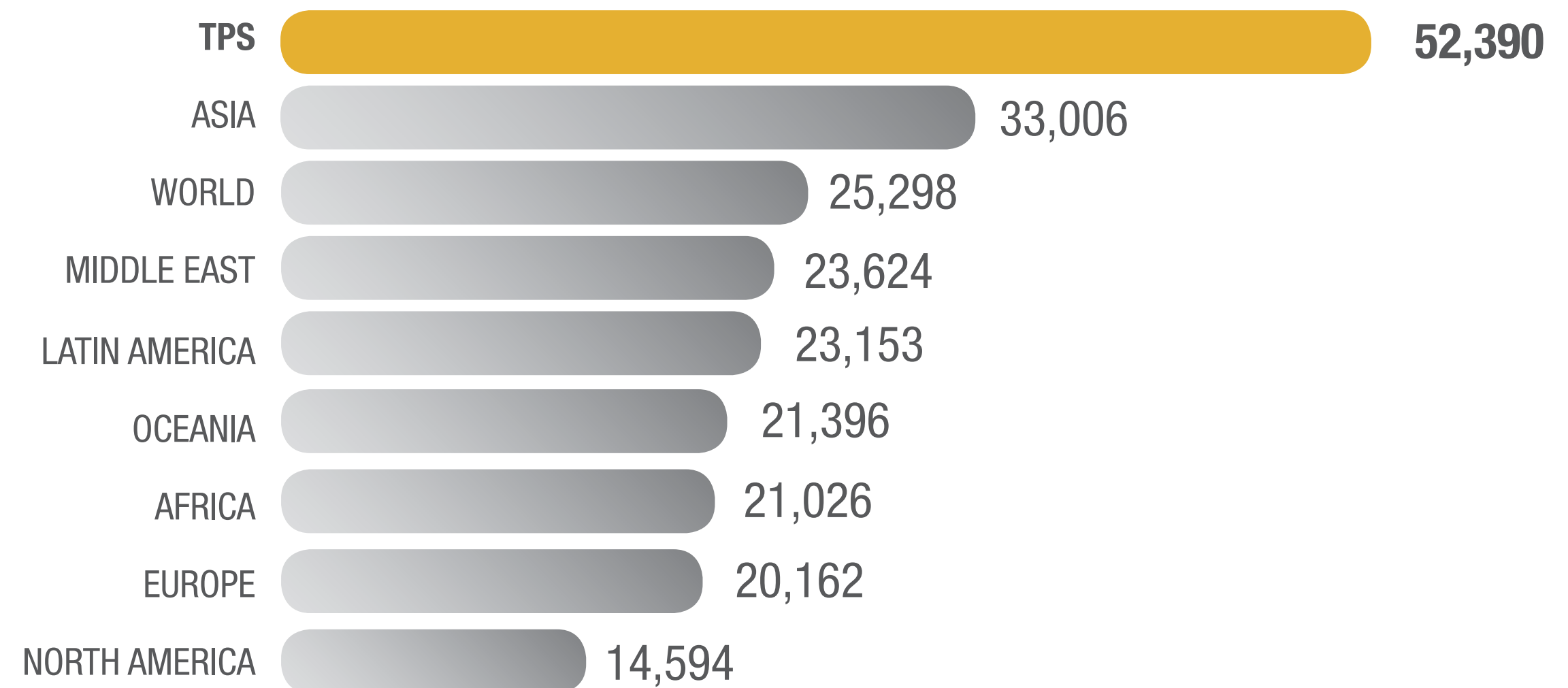
INTERNACIONAL: TEUS PER LINEAR METRES OF QUAY



Source: Global Container Terminal Operators Annual Report 2020-2021 Drewry

Certainly, the yield per hectare is the international indicator that best represents the leadership of TPS in this regard, since with almost 15 hectares of total area, our terminal far exceeds other regions of the world when analysing the amount of cargo transferred in relation to the total area of the terminal, which reaches 52,390 TEUs per hectare, as seen in the following graph:

INTERNATIONAL: YIELD PER HECTARES



Source: Global Container Terminal Operators Annual Report 2020-2021 Drewry

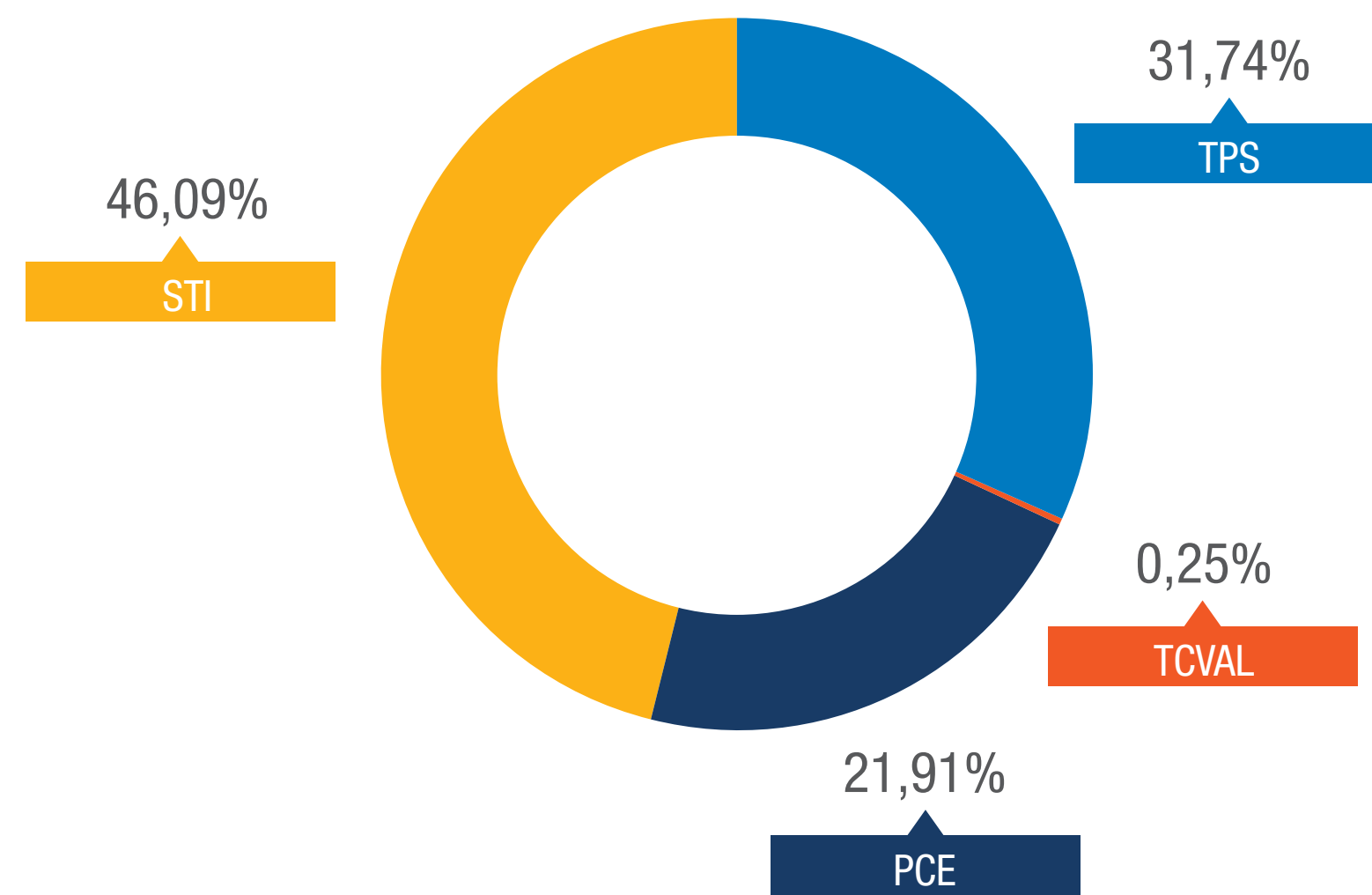


52,390

TEUS yield per hectares

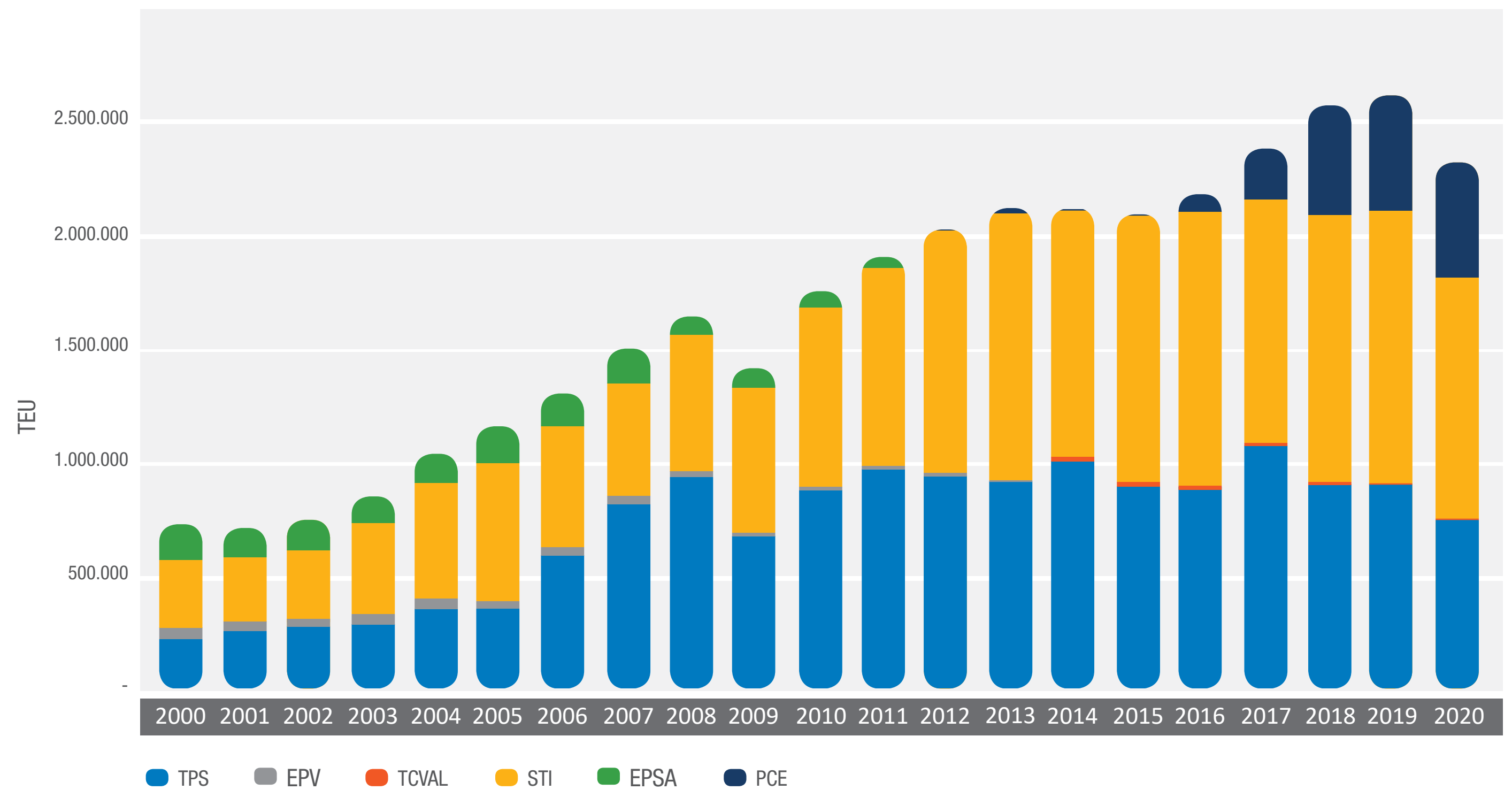
Regional Overview

The Valparaíso Region has accumulated a 156% growth in total cargo movement from 2000 to 2020, while in the transfer of containers this indicator reached a 218% increase in the same period. Although the year of activity summarised in this report registered a slight decrease compared to the previous year, as in most of the world's ports, the upward trend is stable.



V REGION: CONTAINER MARKET SHARE (TEU)

Source: TPS



V REGION: CONTAINER THROUGHPUT (TEU)

Source: TPS



TERMINAL FACILITIES,
EQUIPMENT AND CAPACITY

TERMINAL FACILITIES, EQUIPMENT AND CAPACITY

The facilities of our Terminal are constantly improving, along with the accelerated changes in the maritime-port industry, which require us to be up to date in all aspects that contribute to maintain the competitiveness of Valparaíso.

Since completion of the quay 1 extension project, our Terminal holds a 740-meter-long quay suitable to simultaneously berth two 333 meters LOA Post-Panamax vessels. Quay 2 adds another 266 meters for smaller vessels, which in total add to 1,006 meters of quay.

The Terminal yard has a footprint of more than 15 hectares and a refrigerated container stacking capacity of 3,000 units.

The Terminal gates control vehicle access to our port facilities and are equipped with OCR (Optical Character Recognition) technology, which allows personnel to read the container number and register the container condition upon arrival and departure. Then, seals and unit's physical condition are inspected. The system is integrated with Silogport and Navis N4 to ensure cargo and driver traceability.

OUR TERMINAL: OPERATIONAL AREAS AND QUAY EQUIPMENT

1 KOCKS

50 tonnes (under spreader)
39 mt/13 rows (reach)

3 ZMPC

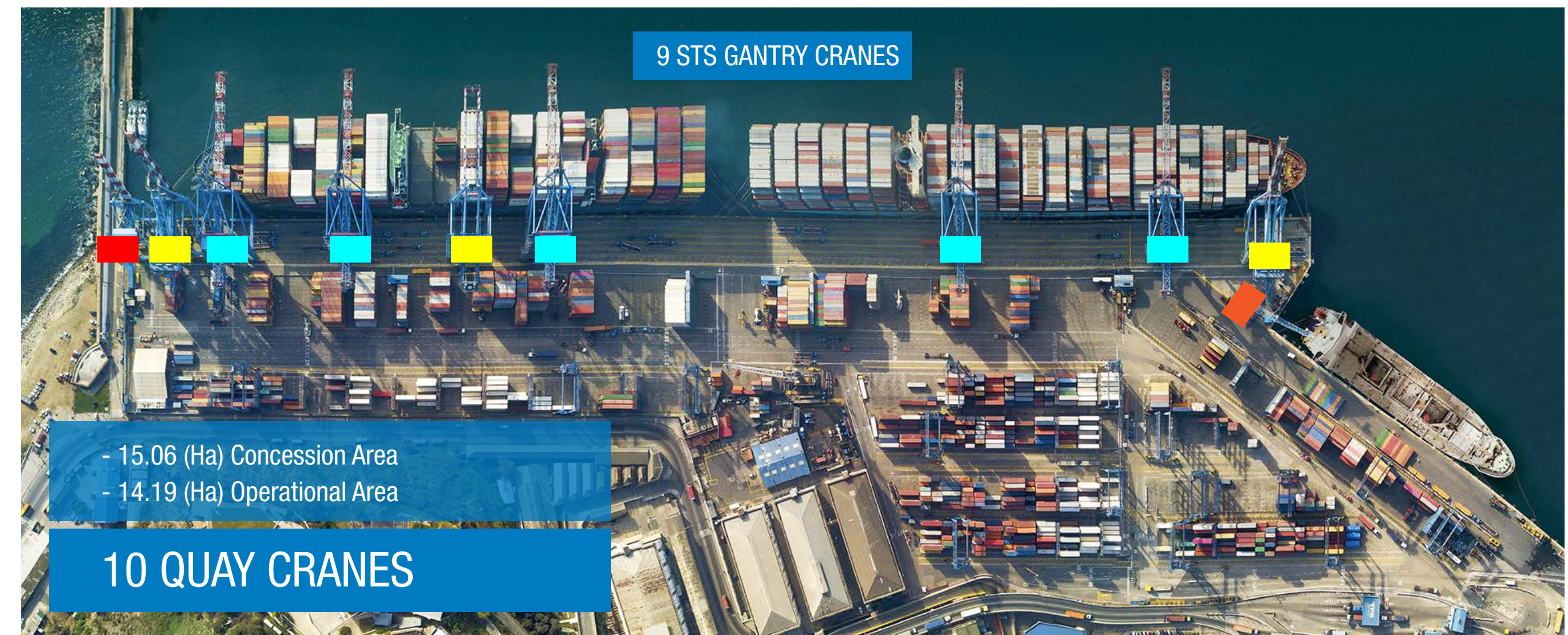
50 tonnes (under spreader)
2 Cranes: 50 mt/17 rows (reach)
1 Crane: 52 mt/19 rows (reach)

5 LIEBHERR

65 tonnes (under spreader)
62 mt/22 rows (reach)

1 MOBILE CRANE

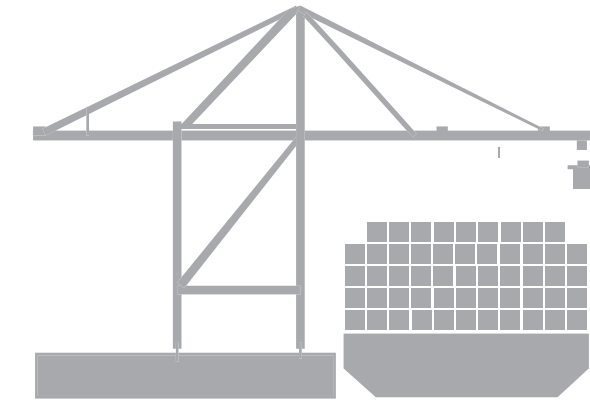
100 tonnes
51 mt (reach)



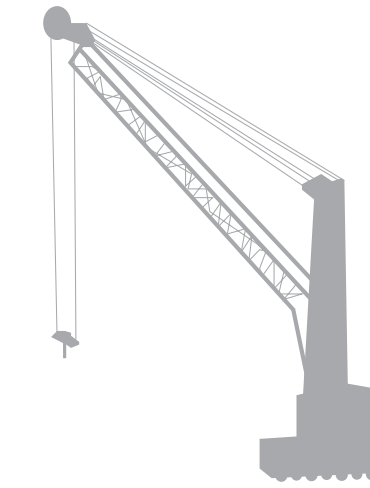
Source: TPS

Equipment

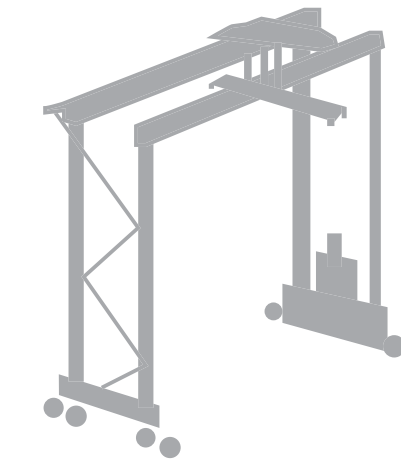
TPS has always followed a trend of continuous equipment development, during 2020 we worked on the renewal and addition of new equipment, in line with the need of keeping a highly efficient operation. The following is our current equipment list.



9 STS Gantry cranes



1 Gottwald mobile crane



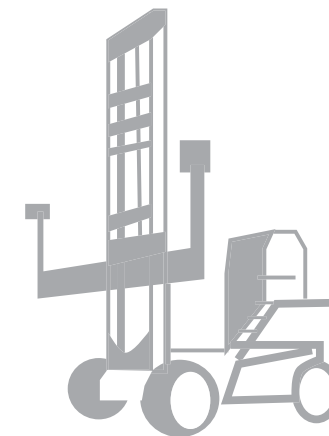
15 Rubber Tyred Gantry cranes (RTG)



17 Forklifts



2 Heavy-lift forklifts



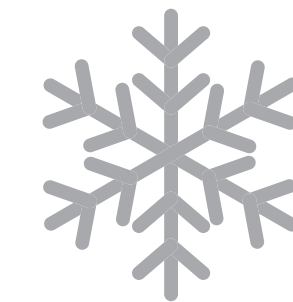
7 Empty Container Handlers



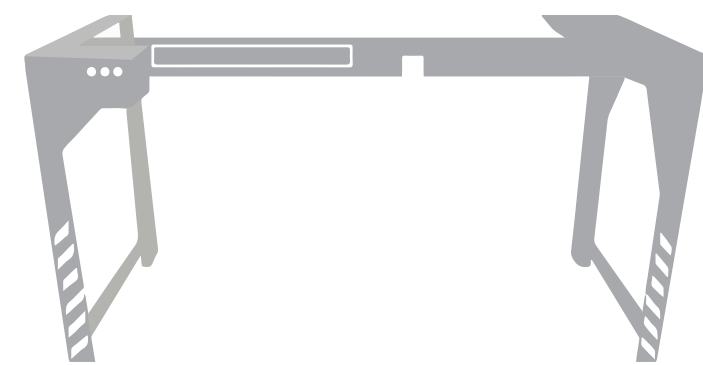
8 Reach Stackers



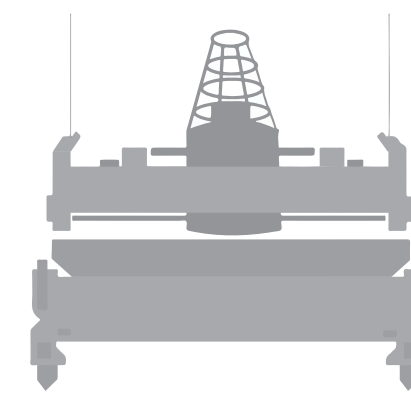
43 Terminal Tractors



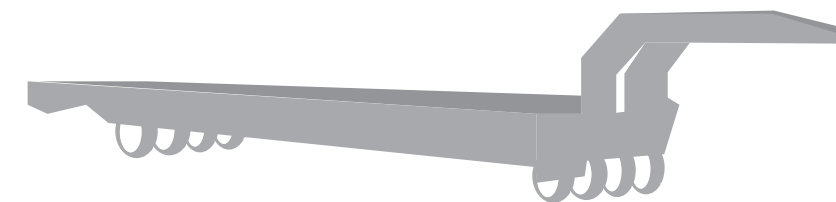
18 Reefer Racks



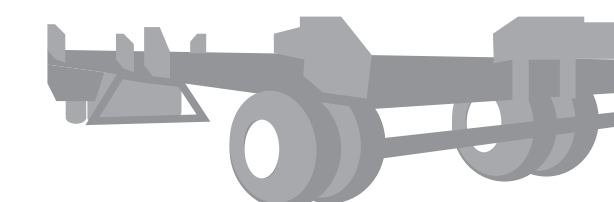
6 Out of Gauge (OOG) handling gear



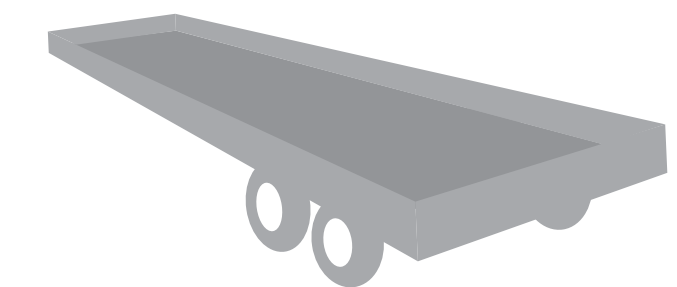
17 Container Spreaders



1 80 tonne lowboy chassis



48 Chassis



2 Spill containment pans



CCTV System

TPS has an excellent closed circuit television system, with more than 280 cameras that cover the entire perimeter of the terminal and all yard and dock operations. This system is used both to meet the requirements of the ISPS Code and to protect the safety of each employee in daily operations and tasks. This security platform works 365 days a year, 7 days a week and 24 hours a day, considering that the operation in the Terminal never stops.





ACTIVITIES AND MARKET: OUR ECONOMIC DEVELOPMENT

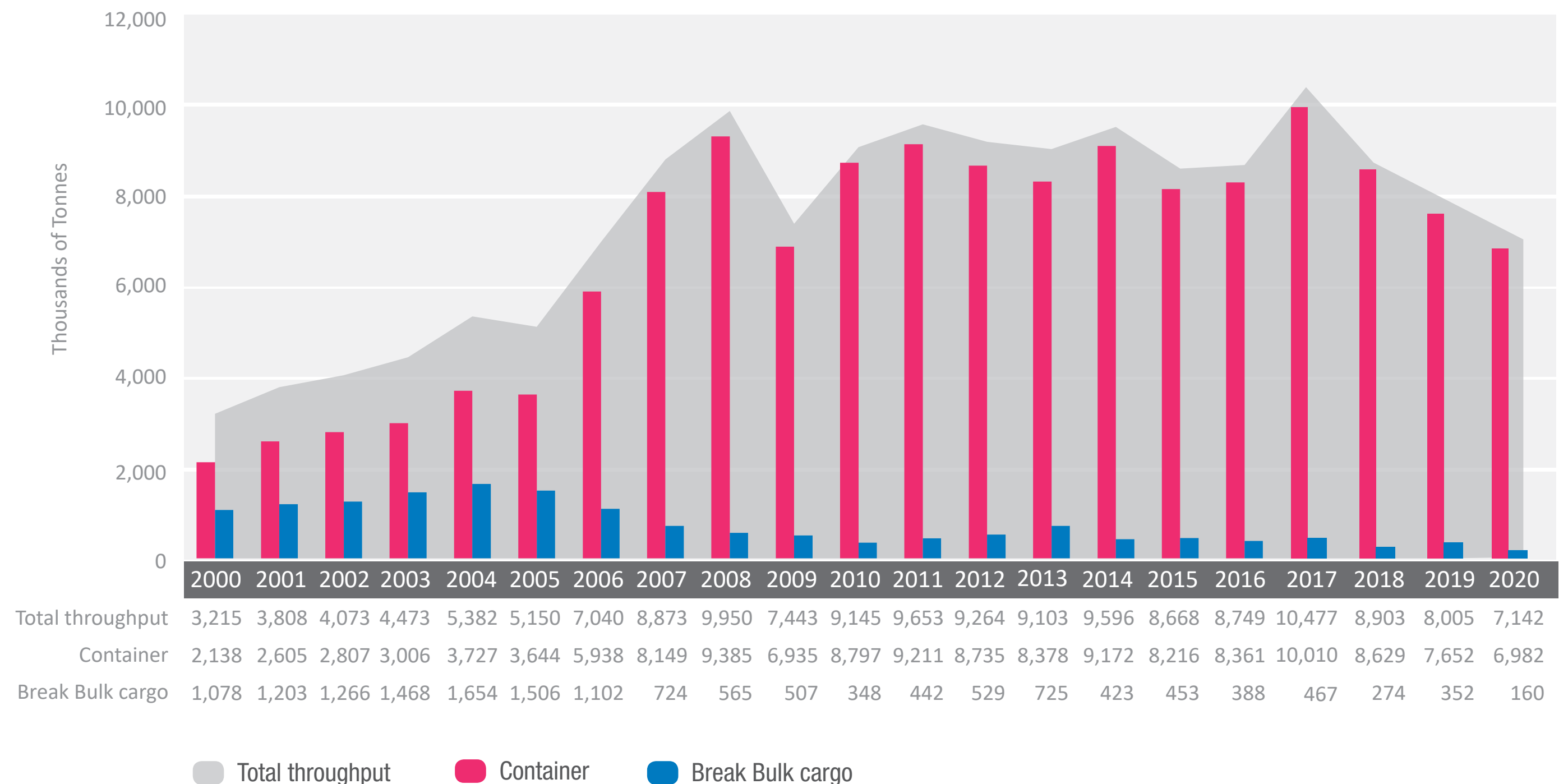
ACTIVITIES AND MARKET: OUR ECONOMIC DEVELOPMENT

Cargo Throughput

We are a Terminal that specialises in containerised cargo: 98% of the total cargo moved by TPS in 2020 corresponded to containers and 2% to break bulk cargo.

The maritime-port activity of Valparaíso continues to be the main economic activity of the city, and our commitment over time has remained focused on the competitiveness of the Port of Valparaíso, in an industry that has experienced great global changes in recent years.

In two decades of operation, the evolution of cargo throughput has been maintained, and we have achieved the highest transfer figures in Valparaíso in some recent periods. We transferred 7.14 million tonnes in 2020.

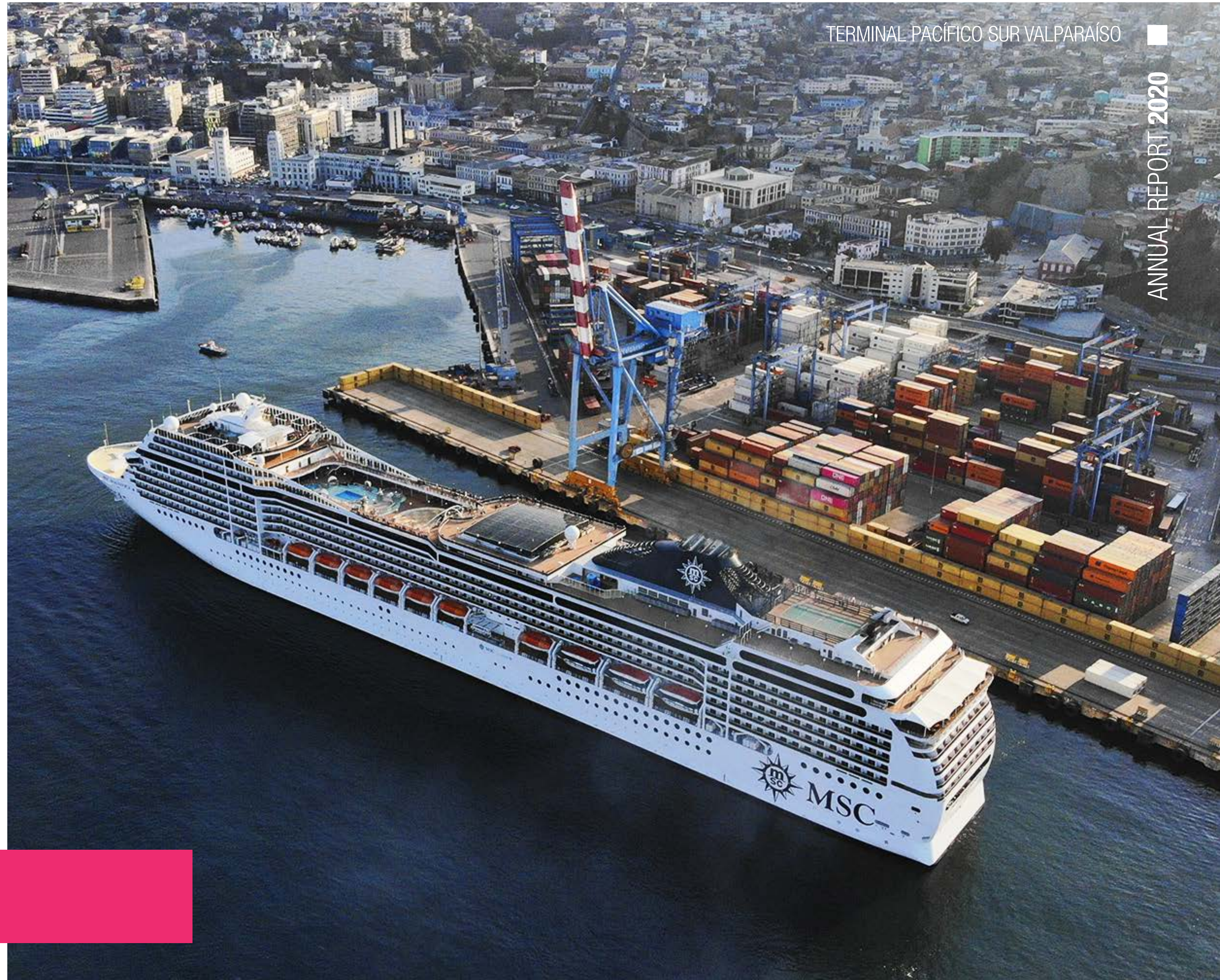


TPS: CARGO THROUGHPUT (THOUSANDS OF TONNES)

Source: TPS

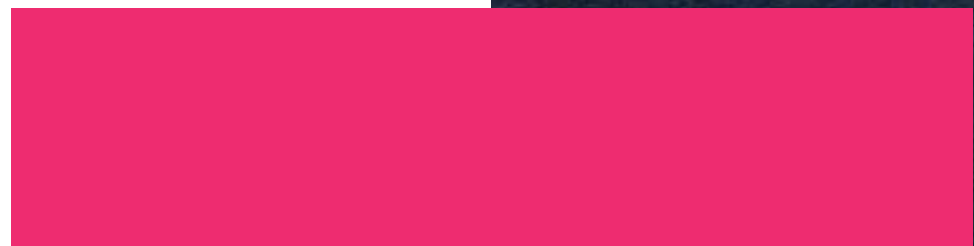
Passenger Vessels

In the year covered by this Annual Report, we received 5 passenger vessels: Amadea, Azamara Pursuit, Costa Deliziosa, MSC Magnifica and Silver Shadow, with a total of 5,656 passenger movements (1,280 disembarking, 4,376 transit). It is important to consider that cruise service was disrupted by the impact of the covid-19 pandemic around the world, which meant that most calls throughout the year were cancelled.



TERMINAL PACÍFICO SUR VALPARAÍSO

ANNUAL REPORT 2020



Exports

During 2020, the main products exported through our Terminal were: fruit, groceries, copper, wine and liquors. The main export destinations were the Far East and United States, with 30% and 35% of the total, respectively. The product with the highest tonnage volume was fruit, with 48% of the total.

The main products exported through our Terminal and their corresponding destinations during the period were as follows:

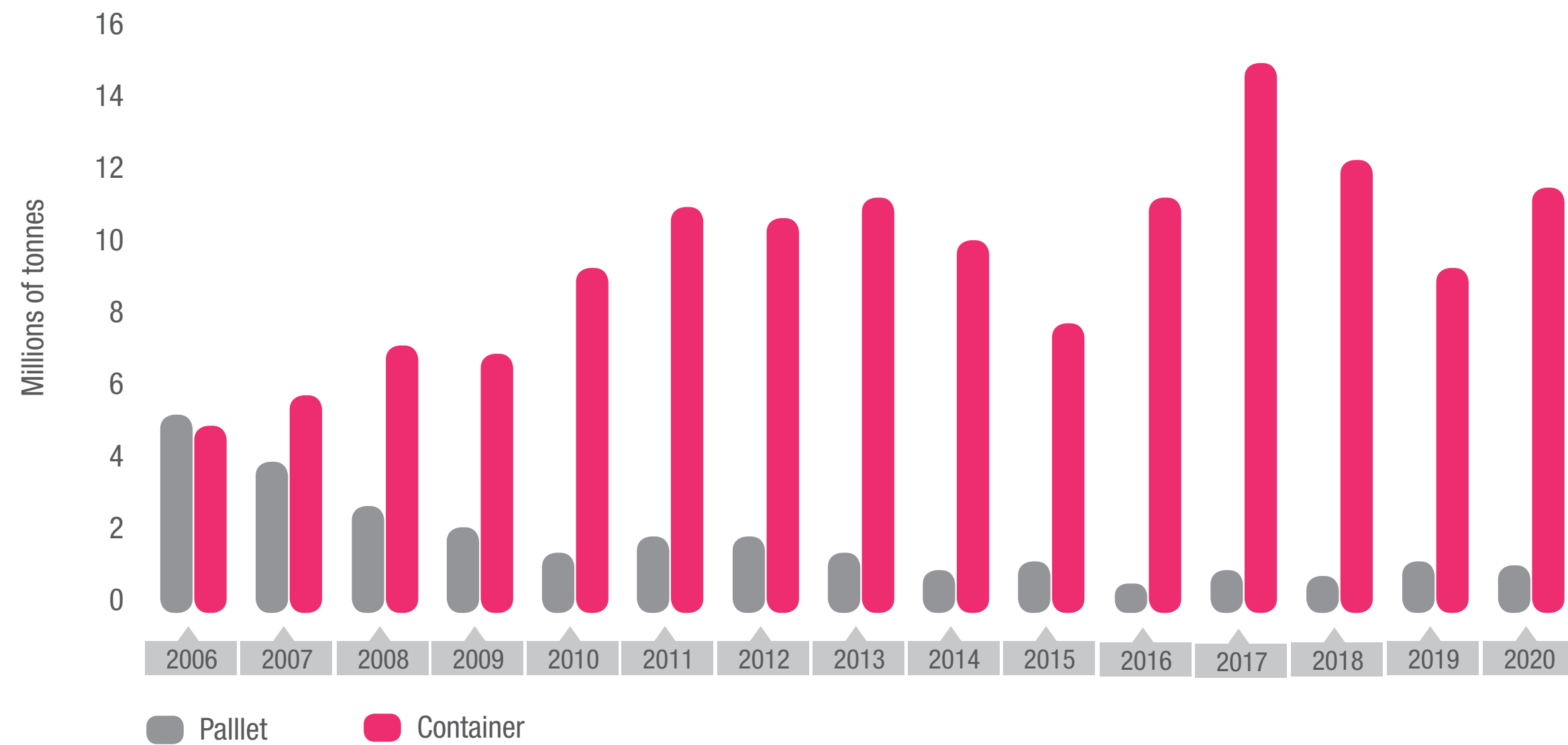
TYPE	CANADA	USA EAST COAST	USA WEST COAST	EUROPE	LATIN AMERICA	FAR EAST	MIDDLE EAST	TOTAL
FRUIT	25.3 2%	363.3 28%	183.9 14%	229.3 18%	62.4 5%	399.0 31%	27.5 2%	1,290.5 48%
GROCERIES	8.9 5%	27.4 14%	20.9 11%	37.3 20%	24.3 13%	64.9 34%	6.1 3%	189.9 7%
COPPER	0 0%	13.0 7%	1.8 1%	3.2 2%	1.8 1%	169.7 90%	0 0%	189.4 7%
WINES & LIQUORS	18.4 11%	7.3 4%	34.9 20%	72.5 42%	15.1 9%	24.9 14%	1.5 1%	174.5 7%
OTHER	52.9 6%	151.0 18%	140.1 17%	207.7 25%	113.8 14%	143.7 17%	25.1 3%	834.2 31%
TOTAL	105.5 4%	561.9 21%	381.5 14%	549.9 21%	217.4 8%	802.1 30%	60.2 2%	2,678.6 100%

TPS: MAIN PRODUCTS EXPORTED THROUGH TPS (THOUSANDS OF TONNES)

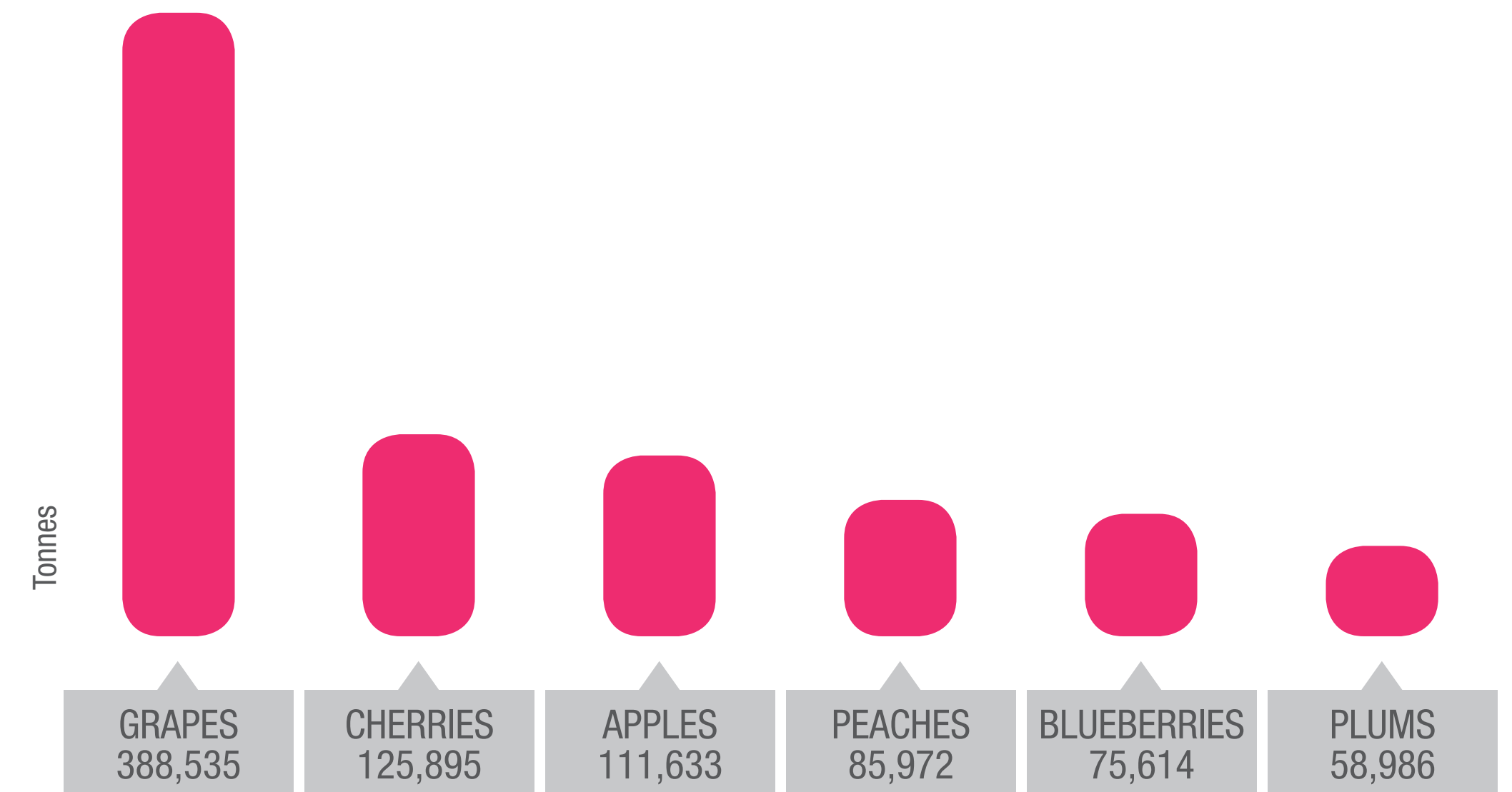
Source: TPS

Fruit market

Our Terminal is the export gateway for 1 out of every 3 fruits transferred from Chile. Throughout these 20 years, fruit exports in refrigerated containers have increased significantly: currently, 90% of fruit exports are carried out in containers and the remaining 10% in pallets as break bulk.



In relation to the fruit varieties that are most exported through TPS, the detail for the year 2020 is as shown in the chart below:



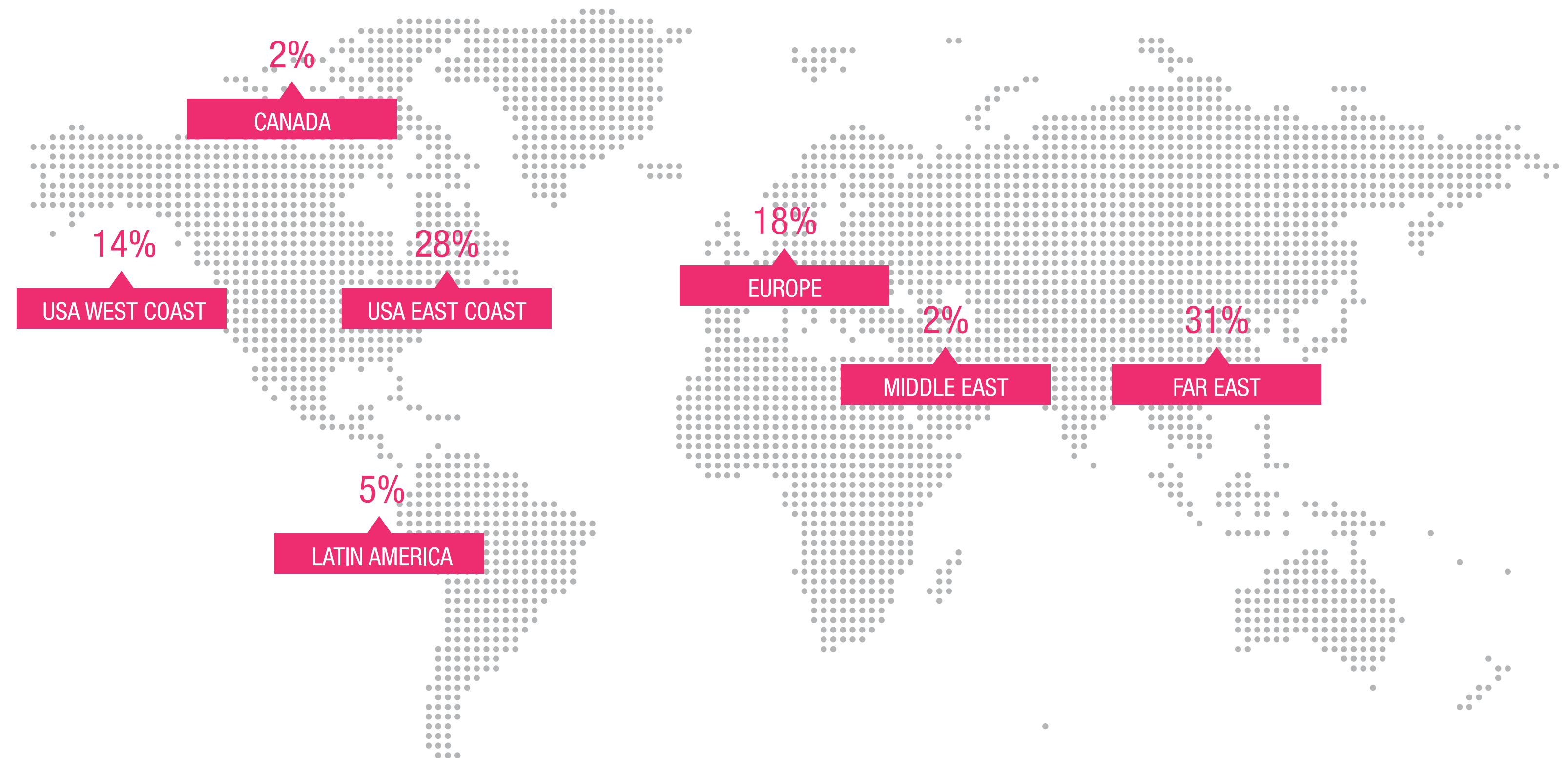
TPS: EXPORTED FRUITS THROUGH YEARS (MILLIONS OF TONNES)

Source: TPS

MAIN EXPORTED FRUIT (TONNES)

Source: TPS

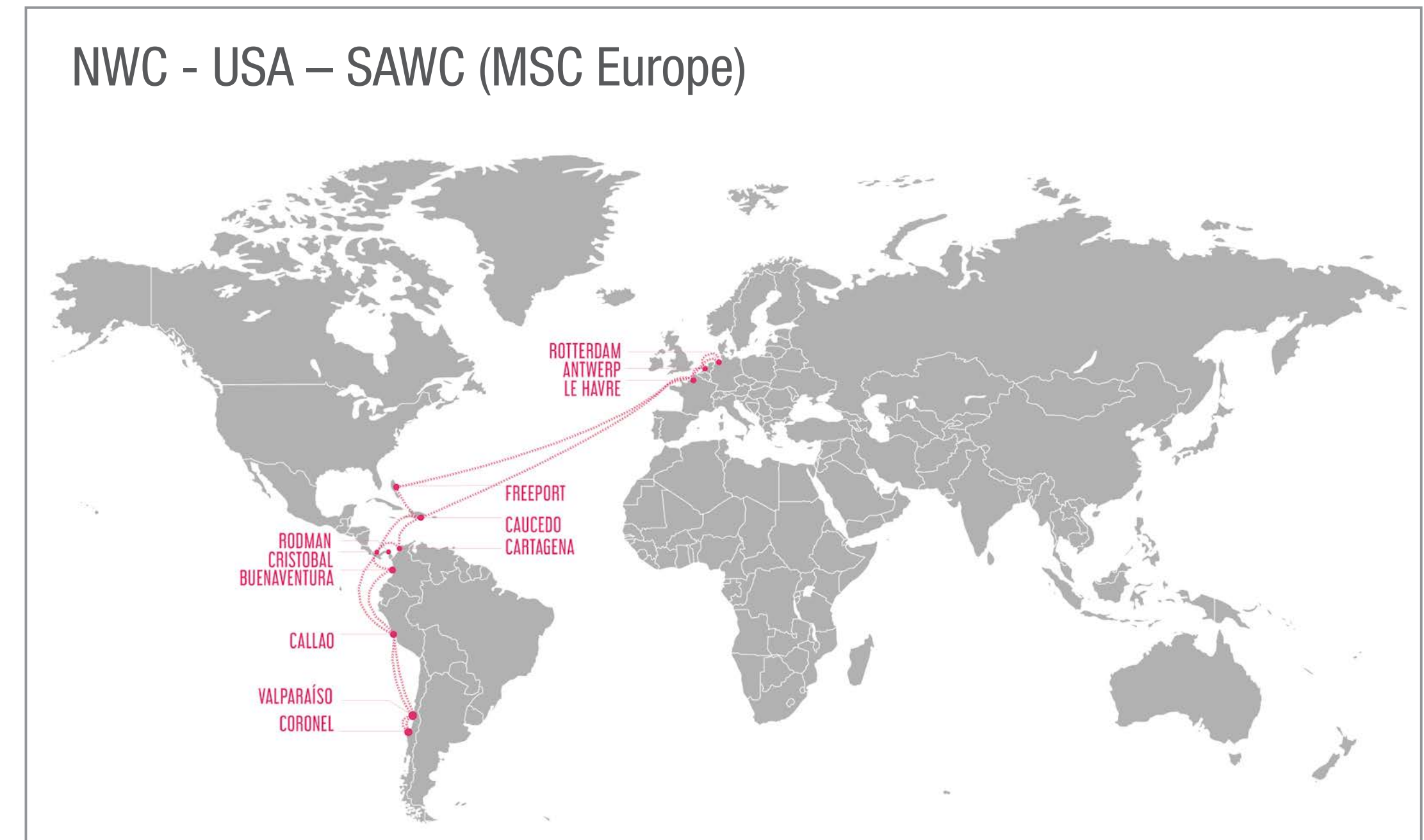
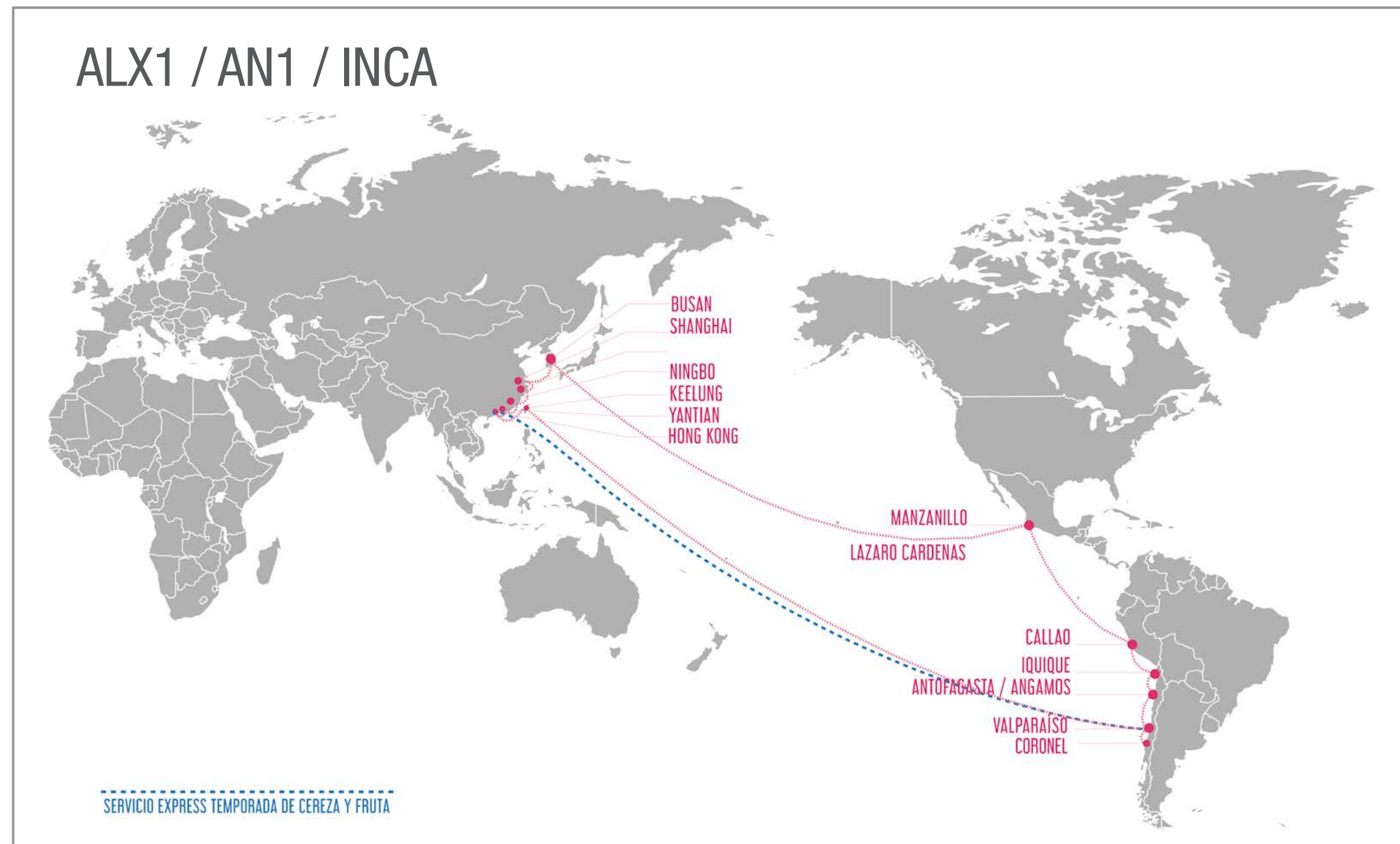
The destinations of the fruits that are transferred through our Terminal are strongly concentrated in the Far East, due to the demand that exists in China for these products. Followed by North America, which concentrates 45%, including the United States and Canada.



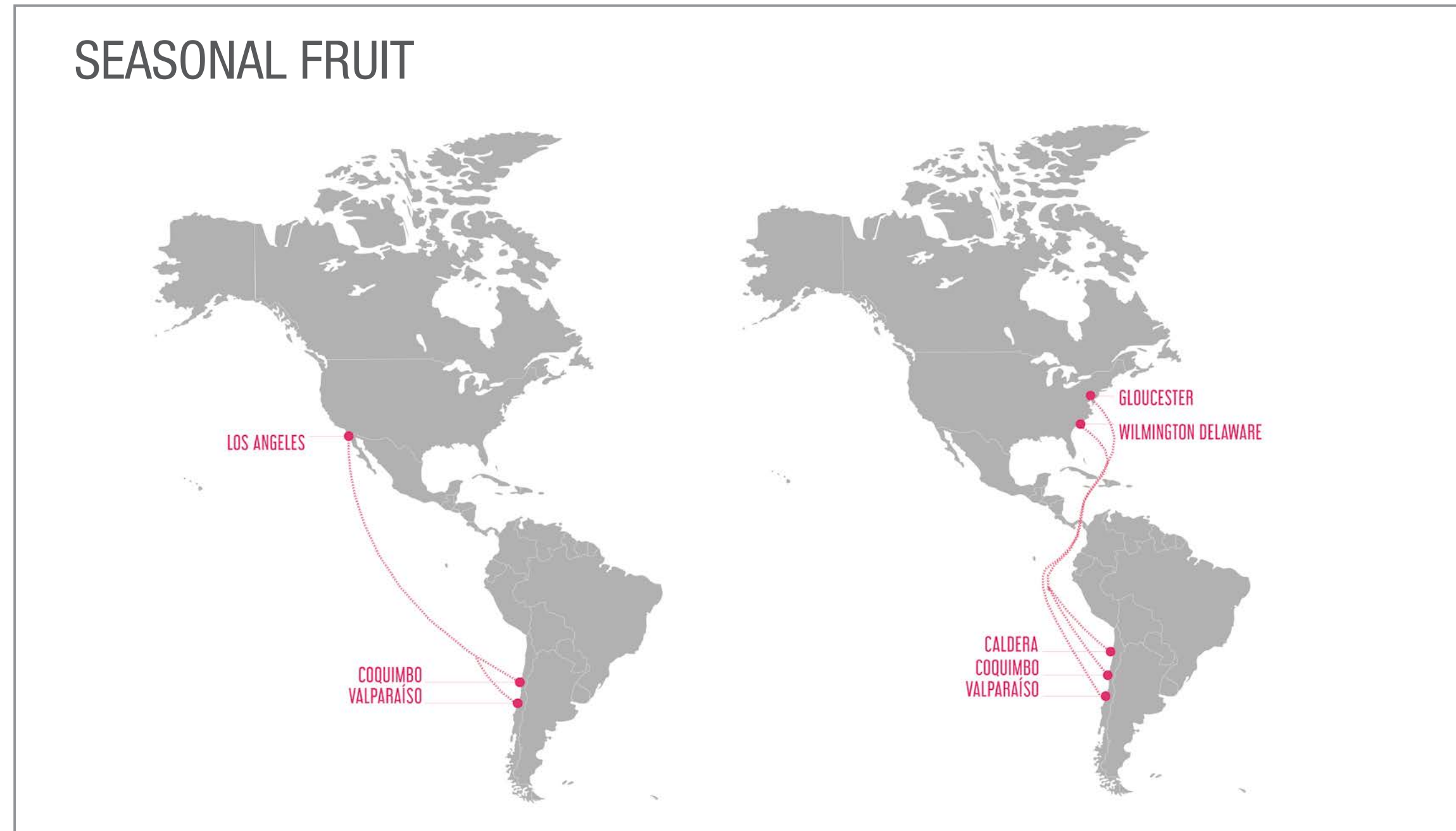
TPS: MAIN DESTINATIONS EXPORTED FRUIT (TONNES)

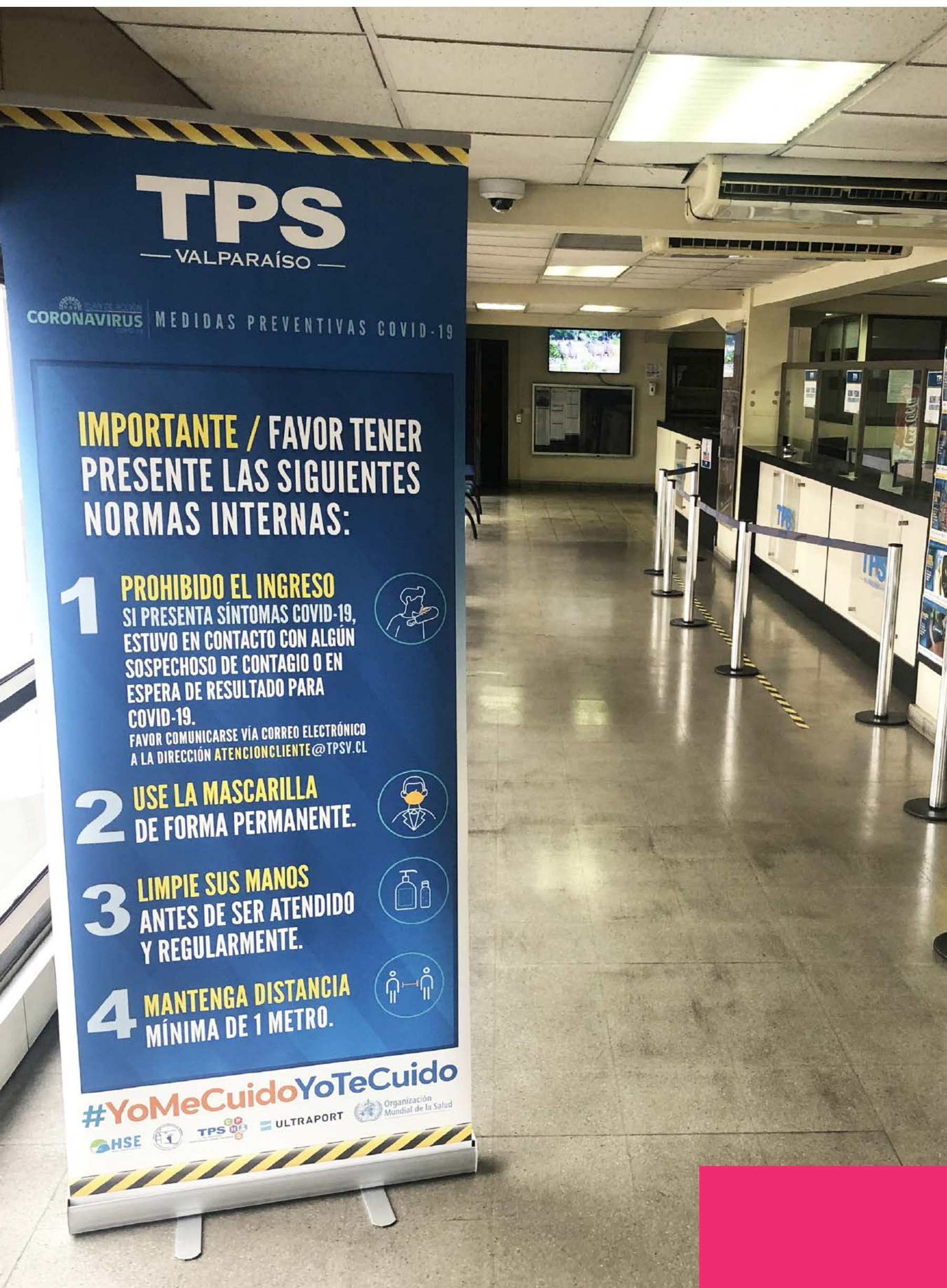
Source TPS

Shipping services



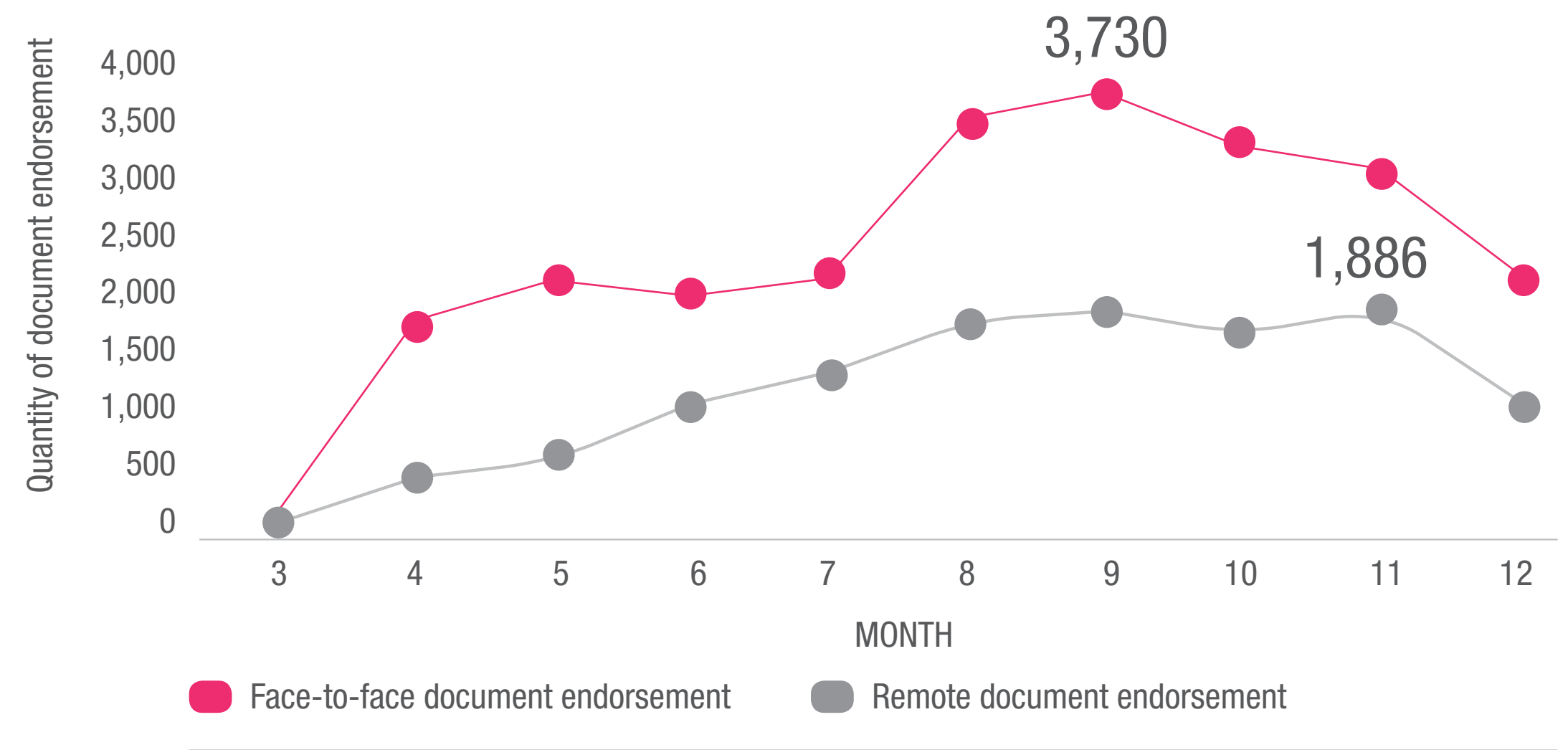
Shipping services





Remote Document Endorsement

The covid-19 contingency made it necessary for us to move forward quickly with initiatives that would allow us to carry out more procedures remotely. This saves time and resources for all the actors in the logistics chain. We implemented this system in March, so that importers and Customs Agents can carry out their procedures without going to TPS in person. During 2020, 11,735 Remote Document Endorsements and more than 23,700 face-to-face Document Endorsements were carried out. The chart below shows the information by services that used each system the most:



DOCUMENT ENDORSEMENT PER MONTH

Source : TPS



Clients and Suppliers

Our clients include world-class shipping lines, as well as importers, exporters, freight-forwarders, customs agents, and carriers, with whom we have been able to develop and make the logistics chain for the import, export, and cargo transfer in the central region. This has contributed significantly to the growth of this activity in the country.

- Cool Carriers
- Global Reefers
- Hapag-Lloyd
- Hyundai Merchant Marine
- Maersk Line (*)
- Mediterranean Shipping Company
- Ocean Network Express

(*) Until June 2020.

Main suppliers in 2020 are:

- Servicios Marítimos y Transportes Ltda.
- Seguros Generales Suramericana S.A.
- Compañía de Petróleos de Chile, COPEC S.A.
- Imelsa Energía S.A.
- Sitrans Ltda.
- Sonda S.A.
- Navis
- Servicios de Trabajos Profesionales Marítimos Ltda.
- Genelim Servicios Ltda.
- Transportes German Espinoza Limitada.



PEOPLE AND COMMUNITY: OUR SOCIAL DEVELOPEMENT

PEOPLE AND COMMUNITY: OUR SOCIAL DEVELOPEMENT

The Values that inspire us

Passion is the energy that inspires us to work cheerfully and creatively, assuming each problem as a challenge and an opportunity. It is fed by the conviction that what we are doing is valuable and contributes to our well-being and that of others.

The Value **Integrity** means being loyal in our actions to our values and deepest convictions and maintaining consistency in what we say and what we do.

The Value of **Excellence** means to be constantly seeking to improve everything we do. This means to face the challenges, listen to the needs of our clients and to serve them with our competencies, skills and experience, never giving up while facing any difficulties.

Safety is to protect life and the environment and must always be our main concern in all the actions we carry out because people give meaning to everything we do.



TERMINAL PACÍFICO SUR VALPARAÍSO

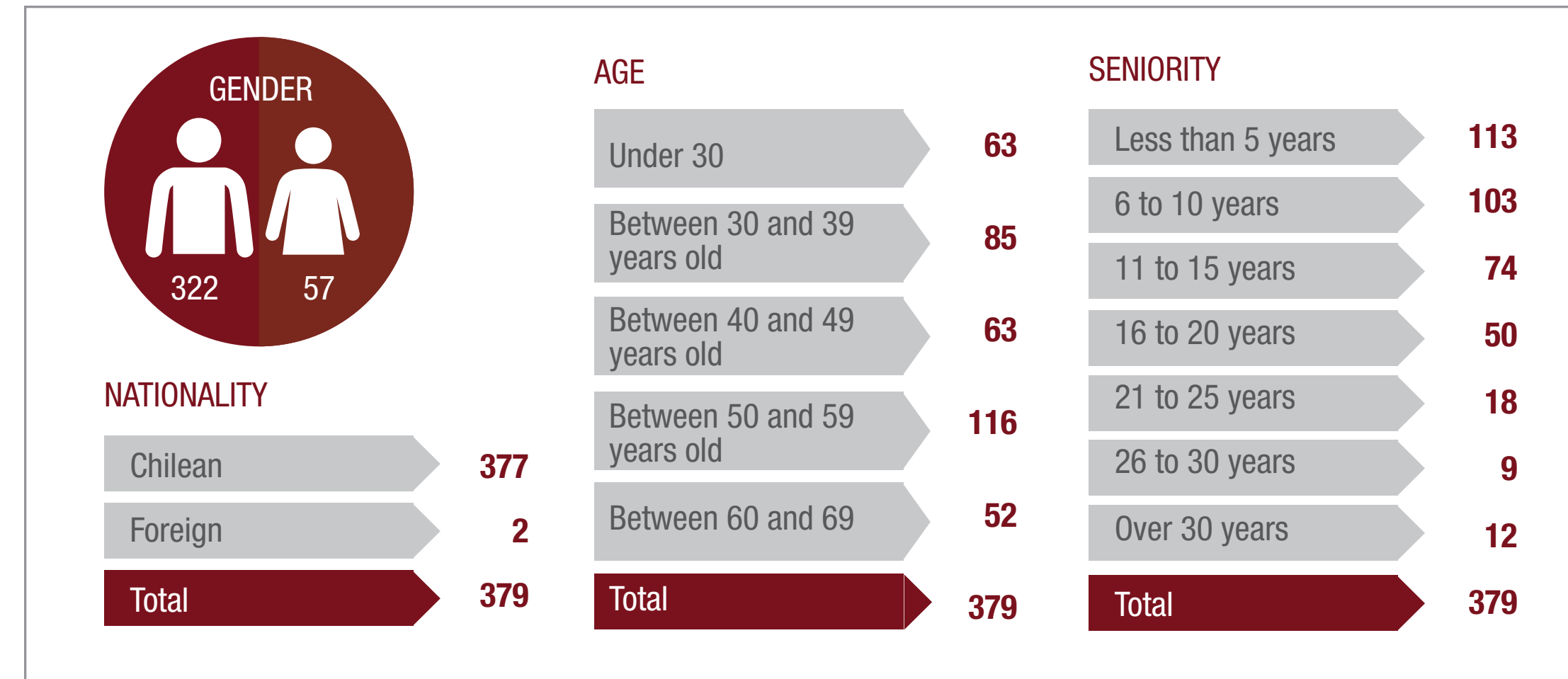
TPS Staffing

In 2020 our company's employees totalled 379 from which 57 were women and 322 men. 377 of them are Chilean nationals and 2 of them are foreign nationals from Uruguay and Venezuela.

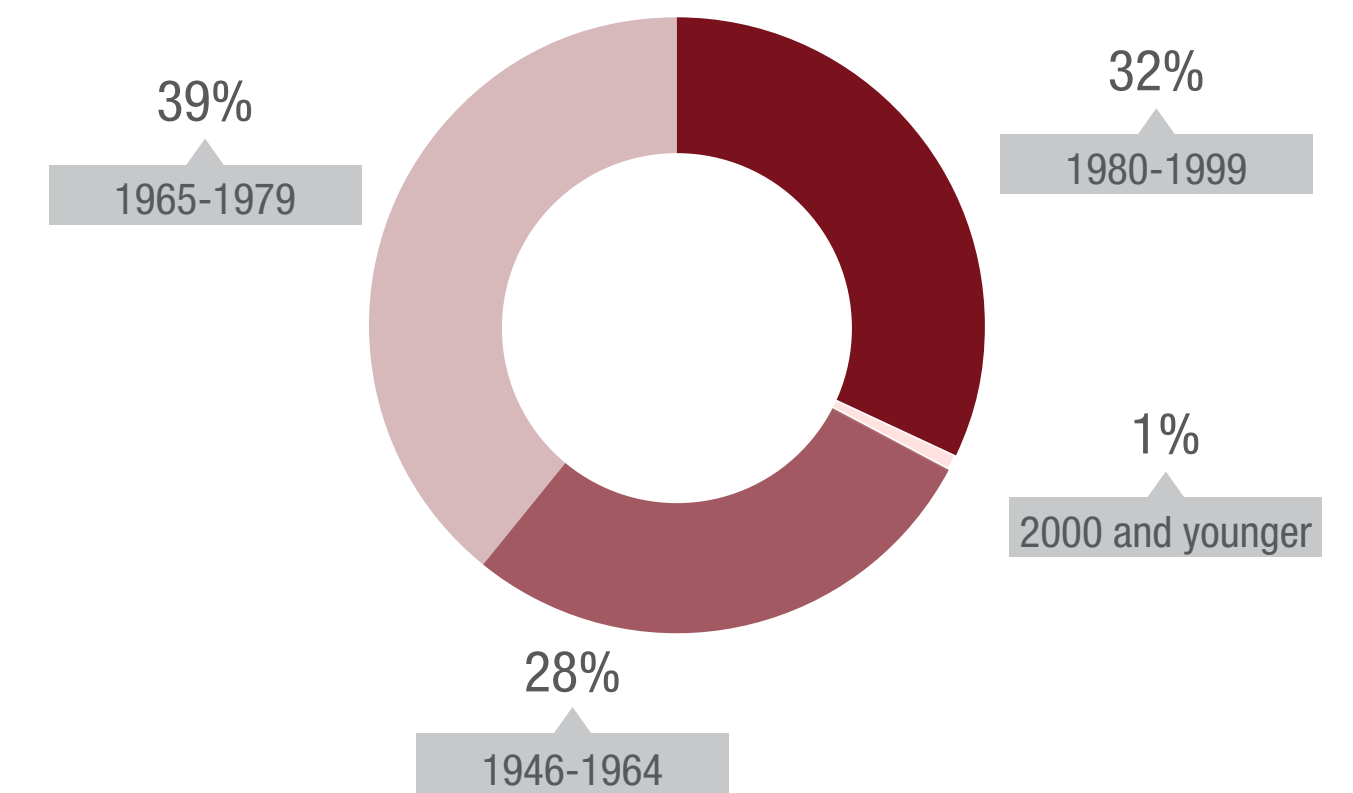
The average age of our employees is 45 years, the same as the national average age of employed people in Chile.

There is no gender pay gap, as compensation is established based on the position each employee holds. TPS's leadership, represented by the directors and deputy directors gender balanced with 3 women and 4 men.

Regarding job inclusion, TPS has 4 persons with disabilities fully incorporated in different tasks at our Terminal, exceeding the compliance requirements of law 21,015, who are fully integrated into the different tasks of our Terminal.



Source: TPS



DISTRIBUTION BY GENERATION

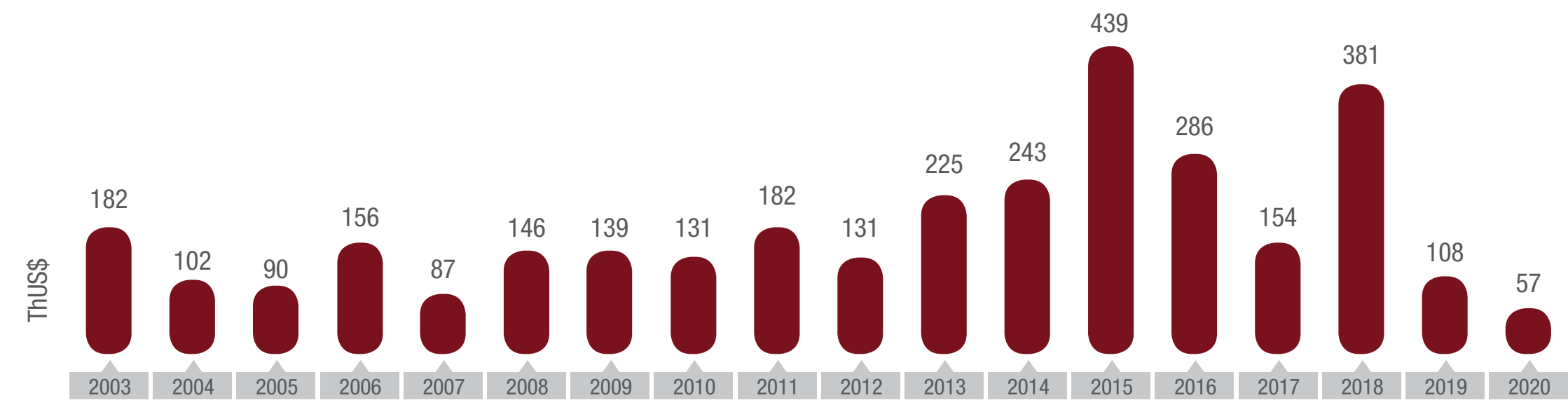
Training

One of the most important pillars of our organisation is the development and professional growth of the people who make up TPS. In 2020, investments in training and education reached US\$57,146 accounting for 25 processes where 316 people were trained. The cost is less than the previous year thanks to the more convenient agreements with suppliers, but also due to the postponement of face-to-face courses as a preventive measure against the covid-19.

In addition, the use of SENCE franchise was optimised and from the total investment amount, 96% corresponds to trainings under SENCE. Training and workshops were held with a focus on safety aimed at strengthening the development of safer individual and collective behaviours, at all levels of the company.

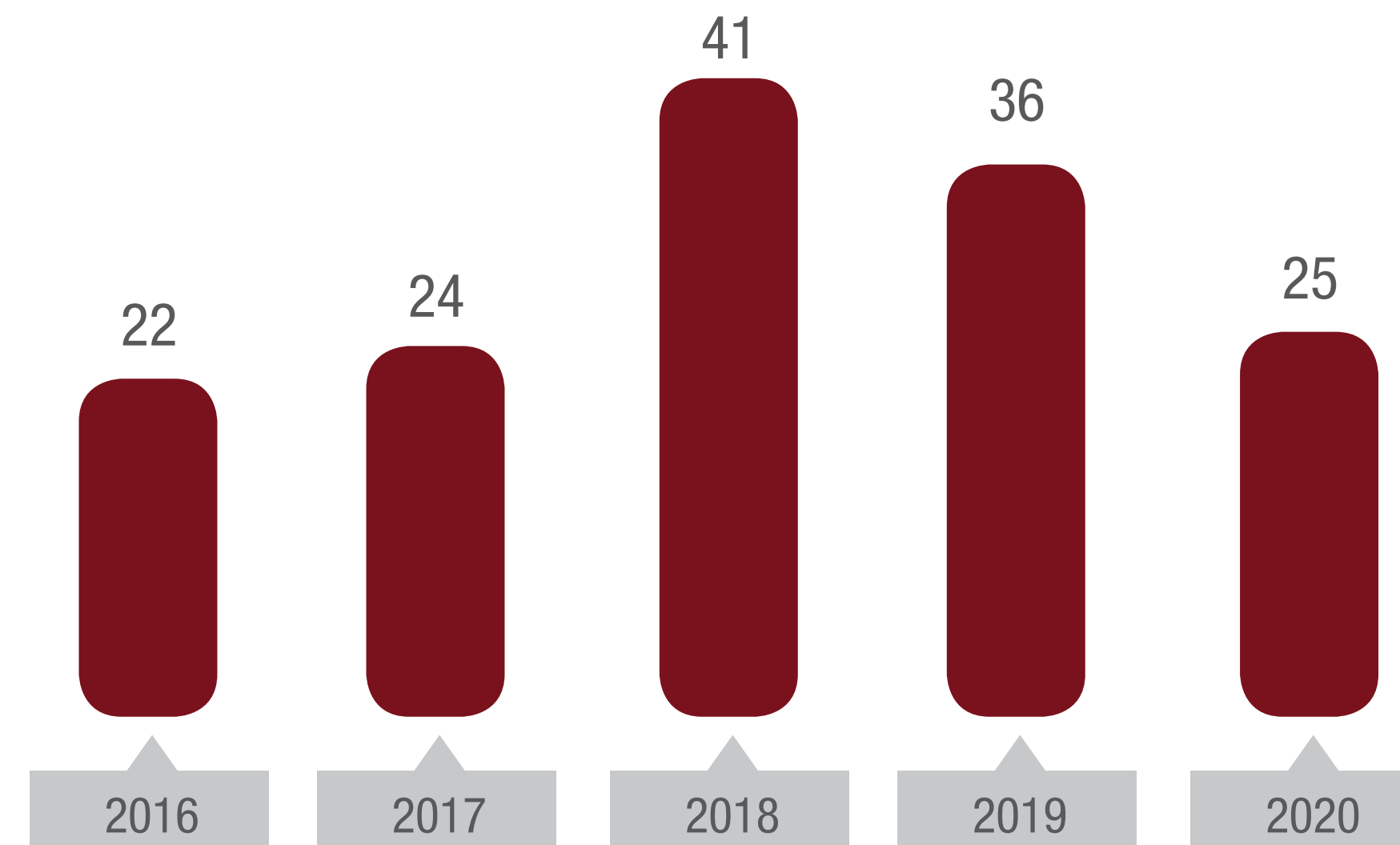
Training was also conducted to strengthen the knowledge and skills of our collaborators regarding digital tools such as Office 365 and Microsoft Excel.

During the context of the pandemic, we reinvented the methodology of certain trainings that were carried out in person, now performing them in remote format through videoconferences and asynchronous video clips.



INVESTMENT ThUS\$

Source: TPS



TRAININGS PER YEAR

Source: TPS



Job Fairs

As we do every year, we maintained our close relationship with the study centres in the region, through talks made by universities, such as Pontificia Universidad Católica de Valparaíso, Universidad de las Américas, and Universidad de Valparaíso; and technical schools education institutions such as DuocUC and INACAP. We participated in 6 virtual job fairs and other positioning activities that allow us to get the best talents. Recruitments always go through a recruitment and selection process to choose talents and profiles aligned to our culture and values.

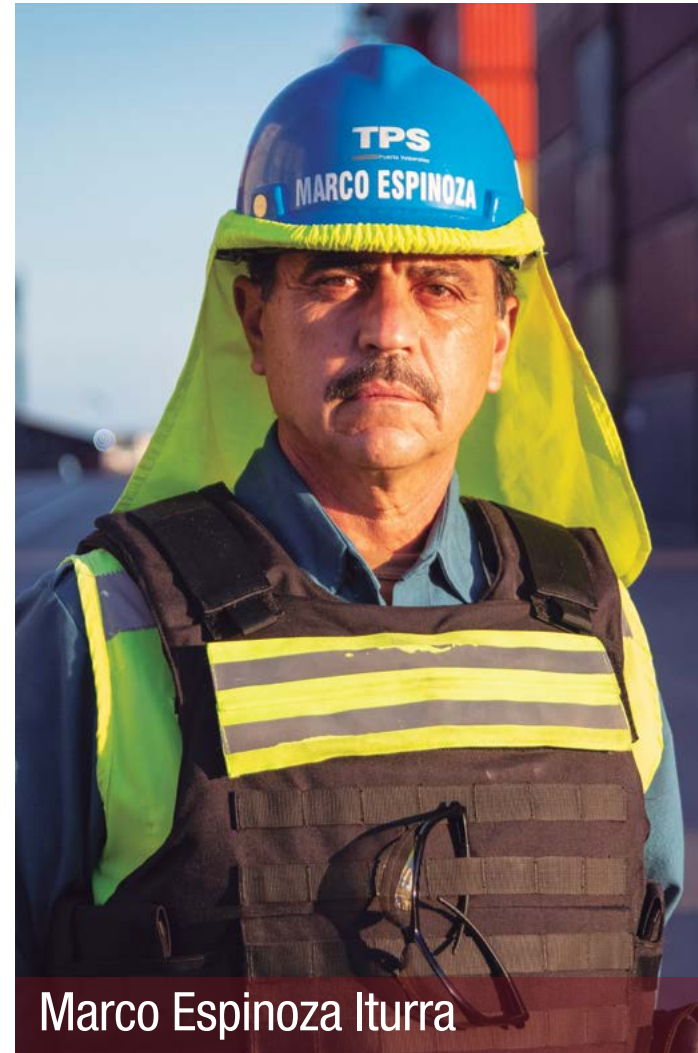
Benefits

In the period covered by this Annual Report, an early collective bargaining agreement was signed for 2021. In this process, several benefits were agreed, always aiming to improve the quality of life of the worker and his family. They include:

- Permits: Birthday permit, move-in permit, and administrative days.
- Bonuses: Childbirth bonus, schooling bonus, vacation bonus and medical license bonus.
- Extra Bonuses: On National Holidays and Christmas.

The celebration of the national holidays, Christmas and the Annual Trip of collaborators were not held in 2020 because of mobility restrictions to prevent the spread of covid-19, putting the safety and health of people first and foremost.

Notwithstanding these restrictions and being such an important milestone as the 20th anniversary of our Terminal, we surprised all employees with a gift and a gourmet box to enjoy with the family. In addition, we organised a virtual meeting that served as a moment of encounter and camaraderie, in which we presented the distinctions to the awarded employees.



Marco Espinoza Iturra



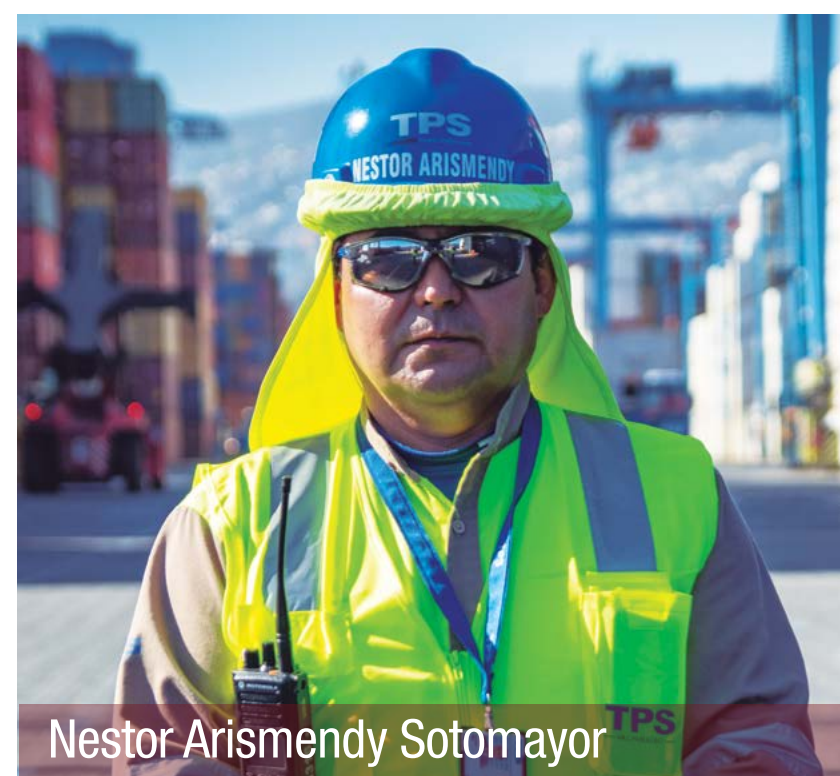
Claudio Gaete García



Cynthia Bellenger Araniz



Danissa Bieri Aspee



Nestor Arismendy Sotomayor

Distinctions of our employees

In 2020, 10 colleagues received their distinctions for 10 Years of Service, 34 colleagues for 20 Years of Service, 1 colleague for 25 Years of Service, 3 colleagues for 30 Years of Service and 3 colleagues for 35 Years of Service. According to our tradition, the performance of our employees was recognised to congratulate and highlight those who reflect our company values in their work and acting.

- Award for Passion, that celebrates those who see the problems as challenges and puts in it all their creativity and energy, awarded to shift worker Claudio Gaete García.
- Award for Integrity, that recognises a person who stands out for the strength of his convictions and for acting with respect and consideration for others, awarded to Danissa Bieri Aspee, of the Human Resources department.
- Award for Excellence, which praises those who stand out for the quality of their service and for listening to the needs of our clients, was awarded to Cynthia Bellenger Araniz, from the Administration and Finance department.
- Award for Security, which distinguishes those who stand out and promote safety, self-care, and mutual care, was awarded to shift worker Nestor Arismendy Sotomayor.
- Finally, the TPS award, which recognises the person reflecting the four TPS values, this year was awarded to Marco Espinoza Iturra from the Security department.

Great Place To Work Survey

Like previous years, the International Survey Great Place To Work was conducted, which measures various dimensions that allow us to improve management and internal coexistence between the terminal collaborators. The survey response rate increased from 82% to 84.1%, compared to the previous year.

	2019	2020	Best in Chile
Credibility	82	81	84
Respect	80	79	82
Fairness	78	77	80
Pride	85	86	87
Camaraderie	85	83	88
General Satisfaction	86	86	88

Source: TPS

Covid-19 Protocol

To Face the health emergency, and with the priority of caring for people's well-being, from the Human resources department we implemented a remote work system for all those employees who, according to their functions, can work from home. This modality was used by almost 100 people in our Terminal. In addition, the administrative management of this area focused on online processes, to prevent employees from doing paperwork in presence. Likewise, the recruitment processes included interviews by videoconference.

On the other hand, the Administration department oversaw the purchase of all the materials and supplies necessary to take care of the health of our collaborators (personnel, employees, workers) and other people entering our Terminal. These purchases included: surgical gloves, masks (disposable, reusable, and half-face with p100 filter), alcohol gel in 100 and 300 ml dispenser, sanitizer for contact or work surfaces, thermometers and footbaths at the Terminal accesses. We also implemented shuttle buses for employees who needed to travel within the region during curfew hours; at the exit of the second shift and entrance of the third shift.



COMMUNITY INITIATIVES

The 2020 period was significantly different from previous years, due to the necessary restrictions of the covid-19 management plan. Which is why many of the traditional activities that we carry out with the community had to be postponed until sanitary conditions allow us to resume them. Such is the case of the Soccer Schools and the TPS Half Marathon, for example. Nevertheless, we continue to support the community through the following actions:



“Cerro al agua”

During the summer, more than 40 children affected by the San Roque and Rocuant hills fire benefited from the “Cerro al Agua” activity. This project was an initiative from Waterman Chile supported by our Terminal and held at San Mateo beach in Valparaíso. The children were taught about environmental care and the aquatic ecosystem through simple concrete actions, a workshop on water safety by the lifeboat volunteers, who taught prevention and first aid; and sport, with lessons in stand-up-paddle and kayaking.



Campaign with carriers

At the beginning of 2020, we implemented an innovative campaign to contribute to the protection and safety of cargo transport, delivering stickers so that around 3,000 trucks could comply with the new safety regulations that came into force in March, and which requires carriers to paint or attach their license plate number on the doors of trucks and trailers. The launching of this campaign was attended by the president of Fedequinta, Iván Mateluna; the provincial governor, Gonzalo Le Dantec; the Seremi of Transport, José Guzmán; authorities from the Chilean Navy and Empresa Portuaria Valparaíso.



Enseña Chile

Since 2014, our Terminal has worked as a regional partnership with Enseña Chile Foundation to improve the quality of education of the most vulnerable students in the commune. In a year in which classroom classes were suspended due to covid-19, this foundation came up with the innovative project “Radio teaches”, an initiative aimed at supporting students who do not have access to the internet to continue their studies remotely. This project consists of half-hour radio programs broadcasted from Monday to Friday with contents of history, mathematics, arts, sciences, and language. In these programs, teachers talk about transversal subjects for students from high school in a dynamic, attractive and playful way. In addition, TPS workers along with Enseña Chile professionals gave a workshop on opportunities and future employment for young people who are finishing high school in the region.



San Roque Family Support

A serious fire affected the San Roque y Rocuant hills, in the upper part of Valparaíso, at the end of 2019, leaving more than 200 families literally on the street. This catastrophe awakened the solidarity and hearts of those want to help people get back on their feet. The Desafío Levantemos Chile was one of the first organisations to arrive in San Roque and organised the most urgent aid, with the support of TPS and Ultraport. In this process it was coordinated the delivery of the new headquarters of the Juventud Nueva Libertad Sports Club, in San Roque, which was destroyed by the disaster, leaving hundreds of children and young people without a place to meet with their teammates.



Support to our Suppliers

Our Terminal was a pioneer in the country in receiving the ProPyme Seal of the Ministry of Economy, a certification that requires companies to pay invoices to their smaller suppliers within 30 days, and that is now mandatory for all companies. Therefore, in 2020 we could not renew this seal but our commitment to the Terminal’s suppliers, especially those who are SMEs, remained unchanged and we even made an additional effort to reduce the payment period from 30 to 15 days, as we are aware of the importance of supporting the local economy.



SAFETY AND VICINITY: OUR ENVIRONMENTAL DEVELOPMENT

HEALTH, SAFETY & ENVIRONMENT

During the period covered by this Annual Report, the Health, Safety & Environment (HSE) area had a very intense work in the development, implementation and control of our Terminal's protocols to prevent the spread of covid-19. This task involved all areas of TPS but was led daily by the HSE team.

At the same time, this area continued with its usual work plan, which during 2020 included the following activities:



Our Terminal's priority is the safety and health of all people.

Covid-19 protocols

The HSE area was responsible for coordinating the efforts of all management and departments of our Terminal, preventing the spread of covid-19 among our employees and people who provide services at the Terminal. In that way, the area oversaw the implementation of the initiatives that came up from the different areas, especially the monitoring of the health of the workers and the constant delivery of preventive information.

In addition, the HSE and Management Control areas installed preventive signals to raise awareness among all persons entering the Terminal about the precautions to be taken to prevent contagion. This activity was especially relevant considering that this is a new disease and that it was necessary to internalise the prevention of the disease in the shortest possible time.

We have implemented a series of additional measures to inform our employees what to do in case of symptoms or close contact with an infected person. During 2020, we organised 3 active search operations for infected people, in coordination with the Seremi of Health, in which we performed 217 PCR tests on employees, Ultraport staff and subcontractors. In these operations we were able to identify only one asymptomatic case and take traceability measures to prevent the spread of the virus.

In statistical terms, during 2020 we identified 12 people with covid-19 confirmed through PCR testing, which corresponds to 3% of our staff. This percentage is less than half of the national average, which is almost 8%.

The TPS Covid-19 Committee was responsible for the control of all suspected cases, close contacts, probable cases, and confirmed cases. This control made it possible to trace close contacts, and to take preventive measures with these cases, until the disease was ruled out through PCR testing.



Safety and Environmental Culture Development Project

During 2020 we developed a working plan aiming to align both TPS and Ultraport to seek for common goals and guidelines regarding Safety and Environment. Starting from January, more than 50 people participated in personal interviews, document analysis and field visits that allowed us to identify improvement opportunities. This information was processed to propose short term activities aiming to reduce exposure to severe or fatal injuries and to improve existing critical controls and daily safety talks.

During the middle of the year, we carried out the first safety and environmental consultation in which more than 680 people participated. In September, this activity was closed with commitments to improve the performance in these relevant matters.





Safety Walks and Safety Bulletins

During this year, 1,049 Safety Walks were conducted by leaders from the operational supervisors to the Managing Director. These instances create a context for the different teams to rethink and share their points of view regarding Health, Safety, Environment and allow us to enhance communication across the whole organisation. The Safety Bulletins are yet another instance aiming to improve communication regarding Health, Safety and Environment.

Monitoring of Procedures

More than 12,000 observations were done by the HSE team during 2020, aiming to validate the fulfilment of our safety and environmental standards through operational controls. These activities allowed us to identify 46 deviations that were immediately corrected or closed by the personnel in charge of the corresponding area of the terminal.

“Stop Work” Campaign

During 2020 we implemented this campaign directed to all the workers of TPS and our permanent contracting companies. It was destined to create awareness regarding the importance of alerting and to stop the works to solve the different concerns regarding uncontrolled risks or uncertainty regarding some procedure together with the different operational teams.

Safety Indicators

During 2020 we progressed in spreading the safety culture across our contracting companies. It is very important to consider that acquiring a safety culture is a challenging and permanent transformation. Our company will keep in its focus the safety of all our workers.

Regarding our indicators, they improved in comparison to the previous year. The Severity Index decreased from 192 in 2019, to 176 in 2020. This reduction is mainly explained by a smaller number of accidents in our contracting companies.

Our indicators had minor variations, which are explained by a stable number of accidents and sick days even when the number of worked hours was reduced.

GLOBAL FREQUENCY INDEX		TPS FREQUENCY INDEX	
2019	10.5	2019	7.7
2020	8.7	2020	8.0

GLOBAL SEVERITY INDEX		TPS SEVERITY INDEX	
2019	192	2019	84
2020	176	2020	92

GLOBAL ACCIDENT COUNT		TPS ACCIDENT COUNT	
2019	19	2019	7
2020	15	2020	7

**Global figures consider contracting companies.*





Security Officials Training

208 security officials were trained between May and November, as a part of a retraining and refreshing process for the use of security software and communication devices. The main subjects of the trainings were Maritime Private Security Guard Course, Restricted Radio Operator Course and Customer Service Course. The goal of these processes is to always maintain our security personnel up to date regarding their critical skills.

Yearly Audits

As every year, in 2020 we conducted the certification for the ISPS standard granted by the Maritime Authority, which was approved by our Terminal as in previous years. We also conducted quarterly evaluations that include documental processes, procedures and practical exercises aiming to test our security levels and to train the Terminal's reaction capacity. Besides these activities, we went through a base station license audit, which enables the terminal to use and maintain direct communication with the Maritime Authority and with ONEMI (the National Emergency Office of the Chilean Government).

“Mandown” System

Our radio network, which counts with the Man down System, aims to safeguard our people's life through a technology that generates early warnings when a worker suffers a fall. This warning is emitted by the radio network that locates the position of the equipment and therefore the location of the person. This system is yet another element in our emergency protocols.

Crime Prevention Model (CPM)

During this period, the bases of the Crime Prevention Model and the Ethics Management System of our Terminal were updated, due to the incorporation of new crimes in the law that gives rise to this model. Therefore, the bylaws of the Ethics Committee, the MDP Manual, the Whistle-blower Procedure and the Ethics Guide were revised and approved.

In addition, we conducted training on the Ethics Management System in two stages. The first was developed in June 2020, in collaboration with Ultramar, and included meetings and videos; while the second stage took place in September, with surveys and videos. As a result, 100% of our employees were trained and updated on this important topic.

ENVIRONMENTAL INITIATIVES



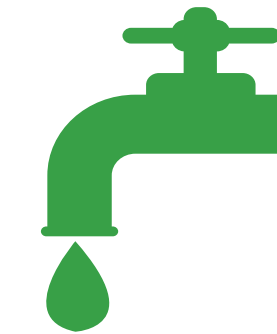
Renewable Energy Certification

Our Terminal received a certificate from our energy provider IMELSA Energía which validates that all the electricity supplied to TPS by them was 100% generated by renewable energy sources. This means that all the energy consumed by TPS from the Chilean network was from renewable sources, which includes solar, wind or hydraulic power. This energy is mostly consumed by STS Gantry Cranes, reefer connections and port facilities.



HuellaChile

For third consecutive year, we obtained the Greenhouse Gases Quantification certification granted by the HuellaChile program, which depends on the Ministry of Environment. Since 2012 we have been measuring our carbon footprint, and this certification indicates that we have reached the level of quantification of direct and indirect greenhouse gases, in accordance with the requirements of the Huella Chile Program and the NCh-ISO 14064:2013/1 standard. In this process, TPS has registered CO₂ from its main emission sources, as well as from third parties involved in the port's value chain. The methodologies used are those of Green House Gas Protocol (GHG Protocol) and World Ports Climate Initiative (WPCI), widely recognised worldwide, while the carbon footprint calculation is verified through an audit by ABS Quality Evaluations. The objective of the Huella Chile program is to support and encourage the quantification and voluntary management of greenhouse gases emissions at the corporate level, in the public and private sectors. It provides tools for calculating the carbon footprint, standardised formats for reporting and diffusion channels, assistance in the design of mitigation and monitoring plans.



Oil Spill Emergency Exercise

In collaboration with the companies Suatrans and STM, our employees performed a drill in the event of an oil spill at sea, which consisted of the opening of a container with the primary response equipment, revision, and installation of barriers for the containment of spills in water. This drill helps us to mitigate the risks that may affect the safety of people, the environment and our operation. The activity was evaluated positively, verifying the knowledge acquired about the containment of spills at sea by the different participants in an emergency. In addition, we verified that our equipment is in good condition to respond to this type of incidents.

TECHNOLOGY, ENGINEERING, MAINTENANCE AND PROJECTS

In the IT and Projects areas, there were significant challenges caused by the covid-19, which accelerated processes that were already being developed at the Terminal. The main milestones in these areas in 2020 were as below:

New transactional web site

In June 2020, our Terminal's new transactional website was launched, enabling customers to carry out all import and export procedures more easily, with new functionalities and new forms of payment. At the end of the period covered by this Report, the transactional website had 310 subscribers and 1,220 users.

Cybersecurity Campaign

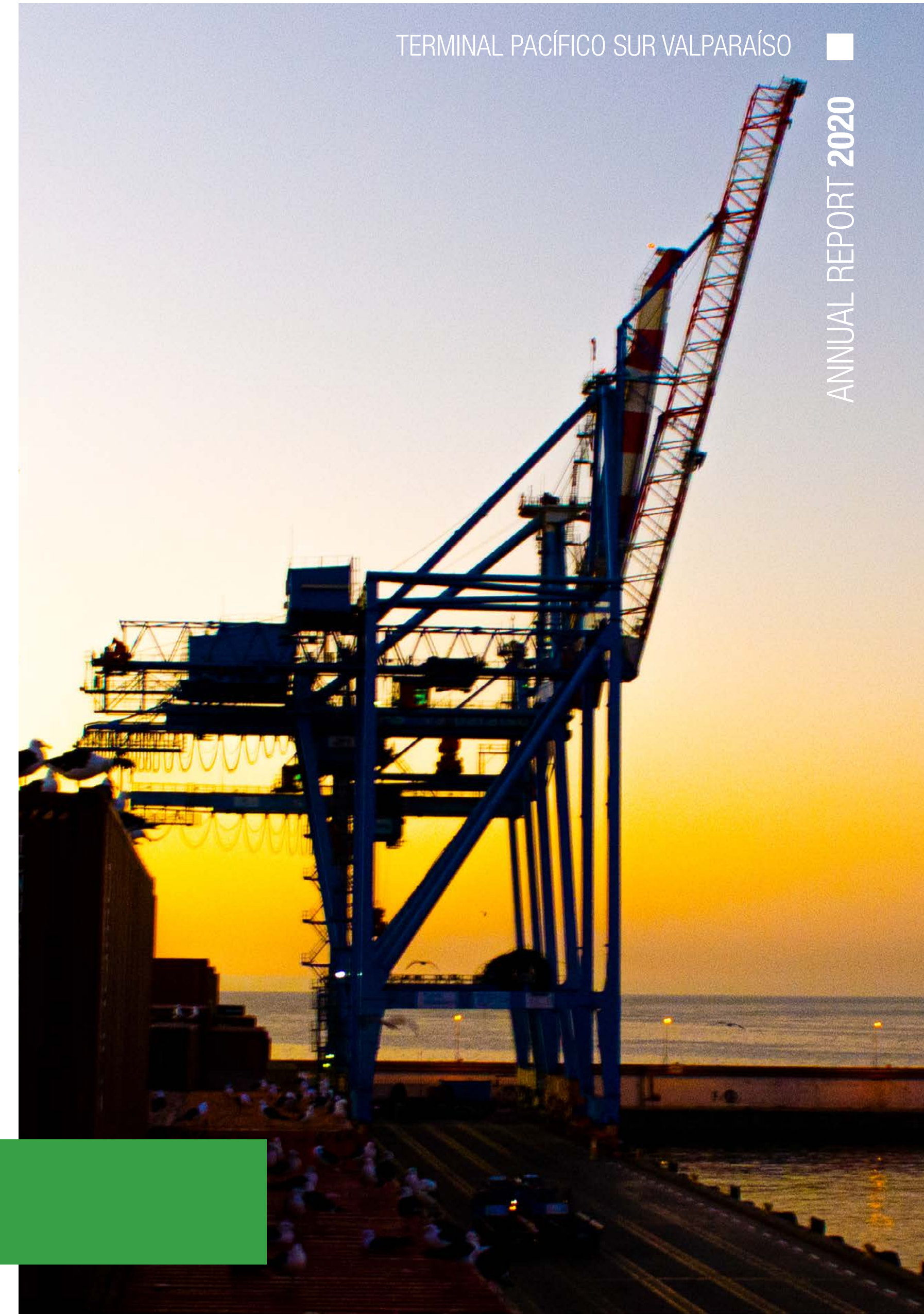
During October we developed a campaign to raise awareness of cyber risks among our employees and users. This campaign included trainings on how to make navigation safer and constant security alerts to help our employees to be better prepared to prevent cyber-attacks.

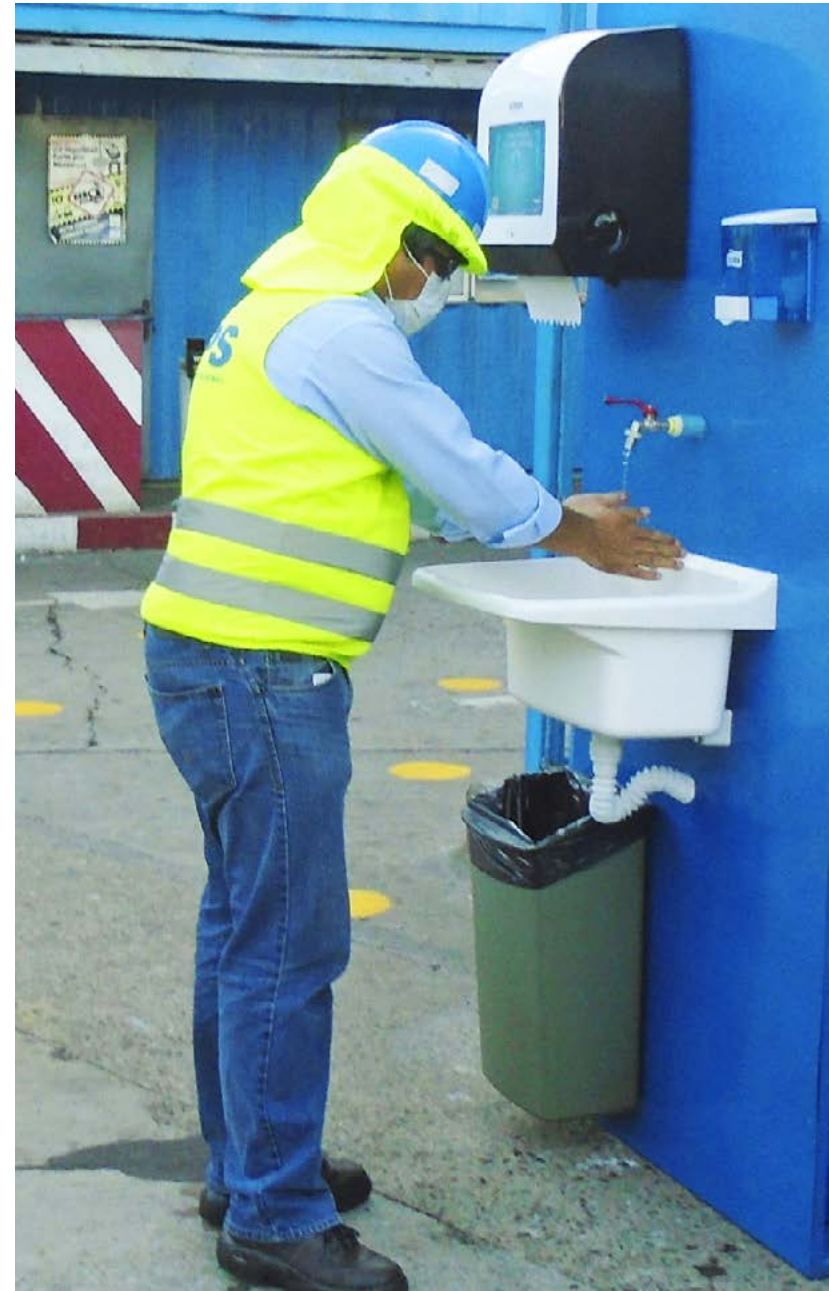
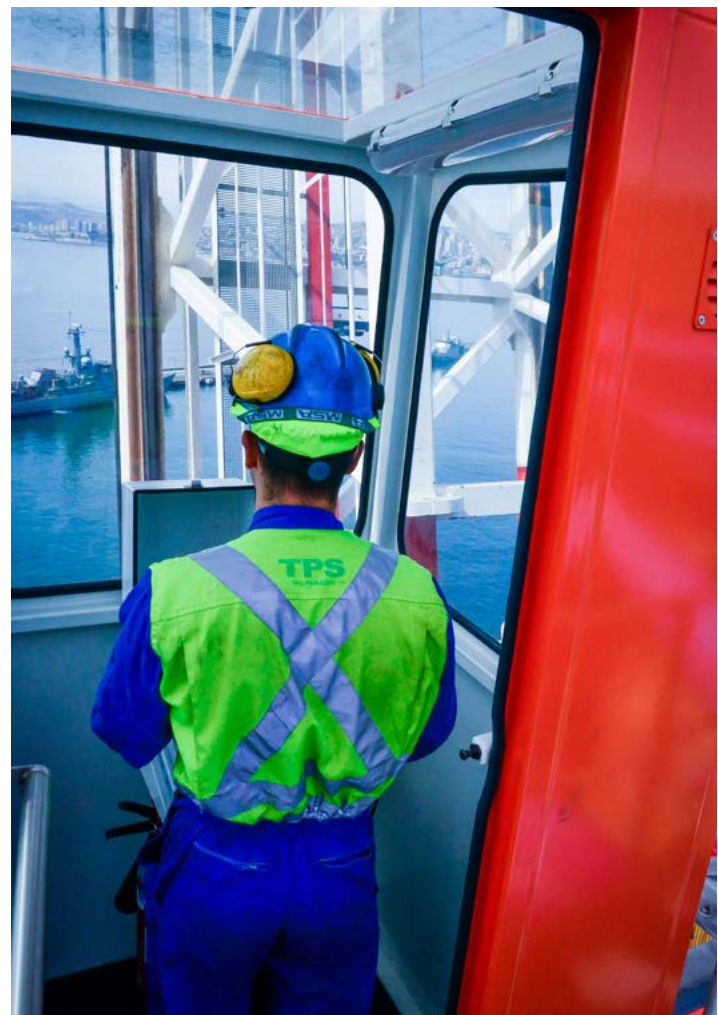
Modernisations at ZEAL

Our office located in the Extension and Logistics Support Zone benefited from two important improvements for users: in November we implemented the Transbank system, which speeds up transactions for inland carriers and customs agents, and at the same time eliminates cash flows; as well as the installation of a queue management system to reduce waiting times.

ABC classification of spare parts

This is a control method that prioritises the relative importance of each product based on a qualitative variable and according to several dimensions, such as rotation, cost, criticality, lead time and economic effect on the warehouse. With this data, a multi-criteria matrix APH (Analytical Hierarchy Process) was applied to prioritise spare parts, a task executed by the Maintenance area.





Lean Management Course

This course was prepared for Maintenance managers and supervisors, which allowed improvements such as the use of 5S in the Diver, Electrical and Welder workshops, which consists of better organised, tidier and cleaner workplaces, resulting in increased productivity and a better working environment.

In relation to the health emergency caused by covid-19, the Maintenance area had an intense work in the implementation of infrastructure to support the large number of measures applied in the port for the care of people. The main ones were the following:

Portable sinks

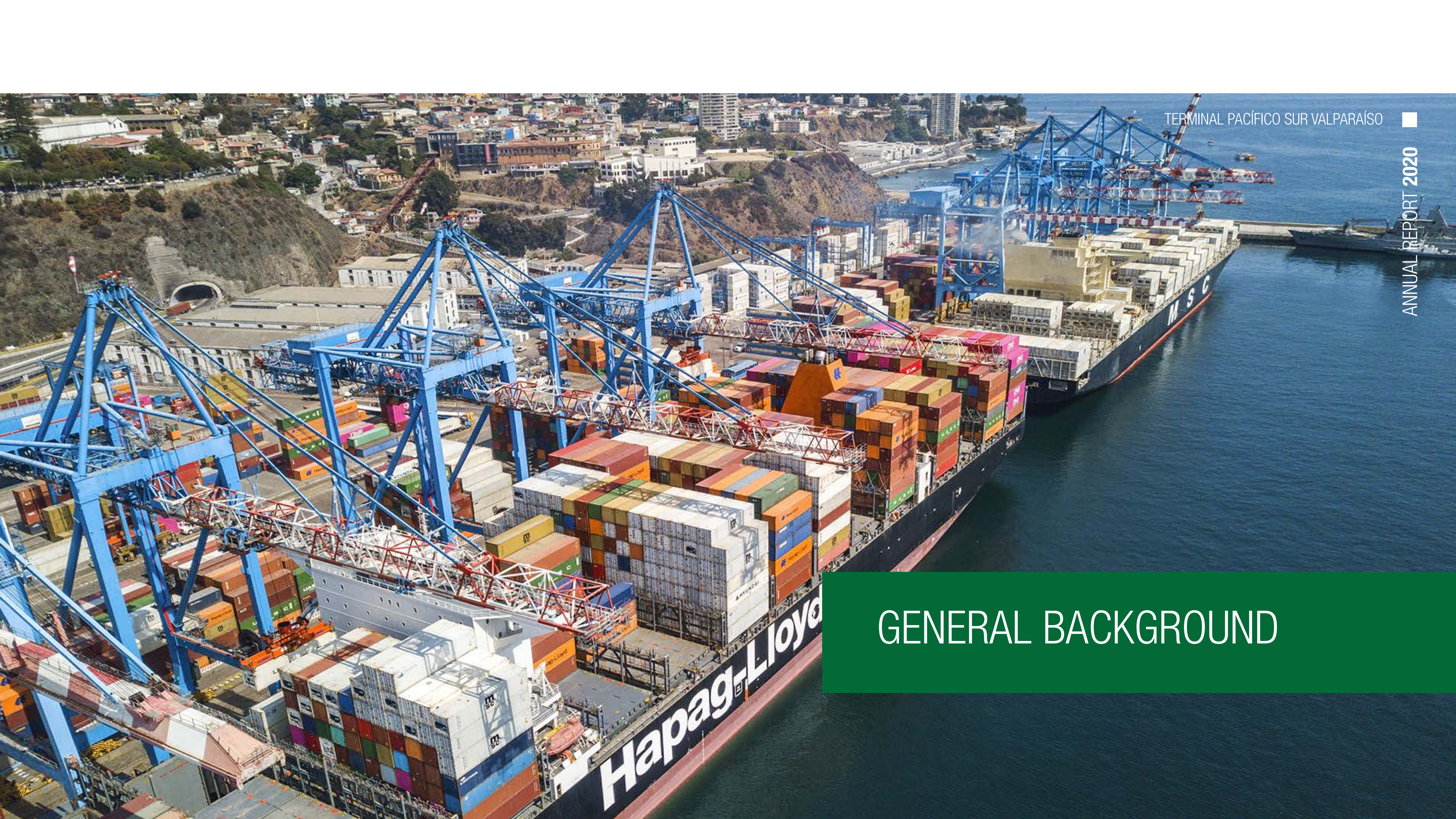
Fifteen portable hand-washing stations were built and installed at different points of the Terminal to ensure easy access for everyone and thus contribute to proper hand hygiene, which is one of the main prevention measures for covid-19.

Dividing panels

In our offices we implemented glass dividers panels for all people in direct contact with customers, as well as dividing panels for our employees' workstations and the implementation of a sanitary barrier in the Terminal.

UV Sanitisation of Equipment

Bases on Ultraviolet (UV) radiation technology we implemented sanitisation devices in crane cabins, which has the capacity to eliminate micro-organisms with 99% effectiveness. This is an innovative procedure for sanitising places that are not easily accessible by cleaning personnel, the crane operator can activate the UV device during each shift, because it takes only 15 minutes to complete the cycle.



GENERAL BACKGROUND

GENERAL BACKGROUND

Company profile

Company identification

Trade Name: Terminal Pacífico Sur Valparaíso S.A.

Legal Address: Antonio Varas N. 2, 3rd Floor, Valparaíso.

Tax No. 96.908.870-3

Telephone: +56 32 227 5800

Website: www.tps.cl

Line of Business: Development, operation, and maintenance of Berthing Facility N° 1 of the Port of Valparaíso; wharfage and cargo storage company.

Articles of Incorporation

Terminal Pacífico Sur Valparaíso S.A. was incorporated on October 25th, 1999 before the Notary Public of Santiago Mr. Ivan Torrealba Acevedo, and registered in the Business Register on page 698, number 602, on October 26th, 1999.

Ownership and Control of the Company

The background information about the Shareholders and their shares in the company are listed below:

Detail of Shareholders

The share capital of Terminal Pacífico Sur Valparaíso S.A. is made up of 3,333 shares of the same series, with no par value. As of December 31st, 2019, the company's ownership is distributed as follows:

Shareholder	N° Shares	Equity Stake
Neltume Ports S.A. Tax: 76.237.330-0	2,000	60.01%
Contug Terminals S. A. Tax: 59.236.520-0	1,333	39.99%

Company Controller

The Company is controlled by Neltume Ports S.A., which in turn is controlled by Inversiones Ultramar Limitada; the latter is controlled by Marítima Choshuenco Limitada.

Remuneration received by the Board Members

During fiscal year 2020, no remuneration was paid to the company's Board Members.

Management Diversity

BOARD

MANAGING DIRECTOR
Oliver Weinreich
 Date of admission:
 01-03-2005
 Profession:
 Industrial Engineer



Diversity in the Board

Richard von Appen Lahres

Date of admission: 26-04-2001
Profession: Degree in Business Administration
Role: Chairman of the Board

Fernando Reveco Santander

Date of admission: 28-04-2015
Profession: Civil Engineer
Role: Alternate Board member

Antonio José de Mattos Patricio Junior

Date of admission: 25-09-2018
Profession: Captain, Master's Degree in Port Management
Role: Board member

Ammar Kanaan

Date of admission: 26-06-2018
Profession: Civil Engineer
Role: Alternate Board member

Gregory Gottlieb

Date of admission: 26-06-2018
Profession: Master in Management
Role: Board member

Giuseppe Prudente

Date of admission: 22-12-2016
Profession: Captain, Master's Degree in Competency Certification (FG)
Role: Alternate Board member

Alejandra Mehech Castellón

Date of admission: 28-01-2017
Profession: Degree in Business Administration, Master's
Role: Board member

Felipe Vial Claro

Date of admission: 25-04-2017
Profession: Degree in Sociology
Role: Alternate Board member

Pablo Ihnen de la Fuente

Date of admission: 30-12-2008
Profession: Civil Engineer, Master in Economics
Role: Board member

Francisco Ortúzar Vergara

Date of admission: 28-01-2017
Profession: Degree in Business Administration
Role: Alternate Board member

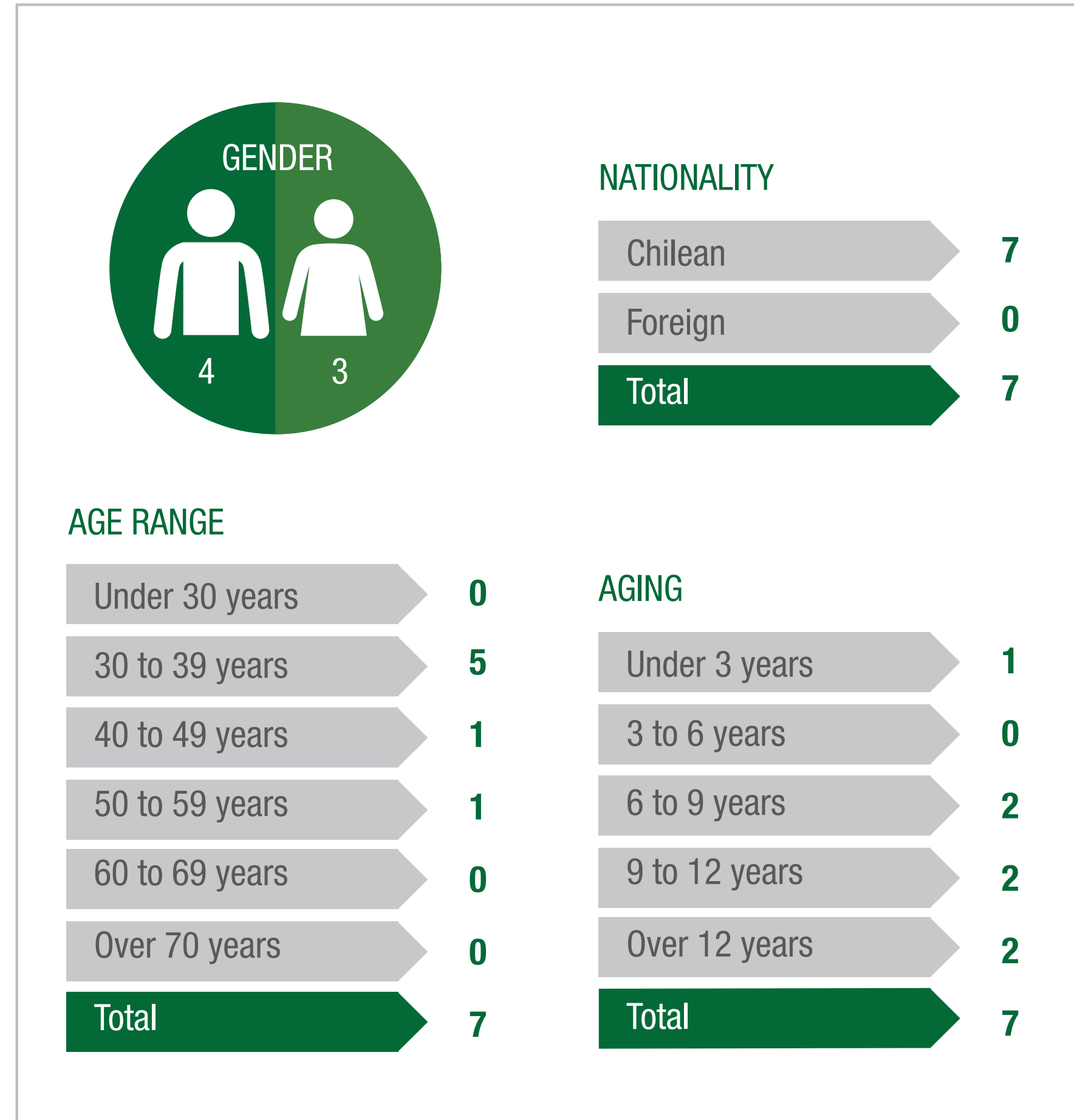
Pier-Paolo Zaccarelli Fasce

Date of admission: 25-09-2018
Profession: Degree in Business Administration
Role: Board member

Álvaro Brunet Lachaise

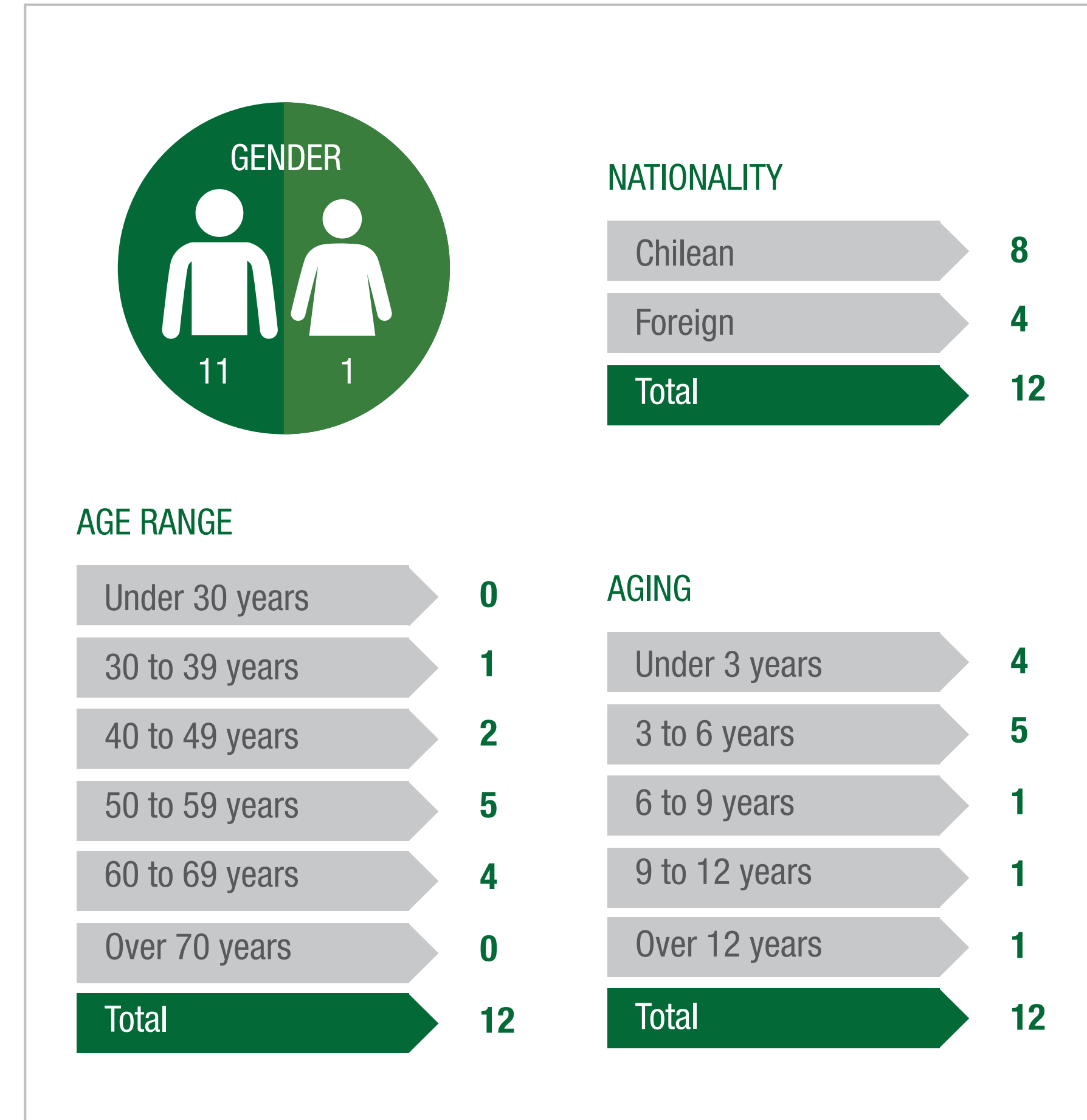
Date of admission: 24-04-2012
Profession: Mechanical Engineer
Role: Alternate Board member

MANAGEMENT DIVERSITY



Source: TPS

DIVERSITY IN THE BOARD



Source: TPS

Board member Committee

The company has no Board Members Committee, as it is a closely held company.

Insurance

The company carried the following insurance as of December 31, 2020:

- Termination of concession agreement due to Berth destruction.
- Business Interruption due to damages in Berths.
- Third party civil liability.
- Damage to equipment and other fixed assets.

Contracts

The Concession Agreement of Berthing Facility N°1 of the Port of Valparaíso was subscribed with Empresa Portuaria Valparaíso on November 12, 1999.

By means of this agreement, the Company was awarded an exclusive concession to develop, maintain and operate Berth N°1 of the port of Valparaíso, including the right to charge users basic rates for basic services, and special rates for special services provided at the facilities granted under concession. The details of the content, scope and features of this contract is explained in the financial statements of this annual report.

Financial Information

TPS is a closely held stock company registered under N° 56 in the Registry of Reporting Entities kept by the Financial Market Commission (currently named CMF).

The company handles its transactions mainly in pesos (Chile) and dollars (United States of America), through accounts in national and North American banks, and its functional currency is the dollar of the United States of America. The main financial activities with these banks are invoice collection, time deposits, long-term loans, short-term loans, rate swaps, foreign currency forwards, and buying and selling of currency.

Risk Factors

The main risk factors envisaged in the development of the company's business are those that could affect Chilean foreign trade.

IFRS Rules

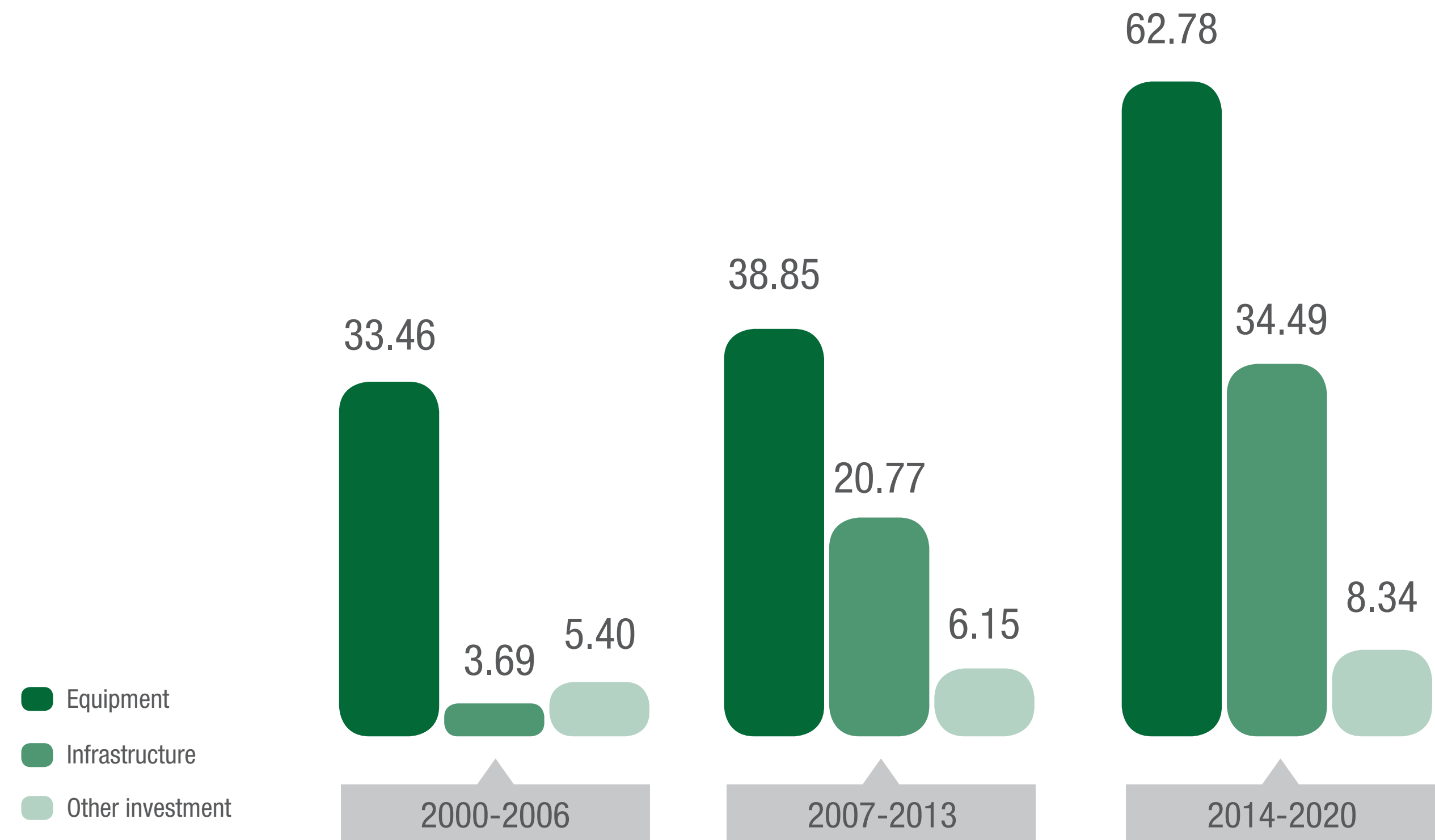
The 2020 financial statements were prepared under the IFRS (International Financial Reporting Standards), in accordance with the requirement issued by the Financial Market Commission (currently named CMF), that obliges closely-held companies registered in that entity to submit their Financial Statements under this standard, except for the instructions published in Circular Letter No. 856 of the Financial Market Commission, which specifies that all differences in deferred tax assets and deferred tax liabilities as a direct result of the increase in the First Category tax rate established in Law 20,780 shall be recorded in Equity.

Investment and Financing Policies

Investment

From the beginning of the concession, TPS has allocated US\$213.94 million to investment in infrastructure, port equipment and development of technological systems of the Terminal, among others. The decrease in investment amounts in 2020 was conditioned by the pandemic context, where most of the actions were focused on pandemic mitigation.

Regarding the investment plan for the five-year period 2021-2025, TPS is projecting an investment of approximately US\$10.9 million, 60% of this is earmarked for the purchase and renewal of equipment and machinery.



TPS INVESTMENT (MUSD\$) 2000 - 2020

Source: TPS



Financing

As a result of investments in previous years, we have a loan with Scotiabank, which was refinanced in December 2019 and will be repaid in June 2026. Capital was amortised for US\$10.32 million, and interest was paid for US\$3.25 million.

Subsidiaries and Associates

There are no subsidiaries, affiliated companies, or investments in other companies.

Distributable Earnings

Profits Accumulated from previous fiscal years IFRS	ThUS\$
Provisions for derivatives	(2,995)
Accumulated Profits	4,734
Profit (Loss) 2020 Fiscal Year	648
Dividends paid in 2020	(2,000)
Total	386
Distributable Profits	3,381
Distributable Dividend/Distributable Profits	876.23%

Dividend Policy

On December 17, 2020, an essential event was sent for the eventual dividend payment of US\$600,060006 per share, which was paid on the 28th of December 2020 to the shareholders, under the concept of retained earnings.

- Diluted earnings 2019: US\$ 1,296 per share
- Diluted earnings 2020: US\$ 194 per share



FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To Shareholders and Directors of
Terminal Pacífico Sur Valparaíso S.A.

We have performed an audit of the accompanying Financial Statements of Terminal Pacífico Sur Valparaíso S.A., which comprise the statement of financial position as of December 31, 2020 and 2019, and the comprehensive income statements, statements of changes in equity and statement of cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis on a matter - Distribution of interim dividends for 2016

CAs indicated in Note 17 of these financial statements, at the Extraordinary Shareholders' Meeting dated December 22, 2016, it was unanimously agreed to ratify the agreement made during the Extraordinary Board meeting N° 22 held on that same date, to pay an interim dividend in the amount of ThUS\$ 31,500, and of which the charge to profits for the year and retained earnings was carried on April 25, 2018. As a result of the payment of the mentioned interim dividend, as of December 31, 2020 and 2019, the Company presents a negative balance in "Other Miscellaneous Reserves" in the amount of ThUS\$ 24,385, which includes the amount distributed as interim dividend over the results of 2016 and retained earnings which the Company presented at the date of the agreement. Management and their legal advisors considered that this transaction and its presentation are adjusted in conformity with the law and the provisions of Law 18,046, even when there are no specific pronouncements with regard to the distribution and presentation of interim dividends over the results of the Company at the date of the agreement. Our opinion regarding this matter is not modified.

Cristopher Reveco

EY Audit SpA.

Viña del Mar, Chile
January 29, 2020

Statements of Financial Position

As of December 31, 2020 and 2019

(Translation of Financial Statements originally issued in Spanish – see note 2.1)

Assets	Notes	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Cash and cash equivalent	4	12,759	12,110
Other current financial assets	10	-	2
Other current non-financial assets	5	2,553	2,169
Trade receivables and other current accounts receivable	6	9,631	17,417
Current accounts receivable from related parties	7	133	2,677
Inventory	8	2,193	2,055
Current tax assets	9	274	228
Total Current Assets		27,543	36,658
Other non-current financial assets	10	16,005	14,823
Other non-current non-financial assets	5	355	86
Intangible assets other than goodwill	11	80,774	88,944
Property, plant and equipment	12	59,254	66,746
Total Non-Current Assets		156,388	170,599
Total Assets		183,931	207,257

Statements of Financial Position

As of December 31, 2020 and 2019

(Translation of Financial Statements originally issued in Spanish – see note 2.1)

Liabilities and Equity	Notes	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Other current financial liabilities	13	21,198	20,470
Current trade payables and other accounts payable	14	6,145	14,591
Current accounts payable to related parties	7	2,441	3,320
Total Current Liabilities		29,784	38,381
Other non-current financial liabilities	13	101,056	113,069
Deferred tax liabilities	15	5,770	6,340
Allowance for employee benefits	16	4,514	4,146
Total Non-Current Liabilities		111,340	123,555
Total Liabilities		141,124	161,936
Paid-in capital	17	67,000	67,000
Other reserves	17	(27,381)	(25,649)
Accumulated profits	17	3,188	3,970
Total Equity		42,807	45,321
Total Liabilities and Equity		183,931	207,257

Statements of Income by Function

For the years ended December 31, 2020 and 2019

(Translation of Financial Statements originally issued in Spanish – see note 2.1)

	Notes	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Revenue from ordinary activities	18	66,037	79,576
Sales costs	19	(52,821)	(61,643)
Gross profits		13,216	17,933
Other revenue	20	-	-
Administrative expenses	21	(7,864)	(7,631)
Finance revenue		707	1,118
Finance costs	22	(5,295)	(6,964)
Foreign currency translation	26	168	227
Other expenses		(1)	(3)
Pre-tax profit (loss)		931	4,680
Income tax expense	15	(283)	(661)
Profit (loss)		648	4,019
Profit per share (dollars per share)			
Basic profit per share in continued operations		194	1,206
Basic profit per share in discontinued operations			
Basic profit per share		194	1,206
Diluted profit from continued operations		194	1,206
Diluted profit from discontinued operations			
Diluted profit per share		194	1,206

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Translation of Financial Statements originally issued in Spanish – see note 2.1)

	Notes	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Profit		648	4,019
Components of other comprehensive income, before taxes:			
Other comprehensive income, before taxes, actuarial profits (losses) for defined benefits plans	16	117	116
Profits (losses) for cash flow hedging, before taxes	13	(3,094)	(2,037)
Other components of other comprehensive income, before taxes		(2,977)	(1,921)
Income tax related to other comprehensive income:			
Income tax related to defined benefits plans of other comprehensive income	16	(32)	(31)
Income tax related to hedge instruments of equity of other comprehensive income		835	
Income tax related to components of other comprehensive income		803	(31)
Other comprehensive income		(2,174)	(1,952)
Total comprehensive income		(1,526)	2,067

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Translation of Financial Statements originally issued in Spanish – see note 2.1)

2020	Paid-in Capital	Cash flow hedge reserve	Profit and (loss) reserve for defined benefits plans	Other Miscellaneous Reserves	Other reserves	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balances as of 1-1-2020	67,000	(1,074)	(190)	(24,385)	(25,649)	3,970	45,321
Win		442			442	(442)	
Initial Balance Restated	67,000	(632)	(190)	(24,385)	(25,207)	3,528	45,321
Comprehensive income						1,206	1,206
Increase (Decrease)						648	648
Other comprehensive income		(2,259)	85		(2,174)		(2,174)
Comprehensive income		(2,259)	85		(2,174)	1,854	(320)
Dividends (1)						(2,194)	(2,194)
Increase (Decrease) due to other distributions to owners							
Total changes in equity		(2,259)	85		(2,174)	(340)	(2,514)
Balances as of 31-12-2020	67,000	(2,891)	(105)	(24,385)	(27,381)	3,188	42,807

(1) See Note 17 c)

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Translation of Financial Statements originally issued in Spanish – see note 2.1)

2019	Paid-in Capital ThUS\$	Cash flow hedge reserve ThUS\$	Profit and (loss) reserve for defined benefits plans ThUS\$	Other Miscellaneous Reserves ThUS\$	Other reserves ThUS\$	Retained earnings ThUS\$	Total equity ThUS\$
Balances as of 1-1-2019	67,000	963	(275)	(24,385)	(23,697)	3,656	46,959
Profit for the period						4,019	4,019
Other comprehensive Income		(2,037)	85		(1,952)		(1,952)
Comprehensive income		(2,037)	85		(1,952)	4,019	2,067
Dividends (1)						(3,705)	(3,705)
Increase (Decrease) due to other distributions to owners							
Total changes in equity		(2,037)	85		(1,952)	314	(1,638)
Balances as of 12-31-2019	67,000	(1,074)	(190)	(24,385)	(25,649)	3,970	45,321

(1) See Note 17 c)

Statements of Cash Flows (direct)

For the years ended December 31, 2020 and 2019

(Translation of Financial Statements originally issued in Spanish – see note 2.1)

	Notes	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Types of billing for operating activities			
Billing from the sales of goods and services.		74,717	76,342
Types of payments:			
Payments to suppliers of goods and services		(48,575)	(51,266)
Payment to and from employees		(8,995)	(9,632)
Interest paid		(3,254)	(4,897)
Interest received		65	150
Income taxes (paid)		(32)	2,611
Other cash inflows (outflows)		88	(2,166)
Cash flows provided by (used in) operating activities		14,014	11,142
Amounts provided by the sale of property, plants and equipment, classified as investment property			-
Purchase of property, plant and equipment	12	(823)	(1,418)
Purchases of intangible assets	11	-	(286)
Cash flows provided by (used in) investing activities		823	(1,704)
Amount from long term loans	13	-	-
Loan payments		(10,324)	(8,239)
Dividends paid, classified as financing activities	17	(2,000)	(2,500)
Cash flows provided by (used in) financing activities		(12,324)	(10,739)
Effects of variation in exchange rate on cash and cash equivalent	26	(218)	(227)
Increase (decrease) in cash and cash equivalent		649	(1,528)
Cash and cash equivalent (Beginning balance)		12,110	13,638
Cash and cash equivalent (End balance)	4	12,759	12,110

TERMINAL PACÍFICO SUR VALPARAÍSO S.A.

Notes to the Financial Statements as of December 31, 2020 and 2019

(Translation of Financial Statements originally issued in Spanish – see note 2.1)

1. Corporate information

Terminal Pacífico Sur Valparaíso S.A. (“the Company”), Tax Identification Number 96.908.870-3, is a Privately held Corporation constituted on October 25, 1999, and the concessionaire of the Berthing Facility No. 1 of the Port of Valparaíso, according to the Concession Contract for the development, maintenance and exploitation of Berthing Facility No. 1 of the Port of Valparaíso, held with Empresa Portuaria Valparaíso by public documentation on November 12, 1999 signed in Valparaíso in the notary’s office of Ricardo Maure Gallardo.

The corporate purpose of the Company is the development, maintenance and exploitation of Berthing Facility No. 1 of Empresa Portuaria Valparaíso; as well as to perform the business of wharfage and stowage.

The Company’s legal address is Antonio Varas No. 2, 3rd floor, Valparaíso.

According to Article 14 of Law 19,542, which regulates port concessions, the Company must follow the regulations that govern open corporations and must be listed in the Securities Registry of the Superintendencia of Securities and Insurance (currently Commission for the Financial Market). The Company was registered with this authority in 2000 under number 712. With the change made to Law 20,382, in October 2009 it was transferred to the Reporting Entities Registry and registered under number 56.

According to the terms of the Concession Contract signed with Empresa Portuaria Valparaíso, the Company received from the Authority the abovementioned Berthing Facility on January 1, 2000, when it began its operating activities. The term for the concession is 20 years from the mentioned date with the option of an extension of 10 more years for the Company if: (i) the execution of the construction project stated in Appendix VII of the Bidding Bases is completed before the beginning of the 19th Contract Year pursuant to the terms and conditions established in Appendices VII and VIII of the Bidding Bases; (ii) the Company declares its intention to extend the Term before the 19th Contract Year begins.”

On June 2, 2014, Terminal Pacífico Sur Valparaíso S.A. introduced to Empresa Portuaria Valparaíso the Major Investment Project called “Extensión Sitio 3 y Reforzamiento Sitios 4 y 5 del Frente de Atraque

Nº 1 del Puerto de Valparaíso Etapa I” (“Site 3 Extension and Sites 4 and 5 Reinforcement of Berth Location No. 1 in the Port of Valparaíso Stage I”) that comprises all works related to the optional project described in Appendix VII referred to above. In addition, the Company formally announced its intention to extend the concession term.

On November 7, 2014, the project received its initial approval by Empresa Portuaria Valparaíso. Therefore, the contracting company initiated the works relating to the project execution. Once the works concluded, the Concession Term was extended according to the abovementioned conditions.

The extension was confirmed on December 27, 2018, when Empresa Portuaria Valparaíso granted the final approval of the project and ratified the extension of the Concession term for 10 additional years. To this date and according to the Concession Contract, Empresa Portuaria Valparaíso and TPS are still auditing the actual cost of the works, in order to determinate the residual value of the project that should be restored at the end of the concession.

The shareholders of Terminal Pacífico Sur Valparaíso S.A. as of December 31, 2020 and 2019, are:

Shareholders	No. of shares	Participation
Neltume Ports S.A.	2,000	60.01%
ConTug Terminals S.A.	1,333	39.99%

From this information it is concluded that the controller of the Company is Neltume Port S.A., which is controlled by Inversiones Ultramar Limitada, which is controlled by Marítima Choshuenco Limitada.

According to Exempt Resolution DRE 674 of the Internal Tax Service (SII), of July 6, 2001, the Company is authorised to perform its accounting in U.S. dollars.

2. Basis of preparation of the Financial Statements

2.1 Declaration of compliance

The Financial Statements have been prepared in accordance with International Accounting Standard IAS 1, entitled “Presentation of Financial Statements”. Hereinafter, the terms NIC, NIIF and IAS can be used indistinctly.

These Financial Statements accurately reflect the financial position of Terminal Pacífico Sur Valparaíso S.A. as of December 31, 2020 and 2019, and the results of its operations, the changes in equity and the cash flows for the years ended December 31, 2020 and 2019.

For the convenience of the reader, these Financial Statements and their accompanying notes have been translated from Spanish into English.

2.2 Financial Statements model under IFRS

The Company has included the following models to prepare its Financial Statements:

Statements of Financial Position

Statements of Income (by function)

Statements of Comprehensive Income

Statements of Cash Flows (direct method)

Statements of Changes in Equity

Notes to the Financial Statements

2.3 Accounting period

The Financial Statements cover the periods ended on December 31, 2020 and 2019

2.4 Basis of measurement

The Financial Statements have been prepared under the principle of historical cost, except for the items that are reported at fair value in accordance with IFRS.

2.5 Functional and presentation currency

The Financial Statements have been prepared in U.S. dollars, which is the Company’s functional and presentation currency, and all values presented herein are rounded to the nearest thousands, except when indicated otherwise.

2.6 Cash and cash equivalents

The cash and cash equivalents presented in the Statements of Financial Position include the bank balances and term deposits which qualify as cash and cash equivalent according to IAS 7

2.7 Responsibility for the information and use of judgments and estimates

The Company’s directors must review the Financial Statements of Terminal Pacífico Sur Valparaíso S.A. as of December 31, of each year and assume responsibility that the information contained therein corresponds to the information in the Company’s accounting books, according to the information

received from the respective departments. The present Financial Statements were approved by the Board of Directors at its meeting held on January 29, 2020.

The preparation of the Financial Statements requires that the Management make judgments, estimates and assumptions that affect the application of the accounting policies, asset, liability, revenue and expense amounts presented. The real results may differ from these estimates.

Relevant estimates and assumptions are reviewed regularly using the best information possible. These accounting estimates are recognised in the period in which they are reviewed and in the future period affected.

In particular the main estimates of uncertainties and critical judgments in the application of accounting policies that have a significant effect on the amounts recognised in the Financial Statements, are the following:

- Estimate of provisions for contingencies.
- Estimate of the useful life of property, plant and equipment.
- Calculation of the fair value of financial instruments.
- Discount rates used for the purposes of IFRIC 12.
- Obligations for employee severance pay benefits for years of service.

2.8 Foreign currency

Transactions in foreign currency (defined as any currency other than the Company's functional currency) are converted to the functional currency according to the effective exchange rate at the date of transaction.

Monetary assets and liabilities in foreign currency are converted to the functional currency by applying the effective exchange rate at the close of each period, while non-monetary assets and liabilities are converted to the functional currency by applying the effective exchange rate at the date of transaction

The exchange rate applied by the Company at the close of the years are indicated below:

Exchange rate	12-31-2020	12-31-2019
Chilean peso	710.95	748.74
EURO	0.8141	0.8918

2.9 Income from indexed units

Assets and liabilities controlled in Unidades de Fomento have been converted to U.S. dollars at the equivalent of each unit at the date of closing of the Financial Statements, and readjustments are recorded under the category of Income from indexed units in the Statement of Income.

The value of the Unidad de Fomento applied by the Company at the close of each period is shown below:

Exchange rate	12-31-2020	12-31-2019
Unidad de Fomento	40.88	37.81

2.10 Inventory

Inventory is valued at its acquisition cost or net realisable value (A), whichever is the lowest. The cost of inventory is determined using the Weighted Average Cost method.

The acquisition cost comprehends the price of purchase, import duties and other taxes (that cannot be recovered later from the tax authority), transportation, storage and other costs directly attributable to the acquisition of the inventory. Commercial discounts, rebates and other similar items are deducted in order to determine the acquisition cost.

(A) Net realisable value: The estimated sale price during the normal course of operations minus the estimated costs of finalizing production and those necessary to carry out the sale.

2.11 Property, plant and equipment

Recognition

Property, plant and equipment include goods used by the Company in the provision of services and for administrative use in the activities that support business management. They are measured at acquisition cost, minus accumulated depreciation and losses for impairment of value.

The acquisition cost includes costs directly attributable to the acquisition of the asset and any other cost directly attributable to ensuring that the asset is ready to operate, including the costs of disassembling and removing the items and restoring the area where they are located. After the acquisition, only expenses incurred that increase the useful life of the good or its economic or productive capacity shall be capitalised.

The costs for loans which are directly attributable to the acquisition, construction or production of a component of Property, plant and equipment form part of the cost of said assets. Other costs for loans are recognised as expenses during the period in which they are accrued.

The significant components or parts of a property, plant and equipment item that have different useful lives, when it is probable that future economic benefits associated with asset's elements will be perceived by the Company and whose cost can be reliably determined, are recorded as separate items within the Property, plant and equipment book.

Subsequent costs

The costs incurred for major maintenance are recognised as Property, plant, and equipment when these meet the requirements defined in IAS 16. These assets are amortised linearly with an effect on income, in the period remaining until the next scheduled major maintenance. Expenses derived from the periodic maintenance of property, plant and equipment assets are recorded with an effect on income in the period in which they are incurred.

The Company has determined residual values for the Property, plant and equipment assets based on the estimate of the recoverable value of the assets at the end of their useful life.

Depreciation and useful lives

Depreciation is recognised with an effect on income on a linear basis upon the useful lives, expressed in years, of each component of a property, plant and equipment item.

The useful life estimates and residual values are reviewed at least once a year. The following chart shows a description of the useful life estimates for the Property, plant and equipment categories:

		Minimum	Maximum
Plant and equipment	Years	1	20
IT equipment	Years	2	13
Fixed installations and accessories	Years	1	20
Motor vehicles	Years	2	10
Other Property, plant and equipment	Years	3	12

2.12 Intangible Assets

Recognition

This category presents the costs associated with the “Concession Contract for the Development, Maintenance and Exploitation of Berthing Facility Number One of the Port of Valparaíso” signed on November 12, 1999 by the Company and Empresa Portuaria Valparaíso. It is classified as an intangible asset in accordance with IFRIC 12, because the Company receives the right to charge the users of this public service.

The intangible is determined by the payment of the obligations established in the abovementioned Concession Contract, amount to be paid as an up-front payment (ThUS\$ 100,600 nominal value) and the payment of minimum rental (total of ThUS\$ 112,920 nominal value). Both were expressed as the present value at the date of the contract, using a proper discount rate. These payments are subject to readjustment based on the PPI (United States Producer Price Index). Obligations are presented in Other current and non-current financial liabilities.

Additionally, it includes intangible assets generated from infrastructure contributions which the Company has made in accordance with the Concession Contract. These contributions correspond to the infrastructure or offices constructed in the concession area, and according to the Concession Contract, Empresa Portuaria Valparaíso must reimburse the Company at the end of the concession, at its residual value (cost of construction approved by Empresa Portuaria Valparaíso, minus the accumulated amortisation at the end of the concession).

Intangible assets have been recorded at the cost of construction, and the respective account receivable is initially recorded at present value using the appropriate discount rate, and at the close of each Financial Statement is recorded using the amortised cost method, at the closing of each Financial Statement.

This intangible asset has a finite useful life determined in accordance with the concession term stated in the referred contract whose original maturity date is December 31, 2019.

On December 27, 2018, through letter GDC/103/2017, Empresa Portuaria Valparaíso gave the final approval to the investment project “Extension site 3 and Reinforcement Site 4 and 5 of berthing front No. 1 of the Port of Valparaíso”, granting the 10 additional years of exploitation of the concession, in accordance with the provisions of Section 2.4 and Annex VII of the Tender Conditions of the Concession Contract and the request made by TPS. This 10 year extension has consequently increased the useful life of the abovementioned asset.

In accordance with the provisions of section 12.1 letter G of letter a) of the Contract, Empresa Portuaria Valparaíso will proceed to carry out an audit, which, based on the pertinence, proportionality and compliance with the contractual procedures, allows to determine amounts of investment and period of useful lives of the work, which could generate that in the future they will have to change the calculation bases of the projects for these contributions, generating some variations in the current values of assets and amortisation.

The intangible suffered an increase for the payment of the minimum annual amounts for the concept of annual rental (increase of ThUS \$ 57,000 nominal value), all of which were expressed at present value at the date of the authorisation of the 10-year extension, using an appropriate discount rate.

Subsequent costs

Any other intangible asset shall be initially recognised as its acquisition or production cost and then valued at its lower costs, as applicable, its corresponding accumulated amortisation and the losses for any impairment experienced.

Amortisation and useful lives

The amortisation is recognised with an effect on income based on the linear amortisation method according to the estimated useful life of each of the intangible assets, from the date on which they are available for use.

The estimate useful lives and residual values (when applicable) shall be reviewed at least once a year.

The following chart shows a description of the useful lives estimates for intangible assets:

		Minimum	Maximum
Port concession	Years	-	30
IT programs	Years	1	5
Port infrastructure contributions	Years	1	30
Expansion of the Port Concession Contract	Years	-	10

2.13 Leases

Lease contracts that substantially transfer to the Company all risks and benefits inherent to the property of leased assets are classified and valued as financial leases or are otherwise recorded as operating leases.

At the beginning of the financial lease term, an asset and a liability are recognised as the fair value of the leased asset or as the actual value of the minimum lease payments, whichever is the lowest. The minimum payments are divided among the financial expense and the reduction of the unpaid debt.

The operating lease payments are recognised linearly as expenses during the lease term.

Regarding IFRS 16 Leases for 2019, there are no contracts that have been affected by the application of the mentioned standard.

2.14 Impairment of assets

Financial assets

At the end of every year, it will be evaluated whether there is objective evidence that suggests that one or more financial assets, measured by their depreciable amount, have suffered a loss of value. If that's the case, the appropriate value adjustment must be recorded.

If there is any sign of loss of value (impairment), an estimate will be made of the recoverable amount of those assets in order to determine, as is the case, the amount of the necessary write-off.

For establishing the value after the initial recognition, an entity will measure its financial assets, including those derivatives that are assets, as the fair value without deducting transactions expenses that may result from the sale or disposal by other means of the assets, except for the following financial assets:

- Loans or accounts receivable; these will be amortised through the effective interest rate method;
- Investments held to maturity; the amortised cost will be measured through the effective interest rate method;
- Investments in equity instruments that do not have the price quoted in an active market, and of which the fair value cannot be reliably measured; and
- The derivative instruments connected to those unquoted equity instruments and which must be settled through their delivery; are measured at cost.

For trade accounts receivable, the Company applies a simplified approach to calculate expected credit losses (ECL). Therefore, it does not monitor changes in credit risk, but recognises a provision for losses based on ECL for life on each reporting date. The Company has established a model or matrix of provisions based on its historical experience of credit losses in recent years, adjusted for specific future factors for its debtors, industry and the economy. (See note 6).

Non-financial assets

At each reporting date, the Company evaluates whether there are any signs that an asset could be impaired. If such a sign exists, or when there is an annual requirement of proof of an asset's impairment, the Company makes an estimation of the asset's recoverable amount. The recoverable amount of an asset is the highest value between the fair value of an asset or cash generating unit minus the sales cost and its use value and is determined for an individual asset unless the asset does not generate any cash flow that is largely independent of other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is reduced to its recoverable amount. When evaluating the use value, the future estimated cash flows shall be discounted from its present value using the pre-tax discount rate that reflects the current market evaluations of the money's time value and the risks specific to the asset. To determine the fair value minus the sales costs, an appropriate valuation method shall be used.

Impairment losses from continuing operations are recognised in the Income Statement in the expense categories consistent with the function of the impaired asset, except for previously revalued properties where the value has been taken to equity.

For assets excluding goodwill, at each reporting date the Company evaluates whether there is any sign that a previously recognised impairment may have diminished or disappeared. If such a sign exists, the Company estimates the recoverable amount. A previous recognition of loss for impairment will be reversed only if there has been a change in the estimation used to determine the recoverable amount of the asset since the last loss for impairment recognition. If this is the case, the carrying amount of the asset will be increased to its recoverable amount. This increased amount may not exceed the carrying amount that would have been determined, net of depreciation, if a loss for impairment had not been recognised in previous years. Losses for impairment recognized in relation to goodwill are not reversed for later increases in its recoverable amount.

2.15 Provisions

A provision is recognised when there are legal or implicit obligations as the result of a past event, when it is probable that future economic benefits will be generate and the amount of the obligation can be reliably measured.

Provisions are reverted against income when there is a lower possibility that resources will need to be used to pay the obligation.

If the effect of the money over time is material, provisions are discounted using the current pre-tax rate that reflects, as applicable, the specific risks of the liability. The increase in the provision, due to the pass of time, is recognised as a finance cost

2.16 Employee benefits

The actuarial variation of the employee severance payment benefits obligation for years of service is recognised directly in income. What corresponds to costs for current services, costs for interest and, the actuarial profits and losses are recognised with debit/credit to equity during the period in which these arise. Other short-term benefits, for example bonuses, are recognised using the accrual method.

2.17 Income tax and Deferred taxes

The Income tax result is composed of current taxes and deferred taxes. The income tax result is recognised in the income for the year, except when related to items directly recognised in Equity.

The Company's current tax result comes from the application of the income tax rate on the taxable base for the period, calculated in accordance with the Income Tax Law (DL N°824). If it would exist loss of profit it does not prescribe, and the company will use it over future profits.

The Company records deferred taxes for all temporary differences generated from the calculation of first category net income using the accounting and tax base of assets, liabilities, and equity. Deferred tax assets and liabilities are recognised using the balance sheet method.

Deferred taxes are measured considering the tax rates that are expected to be applied on the temporary differences when they are reversed, based on the laws that have been approved or are about to be approved at the date of close of each Financial Statement.

2.18 Ordinary revenue and operating costs

Ordinary revenue and operating costs derived from the provision of port services are recognised in income considering the degree of completion of the service provision at the date of close, as long as the result of these can be reliably estimated.

When the results of the services provided cannot be reliably estimated, the revenue is recognised only when the expenses made can be recovered.

Ordinary revenue and operating costs derived from other services related to the port business are recognised in income on an accrued basis.

2.19 Finance revenue and costs

The Company records finance revenue according to its accrual in the Finance revenue item in non-operating income.

In relation to finance costs, these are carried to expenses when they are incurred, and are found in the finance expense item presented in non-operating income. This classification does not include costs to finance the construction or development of assets requiring a substantial period to prepare the asset for use according to the operating conditions established by Management. Finance costs related to an asset are capitalised from the date on which the asset to be built is known. The amount of capitalised finance costs (before taxes) for the year is determined by applying the effective interest rate to the loans effective during the year in which the finance expenses are capitalised.

2.20 Derivative financial instruments

a) Financial assets at fair value with effect on income.

The financial assets as fair value with effect on income are financial assets held for negotiation. A finance asset is classified under this category if it is acquired primarily for the purpose of selling in the short term. Derivatives are also classified as acquired for negotiation unless they are designated as hedges. The assets in this category are classified as current assets.

Investments in negotiable securities are initially recorded at cost and then their value is updated based on their market value (fair value).

b) Derivative financial instruments

Derivatives are initially recognised at fair value on the date of the derivative contract and then they are valued again at their fair value. The method for recognising the resulting loss or profit depends on whether the derivative has been classified as a hedge or not and, if so, the nature of the item it is hedging. The Company primarily uses cash flow hedges for highly probable expected cash flows.

The Company documents the relationship between the hedge instrument and hedged items at the beginning of the transaction, as well as its risk management objectives and the strategy for performing different hedge operations. The Company also documents its evaluation, both at the beginning and on a permanent basis, of whether the derivatives used in hedge transactions are highly effective for compensating the changes in fair value or in the cash flows of the hedged items.

The total fair value of hedge derivatives are classified as Other non-current assets or financial liabilities if the remaining expiration of the hedged item is greater than 12 months and as other current assets or financial liabilities if the remaining expiration of the hedged item is less than or equal to 12 months. Derivatives not recorded as hedges are classified as Other assets or financial liabilities.

The effective part of changes in the fair value of derivatives that are designated and classified as cash flow hedges are recognised in the Statement of other Comprehensive Income. The loss or profit related to the non-effective part is immediately recognised in the Statement of Consolidated Income within "other profits (losses)".

When a hedge instrument expires or is sold, or when the hedge accounting requirements are not met, any accumulated profit or loss in the Statement of other Comprehensive Income up until that moment remains in other comprehensive income and is finally recognised in the Statement of Consolidated Income. When it is expected that the foreseen transaction will not occur, the accumulated profit or loss in the Statement of other Comprehensive Income is immediately carried to the Statement of Income under “Other profits (losses)”.

The Company evaluates the existence of implicit derivatives in financial and non-financial instrument contracts to determine if their characteristics and risks are closely related to the main contract. If not, they are recorded separately, recording the variations in fair value under income.

The interest rate risk management strategy attempts to fix cash flows generated from financing at a US\$ Libor 180 variable rate, through the implementation of a cash flow hedge, in which a hedge instrument (derivative instrument) is designated to compensate the exposure of the future cash flows (interest payments) that depend on the future or forward US\$ Libor 180 rates (estimated using the Libor zero coupon curves), hedging a foreseen future transaction whose execution is highly probable.

The interest rate risk management strategy was approved by the Board of Directors and carried out by the Company’s management.

The detail of the Company’s hedge strategy is presented below:

Interest flow hedge of a bank obligation at a variable rate

This hedge strategy is aimed at hedging financing at US\$ Libor 180, transforming that variable rate to a fixed rate during the entire life of the operation. Likewise, the derivatives were taken with the same debt characteristics at a US\$ Libor 180 rate, in order to avoid ineffectiveness on the hedges.

At the beginning of the hedge, the Company documented the hedge relationship (hedge instrument and hedged object), the hedge objectives, the risk management strategy and the effectiveness tests, recognising the portions corresponding to the hedge in equity and in income.

The hedges must have a high degree of effectiveness from the beginning, and at any time during the period for which it is structured. Effectiveness is understood as the degree to which variations in the cash flows of the hedge instrument compensate the variations in cash flows of the hedged object

attributable to the hedged risk.

The subsequent accounting of the Company’s cash flow hedge is done by recording the hedged item at its amortised cost and the hedge instrument as fair value according to IFRS, the effective portion of the hedge instrument is carried to equity and the ineffective portion to income for the year.

It should be noted that upon expiration of the hedging strategies, the deferred income in equity is transferred to the income for the year.

The Company’s hedging can only be interrupted in the following cases:

A position of the designated hedge instrument expires, and no situation or renewal has been foreseen, it is sold or liquidated, or it is exercised or closed.

The hedge must meet every necessary requirement in order to apply the special accounting of hedges. If there is any evidence that a foreseen future transaction to be hedged will not be carried out, the Company shall suspend the designation of the hedge.

c) Non-derivative financial instruments

c.1) Financial liabilities

c.1.1) Trade receivables and other accounts receivable

This item includes pending payment amount from commercial purchases and related expenses, which are registered as nominal value. These items are not subject to interest.

c.1.2) Loans that accrue interest

These loans are generally recorded as the cash received, net of costs incurred in the transaction. They shall be valued at amortised cost, using the effective interest rate method.

Finance expenses, including premiums payable in the liquidation or the reimbursement and direct costs of issue, shall be recorded according to the accrual criteria in income using the effective interest rate method and shall be added to the instrument carrying amount when not liquidated during the period in which they are generated.

2.21 Direct Statement of Cash Flows

The Statement of Cash Flows considers the cash movements occurred during each year, determined using the direct method, and considers:

- a) Cash flows as the entry and outflow of cash in banking accounts, highly liquid investments with a term of less than three months and low risk of alterations in their value.
- b) As operating activities, those that constitute the main source of ordinary income, as well as other activities not classified as investment or financing.
- c) As investing activities, the acquisitions, transfers or other types of disposals of non-current assets and other investments not included in cash and cash equivalent.
- d) As financing activities, those that produce changes in the size and composition of net equity and financial liabilities.

2.22 Classification of the current and non-current balances

In the Statement of Financial Position, the balances are classified based on their expiration, that is, current balances are those that expire within twelve months and non-current balances expire beyond that period.

2.23 New Standards, Improvements and changes in the International Financial Reporting Standards

The rules, interpretations and amendments to IFRS that entered into force as of the date of the Financial Statements, their nature and impacts are detailed below:

	Norms and Interpretations	Mandatory effective date
Conceptual Framework	Conceptual Framework (revised)	January 1, 2020
IAS 1 and IAS 8	Definition of 'Material'	January 1, 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	January 1, 2021

Conceptual Framework

The IASB issued the (revised) Conceptual Framework in March 2018 (revised). It incorporates some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

Changes to the Conceptual Framework may affect the application of IFRS when no rule applies to a particular transaction or event. The revised Conceptual Framework is effective for periods beginning on or after January 1, 2020.

The Company carried out the evaluation of the impact that the mentioned norm will generate, and it is considered that there is no impact by this norm in the Financial Statements.

IAS 1 Financial Statements Reporting and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

In October 2018, the IASB issued the amendment for IAS 1 Financial Statements Reporting and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify the definition of ‘material’ and to align the definition used in the Conceptual Framework and the standards themselves. The definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments are effective for annual reporting periods beginning on or after 1 January 2020. Earlier application is permitted.

Even though the amendment of ‘Material’ definitions are not expected to have a significant impact in the Financial Statements of the entity, the introduction of the word ‘Obscuring’ in the definition may impact in making materiality judgements, increasing the importance of how to communicate and organise the Financial Statements information.

The Company carried out the evaluation of the impact that the mentioned norm will generate, and it is considered that there is no impact by this norm in the Financial Statements.

IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform

In September 2019, The IASB has published ‘Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)’ as a first reaction to the potential effects the IBOR reform could have on financial reporting. The amendments gives temporary exceptions that allows the hedge accounting continuous during the uncertainty period, before replacing the benchmark interest rates to free risk interest rates.

The amendments must be applied retrospectively. However, if any hedge were previously discontinued, it can not be refunded using these amendments, nor assigning a hedge relation using the retrospective reasoning. Applying in advance is allowed and must be disclosed.

The Company carried out the evaluation of the impact that the mentioned norm will generate, and it is considered that there is no impact by this norm in the Financial Statements.

3. Accounting changes

3.1 New standards, interpretations and amendments

The rules, interpretations and amendments to IFRS that entered into force as of the date of the Financial Statements, their nature and impacts are detailed below:

	New Standards	Mandatory effective date
IFRS 9, IAS 39, IFRS 7, IFRS 4 e IFRS 16	Benchmark Interest Rates – Phase 2	January 1, 2021
IAS 16	Property, Plant and Equipment: Proceeds obtained before Intended Use	January 1, 2022
IAS 37	Onerous Contracts — Cost of Fulfilling a Contract	January 1, 2022
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Benchmark Interest Rates – Phase 2

In August 2020, the IASB published the second phase of Benchmark Interest Rates Reform that comprehends amendments to standards IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. According to this publication, the IASB complete their job to answer to interbank offered rates in financial information.

The amendments give temporary exceptions for financial information when Interbank Offered Rates are replaced by free risk alternative rates.

The Company carried out the evaluation of the impact that the mentioned norm will generate, and it is considered that there is no impact by this norm in the Financial Statements.

IFRS 16 Property, Plant and Equipment: Proceeds before Intended Use

Amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted. An entity applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The Company carried out the evaluation of the impact that the mentioned norm will generate, and it is considered that there is no impact by this norm in the Financial Statements.

IAS 37 Onerous Contracts — Cost of Fulfilling a Contract

In May 2020, the IASB published the amendment IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify the costs the entity must account whether the contract is onerous or generating loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted. Entities apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

The amendments are destined to clarify and guarantee consistency appliance of the standards. The entities that already applied the incremental cost focus will find an increase in provisions to reflect the inclusion of cost directly related to contract activities, while the entities which accounted contract loss provisions in advance using the previous standards (IAS 11 Construction Contracts) must exclude indirect costs in their provisions.

The Company carried out the evaluation of the impact that the mentioned norm will generate, and it is considered that there is no impact by this norm in the Financial Statements.

IAS 1 Classification of Liabilities as Current or Non-current

In June 2020, the IASB issued amendments for paragraphs 69 to 76 of IAS 1 to clarify the requirements of current and non-current liabilities classification.

The amendments published today are effective for annual periods beginning on or after 1 January 2023. The entities must carefully consider if there is any aspect in the amendments that suggest the terms of current loans should be renegotiated. In this case, the amendments must be applied retrospectively.

The Company carried out the evaluation of the impact that the mentioned norm will generate, and it is considered that there is no impact by this norm in the Financial Statements.

4. Cash and cash equivalent

Cash and cash equivalents are detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Available cash	2	1
Balances in banks	8,599	8,799
Short-term deposits	4,158	3,310
Total cash and cash equivalents	12,759	12,110

Available cash and bank checking accounts are available resources and their fair value is equal to their carrying amount. The bank balances include bank accounts in Chilean pesos and U.S. dollars.

The short-term deposits are composed of investments in financial instruments held until their expiration that are not subject to any type of restriction and are reflected at the initial value in dollars, plus the portion of accrued interest at the date of close. The maximum term of these instruments does not exceed 90 days from the date of investment, and they are not subject to significant variations in their value.

The type of currency is detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Cash and cash equivalents in Ch\$	1,111	1,650
Cash and cash equivalents in US\$	11,648	10,460
Total cash and cash equivalents	12,759	12,110

5. Other non-financial assets

Other non-financial assets are detailed as follows:

	12-31-2020			12-31-2019		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Prepaid insurance payments	2,109	-	2,109	1,972	-	1,972
Other prepayments (1)	444	355	799	197	86	283
Total	2,553	355	2,908	2,169	86	2,255

(1) Other advance payments include annual maintenance of licenses and other small expenses in both portions, current and non-current.

6. Trade receivables and other accounts receivable

Trade receivables and other accounts receivable are detailed as follows:

	12-31-2020			12-31-2019		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Trade receivables (1)	9,004	-	9,004	16,952	-	16,952
Other accounts receivable (2)	758	-	758	480	-	480
Bad debts estimation	(131)	-	(131)	(15)	-	(15)
Total accounts receivable	9,631	-	9,631	17,417	-	17,417

(1) It corresponds to current accounts receivable from clients for port services provided.

(2) It corresponds mainly to advances to employees.

The billing policies applied by the Company are in cash or credit with a maximum of 30 days for clients that have guarantees for payment fulfillment or trade agreements.

The aging of the gross trade receivables and other accounts receivable is detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Receivables - not overdue	6,363	10,317
Receivables - 31 to 90 overdue	3,241	7,100
Receivables - 91 to 365 overdue	27	-
Total	9,631	17,417

The activity experienced by the impairment of trade receivables and other accounts receivable is detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Balance at the beginning of the year	15	2
Increases (reversals) of provisions	198	14
Write-offs	(118)	(1)
Exchange rate effect	36	-
Balance at the end of the year	131	15

For trade accounts receivable, the Company applies a simplified approach to calculate expected credit losses (ECL). Therefore, it does not monitor changes in credit risk, but recognises a provision for losses based on ECL for life on each reporting date. The Company has established a model or matrix of provisions based on its historical experience of credit losses in recent years, adjusted for specific future factors for its debtors, industry and the economy. (See note 6).

7. Related party disclosures

A summary of the accounts receivable from related parties' balances is provided in the following chart:

	12-31-2020			12-31-2019		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Accounts receivable	133	-	133	2,677	-	2,677
Accounts payable	(2,441)	-	(2,441)	(3,320)	-	(3,320)
Accounts receivable (payable) net	(2,308)	-	(2,308)	(643)	-	(643)

All current pending balances with related parties are valued under conditions of mutual independence and shall be paid within twelve months after the date of the balance. These balances are not subject to interest and are controlled in U.S. dollars and in Chilean pesos.

The balances pending at the close of the year are not guaranteed, do not accrue interest and are liquidated in cash. There have been no guarantees provided or received for accounts receivables or payable with related parties. For the years included in the present Financial Statements, the Company has recorded no impairment of accounts receivables related to amounts owed by related parties. This evaluation is performed every financial year through the examination of the financial position of the related party in the market in which it operates. Receivable and payable balances are less than a year old.

a) Accounts receivable with related parties are detailed as follows:

RUT	Company	Country of origin	Nature of the relationship	Currency	12-31-2020		12-31-2019	
					Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$
80992000-3	Ultramar Agencia Marítima Ltda.	Chile	Common shareholder	Dollars	12	-	43	-
96500950-7	Sitrans, Servicios integrados de transportes Ltda.	Chile	Common shareholder	Pesos	8	-	4	-
96707720-8	Mediterranean Shipping Company (Chile) S.A.	Chile	Common shareholder	Dollars	36	-	2,507	-
77938830-1	Sitrans almacenes Extraportuarios Ltda.	Chile	Common shareholder	Pesos	6	-	122	-
76317650-9	Agencia Maritima Kenrick Ltda.	Chile	Common shareholder	Pesos	5	-	1	-
78558840-1	Remolcadores Ultratug Ltda.	Chile	Common shareholder	Pesos	12	-	-	-
96707720-8	Mediterranean Shipping Company (Chile) S.A.	Chile	Common shareholder	Pesos	1	-	-	-
76899452-8	Evergreen Shipping Agency SpA	Chile	Common shareholder	Dollars	53	-	-	-
Total					133	-	2,677	-

There are no guarantees for these amounts and none of them is considered as doubtful debt. For 2020 the amounts presented are with rebate discounted.

b) The composition of the accounts payable with related entities item is as follows:

RUT	Company	Country of origin	Nature of the relationship	Currency	12-31-2020		12-31-2019	
					Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$
96500950-7	Sitrans, Servicios integrados de transportes Ltda.	Chile	Common shareholder	Pesos	207	-	265	-
88056400-5	Servicios Marítimos y transportes Ltda.	Chile	Common shareholder	Pesos	1,444	-	1,344	-
96898290-7	Servicios Ultramar Ltda.	Chile	Common shareholder	Pesos	-	-	1	-
76079857-6	Asesorías Ultramar Limitada	Chile	Common shareholder	Pesos	-	-	2	-
76237330-0	Neltume Ports S.A. (1)	Chile	Parent	Dólares	617	-	1,226	-
59236520-0	Contug Terminals S.A. (2)	Switzerland	Shareholder	Dolares	78	-	482	-
96707720-8	Mediterranean Shipping Co. (Chile) S.A.	Chile	Common shareholder	Dollars	11	-	-	-
76197328-2	Terminal Puerto Coquimbo S.A.	Chile	Common shareholder	Dollars	82	-	-	-
77938830-1	Sitrans, Almacenes Extraportuarios Ltda.	Chile	Common shareholder	Pesos	2	-	-	-
Total					2,441	-	3,320	-

(1) Includes a provisional dividend accrued of ThUS\$ 117.

(2) Includes a provisional dividend accrued of ThUS\$ 78.

c) Transactions with related parties:

Transactions between related parties consist primarily of the buying and selling of port services. The payment conditions in the case of sales are within 30 days and in dollars, and for purchases within 30 days with no interest. Buying and selling with related parties are performed at normal market prices.

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RUT	Company	Country of origin	Nature of the relationship	Transaction	Amount ThUS\$	Credit (debit) to income ThUS\$
80992000-3	Ultramar Agencia Marítima Ltda.	Chile	Common shareholder	Sales of operational services (Third Party Rep.)	1,612	1,612
				Purchase of operational services	3	(3)
88056400-5	Servicios Marítimos Y Transportes Ltda.	Chile	Common shareholder	Purchase of operational services	9,111	(9,111)
96500950-7	Sitrans, Servicios Integrados de transportes Ltda.	Chile	Common shareholder	Purchase of operational services	28	28
				Purchase of operational services	1.134	(1,134)
96898290-7	Servicios Ultramar Ltda.	Chile	Common shareholder	Purchase of operative services	14	(14)
96707720-8	Mediterranean Shipping Company (Chile) S.A.	Chile	Common shareholder	Sales of operational services (Related Rep.)	20,257	20,257
				Purchase of operational services	12	(12)
77938830-1	Sitrans almacenes Extraportuarios Ltda.	Chile	Common shareholder	Sales of operational services	238	238
				Purchase of operational services	15	(15)
76899452-8	Evergreen Shipping Agency SpA	Chile	Common shareholder	Sales of operational services (Related Rep.)	1,447	1,447
				Gastos Operativos	1,313	(1,313)
76172595-5	Medlog Chile S.A.	Chile	Common shareholder	Sales of operative services	13	13
76237330-0	Neltume Ports S.A.	Chile	Shareholder	Purchase of operative services	500	(500)
76146282-2	Navegaciones Del Pacifico Agencia Marítima Ltda	Chile	Common shareholder	Sales of operative services	3	3
96712570-9	Ulog Soluciones Logisticas Integrales Limitada	Chile	Common shareholder	Sales of operative services	11	11
76317650-9	Agencia Marítima Kenrick Ltda.	Chile	Common shareholder	Sales of operative services	19	19
78558840-1	Remolcadores Ultratug Ltda.	Chile	Common shareholder	Sales of operative services	39	39

All transactions presented net of value added tax.

For the year ended December 31, 2019

RUT	Company	Country of origin	Nature of the relationship	Transaction	Amount ThUS\$	Credit (debit) to income ThUS\$
80992000-3	Ultramar Agencia Marítima Ltda.	Chile	Common shareholder	Sales of operational services (Third Party Rep.)	2,333	2,333
			Common shareholder	Sales of operational services (Related Rep.)	26	26
88056400-5	Servicios Marítimos y Transportes Ltda.	Chile		Sales of operational services	4	4
				Purchase of operational services	9,980	(9,980)
96500950-7	Sitrans, Servicios Integrados de transportes Ltda.	Chile	Common shareholder	Sales of operational services	33	33
				Purchase of operational services	1,624	(1,624)
96898290-7	Servicios Ultramar Ltda.	Chile	Common shareholder	Purchase of various services	42	(42)
96707720-8	Mediterranean Shipping Company (Chile) S.A.	Chile		Sales of operational services (Related Rep.)	7,203	7,203
			Common shareholder	Purchase of operational services	1	(1)
77938830-1	Sitrans almacenes Extraportuarios Ltda.	Chile	Common shareholder	Sales of operational services	256	256
96983220-8	Inversiones Green Andes Ltda.	Chile	Common shareholder	Sales of operational services	1,336	1,336
76079857-6	Asesorías Ultramar Ltda.	Chile	Common shareholder	Purchase of various services	198	(198)
76237330-0	Neltume Ports S.A.	Chile	Shareholder	Purchase of various services	500	(500)

All transactions presented net of value added tax.

d) Board of Directors and key directive staff

As of December 31, 2020 and 2019, the Board is conformed by 6 members, who do not receive any salaries for their labor, as agreed in the Board Committee:

12-31-2020	
Name	Position
Richard von Appen Lahres	Chairman of the Board
Pablo Ihnen de la Fuente	Director
Pier-Paolo Fernando Zaccarelli Fasce	Director
Alejandra Mehech Castellón	Director
Gregory Gottlieb	Director
Antonio Jose de Mattos Patricio Junior	Director

12-31-2019	
Name	Position
Richard von Appen Lahres	Chairman of the Board
Pablo Ihnen de la Fuente	Director
Pier-Paolo Fernando Zaccarelli Fasce	Director
Alejandra Mehech Castellón	Director
Gregory Gottlieb	Director
Antonio Jose de Mattos Patricio Junior	Director

Terminal Pacífico Sur Valparaíso S.A. considers its key staff as those who fill positions of authority and accountability for the organisation, and control and planning of the Company's activities. The following executives are considered in this area:

12-31-2020	
Name	Position
Oliver Weinreich R.	General Manager
Maria Loreto Giacaman V.	Admin and Finance Manager
Rodrigo Cabrera E.	HR Deputy Manager
Andrés Repetto B.	Operations Manager
Camilo Jobet W.	Commercial Deputy Manager
Mariela Morales A.	IT Deputy Manager
Laura Chiuminatto	HSE Deputy Manager

(1) Deputy managers depending directly from the General Manager.

12-31-2019	
Name	Position
Oliver Weinreich R.	General Manager
Maria Loreto Giacaman V.	Admin and Finance Manager
Rodrigo Cabrera E.	HR Deputy Manager
Gabriel Tumani K.	Operations Manager
Camilo Jobet W. (1)	Commercial Deputy Manager
Mariela Morales A. (1)	IT Deputy Manager
Laura Chiuminatto F. (1)	HSE Deputy Manager

(1) Deputy managers depending directly from the General Manager.

These professionals received salaries and other benefits during the year ended December 31, 2020 and 2019 that amounted to ThUS\$ 1,120 and ThUS\$ 1,011, respectively.

At the end of the year, there are no payments for termination benefits to key managerial staff, and there are also no guarantees.

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Salaries and wages	680	541
Accrual of expenses for employee benefits	31	26
Participation in profits and bonuses	149	228
Other employee expenses	260	216
Total expenses of the directive staff	1,120	1,011

There are no post-employment benefits, payments based on shares or any other long-term benefits.

8. Inventory

The inventory balance is detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Spare parts for operations	2,059	1,932
Other	134	123
Total	2,193	2,055

At the date of closing of the Financial Statements, it has not been necessary to generate an allowance for the obsolescence of inventory.

There is no inventory that has been committed to guarantee liabilities at the date of closing of the Financial Statements.

The consumption of inventory during 2020 was ThUS\$ 1,021 (ThUS\$ 1,503 in 2019).

9. Current tax assets/liabilities

The net balance of the current income tax payable account is detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Current income tax	-	9
Provisional monthly payments	-	-
Credits for training expenses (Sence)	(174)	(141)
Other credits to income tax	(100)	(96)
Net liability (asset) for current income tax	(274)	(228)

10. Other financial assets

These are detailed as follows:

	12-31-2020			12-31-2019		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Accounts receivable from						
Empresa Portuaria Valparaíso (1)	-	15,270	15,270	-	14,581	14,581
Loans to employees (2)	-	735	735	-	172	172
Non-current cash flow hedge asset (3)	-	-	-	2	70	72
Total accounts receivable	-	16,005	16,005	2	14,823	14,825

(1) Non-current accounts receivable from Empresa Portuaria Valparaíso correspond to the right of the Company to receive at the end of the Concession Contract an amount in cash equivalent to the residual value of the contributions in infrastructure built under the Valparaíso Port Terminal 1 Concession Contract. This account receivable was initially valued at the present value of the account at the end of the concession term (extended term 12-31-2029) using a BCP or BCU discount rate, as appropriate, of 4.51% and 1.78%. Implicit interest derived from this account receivable is recorded in income on an accrual basis.

(2) It is the long-term portion of loans associated with a collective bargaining signed in 2016.

(3) Note 13 c contains further details of flows hedging.

11. Intangible assets other than goodwill

a) Intangibles by type of asset are detailed as follows:

Intangible assets	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Types of Intangible asset, Net		
Port concessions contracts, Net	44,480	49,822
Port infrastructure contributions, Net	35,173	38,236
IT programs, Net	761	886
Total Intangible assets, Net	80,774	88,944
Types of Intangible assets, Gross		
Port concessions contracts, Gross	197,564	197,564
Port infrastructure contributions, Gross	54,195	54,195
IT programs, Gross	10,812	10,103
Total Intangible assets, Gross	262,571	261,862
Types of Accumulated Amortisation and Impairment of Value, Intangible assets		
Type of Accumulated Amortisation and Impairment of Value, Port concessions contracts	152,724	147,742
Type of Accumulated Amortisation and Impairment of Value, Port infrastructure contributions	19,022	15,959
Type of Accumulated Amortisation and Impairment of Value, IT programs	10,051	9,217
Total Accumulated Amortisation and Impairment of Value, Intangible assets	181,797	172,918

b) Reconciliation of changes in intangible assets by type for the years 2020 and 2019:

2020	Port Concession Contracts, net	Port Infrastructure Contributions, net	IT Programs, net	Identifiable Intangible assets, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Beginning balance, net value 1-1-2020	49,822	38,236	886	88,944
Additions	-	-	709	709
Amortisation	(4,982)	(3,063)	(834)	(8,879)
Other	-	-	-	-
Changes, Total	(4,982)	(3,063)	(125)	(8,170)
Ending balance, net value 12-31-2020	44,840	35,173	761	80,774

2019	Port Concession Contracts, net	Port Infrastructure Contributions, net	IT Programs, net	Identifiable Intangible assets, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Beginning balance, net value 1-1-2019	54,804	42,150	1,953	98,907
Additions	-	247	39	286
Amortisation	(4,982)	(4,121)	(1,105)	(10,208)
Other	-	(40)	(1)	(41)
Changes, Total	(4,982)	(3,914)	(1,067)	(9,963)
Ending balance, net value 12-31-2019	49,822	38,236	886	88,944

In 2020 and 2019, the amortisation recognised in sales cost was ThUS\$ 8,879 and ThUS\$ 10,208, respectively.

12. Property, plant and equipment

a) The types of assets included in Property, plant and equipment are detailed as follows:

Property, Plant and Equipment	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Type of Property, Plant and Equipment, Net		
Plant and Equipment, Net	54,799	61,150
IT Equipment, Net	109	276
Fixed Installations and Accessories, Net	3,245	3,209
Motor Vehicles, Net	81	109
Others Property, Plant and Equipment, Net	1,020	2,002
Net Total	59,254	66,746
Type of Property, Plant and Equipment, Gross		
Plant and Equipment, Gross	119,608	119,776
IT Equipment, Gross	3,610	3,543
Fixed Installations and Accessories, Gross	10,818	10,348
Motor Vehicles, Gross	394	411
Others Property, Plant and Equipment, Gross	3,016	3,932
Gross Total	137,446	138,010
Type of Accumulated Depreciation and Impairment of Value, Property, Plant and Equipment		
Accumulated Depreciation and Impairment of Value, Plant and Equipment	64,809	58,626
Accumulated Depreciation and Impairment of Value, IT Equipment	3,501	3,267
Accumulated Depreciation and Impairment of Value, Fixed Installations and Accessories	7,573	7,139
Accumulated Depreciation and Impairment of Value, Motor Vehicles	313	302
Accumulated Depreciation and Impairment of Value, Others	1,996	1,930
Total	78,192	71,264

b) Reconciliation of changes in Property, plant and equipment:

2020	Plant and Equipment, net ThUS\$	IT equipment, net ThUS\$	Fixed installations and accessories, net ThUS\$	Motor vehicles, net ThUS\$	Other Property plant and equipment, net ThUS\$	Identifiable non-current assets, net ThUS\$
Beginning balance (net value) 1-1-2020	61,150	276	3,209	109	2,002	66,746
Additions	494	68	530	13	55	1,160
Additions due to transfer		-	-	-		
Disposal	(1)	-	-	-	-	(1)
Depreciation	(6,753)	(235)	(494)	(41)	(70)	(7,593)
Other	(91)	-	-	-	(967)	(1,058)
Changes, Total	(6,351)	(167)	36	(28)	(982)	(7,492)
Ending balance (net value) 12-31-2020	54,799	109	3,245	81	1,020	59,254

The total depreciation for the year was ThUS\$ 7,593 and is classified under Administrative Expenses in the amount of ThUS\$ 153 and Sales costs in the amount of ThUS\$ 7,440 in the Statement of Income.

2019	Plant and Equipment, net ThUS\$	IT equipment, net ThUS\$	Fixed installations and accessories, net ThUS\$	Motor vehicles, net ThUS\$	Other Property plant and equipment, net ThUS\$	Identifiable non-current assets, net ThUS\$
Beginning balance (net value) 1-1-2019	68,878	262	3,470	152	1,444	74,206
Additions	131	306	291	-	867	1,595
Additions due to transfer	-	-	-	-	-	-
Disposal	(3)	-	-	-	-	(3)
Depreciation	(7,842)	(281)	(543)	(43)	(308)	(9,017)
Other	(14)	(11)	(9)	-	(1)	(35)
Changes, Total	(7,728)	14	(261)	(43)	558	(7,460)
Ending balance (net value) 12-31-2019	61,150	276	3,209	109	2002	66,746

(1) In other property, plant and equipment, the ThUS\$ 9,434 corresponds to the change of classification of assets under construction to fixed assets (mostly plant and equipment).

The total depreciation for the year was ThUS\$ 9,017 and is classified under Administrative Expenses in the amount of ThUS\$ 161 and Sales costs in the amount of ThUS\$ 8,856 in the Statement of Income.

c) **Guarantees**

As of December 31, 2020, and 2019, all Property, plant and equipment assets are in a pledge to guarantee the Company's bank loans (see Note 25).

d) **Impairment**

There are no other indicators of impairment of the values of the assets with long useful lives

13. Other current and non-current financial liabilities

The balance of current and non-current financial liabilities is detailed as follows:

	12-31-2020			12-31-2019		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Loans that accrue interest (a)	10,476	61,944	72,420	10,461	72,268	82,729
Obligation minimum Concession fees (b)	9,385	36,490	45,875	9,640	40,234	49,874
Derivative contracts (c)	1,337	2,622	3,959	369	567	936
Total	21,198	101,056	122,254	20,470	113,069	133,539

a) Loans that accrue interest

The financial debt by type of loan is detailed as follows:

	12-31-2020			12-31-2019		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Bank Loans	10,324	61,944	72,268	10,324	72,268	82,592
Other Obligations	152	-	152	137	-	137
Total	10,476	61,944	72,420	10,461	72,268	82,729

On December 31, 2019, the Company refinanced its loan, with Scotiabank as the only creditor. Its main conditions are detailed as follows:

Rut	Financial Institution	Country	Currency	Interest rate	Effective interest rate	Expiration date	Amount ThUS\$	Type of amortisation
97.018.000-1	Scotiabank	Chile	US\$	Libor (US\$) 180 + Spread	4.31% 1.92%	12-15-2026	72,268	Semi-annual starting 06-15-2020

The payments of capital to be made during the next few years are detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Up to 90 days	-	-
From 90 days to 1 year	10,476	10,461
From 1 year to 3 years	30,972	30,972
From 3 years to 5 years	20,648	20,648
Over 5 years	10,324	20,648
Total bank loans (gross)	72,420	82,729

The Company has a six-monthly payment schedule, with expiration dates on June 15 and December 15 of each year, for the payment of the principal and the same date for the payment of interest. The next payment of principal and interest is June 15, 2021.

The loan establishes certain prohibitions and obligations “of things not to do”. By the end of each year, there are no non-compliances, with the exception of a covenant that is not in compliance as of December 31, 2018, which was informed and approved in a timely manner.

Covenants	Condition	Real	
		2020	2019
1. Financial debt / Equity	< 3.3	1.69	1.82

The Company has hedged the interest rates for this loan. The description of the derivative contracts is presented in the present note, letter c).

There are no financing costs capitalised in 2020 and 2019.

b) Minimum annual concession fee obligation:

The balance of current and non-current financial liabilities regarding the minimum annual concession fee is shown below:

	12-31-2020		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Financing concession contract	9,385	36,490	45,875
Total annual minimum concession fee	9,385	36,490	45,875

	12-31-2019		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Financing concession contract	9,640	40,234	49,874
Total annual minimum concession fee	9,640	40,234	49,874

The financing of the Concession Contract is an implicit financing held by Terminal Pacífico Sur Valparaíso S.A. with Empresa Portuaria Valparaíso (EPV), (see Note 22), and it corresponds to the minimum amount of fixed annual fees in dollars in the Concession Contract for each contractual year. This obligation has been initially recorded at present value using an interest rate of 6.59%, which was defined at the beginning of the Concession. After the initial valuation, this obligation is valued at amortised cost using the effective interest rate. The amortisations of capital are annual and divided quarterly.

After receiving the final approval of investment project called “Site 3 Extension and Sites 4 and 5 Reinforcement of Berth Location No. 1 in the Port of Valparaíso” from Empresa Portuaria Valparaíso (EPV), the Company recalculated the minimum annual payments in dollars established in the concession contract per each contractual year until the new maturity date, that is, December 31, 2029 with a new interest rate of 4.39% (Wacc). This triggered a new obligation value and its was valued at amortised cost using this new interest rate (Wacc).

The minimum payments to be made during the next few years are detailed as follows:

	12-31-2020			12-31-2019		
	Minimum future payments	Interest	Current value of minimum future payments	Minimum future payments	Interest	Current value of minimum future payments
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Up to 90 days	5,110	463	4,647	5,365	504	4,860
From 91 days to 1 year	4,275	1,325	2,950	4,275	1,451	2,824
From 1 year to 3 years	17,100	4,286	12,814	17,100	4,833	12,267
From 3 years to 5 years	17,100	2,493	14,607	17,100	3,117	13,983
Over 5 years	11,400	543	10,857	17,100	1,160	15,940
Total minimum lease fees	54,985	9,110	45,875	60,940	11,065	49,874

c) Derivative contracts:

The following chart shows the fair value of the hedge contracts:

	12-31-2020		12-31-2019	
	Assets ThUS\$	Liabilities ThUS\$	Assets ThUS\$	Liabilities ThUS\$
Current Interest Rate Swap				
Current Exchange Rate Forward	-	-	2	369
Non-current Interest Rate Swap	-	3,959	70	567
Total hedge liability	-	3,959	72	936

The Company has different derivative instruments that meet the hedge accounting criteria established by IFRS 9, to cover the risk associated with the current interest rate of the loan. Four Interest Rate Swaps or IRS have been taken on different occasions. First the year 2015, then two during the year 2018 and finally one during the year 2019. The latter is valid until 2026.

For the exchange rate effects associated with profit and loss accounts that TPS wants to hedge, 12 exchange rate hedges (Forward) were taken, which are due at the end of each month of the year. The efficient part of the hedges has been verified and confirmed and, therefore, the effective part of it has been recognised in equity. (See Note 17).

The effects and variations in other hedge reserves within hedge equity are shown below:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Beginning balance Other hedge reserves	(1,074)	963
Beginning balance adjustment	442	-
Changes in fair value	(2,259)	(2,037)
Ending balance Other hedge reserves	(2,891)	(1,074)

The following chart shows the characteristics of the existing derivatives, and the fair value relationship at the date of each close:

Derivate	Item Covered	Agreement Date	Expiration Date	Currency	Amount	12-31-2020	12-31-2019
						Fair Value ThUS\$	Fair Value ThUS\$
FSIRS	Libor Rate – Scotiabank Loan	06-15-2016	12-15-2020	Dollar	77.293	-	(59)
FSIRS	Libor Rate – Scotiabank Loan	12-15-2017	06-15-2023	Dollar	18.471	(1,611)	(489)
FSIRS	Libor Rate – Scotiabank Loan	12-18-2018	06-15-2023	Dollar	20.000	(457)	(179)
FSIRS	Libor Rate – Scotiabank Loan	12-16-2019	12-15-2026	Dollar	8.239	(1,891)	71
FXFWD	Exchange rate	11-04-2019	01-31-2020	Dollar / CLP	710	-	(16)
FXFWD	Exchange rate	11-04-2019	02-28-2020	Dollar / CLP	750	-	(18)
FXFWD	Exchange rate	11-04-2019	03-31-2020	Dollar / CLP	800	-	(20)
FXFWD	Exchange rate	11-04-2019	04-30-2020	Dollar / CLP	760	-	(19)
FXFWD	Exchange rate	11-04-2019	05-29-2020	Dollar / CLP	720	-	(19)
FXFWD	Exchange rate	11-04-2019	06-30-2020	Dollar / CLP	730	-	(19)
FXFWD	Exchange rate	11-04-2019	07-31-2020	Dollar / CLP	680	-	(18)
FXFWD	Exchange rate	11-04-2019	08-31-2020	Dollar / CLP	650	-	(17)
FXFWD	Exchange rate	11-04-2019	09-30-2020	Dollar / CLP	670	-	(17)
FXFWD	Exchange rate	11-04-2019	10-30-2020	Dollar / CLP	640	-	(16)
FXFWD	Exchange rate	11-04-2019	11-30-2020	Dollar / CLP	630	-	(16)
FXFWD	Exchange rate	11-04-2019	12-30-2020	Dollar / CLP	690	-	(17)
Total						(3,959)	(868)

The estimated probable flows payable for compensation in the interest rate swap and forward are detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Up to 90 days	-	(54)
From 91 days to 1 year	(1,338)	(315)
From 1 year to 3 years	(1,857)	(647)
From 3 years to 5 years	(764)	148
Total	(3,959)	(868)

14. Trade payables and other accounts payable

Trade payables and other current accounts payable balance are detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Trade payables	4,817	13,788
Other accounts payable	1,328	803
Total	6,145	14,591

Other accounts payable are detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Withholdings	619	441
Miscellaneous payables (Monthly tax and others)	709	362
Total	1,328	803

15. Deferred taxes and income tax

Deferred taxes

Deferred taxes correspond to the amount of income taxes that the Company will have to pay (liabilities) or recover (assets) in future years, in relation to temporary differences between the tax base and the accounting carrying amount of certain assets and liabilities.

a) Deferred taxes are detailed as follows:

12-31-2020	Deferred tax asset	Deferred tax liability	Net
Types of temporary differences	ThUS\$	ThUS\$	ThUS\$
Intangible assets	-	(10,722)	(10,722)
Termination benefits	1,219	-	1,219
Depreciation of Property, plant and equipment	-	(4,130)	(4,130)
Tax losses (1)	5,980	-	5,980
Other Concession Assets (2)	1,702	-	1,702
Others	294	(113)	181
Total	9,195	(14,965)	(5,770)

(1) The Company has estimated the recovery of its tax losses considering estimations of the future evolution of its business and the generation of future taxable profits that allow the recovery of this asset.

(2) Corresponds to the difference in the extension project included as infrastructure contribution.

12-31-2019	Deferred tax asset	Deferred tax liability	Net
Types of temporary differences	ThUS\$	ThUS\$	ThUS\$
Intangible assets	-	(11,613)	(11,613)
Termination benefits	1,120	-	1,120
Depreciation of Property, plant and equipment	-	(1,984)	(1,984)
Tax losses (1)	3,487	-	3,487
Other Concession Assets (2)	2,553	-	2,553
Others	190	(93)	97
Total	7,350	(13,690)	(6,340)

(1) The Company has estimated the recovery of its tax losses considering estimations of the future evolution of its business and the generation of future taxable profits that allow the recovery of this asset.

(2) Corresponds to the difference in the extension project included as infrastructure contribution.

b) The activity in deferred tax liabilities recognised during the year is detailed as follows:

Types of temporary differences	Balance as of 1-1-2020 ThUS\$	Effect on income ThUS\$	Effect on equity ThUS\$	Balance as of 12-31-2020 ThUS\$
Intangible assets	(11,613)	891	-	(10,722)
Termination benefits	1,120	131	(32)	1,219
Vacation accrual	98	19	-	117
Impairment of receivables	4	31	-	35
Tax losses	3,487	1,658	835	5,980
Depreciation of fixed assets	(1,984)	(2,146)	-	(4,130)
Deferred expenses	(93)	(20)	-	(113)
Control of written-off accounts	24	-	-	24
Assets held for sale	-	-	-	-
Other Concession Assets (1)	2,553	(851)	-	1,702
Other	64	54	-	118
Total	(6,340)	(233)	803	(5,770)

(1) Corresponds to the difference in the extension project included as infrastructure contribution.

b) The activity in deferred tax liabilities recognised during the year is detailed as follows:

Types of temporary differences	Balance as of 1-1-2019 ThUS\$	Effect on income ThUS\$	Effect on equity ThUS\$	Balance as of 12-31-2019 ThUS\$
Intangible assets	(12,749)	1,136	-	(11,613)
Termination benefits	1,048	103	(31)	1,120
Vacation accrual	147	(49)	-	98
Impairment of receivables	1	3	-	4
Tax losses	2,201	1,286	-	3,487
Depreciation of fixed assets	247	(2,231)	-	(1,984)
Deferred expenses	(64)	(29)	-	(93)
Control of written-off accounts	24	-	-	24
Assets held for sale	(46)	46	-	-
Other Concession Assets (1)	3,404	(851)	-	2,553
Other	63	1	-	64
Total	(5,724)	(585)	(31)	(6,340)

(1) Corresponds to the difference in the extension project included as infrastructure contribution.

c) Reconciliation of income tax rate

The following chart shows the reconciliation between the income tax resulting from the application of the current general tax rate to pre-tax profits in the Statement of Comprehensive Income and the Income tax expense recorded in the Statement of Income:

		12-31-2020		12-31-2019
		ThUS\$		ThUS\$
Pre-tax profits		930		4,680
Income tax expense		(282)		(661)
Net profit		648		4,019
Reconciliation of the effective tax rate:				
Tax expenses using legal base	27%	(251)	27%	(1,264)
Previous year tax expense	1.65%	(15)		(35)
Tax effect of rejected expenses	3.58%	(33)		(41)
Permanent difference				
Other variations for legal taxes	(1.82%)	17	14.5%	679
Tax expenses using the effective rate	30.32%	(282)	14.12%	(661)

d) Income tax expense is detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Current income tax expense (1)	(50)	(76)
Effect of deferred taxes (2)	(232)	(585)
Loss due to income tax	(282)	(661)

16. Termination benefits

a) Employee termination benefits

As of December 31, 2020, and 2019, the entity's responsibility to all of its employees is determined using the criteria established in IAS 19.

The obligation of employee termination benefits for years of service represents the benefit to be paid to all of the Company's employees upon termination of the concession.

The actuarial valuation is based on the following assumptions:

	12-31-2020	12-31-2019
Nominal discount rate (1)	2.65%	3.17%
Turnover rate based on company's needs (2)	5.40%	5.20%
Future salary increases (3)	0.8%	2.5%
Use of mortality chart	RV-2014	RV-2014
Retirement age for Men	65	65
Retirement age for Women	60	60

(1) Corresponds to risk-free discount rate in Chile.

(2) Corresponds to internal employee turnover rate.

(3) Corresponds to nominal salary increase rate.

The assumptions regarding future mobility are based on public statistics charts.

The changes in the value of the obligation are shown below:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Beginning balance as of January 1	4,146	4,301
Current cost of the service	198	173
Finance cost	66	98
Actuarial profit/loss	54	777
Benefits paid by the plan	(170)	(893)
Foreign currency translation	220	(310)
Ending balance as of December 31	4,514	4,146

The effect carried to income during 2020 is ThUS\$ 94 and ThUS\$ (40) in 2019.

b) Employee expenses are detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Salaries and wages	6,823	8,857
Expenses for employee benefits obligation (1)	1,577	1,581
Participation in profits and bonuses	2,725	635
Other employee expenses	815	1,167
Total employee expenses	11,940	12,240

(1) Corresponds mainly to insurances, trainings, and other expenses.

17. Equity and reserves

a) Capital subscribed, paid and number of shares

As of December 31, 2020, and 2019, the authorised corporate capital equals ThUS\$ 67,000, and is represented by 3,333 shares. All shares have been fully paid.

Series	No. shares subscribed	No. shares paid	No. shares with voting rights
Single	3,333	3,333	3,333

These shares have no nominal value and the Company has none of its own shares in its portfolio.

b) Others reserves

This equity category shows the effective portion of the cumulative effect (net of deferred taxes) of the fair value of hedge instruments and actuarial profit or loss associated with termination benefits. In addition, the category Other Reserves includes the amount distributed as interim dividends over the income of 2016 and retained earnings of the Company as of the agreement date.

Pursuant to article 56 of Law No. 18046 on Corporations, the Ordinary Shareholders Meeting is charged with the responsibility of reviewing the position of the Company and the reports of the account inspectors or external auditors, as appropriate, and approving or rejecting the Annual Report, Balance Sheet, Financial Statements and demonstrations presented by the administrators or liquidators of the Company. Then, the account "Other Reserves" has been recorded as approved at Meeting of shareholders held in 2017 for ThUS\$ 24,385 pending the decision of the Ordinary Shareholders Meeting regarding the intended use of the income for the year ended December 31, 2017.

c) Dividends

According to the by-laws, the Company will distribute at least 30% of profits for the year unless all voting shares agree otherwise.

On December 18, 2019, an essential event was sent for the eventual dividend payment of US\$ 750,075007 per share, which was paid on December 27, 2019 to the shareholders, charged to retained earnings.

On December 17, 2020, an essential event was sent for the eventual dividend payment of US\$ 600,060006 per share, which was paid on December 28, 2020 to the shareholders, charged to retained earnings.

Due to recognition of company bylaws and Chilean stock companies' regulations, 30% of the profits for the year are accrued as provisional dividends as of December 31, 2019.

d) Capital management

The Company's objective in terms of capital management is to maintain an adequate level of capitalisation, which will allow it access to financial markets for the development of its medium and long-term objectives, optimising the return to its shareholders and maintaining a solid financial position.

18. Ordinary revenue

The ordinary revenue is detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Wharfage services for cargo	5,332	5,913
Wharfage services for ships	4,555	5,411
Transfer services	36,721	40,991
Yard services	19,286	27,137
Others	143	124
Total Ordinary Revenue	66,037	79,576

19. Sales costs

The sales cost is detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Concession costs (1)	(14,022)	(15,040)
Fixed costs	(12,859)	(14,932)
Depreciation of fixed asset (See Note 12)	(7,440)	(8,856)
Variable costs (2)	(18,770)	(22,815)
Total sales costs	(52,821)	(61,643)

(1) Includes the amortisation amounts indicated in Note 11.

(2) Variable costs are mainly associated to the container and general cargo loading and unloading services provided to ships.

20. Administrative expenses and by function

Administrative expenses are detailed as follows:

Administrative expenses	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Employee salary expenses	(4,110)	(2,982)
External and advisory services expenses	(2,578)	(3,135)
Communications expenses	(21)	(40)
Travel expenses	(6)	(43)
Overhead expenses	(546)	(546)
Depreciations (See Note 12)	(153)	(161)
Other administrative expenses	(450)	(724)
Total administrative expenses	(7,864)	(7,631)

21. Finance Costs

Finance costs are detailed as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Finance interest and interest rate swap	3,236	4,719
Interest for Concession Contract financing	1,955	2,115
Bank guarantee letters	37	32
Employee benefits (See note 16)	67	98
Total finance costs	5,295	6,964

22. Service concession contract

Grantor: Empresa Portuaria Valparaíso (EPV)

Concessionaire: Terminal Pacifico Sur Valparaíso S.A. (TPS)

The Concession Contract of Berth No.1 of the port of Valparaíso was executed with Empresa Portuaria Valparaíso on November 12, 1999.

The Company is awarded by means of this contract the exclusive concession to develop, maintain and exploit Valparaíso Port Berth Location No. 1, including the right to charge users basic fees for basic services and special fees for special services provided in the concession area.

Under the terms of this contract, TPS is required to pay Empresa Portuaria Valparaíso the following:

- (a) Initial payment amounting to ThUS\$ 25,100, which was made to Empresa Portuaria Valparaíso on December 31, 1999;
- (b) Additional Payment amounting to ThUS\$ 75,500, which was made to Empresa Portuaria Valparaíso in 5 annual instalments of ThUS\$ 15,100 each, beginning in 2001;
- (c) The annual fee during the first contract year corresponded to a fixed amount of ThUS\$ 4,620, which was paid in four quarterly instalments of ThUS\$ 1,155 each. The annual fee from the second contract year and each subsequent year of the contract corresponds to an annual amount that needs to be determined on the basis of the cargo transferred during the prior contract year; however, it may not be less than ThUS\$ 5,700 each year.

The payments mentioned in letter c) must be adjusted according to the Producer Price Index (PPI) of the United States of America for finished goods (adjustment is not seasonal), determined by the United States Bureau of Statistics. This annual fee must be paid in US dollars or the equivalent in Chilean pesos according to the observed exchange rate informed by the Chilean Central Bank on the date of payment, in four equal quarterly instalments.

The original term of the concession is 20 years from the delivery date of the berthing front, occurred on January 1, 2000. The Concessionaire had the option to extend the term for a period of 10 additional years if the execution and operation phases of the construction project set forth in Annex VII of the Concession Contract are complete before the 19th contract year begins and has complied with some terms and conditions stated in the contract. The 10 additional years extension were ratified by Empresa Portuaria Valparaíso at the time of granting the final approval to the respective project.

In accordance with the provisions of Section 12.1, letter G of letter a) of the Contract, as of December 31, 2020 Empresa Portuaria Valparaíso is still auditing the effective cost of the works, for the purposes of determining the residual value that must be returned to Terminal Pacífico Sur Valparaíso S.A. at the end of the concession.

As of the concession expiration date both the Berth Location and all infrastructure contributions must be presented in good working conditions, save for the normal tear and wear.

As of closing of the period ended December 31, 2020, the obligations arising out of the Concession Contract have been complied with in all respects.

23. Financial instruments and risk management

23.1 Hierarchy of valuation

Under IFRS 7, there is a hierarchy for the determination of the value of a financial instrument. This hierarchy prioritises price quotes available in active markets. In the absence of an active market, the fair value is estimated according to observations of transactions in the market of similar instruments. If no such transactions exist, then valuation techniques are used. Finally, if none of the above apply, the fair value of the financial instrument is close to its amortised cost minus impairment.

23.2 Guarantees granted and received

At the date of this report, Terminal Pacífico Sur Valparaíso S.A. has granted the following direct guarantees and received the following guarantees from third parties:

23.2.1 Direct Guarantees

Guarantee Creditor	Name	Currency of Origin	Outstanding Balances		Guarantees Release	
			31-12-2020	31-12-2019	2019	2020 and following
Banco Scotiabank	Empresa Portuaria Valparaíso	USD	-	3,939,561	3,939,561	-
Banco Scotiabank	Empresa Portuaria Valparaíso	USD	-	3,939,561	3,939,561	-
Banco Scotiabank	Empresa Portuaria Valparaíso	USD	-	3,939,561	3,939,561	-
Banco Scotiabank	Empresa Portuaria Valparaíso	USD	-	3,939,561	3,939,561	-
Banco Itaú	Servicio Nacional de Aduanas	UF	-	18,000	18,000	-
Banco Crédito e Inversiones	Inspección del Trabajo	UF	-	11,327	11,327	-
Banco Santander	Empresa Portuaria Valparaíso	UF	-	134	134	-
Banco Santander	Empresa Portuaria Valparaíso	UF	-	58	58	-
Banco Crédito e Inversiones	Zeal Concesionaria S.A.	UF	-	100	100	-
Banco Scotiabank	Empresa Portuaria Valparaíso	USD	3,684,992	-	0	3,684,992
Banco Scotiabank	Empresa Portuaria Valparaíso	USD	3,684,992	-	0	3,684,992
Banco Scotiabank	Empresa Portuaria Valparaíso	USD	3,684,992	-	0	3,684,992
Banco Scotiabank	Empresa Portuaria Valparaíso	USD	3,684,992	-	0	3,684,992
Banco Itaú	Servicio Nacional de Aduanas	UF	18,000	-	0	18,000
Banco Crédito e Inversiones	Inspección del Trabajo	UF	10,973	-	0	10,973
Banco Itaú	Empresa Portuaria Valparaíso	UF	134	-	0	134
Banco Itaú	Empresa Portuaria Valparaíso	UF	58	-	0	58
Banco Crédito e Inversiones	Zeal Concesionaria S.A.	UF	100	-	0	100
Banco Itaú	Empresa Portuaria Valparaíso	UF	3	-	0	3
Banco Itaú	Empresa Portuaria Valparaíso	UF	16	-	0	16
Banco Itaú	Empresa Portuaria Valparaíso	UF	24	-	0	24
Banco Itaú	Empresa Portuaria Valparaíso	UF	11	-	0	11
Banco Itaú	Servicio Nacional de Aduanas	USD	5,000	-	0	5,000

Likewise, by virtue of the long-term credit line contract signed by the Company and Scotiabank, Terminal Pacífico Sur Valparaíso S.A. constituted in favor of that institutions a special pledge on the port concession that involves the right to the port concession belonging to the Company, all tangible assets of the Company of over USD 100,000 and all revenue that corresponds to the Company as a result of the exploitation of the Concession Contract.

23.2.2 Guarantees obtained from third parties

At the date of this report, Terminal Pacífico Sur Valparaíso S.A. has received guarantees from some of its clients for services provided to guarantee the payment of invoices according to the 5+ day credit conditions.

Third parties guarantees	Moneda original	Amount	
		12-31-2020	12-31-2019
Securities in guarantees for sales	CLP	60,634	36,990
	USD	20,000	1,006

23.3 Implicit derivatives in host contracts

At the date of the report, Terminal Pacífico Sur Valparaíso S.A. has not constituted positions with implicit derivatives in host contracts.

23.4 Non-compliance with financial liabilities

At the date of the report, Terminal Pacífico Sur Valparaíso S.A. has not incurred in any non-compliance in terms of financial liabilities.

23.5 Presentation of exposure to financial risks

The Management uses the term “risk” to refer to situations in which it is exposed to propositions show elements of uncertainty, classifying these according to the sources of uncertainty and the associated video transmission mechanisms. Specifically, the Management uses the term “financial risk” to refer to financial uncertainty, in different time limits, generated by the operations of Terminal Pacífico Sur Valparaíso S.A.

23.6 Exposure to credit risk

The Management uses the concept “credit risk” to refer to financial uncertainty, in different time limits, related to the compliance of obligations assumed by counterparties, upon exercise of contractual rights to receive cash or other financial assets.

Regarding “trade receivables and other accounts receivable”, the counterparties are primarily customs agents, cargo agents and transportation companies with high solvency. The risk is managed by each business unit subject to the policy, procedures and controls established by Terminal Pacífico Sur Valparaíso S.A., in relation to the credit risk management of clients. The credit limits are established for all clients based on internal policies, which are evaluated periodically. Similarly, trade receivables are regularly monitored, and the impairment is analysed individually on each reporting date for all relevant clients. The maximum exposure to credit risk at the date of this report is the current value of “trade receivables and other accounts payable”.

Regarding “financial assets at fair value”, these are executed with local and foreign entities with national and international rating equal to or greater than A- according to S&P and within the credit limits assigned by the counterparty. The credit limits for each counterparty are reviewed by the Board of Directors once a year and can be updated during the year subject to the approval of the financial committee. The limits are established in order to minimize the concentration of risks, and therefore mitigate the losses due to potential default by the counterparties.

23.7 Characterisation and concentration of counterparties

The exposure to credit risk corresponds to the risk that operations are concentrate on any client. Terminal Pacífico Sur Valparaíso S.A. is not exposed to this risk.

23.8 Exposure to liquidity risk

Management uses the term “liquidity risk”, to refer to financial uncertainty, in different time limits, related to the entity’s capacity to respond to net cash requirements that support its operations, under both normal and exceptional operating conditions. Terminal Pacífico Sur Valparaíso S.A. permanently evaluates the concentration of risk regarding debt refinancing.

23.9 Characterisation and expiration profile

Th US\$	12-31-2020								
	Amortised Cost - carrying value	Maturity profile							
		0 to15 days	16 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	1 to 2 years	2 + years
Financial liabilities at amortised cost	104,111	3,286	5,718	196	0	14,903	18,064	10,324	51,620
Obligations with financial institutions	82,744	0	0	0	0	10,476	10,324	10,324	51,620
Related entities payables	2,460	1,261	893	92	0	214	0	0	0
Trade creditors and other accounts payable	8,628	2,025	246	104	0	4,213	2,040	0	0
Miscellaneous payable	9,385	0	3,685	0	0	0	5,700	0	0
Others	894	0	894	0	0	0	0	0	0
Financial hedge assets and liabilities	3,959	0	0	0	0	696	642	1,113	1,508
Derivatives	3,959	0	0	0	0	696	642	1,113	1,508

23.10 Exposure to market risk

The Management uses the term “market risk” to refer to financial uncertainty, in different time limits, related to the future evolution of market variables relevant to the financial yield of a financial instrument or group of them.

The financial instruments exposed to market risk are primarily bank loans and obligations, term deposits and mutual funds, accounts payable and receivable and derivative financial instruments.

23.11 Exposure to exchange rate risk

A primary risk factor is the exposure to currencies other than the functional currency, in this case the U.S. dollar. When risk factors are similar, these are typically classified into three categories, according to their transmission mechanism:

- a. Transmission by transaction, which refers to the translatability of cash flows to their equivalent in functional currency and vice versa.
- b. Transmission by translation, which refers to the consolidation of Financial Statements of subsidiaries denominated in currencies other than the function currency of the Parent Company, and.
- c. Transmission by economic value, which refers to the translatability at its equivalent in functional currency of the present value of future cash flows denominated in foreign currencies.

It is company policy that financial risk management activities shall primarily concentrate on transmissions by transaction from a prospective point of view, using the sensitivity of the future value equivalent in functional currency of all open exposure as a means for monitoring.

23.12 Exposure to interest rate risks

The interest rate risk is the risk generated by changes in the fair value of cash flows in the financial instruments of the Statement of Financial Position, given variations in the market interest rates. For Terminal Pacífico Sur Valparaíso S.A., the LIBOR 180-day interest rate underlying its long-term bank debt has been identified as a risk factor.

The Company manages the interest rate risk through hedges with Interest Rate Swaps (IRS), with which the Company agrees to exchange semesterly an amount generated from the differences between a fixed rate and a variable rate calculated using the established notional. As such, this Interest Rate Swaps qualify as hedges according to effectiveness tests according to IFRS 9. The fair value of the hedging contracts will increase/decrease in accordance with the increase/decrease the LIBOR 180-day interest rate.

23.13 Mechanisms of financial risk management

In general terms, the Corporate Financial Risk Policy specifies the defined management guidelines in relation to all components of financial uncertainty that have been proven relevant to the operations of Terminal Pacífico Sur Valparaíso S.A., and it determines how the Company is organised for these purposes. Simultaneously, it defines the objective of the financial risk management activities as the permanent protection of the financial stability and sustainability of Terminal Pacífico Sur Valparaíso S.A., under both normal and exceptional conditions.

23.14 Strategy

The financial risk management strategy is aimed at protecting the stability and sustainability of Terminal Pacífico Sur Valparaíso S.A. in relation to all components of financial uncertainty or relevant events.

The financial risk management process is based on:

- a. Roles and responsibilities for all agents regarding the financial risk management activities;
- b. Methodologies and systems of generation and publication of information;
- c. Specification of overall and specific financial objectives for all operations of Terminal Pacífico Sur Valparaíso S.A.;
- d. Specification of financial risks identified and evaluated in relation to the operations of Terminal Pacífico Sur Valparaíso S.A.;
- e. Specification of levels of risk tolerance that Terminal Pacífico Sur Valparaíso S.A. is in the condition to financially support;
- f. Specification of overall and specific objectives for all decisions and/or activities in terms of financial risk management; and
- g. Mechanisms to evaluate the effectiveness of all decisions and/or activities in terms of financial risk management.

23.15 Main roles and responsibilities

The Board of Directors shall be responsible for:

- a. To understand the financial risks identified and evaluated in relation to Terminal Pacífico Sur Valparaíso S.A.
- b. To validate the financial risk management policy; and
- c. To Stay adequately informed by the Executive president of all events regarding financial risk management activities.

Management is responsible for the process of risk management, particularly the Finance and Administration and the Commercial Departments.

24. Contingent assets and liabilities

24.1 Contingent Liabilities

a) Direct guarantees:

As stipulated in Section 14.1 of the Concession Agreement, the Company maintains, in favor of Empresa Portuaria Valparaíso (EPV), guarantees of faithful compliance with the Contract, through the delivery of four Guarantee Bonds (N° 0178895, N° 0178896, N° 0178897, N° 0178898 of Scotiabank) for an individual amount of ThUS \$ 3,685, due on April 30, 2021.

The Company maintains the Guarantee Bond No. 4334113 from Banco Itaú, in favor of Servicio Nacional de Aduanas, to guarantee full compliance with the obligations as stockholders, for UF 18,000 equivalent to ThUS \$ 736, due on March 31, 2021.

The Company holds the Guarantee Bond No. 417643 from Banco de Crédito e Inversiones, in favor of Valparaíso Labor Inspectorate for the faithful compliance with the payment of labor and social security obligations for an amount of UF10,973, equivalent to ThUS\$449, maturing on March 31, 2021.

On the basis of the long-term credit line contract signed by the Company with the bank Scotiabank, the Company gave that bank a special pledge on the port concession, which includes the port concession right the Company owns, plus all the movable tangible property of the Company over USD 100,000 and all revenue corresponding to the Company from the operation of the Concession Contract.

b) Lawsuits or other legal proceedings that affect the Company:

- National Economic Prosecution Investigation

Registry F135-2018. Investigation about compliance of vertical and horizontal limits and possible differences between Concession Contract and Dictum N°1045 of Preventive Central Committee.

Current Status: initiated on September 11th, 2017 and is still in investigation.

- Arbitration Case (Registry CAM 3323-2018), claimant, PMI Energy Services S.A., defendant Terminal Pacífico Sur Valparaíso S.A. Matter: damage compensation due to Contractual Liability. Current status: Finished due to expiration of the jurisdiction period. The compliant resort is still pending. The demanded amount in the main claim is Ch\$ 636,167,674 plus readjustments and interests. For the counterclaim, the amount is still to be determined.

- Lawsuit filed by worker Luis Enrique González against Report and TPS RIT 0-1175-2019 of the Labor Court of Valparaíso (Ref.:2019/125/FPC). This is a lawsuit filed by a port worker who alleges that for more than 17 years he served in the Terminal granted to TPS as a crane operator and other port tasks, developing a professional disease consisting of bilateral sensorineural hearing loss, derived from exposure to noise. It is alleged that the defendant companies did not adopt safety measures to protect the worker, by not providing him with the necessary protective elements, which would have been the cause of the disease.

The defendants did answer the demand and the preparatory hearing was set for 08-02-2020 at 9:00.

During this time, data and information has been collected to prepare the defense. The amount demanded by the worker is Ch\$ 100,000,000 as moral damage.

According to the information collected and given that it is a worker who served for many years in the Terminal, it has been difficult to reconstruct all the measures.

According to medical history, it is not clear if the disease was produced by noise exposure in the terminal or other causes. The cooperative IST declares that it is a common disease.

In any case, it seems to us that the amount demanded is very high, so that even in the event of a conviction, the amount should be substantially less. The defendants are exploring an agreement with the claimant around Ch\$ 4,000,000 (this is, Ch\$ 2,000,000 from each company).

- Judicial Recovery initiated by Viña del Mar Clinical Hospital against Terminal Pacífico Sur Valparaíso. Civil Court of Valparaíso, Registry C-3330-2018 (Nta. Ref.:2019/093/FPC):

Judicial recovery of an invoice for a medical attention to the daughter of a TPS worker (Luis Cartagena).

The invoice is for an amount of Ch\$3,351,411. The invoice was not claimed at time, which grants the enforceable right.

However, TPS never requested this medical service and did not endorse this payment. The guarantee was provided by an union of the company (which is a different entity).

The defendant claims there is null obligation in this title as it does not meet any legal requirements.

The Court received the counterarguments and gave a ten-day period to present the evidence, starting after the Covid19 Constitutional State of Exception.

- Lawsuit filed by ex-worker Viviana Vergara Cuello, RIT 0-1578-2020 of Labour Court of Valparaíso (Nta. Ref.: 2020/177/FPC):

The ex-worker claims unjustified dismissal. The reason of the dismissal was a serious non-compliance of the contract. The ex-worker installed a software to provide the company's internet connection to third parties, making a profit.

The demand is for an amount of Ch\$ 13,893,849 of which Ch\$ 902,198 correspond to one-month notice, Ch\$ 7,217,584 severance pay for years of service and Ch\$ 5,774,067 as an 80% increase of severance payment.

Before the dismissal, the company released a report of an internal investigation to sustain the decision.

A Regarding the judgment expectations, even when it is known that the ex-worker installed the software, it is difficult to forecast the resolution, considering the Labour Court criteria. The ex-worker had a good previous record and in many occasions this argument leads the Court to conclude that the issue is a mistake from the employee that deserves a warning, not a dismissal.

A preparatory hearing is set for 03-11-2021 at 9:00 and the deadline to reply to the demand expires on 03-04-2021.

c) Long-term credit line contract

- If this information is not available through the Financial Market Commission (CMF) website, its audited individual Financial Statements must periodically be provided to creditor, on the same date that this information must be presented by the Debtor to the Financial Market Commission.

- To provide each year a certificate issued by the debtor's general manager or his replacement, that certifies that, to the best knowledge and understanding of that executive, no cause of Non-Compliance or Non-Compliance has occurred;

- To inform the Creditor a writing way, as soon as possible, but no longer than five bank business days from when a Debtor's executive is aware of the occurrence of any Cause of Non-Compliance or Non-Compliance, etc.

- To provide to the creditor financial, accounting, economic and/or legal information and all other relevant information of the Debtor;

- To provide to the creditor, upon their request, any information necessary to apply regulations on individual credit limits established in number one of Article 84 of the General Law of Banks correctly;

- To inform the Bank of any statutory modifications of the Debtor;

- To establish and maintain an adequate accounting system based on IFRS;

- To maintain the effectiveness of contracts, rights, trademarks, licenses, authorisations, franchises, concessions and patents, related to the development of its activities.

- To preserve and maintain its existence, validity and legal structure, as well as its current lines of business;

- To fulfill all of its obligations by virtue of any act, contract or convention, whose non-fulfillment would or could mean, individually or as a whole, an Important Adverse Effect;

- To comply with legislation and current regulations that are applicable to the development of its activities;

- To pay on time its tax, social security and labor obligations and other legal obligations that are applicable, except for those discussed via the proper procedure and regarding which all corresponding provisions have been established, according to IFRS;

- To maintain all goods necessary for the execution of its business and operations in good conditions of conservation and maintenance, except for normal wear and tear. Specifically, the Debtor must hold insurance with adequate coverage to reasonably protect the Concession site and other assets, for amounts, terms, risks and with top-rate insurance companies in accordance with the Insurance Program;

- To ensure that all operations performed with Related Parties, whether directly or through other Related Parties, conform to similar conditions as those that normally prevail in the market;

- To use all resources from the Credits for the sole purposes referred to in the present Contract.
- To ensure that, at all times, its obligations under the Credit Documents, shall have the same payment preference and priority under law as its other current or future payment obligations, except for those obligations that take preference according to law;
- To meet all obligations by virtue of the present Contract and all other Credit Documents;
- To allow the Creditor' executives to inspect the property of the Debtor and the Concession along with the debtor's executives, etc.
- To allow and collaborate with the Independent Construction Engineer and Independent Equipment Engineer in the examination and inspection of its facilities;
- To keep assets insured for the amounts, terms, risks and with top-rate insurance companies, in compliance with the Insurance Programs;
- To Endorse the Insurance Policies within thirty days following the date of the present Contract;
- To comply with the terms and conditions of the Insurance Policies, especially the payment of premiums, installments and other payable amounts in relation to the mentioned policies and with the reporting obligations imposed therein;
- To present, with the frequency indicated by the Superintendency of Banks and Financial Institutions, or upon request by the Bank no less than once a year, and at the cost of the Debtor, an appraisal of physical assets provided in guarantee in favor of the Creditors, done by an expert appraiser designated by the Bank;
- To constitute a pledge on the assets that it acquires in the future and which have an individual value equal to or greater than one hundred thousand dollars;
- To ensure that the Guarantees remain fully valid and enforceable, in the first degree of preference, and to grant and subscribe all additional documents for these purposes;
- In the event that any Cause for Non-Compliance, or any Non-Compliance, may occur, to reimburse

the Bank, or directly pay the reasonable and duly documented fees, costs and expenses of any advisor or consultant that the Bank deems necessary upon request by the Bank to prepare and submit a report on the revenue, operating system and maintenance of the Project, and any other technical and legal aspects relevant to the Project;

- To perform the Expansion Works, and the additional works that must be executed within the framework of the Economic Equilibrium of the Works, in compliance with the Concession Contract and the Expansion Works Budget.
- To obtain the final approval of the expansion works before the thirtieth of June of two thousand seventeen.
- To formally manifest to EPV interest in expanding the concession term by ten years, under the terms and conditions indicated in Appendix VII of the Concession Contract, before the thirtieth of June of two thousand seventeen.
- To comply with certain financial ratios, yearly measured on the debtor's Financial Statements.

d) Sanctions

During the years ended December 31, 2020 and 2019, the Company, or its Directors and Managers have not been subject to sanctions of any kind by the Commission for the Financial Market (previously called Superintendencia de Valores y Seguros) or any other administrative authority.

24.2 Guarantees obtained from third parties

As of December 31, 2020 and 2019, the Company received guarantees from some of its clients for the services provided, which consisted in guaranteeing the payment of invoices according to the credit conditions of 5 days and more, and for guarantees received for the purchase of equipment and other items.

As of December 31, 2020, the guarantee bills received from customers and held by Terminal Pacífico Sur Valparaíso S.A. amounted to ThUS\$ 81. As of December 31, 2019, the guarantee bills received from customers and held Terminal Pacífico Sur Valparaíso S.A. amounted to ThUS\$ 1,006.

25. Foreign currency translation and monetary position in foreign currency

The differences for foreign currency translation during the years ended December 31, 2020 and 2019 for items in foreign currency (other than the U.S. dollar), were credited (debited) to the income for the year according as follows:

	12-31-2020 ThUS\$	12-31-2019 ThUS\$
Cash and cash equivalent	168	8
Trade receivables and other accounts receivable	-	(1)
Current taxes	43	(79)
Other current assets	(1)	(63)
Current Assets	210	(135)
Net trade receivables and other non-current accounts receivable	147	38
Non-current Assets	147	38
Total Assets	357	(97)
Trade payables and other current accounts payable	31	14
Other current liabilities	-	-
Current Liabilities	31	14
Termination Benefits	(220)	310
Non-current Liabilities	(220)	310
Total Liabilities	(189)	324
Credit (debit) to income for foreign currency translation	168	227

The following chart shows the monetary position of items in foreign currency which are exposed to the variation of the exchange rate corresponding to the years ended December 31, 2020 and 2019.

Monetary Position		12-31-2020 ThUS\$	12-31-2019 ThUS\$
Current			
Cash and cash equivalent	Pesos	1,110	1,650
Cash and cash equivalent	Dollars	11,649	10,460
Other current financial assets	Dollars	-	2
Other current non-financial assets	Pesos	299	139
Other current non-financial assets	Dollars	2,254	2,030
Net trade receivables and other accounts receivable	Pesos	1,842	2,366
Net trade receivables and other accounts receivable	Dollars	7,789	15,051
Accounts receivable from related parties	Pesos	32	127
Accounts receivable from related parties	Dollars	101	2,550
Inventory	Dollars	2,193	2,055
Current tax assets	Pesos	174	-
Current tax assets	Dollars	100	228
Total current assets other than assets or groups of assets held for sale or held for distribution to the owners		27,543	36,658
Non-current assets or groups of assets held for sale.		-	-
Total Current assets		27,543	36,658
Non-current			
Net trade payables and other accounts receivable	Dollars	16,005	14,823
Other non-current non-financial assets	Dollars	55	86
Net intangible assets other than goodwill	Dollars	80,774	88,944
Property, plant and equipment	Dollars	59,254	66,746
Total Non-current assets		156,388	170,599
Total Assets protected from exchange rate variation (dollar)		180,474	202,975
Total Assets protected from exchange rate variation (pesos)		3,457	4,282
Total Assets		183,931	207,257

LIABILITIES		12-31-2020 ThUS\$	12-31-2019 ThUS\$
	Dollars	21,198	20,470
Current	Pesos	4,023	3,006
Other current financial liabilities	Dollars	2,122	11,585
Trade payables and other accounts payable	Pesos	1,746	2,114
Trade payables and other accounts payable	Dollars	695	1,206
Accounts payable to related parties		29,874	38,381
Accounts payable to related parties			
Total Current liabilities			
	Dollars	101,056	113,069
Non-current	Dollars	5,770	6,340
Other non-current financial liabilities	Dollars	4,514	4,146
Deferred tax liabilities	Dollars	-	-
Provision for employee benefits		111,340	123,555
Other non-current provisions			
Total Non-current liabilities	Dollars	42,807	45,321
Equity			
		178,162	202,137
		5,769	5,120
Total Liabilities protected from exchange rate variation (dollar)		183,931	207,257
Total Liabilities protected from exchange rate variation (pesos)			
Total Liabilities			

26. Environment

Expenses incurred during the year ended December 31, 2020 amount to ThUS\$ 62. (ThUS\$ 42 in 2019)

Company	Expenditure concept detail	Costs/Expenses	Supplier	MUS\$
TPS	Hazardous solid waste management plan	Costs	Alejandro Coronel	4
TPS	Hazardous solid waste management plan	Costs	Comercial Vicmar	36
TPS	Clean spots	Costs	Umwelt Chile	2
TPS	Carbon footprint	Costs	ABS Quality Consulting	13
TPS	Attention to emergencies	Costs	Suatrans	7
			Total	62

27. Relevant facts

There are no relevant facts in the period.

28. Subsequent events

The present Financial Statements were approved and authorised for issue by the Board of Directors of the Company in the meeting held on January 29, 2020.

Between December 31, 2020, and the authorisation date of the present Financial Statements, there have been no other events that could significantly affect the Financial Statements.

Terminal Pacífico Sur Valparaíso S.A. inform by an essential event that in a Extraordinary Shareholder Meeting held on December 17, 2020, was agreed to disburse dividends charged to retained earnings of US\$ 600.060007 per share for shareholders subscribed five days previous to the payment date. The payment will be carried out on December 28, 2020.

REASONED ANALYSIS OF THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

(in thousands US dollars)

1.- Comparative analysis and trends explanations

1.1 Ratios

			December 2020	December 2019
Liquity	Current Liquidity	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.92	0.96
	Acid Test	$\frac{\text{Available Funds}}{\text{Current Liabilities}}$	0.43	0.32
Leverage	Debt Ratio	$\frac{\text{Current Liabilities} + \text{Non-Current Liabilities}}{\text{Equity}}$	3.30	3.57
	Current Liability Ratio	$\frac{\text{Current Liabilities}}{\text{Current Liabilities} + \text{Non-Current Liabilities}}$	0.21	0.24
	Non-Current Liability Ratio	$\frac{\text{Non-Current Liabilities}}{\text{Current Liabilities} + \text{Non-Current Liabilities}}$	0.79	0.76
	Financial expenses coverage	$\frac{\text{Result before taxes and interest}}{\text{Financial expenses}}$	1.04	1.51
Activity	Total Assets	Total Assets	183,931	207,257

		December 2020	December 2019
Result	Total Tonnes transferred	7,142,564	8,004,596
	Containers transferred (containers)	415,122	514,385
	Operating revenues	66,037	79,576
	Operating Result	5,352	10,302
	Financial expenses	(5,295)	(6,964)
	Non-operational result	(4,421)	(5,622)
	EBITDA	16,176	23,826
	Profit (loss) after taxes	648	4,019
Profitability	Equity profitability	$\frac{\text{Net income (loss)}}{\text{Equity}}$	1.5% 8.7%
	Asset profitability	$\frac{\text{Net income (loss)}}{\text{Assets}}$	0.3% 1.9%
	Performance of operational assets	$\frac{\text{Operating Result}}{\text{Operating assets}}$	3.6% 6.3%
	Earnings per share (US\$)	$\frac{\text{Net income (loss)}}{\text{N° of subscribed and payed shares}}$	194 1,206

(1) Fixed and intangible assets are considered as operational assets

1.2 Explanations

Current Liquity	The decrease in this index is mainly due to lower activity compared to the previous year, thus the account receivable were also lower.
Acid test	The increase of this index is mainly due to collection of services delivered in 2019 that were provisioned as revenues.
Debt Ratio	The decrease in the debt ratio is due to capital repayment of the period.
Financial Expenses Coverage	The decrease in this ratio is due to a lower operational result because of the activity. Additionally the financial expenses were lower due to capital repayment of the period.
Total Assets	The decrease in the level of assets is mainly due to depreciation and amortisation of the period and lower account receivables.
Results	The lower result is mainly explained by the pandemic effect. However, there was a positive effect due to diverted vessels from San Antonio.
Profitability of Equity and Assets	The lower profitability of equity and assets is mainly explained by the decrease in activity and pandemic effect.
Performance of operational assets	The performance of operational assets in 2020 was lower than 2019 due to the decrease in activity.
Earnings per Share	The earnings per share has a positive value, however is lower than previous year explained by a decrease in operational result.

2.- Flow Analysis

The Company's operation generated positive flows in the 2020 and 2019 financial years of ThUS \$14,014 and ThUS \$11,142, respectively. The increase is explained by the collection of services delivered in 2019 that were provisioned and other saving costs and expenses.

The investment of the period was ThUS \$ 823 and ThUS \$ 1,704, for the years 2020 and 2019 respectively.

Finally, the balance in financing activities are \$ 12,324 and ThUS \$ 10,739 for the years 2020 and 2019 respectively. In both periods dividends were paid to shareholders.

3.- Difference between carrying amount and economic or market value of the main assets

At the date of these Financial Statements there are no material differences between the carrying amount and the economic value of the assets of the Company.

4.- Most important variations occurred during the period, in the markets in which it participates, in the competition it faces and in its relative participation.

At the date of these Financial Statements, the Company does not present a significant variation in its market share.

5.- Market risk analysis

The Company is part of the national port sector where transfer, docking and storage services to ships that dock at sites 1 through 5 of the Port of Valparaíso are provide. Its main competitors at regional level are the concessioned terminals of the port of San Antonio (STI and Puerto Central) and terminal 2 of the Port of Valparaíso.

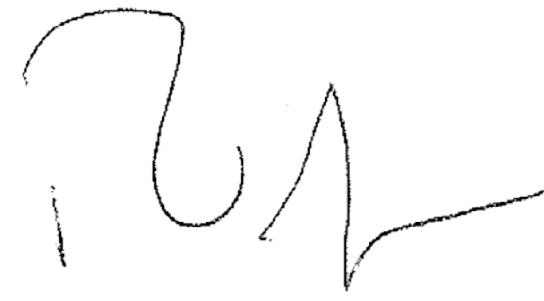
The Company has to pay to Empresa Portuaria Valparaíso an annual fee (annual rental) denominated in dollars of the United States of America. It is adjusted anually according to the variation of the Producer Price Index (PPI) of the same country and tonnes mobilized during the previous year.

The main foreign exchange risk is given by liabilities in currencies other than the dollar that the company has. The company use to take some hedges in order to decrease the risk.

Regarding the credits subscribed by the Company with the national banks, they are indexed at the 180-day Libor rate.

ENDORSEMENT OF THE ANNUAL REPORT

This Annual Report has been subscribed by the following members of the Company's Board of Directors, who certify the truthfulness of the information:



Richard von Appen Lahres
Chairman of the Board



Pablo Ihnen de la Fuente
Board member



Antonio José de Mattos Patricio Junior
Board member



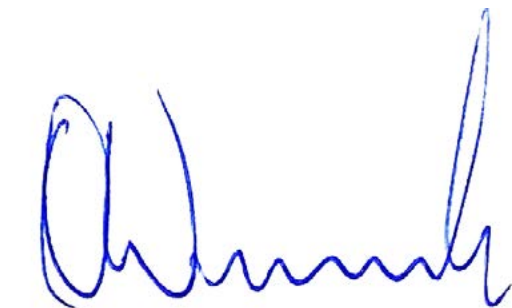
Alejandra Mehech Castellón
Board member



Pier-Paolo Zaccarelli Fasce
Board member



Gregory Gottlieb
Board member



Oliver Weinreich Román
Managing Director



TERMINAL PACÍFICO SUR VALPARAÍSO S. A.
Annual Report 2020

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