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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Autopistas del Sol, S.A.

Opinion

We have audited the accompanying financial statements of Autopistas del Sol, S.A. ("the Company"), which comprise the statements of financial position as of December 31, 2019 and 2018 and the corresponding statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the years then ended, as well as the notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Autopistas del Sol, S.A. as of December 31, 2019 and 2018, as well as its financial performance and its cash flows for the years then ended in accordance with the International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent from the Company, in accordance with the Code of Professional Ethics of the Association of Certified Public Accountants of the Republic of Costa Rica and the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), and we have fulfilled our other ethical responsibilities in accordance with such requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key Audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matter described below are the key audit matter that have to be communicated in our report.

As disclosed in Note 16 to the financial statements, the Company keeps a concession agreement to provide the construction, operation, and maintenance service of the San José - Caldera highway, through the utilization of the infrastructure that has been built. The Company has concluded that, given the characteristics of the concession agreement, it has a financial asset in accordance with IFRIC 12 - Service Concession Agreements, since it has the unconditional contractual right to receive a guaranteed minimum income from the grantor. The Company recognizes the financial asset using the amortized cost method, and the corresponding income is recognized in results, according to the effective interest rate that

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results from the concession's cash flows projections. We focus on this area since correct calculation of the financial asset's value and the amortization of income require from management's judgment to determine a series of non-observable variables, as well as management's judgment and estimates, including a future toll collection estimate, according to traffic projections.

Our audit procedures to cover this key audit matter were:

1. We incorporated our valuation experts within our work team, and together, we conducted an independent calculation of the amortized cost in order to determine the financial asset value and the corresponding results in income.

2. We verified the reasonability of the assumptions used to calculate the resulting effective interest rate of the concession's cash flows projections.

3. We validated that methodology was consistent with the one audited in previous years and the applicable accounting standards. In those cases when a modification had taken place, we verified that it was properly supported by events occurred in 2019 and that it was reasonable.

Responsibilities of Management and Those Charged with the Entity's Governance with the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements in the context of the applicable financial reporting framework. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on information available at the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with the Company's governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Jose A. Zúñiga Taborda - C.P.A. No.1491
Insurance Policy No.0116 FIG 7
Expires: September 30, 2020
Revenue stamp of Law No.6663, for ¢1.000
Adhered and paid

February 25, 2020

AUTOPISTAS DEL SOL, S.A.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018
(Expressed in US Dollars)

	Notes	2019	2018
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	1c, 2	8,617,135	10,299,292
Restricted cash	1c, 3	9,357,962	13,388,377
Accounts receivable	4	1,732,984	692,921
Accounts receivable from related parties	13	5,033	3,002
Inventory	1d	138,286	135,954
Income tax	11		1,649,405
Prepaid disbursements	1e, 5	699,727	1,102,814
Current portion of financial assets – concession agreement	1j, 8	80,275,678	78,701,645
Total current assets		**100,826,805**	**105,973,410**
Loans receivable from related parties	13	98,690,586	99,774,466
Vehicles, furniture, and equipment – Net	1g, 1h, 6	1,194,307	1,281,135
Assets from right of use	1r,7	223,431	
Financial assets – Concession Agreement	1j, 8	301,599,633	296,342,871
Other assets – Net		173,645	891,270
Total non-current assets		**401,881,602**	**398,289,742**
TOTAL		**502,708,407**	**504,263,152**

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

AUTOPISTAS DEL SOL, S.A.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018
(Expressed in US Dollars)

	Notes	2019	2018
LIABILITIES AND STOCKHOLDERS´ EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt	18	15,124,676	12,656,350
Current portion of obligations under financial lease	1r	105,795	-
Accounts payable	9	2,608,988	4,131,097
Accounts payable to related parties	13	2,351,205	1,953,777
Accumulated expenses	10, 1p	1,647,978	1,940,332
Income tax payable	11	7,464,298	-
Total current liabilities		**29,302,940**	**20,681,556**
LONG-TERM LIABILITIES:			
Long-term debt	18	298,922,107	312,853,671
Obligations under financial lease	1r,19	124,534	-
Deferred income tax	1i, 11	60,394,167	55,162,019
Total non-current liabilities		**359,440,808**	**368,015,690**
Total liabilities		**388,743,748**	**388,697,246**
STOCKHOLDERS´ EQUITY:			
Capital stock	15	2,500,000	2,500,000
Additional capital contributions	15	58,000,000	58,000,000
Legal reserve	1m, 15	500,000	500,000
Retained earnings		52,964,659	54,565,906
Total stockholders' equity		**113,964,659**	**115,565,906**
TOTAL		**502,708,407**	**504,263,152**

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

AUTOPISTAS DEL SOL, S.A.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in US Dollars)

	Notes	2019	2018
Construction income	1k	2,814,926	3,400,382
Financial income – Concession agreement	1l, 8	60,393,548	58,962,756
Operating and maintenance income	1q	19,790,717	18,530,710
Total operating income		**82,999,191**	**80,893,848**
Construction costs	1k	(2,814,926)	(3,400,382)
Operating expenses	12	(18,555,995)	(17,441,960)
OPERATING PROFIT		**61,628,270**	**60,051,506**
Fees and interest expenses		(29,751,672)	(30,055,515)
Impairments and results – financial instruments		793,602	(2,472,956)
Financial income		4,306,380	4,542,262
Other income – net	14	1,975,155	2,069,605
Exchange rate difference -Net		94,788	(191,142)
PROFIT BEFORE INCOME TAX		**39,046,523**	**33,943,760**
Income tax	1i, 11	(17,647,770)	(7,751,696)
NET PROFIT AND OTHER COMPREHENSIVE INCOME OF THE PERIOD		**21,398,753**	**26,192,064**

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

AUTOPISTAS DEL SOL, S.A.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in US Dollars)

	Notes	Capital Stock	Additional Capital Contribution	Legal Reserve	Retained Earnings	Total Stockholders´ Equity
BALANCES AS OF DECEMBER 31, 2017		**2,500,000**	**58,000,000**	**500,000**	**72,906,773**	**133,906,773**
IFRS 9 adoption	1f	-	-	-	(832,931)	**(832,931)**
Declared and paid dividends	15	-	-	-	(43,700,000)	**(43,700,000)**
Comprehensive income of the period		-	-	-	26,192,064	**26,192,064**
BALANCES AS OF DECEMBER 31, 2018		**2,500,000**	**58,000,000**	**500,000**	**54,565,906**	**115,565,906**
Declared and paid dividends	15	-	-	-	(23,000,000)	**(23,000,000)**
Comprehensive income of the period		-	-	-	21,398,753	**21,398,753**
BALANCES AS OF DECEMBER 31, 2019		**2,500,000**	**58,000,000**	**500,000**	**52,964,659**	**113,964,659**

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

AUTOPISTAS DEL SOL, S.A.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in US Dollars)

	Notes	2019	2018
OPERATING ACTIVITIES			
Net profit		21,398,753	26,192,064
Adjustments to reconcile net profit with net cash provided by the operating activities:			
Income tax expense	11	12,415,622	2,796,154
Depreciation	6,7,12	480,414	418,618
Amortization	12	58,518	62,356
Fair value variation in financial instruments		793,602	2,472,956
Loss in disposal of assets	6	38,265	47,329
Deferred income tax	11	5,232,148	4,955,542
Financial income	13	(3,916,120)	(4,122,050)
Financial expense from bonds		29,751,672	30,055,515
Movements in working capital:			
Accounts and notes receivable		(1,042,094)	(145,940)
Inventory		(2,332)	(4,308)
Prepaid disbursements and other advances		403,087	209,133
Accounts payable		(1,594,368)	994,780
Accounts payable to related parties		397,428	(88,098)
Accumulated expenses		(292,354)	56,908
Financial asset – concession agreement		(6,965,290)	(8,603,800)
Cash provided by the operating activities		**57,156,951**	**55,297,159**
Income tax paid		(3,882,945)	-
Interest paid		(27,905,275)	(28,896,181)
Net cash provided by the operating activities		**25,368,731**	**26,400,978**
INVESTMENT ACTIVITIES			
Restricted cash		4,030,415	11,536,046
Acquisition of fixed assets and other assets	6	(341,834)	(855,458)
Net cash provided by the investment activities		**3,688,581**	**10,680,588**
FINANCING ACTIVITIES			
Amortization of obligations under financial lease		(83,119)	-
Declared and paid dividends	15	(18,000,000)	(30,700,000)
Amortization of international bond	18	(12,656,350)	(12,135,000)
Net cash used in the financing activities		**(30,739,469)**	**(42,835,000)**
DECREASE IN CASH AND CASH EQUIVALENTS		**(1,682,157)**	**(5,753,434)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**10,299,292**	**16,052,726**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**8,617,135**	**10,299,292**

TRANSACTIONS THAT DO NOT AFFECT CASH:

In July 2019 and June 2018, the Company agreed to offset the loan receivable from related companies with dividends approved for the sums of US$5,000,000 and US$ 13,000,000, respectively.

During 2019, assets for rights of use and obligations under financial leases were recorded for US$ 313,448.

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

1. NATURE OF BUSINESS, BASIS OF PRESENTATION, AND MAIN ACCOUNTING POLICIES

Nature of Business - Autopistas del Sol, S.A. ("the Company") is a company subject to the commercial laws of Costa Rica, specifically under the provisions of Article No.31 of the General Concession Law for Concession Agreement (Law No.7762).

As of December 31, 2019, PI Promotora de Infraestructuras, S.A. directly owned 100% of the shares after the merger on December 4, 2019 between SyV Concesiones, S.A., Infraestructura SDC Costa Rica, S.A. and M&S DI-M&S Desarrollos Internacionales, S.A., which previously held 35%, 17% and 13% respectively of the Company's equity.

The ultimate stockholder of the Company are the pension funds of USS, OPTrust, and PGGM. Its objective is to execute and develop the Concession Agreement of the "San José - Caldera" route, awarded to a third party by the Government of Costa Rica, through public bid No.01-98, promoted by the National Concessions Board of the Ministry of Public Works and Transportation (MOPT). Under the authorization of the Government of Costa Rica, on March 9, 2006, the former awardee assigned the contract mentioned above to the business consortium formed by the previously mentioned companies (Autopistas del Sol Consortium). The Company is domiciled in Escazú, adjacent to Autopista Próspero Fernández toll.

On March 9, 2006, the Government of Costa Rica, acting through the National Concession Board (CNC) ("the Granting Authority") signed Addendum No.3 to the Public Service Concession Agreement for the San José - Caldera Highway Project, through which the concession agreement was modified to leave proof of the new concessionaire: Autopistas del Sol Consortium ("the Awardee"), which consists of the following companies: Promotora de Infraestructuras, S.A., SYV CR Valle del Sol, S.A., Infraestructuras SDC Costa Rica, S.A., and M&S DI-M&S Desarrollos Internacionales, S.A. For that purpose, the awardee consortium created the corporation designated as Autopistas del Sol, S.A. ("the Concessionaire") in order to carry out the project, which is the objective of this agreement.

On January 8, 2008, the Company received the contract initiation order by the National Concessions Board, and the construction stage of the San José - Caldera highway started. The construction stage was completed on January 27, 2010, and from this moment, the exploitation stage (toll collection) for all the highway sections started.

Basis of Presentation - The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis, except for the financial assets from the concession agreement that are assessed at fair value at the closing of each period, as explained in the accounting policies below. Generally, historical cost is based on the fair value of the consideration granted in exchange of goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would consider those characteristics when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

- **Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- **Level 2** - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- **Level 3** - Inputs are unobservable inputs for asset or liability.

Significant Accounting Policies - The principal accounting polices used in the presentation of the financial statements are summarized as follows:

a. ***Currency and Transactions in Foreign Currency*** - Management has determined that the US dollar is the Company's functional currency since income and most of the concession costs have been determined in such currency, in addition to the fact that the financing and capital required for the work are expressed in this currency. Transactions denominated in other currencies (mainly Costa Rican colones) are recorded at the exchange rates in force as of the date of the transaction, and the exchange rate differences resulting from the liquidation of assets and obligations denominated in such currencies, as well as by the adjustment of the balances as of closing date were registered as part of the cost of the project during the construction stage, and they are registered against the operating results as of the starting date of the exploitation stage. As of December 31, 2019 and 2018, the exchange rate of the Costa Rican colón, in respect of the US dollar, was ¢576,49 and ¢611,75 for selling transactions, respectively.

   As of the date of financial statements, the reference exchange rate for selling transactions was ¢568,77, per US dollar.

b. ***Accounting Records*** - For financial and reporting purposes, the accounting records are kept in the Company's functional currency (US dollar). For legal purposes in Costa Rica, the Company also keeps accounting records expressed in Costa Rican colones.

c. ***Cash, Cash Equivalents, and Restricted Cash*** – Cash, cash equivalents, and restricted cash include the cash on hand and due from banks, demand deposits, and certificate of deposit (high liquidity), which original maturity is not greater than three months. The administrators review cash flows to reserve, in the restricted cash accounts, the required balance in accordance with the debt agreement. Every month, when applicable, the restricted cash accounts are provided (or not) with funds based on the required balance, through a formal request to the trust. The trust, in accordance with the payment items included in the contract, ensures for complete provision of each account.

d. ***Inventory*** - Inventories are valued at the lower of cost or net realizable value, using the first in first out (FIFO) accounting method. (Net Realizable Value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale). Inventories correspond to materials purchased to repair infrastructure both for the highway and toll stations. When used, it is charged to the expense of the period.

e. ***Prepaid Expenses*** - The Company records prepaid expenses, all those corresponding to a percentage of the value of the work to be acquired, demanded as advance payments by the construction companies hired to develop its additions, repairs, and maintenance of the work. These advances are applied to the final invoice of the vendor when the work or repair made is formally received. In addition, advances are held for all-risk insurance for construction, civil liability, and occupational hazards.

f. ***Asset Impairment*** -

- **Financial Asset Impairment –** In order to evaluate the effects of asset impairment, the Company considers that the Financial Asset – Concession Agreement, and cash, cash equivalents, and restricted cash accounts have a low credit risk since the counterparties of these investments show a BBB credit rating. Therefore, for the purpose of evaluating the effects of financial asset impairment, the expected loss is measured for an amount equal to ECL at 12 months. The impairment registered by the assessment is detailed in Note 8. For the rest of the financial assets, no impairment has been recognized.

  When determining, the expected credit losses for these assets, the Company's directors have taken into account the historical default experience, the financial position of the counterparties, as well as the future perspectives of the industries of the issuers of bonds, bills of exchange, and obligations obtained from economic reports and financial analyst reports. They have also considered different external sources of actual and forecasted economic information when estimating the probability of default of each of these financial assets within their respective temporary horizon of evaluation of losses, as well as the loss in case of default for each case.

  There has not been any change in the estimation techniques or significant assumptions made during the period of the current report at the time of evaluating the expected credit loss for these financial assets.

  In 2018, the Company implemented IFRS 9 Financial Instruments for the first time; the impact recognized as of January 1, 2018 according to the credit risk assessment was US$1,189,902, of which US$832,931 has been recognized as lower retained earnings, the remaining amount being the tax impact of the adjustment.

- **Tangible Asset Impairment** - Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

  If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

  When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

g. ***Vehicles, Furniture, and Equipment*** - During the Company's course of operations, these assets are registered at cost less any recognized impairment loss. Such assets are classified in the proper categories of property, plant, and equipment. In case of having any case of impairment, it will be recognized in the result of the reporting period.

h. ***Depreciation*** - Depreciation for vehicles, furniture, and equipment is determined using the straight-line method according to the estimated useful life of assets, as shown below:

Vehicles, Furniture, and Equipment	Depreciation Rates
Office furniture and equipment	10%
Vehicles	10%
Computer equipment	20%

i. ***Income Tax*** - Income tax is determined based on the accounting profit, adjusted by non-taxable income, non-deductible expenses, and tax credits.

- **Current Tax** - Current tax payable is based on the tax profits registered during the year.

- Tax profit differs from the profit reported in the statement of profit or loss and other comprehensive income due to the taxable or deductible expenses or income in other years and items that are never taxable or deductible. The Company's liability resulting from current tax is calculated using the tax rates issued or substantially approved at the end of the reporting period.

- **Deferred Income Tax** - Deferred income tax is recognized on temporary differences existing between the carrying amount of assets and liabilities included in the financial statements and the corresponding tax based used to determine the tax profit. The deferred tax liability represents a taxable temporary difference, and a deferred tax asset represents a deductible temporary difference. Asset or liability is not recognized if the temporary difference originates from goodwill or from the initial registration of an asset or liability (different than a business combination) that does not affect the tax or accounting profit.

Deferred income tax asset is recognized to the extent that it is likely to obtain future taxable profits.

Current and deferred taxes should be recognized in profit or loss, except when related to items of comprehensive income or directly in equity, in which case deferred or current tax is recognized in other comprehensive income or directly in equity, respectively.

The registered value of the deferred tax asset is reviewed as of the date of each financial statement, and it is adjusted if it is not likely to obtain sufficient taxable income or other sources of income that allow a full or partial recovery of the asset.

Deferred tax assets and liabilities are measured at the tax rate expected to be applied during the period in which the asset will be realized or the liability will be paid.

Deferred tax assets and liabilities are shown net since they relate to the same fiscal company, and the Company expects to write off its tax assets and liabilities in a net form.

j. ***Financial Assets*** - ***Concession Agreement*** - On November 30, 2006 the International Financial Reporting Standards Interpretations Committee (IFRIC) issued IFRIC 12 "Service Concession Arrangements".

Concession arrangements involve agreements between a contracting government agency (Consejo Nacional de Concesiones) and a Company to provide, in this case, the construction, operation, and maintenance service of the San José - Caldera highway (Note 18), through the exploitation of the infrastructure that has been built. In addition, income deriving from the provision of the service may be received directly from the users or the contracting company itself, which regulates as well the prices for the provision of the service. The concessional right grants the monopoly of exploitation of the service for a specific period of time, after which the infrastructure becomes property of the contracting entity, with no consideration whatsoever.

The Company has concluded that, due to the characteristics of the concession agreement, it has a financial asset, since it has the unconditional contractual right to receive a guaranteed minimum income from the grantor.

According to IFRIC 12, there are two clearly differentiated stages to be highlighted in the concession arrangements, the first one is that the concessionaire (the Company) provides construction services that are recognized based on the progress of the work, according to IAS 11 “Construction Contracts”, with a financial asset as counter item, and a second stage, where a series of maintenance and operation services for the infrastructure are provided, which will be recognized according to IAS 18 “Ordinary Revenue”.

The Company recognizes the financial asset using the amortized cost method, and the corresponding income is recognized in results, according to the effective interest rate that results from the concession’s cash flows projections. As previously stated, construction income and related costs are recognized in the statement of comprehensive income according to IAS 11 “Construction Contracts”.

A short-term portion of the financial asset is determined based on the estimated cash toll collection to be made on each operations cycle following the reporting period.

k. ***Construction Income and Costs*** - Income is recognized based on the progress of quantifiable components or tasks established each contract. Construction incomes are usually quantified by referring to the estimations, both billed and not billed, on the progress of such tasks or components and their respective unit prices. Construction costs are recognized as incurred, and they generally consist of costs directly related to a specific contract plus the applicable indirect costs. Under this accounting practice, income from contracts relate to the costs incurred to complete individual tasks or components of the contract.

l. ***Financial Income*** - ***Concession Agreement*** - Financial income is recognized in the period as a result of the financial asset at the beginning of the period, at the effective interest rate determined at the moment of the initial valuation of the financial asset.

m. ***Legal Reserve*** - According to current laws in Costa Rica, the Company should separate 5% of the net profits in Costa Rican colones to create and accumulate a reserve, until reaching 20% of capital stock.

n. ***Financial Instruments*** - Financial assets and liabilities are recognized when the Company becomes part of the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and liabilities designated at fair value with changes in results) are added or deducted from the fair value of financial assets or liabilities, if applicable, at the time of initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities designated at fair value with changes is results are immediately recognized in profit or loss.

The financial assets kept by the Company correspond to cash and cash equivalents, restricted cash, accounts and loans receivable, and held-to-maturity investments, and the financial assets per concession agreement. The classification depends on the nature and purpose of the financial assets, and it is determined now of initial recognition. Regular purchases or sales are those purchases or sales of financial assets that require delivery of assets within the timeframe established by a regulation or agreement in the market’s financial assets.

The effective interest rate is a method calculating the amortized cost of a financial instrument and of allocating the interest revenue or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including commission, basic interest points paid or received, transaction costs, and other premiums or discounts that are included in the effective interest rate calculation) through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount in the initial recognition.

Accounts, loans receivable, and financial assets per concession agreement are measured at amortized cost using the current interest method less any impairment. Interest income is recognized when applying the effective interest rate, except the short-term accounts receivable when the effect of not discounting is not material.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to retain the control of the transferred asset, the Company continues to recognize the financial asset and recognizes a collateral loan for the funds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the amount of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the amount of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized based on the relative fair values of those parts.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

o. ***Derivative Financial Instruments -*** As of December 31, 2019 and 2018, the Company had not entered into any agreement that involves derivative financial instruments, such as futures, options, and financial swaps.

p. ***Provisions*** - A provision is recognized when the Company has a current (legal or implicit) obligation as a result of a past event, and it is likely that it will have to use funds of its own to pay off the obligation, and a reliable estimate of the amount can be made.

The amount recognized as provision should be the best estimate of the amount that will be needed to pay off the current obligation at the end of the reporting period, taking into account the corresponding risks and uncertainties. When a provision is measured using the estimated cash flow to pay off the current obligation, its carrying amount represents the current value of such cash flow (when the effect of the value of money throughout time is material).

When the recovery of some or all of the economic benefits required to pay off the provision are expected, an account receivable is recognized as an asset if it is highly likely that the disbursement will be received, and the amount of the account receivable can be reliably measured.

q. ***Operation and Maintenance Income*** - Income that represents the operation and maintenance costs incurred by the Issuer, plus a 10% markup.

r. ***Leases*** - Annually, the Company assesses whether a contract contains a lease at its origin. The Company recognizes a right-of-use asset and a corresponding lease liability for all leases in which it is the lessee, except for short-term (12 months or less) and low-value asset leases. For these leases, the Company recognizes rental payments as an operating expense on a straight-line basis over the term of the lease unless another method is more representative of the pattern of time over which the economic benefits derived from the consumption of the leased assets.

The lease liability is initially measured at the present value of the rental payments not paid at the initial date, discounted by the rate implicit in the agreement. If this rate cannot be readily determined, the Company uses incremental rates.

The rental payments included in the measurement of the lease liability consist of:

- Fixed rental payments (including fixed payments in essence), less any incentive for rent received,

- Variable rental payments that depend on an index or rate, initially measured using the index or rate on the initial date,

- The amount expected to be paid by the lessee under residual value guarantees,

- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

- Penalty payments resulting from the termination of the lease, if the lease period reflects the exercise of a lease termination option.

The lease liability is presented as a separate line item in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to show the interest earned on the lease liability (using the effective interest method) and reducing the carrying amount to show the rental payments made.

The Company reassesses the lease liability (and makes a corresponding adjustment to the related asset from the right of use) if:

- The term of the lease is modified or there is a significant event or change in the circumstances of the lease resulting in a change in the assessment of the exercise of the purchase option, in which case the lease liability is measured by discounting the discounted rental payments using an updated discount rate.

- Rental payments are modified as a result of index or rate changes or a change in the expected payment under a guaranteed residual value, in which case the lease liability is revalued by discounting the discounted rental payments using the same discount rate (unless the change in rental payments is due to a change in a variable interest rate, in which case an updated discount rate is used).

- A lease is amended and the lease amendment is not accounted for as a separate lease, in which case the lease liability is revalued based on the lease term of the amended lease, discounting the updated rental payments using a discount rate updated at the effective date of the amendment.

The Company did not make any of the above-mentioned adjustments in the periods presented, but applied the cumulative effect as of January 1, 2019.

Rights-of-use assets consist of the initial measurement of the related lease liability, rental payments made on or before the initial date, less any incentive lease received and any direct initial costs. Subsequent valuation is the cost less accumulated depreciation and impairment losses.

If the Company incurs an obligation arising from the costs of dismantling and removing a leased asset, restoring the linkage in which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease, a provision measured in accordance with IAS 37 must be recognized. To the extent that costs are related to an asset from the right of use, the costs are included in the related rights-of-use asset, unless such costs are incurred to generate inventories.

The assets from the right of use are depreciated over the shorter of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset shows that the Company plans to exercise a purchase option, the right-of-use asset will be depreciated over its useful life. Depreciation begins on the initial date of the lease.

Rights-of-use assets are presented as a separate line item in the statement of financial position.

The Company applies IAS 36 to determine whether a right-to-use asset is impaired and accounts for any impairment loss identified as described in policy 1f.

s. ***Adoption of New and Revised International Financial Reporting Standards***

- ***Adoption of New and Revised International Financial Reporting Standards (IFRS) that are mandatory for the current year***

  In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the accounting periods that begin on or after January 1, 2019.

  New and Revised IFRS Effective for the Reporting Periods Starting on or after January 1, 2019

  The Company implemented IFRS 16 (issued by the IASB in January 2016), which establishes new or modified requirements regarding lease accounting. It introduces significant changes to the lessee's accounting, eliminating the distinction between an operating and a financial lease and requiring the recognition of a right-of-use asset and a lease liability on the starting date of all leases, except those considered to be short term or low value assets. In contrast to the lessee's accounting, the requirements for the lessor remain significantly unchanged. The details for the new requirements are described in the note. The initial impact of the adoption of IFRS 16 on the Company's financial statements is described below.

  The initial adoption date of IFRS 16 for the Company was January 1, 2019.

  The Company has applied IFRS 16 using the modified retrospective approach, (without reformulating the comparative information).

(a) Impact of the New Definition of Lease

The Company has determined to apply the practical solution available for the transition to IFRS 16, in order not to reassess whether a contract is or contains a lease. Therefore, the definition of lease under IAS 17 and IFRIC 4 continues to apply to contracts entered into or amended before January 1, 2019.

The changes mainly relate to the concept of control used within the definition. IFRS 16 determines if a contract contains a lease on the basis of whether or not the customer has the right to control the use of an identified asset for a period of time in exchange for a consideration. This contrasts with the “risk and benefit” approach of IAS 17 and IFRIC 4.

The Company applies the definition of a lease and related guidance established in IFRS 16 to all contracts entered into or amended on or after January 1, 2019. For the initial adoption of IFRS 16, the Company carried out an implementation project, which disclosed that the new lease definition under IFRS 16 does not significantly change the scope of the contracts that meet the lease definition for the Company.

(b) Impact of Accounting as Lessee

(i) Previous Operating Leases

IFRS 16 changes the way in which the Company accounts for leases previously classified as operating leases under IAS 17, which were kept off the statement of financial position.
When applying IFRS 16, for all leases (except those mentioned below the Company:

(a) Recognizes the right-of-use assets and the lease liabilities in the statement of financial position, initially measured at present value of the series of future lease payments.

(b) Recognizes the depreciation of right-of-use assets and the interest generated by lease liabilities in the income statement.

(c) Separates the total amount of cash paid to capital (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (for example, rent-free periods) are recognized in the initial measurement as part of the right-of-use asset and lease liabilities, while under IAS 17 they would generate the recognition of a lease incentive, amortized as a reduction of lease expenses, generally under the straight-line method.

Under IFRS 16, right-of-use assets are tested for impairment according to IAS 36.

For short-term leases (with a term of 12 months or less) and low-value assets (such as computers, small office furniture and telephones), has chosen to recognize a lease expense under the straight-line method, as allowed by IFRS 16. This expense is presented in “other expenses” in the income statement.

(ii) Previous Financial Leases

The main differences between IFRS 16 and IAS 17 regarding contracts classified as financial leases is the treatment of the residual value guarantees provided by a lessee to the lessor. This is because IFRS 16 requires that the Company recognizes only amounts expected to be payable under residual value guarantees, rather than the maximum amount guaranteed as required by IAS 17. This change did not generate any material impact on the Company's financial statements.

(c) Impact on the Accounting as a Lessor

IFRS 16 does not substantially change how a lessor accounts for leases. Under IFRS 16, a lessor will continue to classify leases as either finance leases or operating leases, and accounting for those two types of leases is made differently.

IFRS 16 does not substantially change how a lessor accounts for leases. Under IFRS 16, a lessor will continue to classify leases as either finance leases or operating leases, and accounting for those two types of leases is made differently.

Under IFRS 16, an, intermediate lessor must account for the head lease and the sublease as two separate lease contracts. The intermediate lessor must classify the sublease as financial lease or as an operating lease in reference to the right-of-use asset resulting from the head lease (and not in reference to the underlying asset, as it was under IAS 17).

As a result of this change, the Company has reclassified some sublease contracts as financial leases. Such as it is required by IFRS 9, an allowance for doubtful accounts is required for financial leases receivable.

(d) Initial Financial Impact for Adoption of IFRS 16

The tables below (expressed in US dollars), show the adjustment amounts for each item of the financial statements affected by the adoption of IFRS 16 for the current and previous years.

Impact in the income statement	**2019**	**2018**
Impact in the results of the year:		
Increase in depreciation of right-of-use asset (1)	90,017	-
Increase in financial expenses (1)	15,578	-
Increase) in the results of the year	105,595	-

Impact on assets, liabilities, and stockholders' equity as of January 1, 2019	**Previously Reported**	**Adjustment IFRS 16**	**Restated**
Right-of-use asset (1)	-	154,906	154,906
Net impact on total asset	-	154,906	154,906
Lease liabilities (1)	-	154,906	154,906
Net impact on total liabilities	-	154,906	154,906

Impact on assets, liabilities, and stockholders' equity as of December 31, 2019	**Previously Reported**	**Adjustment IFRS 16**	**Restated**
Right-of-use asset (1)		313,448	313,448
Accumulated depreciation from right-of-use asset		(90,017)	(90,217)
Net impact on total assets		223,431	223,431
Lease liabilities (1)		313,448	313,448
Amortization of lease liabilities		(83,119)	(83,119)
Net impact on total liabilities		230,239	230,329

(1) The adoption of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of right-of-use assets and lease liabilities at the beginning of the period for US$154,906, and at the closing of the period for US$223,431 and US$230,239, respectively. It also resulted in an increase in depreciation for US$90,017 and an increase in the financial expenses for US$15,578.

The adoption of IFRS 16 has an impact on the Company's statement of cash flows. Under IFRS 16, the lessees must present:

- Cash paid for the interest of the lease liability either as operating activities or financing activities, as allowed by IAS 7 (the Company has decided to include the interest paid as part of the operating activities) and

- Cash payments for the capital portion of the lease liability, as part of the financing activities.

Impact of the Adoption of Other Amendments to the International Financial Reporting Standards and Interpretations That Are Effective for Periods Beginning on or after January 1, 2019

In the course of the year, the Company has adopted a series of amendments to the International Financial Reporting Standards and Interpretations issued by the International Accounting Standard Board (IASB), and its adoption has not had any material impact on the disclosures or on the amounts reported on these financial statements.

Amendments to IFRS 9
Prepayment features with negative compensation

The Company adopted the amendments to IFRS 9 for the first time in the current period. The amendments to IFRS 9 clarify that, for the purpose of assessing whether a prepayment meets the condition of 'Solely Payments of Principal and Interest (SPPI), the party exercising the option may pay or receive reasonable compensation for prepayment regardless of the reason for prepayment. In other words, financial assets with prepayment features with negative compensations do not necessarily fail the SPPI test.

Amendments to IAS 28
Long-term Interests in Associates and Joint Ventures

The Company adopted the amendments to IAS 28 for the first time in the current period. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applicable.

This includes long-term interests that, in substance, form part of the net investments in the associate or joint venture. The Company applies IFRS 9 to such long-term interests to which IAS 28 previously applied. When applying IFRS 9, the Company does not take into account any adjustments to the carrying amount of long-term interests required by the IAS 28 (for example, adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or the impairment assessment in accordance with IAS 28).

Annual Improvements to *IFRS - 2015-2017 Cycle Amendments to la IAS 12 Income Tax, IAS 23 Borrowing Costs, IFRS 3 Business Combinations and IFRS 11 Joint Arrangements*

The Company has adopted for the first time in the current period the amendments included in the Annual Improvements to the IFRS for the 2015-2017 Cycle. Annual improvements include amendments to four standards.

IAS 12 *Income Tax*
The amendments to IAS 12 clarify that all income tax consequences of dividends should be recognized in profit or loss, comprehensive income, or in equity based on how the transactions that generated distributed earnings were originally recognized. This applies regardless of whether different tax rates apply to distributed and undistributed profits.

IAS 23 *Borrowing Costs*
The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

IFRS 3 *Business Combinations*
The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the requirements for a business combination in stages apply, included the revaluation of previously held interest (PHI) in the joint operation at fair value. Previously held interest subject to remeasurement includes not-recognized assets, liabilities, and goodwill related to the joint operation.

IFRS 11 *Joint Arrangements*
The amendments clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

Amendments to IAS 19 *Plan Amendment, Curtailment Settlement*

Las amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognized in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. An entity will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19.99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

IFRIC 23 *Uncertainty over Income Tax Treatments*

IFRIC 23 addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments. It specifically considers:

- Whether an entity considers uncertain tax treatments separately and
- Assess whether the tax authority is likely to accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax returns:
    - If yes, the accounting tax position must be determined in a manner consistent with the tax treatment used in income tax returns.
    - If no, the effect of the uncertainty on the determination of the accounting tax position should be reflected using the most probable amount or the expected value method.

New and Revised IFRS That Are Not yet Effective

As of the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS that have been issued but are not in effect yet:

IFRS 17	*Insurance Contracts*
IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investo and its Associate or Joint Venture*
Amendments to IFRS 3	*Definition of a Business*
Amendments to IAS 1 and IAS 8	*Definition of Materiality*
Conceptual Framework	*Conceptual Framework of IFRS*

Management does not expect that the adoption of the aforementioned standards will have an important impact on the Company`s financial statements in future periods, except as indicated below:

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and replaces IFRS 4 *Insurance contracts*.

IFRS 17 describes a general model that is modified for the insurance contracts that have direct participation feature, which is described as variable rate approach. The general model is simplified if certain criteria are met when measuring the responsibility of the remaining coverage regarding the method of allocation of the premiums.

The general model will use the current assumptions to estimate the amount, time, and uncertainty of future cash flows and will explicitly measure the cost of that uncertainty, taking into account the market interest rates and the impact of the options and guarantees of the insured.

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early adoption permitted. It is applied retrospectively unless unfeasible, in which case the modified retrospective approach or the fair value approach is applied. A draft of the changes to IFRS 17 addresses the concerns and difficulties of implementation that were identified after the publication of IFRS 17. One of the main proposed changes is the postponement of the date of initial adoption of IFRS 17 for one year, to the reporting periods that begin on or after January 1, 2022.

According to transition requirements, the initial adoption date is the beginning if the annual report period in which the Company applies the standard for the first time and the transition date is the beginning of the period immediately before to the date of the initial adoption.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IFRS 10 and IAS 28 clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture. Specifically, the amendments establish that the gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the profit or loss of the parent only to the extent of the interest of the non-related investors in such associate or joint venture. Similarly, profits and losses resulting from the remeasurement of the investments withheld in any former subsidiary (which has become an associate or a joint venture that is accounted for using the equity method) at fair value are recognized in the profit or loss of the previous controller, only to the extent of the interest of the non-related investors in the new associate or joint venture.

The date the amendments enter into force has not been set by IASB; however, early adoption is allowed. The Company's management anticipates that the adoption of these amendments could have an impact on the Company's financial statements in future periods in case that such transaction arise.

Amendments to IFRS 3 Definition of a Business

The amendments clarify that while businesses usually have outputs, outputs are not required for an acquired set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantial process that together contribute significantly to the ability to generate outputs.

Additional guidance is introduced that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. It is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020, with earlier adoption permitted.

Amendments to IAS 1 e IAS 8 Definition of Materiality

The amendments intend to simplify the definition of materiality contained in IAS 1, making it easier to understand, and are not intended to alter the underlying concept of materiality in the IFRS. The concept of obscuring material information with non-material information has been included in the new definition.

The limit for influential materiality for users has been changed from “could influence” to “could reasonably be expected to influence”.

The definition of materiality in IAS 8 has been replaced by a reference to the definition of materiality in IAS 1. In addition, IASB amended other standards and the Conceptual Framework that included a definition of materiality or reference to the term “materiality” to ensure consistency.

The amendment will be prospectively applied for reporting periods that start on or after January 1, 2020, and early adoption is permitted.

Conceptual Framework in IFRS

Along with the revised Conceptual Framework, which became effective on its publication on March 29, 2018, IASB also issued Amendments to References to the Conceptual Framework in IFRS. The document contains amendments for IFRS 2, 3, 6, 14, IAS 1, 8, 34, 37, 38, IFRIC 12, 19, 20, 22, and SIC 32.

However, not all amendments update the pronouncements regarding references to the conceptual framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version they refer to (the IASC Framework adopted by the IASB in 2001, the 2010 IASB Framework, or the revised Framework of 2018) or to indicate that the definitions in the Standard have not been updated with new definitions developed in the revised Conceptual Framework.

The amendments, which are actually updates, are effective for the years starting on or after January 1, 2020, with early adoption allowed. The Company does not consider it necessary to adopt any of these standards earlier.

2. CASH AND CASH EQUIVALENTS

As of December 31, 2019 and 2018, cash and cash equivalents were broken down as follows:

	2019	2018
Cash on hands and due from banks	8,590,909	10,124,814
Cash equivalents	26,226	174,478
Total	**8,617,135**	**10,299,292**

As of December 31, 2019, the amount of cash and due from banks includes an impairment amount of US$48,595 due to the adoption of IFRS 9.

3. RESTRICTED CASH

As of December 31, 2019 and 2018, restricted cash corresponds to cash held in checking accounts at Scotiabank de Costa Rica S.A., to meet specific destinations as follows:

	2019	2018
Allowance for long-term debt	1,018,316	6,135,071
Allowance for maintenance	8,339,646	7,253,306
Total	**9,357,962**	**13,388,377**

The account denominated "Allowance for short-term debt" is related to the "*Fideicomiso Irrevocable de Guarantee y Administración de Cuentas del Proyecto de Concesión San José - Caldera*" (Irrevocable Account Management and Guarantee Trust Agreement of the San José-Caldera Concession Project Accounts). The objective of this is to reserve the amounts to be paid on the following contractual maturity date, including principal and interest, in order to comply with the Loan Agreement (Note 18). Such reserve is subdivided into:

	2019	2018
Debt Service Reserve Account US Bonds*	731,101	4,409,571
Debt Service Reserve Account CR Bonds	287,215	1,725,500
Total	**1,018,316**	**6,135,071**

*Moreover, as of December 31, 2019, guarantees for US$18,200,000 (US$12,500,000 as of December 31, 2018), were included and endorsed by Globalvia Inversiones, S.A. in accordance with the trust agreement.

The cash to cover the maintenance reserve will be used exclusively to fund the Operation and Maintenance Account in Dollars and the Operation and Maintenance Account in Colones, in case of possible situations of insufficiency in these accounts.

4. ACCOUNTS RECEIVABLE

Accounts receivable mainly include accrued and uncollected interest on cash held in the Company's bank accounts (Note 2 and 3), besides exemptions from fuels and asphalts and sales taxes to be recovered and balances receivable from the National Concession Board. These accounts do not have a history of credit losses and therefore do not include impairment items.

5. PREPAID EXPENSES

The detail of the prepaid expenses is the following:

	2019	2018
Construction companies for repairs	171,797	316,380
Insurance	364,678	587,546
Others	163,252	198,888
Total	**699,727**	**1,102,814**

6. VEHICLES, FURNITURE, AND EQUIPMENT - NET

The detail of vehicles, furniture, and equipment is the following:

	2019	2018
Cost:		
Vehicles	1,420,620	1,357,274
Office furniture and equipment	1,089,560	1,017,263
Computer equipment	1,095,497	966,712
Sub-total	**3,605,677**	**3,341,249**
Depreciation:		
Vehicle depreciation	(1,112,565)	(1,028,859)
Depreciation of office furniture and equipment	(619,540)	(520,414)
Depreciation of computer equipment	(679,265)	(510,841)
Sub-total	(2,411,370)	(2,060,114)
Net	**1,194,307**	**1,281,135**

	2019	2018
Initial balance	**1,281,135**	**1,626,821**
Additions	341,834	120,261
Disposals – cost	(77,405)	(111,935)
Disposal – accumulated depreciation	39,140	64,606
Depreciation expense	(390,397)	(418,618)
Final balance	**1,194,307**	**1,281,135**

7. ASSETS FROM RIGHT OF USE

The assets from right of use are detailed as follows:

Cost	Vehicles- Right of Use
Balance as of December 31, 2018	-
Initial recognition under IFRS 16	154,906
Balance as of January 1, 2019	154,906
Additions	158,542
Derecognition	-
Balance as of December 31, 2019	313,448
Accumulated Depreciation	
Balance as of December 31, 2018	-
Depreciation of the period	(90,017)
Derecognition	-
Balance as of December 31, 2019	(90,017)
Carrying amount	
Balance as of December 31, 2018	-
Balance as of January 1, 2019	**154,906**
Balance as of December 31, 2019	**223,43**1

The Company leases vehicles only, the right-of-use assets are amortized on a straight-line basis over the term of the lease, which is 3 years for 2019. The Company's obligations are secured by the lessor's title to the assets leased under such leases.

Amounts recognized in the income statement	**Note**	**2019**	**2018**
Expense from the depreciation of the assets from the right of use		90,017	
Financial expense caused by the obligations under a financial lease		15,578	
Expenses from short-term leases and small amounts	12	253,562	

8. FINANCIAL ASSET - CONCESSION AGREEMENT

The detail of the financial asset account balance is the following:

	2019	**2018**
Initial balance	**375,044,516**	**370,103,573**
Adoption of IFRS 9, (Note 1f)		(1,189,902)
Increases resulting from construction and operation of the highway	22,605,643	21,931,093
Increase from financial income	60,393,548	58,962,756
Charges through toll collection and Complementary Agreement 1	(76,977,227)	(72,290,048)
Adjustment from impairment of the period (Note 1f)	808,831	(2,472,956)
Total	**381,875,311**	**375,044,516**
Less: Current portion of financial asset	(80,275,678)	(78,701,645)
Total	**301,599,633**	**296,342,871**

9. ACCOUNTS PAYABLE

Accounts payable for 2019 and 2018, include construction suppliers, service suppliers (security and toll agents) and others.

In addition, as of December 31, 2019 and 2018, there is a balance of US$1,812,155 and US$1,884,093, respectively, related to the withholding tax on remittances abroad according to Law No.7092 for December due to the payment of interest of the international bonds (Note 18). This withholding tax has been paid on January 2019 and January 2018, respectively.

10. ACCUMULATED EXPENSES

As of December 31, 2019 and 2018, the accumulated expenses are detailed as follows:

	Note	2019	2018
Employees' legal benefits		404,331	353,110
Provision for vacations		45,325	61,967
Provision for duty payable to National Concession Board	16h	775,467	734,392
Provisions for suppliers (not billed)		409,675	778,290
Others		13,180	12,573
Total		**1,647,978**	**1,940,332**

11. INCOME TAX

Review by Tax Authorities **-** Income tax returns for the last three fiscal years are open for review by the tax authorities. Consequently, discrepancies may arise from the adoption of concepts by the tax authorities that differ from those applied by the Company. The Company's management considers that is has properly applied and interpreted the tax regulations. The tax rate in Costa Rica corresponds to 30% in 2019 and 2018.

Income Tax Calculation - For the periods 2019 and 2018, income tax was calculated on the accounting profit using the current tax rate, deducting non-taxable income, and adding the non-deductible expenses:

	2019	2018
Profit before income tax	39,046,521	33,943,760
Difference between IFRIC result and tax result	(17,440,493)	(16,518,474)
Adjustments to the tax basis	17,265,453	(8,104,774)
Profit before tax, adjusted	38,871,480	9,320,512
Tax rate	30%	30%
Current income tax	**11,661,444**	**2,796,154**

	Note	2019	2018
Deferred income tax		5,232,148	4,955,542
Current income tax of the period		11,661,444	2,796,154
Current income tax – audit in 2011	27n	754,178	-
Income tax		**17,647,770**	**7,751,696**

The adjustments to the tax base correspond to non-deductible or non-taxable items, such as fines, donations, financial income, expense provisions, and exchange rate differences that are adjusted according to the Regulations to the Income Tax Law.

In connection with the income tax advance payments in fiscal year 2019, payments were made in the amount of US$3,955,204 (year 2018 - US$0), and the available amount of income tax advance payments was US$5,604,609 (year 2018 - US$4,445,559). Therefore, the amount recognized in the statement of financial position as income tax payable or income tax advance payment is as follows:

	Note	2019	2018
Current income tax		11,661,444	2,796,154
Taxes and interest – tax audit in 2011	27n	1,407,463	
Available income tax advance payments		(5,604,609)	(4,445,559)
Income tax payable (positive balance)		**7,464,298**	(**1,649,405)**

Deferred Income Tax - Deferred income tax liability originates from the financial asset related to the public works concession agreement. The deferred income tax asset arises from the effect of the adjustment for expected losses (adoption of IFRS 9) and financial leases (adoption of IFRS 16).

	December 31, 2019		
	2018	**Movement Effect in Results**	**2019**
Effect of adoption IFRIC 12	(55,518,989)	(5,006,145)	(60,525,134)
Effect of adoption IFRS 9 – Asset impairment	356,970	(228,073)	128,897
Effect of adoption IFRS 16 – financial leases	-	2,070	2,070
Total	**(55,162,019)**	**(5,232,148)**	**(60,394,167)**

	December 31, 2018		
	2017	**Movement Effect in Results**	**2018**
Effect of adoption IFRIC 12	(50,563,447)	(4,955,542)	(55,518,989)
Effect of adoption IFRS 9	-	356,970	356,970
Total	**(50,563,447)**	**(4,598,572)**	**(55,162,019)**

Transfer Pricing - On December 3, 2018, Law No. 9635-Law on Strengthening of Public Finance was decreed, adding Article 81 bis to the Law No. 7092-Income Tax Law, which indicates that companies that enter into transactions with related parties must do so in accordance with the arms´ length principle. A transitional provision stated that for the adoption of article 81 bis, until a new regulation on transfer pricing is prepared, taxpayers must self-assess their tax obligations and comply with the other obligations set forth in Executive Order No. 37898-H. As of the date of issue of this report, the Tax Authorities have not made any new statements on the matter.

As of the date of issue of this report, Management has made its internal assessment of the transactions with related parties and adjusted its tax financial statements to the market values deemed appropriate by the Tax Authorities to comply with this requirement.

12. OPERATING EXPENSES

The detail of operating expenses is the following:

	Notes	2019	2018
Salaries		2,423,364	2,481,953
Social contributions		532,183	556,020
General office expense		927,067	943,495
Rentals	7	253,562	298,121
Depreciation	6, 7	480,414	418,618
Amortization		58,518	62,356
Professional fees		5,161,964	4,547,098
All-risk insurance		1,510,485	1,573,745
Operation and maintenance		4,789,340	3,858,617
% duty and other fees	16h	1,289,721	1,246,935
Bank fees		517,169	553,002
Other taxes		350,584	543,275
Other operating expenses		261,624	358,725
Total		**18,555,995**	**17,441,960**

Duties (fees) also include 1% of the toll income of the period corresponding to the amount earned for adopting the Guaranteed Minimum Income plan with the National Concession Board, according to the Concession Agreement (Note 16).

13. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances with related parties are detailed as follows:

	2019	2018
Short-term accounts receivable:		
Infraestructura SDC Costa Rica, S.A.	-	970
SyV Concesiones, S.A.	-	413
M&S Desarrollo Internacional, S.A.	-	991
Promotora de Infraestructura, S.A.	5,033	628
Total	**5,033**	**3,002**
Long-term loans receivable:		
Infraestructura SDC Costa Rica, S.A.	-	16,676,307
M&S Desarrollo Internacional, S.A.	-	12,752,472
SyV Concesiones, S.A.	-	34,333,578
Promotora de Infraestructura, S.A.	97,030,291	34,333,578
Total	**97,030,291**	**98,095,935**
Interest Receivable:		
Infraestructura SDC Costa Rica, S.A.	-	285,350
M&S Desarrollo Internacional, S.A.	-	218,209
SyV Concesiones, S.A.	-	587,486
Promotora de Infraestructura, S.A.	1,660,295	587,486
Total	**1,660,295**	**1,678,531**
Total long-term loans and interest receivable	**98,690,586**	**99,774,466**
Accounts payable:		
Globalvía Inversiones, S.A.	2,229,276	1,838,398
Globalvía Infraestructuras Chile, S.A.	121,929	115,379
Total	**2,351,205**	**1,953,777**

Accounts receivable and payable in the short-term do not have guarantees, do not earn interest, and do not have a previously agreed maturity date. These originate from business transactions as well as from intercompany loans.

Long-term accounts receivable correspond to a loan granted to stockholders with fixed interest rate of 4% per annum. The maximum maturity is the date of the end of the concession. On December 4, 2019, as a result of the merger of the stockholding companies into a single company (see note 1), the loans were merged into a single loan with the same conditions.

Transactions with related parties for the years ended December 31, 2019 and 2018:

	2019	**2018**
Miscellaneous fees (includes surety bonds and guarantees):		
Globalvía Inversiones, S.A.	587,909	287,283
Globalvía Infraestructuras Chile, S.A.	12,696	17,411
Total	**600,605**	**304,694**
Financial Income:		
Infraestructura SDC Costa Rica, S.A.	555,773	700,748
SyV Concesiones, S.A.	1,144,238	1,442,717
M&S Desarrollo Internacional, S.A.	425,002	535,867
Promotora de Infraestructura, S.A.	1,791,107	1,442,717
Total	**3,916,120**	**4,122,049**

Fees correspond to services provided by the Parent Company necessary for the development of the project, among these, services in the areas of construction, traffic, information systems, sureties, and legal services. In addition, management services fees correspond to fees earned by the Deputy Chief Executive Officer and the Financial Chief Officer, who are expatriate employees from the Company's stockholders (the amount earned by these directors is approved by the Company's Board of Directors, and the amounts paid are periodically billed to the Company by the respective employers of these persons).

The financial income corresponds to the interest accrued by the loan granted by related parties until December 4, 2019, when the stockholding companies merged, the income corresponded to each of the stockholders; after that date, all income is recognized for the sole stockholder Promotora de Infraestructura, S.A.

14. OTHER INCOME

The other income for 2019 and 2018 corresponds to the recovery of concepts that were previously recorded as repair and maintenance expenses for damages caused by the users, in addition to the sale of scrap and other income for the right of use of the highway for some cable companies.

In 2019 and 2018, the Company collected US$1,171,000 and US$598,184, respectively, for the recovery of withholdings abroad related to the previous financing as well as insurance indemnities amounting to US$336,218 and US$966,063, respectively, for events of previous years.

15. CAPITAL STOCK AND ADDITIONAL CAPITAL CONTRIBUTIONS

a. ***Capital Stock -*** As of December 31, 2019 and 2018, capital stock amounts toUS$2,500,000 represented by 2,500,000 nominative common shares of US$1 each. In 2017, the totality of the shares was endorsed to guarantee the local and international bonds (Note 18).

The shares are part of a Trust entered into with Scotiabank de Costa Rica, S.A. (Note 20).

b. ***Additional Capital Contributions*** - As of December 31, 2019 and 2018, no additional capital contributions were made by the stockholders; thus, the amount remained in US$58,000,000 for each of those years.

c. ***Legal Reserve***- As of December 31, 2019 and 2018, the Company reaches 20% of the legal reserve established by Costa Rican laws. Such reserve is accounted for in the moment in which the financial statements have been approved by the Stockholders' Meeting.

d. ***Dividends*** - In 2019 and 2018, dividends by US$23,000,000 and US$43,700,000 were paid, respectively.

16. WORKS WITH PUBLIC SERVICE CONCESSION AGREEMENT FOR THE SAN JOSÉ - CALDERA HIGHWAY

The concession agreement consists of providing services of design, planning, financing, construction, renovation, extension, lighting, signposting, repair, maintenance, and conservation services for Route 27, which has a total length of 76.8 kilometers, starting in the west area of the city of San José and ending at the Port of Caldera in the province of Puntarenas.

On October 4, 2007, the Government of Costa Rica, acting through the National Concession Board ("the Granting Authority") and Autopistas del Sol, S.A. ("the Concessionaire") signed Addendum No.5 to the Concession agreement with Public Services Concession Agreement for the San José - Caldera Highway Project. This Addendum modifies some clauses of the original concession agreement and was endorsed by the Office of the Comptroller General of the Republic on November 19, 2007. The following is a detail of the main clauses of the Concession Agreement after incorporating the modifications agreed on through Addendum No.5:

a. The estimated value of the investment up to the moment when all sections of the highway are in full operation was estimated approximately in three hundred thirty-one million dollars, legal tender of the United States of America (US$331,000,000).

b. The term of the concession is of twenty-five years and six months, commencing on January 8, 2008, date of the Works Start Order. However, if the Concessionaire reaches the present value of income offered through toll collection before the expiration of the above mentioned term, the concession will terminate in the month in which such circumstance occurs.

c. The maximum term for the construction of works is 30 months.

d. The Concessionaire, prior to receiving the provisional order for start of operations shall submit its proposal of minimum income guaranteed by the State for years 1 through 18 of the highway operation, which may be equal or less than the maximum offered by the Granting Authority in the Bid Tender and in the Agreement. During each individual year of the concession exploitation, the Concessionaire has the option whether to take or not such Minimum Income Guarantee, and if the Concessionaire decides to take it, the Company shall pay an amount that will be determined based on a mathematical formula established in the Concession Agreement. Given that the final opening of the highway took place within fiscal year 2015, the company adopted such guarantee effectively.

e. The concessionaire is authorized to charge a toll fee as they finish the construction of works, and the Granting Authority issues the respective authorization.

f. Toll fees may be adjusted due to variations in the economic environment although they may not be related to the operation of the highway such as the devaluation of the colón with respect to the dollar, external inflation, and factors related to the operation, maintenance, and execution of new investments on the highway in order to readjust the financial balance of the agreement.

g. The concessionaire will not have, at any moment, actual ownership rights over the public domain works and assets that are the objective of this Concession. All equipment, systems, and other assets and rights used in the Concession will be transferred to the corresponding State institutions and bodies upon expiration of the Concession, whatever its cause, in good state and operating conditions, free and clear of any encumbrances, liens, or obligations and free of cost for the Granting Authority.

h. The Concessionaire will annually pay to the Granting Authority, as reimbursement for inspection and agreement control expenses, a one percent (1%) over the company's gross income generated in colones by the concession granted during the previous calendar year. When submitting its annual report on audited financial statements, the Concessionaire will also turn in a certification of audited gross income, which will be used as basis for the calculation of the payment.

i. The Granting Authority authorized the Concessionaire to constitute a Guarantee Trust for one hundred percent of the ownership of the shares that form the capital stock of the Concessionaire Corporation so that they could be transferred in trust property as part of the securities granted to the Central American Bank for Economic Integration (CABEI) and Bankia SAU in order to obtain financing for the Project.

j. The Granting Authority is entitled to receive from the Concessionaire an income co-participation for toll per the co-participation table defined in the bid.

Obligations of the Granting Authority -

a. The Granting Authority recognizes all tax benefits contained in Article No.44 of the Concession agreement with Public Services Concession General Act. The Concessionaire is exempt from the following taxes: import tariff duties, 1% tax under Law No.6946, selective consumption tax, sales tax, single tax on fuels, and any other tax for local purchases as well as for the import of assets required to build the concession works or provide the services.

b. The Granting Authority will proceed to pay the debt incurred with the Concessionaire Corporation, corresponding to tax liquidation either by the corporation or by subcontractors, within 30 days of the submission of the respective tax liquidation proof to the Granting Authority.

c. In order to ensure that the payment of the above mentioned tax liquidation is made within the established time limit, the National Treasury of the Ministry of Finance will issue an annual liquidity bond for an amount of US$6 million, exclusively to guarantee the payment of taxes, financial costs and administrative costs to be reimbursed in relation to the single tax on fuels in case the required resources were not budgeted and paid on the established date. This bond shall be renewed annually for the same amount and shall be effective for the entire term of the Concession. However, for the exploitation period, the amount of this bond will be reduced up to a minimum value of US$1 million.

d. As a result of the adoption of the methodology for the extraordinary updating of the civil works and equipment costs included in the bid, due to delays during the project development, which prevented the start of the works within the planned terms, a cost overrun for the works have been determined. Therefore, the parties submitted to an arbitration process, which has been approved.

17. COMPLEMENTARY AGREEMENT No.1 TO THE CONCESSION AGREEMENT WITH PUBLIC SERVICE CONCESSION AGREEMENT FOR THE SAN JOSÉ - CALDERA HIGHWAY

On July 1, 2008, the Government of Costa Rica, acting through the National Concession Board ("the Granting Authority") and Autopistas del Sol, S.A. ("the Concessionaire") signed the Complementary Agreement No.1 to the Concession agreement with Public Services Concession Agreement for the San José - Caldera Highway Project through Special Meeting No.07-2008.

This complementary agreement incorporates additional investments. Some of these investments were included in the Concession Agreement, but they had not been assigned a value, and other were not considered in the referential project of the invitation to bid such as, among others, repair of pavement slabs, construction of alternate routes, improvement of the traffic management plan, building walls to avoid expropriations, expansions (Circunvalación-Guachipelín), and the construction and renovation of structures. The following is a detail of the main clauses of Complementary Agreement No.1:

a. The estimated value of the new investments incorporated was approximately of thirty-five million, nine hundred thirty-five thousand, and seven hundred forty-one dollars (US$35,935,741), legal tender of the United States of America. As of December 31, 2019 and 2018, the Company maintains the amount received of US$34,000,743, becoming the final amount of the new investments.

b. The original term established in this agreement for the conclusion of the new works was of 12 months. However, they were finished approximately in January 2010. As of December 31, 2019 and 2018, the Company had not closed this agreement because the certification of completion of works, which is a requirement to consider works finished and delivered, had not been issued. As of the date of the financial statements, a settlement has not been signed.

c. The Concessionaire must deliver to the Granting Authority a construction guarantee equivalent to 5% of the value of the new investments included in this complementary agreement - excluding from such guarantee the cost of closing works, transport, collection, wood custody, traffic management plan, and detail design - for a total amount of US$1,518,000. This guarantee was provided by the Company's stockholders.

d. Costs related to the Complementary Agreement No.1 will be included in a monthly estimation report as works progress. This report will be submitted by the Concessionaire to the Project Manager designated by the Granting Authority within the first 15 business days of each month.

Obligations of the Granting Authority-

a. The Granting Authority will have 15 calendar days to issue the approval of or the observations regarding the monthly estimation report. The Granting Authority will have 30 calendar days after the approval of such report to pay the respective amounts to the Concessionaire.

b. As of the date of the last monthly estimation, the Granting Authority will pay the Concessionaire annually, within the first 5 days of the month of January, compensation for insurance and guarantees in effect during the exploitation phase, as well as for operating and maintenance costs.

c. Given that the Granting Authority will directly assume the cost of the additional investments that are the objective of this agreement, it has been considered that the payments for such additional investments and their related costs have no effect on tax payments to which the Concessionaire is subject such as, among others, income tax or the corresponding municipal taxes withholdings.

As of December 31, 2019 and 2018, income was collected as a result of the additional costs for the payment of guarantees, maintenance, and insurance for the additional works of the complementary agreement was the amount of US$439,585 and US$430,924, respectively.

18. FINANCING AGREEMENT

On May 31, 2017, Autopistas del Sol, S.A. issued a bond in the international market under rule 144A of the Securities Exchange Commission, and simultaneously, a bond issue in the local market authorized by the General Superintendence of Securities. The main characteristics of the issues are:

	International Bond (US Bonds)	Local Bond (CR Bonds)
Issue amount	US$300,000,000	US$50,750,000
Balance at 12.31.2019	US$273,924,000	US$49,034,650
Interest rate	7.375%	6.80%
Maturity	December 30, 2030	June 30, 2027
Currency	United States Dollar	
Interest frequency	Biannual	
Interest payment date	June 30 and December 30	

This transaction has been accounted for in accordance with International Financial Reporting Standards (IFRS) at amortized cost as of December 31, 2019 and 2018, bearing interest according to the effective interest rate method.

The amortized cost as of December 31, 2019 and 2018 is as follows:

	2019	2018
International bond	266,864,694	276,986,899
Local bond	47,182,089	48,523,122
Sub-Total	**314,046,783**	**325,510,021**
Less: Current portion of the long- term debt		
International bond	11,019,000	10,941,000
Local bond	4,105,676	1,715,350
Sub-total	**15,124,676**	**12,656,350**
Total	**298,922,107**	**312,853,671**

The nominal maturity of the debt by years is as follows:

	International Bond (US Bonds)	Local Bond (CR Bonds)
Less than a year	11,019,000	4,105,675
Between 1 and 3 years	33,108,000	12,114,025
Between 3 and 5 years	36,858,000	13,347,250
More than 5 years	192,939,000	19,467,700
Total	**273,924,000**	**49,034,650**

Limitation of restricted payments - The main conditions to declare or make any Restricted Payment are:

a. No Default or Event of Default exists, or would exist after such a payment.

b. All required payments of Debt Service through the month-end date immediately preceding the date such Restricted Payment is to be made have been fully accounted for through the Indenture Trustee Accounts.

c. The Debt Service Coverage Ratio with respect to the most recently completed Calculation Period is equal to or greater than 1.20 (June 2019: 1.33, December 2018: 1.28) (1.37 in December 2018).

d. The Projected Debt Service Coverage Ratio, with respect to the Calculation Period in effect on the date such calculation is made (as set forth in the current Annual Budget and Base Case Model), is equal to or greater than 1.20.

e. The Debt Service Reserves Accounts is funded in an aggregate amount not less than the Debt Service Reserve Required Amount and the O&M Reserve Account is funded in an aggregate amount not less than the O&M Reserve Required Amount.

The Company states and agrees with the Secured Parties that, until the date of final termination, they will be bound by the following affirmative and negative covenants, which have been previously established:

Affirmative Covenants – The main affirmative covenants of the Agreement are detailed as follows:

a. Maintaining the project in good condition.
b. Keeping insurance and relevant permits up-to-date.
c. Complying with regulatory requirements.
d. Keeping guarantees.
e. Conducting business.
f. Complying with the reporting obligation, including the presentation of financial statements.
g. Complying with the repayment obligation, including scheduled amortization and payments.
h. Being continuously committed to the business.
i. Keeping authorized auditors.
j. Timely filing all the required tax returns.
k. Financing certain reserves and other accounts in accordance with the Irrevocable Guarantee Trust and Account Management Agreement (Note 19).
l. Keeping rating agency.

Negative Covenants – The main negative covenants of the Agreement are detailed as follows:

a. Debt limitations.
b. Limitations to amendments, modifications, and exemptions of the project's documents.
c. Limitations to the termination and allocation of transaction documents.
d. Limitations to subsidiaries and investments.
e. Limitation to the sale of assets.
f. Limitation to transactions with stockholders and affiliates.
g. Restrictions in mergers, consolidation, liquidation or dissolution transactions.
h. Restrictions in hedge transactions with commercial or speculative purposes.
i. Restrictions related to paying in advance or paying off the debt.

The Agreement shall establish that certain events, actions, circumstances, or conditions that will be considered an event of default (an "event of default") regarding the bonds, among which the following are included:

a. Not paying any principal or interest on the promissory notes when these expire.
b. Failure to comply with the loan documents.
c. Failure to comply with the terms of the Concession Agreement.
d. Deceitful behavior (in any material matter).
e. Seizure or similar process against any of the properties of the concession (including those properties subject to the guarantee documents) for the sum higher than U$25,000,000.
f. Event of loss.
g. When a sentence has been pronounced, or an order or final and unappealable arbitration award has been issued, against the Issuer or any property of the Concession exceeding the threshold amount, or when one or more sentences have been pronounced, or one or more orders or final and unappealable arbitration awards have been issued against the Issuer of the Project, and which could, or could be reasonable expected to, result in an Adverse Material Change.
h. Inability to pay debts for an amount exceeding the threshold amount.
i. Bankruptcy or insolvency proceedings.

j. CNC will not pay the sum corresponding to the Minimum Income Guarantee after the final resolution of any conflict regarding this payment is given, according to the Concession Agreement.
k. Revocation, suspension, termination, or repudiation of the Concession Agreement.
l. Revocation, suspension, termination, or rejection of other documents of the Project.
m. Not maintaining the relevant permits required for the Project.
n. Guarantees are no longer in full force of effect, and neither are any promissory notes, or any other document securing an obligation, applicable either.
o. Any event of force majeure that has materially and adversely affected the Project for two hundred seventy (270) consecutive days.

After the breach of contract occurs, and while it continues to occur, the bondholders will have certain remedies available to them, including the right to accelerate the reimbursement obligation in virtue of the bonds.

As of December 31, 2019, the Company has complied with the covenants of the loan agreement.

19. OBLIGATIONS UNDER FINANCIAL LEASE

As of December 31, 2019 and 2018, the Company has entered into the following financial lease agreements and the respective assets have been recognized as assets from rights of use (Note 7):

Financial leasing of vehicles with the following entities: ANC Renting S.A., Arrendadora Cafsa S.A. and Rente un Auto Esmeralda S.A.

The main terms of these agreements are as follows:

a. The agreements have 36-month terms.

b. The Company absorbs all risks and benefits relating to the possession and use of the property

c. At the end of the agreements, the Company does not have an exclusive purchase option on the leased property.

d. In case of early termination of the agreement, if during the first year the Company must pay, as a fixed compensation, the difference to complete the twelve monthly payments that correspond to the first year, plus 8% on the corresponding invoicing for the lease of the vehicle during the 12 months, after a year of contract, it may terminate the contract at any time, however, it must pay 8% on the remaining payments as compensation.

	2019	**2018**
Maturity analysis:		
2020	118,612	-
2021	101,553	-
2022	29,174	-
Sub-total	249,339	-
Less: Unearned interest	(19,100)	-
Total	**230,239**	**-**
Analyzed as:		
Long term	124,534	-
Short term	105,795	-
Total	**230,239**	**-**

20. IRREVOCABLE ACCOUNT MANAGEMENT AND GUARANTEE TRUST FOR THE SAN JOSÉ - CALDERA CONCESSION AGREEMENT

On December 20, 2007, the Company and its stockholders entered into an Account Management and Guarantee Trust. On May 31, 2017, it was fully amended to adapt it to the new financing structure. On December 05, the Company and its stockholder signed an addendum with the Trust to document the merger of the Company's stockholders. The main characteristics of the addendum are:

Trustors:	Autopistas del Sol, S.A. P.I. Promotora de Infraestructuras, S.A.
Main Beneficiary:	Banco Improsa, S.A
Trustee:	Scotiabank de Costa Rica, S.A.

a. ***Object of the contract*** **–** That Trustors guarantee with the trust assets, the loan granted by the Beneficiaries to Autopistas del Sol, S.A. and the loan agreement (Note 18).

b. ***Trusted Assets:***

- Shares of the concessionaire
- Compensation for early termination of the Concession Agreement
- Brands of the Concessionaire
- Other assets and rights

c. ***Assets under trustee administration:***

- Project Income/cash flows
- Trust accounts
- Other assets and rights

21. INSURANCE POLICY MANAGEMENT TRUST

On November 23, 2007, the Company entered into an “Insurance Policy Management Trust for the Concession agreement with Public Service of the San José-Caldera Highway Concession Agreement” (“Concession Agreement”). The parties of the Agreement are:

Trustor:	Consejo Nacional de Vialidad
Trustee:	Banco de Costa Rica
Main Beneficiary:	Autopistas del Sol, S.A. (the concessionaire)
Secondary Beneficiary:	Consejo Nacional de Vialidad (“CONAVI”)

The main objective of the contract is to provide a smooth, transparent, and efficient financial mechanism to receive, manage, invest, and disburse the funds provided to the Trustee by the National Insurance Institute (INS) for concept of indemnifications resulting from policies duly acquired at such Company, intended to cover a potential claim in the Concession Agreement, so that such funds are irrevocably allocated to the reconstruction or replacement of the insured works by the Concessionaire. For such purpose, the corresponding amounts will be, upon previous express authorization in writing of the Trustor, delivered to the Trustor in order to comply with the contractual obligations by means of the payment procedure established for such purpose.

The term of the trust agreement is equal to that of the Concession Agreement plus the time necessary for liquidation and settlement of the trust, and this term cannot exceed 30 years.

22. CONSTRUCTION AGREEMENT

On December 18, 2007, the Company and Constructora San José Caldera CSJC, S.A. ("CSJC") (related party) entered into an agreement to design and develop works including the supply of materials, object of the San José - Caldera Concession Agreement. CSJC will implement, with technical and administrative autonomy but in all events under the supervision of the Company and the National Concession Board (CNC), all the works and services needed for the design and construction of the works described and specified in the Concession Agreement and its Addenda. The agreement is governed by the "back to back" principle regarding the rights and obligations assumed by the Company with the CNC with respect to the matters relating to the construction activity of the Concession Agreement. In this sense, unless different obligations or rights are otherwise expressly set forth in the Agreement, CSJO will have the same rights and obligations of the Company with CNC. The price of the agreement is US$229,924,319.

On November 17, 2016, the Company proceeded with the settlement agreement with the San José Caldera CSJC, S.A. The main agreements reached were:

- Agreed that the Company has complied with the payment obligations regulated in the construction contract, delivering in favor of Constructora San José Caldera CSJC, S.A. US $3,000,000 related to the amounts owed under the construction contract.
- Constructora San José Caldera CSJC, S.A granted a total, comprehensive, irrevocable and final settlement of the obligations assumed by the Company in the construction contract, expressly waiving any judicial or extrajudicial claim.
- Constructora San José Caldera CSJC, S.A issued a certificate to the Company, stating that the Company has fully complied with its obligations. Likewise, Constructora San José Caldera CSJC, S.A. expressly waives any claim against the Company.
- The Company declared, except for the hidden defects and contingencies of the builder that must be duly corrected and compensated by the construction company, had received the works object of the work contract, duly executed.

23. CONSTRUCTION AGREEMENT TO COMPLEMENTARY AGREEMENT No.1

On December 1, 2008, the Company entered into with Constructora San José Caldera CSJC, S.A. ("CSJO") (a related party) an addendum to the Construction Agreement executed on December 18, 2007 to perform the works included in the Complementary Agreement No.1 to the Concession agreement with Public Service of the San José - Caldera Highway Concession Agreement (Note 15). The term and amount of this agreement will be in accordance with the Complementary Agreement No.1 to the Concession agreement with Public Service of the San José- Caldera Highway Concession Agreement, in other words, US$34,000,743, and a twelve-month term, which expired in July 2010 (Note 16). As of January 2010, the works of the complementary agreement were completed; however, the Company has not settled this agreement because there has not been a certificate of completion of works, which is a requisite to complete and deliver the works.

24. GUARANTEES

According to the terms of the Concession Agreement (Note 16), the Concessionaire must provide the following bonds:

a. ***Operation Guarantee*** - Operation bonds will have the same validity term as the operation period. As of December 31, 2019 and 2018, the Company will extend the operation bonds, which have been assumed by the Company's stockholders. As of December 31, 2019, of the Complementary Agreement, US$46,300 of Sector I, US$126,400 of Sector II and US$77,500 of Sector III), an amount notified by the National Concession Board and which expires on May 7, 2020.

b. ***Environmental Guarantee*** - On December 4, 2007, an environmental guarantee was furnished on behalf of the Ministry of Energy and Mines (MINAE) in the amount of US$1 million, which was provided by Constructor San José - Caldera CSJC, S.A., pursuant to the construction agreement. During 2011, the environmental guarantee was adjusted by MINAE to US$2.3 million; as of December 31, 2019, such amount is kept as a guarantee that expires on May 7, 2020.

c. ***Other Guarantees*** – Guarantee in favor of the Consejo Nacional de Concesiones amounting to US$533,230 as a requirement to qualify for the Guaranteed Minimum Income mechanism for 2019. In July 2019, the portion covering July 2019 to July 2020 was constituted in the amount of US$545,150. Additionally the Company has also provided for a total of US$63,920 related to the remaining works to be executed detailed in Addendum No.6.

The detail of the guarantees is the following:

	Guarantee	Maturity
Section I	46,300	07-May-2020
Section II	126,400	07-May-2020
Section III	77,500	07-May-2020
Complementary Agreement	26,400	07-May-2020
Environment	2,300,000	07-May-2020
Guaranteed Minimum Income 2019	533,230	31-Dec-2019
Guaranteed Minimum Income 2020	545,150	15-Jul-2020
Addendum 6	63,920	31-Jan-2020
Total	**3,718,900**	

25. QUICK PASS OPERATION AGREEMENT SIGNED WITH ETC PEAJE ELECTRÓNICO, S.A.

The Concession agreement with Public Service of the San José - Caldera Highway Concession Agreement includes the electronic toll as one method of payment, which is defined as a system that allows paying the toll without stopping the vehicle through an electronic device which is set up inside the vehicle. Given an increase in the number of operations of the Company, the Concessionaire has required to expand this service to customers by authorizing a larger variety of banking entities; therefore, on May 27, 2010, an agreement was entered into so that ETC Peaje Electrónico, S.A. will be in charge of the logistics of the "QUICK PASS" distribution, customization, and maintenance and of the collection procedures. On 5 November 2019, an addendum to the contract was executed whereby ETC would pay an annual fee for the maintenance of the equipment and availability of the toll system. This agreement will be in effect for five years and can be renewed for identical conditions.

26. FINANCIAL INSTRUMENTS

A summary of the main disclosures regarding the financial instruments is the following:

26.1 FINANCIAL INSTRUMENT CATEGORIES

As of December 31, 2019 and 2018, the Company's financial instruments consist of the following:

	2019	2018
Cash	8,590,909	10,273,066
Financial assets (valued at fair value):		
Restricted cash	9,357,962	13,388,377

(Continues)

	2019	2018
Financial assets (valued at amortized cost):		
Cash equivalents	26,226	26,226
Accounts receivable	1,732,984	692,921
Accounts receivable from related parties	98,695,619	99,777,468
Financial asset - concession agreement	381,875,311	375,044,516
Total	**500,279,011**	**499,202,574**
Financial liabilities:		
At amortized cost:		
Debt and obligations under a financial lease	314,277,111	325,510,021
Accounts payable	4,960,193	6,084,875
Total	**319,237,304**	**331,594,896**

A summary of the main risks associated to the previously mentioned financial instruments, as well as the way in which the Company is managing the risks, is presented as follows:

a. ***Credit Risk*** - The financial instruments that may potentially subject the Company to credit risk consist mainly of cash, restricted cash, cash equivalents, held-to-maturity investments, accounts and loans receivable. Cash and cash equivalents and restricted cash are kept at sound financial institutions is payable on demand, and it generally poses a minimum risk. The accounts receivable are mainly with government agencies and the loans receivable are related companies that do not present any risks for their recovery based on the Company's previous experience with these entities.

b. ***Liquidity Risk*** - The Company requires of liquid funds for its normal operation. For these purposes, the Company receives on a daily basis liquidity through toll payment collection. The Company constantly monitors it cash flows and analyzes its matched maturities, in order to attend to any short and mid-term obligation.

The expected recovery of financial assets as of December 31, 2019, is as follows:

Financial Assets	Interest Rate	Less than 1 Month	2 Months	From 3 Months to 1 Year	More than 1 Year	Total
Non-interest bearing Instruments		-	-	1,732,984	-	1,732,984
Interest-bearing instruments	Between 1.50% and 16%	24,664,738	6,689,640	66,896,398	400,295,251	498,546,027
Total		**24,664,738**	**6,689,640**	**68,629,382**	**400,295,251**	**500,279,011**

The expected recovery of financial assets as of December 31, 2018 is as follows:

Financial Assets	Interest Rate	Less than 1 Month	2 Months	From 3 Months to 1 Year	More than 1 Year	Total
Non-interest bearing Instruments		-	-	692,921	-	692,921
Interest-bearing instruments	Between 1.50% and 16%	30,246,140	6,558,470	65,584,704	396,120,339	498,509,653
Total		**30,246,140**	**6,558,470**	**66,277,625**	**396,120,339**	**499,202,574**

The scheduled payments for the financial liabilities as of December 31, 2019, are the following:

Financial Liabilities	Interest Rate	Less than 1 Month	2 Months	From 3 Months to 1 Year	More than 1 Year	Total
Interest-bearing obligations	Between 6.80% and 7.36%	8,816	17,632	15,204,022	299,046,641	314,277,111
Non-interest bearing obligations		2,608,988	-	2,351,205	-	4,960,193
Total		**2,617,804**	**17,632**	**17,555,227**	**299,046,641**	**319,237,304**

The scheduled payments for the financial liabilities as of December 31, 2018, are the following:

Financial Liabilities	Interest Rate	Less than 1 Month	2 Months	From 3 Months to 1 Year	More than 1 Year	Total
Interest-bearing obligations	Between 6.80% and 7.36%	-	-	12,656,350	312,853,671	325,510,021
Non-interest bearing obligations		4,131,098	-	1,953,777	-	6,084,875
Total		**4,131,098**	**-**	**14,610,127**	**312,853,671**	**331,594,896**

c. ***Interest Rate Risk*** - The Company believes that the interest rate risk is minimal because international and local bond financing is agreed to at fixed interest rates. Obligations under financial leases are recorded at market rates similar to the rates on a car loan, and Management does not believe that its leases are significant to consider a relevant interest rate risk.

d. ***Exchange Rate Risk*** - Most of the transactions conducted by the Company have been denominated in US dollars, and the transactions performed in Costa Rican colones (local currency) during these stages have been minimal. In addition, both the financing structure and the Concession agreement include that most of the Company's construction and operating income and costs have been convened in this currency. Income from toll collection is received in Costa Rican colones, which is exchanged to US dollar on a daily basis, and in addition, the rate is adjusted on a quarterly basis, taking into account the exchange rate behavior. Consequently, Management considers that the Project is not exposed to exchange rate risk, except for those transactions that take place in local currency, which are not material.

e. ***Leverage Risk*** - The Company manages its capital structure in order to maximize the return for its stockholders by optimizing equity and debt balance. The capital structure used consists of debt, cash and its equivalents, restricted cash, and stockholders' equity, which is included in the capital stock, additional capital contributions, reserves, and retained earnings.

The Company's leverage ratio is the following:

	Note	**2019**	**2018**
Bank debt	18	314,046,782	325,510,021
Obligations under financial leases		230,329	
Cash and cash equivalents	2, 3	(17,975,097)	(23,687,669)
Net bank debt		**296,302,014**	**301,822,352**
Stockholders' equity		113,964,659	115,565,906
Leverage ratio		260%	261%

Restricted cash is included for debt service (Note 3).

f. ***Fair Value Risk –*** Management considers that the carrying amounts of the financial assets and liabilities in the financial statements approximate its fair value.

The financial instrument valued at fair value were analyzed, and they classified by the valuation method, as detailed below:

- **Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2** - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; (that is, derived from the prices).
- **Level 3** - Inputs are unobservable inputs for asset or liability (that is, unobservable data).

As of December 31, 2019 and 2018, all the assets and liabilities were classified in Level 3.

26.2 RECONCILIATION OF LIABILITIES AND EQUITY ACCOUNTS DERIVED FROM FINANCING ACTIVITIES

The following is a detail of the changes in the liabilities and equity accounts from financial activities, including those that generate cash and those that do not. The liabilities arising from financial activities are those shown for cash flows, future cash flows, and they are classified in the statement of cash flows of the Association as cash flows from financial activities.

The reconciliation of 2019 is as follows:

	December 31, 2018	Monetary Changes		Non-Monetary Changes		December 31, 2019
		Cash Paid (Principal)	Cash Paid (Interest)	Interest Accrued	Increase in Financial Leases	
International bond	276,986,900	(10,941,000)	(20,773,273)	21,592,067		266,864,694
Local bond	48,523,122	(1,715,350)	(3,451,000)	3,825,316		47,182,088
Obligations under lease	-	(83,119)	(15,578)	15,578	313,448	230,329
Total	**325,510,022**	**(12,739,469)**	**(24,239,851)**	**25,432,961**	**313,448**	**314,277,111**

The reconciliation of 2018 is as follows:

	December 31, 2017	Monetary Changes		Non-Monetary Changes	December 31, 2018
		Cash Paid (Principal)	Cash Paid (Interest)	Interest Accrued	
International bond	288,309,080	(12,135,000)	(21,628,404)	22,441,224	276,986,900
Local bond	48,176,608		(3,451,000)	3,797,514	48,523,122
Total	**336,485,688**	**(12,135,000)**	**(25,079,404)**	**26,238,738**	**325,510,022**

27. CONTINGENT LIABILITIES

As of December 31, 2019, the Company had the following contingent liabilities:

a. ***Ordinary Civil Lawsuit filed by Carlos Arrea Anderson and P Tres Counsel, LTD against Autopistas del Sol S.A.*** - Prosecuted at the Third Civil Court of San José, under file No.15-000185-0182-CI: The lawsuit is based on an alleged breach of contract due to the untimely termination of the professional services contract, according to the plaintiffs, a notice should have been given. The estimated amount of the lawsuit is US$138,750. In a first instance judgment dated December 1, 2017, ADS was sentenced to pay professional fees for general and environmental legal services and notarial services for the period from October 1 to 21, 2014, which must be paid in execution of the judgment. The proceeding had an adverse result, and Autopistas del Sol was sentenced to pay professional fees in the amount of US$10,500, but significantly less than the requested amount.

b. ***Ordinary Civil Lawsuit filed by Carlos Arrea Anderson and others against Autopistas del Sol, S.A.*** – Prosecuted at the Second Court of First Instance Civil Court, I Judicial Circuit of San José, under file No. 18-000010-1624-CI: Collection of professional lawyer's fees for the management and legal representation of Autopistas del Sol, S.A., in the arbitration processed under the file N. 00215-2011/AR/AD HOC. The estimated amount of the lawsuit is US$8,678,456.64. Through resolution of November 14, 2018 (notified to ADS on November 21, 2018), the lawsuit was admitted and ADS was given a term of 30 days to answer. The lawsuit was answered in due time and proper form, and the defense was asserted. The date for the preliminary hearing is pending. At this point in the process, it is not possible to evaluate the probable adverse results since the process is just beginning.

c. ***Administrative Contentious Lawsuit filed by Jose Martin Irias (Agent of Constructora Guter Martini, S.A.) and others against Autopistas del Sol, S.A., the State, and CSJC, S.A.*** - Prosecuted at the Contentious Administrative Court, II Judicial Circuit of San Jose, under file No.10-001778- 1027-CA: Proceeding leading to a declaratory judgement to determine the damages to the property in the town of Pan de Azúcar. The amount of the lawsuit is

US$2,237,978. Through resolution of June 30, 2016, this matter is terminated and its final filing is ordered, under the extrajudicial settlement in the amount of US$282,500, signed between the parties on May 18, 2016. Proceeding completed and filed. This proceeding has a fee collection file in which the parties making an ancillary claim filed an appeal against judgment N. 2240-2016 of October 4, 2016, which set the professional fees at ¢4,500,000. Judgment No. 0447-2016-II of November 10, 2016 of the Contentious-Administrative Court of Appeals, confirmed all the aspects of judgment No. 2240-2016 of the first instance, and ADS was sentenced to pay attorney's fees. On December 1, 2016, the parties making an ancillary claim filed an appeal for reversal (recurso de casación) against judgment N. 0447-2016-II before the First Chamber of the Supreme Court of Justice. The decision on this appeal for reversal is pending. At this point in the proceeding, a sentence in fees for professional services provided by ADS is expected in favor of the former directors of the proceeding, but in an amount considerably lower than requested. The decision on the petition filed by the parties making an ancillary claim is pending, so that it is not yet possible to evaluate the probable adverse results of the proceedings. Therefore, no liability has been recognized for this case.

d. ***Administrative Contentious Lawsuit filed by Lorena Bolaños Masis and others against the State, Consejo Nacional de Concesiones (National Concession Board) and Autopistas del Sol S.A.*** - Prosecuted at the Contentious Administrative Court, II Judicial Circuit of San José, under file No.11-002660-1027-CA: A lawsuit to determine the damages undergone by the plaintiff´s vehicle, as a result of rocks that fell in Kilometer 44 of Route 27. The estimated amount of the lawsuit is ¢64.216.470. On January 30, 2018, there was a criminal trial. On January 30, 2018, a public hearing was held. Through Judgment No. 014-2018-I of February 16, 2018, the lawsuit was dismissed and it was decided that the plaintiff would pay both costs. The plaintiff filed an appeal for reversal of Judgment N. 014-2018-I by the Contentious-Administrative Proceedings Court. The decision on the appeal is pending. As the decision on the appeal filed by the plaintiff is pending, it is not yet possible to assess the probable adverse outcome of the proceedings; however, the decision on the appeal is expected to confirm the decision of the Contentious-Administrative Court, which dismissed the complaint.

e. ***Administrative Contentious Lawsuit filed by Marta Mora Rojas against the State, Consejo Nacional de Concesiones (National Concession Board), Constructora San José Caldera CSJC S.A. and Autopistas del Sol S.A.*** – Complaint to determine damages caused to the property of the plaintiff located in Pan de Azúcar. The amount has an inestimable value. Through decision N. 28-2017-IV of April 04, 2017, ADS and CSJC were sentenced to take the necessary technical actions to guarantee the reestablishment of the access from the public road to the property of the plaintiff, and the stability of the entire terrain and the safety of the users of Pan de Azúcar. Moreover, the payment of the subjective moral damage was estimated at ¢5.000.000 and the payment of both legal costs. On June 27, 2017, ADS filed an appeal for reversal, and the resolution is pending.

f. ***Administrative Contentious Lawsuit filed by Asociación Preservacionista de Flora y Fauna (APREFLOFAS) against the State, the Office of the Comptroller General, Consejo Nacional de Vialidad (Highway Administration Authority), Consejo Nacional de Concesiones (National Concession Board), Regulatory Authority of Public Services and Autopistas del Sol S.A.*** - Prosecuted at the Contentious Administrative Court, II Judicial Circuit of San José, under file No. 12-003415-1027-CA: A claim for nullity of Addenda No. 2 et. Seq. of the Concession Agreement. The amount of the lawsuit is inestimable. On July 14 and 15, 2016, the preliminary hearing was held. The case has a criminal trial scheduled for January 23, 24, 30 and 31 and February 04, 07, 12, 14, 21 and 28, 2020. As the amount is inestimable and the criminal trial is still pending, it is not yet possible to assess probable adverse outcomes.

g. ***Administrative Contentious Lawsuit filed by Tajo Florencia, S.A. and Franklin Rojas Castillo Contra Autopistas del Sol S.A., and the State*** - Prosecuted at the Contentious Administrative Court, II Judicial Circuit of San Jose, under file No.13-000887-1028-CA: Enforcement of judgment to determine damages that were granted by the Fourth Chamber. The estimated amount is US$1,227,619. Through judgment No. 1195-2018 of December 10, 2018, the lawsuit was dismissed and the plaintiff was sentenced to the payment of costs of the judgment in favor of ADS. The motion to dismiss for failure of standing to sue of ADS was accepted and the lawsuit was dismissed, with the plaintiff being sentenced to pay attorneys' fees in both cases. In January 2019, the plaintiff filed an appeal for reversal against judgment No. 1195-2018, which is pending.

h. ***Administrative Contentious Lawsuit filed by Omar Alvarado Gatjens and Others against Autopistas del Sol, S.A., the State, Consejo Nacional de Vialidad (Highway Administration Authority) and Consejo Nacional de Concesiones (National Concession Board)***- Introduction proceeding to determine damages caused to property for deviation of water in virtue of highway. The amount is US$586,543. The preliminary hearing took place on January 31, 2018.

i. ***Administrative Contentious Lawsuit filed by Office of the Comptroller General against Autopistas del Sol, S.A.*** - Prosecuted at the Contentious Administrative Court, II Judicial Circuit of San José, under file No.14-010753-1027-CA: Complaint filed in order for the Company to be declared civilly liable for the alleged contractual breach regarding the lump sum design and execution of works for the alternate route Escazú - Hatillo - Calle Morenos. The estimate is ¢2,528,591,618 (equal to US$4,416,291 at the end of 2017). Through resolution of October 10, 2017, the case was submitted to the Court of Cassation to resolve the disagreement presented by Autopistas del Sol, S.A. To date, such resolution is pending. Through resolution N. 000064-C-S1-2019 of January 17, 2019 of the First Chamber of the Supreme Court of Justice, it was declared that the case must be heard by the Contentious Administrative and Civil Court of Finance. Through resolution No. 578-2019-T of March 28, 2019 of the Contentious Administrative Court dismissed the motion to dismiss the lack of integration of the necessary joinder of defendants filed by ADS. A trial hearing is pending. It is not yet possible to assess the likely adverse outcomes as the trial hearing is pending.

j. ***Administrative Contentious Lawsuit filed by María Isabel Ramírez González against Autopistas del Sol, S.A., the State and Others*** - Prosecuted at the Contentious Administrative Court, II Judicial Circuit of San José, under file No.15-000701-1027-CA: Complaint filed in order for the Company to be declared civilly liable for not building a drainpipe that would allow rainwater to properly drain at the plaintiff´s property, which resulted in damages to the plaintiff and her property. The amount has not been estimated. Through resolution of November 21, 2016, the proceeding leading to a declaratory judgement against the National Concessions Board and Constructora San José Caldera, S.A. was established. On June 26, 2017, there was a preliminary hearing. On April 3, 2018, the lawsuit was dismissed, thus sentencing the plaintiff to pay attorneys' fees. On May 17, 2018, the plaintiff filed an appeal for reversal (recurso de casación) against Judgement No. 040-2018-I. In August 2019, the appeal and its extension were admitted. ADS filed a response to the appeal in due time and proper form. In August 2019, an extension of the Appeal was filed and admitted. In September 2019, ADS filed an answer to the extension of the Appeal filed. Since the ruling on the appeal for reversal filed by the plaintiff is pending, it is not yet possible to evaluate the probable adverse results of the proceeding; however, the decision on the appeal is expected confirm the decision of the Contentious Administrative Court, which dismissed the lawsuit.

k. **Ordinary Civil Lawsuit filed by Andrea Cruz Picado against Autopistas del Sol S.A. -** It consists of a civil liability proceeding through which the plaintiff seeks the payment of a compensation close to USD 305K, as a result of the alleged damages due to a motorcycle accident that in her opinion was caused by the existence of a piece of tire on the road. To date, an answer to the lawsuit has been filed and a hearing is pending. It is not yet possible to evaluate the probable adverse results because the trial hearing is still pending.

l. ***Administrative Actions Brought by the Technical Secretary of Consejo Nacional de Concesiones (National Concession Board) against Autopistas del Sol, S.A.*** - They consist of miscellaneous complaints for alleged noncompliance regarding delivery of information, non-observance of orders, instructions, deficiencies, conditions of pavement, attention to landslides or interruption of service. The total amount of these 16 cases is US$4,009,580; however, due to the stage of the proceedings, there is no reliable estimate of both this amount and the probability of a judgment against it, and therefore no liability has been recognized in this case.

m. ***Administrative Environmental Action Filed by Anonymous (Amicus: the State and the Central Pacific Conservation Area (ACOPAC) against Autopistas del Sol, S.A.; filed with the Administrative Environmental Court (TAA), under administrative file No. 215-09-02-TAA*** - A response of the Registration Service Department of the National Registry regarding the registration status of Autopistas del Sol, S.A., and the existence or not of Globalvía Ruta 27 in the National Registry is still pending. An oral hearing by the Administrative Environmental Court has not been scheduled yet.

n. ***Administrative Tax Proceeding at the Large Taxpayers Division due to Review of Income Tax Return for FY2011*** - The Large Taxpayer Division reviewed the 2011 Income Tax Return of Autopistas del Sol, S.A. Such tax review resulted in Settlement Event number 1-10-034-13-031-41-03, where the Tax Administration rejected as deductible expense what was paid by the Company for repair and maintenance of route number 27.

Specifically, the rejected expense corresponds to an invoice paid to vendor Constructora San José - Caldera CSJC, S.A., for the sum of U$3,500,000 (three million five hundred thousand dollars), which resulted in an increase in the 2011 income tax base. Likewise, in virtue of the previously described procedures, the Large Taxpayer Division issued Penalization Resolution N°2-10-034-013-052-514-03, establishing a 25% penalty on the sums that supposedly were not paid by Autopistas del Sol, S.A. in relation to FY2011.

In August 2016, the Constitutional Chamber of the Supreme Court of Justice declared the unconstitutionality of the Article 144 of the Tax Standards and Procedures Code. Due to the foregoing, on November 11, 2016, the Company proceeded to file a request for an event of nullity against the Official Clearance Act No. 1-10-034-13-031-41-03 issued by the Large Taxpayers Division, who issued the Act based on a rule annulled as being unconstitutional.

On March 27, 2017, the Administrative Tax Court notified the Resolution TFA-122-S-2017, through which it communicates the ex officio cancellation of the Provisional Regularization Proposal, as well as the acts that depend on it.

Even with such cancellation, the Large Taxpayers Division notified on May 22, 2017 the resumption of the revision action. Not agreeing with this resumption, the company decided to file a prescription exception, which was rejected by Letter SFGCN-195-2017.

On December 2, 2019, a resolution was issued by the Administrative Tax Court rejecting the appeal and confirming the adjustments, thus exhausting the administrative proceeding.

The amount at issue is ¢822,549,042 (US$1,407,463) as of December 31, 2018), plus the corresponding penalty. In January 2020, it was paid in full.

o. **Administrative Tax Proceeding at the Large Taxpayers Division due to Review of Income Tax Return for FY 2017 and the Withholding Tax for May 2017**

The Large Taxpayer Division conducted a review of the Company's income tax return FY2017 and the withholding at source tax on remittances abroad for the May 2017.

Through Assessment Notice N° DGCN-SF-PD-27-18-25-41-03 regarding the Income Tax, the Tax Authorities made adjustments for foreign exchange differences, derecognition of interest expenses, derecognition of liability exchange rate differences, derecognition of expenses paid for service provision, derecognition of expenses paid for the "refinancing management and support" agreement, resulting in an additional tax of ¢737.117.134. (US$ 1,204,932).

Moreover, through Assessment Notice N° DGCN-SF-PD-27-18-26-41-12, corresponding to the withholding at source tax on remittances abroad, the Tax Authorities made adjustments due to the non-reported remittances abroad for the payment made to Global Vía Inversiones-España for a “refinancing management and support” agreement, thus determining an additional tax of ¢50.869.310. (US$83,154).

Both Assessment Notices were notified on December 7, 2018, and the Company filed the respective challenge on January 31, 2018.

As of the date of the financial statements, the final resolution of previous matters is unknown (except for what is expressly indicated in each case); therefore, Management has not recorded any asset or liability for these contingencies.

28. TOLL COLLECTION

The calculation for toll collection as of December 31, 2019 and 2018 is the following:

	Note	2019	2018
Gross toll collection		77,273,254	74,577,411
Co-participation - National Concession Board	16j	-	(2,045,634)
Tolls paid to own Employees		(165,568)	(153,575)
Exemptions, not under contract, granted to the Government		(569,249)	(519,079)
Net toll collection		**76,538,437**	**71,859,123**

The Company, when determining the financial asset balance (Note 7), in addition to the co-participation with the National Concession Board, does not take into consideration any amounts that correspond to tolls granted to their own employees, as well as non-contractual exempted tolls granted to the Government, and this is due to the fact that it does not receive funds for these concepts. During 2019, the Coparticipation was not paid to the National Concession Board since the minimum amounts for such payment set forth in the Concession Agreement (Note 16j) were not reached.

29. SUBSEQUENT EVENTS

In January 2019, based on the compliance with the loan agreement (Note18), restricted payments (dividends) were made for US$11,500,000 through a cash payment in the amount of US$3,500,000 and as a settlement of the loan granted by PI Promotora de Inversiones S.A. in the amount of US$8,000,000.

30. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by Management, and their issue has been authorized for February 25, 2020.

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