VTR FINANCE N.V.

Condensed Consolidated Financial Statements
March 31, 2021

VTR FINANCE N.V.
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VTR FINANCE N.V.

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GLOSSARY OF DEFINED TERMS

Unless the context requires otherwise, references to VTR Finance, "**we**," "**our**," "**our company**" and "**us**" in this quarterly report may refer to VTR Finance N.V. or collectively to VTR Finance N.V. and its subsidiaries. We have used several other terms in this quarterly report most of which are defined or explained below.

2020 Annual Report	Annual Report for the year ended December 31, 2020
2028 VTR Finance Senior Notes	$550 million principal amount of 6.375% senior notes due July 15, 2028 issued by VTR Finance N.V.
2028 VTR Senior Secured Notes	$540 million principal amount of 5.125% senior secured notes due January 15, 2028 issued by VTR Comunicaciones SpA
2029 VTR Senior Secured Notes	$410 million principal amount of 4.375% senior secured notes due April 15, 2029 issued by VTR Comunicaciones SpA
Adjusted OIBDA	Operating income or loss before share-based compensation, depreciation, related-party fees and allocations, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration.
ARPU	Average monthly subscription revenue per average fixed RGU or mobile subscriber, as applicable
ASU	Accounting Standards Update
B2B	Business-to-business
CIHB Note Receivable	CLP 372 billion long-term, interest bearing note receivable between VTR Finance and Liberty Global CIHB Limited entered into during 2019
CLP	Chilean peso
CPE	Customer premises equipment
FASB	Financial Accounting Standards Board
FX	Foreign currency translation effects
LCRH Long-Term Note Receivable	$108 million (CLP 74 billion at the transaction date) note receivable between VTR Finance and Liberty Costa Rica Holdings LTD entered into during 2018
LIBOR	London Inter-Bank Offered Rate
Liberty Latin America	Liberty Latin America Ltd.
MVNO	Mobile virtual network operator
PSUs	Performance-based restricted stock units
RGU	Revenue generating unit
RSUs	Restricted stock units
SARs	Stock appreciation rights
SERNAC	Servicio Nacional del Consumidor (the Chilean National Consumer Authority)
TAB	Tasa Activa Bancaria interest rate
U.K.	United Kingdom
U.S.	United States
U.S. GAAP	Generally accepted accounting principles in the United States
VTR Finance	VTR Finance N.V., formerly known as VTR Finance B.V.
VTR Credit Facilities	Senior secured credit facilities of VTR comprised of: (i) VTR RCF – A; (ii) VTR RCF – B; and (iii) at December 31, 2020, the VTR TLB-1 and VTR TLB-2 facilities
VTR Revolving Credit Facilities	Comprised of (i) VTR RCF – A and (ii) VTR RCF – B
VTR RCF - A	CLP 45 billion TAB + 3.35% revolving credit facility due June 15, 2026 of VTR
VTR RCF - B	$200 million LIBOR + 2.75% revolving credit facility due June 15, 2026 of VTR
VTR TLB-1 Facility	CLP 141 billion principal amount of ICP +3.8% term loan facility of VTR (repaid during 2021)
VTR TLB-2 Facility	CLP 33 billion principal amount of 7% term loan facility of VTR (repaid during 2021)

VTR FINANCE N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

	March 31, 2021	December 31, 2020
	CLP in billions	
ASSETS		
Current assets:		
Cash and cash equivalents	99.6	52.8
Trade receivables, net of allowances of CLP 12.5 billion and CLP 12.0 billion, respectively	63.3	67.0
Current note receivable - related-party	70.2	75.1
Income tax receivable	21.2	19.0
Other current assets	32.6	48.8
Total current assets	286.9	262.7
Property and equipment, net	540.1	537.4
Goodwill	266.7	266.7
Long-term note receivable - related-party	478.3	451.7
Other assets, net	61.6	62.1
Total assets	1,633.6	1,580.6

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

VTR FINANCE N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS – (Continued)

(unaudited)

	March 31, 2021	December 31, 2020
	CLP in billions	
LIABILITIES AND OWNER'S EQUITY		
Current liabilities:		
Accounts payable	93.3	90.5
Deferred revenue	23.9	24.5
Current portion of debt	70.0	70.9
Accrued interest	10.3	24.9
Accrued programming	26.2	23.9
Current derivative liabilities	23.5	21.0
Other accrued and current liabilities	68.9	66.5
Total current liabilities	316.1	322.2
Long-term debt	1,060.7	976.4
Long-term derivative liabilities	138.0	156.3
Other long-term liabilities	12.1	11.8
Total liabilities	1,526.9	1,466.7
Commitments and contingencies		
Owner's equity:		
Accumulated net contributions	15.6	15.5
Accumulated earnings	76.5	85.0
Accumulated other comprehensive earnings, net of taxes	14.6	13.4
Total owner's equity	106.7	113.9
Total liabilities and owner's equity	1,633.6	1,580.6

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

VTR FINANCE N.V.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Three months ended March 31,	
	2021	**2020**
	CLP in billions	
Revenue	152.2	165.7
Operating costs and expenses (exclusive of depreciation, shown separately below):		
Programming and other direct costs of services	44.9	45.9
Other operating costs and expenses	57.7	57.3
Related-party fees and allocations	1.6	3.8
Depreciation	31.0	29.3
Impairment, restructuring and other operating items, net	3.6	1.5
	138.8	137.8
Operating income	13.4	27.9
Non-operating income (expense):		
Interest expense	(15.5)	(23.2)
Realized and unrealized gains on derivative instruments, net	3.0	151.3
Foreign currency transaction losses, net	(12.1)	(113.8)
Loss on debt extinguishment	(6.6)	—
Other income, net	10.1	8.9
	(21.1)	23.2
Earnings (loss) before income taxes	(7.7)	51.1
Income tax expense	(0.8)	(6.8)
Net earnings (loss)	(8.5)	44.3

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

VTR FINANCE N.V.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

(unaudited)

	Three months ended March 31,	
	2021	2020
	CLP in billions	
Net earnings (loss)	(8.5)	44.3
Other comprehensive earnings, net of taxes:		
Unrealized gains on cash flow hedges	0.3	2.6
Reclassification adjustments included in net earnings (loss)	0.9	(2.2)
Other comprehensive earnings	1.2	0.4
Comprehensive earnings (loss)	(7.3)	44.7

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

VTR FINANCE N.V.

CONDENSED CONSOLIDATED STATEMENTS OF OWNER'S EQUITY

(unaudited)

	Accumulated net contributions	Accumulated earnings	Accumulated other comprehensive earnings, net of taxes	Total owner's equity
	CLP in billions			
Balance at January 1, 2020	14.8	134.6	17.6	167.0
Net earnings	—	44.3	—	44.3
Other comprehensive earnings	—	—	0.4	0.4
Excess of the consideration received over the carrying value of property and equipment transferred to entities under common control	0.1	—	—	0.1
Balance at March 31, 2020	14.9	178.9	18.0	211.8
Balance at January 1, 2021	15.5	85.0	13.4	113.9
Net loss	—	(8.5)	—	(8.5)
Other comprehensive earnings	—	—	1.2	1.2
Excess of the consideration received over the carrying value of property and equipment transferred to entities under common control	0.1	—	—	0.1
Balance at March 31, 2021	15.6	76.5	14.6	106.7

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

VTR FINANCE N.V.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Three months ended March 31, 2021	Three months ended March 31, 2020
	CLP in billions	
Cash flows from operating activities:		
Net earnings (loss)	(8.5)	44.3
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation	31.0	29.3
Impairment	0.1	—
Amortization of deferred financing costs	0.6	0.9
Realized and unrealized gains on derivative instruments, net	(3.0)	(151.3)
Foreign currency transaction losses, net	12.1	113.8
Loss on debt extinguishment	6.6	—
Deferred income tax expense (benefit)	0.7	(4.8)
Changes in operating assets and liabilities	(23.8)	7.4
Net cash provided by operating activities	15.8	39.6
Cash flows from investing activities:		
Capital expenditures	(28.1)	(33.2)
Other investing activities	0.1	0.1
Net cash used by investing activities	(28.0)	(33.1)
Cash flows from financing activities:		
Borrowings of third-party debt	268.3	88.8
Repayments of third-party debt	(192.0)	(14.5)
Payment of financing costs and debt redemption premiums	(8.1)	—
Net cash paid related to derivative instruments	(7.9)	—
Net cash provided by financing activities	60.3	74.3
Effect of exchange rate changes on cash	(1.3)	7.1
Net increase in cash and cash equivalents	46.8	87.9
Cash and cash equivalents:		
Beginning of period	52.8	92.2
End of period	99.6	180.1
Cash paid for interest	29.8	33.8
Net cash paid (received) for taxes	2.1	(2.6)

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

(1) Basis of Presentation

See the Glossary of defined terms at the beginning of this quarterly report for terms used throughout the condensed consolidated financial statements and related notes.

General

VTR Finance is a provider of fixed and mobile telecommunication services to residential and B2B customers in Chile. VTR Finance is a wholly-owned subsidiary of Liberty Latin America.

Our unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information. Accordingly, these financial statements do not include all of the information required by U.S. GAAP for complete financial statements. In the opinion of management, these financial statements reflect all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the results of operations for the interim periods presented. The results of operations for any interim period are not necessarily indicative of results for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with our consolidated financial statements and notes thereto included in our 2020 Annual Report.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, expected credit losses, programming and copyright expenses, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities and useful lives of long-lived assets. Actual results could differ from those estimates.

Our functional currency is the CLP. Unless otherwise indicated, convenience translations into the CLP are calculated as of March 31, 2021.

Certain prior period amounts have been reclassified to conform to the current period presentation. During the second quarter of 2020, we changed the presentation of certain operating costs and expenses in our condensed consolidated statements of operations in order to better align with management's approach to monitoring and evaluating such costs. Specifically, we have combined the costs previously reported in the condensed consolidated statement of operations' captions "other operating" and "selling, general and administrative" into one line, which is now referred to as "other operating costs and expenses." In conjunction with this change, we have provided additional disclosure of the nature of other operating costs and expenses by function, as set forth in note 12. This change in presentation did not have any impact on operating income, net loss or any of our key performance metrics. In addition, we have provided additional disclosure of the nature of our programming and other direct costs of services, as set forth in note 11.

These unaudited condensed consolidated financial statements reflect our consideration of the accounting and disclosure implications of subsequent events through May 21, 2021, the date of issuance.

(2) Recent Accounting Pronouncements

General

We will adopt accounting changes in accordance with the effective date of adoption of our parent company, Liberty Latin America.

ASU 2020-04 and ASU 2021-01

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* (**ASU 2020-04**), which provides optional guidance for a limited time to ease the potential accounting burden associated with transitioning away from reference rates, such as the LIBOR, which regulators in the U.K. have announced will be phased out by the end of 2021. In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848)* (**ASU 2021-01**), which clarifies certain optional expedients and exceptions in ASC 848. The expedients and exceptions provided by ASU 2020-04 and ASU 2021-01 are for the application of U.S. GAAP to contracts, hedging relationships and other transactions affected by the rate reform, and will not be available after December 31, 2022, other than for certain hedging relationships entered into before December 31, 2022. We do not currently expect that the phase out of LIBOR will have a material impact on our condensed consolidated financial statements.

(3) Current Expected Credit Losses

The changes in our trade receivables allowance for credit losses are set forth below:

	Three months ended March 31,	
	2021	2020
	CLP in billions	
Balance at beginning of period	12.0	9.4
Provision for expected losses	2.1	3.3
Write-offs	(1.6)	(0.3)
Balance at end of period	12.5	12.4

(4) Derivative Instruments

In general, we seek to enter into derivative instruments to protect against (i) increases in the interest rates on our variable-rate debt and (ii) foreign currency movements, particularly with respect to borrowings that are not denominated in Chilean pesos. In this regard, we have entered into various derivative instruments to manage interest rate exposure and foreign currency exposure with respect to the CLP and the U.S. dollar. With the exception of certain foreign currency forward contracts, we do not apply hedge accounting to our derivative instruments. Accordingly, changes in the fair values of most of our derivative instruments are recorded in realized and unrealized gains or losses on derivative instruments in our condensed consolidated statements of operations.

The following table provides details of the fair values of our derivative instrument assets and liabilities:

	March 31, 2021			December 31, 2020		
	Current (a)	Long-term (a)	Total	Current (a)	Long-term (a)	Total
	CLP in billions					
Assets:						
Cross-currency derivative contracts (b)	0.5	1.4	1.9	0.5	1.9	2.4
Liabilities:						
Cross-currency and interest rate derivative contracts (b) (c)	14.2	137.3	151.5	7.7	156.3	164.0
Foreign currency forward contracts	9.3	0.7	10.0	13.3	—	13.3
Total	23.5	138.0	161.5	21.0	156.3	177.3

(a) Our current and long-term derivative assets are included in other current assets and other assets, net, respectively, in our condensed consolidated balance sheets.

(b) We consider credit risk relating to our and our counterparties' nonperformance in the fair value assessment of our derivative instruments. In all cases, the adjustments take into account offsetting liability or asset positions. The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in a net loss of CLP 3 billion during each of the three months ended March 31, 2021 and 2020. These amounts are included in realized and unrealized gains on derivative instruments, net, in our condensed consolidated statements of operations. For further information regarding our fair value measurements, see note 5.

(c) At March 31, 2021, we had not entered into any interest rate derivative contracts.

The details of our realized and unrealized gains on derivative instruments, net, are as follows:

	Three months ended March 31,	
	2021	2020
	CLP in billions	
Cross-currency and interest rate derivative contracts	2.4	142.6
Foreign currency forward contracts	0.6	8.7
Total	3.0	151.3

At March 31, 2021, our accumulated other comprehensive earnings, net of taxes, includes CLP 2 billion of deferred net losses on derivative instruments to which we apply hedge accounting. We generally expect any such deferred gains or losses to be reclassified to operating income or loss in our condensed consolidated statement of operations within the next 12 months.

The following table sets forth the classification of the net cash inflows (outflows) of our derivative instruments:

	Three months ended March 31,	
	2021	2020
	CLP in billions	
Operating activities	(3.5)	9.4
Investing activities (a)	(0.5)	2.3
Financing activities (b)	(7.9)	—
Total	(11.9)	11.7

(a) Amounts relate to foreign currency forward contracts that are used to hedge the purchase of capital expenditures denominated in U.S. dollars.

(b) The 2021 amount is related to the settlement of our interest rate swaps in connection with the refinancing of the VTR Credit Facilities. For additional information regarding our debt refinancing activity, see note 7.

Counterparty Credit Risk

We are exposed to the risk that the counterparties to our derivative instruments will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments is spread across a relatively broad counterparty base of banks and financial institutions. Collateral has not been posted by either party under our derivative instruments. At March 31, 2021, our exposure to counterparty credit risk resulting from our net derivative position was not material.

We have entered into derivative instruments under agreements with our counterparties that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument.

Details of our Derivative Instruments

Cross-currency Derivative Contracts

As noted above, we are exposed to foreign currency exchange rate risk in situations where our debt is denominated in a currency other than the Chilean peso (unmatched debt). Our policy is generally to provide for an economic hedge against foreign currency exchange rate movements, whenever possible and when cost effective to do so, by using derivative instruments to synthetically convert unmatched debt into Chilean pesos. At March 31, 2021, our cross-currency swap contracts had total notional amounts due from and to counterparties of $1.44 billion and CLP 1,145 billion, respectively, with a weighted average remaining contractual life of 5.5 years.

Foreign Currency Forwards Contracts

We enter into foreign currency forward contracts with respect to non-functional currency exposure. At March 31, 2021, our foreign currency forward contracts had total notional amounts due from and to counterparties of $231 million and CLP 176 billion, respectively, with a weighted average remaining contractual life of 0.7 years.

(5) Fair Value Measurements

General

We record our derivative instruments at fair value. The reported fair values of our derivative instruments as of March 31, 2021 likely will not represent the value that will be paid or received upon the ultimate settlement or disposition of these assets and liabilities, as we expect that the values realized generally will be based on market conditions at the time of settlement, which may occur at the maturity of the derivative instrument or at the time of the repayment or refinancing of the underlying debt instrument.

U.S. GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Recurring Fair Value Measurements - Derivatives

In order to manage our interest rate and foreign currency exchange risk, we have entered into various derivative instruments, as further described in note 4. The recurring fair value measurements of these derivative instruments are determined using discounted cash flow models. Most of the inputs to these discounted cash flow models consist of, or are derived from, observable Level 2 data for substantially the full term of these derivative instruments. This observable data mostly includes interest rate futures and swap rates, which are retrieved or derived from available market data. Although we may extrapolate or interpolate this data, we do not otherwise alter this data in performing our valuations. We incorporate a credit risk valuation adjustment in our fair value measurements to estimate the impact of both our own nonperformance risk and the nonperformance risk of our counterparties. Our and our counterparties' credit spreads represent our most significant Level 3 inputs, and these inputs are used to derive the credit risk valuation adjustments with respect to these instruments. As we would not expect changes in our or our counterparties' credit spreads to have a significant impact on the valuations of these instruments, we have determined that these valuations fall under Level 2 of the fair value hierarchy. Our credit risk valuation adjustments with respect to our interest rate and cross-currency derivative contracts are quantified and further explained in note 4.

Nonrecurring Fair Value Measurements

Fair value measurements are also used for purposes of nonrecurring valuations performed in connection with acquisition accounting and impairment assessments. We did not perform any significant nonrecurring fair value measurements related to these assessments during the three months ended March 31, 2021.

(6) Long-lived Assets

Property and Equipment, Net

The details of our property and equipment and the related accumulated depreciation are set forth below:

	March 31, 2021	December 31, 2020
	CLP in billions	
Distribution systems	655.4	643.9
CPE	737.1	716.1
Support equipment, buildings and land	312.2	311.9
	1,704.7	1,671.9
Accumulated depreciation	(1,164.6)	(1,134.5)
Total	540.1	537.4

We recorded non-cash increases of CLP 5 billion and CLP 1 billion to our property and equipment related to vendor financing arrangements during the three months ended March 31, 2021 and 2020, respectively.

Goodwill

Based on the results of our prior-year goodwill impairment test, if, among other factors, (i) Liberty Latin America's equity values were to decline significantly, (ii) our enterprise value were to decline or (iii) the adverse impacts stemming from COVID-19, competition, economic, regulatory or other factors, including macro-economic and demographic trends, cause our results of operations or cash flows to be worse than currently anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of goodwill. Any such impairment charges could be significant.

(7) Debt

The Chilean peso equivalents of the components of our debt are as follows:

	March 31, 2021		Estimated fair value (b)		Principal amount	
	Weighted average interest rate (a)	Unused borrowing capacity	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
				CLP in billions		
Parent - 2028 VTR Finance Senior Notes	6.38 %	—	426.9	427.4	395.3	391.5
Subsidiaries:						
2028 VTR Senior Secured Notes	5.13 %	—	405.6	455.0	388.1	427.1
2029 VTR Senior Secured Notes	4.38 %	—	296.6	—	294.7	—
VTR Credit Facilities (c)	— %	188.7	—	173.5	—	174.0
Vendor financing (d)	1.96 %	—	70.0	70.9	70.0	70.9
Total debt before deferred financing costs	5.17 %	188.7	1,199.1	1,126.8	1,148.1	1,063.5

The following table provides a reconciliation of total debt before deferred financing costs to total debt:

	March 31, 2021	December 31, 2020
	CLP in billions	
Total debt before deferred financing costs	1,148.1	1,063.5
Deferred financing costs	(17.4)	(16.2)
Total carrying amount of debt	1,130.7	1,047.3
Less: Current maturities of debt	(70.0)	(70.9)
Long-term debt	1,060.7	976.4

(a) Represents the weighted average interest rate in effect at March 31, 2021 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin. The interest rates presented represent stated rates and do not include the impact of derivative instruments, deferred financing costs or commitment fees, all of which affect our overall cost of borrowing.

(b) The estimated fair values of our debt instruments are determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy). For additional information concerning fair value hierarchies, see note 5.

(c) The VTR Credit Facilities comprise U.S. dollar and CLP revolving credit facilities. Unused borrowing capacity represents the maximum availability under the VTR Credit Facilities at March 31, 2021 without regard to covenant compliance calculations or other conditions precedent to borrowing. At March 31, 2021, the full amount of unused borrowing capacity was available to be borrowed under the VTR Credit Facilities both before and after completion of the March 31, 2021 compliance reporting requirements.

(d) Represents amounts owed pursuant to interest-bearing vendor financing arrangements that are used to finance certain of our operating expenses and property and equipment additions. These obligations are generally due within one year and include value-added taxes that were paid on our behalf by the vendor. Our operating expenses include CLP 12 billion and CLP 11 billion for the three months ended March 31, 2021 and 2020, respectively, that were financed by an intermediary and are reflected on the borrowing date as a hypothetical cash outflow within net cash provided by operating activities and a hypothetical cash inflow within net cash used by financing activities in our condensed consolidated statements of cash flows. Repayments of vendor financing obligations are included in repayments of debt in our condensed consolidated statements of cash flows.

Financing Activity

The general terms of the notes we issued and credit facilities we entered into or amended during 2021 are as follows:

Instrument	Issued at	Maturity	Interest rate	Borrowing: Borrowing Currency	Borrowing: CLP equivalent	Non-cash component (a)
					in billions	
2029 VTR Senior Secured Notes	100%	April 15, 2029	4.375%	$ 410.0	CLP 294.7	CLP 43.0
VTR RCF – A	N/A	June 15, 2026	TAB + 3.35%	—	—	N/A

N/A — Not applicable.

(a) Represents the non-cash component of the financing, if any. Non-cash activity relates to cash borrowed that did not pass through our bank accounts, as financing proceeds from the issuance of debt were used to directly repay some or all of outstanding debt instruments.

During 2021, we made repayments on the following debt instruments:

Instrument	Redemption price	Principal amount repaid: Borrowing currency		Principal amount repaid: CLP equivalent (a)		Non-cash component (b)		Loss on debt extinguishment	
				in billions					
2028 VTR Senior Secured Notes	103%	$	0.1	CLP	43.0	CLP	43.0	CLP	1.6
VTR TLB-1 Facility	100%	CLP	140.9	CLP	140.9		—	CLP	4.1
VTR TLB-2 Facility	100%	CLP	33.1	CLP	33.1		—	CLP	0.9

(a) Translated at the transaction date, if applicable.

(b) Represents the non-cash component of the repayment, if any. Non-cash activity relates to cash repayments that did not pass through our bank accounts, as financing proceeds from the issuance of debt were used to directly repay some or all of outstanding debt instruments.

Maturities of Debt

Maturities of our debt as of March 31, 2021 are presented below. Amounts presented below represent the CLP equivalents (in billions) based on March 31, 2021 exchange rates:

Years ending December 31:	
2021 (remainder of year)	52.2
2022	17.8
2023	—
2024	—
2025	—
2026	—
Thereafter	1,078.1
Total debt maturities	1,148.1
Deferred financing costs	(17.4)
Total debt	1,130.7
Current portion	70.0
Noncurrent portion	1,060.7

(8) <u>Leases</u>

The following table provides details of our operating lease expense:

	Three months ended March 31, 2021	Three months ended March 31, 2020
	CLP in billions	
Operating lease expense:		
Operating lease cost	1.6	1.6
Short-term lease cost	0.2	0.1
Total operating lease expense	1.8	1.7

Our operating lease expense is included in facility, provision, franchise and other expense, in other operating costs and expenses, in our condensed consolidated statements of operations.

Certain other details of our operating leases are set forth in the tables below:

	March 31, 2021	December 31, 2020
	CLP in billion	
Operating lease right-of-use assets	15.4	14.7
Operating lease liabilities:		
Current	5.3	4.8
Noncurrent	9.8	9.5
Total operating lease liabilities	15.1	14.3
Weighted-average remaining lease term	3.2 years	3.3 years
Weighted-average discount rate	4.0 %	6.7 %

	Three months ended March 31,	
	2021	2020
	CLP in billions	
Operating cash flows from operating leases	1.6	1.6
Right-of-use assets obtained in exchange for new operating lease liabilities (a)	2.2	2.3

(a) Represents non-cash transactions associated with operating leases entered into during the three months ended March 31, 2021.

Our operating lease right-of-use assets are included in other assets, net, and our current and noncurrent operating lease liabilities are included in other accrued and current liabilities and other long-term liabilities, respectively, in our condensed consolidated balance sheets.

Maturities of Operating Leases

Maturities of our operating lease liabilities as of March 31, 2021 are presented below. Amounts presented below represent CLP equivalents (in billions) based on March 31, 2021 exchange rates.

Years ending December 31:	
2021 (remainder of year)	4.4
2022	4.8
2023	3.6
2024	3.0
2025	0.2
Total operating lease liabilities on an undiscounted basis	16.0
Amount representing interest	(0.9)
Present value of operating lease liabilities	15.1

(9) Income Taxes

We evaluate and update our estimated annual effective income tax rate on a quarterly basis based on current and forecasted operating results and tax laws. For interim tax reporting, we estimate an annual effective tax rate, which is applied to year-to-date ordinary income or loss. The tax effect of significant unusual or infrequently occurring items are excluded from the estimated annual effective tax rate calculation and recognized in the interim period in which they occur.

Our interim estimate of our annual effective tax rate and our interim tax provision are subject to volatility due to factors such as jurisdictions in which our deferred taxes and/or tax attributes are subject to a full valuation allowance, relative changes in unrecognized tax benefits, and changes in tax laws. Based upon the mix and timing of our actual annual earnings or loss compared to annual projections, as well as changes in the factors noted above, our effective tax rate may vary quarterly and may result in quarterly comparisons that are not meaningful.

Income tax expense was CLP 1 billion and CLP 7 billion during the three months ended March 31, 2021 and 2020, respectively. This represents an effective income tax rate of (10.4)% and 13.3% for the three months ended March 31, 2021 and 2020, respectively, including items treated discretely.

For the three months ended March 31, 2021, the income tax expense attributable to our loss before income taxes differs from the amount computed using the statutory tax rate, primarily due to the detrimental effects of increases in valuation allowances, international rate differences and changes in uncertain tax positions. These items were partially offset by the beneficial effects of price level restatements.

For the three months ended March 31, 2020, the income tax expense attributable to our earnings before income taxes differs from the amount computed using the statutory tax rate, primarily due to the detrimental effects of international rate differences, changes in uncertain tax positions and inclusion of withholding taxes on cross-border payments. These items were partially offset by the beneficial effects of price level restatements and decreases in valuation allowances.

(10) Related-party Transactions

General. We consider Liberty Latin America and its subsidiaries to be related parties.

Our related-party transactions are as follows:

	Three months ended March 31,	
	2021	2020
	CLP in billions	
Other operating costs and expenses	0.6	0.4
Share-based compensation expense	1.3	1.6
Related-party fees and allocations:		
Other operating costs and expenses	0.9	2.4
Share-based compensation	0.6	1.2
Management fee	0.1	0.2
Total fees and allocations	1.6	3.8
Interest income	9.7	8.6

Other operating costs and expenses. These amounts represent our estimated share of costs charged to our company by Liberty Latin America, primarily related to personnel costs.

Share-based compensation expense. These amounts represent share-based compensation expense that Liberty Latin America charged to our company with respect to share-based incentive awards held by certain of our employees. This charge is cash settled and is included in other accrued and current liabilities in our condensed consolidated balance sheets. The amounts also include estimated bonus-related expenses that will be paid in the form of Liberty Latin America equity.

Related-party fees and allocations. These amounts represent fees charged to our company by Liberty Latin America and are expected to be cash-settled. Although we believe the related-party fees and allocations described below are reasonable, no assurance can be given that the related-party costs and expenses reflected in our condensed consolidated statements of operations are reflective of the costs that we would incur on a standalone basis. The categories of our fees and allocations are as follows:

- *Other operating costs and expenses.* The amounts included in this category represent our estimated share of certain centralized technology, management, marketing, finance, legal and other operating costs of Liberty Latin America's operations whose activities benefit multiple operations, including operations within and outside of our company. The amounts allocated represent our estimated share of the actual costs incurred by the operations of Liberty Latin America, without a mark-up. Amounts in this category are generally deducted to arrive at our "EBITDA" metric specified by our debt agreement (**Covenant EBITDA**).

- *Share-based compensation.* The amounts included in this category represent share-based compensation associated with employees of Liberty Latin America who are not employees of our company. The amounts allocated represent our estimated share of the actual costs incurred by the operations of Liberty Latin America, without a mark-up.

- *Management fee.* The amounts included in this category represent our estimated allocable share of the mark-up, if any, applicable to each category of the related-party fees and allocations charged to our company.

Interest income. The amounts relate to the CIHB Note Receivable and the LCRH Long-Term Note Receivable, as further described below.

The following table provides details of our related-party balances:

	March 31, 2021	December 31, 2020
	CLP in billions	
Assets:		
Current note receivable (a)	70.2	75.1
Other current assets (b)	12.4	29.6
Long-term note receivable (c)	478.3	451.7
Total assets	560.9	556.4
Liabilities:		
Other accrued and current liabilities (d)	10.9	5.9

(a) Represents a $97 million (CLP 77 billion at the October 7, 2020 transaction date) short-term note receivable with our parent, Lila Chile Holding.

(b) Primarily represents (i) CLP 7 billion and CLP 25 billion of accrued interest income on the CIHB Note Receivable at March 31, 2021 and December 31, 2020, respectively, (ii) CLP 2 billion of accrued interest income on the LCRH Long-Term Note Receivable at March 31, 2021 and (iii) non-interest bearing receivables from Liberty Latin America subsidiaries. On January 1, the accrued interest on each of the LCRH Long-Term Note Receivable and the CIHB Note Receivable is generally transferred to the principal balance of the respective loan.

(c) Amounts related to (i) the CIHB Note Receivable and (ii) the LCRH Long-Term Note Receivable. The LCRH Long-Term Note Receivable and the CIHB Note Receivable are both expected to be cash settled.

(d) Represents non-interest bearing other accrued and current liabilities to subsidiaries of Liberty Latin America that are expected to be cash settled.

(11) Programming and Other Direct Costs of Services

Programming and other direct costs of services include programming and copyright costs, interconnect and access costs, costs of mobile handsets and other devices, and other direct costs related to our operations.

Our programming and other direct costs of services by major category are set forth below.

	Three months ended March 31,	
	2021	2020
	CLP in billions	
Programming and copyright	35.0	33.2
Interconnect	6.9	9.0
Equipment and other	3.0	3.7
Total programming and other direct costs	44.9	45.9

(12) Other Operating Costs and Expenses

Other operating costs and expenses set forth in the table below comprise the following cost categories:

- **Personnel and contract labor related** costs, which primarily include salary-related and cash bonus expenses, net of capitalizable labor costs, and temporary contract labor costs;
- **Network-related** expenses, which primarily include costs related to network access, system power, core network, CPE repair, maintenance and test costs;
- **Service-related** costs, which primarily include professional services, information technology-related services, audit, legal and other services;
- **Commercial**, which primarily includes sales and marketing costs, such as advertising, commissions and other sales and marketing-related costs, and customer care costs related to outsourced call centers;
- **Facility, provision, franchise and other**, which primarily includes facility-related costs, provision for bad debt expense, franchise-related fees, bank fees, insurance, travel and entertainment and other operating-related costs; and
- **Share-based compensation** expense that relates to (i) SARs, RSUs and PSUs issued to our employees and (ii) bonus-related expenses that will be paid in the form of equity.

Our other operating costs and expenses by major category are set forth below.

	Three months ended March 31,	
	2021	2020
	CLP in billions	
Personnel and contract labor	11.7	12.0
Network-related expenses	14.0	11.6
Service-related	7.2	6.9
Commercial	16.1	16.0
Facility, provision, franchise and other	7.4	9.2
Share-based compensation expense	1.3	1.6
Total other operating costs and expenses	57.7	57.3

(13) Commitments and Contingencies

Commitments

In the normal course of business, we have entered into agreements that commit our company to make cash payments in future periods with respect to programming contracts, network and connectivity commitments, purchases of customer premises and other equipment and services, and other commitments. The following table sets forth the Chilean peso equivalents of such commitments as of March 31, 2021:

	Payments due during:							
	Remainder of 2021	2022	2023	2024	2025	2026	Thereafter	Total
	CLP in billions							
Programming commitments	57.6	54.8	37.1	30.8	0.3	—	—	180.6
Network and connectivity commitments	14.6	0.7	—	—	—	—	—	15.3
Purchase commitments	6.4	0.7	0.4	—	—	—	—	7.5
Other commitments	0.7	0.2	0.1	0.1	0.1	0.1	0.6	1.9
Total (a)	79.3	56.4	37.6	30.9	0.4	0.1	0.6	205.3

(a) The commitments included in this table do not reflect any liabilities that are included in our March 31, 2021 condensed consolidated balance sheet.

Programming commitments consist of obligations associated with certain programming contracts with a wide range of providers that are enforceable and legally binding on us, as we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services or (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems. In addition, programming commitments do not include increases in future periods associated with contractual inflation or other price adjustments that are not fixed. Accordingly, the amounts reflected in the above table with respect to these contracts are significantly less than the amounts we expect to pay in these periods under these contracts. Historically, payments to programming vendors have represented a significant portion of our operating costs, and we expect that this will continue to be the case in future periods.

Network and connectivity commitments include (i) our domestic network service agreements with certain other telecommunications companies and (ii) our MVNO agreement. The amounts reflected in the above table with respect to our MVNO commitment represent fixed minimum amounts payable under this agreement and, therefore, may be significantly less than the actual amounts we ultimately pay in these periods.

Purchase commitments include unconditional and legally-binding obligations related to (i) the purchase of customer premises and other equipment and (ii) certain service-related commitments, including call center, information technology and maintenance services.

In addition to the commitments set forth in the table above, we have commitments under derivative instruments, pursuant to which we expect to make payments in future periods. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during the three months ended March 31, 2021 and 2020, see note 4.

Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future.

Legal and Regulatory Proceedings and Other Contingencies

VTR Class Action. On August 25, 2020, VTR was notified that SERNAC had filed a class action complaint against VTR in the 14th Civil Court of Santiago. The complaint relates to consumer complaints regarding VTR's broadband service and capacity during the pandemic and raises claims regarding, among other things, VTR's disclosure of its broadband speeds and aggregate capacity availability and VTR's response to address the causes of service instability during the pandemic. VTR was also notified in August about two additional class action complaints filed by consumer associations (ODECU and AGRECU) making similar claims and allegations. The class action complaint of ODECU was filed in the 21st Civil Court of Santiago, and the class action complaint of AGRECU was filed in the 26th Civil Court of Santiago. The complaint of SERNAC and ODECU seeks (i) the Court declare that VTR has infringed the rules of the Consumer Protection Law; (ii) the responsibility of VTR for such infractions and, if so, establish the corresponding fines; and (iii) compensatory damages. In the case of AGRECU, the complaint only seeks compensatory damages. On October 22, 2020, VTR was notified of a fourth class action complaint filed by Conadecus in the 16th Civil Court of Santiago alleging that VTR did not adhere to certain call center, technical visit and service level requirements under applicable law. We believe that the allegations contained in the complaints are without merit, in particular as it relates to VTR's service and response during the pandemic and intend to defend the complaints vigorously. We cannot predict at this point the length of time that these actions will be ongoing. Additionally, a liability, if any, or a reasonable range of loss is not currently determinable based upon the current facts and circumstances of these claims.

Regulatory Issues. Video distribution, broadband internet, fixed-line telephony and mobile businesses are regulated in Chile. Adverse regulatory developments could subject our business to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our business to various penalties.

In addition to the foregoing items, we have contingent liabilities related to matters arising in the ordinary course of business, including (i) legal proceedings, (ii) issues involving wage, property, withholding and other tax issues and (iii) disputes over interconnection, programming and copyright fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

(14) Revenue by Product

Our revenue by major category is set forth below and includes the following categories:

- residential fixed subscription and residential mobile services revenue, which includes amounts received from subscribers for ongoing fixed and airtime services, respectively;
- residential fixed non-subscription revenue, which primarily includes installation, interconnect and advertising revenue; and
- B2B service revenue, which primarily includes broadband internet, video, and fixed-line telephony services offered to small enterprises (including small or home office).

	Three months ended March 31,	
	2021	2020
	CLP in billions	
Residential revenue:		
Residential fixed revenue:		
Subscription revenue:		
Video	56.7	60.7
Broadband internet	61.4	65.8
Fixed-line telephony	14.5	15.7
Total subscription revenue	132.6	142.2
Non-subscription revenue	2.5	4.0
Total residential fixed revenue	135.1	146.2
Residential mobile revenue:		
Service revenue	9.6	11.7
Interconnect, equipment sales and other (a)	1.6	1.6
Total residential mobile revenue	11.2	13.3
Total residential revenue	146.3	159.5
B2B service revenue	5.9	6.2
Total	152.2	165.7

(a) These amounts include revenue from the sale of mobile handsets and other devices of CLP 1 billion during each of the three months ended March 31, 2021 and 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

See the Glossary of defined terms at the beginning of this quarterly report.

The following discussion and analysis, which should be read in conjunction with our 2020 Annual Report and the condensed consolidated financial statements and the accompanying notes included herein, is intended to assist in providing an understanding of our financial condition, changes in financial condition and results of operations and is organized as follows:

- *Forward-looking Statements.* This section provides a description of certain factors that could cause actual results or events to differ materially from anticipated results or events.
- *Overview.* This section provides a general description of our business and recent events.
- *Material Changes in Results of Operations.* This section provides an analysis of our results of operations for the three months ended March 31, 2021 and 2020.
- *Material Changes in Financial Condition.* This section provides an analysis of our liquidity, condensed consolidated statements of cash flows and contractual commitments.

Unless otherwise indicated, convenience translations into the Chilean peso are calculated, and operational data (including subscriber statistics) are presented, as of March 31, 2021.

Forward-looking Statements

Certain statements in this quarterly report constitute forward-looking statements. To the extent that statements in this quarterly report are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In particular, statements under *Management's Discussion and Analysis of Financial Condition and Results of Operation*s may contain forward-looking statements, including statements regarding: our business, product, foreign currency and finance strategies; subscriber growth and retention rates; changes in competitive, regulatory and economic factors, anticipated changes in our revenue, expenses, or growth rates; debt levels; our liquidity and our ability to access the liquidity of our subsidiaries; credit risks; internal control over financial reporting; foreign currency risks; interest rate risks; compliance with debt, financial and other covenants; our future projected contractual commitments and cash flows; the effects and potential impacts of COVID-19 on our business and results of operations; reductions in operating and capital costs; the remediation of material weaknesses; the outcome and impact of pending litigation; and other information and statements that are not historical fact. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. In evaluating these statements, you should consider the following list of some but not all of the factors that could cause actual results or events to differ materially from anticipated results or events:

- economic and business conditions and industry trends in Chile;
- the competitive environment in the industries in which we operate in Chile, including competitor responses to our products and services;
- fluctuations in currency exchange rates, inflation rates and interest rates;
- our relationships with third-party programming providers and broadcasters and the ability to acquire programming;
- our relationships with suppliers and licensors and the ability to maintain equipment, software and certain services;
- instability in global financial markets, including sovereign debt issues and related fiscal reforms;
- our ability to obtain additional financing and generate sufficient cash to meet our debt obligations;
- the impact of restrictions contained in certain of our and our subsidiaries' debt instruments;
- consumer disposable income and spending levels, including the availability and amount of individual consumer debt;

- changes in consumer viewing preferences and habits, including on mobile devices that function on various operating systems and specifications, limited bandwidth, and different processing power and screen sizes;
- customer acceptance of our existing service offerings, including our video, broadband internet, fixed-line telephony, mobile and business service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future;
- our ability to manage rapid technological changes;
- the impact of 5G and wireless technologies on broadband internet;
- our ability to maintain or increase the number of subscriptions to our video, broadband internet, fixed-line telephony and mobile service offerings and our average revenue per household and mobile subscriber
- our ability to provide satisfactory customer service, including support for new and evolving products and services;
- our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers;
- the impact of our future financial performance, or market conditions generally, on the availability, terms and deployment of capital;
- changes in, or failure or inability to comply with, government regulations in Chile and adverse outcomes from regulatory proceedings;
- government intervention that requires opening our broadband distribution networks to competitors;
- our ability to renew necessary regulatory licenses, concessions or other operating agreements and to otherwise acquire future spectrum or other licenses that we need to offer mobile data or other technologies or services;
- our ability to obtain regulatory approval and satisfy other conditions necessary to close acquisitions and dispositions and the impact of conditions imposed by competition and other regulatory authorities in connection with acquisitions;
- our ability to successfully acquire new businesses and, if acquired, to integrate, realize anticipated efficiencies from, and implement our business plan with respect to, the businesses we have acquired or that we expect to acquire;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in Chile and the Netherlands and the results of any tax audits or tax disputes;
- changes in laws and government regulations that may impact the availability and cost of capital and the derivative instruments that hedge certain of our financial risks;
- the ability of suppliers and vendors, including third-party channel providers and broadcasters (including our third-party wireless network provider under our MVNO arrangement), to timely deliver quality products, equipment, software, services and access;
- the availability of attractive programming for our video services and the costs associated with such programming, including retransmission and copyright fees payable to public and private broadcasters;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- our ability to adequately forecast and plan future network requirements, including the costs and benefits associated with our network extension and upgrade programs;
- the availability of capital for the acquisition and/or development of telecommunications networks and services, including property and equipment additions;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire;
- the effects of any of the identified material weaknesses in our internal control over financial reporting;

- piracy, targeted vandalism against our networks, and cybersecurity threats or other security breaches, including the leakage of sensitive customer data, which could harm our business or reputation;
- the outcome of any pending or threatened litigation;
- the loss of key employees and the availability of qualified personnel;
- the effects of any strikes, work stoppages or other industrial actions that could affect our operations;
- changes in the nature of key strategic relationships with partners and joint ventures;
- our ability to realize the full value of our intangible assets;
- changes in and compliance with applicable data privacy laws, rules, and regulations;
- our ability to recoup insurance reimbursements and settlements from third-party providers;
- our ability to comply with economic and trade sanctions laws, such as the U.S. Treasury Department's Office of Foreign Assets Control; and
- events that are outside of our control, such as political conditions and unrest in international markets, terrorist attacks, malicious human acts, natural disasters, pandemics, including the COVID-19 pandemic, and other similar events.

The broadband distribution and mobile service industries are changing rapidly and, therefore, the forward-looking statements of expectations, plans and intent in this quarterly report are subject to a significant degree of risk. These forward-looking statements and the above described risks, uncertainties and other factors speak only as of the date of this quarterly report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on any forward-looking statement.

Overview

General

We are a subsidiary of Liberty Latin America that provides video, broadband internet, fixed-line telephony and mobile services to residential and business customers in Chile.

Internal Controls and Procedures

As disclosed in our annual report for our fiscal year ended December 31, 2020, we identified material weaknesses in our internal control over financial reporting. The material weaknesses will not be considered remediated until the applicable new or enhanced controls operate for a sufficient period of time and management has concluded, through testing, that these controls are designed and operating effectively. As remediation has not yet been completed, these material weaknesses continue to exist in our internal control over financial reporting as of March 31, 2021.

Management's Remediation Plans

Management is continuing to implement the remediation plans as disclosed in our 2020 Annual Report. We believe that these actions and the improvements we expect to achieve, when fully implemented, will strengthen our internal control over financial reporting and remediate the material weaknesses identified.

Operations

At March 31, 2021, we (i) owned and operated fixed networks that passed 3,924,600 homes and served 2,855,300 RGUs, comprising 1,277,900 broadband internet subscribers, 1,067,200 video subscribers and 510,200 fixed-line telephony subscribers and (ii) served 273,900 mobile subscribers.

COVID-19

In December 2019, COVID-19 was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared the outbreak a “pandemic,” pointing to the sustained risk of further global spread. To date, cases of COVID-19 continue to be confirmed in Chile. COVID-19 negatively impacted our operations during 2020 and has continued into the three months ended March 31, 2021, due to resulting lockdowns and travel restrictions. The extent to which COVID-19 continues to impact our operational and financial performance will depend on certain developments, which include, among other factors:

- the duration and spread of the outbreak;
- the ability of governments and medical professionals in our markets to respond further to the outbreak, including securing access to vaccine and vaccinating citizens;
- the actions by governments to require the extension of services for individuals regardless of payment status;
- the impact of changes to, or new, government regulations imposed in response to the pandemic, including laws and moratoriums;
- the impact on our customers and our sales cycles;
- the impact on actual and expected customer receivable collection patterns;
- the impact on our employees, including that from labor shortages or work from home initiatives;
- the impacts on foreign currency and interest rate fluctuations; and
- the effect on our vendors, and adverse impacts on our supply chain thereby impacting our customers’ ability to use our services.

Given the impacts of COVID-19 continue to evolve, the extent to which COVID-19 may further impact our financial condition or results of operations continues to be uncertain and cannot be predicted at this time. The heightened volatility of global markets resulting from COVID-19 further exposes us to risks and uncertainties.

As COVID-19 continues to spread, we have taken, and expect to continue to take, a variety of measures to promote the safety and security of our employees, and ensure the availability of our communication services.

Material Changes in Results of Operations

General

Changes in foreign currency exchange rates may have a significant impact on our operating results, as we have contracts denominated in U.S. dollars. For example, the average FX rate (used to translate our condensed consolidated financial statements) for the U.S. dollar per one Chilean peso depreciated by 10% for the three months ended March 31, 2021, as compared to the corresponding period in 2020. This significantly impacted our programming costs, as discussed below.

We are subject to inflationary pressures with respect to certain costs and foreign currency exchange risk with respect to costs and expenses that are denominated in U.S. dollars (non-functional currency expenses). Any cost increases that we are not able to pass on to our customers would result in increased pressure on our operating margins.

Revenue

We derive our revenue primarily from (i) residential fixed services, including video, broadband internet and fixed-line telephony, (ii) residential mobile services and (iii) B2B services.

While not specifically discussed in the below explanations of the changes in our revenue, we are experiencing significant competition in our market. This competition has an adverse impact on our ability to increase or maintain our RGUs and/or ARPU.

Variances in the subscription revenue that we receive from our customers are a function of (i) changes in the number of RGUs or mobile subscribers during the period and (ii) changes in ARPU. Changes in ARPU can be attributable to (i) changes in prices, (ii) changes in bundling or promotional discounts, (iii) changes in the tier of services selected, (iv) variances in subscriber usage patterns and (v) the overall mix of fixed and mobile products during the period. In the following discussion, we discuss ARPU changes in terms of the net impact of the above factors on the ARPU that is derived from our video, broadband internet, fixed-line telephony and mobile products.

For the comparisons below, revenue variances, including changes in ARPU, were also influenced by the impacts of COVID-19, as further discussed below and in *Overview* above.

Our revenue by major category is set forth below:

	Three months ended March 31,		Increase (decrease)	
	2021	2020	CLP	%
	CLP in billions			
Residential revenue:				
Residential fixed revenue:				
Subscription revenue:				
Video	56.7	60.7	(4.0)	(6.6)
Broadband internet	61.4	65.8	(4.4)	(6.7)
Fixed-line telephony	14.5	15.7	(1.2)	(7.6)
Total subscription revenue	132.6	142.2	(9.6)	(6.8)
Non-subscription revenue	2.5	4.0	(1.5)	(37.5)
Total residential fixed revenue	135.1	146.2	(11.1)	(7.6)
Residential mobile revenue:				
Service revenue	9.6	11.7	(2.1)	(17.9)
Interconnect, equipment sales and other	1.6	1.6	—	—
Total residential mobile revenue	11.2	13.3	(2.1)	(15.8)
Total residential revenue	146.3	159.5	(13.2)	(8.3)
B2B service revenue	5.9	6.2	(0.3)	(4.8)
Total	152.2	165.7	(13.5)	(8.1)

The details of the changes in our revenue during the three months ended March 31, 2021, as compared to the corresponding period in 2020, are set forth below (CLP in billions):

Decrease in residential fixed subscription revenue due to change in:	
Average number of RGUs (a)	(5.6)
ARPU (b)	(4.0)
Decrease in residential fixed non-subscription revenue (c)	(1.5)
Total decrease in residential fixed revenue	(11.1)
Decrease in residential mobile service revenue (d)	(2.1)
Change in residential mobile interconnect, equipment sales and other	—
Decrease in B2B service revenue	(0.3)
Total	(13.5)

(a) The decrease is attributable to lower average broadband internet, video and fixed-line telephony RGUs.

(b) The decrease is primarily due to lower ARPU from broadband internet and video services, partially a result of continued high levels of competition.

(c) The decrease is primarily attributable to lower activations, installations and reconnects.

(d) The decrease is due to lower ARPU from mobile services and lower average numbers of mobile subscribers.

Programming and other direct costs of services

Programming and other direct costs of services include programming and copyright costs, interconnect and access costs, costs of mobile handsets and other devices, and other direct costs related to our operations. Programming and copyright costs, which represent a significant portion of our operating costs, may increase in future periods as a result of (i) higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events, (ii) rate increases or (iii) growth in the number of our video subscribers.

The following table sets forth the changes in programming and other direct costs of services:

	Three months ended March 31,		Increase (decrease)
	2021	2020	
	CLP in billions		
Programming and copyright	35.0	33.2	1.8
Interconnect	6.9	9.0	(2.1)
Equipment and other	3.0	3.7	(0.7)
Total programming and other direct costs of services	44.9	45.9	(1.0)

- **Programming and copyright:** The increase is primarily due to an increase of CLP 1 billion in the foreign currency impact of programming contracts denominated in U.S. dollars. In addition, the change includes (i) a net increase in basic content costs due to higher rates, which were partially offset by lower volumes and (ii) a decrease in premium content cost rates.

- **Interconnect:** The decrease is primarily due to lower rates.

- **Equipment and other:** The decrease is primarily due to lower volumes of equipment sales.

Other operating costs and expenses

Other operating costs and expenses set forth in the tables below comprise the following cost categories:

- **Personnel and contract labor related** costs,which primarily include salary-related and cash bonus expenses, net of capitalizable labor costs, and temporary contract labor costs;

- **Network-related** expenses, which primarily include costs related to network access, system power, core network, and CPE repair, maintenance and test costs;

- **Service-related** costs, which primarily include professional services, information technology-related services, audit, legal and other services;

- **Commercial**, which primarily includes sales and marketing costs, such as advertising, commissions and other sales and marketing-related costs, and customer care costs related to outsourced call centers;

- **Facility, provision, franchise and other**, which primarily includes facility-related costs, provision for bad debt expense, franchise-related fees, bank fees, insurance, travel and entertainment and other operating-related costs; and

- **Share-based compensation** expense that relates to SARs, RSUs and PSUs issued to our employees and (ii) bonus-related expenses that will be paid in the form of equity.

The following table sets forth the change in other operating costs and expenses.

	Three months ended March 31, 2021	2020	Increase (decrease)
	CLP in billions		
Personnel and contract labor	11.7	12.0	(0.3)
Network-related	14.0	11.6	2.4
Service-related	7.2	6.9	0.3
Commercial	16.1	16.0	0.1
Facility, provision, franchise and other	7.4	9.2	(1.8)
Share-based compensation expense	1.3	1.6	(0.3)
Total other operating costs and expenses	57.7	57.3	0.4

- **Network-related:** The increase is primarily due to higher volumes of network access-related contracted labor.

- **Commercial:** The increase is primarily due to the net effect of (i) higher call center volumes and (ii) a decrease in marketing and advertising expenses.

- **Facility, provision, franchise and other costs:** The decrease is primarily due to lower bad debt provisions.

Related-party fees and allocations

We recorded related-party fees and allocations of CLP 2 billion and CLP 4 billion during the three months ended March 31, 2021 and 2020, respectively. These amounts include charges for services provided to our company by Liberty Latin America or subsidiaries of Liberty Latin America.

For additional information regarding our related-party fees and allocations, see note 10 to our condensed consolidated financial statements.

Depreciation

Our depreciation expense increased CLP 2 billion or 5.8% during three months ended March 31, 2021, respectively, as compared to the corresponding period in 2020, primarily due to an increase in property and equipment additions, predominantly related to the net effect of (i) a decrease in product and enabler-related additions, and (ii) an increase related to capacity-related additions and new-build and upgrade-related additions.

Impairment, restructuring and other operating items, net

We recognized impairment, restructuring and other operating items, net, of CLP 4 billion and CLP 2 billion during the three months ended March 31, 2021 and 2020, respectively. The amounts for both periods primarily relate to restructuring charges that we recorded in connection with contract termination costs and, during the 2021 period, employee severance and termination costs.

Interest expense

Our third-party interest expense decreased CLP 8 billion during the three months ended March 31, 2021, respectively, as compared to the corresponding period in 2020. The decrease is primarily due (i) to lower weighted-average interest rates as a result of the July 2020 and March 2021 debt refinancings, and (ii) lower average outstanding debt balances during the 2021 period relative to the corresponding period during 2020, also a result of the July 2020 and March 2021 debt refinancings.

For information regarding our third-party indebtedness, see note 7 to our condensed consolidated financial statements.

It is possible that the interest rates on (i) any new borrowings could be higher than the current interest rates on our existing indebtedness and (ii) variable-rate indebtedness, if any, could increase in future periods. As further discussed in note 4 to our condensed consolidated financial statements, we use derivative instruments to manage our interest rate risks.

Realized and unrealized gains on derivative instruments, net

Our realized and unrealized gains or losses on derivative instruments include (i) unrealized changes in the fair values of our derivative instruments that are non-cash in nature until such time as the derivative contracts are fully or partially settled and (ii) realized gains or losses upon the full or partial settlement of the derivative contracts. The details of our realized and unrealized gains on derivative instruments, net, are as follows:

	Three months ended March 31,	
	2021	**2020**
	CLP in billions	
Cross-currency and interest rate derivative contracts (a)	2.4	142.6
Foreign currency forward contracts	0.6	8.7
Total	3.0	151.3

(a) The gains during the three months ended March 31, 2021 and 2020 are primarily due to (i) a decrease in the value of the Chilean peso relative to the U.S. dollar and (ii) changes in interest rates. In addition, the gains during both periods each include a net loss of CLP 3 billion resulting from changes in our credit risk valuation adjustments. For the 2020 period, this loss is primarily due to increased credit risk stemming from market reaction to the COVID-19 outbreak.

For additional information concerning our derivative instruments, see notes 4 and 5 to our condensed consolidated financial statements.

Foreign currency transaction losses, net

We recognized foreign currency transaction losses, net, of CLP 12 billion and CLP 114 billion during the three months ended March 31, 2021 and 2020, respectively. Our foreign currency transaction losses primarily result from the remeasurement of our related-party notes and third-party debt that are denominated in U.S. dollars. Unrealized foreign currency transaction gains or losses are computed based on period-end exchange rates and are non-cash in nature until such time as the amounts are settled.

Loss on debt extinguishment

We recognized a loss on debt extinguishment of CLP 7 billion during the three months ended March 31, 2021. The loss is associated with (i) the payment of breakage fees and the write-off of unamortized deferred financing costs related to the repayments of the VTR TLB-1 Facility and VTR TLB-2 Facility and (ii) the payment of redemption premiums and the write-off of unamortized deferred financing costs related to the partial redemption of the 2028 VTR Senior Secured Notes.

For additional information concerning our loss on debt extinguishment, see note 7 to our condensed consolidated financial statements.

Other income, net

We recognized other income, net, of CLP 10 billion and CLP 9 billion during the three months ended March 31, 2021 and 2020, respectively. The increase during the three months ended March 31, 2021, as compared with the corresponding prior year period, is primarily associated with related-party interest income.

For additional information regarding our related-party notes receivable, see note 10 to our condensed consolidated financial statements.

Income tax expense

Income tax expense was approximately CLP 1 billion and CLP 7 billion during the three months ended March 31, 2021 and 2020, respectively. This represents an effective income tax rate of (10.4)% and 13.3% for the three months ended March 31, 2021 and 2020, respectively, including items treated discretely.

For the three months ended March 31, 2021 the income tax expense attributable to our loss before income taxes differs from the amount computed using the statutory tax rate, primarily due to the detrimental effects of increases in valuation allowances, international rate differences and changes in uncertain tax positions. These items were partially offset by the beneficial effects of price level restatements.

For the three months ended March 31, 2020 the income tax expense attributable to our earnings before income taxes differs from the amount computed using the statutory tax rate, primarily due to the detrimental effects of international rate differences, changes in uncertain tax positions and inclusion of withholding taxes on cross-border payments. These items were partially offset by the beneficial effects of price level restatements and decreases in valuation allowances.

For additional information regarding our income taxes, see note 9 to our condensed consolidated financial statements.

Net earnings (loss)

The following table sets forth selected summary financial information of our net earnings (loss):

	Three months ended March 31,	
	2021	2020
	CLP in billions	
Operating income	13.4	27.9
Net non-operating income (expenses)	(21.1)	23.2
Income tax expense	(0.8)	(6.8)
Net earnings (loss)	(8.5)	44.3

Gains or losses associated with (i) changes in the fair values of derivative instruments and (ii) movements in foreign currency exchange rates are subject to a high degree of volatility and, as such, any gains from these sources do not represent a reliable source of income. In the absence of significant gains in the future from these sources or from other non-operating items, our ability to achieve earnings is largely dependent on our ability to increase our Adjusted OIBDA to a level that more than offsets the aggregate amount of our (i) share-based compensation expense, (ii) depreciation, (iii) related-party fees and allocations, (iv) impairment, restructuring and other operating items, (iv) interest expense, (v) other non-operating expenses and (vi) income tax expenses.

Subject to the limitations included in our various debt instruments, we expect to maintain our debt at current levels. As a result, we expect that we will continue to report significant levels of interest expense for the foreseeable future.

Material Changes in Financial Condition

Sources and Uses of Cash

Cash and cash equivalents

At March 31, 2021, nearly all of our cash and cash equivalents was held by our subsidiaries.

Liquidity of VTR Finance

At VTR Finance, our current sources of liquidity include loans or contributions from our parent, interest income received on our investments and, subject to certain tax and legal considerations, our unrestricted subsidiaries' cash and cash equivalents and investments. Our ability to access the liquidity of these and our other subsidiaries may be limited by tax and legal considerations, foreign currency exchange restrictions and other factors.

The ongoing cash needs of VTR Finance include (i) interest payments on outstanding debt and (ii) other liquidity needs that may arise from time to time. In addition, VTR Finance may also require cash in connection with (i) the funding of loans or distributions to our parent (and ultimately to Liberty Latin America or other Liberty Latin America subsidiaries), (ii) corporate general and administrative expenses, (iii) the satisfaction of contingent liabilities, (iv) acquisitions and other investment opportunities, (v) the repurchase of debt securities or, (vi) funding requirements of our consolidated subsidiaries. No assurance can be given that funding from Liberty Latin America or other Liberty Latin America subsidiaries, our subsidiaries or external sources would be available on favorable terms, or at all.

In addition, the amount of cash we receive from certain of our subsidiaries to satisfy U.S. dollar-denominated liquidity requirements is impacted by fluctuations in exchange rates. In this regard, the strengthening (weakening) of the U.S. dollar against the CLP will result in decreases (increases) in the U.S. dollars received from the applicable subsidiaries to fund U.S. dollar-denominated liquidity requirements.

From time to time, we or our respective affiliates may, to the extent permitted under applicable law, acquire or repay any third-party or related-party debt through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as we may determine (or as may be provided for in our respective indenture agreements).

Liquidity of our subsidiaries

In addition to cash and cash equivalents, the primary sources of liquidity of our subsidiaries are cash provided by operations and borrowing availability under the VTR Revolving Credit Facilities, as further described in note 7 to our condensed consolidated financial statements. The aforementioned sources of liquidity may be supplemented in certain cases by contributions and/or loans from Liberty Latin America and its unrestricted subsidiaries. The liquidity of our subsidiaries generally is used to fund property and equipment additions, debt service requirements, payments required by our derivative instruments and income tax payments. From time to time, our subsidiaries may also require liquidity in connection with (i) acquisitions and other investment opportunities, (ii) loans to VTR Finance and/or Liberty Latin America or other Liberty Latin America subsidiaries, (iii) capital distributions to VTR Finance (and ultimately to Liberty Latin America) and other equity owners or (iv) the satisfaction of contingent liabilities. No assurance can be given that any external funding would be available to our subsidiaries on favorable terms, or at all. For information regarding our subsidiaries' commitments and contingencies, see note 13 to our condensed consolidated financial statements.

For additional information regarding our condensed consolidated cash flows, see the discussion under *Condensed Consolidated Statements of Cash Flows* below.

Capitalization

For the quarter ended March 31, 2021, our consolidated net leverage ratio was 5.2x, as specified in, and calculated in accordance with the indenture associated with the 2028 VTR Finance Senior Notes**.**

Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in the credit agreements of the VTR Credit Facilities is dependent primarily on our ability to maintain Covenant EBITDA and to achieve adequate returns on our property and equipment additions and acquisitions. In addition, our ability to obtain additional debt financing is limited by incurrence-based and/or springing maintenance leverage covenants contained in the agreements underlying the VTR Credit Facilities, the 2028 VTR Senior Secured Notes, the 2029 VTR Senior Secured Notes and the 2028 VTR Finance Senior Notes. In this regard, if our Covenant EBITDA were to decline, we could be required to partially repay or limit our borrowings under the VTR Credit Facilities or any then existing debt in order to maintain compliance with applicable covenants. In such circumstances, our ability to support or obtain additional debt could be limited. No assurance can be given that we would have sufficient sources of liquidity, or that any external funding would be available on favorable terms, or at all, to fund any such required repayment. At March 31, 2021, we were in compliance with our debt covenants. We do not anticipate any instances of non-compliance with respect to our debt covenants that would have a material adverse impact on our liquidity during the next 12 months.

At March 31, 2021, the outstanding principal amount of our debt aggregated CLP 1,148 billion, including CLP 70 billion that is classified as current in our condensed consolidated balance sheet and CLP 1,078 billion that is not due until 2028 or thereafter. Included in the outstanding principal amount of our debt at March 31, 2021 is CLP 70 billion of vendor financing, which we use to finance certain of our operating expenses and property and equipment additions. These obligations are generally due within one year. For additional information concerning our debt, including our debt maturities, see note 7 to our condensed consolidated financial statements.

The weighted average interest rate in effect at March 31, 2021 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin, was 5.2%. The interest rate is based on stated rates and does not include the impact of derivative instruments, deferred financing costs, and commitment fees, all of which affect our overall cost of borrowing. The weighted average impact of the derivative instruments on our borrowing costs at March 31, 2021 was an increase of 48 basis points.

Including the effects of derivative instruments and commitment fees, but excluding the impact of financing costs, the weighted average interest rate on our indebtedness was 5.8% at March 31, 2021.

Notwithstanding our negative working capital position at March 31, 2021, we believe that we have sufficient resources to repay or refinance the current portion of our debt and to fund our foreseeable liquidity requirements during the next 12 months. However, as our debt maturities grow in later years, we anticipate that we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to complete refinancing transactions or otherwise extend our debt maturities. In this regard, it is difficult to predict how political, economic and social conditions, sovereign debt concerns or any adverse regulatory developments will impact the credit and equity markets we access and our future financial position. Our ability to access debt financing on favorable terms, or at all, could be adversely impacted by (i) the financial failure of any of our counterparties, which could (a) reduce amounts available under our committed credit facilities and (b) adversely impact our ability to access cash deposited with any failed financial institution, and (ii) tightening of the credit markets. In addition, sustained or increased competition, particularly in combination with adverse economic or regulatory developments, could have an unfavorable impact on our cash flows and liquidity.

Condensed Consolidated Statements of Cash Flows

Summary. Our condensed consolidated statements of cash flows for the three months ended March 31, 2021 and 2020 are summarized as follows:

	Three months ended March 31, 2021	Three months ended March 31, 2020	Change
	CLP in billions		
Net cash provided by operating activities	15.8	39.6	(23.8)
Net cash used by investing activities	(28.0)	(33.1)	5.1
Net cash provided by financing activities	60.3	74.3	(14.0)
Effect of exchange rate changes on cash	(1.3)	7.1	(8.4)
Net increase in cash and cash equivalents	46.8	87.9	(41.1)

Operating Activities. The decrease in net cash provided by our operating activities is primarily attributable to a decrease in working capital, which includes an increase in cash used for derivative instruments.

Investing Activities. The decrease in net cash used by our investing activities is attributable to lower capital expenditures, as further discussed below.

The capital expenditures that we report in our condensed consolidated statements of cash flows, which includes cash paid for property and equipment and intangible assets acquired not part of an acquisition, does not include amounts that are financed under capital-related vendor financing. Instead, these amounts are reflected as non-cash additions to our property and equipment when the underlying assets are delivered and as repayments of debt when the principal is repaid. In this discussion, we refer to (i) our capital expenditures, as reported in our condensed consolidated statements of cash flows, and (ii) our total property and equipment additions, which include our capital expenditures on an accrual basis and amounts financed under capital-related vendor financing.

A reconciliation of our property and equipment additions to our capital expenditures, as reported in our condensed consolidated statements of cash flows, is set forth below:

	Three months ended March 31, 2021	Three months ended March 31, 2020
	CLP in billions	
Property and equipment additions	33.8	32.8
Assets acquired under capital-related vendor financing arrangements	(5.3)	(1.0)
Changes in current liabilities related to capital expenditures	(0.4)	1.4
Capital expenditures	28.1	33.2

The decrease in our property and equipment additions during the three months ended March 31, 2021, as compared to the corresponding period in 2020, is primarily due to the net effect of (i) a decrease in product and enabler-related additions and (ii) an increase related to (i) capacity-related additions and (ii) new build and upgrade-related additions. During the three months ended March 31, 2021 and 2020, a significant portion of our purchases of property and equipment was denominated in U.S. dollars. Our property and equipment additions represented 22.2% and 19.8% of our revenue, respectively.

Financing Activities. During the three months ended March 31, 2021, we generated CLP 60 billion in net cash from financing activities, primarily due to CLP 76 billion of net borrowings of debt associated with the refinancing activities that occurred during the first quarter of 2021. During the three months ended March 31, 2020, we generated CLP 74 billion in net cash from financing activities that is entirely attributable to net borrowings of debt, including CLP 79 billion of borrowings under the VTR Revolving Credit Facilities. See note 7 to our condensed consolidated financial statements for additional information related to our refinancing activities.

Contractual Commitments

The following table sets forth our commitments as of March 31, 2021:

	Payments due during:							
	Remainder of 2021	2022	2023	2024	2025	2026	Thereafter	Total
	CLP in billions							
Debt (excluding interest)	52.2	17.8	—	—	—	—	1,078.1	1,148.1
Operating leases	4.4	4.8	3.6	3.0	0.2	—	—	16.0
Programming commitments	57.6	54.8	37.1	30.8	0.3	—	—	180.6
Network and connectivity commitments	14.6	0.7	—	—	—	—	—	15.3
Purchase commitments	6.4	0.7	0.4	—	—	—	—	7.5
Other commitments	0.7	0.2	0.1	0.1	0.1	0.1	0.6	1.9
Total (a)	135.9	79.0	41.2	33.9	0.6	0.1	1,078.7	1,369.4
Projected cash interest payments on debt (b)	31.6	60.2	60.3	60.1	60.2	59.0	112.5	443.9

(a) The commitments included in this table do not reflect any liabilities that are included in our March 31, 2021 condensed consolidated balance sheet other than (i) debt and (ii) operating lease obligations.

(b) Amounts are based on interest rates, interest payment dates, commitment fees and contractual maturities in effect as of March 31, 2021. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. In addition, the amounts presented do not include the impact of our derivative contracts.

For information concerning our debt, operating lease obligations and commitments see notes 7, 8 and 13, respectively, to our condensed consolidated financial statements.

In addition to the commitments set forth in the table above, we have commitments under derivative instruments, pursuant to which we expect to make payments in future periods. For information regarding projected cash flows associated with these derivative instruments, see *Projected Cash Flows Associated with Derivative Instruments* below. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during the three months ended March 31, 2021 and 2020, see note 4 to our condensed consolidated financial statements.

Projected Cash Flows Associated with Derivative Instruments

The following table provides information regarding the projected cash flows associated with our derivative instruments. The Chilean peso equivalents presented below are based on interest rates and exchange rates that were in effect as of March 31, 2021. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. For additional information regarding our derivative instruments, including our counterparty credit risk, see note 4 to our condensed consolidated financial statements.

	Payments due during:							
	Remainder of 2021	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**	**Total**
	CLP in billions							
Projected derivative cash payments, net:								
Interest-related (a)	3.7	23.9	23.9	23.9	23.9	23.9	2.4	125.6
Principal-related (b)	—	—	—	—	—	101.7	8.8	110.5
Other (c)	8.9	1.1	—	—	—	—	—	10.0
Total	12.6	25.0	23.9	23.9	23.9	125.6	11.2	246.1

(a) Includes the interest-related cash flows of our cross-currency derivative contracts.

(b) Includes the principal-related cash flows of our cross-currency derivative contracts.

(c) Includes amounts related to our foreign currency forward contracts.