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As filed with the Securities and Exchange Commission on April 27, 2022

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2021

Commission file number 001-13142

Embotelladora Andina S.A.

(Exact name of Registrant as specified in its charter)

Andina Bottling Company

(Translation of Registrant's name into English)

Republic of Chile

(Jurisdiction of incorporation or organization)

**Miraflores 9153, 7th Floor
Renca - Santiago, Chile**

(Address of principal executive offices)

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Miraflores 9153, 7th Floor- Renca - Santiago, Chile**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol	Name of each exchange on which registered
Series A Shares, Series B Shares of Registrant represented by American Depositary Shares	AKO.A AKO.B	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Series A Shares	473,289,301
Series B Shares	473,281,303

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

☒ Yes ☐ No

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐

International Financial Reporting Standards as issued by the International Accounting Standards Board ☒

Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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INTRODUCTION

Certain Definitions

Unless the context otherwise requires, as used in this annual report the following terms have the meanings set forth below:

- the “Company,” “we,” “our,” “Andina” and “Coca-Cola Andina” means Embotelladora Andina S.A. and its consolidated subsidiaries;
- “Andina Argentina” means our subsidiary, Embotelladora del Atlántico S.A., or EDASA;
- “Andina Brazil” means our subsidiary, Rio de Janeiro Refrescos Ltda. and its subsidiaries;
- “AEASA” means our subsidiary, Andina Empaques Argentina S.A.;
- “EDASA” means our subsidiary, Embotelladora del Atlántico S.A.;
- “PARESA” means our subsidiary, Paraguay Refrescos S.A.;
- “Envases CMF” means our affiliate, Envases CMF S.A.;
- “ECSA” means our subsidiary, Envases Central S.A.;
- “Vital Jugos” means our subsidiary, VJ S.A., previously known as Vital S.A. and subsequently Vital Jugos S.A.;
- “VASA” means our subsidiary, Vital Aguas S.A.;
- “TAR” means our subsidiary, Transportes Andina Refrescos Ltda.;
- “The Coca-Cola Company” means The Coca-Cola Company and its subsidiaries, including without limitation Coca-Cola de Chile S.A. (“CC Chile”), which operates in Chile, Recofarma Industrias do Amazonas Ltda. (“CC Brazil”), which operates in Brazil, and Servicios y Productos para Bebidas Refrescantes S.R.L. (“CC Argentina”), which operates in Argentina;
- the “Chilean territory” means the regions of Antofagasta, Atacama, Coquimbo, Metropolitan Region of Santiago, Aysén and Magallanes and the Chilean Antarctic and the provinces of Cachapoal and San Antonio;
- the “Brazilian territory” means the greater part of the State of Rio de Janeiro, the totality of the State of Espírito Santo and parts of the state of São Paulo and the state of Minas Gerais;
- the “Argentine territory” means the provinces of Córdoba, Mendoza, San Juan, San Luis, Santa Fe, Entre Ríos, La Pampa, Neuquén, Río Negro, Chubut, Santa Cruz, Tierra del Fuego as well as the western part of the province of Buenos Aires; and
- the “Paraguayan territory” means the country of Paraguay.

Presentation of Financial and Certain Other Information

Unless otherwise specified, references herein to “dollars,” “U.S. dollars” or “US\$” are to United States dollars; references to “pesos,” “Chilean pesos,” “Ch\$” or “ThCh\$” are to Chilean pesos; references to “Argentine pesos” or “AR\$” are to Argentine pesos; references to “real,” “reais” or “R\$” are to Brazilian reais; and references to “guaraníes,” “guaraní” or “G\$” are to Paraguayan guaraníes. References to “UF” are to *Unidades de Fomento*. The UF is an inflation-indexed Chilean monetary unit with a value in Chilean pesos that is adjusted daily to reflect changes in the official consumer price index of the *Instituto Nacional de Estadísticas* (the “Chilean National Institute of Statistics”). The UF is adjusted in monthly cycles. Each day in the period beginning on the tenth day of the current month through the ninth day of the succeeding month, the nominal peso value of the UF is indexed up (or down in the event of deflation) in order to reflect a proportionate amount of the change in the Chilean consumer price index during the prior calendar month. Certain percentages and amounts contained in this annual report have been rounded for ease of presentation.

The Company’s consolidated financial statements for the years ended December 31, 2019, 2020 and 2021 were prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) issued by the International Accounting Standards Board (hereinafter “IASB”).

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Our consolidated financial statements are presented in Chilean pesos. Our consolidated financial statements reflect the results of our subsidiaries located in Brazil, Argentina and Paraguay, converted to Chilean pesos (our functional and presentation currency). IFRS requires assets and liabilities to be converted from the functional currency of our subsidiaries outside Chile to our reporting currency (Chilean peso) at the end of period exchange rates and income and expense accounts to be converted at the average monthly exchange rate for the month in which income or expense is recognized for subsidiaries that do not operate in hyperinflationary economies.

In the case of our Argentine subsidiaries, which have been operating in an environment that during 2019, 2020 and 2021 was classified as hyperinflationary, the conversion criteria from the functional currency of those subsidiaries to our presentation currency is the following:

- First adoption of a hyperinflationary economy was in 2018: Losses and gains by correction of current non-monetary items the previous year were recorded in accumulated results as of January 1, 2018.
- Statement of financial position (balance sheet): Non-monetary items are expressed in the current currency at the balance sheet date and translated to the presentation currency of the closing exchange rate. Losses and gains are included in net earnings (fiscal year income).
- Income statement: Income statement items are expressed in the current currency unit at the end of the reporting period, using the variation of the general price index from the date on which the expenses and revenues were accrued, and translated to the presentation currency at closing exchange rate.
- Cash flow statement: Cash flow statement items are expressed in the current currency unit at the end of the reporting period and translated to the presentation currency at closing exchange rate.

For more information on the effects of the hyperinflationary environment in Argentina see note 2.5 of our consolidated financial statements included herein.

Unless otherwise specified, our financial data is presented herein in Chilean pesos.

Forward-Looking Statements

This annual report includes forward looking statements, principally under the captions “Item 4. Information on the Company—Part B. Business Overview,” “Item 3. Key Information—Part D. Risk Factors,” and “Item 5. Operating and Financial Review and Prospects.” We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting our business. Examples of such forward-looking statements include:

- statements of our plans, objectives or goals, including those related to anticipated trends, competition or regulation;
- statements about our future economic performance and that of Chile or other countries in which we operate;
- statements about our exposure to market risks, including interest rate risks, foreign exchange risk and equity price risk; and
- statements of assumptions underlying such statements.

Words such as “believes,” “expects,” “anticipates,” “projects,” “intends,” “should,” “could,” “may,” “seeks,” “aim,” “combined,” “estimates,” “probability,” “risk,” “target,” “goal,” “objective,” “future” or similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially and adversely from those described in such forward-looking statements included in this annual report as a result of various factors (including, without limitation, the actions of competitors, future global economic conditions, market conditions, foreign exchange rates and operating and financial risks), many of which are beyond our control. The occurrence of any such factors not currently expected by us would significantly alter the results set forth in these statements.

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You should understand that the following important factors, in addition to those discussed elsewhere in this annual report, could affect our future results and could cause those results or other outcomes to differ materially and adversely from those expressed in our forward-looking statements:

- changes in general economic, business, political or other conditions in the regions where we operate;
- the impact of the ongoing COVID-19 pandemic and government measures aimed at limiting the spread of the virus;
- changes in the legal and regulatory framework of the beverage sector in the regions where we operate;
- the monetary and interest rate policies of the central banks of the countries in which we operate;
- unanticipated movements or volatility in interest rates, foreign exchange rates, inflation, equity prices or other rates or prices;
- changes in taxes;
- our inability to hedge certain risks economically;
- potential effects of weather conditions, earthquakes, tsunamis or other natural disasters;
- the outcome of litigation against us;
- the nature and extent of competition in the beverage industry in Latin America and the effect of competition on the prices we are able to charge for our products;
- volatility and fluctuations in demand for our products and the effect of such changes on the volume that we are able to sell and the price that we are able to charge for our products;
- capital and credit market conditions, including the availability of credit changes in interest rates;
- delays in the development of our projects, changes to our investment plans, due to changes in demand, authorizations, etc.; and
- the factors described under “Risk Factors.”

The forward-looking statements contained in this document speak only as of the date of this annual report, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, unless required by law.

Market Data

We have computed the information contained in this annual report regarding annual volume and per capita growth rates and levels, and market share, product segment, and population data in our bottling territories, based upon accumulated statistics developed by us. Market share information presented with respect to soft drinks, juices, waters and beer is based on data supplied by A.C. Nielsen Company. For market share information, A.C. Nielsen Company changed the methodology and sample in Argentina, Chile and Paraguay, therefore figures presented may not be fully comparable to those of previous periods in these countries.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

The selected financial data previously required by Item 3.A of Form 20-F has been omitted in reliance on SEC Release No. 33-10890, *Management's Discussion and Analysis, Selected Financial Data and Supplementary Financial Information*.

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

Summary of Risk Factors

The following summarizes some, but not all, of the principal risks provided below. Please carefully consider all of the information discussed in this Item 3.D "Risk Factors" in this annual report on Form 20-F for a detailed description of these and other risks.

- We rely heavily on our relationship with The Coca-Cola Company, which has substantial influence over our business and operations; and changes in this relationship may adversely affect our business.
- The beverage business environment is changing rapidly, including as a result of epidemic diseases such as the recent outbreak of the COVID-19 pandemic, and increased health and environmental concerns, and if we do not address evolving consumer product and shopping preferences, our business could suffer.
- Increased concern about the health effects of sugar and other sweeteners in beverages could result in changes to the beverage business.
- Our business is highly competitive, including with respect to price competition, which may adversely affect our net profits and margins.
- If our raw material costs increase, including as a result of U.S. dollar/local currency exchange risk and price volatility, our profitability may be affected.
- Instability in the supply of utility services and oil prices may adversely impact our results of operations.
- Water scarcity and poor water quality could adversely impact our production costs and capacity.
- Significant additional labeling or warning requirements may inhibit sales of our products.
- Our business may be adversely affected if we are unable to maintain brand image and product quality.
- Trademark infringement could adversely impact our beverage business.

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- Weather conditions or natural disasters may adversely affect our business.
- Our business is subject to risks arising from the ongoing COVID-19 pandemic.
- If we are unable to protect our information systems against data corruption, cyber-based attacks or network security breaches, our operations could be disrupted.
- Perception of risk in emerging economies may impede our access to international capital markets, hinder our ability to finance our operations and adversely affect our financial performance.
- Our business may be adversely affected if we fail to renew collective bargaining labor agreements on satisfactory terms or experience strikes or other labor unrest.
- Our business is subject to regulation, which is complex and subject to change.
- Our business is subject to increasing environmental regulation, which may result in increases in our operating costs or adverse changes in consumer demand.
- The countries in which we operate may adopt new tax laws or modify existing laws to increase taxes applicable to our business or reduce existing tax incentives.
- A devaluation of the currencies of the countries where we have our operations, with regard to the Chilean peso, can negatively affect the results reported by the Company in Chilean pesos.
- The imposition of exchange controls could restrict the entry and exit of funds to and from the countries in which we operate, which could significantly limit our financial capacity.

You should carefully consider the following factors in addition to the other information set forth in this annual report on Form 20-F. Any of the following risks, if they materialize, could materially and adversely affect our business, results of operations, prospects and financial condition.

Risks Relating to our Company

We rely heavily on our relationship with The Coca-Cola Company, which has substantial influence over our business and operations; and changes in this relationship may adversely affect our business.

The Coca-Cola Company has substantial influence on the conduct of our business. The interests of The Coca-Cola Company may be different from the interests of our other shareholders. 65% and 61% of our net sales for 2020 and 2021, respectively, were derived from the distribution of soft drinks under The Coca-Cola Company trademarks, while 18% and 18% of our net sales for 2020 and 2021, respectively, were derived from the distribution of other beverages also bearing trademarks owned by The Coca-Cola Company. In addition, The Coca-Cola Company currently owns, directly or through its subsidiaries, 14.65% of our Series A shares (representing 7.33% of our total shares) and benefits from certain rights under a shareholders' agreement. We produce, market and distribute Coca-Cola products through standard bottler agreements between our bottler subsidiaries and The Coca-Cola Company. The Coca-Cola Company has the ability to exert a substantial influence on the business of the Company through its rights under the bottler agreements. According to the bottler agreements, The Coca-Cola Company unilaterally sets the prices for Coca-Cola concentrate that they sell to us. The Coca-Cola Company may in the future increase the price we pay for the concentrate, increasing our costs. The Coca-Cola Company also monitors our prices and has the right to review and approve our marketing, operating and advertising plans. These factors may impact our profit margins, which could adversely affect our net income and results of operations.

Our marketing campaigns for Coca-Cola products are designed and controlled by The Coca-Cola Company. The Coca-Cola Company also makes significant contributions to our marketing expenses, although it is not required to contribute a particular amount. Accordingly, The Coca-Cola Company may discontinue or reduce such contribution at any time. Pursuant to the bottler agreements, we are required to submit a business plan to The Coca-Cola Company for prior approval on a yearly basis. In accordance with our bottler agreements, The Coca-Cola Company may, among other things, require that we demonstrate the financial ability to meet our business plan, and if we are not able to demonstrate our financial capacity, The Coca-Cola Company may terminate our rights to produce, market and distribute Coca-Cola soft drinks or other Coca-Cola beverages in territories where we have such approval. Under these bottler agreements, we are prohibited from producing, bottling, distributing or selling any products that could be substituted for,

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be confused with or be considered an imitation of soft drinks or other beverages and products under the trademarks of The Coca-Cola Company.

We depend on The Coca-Cola Company to renew our bottler agreements, which are subject to termination by The Coca-Cola Company in the event we default or upon expiration of their respective terms. We currently are party to four bottler agreements: one agreement for Chile, which expires in January 2023, one agreement for Brazil, which expires in October 2022, one agreement for Argentina, which expires in September 2022, and one agreement for Paraguay, which is currently under renewal. We cannot provide any assurance that our bottler agreements will be maintained or renewed upon their termination. Even if they are renewed, we cannot provide any assurance that renewal will be granted on the same terms as those currently in effect. Termination, non-extension or non-renewal of any of our bottler agreements would prevent us from selling Coca-Cola trademark beverages in the affected territory, which would have a material adverse effect on our business, financial condition and results of operation.

In addition, any acquisition we make of bottlers of Coca-Cola products in other territories may require, among other things, the consent of The Coca-Cola Company under bottler agreements to which such other bottlers are subject. We cannot assure you that The Coca-Cola Company will consent to any future geographic expansion of our Coca-Cola beverage business.

We cannot assure you that our relationship with The Coca-Cola Company will not deteriorate or otherwise undergo significant changes in the future. If such changes do occur, our operations and financial results and condition could be materially affected.

The beverage business environment is changing rapidly, including as a result of epidemic diseases such as the COVID-19 pandemic, and increased health and environmental concerns, and if we do not address evolving consumer product and shopping preferences, our business could suffer.

The beverage business environment in our territories is dynamic and constantly evolving rapidly as a result of, among other things, changes in consumer preferences, including changes based on health and nutrition considerations and obesity concerns, shifting consumer preferences and needs; changes in consumer lifestyles, especially as affected by the COVID-19 pandemic; concerns regarding location of origin or source of ingredients and raw materials, and the environmental and sustainability impact of the product manufacturing process; consumer shopping patterns that are changing with the digital revolution; consumer emphasis on transparency related to our products and packaging; and competitive product and pricing pressures. While we have been offering our products through online platforms and websites, if we do not adapt our product offer to the needs of our customers and changes in their lifestyles, our business could be affected. Also, while we have reduced the amounts of sugar in multiple beverages across our portfolio and increased availability of low or no-calorie soft drinks, if we are unable to successfully adapt in this environment, our participation in the sales of beverages and financial results in general would be negatively affected.

Increased concern about the health effects of sugar and other sweeteners in beverages could result in changes to the beverage business.

Consumers, public health officials and government agencies in the majority of our markets, are increasingly concerned with public health consequences associated with obesity, particularly among young people. Additionally, some researchers, health advocates and dietary guidelines are encouraging consumers to reduce consumption of sugar-sweetened beverages and beverages sweetened with nutritive or alternative sweeteners. Increasing public concern about these issues, the possibility of taxes on sugar-sweetened beverages or other sweeteners, additional governmental regulations concerning the marketing, labeling, packaging or sale of our beverages and any negative publicity resulting from actual or threatened legal actions against beverage companies relating to the marketing, labeling or sale of beverages may reduce demand for our products or increase the cost, which could adversely affect our profitability.

Our business is highly competitive, including with respect to price competition, which may adversely affect our net profits and margins.

The beverage business is highly competitive in each of the territories in which we operate. We compete with bottlers of local and regional brands, including low cost beverages and Pepsi products. This competition in each of the regions where we operate is likely to continue, and we cannot assure you that it will not intensify in the future, which could materially and adversely affect our financial condition and results of operations. If we do not continuously strengthen our capabilities in marketing and innovation to maintain our brand loyalty and market share, our business and results of operations could be negatively affected.

If our raw material costs increase, including as a result of U.S. dollar/local currency exchange risk and price volatility, our profitability may be affected.

In addition to water, our most significant raw materials are (1) concentrate, which we acquire from affiliates of The Coca-Cola Company, (2) sweeteners and (3) packaging materials. Our most significant packaging raw material costs arise from the purchase of resin and plastic preforms to make plastic bottles and from the purchase of finished plastic bottles, the prices of which are related to crude oil prices and global resin supply. Prices for concentrate are determined by The Coca-Cola Company and The Coca-Cola Company has unilaterally increased concentrate prices in the past and may do so again in the future. We cannot assure you that The Coca-Cola Company will not increase the price of the concentrate for Coca-Cola trademark beverages or change the manner in which these prices will be calculated in the future. The prices for our remaining raw materials are driven by market prices and local availability, the imposition of import duties and restrictions and fluctuations in exchange rates. We may not be successful in negotiating or implementing measures to mitigate the negative effect that increased raw material costs may have in the pricing of our products or our results.

We purchase our raw materials from both domestic and international suppliers, some of which must be approved by The Coca-Cola Company, which may limit the number of suppliers available to us. Because the prices of our main raw materials –except for concentrate– are denominated in U.S. dollars, we are subject to local currency risk with respect to each of our operations. If any of the Chilean peso, Brazilian real, Argentine peso, or Paraguayan guaraní were to depreciate significantly against the U.S. dollar, the cost of certain raw materials in our respective territories could rise significantly, which could have an adverse effect on our financial condition and results of operations. We cannot assure you that these currencies will not lose value against the U.S. dollar in the future. Additionally, some raw material prices are subject to high volatility, which could also have a material adverse effect on our profitability. The supply or cost of specific raw materials could be adversely affected by domestic or global price changes, strikes, weather conditions, taxes, governmental controls, the COVID-19 pandemic or other factors. Any sustained interruption in the supply of these raw materials or any significant increase in their price could have a material adverse effect on our financial performance.

Instability in the supply of utility services and oil prices may adversely impact our results of operations.

Our operations depend on a stable supply of utilities and fuel in the countries where we operate. Electrical power outages could lead to increased energy prices and possible service interruptions. We cannot assure you that in the future we will not experience energy interruptions that could materially and adversely affect our business. In addition, a significant increase in energy prices would raise our costs, which could materially impact our results of operations. Fluctuations in oil prices have adversely affected our cost of energy and transportation in the regions where we operate, and we expect that they will continue to do so in the future. Recently, global fuel prices have increased significantly as a result of Russia's invasion of Ukraine. We cannot assure you that fuel prices will not increase in the future, and that such an increase would not have a significant effect on our financial performance.

Water scarcity, poor water quality and energy shortages could adversely impact our production costs and capacity.

Water is the main ingredient in substantially all of our products. It is also a limited resource in many parts of the world, facing unprecedented challenges from overexploitation, increasing pollution and poor management. As demand for water continues to increase around the world, and as the quality of available water deteriorates, we may incur increasing production costs or face capacity constraints that could adversely affect our profitability. We obtain water from various sources in our territories, including springs, wells, rivers and municipal and state water companies pursuant to concessions granted by governments in our various territories. Water scarcity or changes in governmental regulations aimed at rationing water in the regions where we operate could affect our water supply and therefore our business.

Some of the countries in which we operate have experienced prolonged periods of drought. For example, in Brazil we have experienced periods of drought and water quality problems, all of which may directly affect the standard of our products and production costs, especially if water treatment ends up being necessary. In the event that these drought periods continue and are prolonged over time, the costs of our operations could be significantly affected due to water scarcity and consequent power shortages. Similarly, in the event that a drought situation worsens, the authorities could be forced to issue new laws and regulations that could limit or restrict the sale of our products, which could adversely affect our financial results.

We also anticipate future discussions on new regulations in Chile and other countries where we operate relating to future ownership of water resources, including possible nationalization, and stricter controls on water usage. In Chile particularly, discussions are beginning to take place relating to the framework on ownership of water resources. In the event that these discussions lead to relevant changes in regulations regarding the ownership or use of water resources, the costs of our operation could be significantly affected.

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We cannot assure you that water will be available in sufficient quantities and/or quality to meet our future production needs or will prove sufficient to meet our current water supply needs.

Climate change and legal or regulatory responses thereto may have an adverse impact on our business.

There is increasing concern that a gradual increase in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Decreased agricultural productivity in certain regions of the world as a result of changing weather patterns may limit the availability or increase the cost of key agricultural commodities, such as sugarcane, and corn which are important sources of ingredients for our products. Increasing concern over climate change also may result in additional legal or regulatory requirements designed to reduce or mitigate the effects of carbon dioxide and other greenhouse gas emissions on the environment. Increased energy or compliance costs and expenses due to increased legal or regulatory requirements may cause disruptions in, or an increase in the costs associated with, the manufacturing and distribution of our beverage products. The effects of climate change and legal or regulatory initiatives to address climate change could have an adverse impact on our business.

Our ability to achieve our environmental, social and governance goals are subject to risks, many of which are outside of our control, and our reputation and brands could be harmed if we fail to meet such goals.

Companies across all industries are facing increasing scrutiny from stakeholders related to environmental, social and governance (“ESG”) matters, including practices and disclosures related to environmental stewardship; social responsibility; diversity, equity and inclusion; and workplace rights. Our ability to achieve our ESG goals and objectives and to accurately and transparently report our progress presents numerous operational, financial, legal and other risks. If we are unable to meet our ESG goals or evolving stakeholder expectations and industry standards, or if we are perceived to have not responded appropriately to the growing concern for ESG issues, our reputation, and therefore our ability to sell products, could be negatively impacted.

In addition, in recent years, investor advocacy groups and certain institutional investors have placed increasing importance on ESG matters. If, as a result of their assessment of our ESG practices, certain investors are unsatisfied with our actions or progress, they may reconsider their investment in our Company.

Significant additional labeling or warning requirements may inhibit sales of our products.

The countries in which we operate may adopt significant advertising restrictions as well as additional product labeling or warning requirements relating to the chemical content or perceived adverse health consequences of certain of our Coca-Cola products or other products. The Chilean Congress passed Law No. 20,606 with respect to labeling of certain consumer products, including soft drinks and bottled juices and waters such as ours. The law became effective in June 2016 and its implementation has been carried out in stages, with labeling requirements becoming progressively stricter in June 2018 and June 2019. Furthermore, in Argentina, on November 12, 2021, the “Healthy Nutrition Law” (Law No. 27642), known as the “Food Labelling Law,” was published and became effective on November 21, 2021. This law mandates the display of warning labels on food and beverages containing an excess of critical ingredients shall bear the following warning labels: “excess of sugar,” “excess of sodium,” “excess of saturated fats” and “excess of total fats.” Cautionary warnings on food and beverages containing artificial sweeteners and caffeine are required to read as follows: “Contains artificial sweeteners. Not recommendable for children” and “Contains caffeine. Avoid child consumption.” The regulation implementing this law was approved and published on March 23, 2022. We cannot predict at this time whether these requirements will have an impact on our sales in Argentina. Given the uncertainty surrounding the interpretation of the law, we may occasionally be subject to costs and penalties associated with non-compliance, which are difficult to predict. Also, these requirements may adversely affect sales of our products and our results of operations.

Our business may be adversely affected if we are unable to maintain brand image and product quality.

Our beverage business is highly dependent on maintaining the reputation of our products in the countries where we operate. If we fail to maintain high standards for product quality, our reputation and ability to remain a distributor of The Coca-Cola Company beverages in the countries where we operate could be jeopardized. Negative publicity or incidents related to our products may reduce their demand and could have a material adverse effect on our financial performance. If any of our products is defective or found to contain contaminants, or causes injury or illness, we may be subject to legal claims filed by consumers, product recalls, business interruptions and/or other liabilities.

We take significant precautions in order to minimize any risk of defects or contamination in our products. These precautions include quality-control programs for raw materials, the production process and our final products. We also have established

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procedures to correct as soon as practicable any problems that are detected. However, the precautions and procedures we implement may not be sufficient to protect us from potential incidents.

Trademark infringement could adversely impact our beverage business.

A significant portion of our sales derives from sales of beverages branded with trademarks of The Coca-Cola Company, as well as other trademarks. If other parties attempt to misappropriate trademarks we use, we may be unable to protect these trademarks. The maintenance of the reputation of these brands is essential for the future success of our beverage business. Misappropriation of trademarks we use, or challenges thereto, could have a material adverse effect on our financial performance.

We may not be able to successfully implement our expansion strategies or achieve the expected operational efficiencies or synergies from potential acquisitions.

We have, and we may continue to, acquire businesses and pursue other strategic transactions as part of our expansion strategies. We cannot assure you that we will be successful in identifying opportunities and consummating acquisitions and other strategic transactions on favorable terms or at all. These types of transactions may involve additional risks to our Company, including operating in geographic regions or with beverage categories in which we have less or no operating history. Depending on the size and timing of an acquisition or transaction, we may be required to raise future financing to consummate the acquisition or transaction. Moreover, even if we are able to consummate a transaction, acquisitions and other strategic opportunities may involve significant risks and uncertainties.

Key elements to achieving the benefits and expected synergies of our acquisitions are the integration of acquired businesses' operations into our own in a timely and effective manner and the retention of qualified and experienced key personnel. We may incur in unforeseen liabilities in connection with acquiring, taking control of, or managing beverage operations and other businesses and may encounter difficulties and unforeseen or additional costs in restructuring and integrating them into our operating structure. These difficulties include distraction of management from current operations, difficulties in integration with our existing business and technology, greater than expected liabilities and expenses, inadequate return on capital, and unidentified issues not discovered in our pre-acquisition investigations and evaluations of those strategies and acquisitions. We cannot assure you that these efforts will be successful or completed as expected by us, and our business, financial condition, results of operations could be adversely affected if we are unable to do so.

Weather conditions or natural disasters may adversely affect our business.

Lower temperatures and higher rainfall may negatively impact consumer patterns, which may result in lower per capita consumption of our beverages. Additionally, adverse weather conditions or natural disasters may affect road infrastructure in the countries in which we operate and limit our ability to sell and distribute our products. For example, in February of 2010 our business experienced a temporary interruption in our production as a result of the 8.8 magnitude earthquake in central Chile; and in March 2015, flash floods in the north of Chile interrupted our production and distribution in such territory.

Our business is subject to risks arising from the ongoing COVID-19 pandemic.

The outbreak of the Coronavirus 2019 (COVID-19), which was declared by the World Health Organization to be a "public health emergency of international concern", has spread across most of the world. Countries around the world have adopted extraordinary measures to contain the spread of COVID-19, including imposing travel restrictions and bans, closing borders, establishing restrictions on public gatherings, instructing residents to practice social distancing, requiring closures of non-essential businesses, issuing stay-at-home advisories and orders, implementing quarantines and similar actions. The impact to date of the COVID-19 pandemic on global economic conditions has significantly increased economic uncertainty and is likely to have caused a global recession. We cannot predict how long the COVID-19 pandemic will continue or how long current or future governments' restrictions will remain in place. Furthermore, even if the outbreaks of COVID-19 subside, we cannot predict whether subsequent outbreaks, including from new variants of the virus, will reoccur, or whether governments will implement longer-term measures that continue to affect industries.

Given uncertainties regarding the impact of the COVID-19 pandemic, we cannot predict accurately the extent to which the COVID-19 outbreak could affect our business and results of operations. COVID-19 poses the risk that we or our employees, contractors, suppliers and other partners may be limited or prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. Additionally, we may experience raw material supply disruptions due to COVID-19 restrictions. While our operations have not been materially disrupted to date, the COVID-19 pandemic and government measures taken to contain the spread of the virus could disrupt our supply chain and the manufacture or shipment of our products, and adversely impact our business or results of operations.

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Additionally, the COVID-19 pandemic and government measures have disrupted certain of our sales channels, in particular as a result of the temporary mandatory closing of restaurants and bars and prohibition on social gathering events, which adversely affects our sales volumes to these channels. We cannot predict how much of an impact the COVID-19 pandemic and government measures will ultimately have on these sales channels, including whether many channels will be able to resume their operations after the virus is contained. Nor can we predict how much or for how long consumer spending patterns may change as a result of these developments.

The COVID-19 pandemic and government measures could in the future adversely affect our business and results of operations, potentially materially. In addition, an outbreak of other epidemics in the future, such as the bird flu, influenza, SARS, the Ebola virus and the Zika virus or any other unknown disease, could also result in a similar impact.

Our insurance coverage may not adequately cover losses resulting from the risks for which we are insured.

We maintain insurance for our principal facilities and other assets. Our insurance coverage protects us in the event we suffer certain losses resulting from fire, terrorism and natural disasters, such as earthquake and floods, or from business interruptions caused by such events. In addition, we maintain other insurance policies for general liability and product contamination. We cannot assure you that our insurance coverage will be sufficient or will provide adequate compensation for losses that we may incur.

If we are unable to protect our information systems against data corruption, cyber-based attacks or network security breaches, our operations could be disrupted.

We are increasingly dependent on information technology networks and systems, including over the Internet, to process, transmit and store electronic information. In particular, we depend on our information technology infrastructure for digital marketing activities and electronic communications among us and our clients, suppliers and also among our subsidiaries and facilities. Security breaches or infrastructure flaws can create system disruptions, shutdowns or unauthorized disclosure of confidential information. If we are unable to prevent such breaches or flaws, our operations could be disrupted, or we may suffer financial damage or loss because of lost or misappropriated information.

Cyber threats are rapidly evolving and the means for obtaining access to information in digital and other storage media are becoming increasingly sophisticated. Cyber threats and cyber-attackers can be sponsored by countries or sophisticated criminal organizations or be the work of single “hackers” or small groups of “hackers”.

We are in the process of analyzing the adequacy of our information technology systems and installing new and upgrading existing information technology systems in order to achieve industry standard levels of protection for the Company’s data and business processes against risk of data security breach and cyber-attack. We are working to strengthen the integrity of our data network and expect this process to continue over the coming years. Insider or employee cyber and security threats are increasingly a concern for all companies, including ours. Nevertheless, as cyber threats evolve, change and become more difficult to detect and successfully defend against, one or more cyber-attacks might defeat our or a third-party service provider’s security measures in the future and obtain the personal information of customers or employees. Employee error or other irregularities may also defeat of security measures and result in a breach of information systems. Because information systems are critical to many of the Company’s operating activities, our business may be impacted by system shutdowns, service disruptions or cybersecurity incidents. These incidents may be caused by failures during routine operations such as system upgrades or by user errors, as well as network or hardware failures, malicious or disruptive software, unintentional or malicious actions of employees or contractors, cyberattacks by hackers, criminal groups or nation-state organizations (which may include social engineering, business email compromise, cyber extortion, denial of service, or attempts to exploit vulnerabilities), geopolitical events, natural disasters, failures or impairments of telecommunications networks, or other catastrophic events. If our information systems or third-party information systems on which we rely suffer severe damage, disruption or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, we could experience delays in reporting our results, and we may lose revenue and profits as a result of our inability to timely manufacture, distribute, invoice and collect payments for finished products.

Moreover, hardware, software or applications we use may have inherent defects of design, manufacture or operations or could be inadvertently or intentionally implemented or used in a manner that could compromise information security. A security breach and loss of information may not be discovered for a significant period of time after it occurs. While we have no knowledge of a material security breach to date, any compromise of data security could result in a violation of applicable privacy and other laws or standards, the loss of valuable business data, or a disruption of our business. A security breach involving the misappropriation, loss or other unauthorized disclosure of sensitive or confidential information could give rise to unwanted media attention, materially damage our customer relationships and reputation, and result in fines or liabilities, which may not be covered by our insurance policies.

If we fail to comply with personal data protection and privacy laws, we could be subject to adverse publicity, government enforcement actions and/or private litigation, which could negatively affect our business and operating results.

In the ordinary course of our business, we receive, process, transmit and store information relating to identifiable individuals (“personal data”), primarily employees, former employees and consumers with whom we interact. As a result, we are subject to laws and regulations relating to personal data. These laws have been subject to frequent changes, and new legislation in this area may be enacted in other jurisdictions at any time. These laws impose operational requirements for companies receiving or processing personal data, and many provide for significant penalties for noncompliance. Also, new standards or regulations over data security or the handling of personal information, in the countries where we operate, may increase our costs in order to comply with those potential regulations and have required and may in the future require costly changes to our business practices and information security systems, policies, procedures and practices.

Perception of risk in emerging economies may impede our access to international capital markets, hinder our ability to finance our operations and adversely affect our financial performance.

International investors, as a general rule, consider the countries in which we operate to be emerging market economies. Consequently, economic conditions and the market for securities of emerging market countries influence investors’ perceptions of Chile, Brazil, Argentina and Paraguay and their evaluation of securities of companies located in these countries.

During periods of heightened investor concern regarding emerging market economies, in particular in recent years Argentina, the countries where we operate may experience significant outflows of U.S. dollars.

In addition, during these periods companies based in the countries where we operate have faced higher costs for raising funds, both domestically and abroad, as well as limited access to international capital markets, which have negatively affected the prices of the aforementioned countries’ securities. Although economic conditions are different in each of the emerging-market countries, investors’ reactions to developments in one of these countries may affect the securities of issuers in the others. For example, adverse developments in emerging market countries may lead to decreased investor interest in the securities of Chilean companies.

Our business may be adversely affected if we fail to renew collective bargaining labor agreements on satisfactory terms or experience strikes or other labor unrest.

A substantial portion of our employees is covered by collective bargaining labor agreements. These agreements generally expire every year. Our inability to renegotiate these agreements on satisfactory terms could cause work stoppages and interruptions, which may adversely impact our operations. Changes to the terms and conditions of existing agreements could also increase our costs or otherwise have an adverse effect on our operational efficiency. We experience periodic strikes and other forms of labor unrest through the ordinary course of business. We cannot assure you labor interruptions or other labor unrest will not occur in the future. If we experience strikes, work stoppages or other forms of labor unrest at any of our production facilities, our ability to supply beverages to customers could be impaired, which would reduce our net operating revenues and could expose us to customer claims.

Our business is subject to regulation, which is complex and subject to change.

We are subject to local regulations in each of the territories in which we operate. The main areas of regulation are water, environment, labor, taxation, health, consumer protection, advertising and antitrust. Regulation could affect our ability to set prices for our products. The adoption of new laws or regulations or a stricter interpretation or enforcement thereof in the countries in which we operate may increase our operating costs or impose restrictions on our operations which, in turn, may adversely affect our financial condition, business and results. Further changes in current regulations may result in increased compliance costs, which may have an adverse effect on our results or financial condition.

In the past, voluntary price restraints or statutory price controls have been imposed in several of the countries in which we operate. Currently there are no restraints or price controls applicable to our products in any of the territories in which we operate, except with respect to a limited number of products in Argentina. However, we cannot assure you that government authorities in any country in which we operate will not impose statutory price controls, or that we will not be requested to impose voluntary price restraints in the future. The potential imposition of restraints or price controls in the future may have an adverse effect on our results and financial condition.

Our business is subject to increasing environmental regulation, which may result in increases in our operating costs or adverse changes in consumer demand.

We are subject to various environmental laws and regulations in the countries where we operate, which apply to our products, containers and activities. If these environmental laws and regulations are strengthened or newly established in jurisdictions in which we conduct our businesses, we may be required to incur considerable expenses in order to comply with such laws and regulations. We are also subject to uncertainty regarding the interpretation of the environmental laws and regulations of the countries in which we operate, and any ambiguity or uncertainty regarding the interpretation or application of regulations can result in increased production costs or penalties for non-compliance, which are difficult to predict. Such increased expenses may have a material adverse effect on our results of operations and financial position. To the extent we determine that it is not financially sound for us to continue to comply with such laws and regulations, we may have to curtail or discontinue our activities in the affected business areas.

In addition, concerns over the environmental impact of plastic may reduce the consumption of our products sold in plastic bottles or result in additional taxes that could adversely affect consumer demand. In Chile, in August 2021, Law No. 21,368 was enacted, establishing limits on the generation of disposable products and regulating the use of plastics. Among the requirements imposed by this new law is the obligation to include a percentage of plastic collected and recycled in the country in disposable plastic bottles. This percentage cannot be less than 15% by 2025, reaching 70% by 2060. In addition, beverage sellers are required to offer beverages in returnable bottles and to receive these containers from consumers. Additionally, Law No. 20,920 passed in 2016, sets the framework for waste management, the extended liability of the producer and the promotion of recycling, which aims to reduce waste generation and encourage reuse, recycling and other types of valorization, in order to protect people's health and the environment.

If we were to become subject to adverse judgments or determinations in legal proceedings to which we are, or may become, a party, our future profitability could suffer through significant liabilities, a reduction of sales, increased costs or damage to our reputation.

In the ordinary course of our business, we become involved in various claims, lawsuits, investigations and governmental and administrative proceedings, some of which are or may be significant. We are currently a party to certain legal proceedings. Adverse judgments or determinations in one or more of these proceedings could require us to change the way we do business or use substantial resources in adhering to the settlements. These could have a material adverse effect on our business, including, among other consequences, by significantly increasing the costs required to operate our business. Ineffective communications during or after these proceedings could amplify the negative effects, if any, of these proceedings on our reputation and may result in a negative market impact on the price of our securities. We evaluate these litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves and/or disclose the relevant litigation claims or legal proceedings, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from our current assessments and estimates.

In addition, during recent years, the Company has been subject to judicial proceedings and administrative investigations associated with alleged monopolistic practices. Although these proceedings and investigations have not resulted in any convictions or penalties for the Company, we cannot assure that this will not occur in the future. Antitrust complaints may be submitted in Chile without any prior admissibility test and, as a result, we cannot predict whether unsubstantiated claims against us will be filed. Possible sanctions in matters of competition could have an adverse effect on our business.

The countries in which we operate may adopt new tax laws or modify existing laws to increase taxes applicable to our business or reduce existing tax incentives.

We cannot assure you that any governmental authority in any country where we operate will not impose new taxes or increase the taxes on our products in the future. The imposition of new taxes, the increases in taxes or the reduction of tax incentives may have a material adverse effect on our business, financial condition and results.

For example, in Chile, in 2014, Law No. 20,780 was enacted which was subsequently amended by Law No. 20,899, in 2016 (the "Tax Reform"). The Tax Reform introduced a new tax regime for corporations, the Semi-Integrated Regime established in article 14(B) of the Chilean Income Law, increasing the tax burden, among other changes. For companies such as Andina, the latest reform introduced in Chile (by Law 21.210 of February 2020) maintains corporate tax and withholding tax rates on dividends. In addition, the newly elected government of Mr. Gabriel Boric has made tax reform one of its priorities in order to have resources to finance changes promised during election campaign, aiming to increase tax revenues by 5.0% of Chile's GDP in 4 years and up to 8.0% within an 8-year period. The reform may include a change to a non-integrated tax system, which would mean that taxes paid at the corporate level may not be used as credit for taxes to be paid at the personal level, potentially affecting the effective returns for our shareholders.

In Argentina, in June 2021, a new tax reform (Law 27,630) was enacted. Under this new tax reform, which became effective for the 2021 fiscal period, the income tax rate is the following: (i) for companies with accumulated net earnings of up to AR\$5,000,000 (most of the small and medium size companies), the income tax rate will be 25%; (ii) for companies with accumulated net earnings between AR\$5,000,000 and AR\$50,000,000, a fixed tax of AR\$1,250,000 plus a 30% tax rate over the excess from AR\$5,000,000; and (iii) for companies with accumulated net earnings over AR\$50,000,000 (which is the case for the Company), a fixed tax of AR\$14,750,000 plus a 35% tax rate over the excess from AR\$50,000,000. The most important consequence for the Company is the increase in the applicable income tax rate from 30% to 35%. Additionally, the Company has to pay income tax on dividends, the rate for which has remained at 7%. In relation to the gross income tax (so-called “tax over gross revenues”), in 2019 there was a 0.5% average reduction in the gross income tax rate for industrial activity in provinces of Argentina where Andina has no productive plants, while the 0.5% reduction planned for 2020 was suspended and has remained suspended during 2021. Municipal rates in 2021, and so far as of the date of this annual report, remain unchanged, with few insignificant exceptions. Andina Argentina enjoys the benefit of a zero-tax rate on gross income in the province of Córdoba until 2030 under a new industrial promotion granted on August 31, 2020.

For further information, see also “Risks Relating to Brazil – Changes in tax laws may increase our tax burden and reduce tax incentives and, as a result, negatively affect our profitability.”

Brazilian tax proceedings may result in a significant tax liability.

Our subsidiary Rio de Janeiro Refrescos Ltda. is party in several tax proceedings in which the Brazilian federal tax authorities argue the alleged existence of liabilities associated with value added tax on industrialized products for an approximate total amount of R\$2.775 billion (equivalent to approximately US\$493.78 million). These proceedings are at different administrative as well as judicial procedural stages. We disagree with the Brazilian tax authorities’ position and believe that Rio de Janeiro Refrescos Ltda. is entitled to claim *Imposto sobre Produtos Industrializados* (IPI) tax credits in connection with its purchases of certain exempt raw materials from suppliers located in the Manaus Free Trade Zone. We believe that the Brazilian tax authorities’ claims are without merit. Our external Brazilian counsel has advised us that it believes that Rio de Janeiro Refrescos Ltda.’s likelihood of loss in most of these proceedings is classified as possible or remote. Despite the foregoing, the outcome of these claims is subject to uncertainty, and it is difficult to predict their final resolution or any other negative repercussions from this dispute with the Brazilian tax authorities to The Coca-Cola Company or its bottling companies in Brazil, including our Brazilian subsidiaries.

The termination of the distribution agreement for Heineken and Amstel beers, and its replacement by the new distribution agreement for Eisenbahn, Tiger, Sol Premium, Kaiser and Bavaria beers, could adversely affect our results of operations.

On September 1, 2021, the distribution agreement under which our subsidiary Rio de Janeiro Refrescos Ltda commercialized and distributed Heineken and Amstel branded beers, among others, within its franchise territories in Brazil, was terminated. On the same date, our subsidiary Rio de Janeiro Refrescos Ltda and Heineken agreed to a new distribution agreement, pursuant to which Rio de Janeiro Refrescos Ltda markets and distributes Eisenbahn and Tiger branded beers, and continues to market and distribute Sol Premium, Kaiser and Bavaria branded beers, within its franchise territories in Brazil.

We cannot assure you that the results of this new distribution agreement will match the results of the prior distribution agreement for Heineken and Amstel brand beers. If not, Andina Brazil’s financial results could be significantly negatively affected.

If we do not successfully comply with laws and regulations designed to combat corruption in countries in which we sell our products, we could become subject to fines, penalties or other regulatory sanctions, and our sales and profitability could suffer.

Although we are committed to conducting business in a legal and ethical manner in compliance with local and international statutory requirements and standards applicable to our business, there is a risk that our employees or representatives may take actions that violate applicable laws and regulations that generally prohibit the making of improper payments to foreign government officials for the purpose of obtaining or keeping business, including laws relating to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or the U.S. Foreign Corrupt Practices Act.

We may not be able to recruit or retain key personnel.

The implementation of our strategic business plans could be undermined by a failure to recruit or retain key personnel or the unexpected loss of senior employees, including in acquired companies. We face various challenges inherent in the management of a large number of employees over diverse geographical regions. Key employees may choose to leave their employment for a variety of reasons, including reasons beyond our control. The impact of the departure of key employees cannot be determined and may depend on, among other things, our ability to recruit other individuals of similar experience and skill. It is not certain that we will be able to

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attract or retain key employees and successfully manage them, which could disrupt our business and have an unfavorable material effect on our financial position, income from operations and competitive position.

A devaluation of the currencies of the countries where we have our operations, with regard to the Chilean peso, can negatively affect the results reported by the Company in Chilean pesos.

The Company reports its results in Chilean pesos, while a large part of its revenues comes from countries that use other currencies. During 2020 and 2021, 34% and 24% of the Company's net sales were generated in Brazil, 19% and 24% in Argentina, and 9% and 8% in Paraguay. If the currencies of these countries depreciate against the Chilean peso, this would have a negative effect on the results and financial condition of the Company, which are reported in Chilean pesos.

The imposition of exchange controls could restrict the entry and exit of funds to and from the countries in which we operate, which could significantly limit our financial capacity.

The imposition of exchange controls in the countries in which we operate could affect our ability to repatriate profits, which could significantly limit our ability to pay dividends to our shareholders. Additionally, it may limit the ability of our foreign subsidiaries to finance payments of U.S. dollar denominated liabilities required by foreign creditors.

Geopolitical and other challenges and uncertainties globally could have a material adverse effect on the global economy and our business

In addition to the significant macroeconomic challenges posed by the COVID-19 pandemic, which led to a fall in GDP in 2020 in all of the countries where we operate, we could be exposed to experience negative impacts to our businesses, financial condition and results of operations as a result of geopolitical and other challenges and uncertainties globally. Currently, the world economy is facing several exceptional challenges.

Escalating tensions between Russia and Ukraine and massive military actions between Russia and Ukraine could adversely impact macroeconomic conditions, leading to significant disruption, instability and volatility in global markets, as well as higher inflation (including by contributing to further increases in the prices of energy, oil and other commodities and further disrupting supply chains) and lower or negative growth. The EU, UK, U.S. and other governments have imposed significant sanctions and export controls against Russia and Russian interests and threatened additional sanctions and controls. The impact of these measures, as well as potential responses to them by Russia, is currently unknown and, although we do not have direct exposure to Ukraine and Russia, they could adversely affect our business, financial condition and results of operations.

Geopolitical and economic risks have also increased over the past few years as a result of trade tensions between the United States and China, Brexit, and the rise of populism and tensions in South America and Middle East. Growing tensions may lead, among others, to a deglobalization of the world economy, an increase in protectionism or barriers to immigration, a general reduction of international trade in goods and services and a reduction in the integration of financial markets, any of which could materially and adversely affect our business, financial condition and results of operations.

Negative information on social media and similar platforms could adversely affect our reputation.

Negative or inaccurate information concerning us or The Coca-Cola trademarks may be posted on social media and similar platforms of Internet-based communications at any time. This information may affect our reputation, and adversely impact our business and results of operations.

Risks Relating to Chile

Our growth and profitability depend significantly on economic conditions in Chile.

Our operations in Chile represented 47.8% and 46.3% of our assets as of December 31, 2020 and December 31, 2021, respectively, and 38.0% and 44.0% of our net sales for 2020 and 2021, respectively. Accordingly, our business, financial condition, and results of operations depend, to a considerable extent, upon economic conditions in Chile.

International and local economic conditions may adversely affect the Chilean economy, and unfavorable general economic conditions could negatively affect the affordability of and demand for some of our products in the country. In difficult economic conditions, consumers may seek to reduce discretionary spending by forgoing purchases of our products or buying low cost brands offered by competitors. Any of these events could have an adverse effect on our business, financial condition and results of operations.

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According to data published by the Central Bank, the Chilean economy grew at a rate of 1.1% in 2019, in 2020 it contracted by 5.8% and in 2021 it grew by 11.7%, reflecting higher spending especially in private consumption and investments in machinery and equipment. According to the Central Bank, for 2022 and 2023, the economy is projected to grow between 1.5% and 2.5%, and between 0.0% and 1.0%, respectively, showing a significant slowing of growth with respect to previous periods mainly due to a decrease in consumption levels driven by the end of massive programs of fiscal transfers to households. Thus, private consumption is expected to fall 0.2% in 2022 and 1.5% in 2023. Our financial condition and results of operations could also be adversely affected by changes over which we have no control, including, without limitation:

- political or economic developments in or affecting Chile;
- the economic or other policies of the Chilean government, which has a substantial influence over many aspects of the private sector;
- tax rates and policies;
- regulatory changes or administrative practices of Chilean authorities;
- energy or water shortages or rationalization;
- the Chilean constitutional process, and the impact of a new Chilean Constitution, if approved;
- government restrictions in response to the COVID-19 pandemic and authorities, capacity to keep the pandemic under control;
- inflation and governmental policies to combat inflation;
- currency exchange movements; and
- global and regional economic conditions.

We cannot assure you that the future development of the Chilean economy will not impair our ability to successfully carry out our business plan or materially adversely affect our business, financial condition or results of operations.

Civil unrest in Chile, the approval by the general public to draft a new Constitution and the health conditions resulting from COVID-19 have had and could have in the future a significant adverse effect on the general economic conditions in Chile and our business, results of operations and financial condition.

Currently, Chile is in a period of uncertainty generated by political, economic and health factors. Beginning in October 2019, widespread protests have taken place in Chile. This began with the government's announcement of an increase in subway fares in Santiago and quickly grew into broader unrest over economic inequality in the country. Demonstrations spread across the country and resulted in violent and, sometimes, fatal acts, as well as significant damage to public and private property. While to date the riots and protests described above have decreased in intensity and frequency, they are not completely over.

The Congress of Chile, as a measure to address the protests, agreed to submit to the general public the approval of a potential reform to the Constitution. In October 2020, Chile held a referendum whereby nearly 80% of voters opted to replace the Constitution and to have a new constitution drafted by a special constitutional convention comprised of 155 citizens to be elected in April 2021 solely for that task. Upon its drafting and approval by two-thirds of the constitutional convention's members, the final draft of the new constitution will be submitted to a further public referendum expected to be held during July 2022 for its approval or rejection by absolute majority vote. This convention will be responsible for proposing a new political and economic system, establishing social rights and defining political and participation and governing methods in the country, among other proposals.

We cannot predict the extent to which the economy of Chile will be affected by the political discussion regarding the new constitution, nor can we predict if government policies will have a negative impact on the Chilean economy. Changes in government policies may include higher tax rates and other changes in laws and policies that could result in a less favorable environment for private businesses. Thus, the long-term effects of the new constitution are hard to predict, but could include slower economic growth and higher taxes, which could adversely affect our business, financial condition and results of operation.

Political developments in Chile could result in instability.

In December 2021, Chile elected a new President, Mr. Gabriel Boric, who took office on March 11, 2022. This will be the first time that a representative of the Apruebo Dignidad coalition (made up of several political parties from Chilean center and left wing) assumes the executive power, through the appointment of his cabinet members, the coalition has enlarged to include the Socialist party, and the Partido por la Democracia, former members of the Concertación coalition, who had won 5 elections for president between 1989 and 2014. In addition, a new Congress was elected in November 2021, resulting in the Chamber of Deputies having a 44% representation from right-wing candidates, 5% independents, and the remaining 51% from center and left-wing candidates (24% of total deputies belong to Apruebo Dignidad). In the case of the Senate, 50% will be represented by right-wing politics, and 50% from left-wing parties (10% of the Senate will belong to the next ruling coalition).

In this context, Chile has more balanced Congress in terms of political representation, and as a result the probability of having extreme reforms seems more limited. However, we cannot assure you that measures taken by the new government impacting private investment, such as higher taxation, will not be implemented, and we cannot assure you whether the newly-elected Chilean government will continue to pursue business-friendly and open-market economic policies that stimulate economic growth and stability. Further, there can be no assurance that future developments in or affecting the Chilean political landscape, including economic, social or political instability in Chile, will not materially and adversely affect our business, financial condition or results of operations.

The Chilean peso is subject to depreciation and volatility, which could adversely affect our business.

The Chilean peso has been subject to large nominal devaluations in the past and may be subject to significant fluctuations in the future. The main drivers of exchange rate volatility in past years were the significant fluctuations of commodity prices, as well as general uncertainty and trade imbalances in the global markets. The Chilean peso depreciated by 8% during 2019, appreciated by 5% in 2020 and in 2021 the Chilean peso depreciates 19%, compared to the previous year's closing exchange rate of the U.S. dollar in nominal terms.

A significant part of the raw materials used by the Company are in U.S. dollars, therefore a devaluation of the Chilean peso against the U.S. dollar can affect our costs and margins in a significant way.

In addition, as we report our results of operations in Chilean pesos, fluctuations in the value of the Chilean peso versus the Brazilian real, the Argentine peso and the Paraguayan guaraní could also impact our reported performance in Chilean pesos.

Inflation in Chile and government measures to curb inflation may disrupt our business and have an adverse effect on our financial condition and results of operations.

Although Chilean inflation has remained relatively stable in recent years, Chile has experienced significant levels of inflation in the past. The rates of inflation in Chile, which in 2019, 2020 and 2021 were 3.0%, 3.0% and 7.2%, respectively. As part of the COVID-19 economic and financial aid package promulgated by the Chilean Congress, since July 30, 2020, three laws (Law No. 21,248; Law No. 21,295; and Law No. 21,330) have been passed to allow affiliates of the private pension system governed by Decree Law No. 3,500, to withdraw funds (up to 10% each time, subject to certain limitations) from their personal pension funds accounts. These withdrawals have had an effect on the increase in consumption and as a consequence the inflation in the country increase 7.2% in 2021 and is projected that this index would remain at similar levels during 2022. As a measure to control inflation, the Central Bank made recurrent increases in the Monetary Policy Rate ranging from 0.5% to 4% during 2021, aiming to achieve a significant decrease in spending and investments is expected, especially in areas such as housing construction due to the significant increase in mortgage rates.

The measures taken by the Central Bank in the past to control inflation have often included maintaining a conservative monetary policy with high interest rates, thereby restricting the availability of credit and economic growth. Inflation, measures to combat inflation, and public speculation about possible additional actions by the government have also contributed in the past to economic uncertainty in Chile and to heightened volatility in its securities markets. Periods of higher inflation may also slow the growth rate of the Chilean economy, which could lead to reduced demand for our products and decreased sales. Inflation is also likely to increase some of our costs and expenses, given that the majority of our supply contracts in Chile are UF-denominated or are indexed to the Chilean consumer price index. We cannot assure you that, under competitive pressure, we will be able to carry out price increases, which could adversely impact our operating margins and operating income. Additionally, an important part of our financial debt in Chile is UF-denominated, and therefore the value of the debt reflects any increase of the inflation in Chile.

A severe earthquake or tsunami in Chile could adversely affect the Chilean economy and our network infrastructure.

Chile lies on the Nazca tectonic plate, one of the world's most seismically active regions. Chile has been adversely affected by powerful earthquakes in the past, including an 8.0 magnitude earthquake that struck Santiago in 1985 and a 9.5 magnitude earthquake in 1960 which is the largest earthquake ever recorded.

In February 2010, an 8.8 magnitude earthquake struck the central and south-central regions of Chile. The quake epicenter was located 200 miles southwest of Santiago and 70 miles north of Concepción, Chile's second largest city. The regions of Bío Bío and Maule were the most severely affected regions, especially the coastal area, which, shortly after the earthquake, was hit by a tsunami that significantly damaged cities and port facilities. The Valparaíso and Metropolitan regions were also severely affected. At least 1.5 million homes were damaged, and more than 500 people were killed. As a result of these developments, economic activity in Chile was adversely affected in March 2010. Legislation was passed to raise the corporate income tax rate in order to pay for reconstruction following the earthquake and tsunami, which had an adverse effect on our results.

A severe earthquake and/or tsunami in Chile in the future could have an adverse impact on the Chilean economy and on our business, financial condition and results of operation, including our production and logistics network.

Risks Relating to Brazil

Our business operations in Brazil are dependent on economic conditions in Brazil.

Our operations in Brazil represented 32.4% and 30.7% of our assets as of December 31, 2020 and 2021, respectively, and 34.2% and 24.3% of our net sales for 2020 and 2021, respectively. Because demand for soft drinks and beverage products is usually correlated to economic conditions prevailing in the relevant local market, developments in economic conditions in Brazil, and measures taken by the Brazilian government, have had and are expected to continue to have an impact on our business, results of operations and financial condition.

The Brazilian economy has historically been characterized by unstable economic cycles and interventions by the Brazilian government. Brazilian GDP grew by 1.4% in 2019, contracted by 4.1% in 2020 and grew by 4.57% in 2021 according to the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*). The Brazilian government has often changed monetary, taxation and other policies to influence the course of Brazil's economy. Our business, results of operations and financial condition may be adversely affected by, among others, the following factors:

- expansion or contraction of the Brazilian economy;
- exchange rate fluctuations;
- high inflation rates;
- changes in fiscal or tax policies;
- changes in monetary policy, including an increase in interest rates;
- exchange control policies and restrictions on remittances abroad;
- investment levels;
- liquidity of domestic capital and credit markets;
- employment levels and labor and social security regulations;
- energy or water shortages or rationalization;
- changes in environmental regulation;
- government restrictions in response to the COVID-19 pandemic and the capacity of authorities to keep the pandemic under control;
- social and political instability;

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- uncertainty related to the 2022 Brazilian presidential election; and
- other developments in or affecting Brazil.

The Brazilian economy is also affected by international economic and market conditions in general, especially economic and market conditions in the United States, the European Union and China.

Historically volatile political, social and economic conditions in Brazil could adversely affect our business and results of operations.

Brazil's political environment has historically influenced, and continues to influence, the performance of the country's economy. Political crises have affected and continue to affect the confidence of investors and the general public, which have historically resulted in economic deceleration.

Jair Bolsonaro was elected as the President of Brazil in October 2018. A failure by the Brazilian government to implement necessary reforms may result in diminished confidence in the Brazilian government's fiscal condition and budget, which could result in downgrades of Brazil's sovereign foreign credit rating by credit rating agencies, negatively impact Brazil's economy, lead to further depreciation of the real and an increase in inflation and interest rates, adversely affecting our business, financial condition and results of operations. It is also expected that during 2022, Brazil will experience greater economic volatility as a result of the presidential elections which are scheduled to take place in the second half of the year.

Inflation and the Brazilian government's measures to curb inflation, including by increasing interest rates, may contribute to economic uncertainty in Brazil.

Brazil has historically experienced high rates of inflation, including periods of hyperinflation before 1995. Several measures have been implemented by the Brazilian government in an effort to curb rising inflation, but we cannot predict whether these policies will be effective. According to the National Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*, or "IPCA"), published by the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*, or "IBGE"), Brazilian annual rates of inflation for consumer prices were 4.3% in 2019, 4.5% in 2020 and 10.1% in 2021.

Inflationary pressures may result in governmental interventions in the economy, including policies that could adversely affect the general performance of the Brazilian economy, which, in turn, could adversely affect our business operations in Brazil. Inflation may also increase our costs and expenses, and we may be unable to transfer such costs to our customers, reducing our profit margins and net income. In addition, inflation could also affect us indirectly, as our customers may also be affected and have their financial capacity reduced. Any decrease in our net sales or net income, as well as any reduction in our financial performance, may also result in a reduction in our net operating margin. Our customers and suppliers may be affected by high inflation rates and such effects on our customers and suppliers may adversely affect us.

The Brazilian real is subject to depreciation and volatility, which could adversely affect our business, financial condition and results of operations.

The Brazilian currency has been subject to significant fluctuations over the past three decades. Throughout this period, the Brazilian government has implemented various economic plans and exchange rate policies, including sudden devaluations, periodic mini devaluations (during which the frequency of adjustments has ranged from daily to monthly), exchange controls, dual exchange market and floating exchange rate systems. Although long-term devaluation of the real is generally related to the rate of inflation in Brazil, the devaluation of the real over shorter periods has resulted in significant fluctuations in the exchange rate between the Brazilian currency, the U.S. dollar and other currencies. The Brazilian real depreciated 4%, 29% and 7% during 2019, 2020 and 2021, respectively, compared to the closing exchange rate as of the end of the prior period for the U.S. dollar in nominal terms.

A significant part of the raw materials we use in Brazil are priced in U.S. dollars, so a depreciation of the Brazilian real against the U.S. dollar has a significant adverse effect in our costs and margins.

Any depreciation of the real against the U.S. dollar could create additional inflationary pressure, which might result in the Brazilian government adopting restrictive policies to combat inflation. This could lead to increases in interest rates, which might negatively affect the Brazilian economy as a whole, as well as our results of operations, in addition to restricting our access to international financial markets. It also reduces the U.S. dollar value of our revenues. On the other hand, future appreciation of the real against the U.S. dollar might result in the deterioration of Brazil's current and capital accounts, as well as a weakening of Brazilian

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GDP growth derived from exports. We cannot assure you that the real will not again fluctuate significantly against the U.S. dollar in the future and, as a result, have an adverse effect on our business, results of operations and financial condition.

Changes in tax laws may increase our tax burden and reduce tax incentives and, as a result, negatively affect our profitability.

The Brazilian government regularly implements changes to tax regimes that may increase our and our customers' tax burdens. These changes include modifications in the tax rates and, on occasion, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes. In the past, the Brazilian government has presented certain tax reform proposals, which have been mainly designed to simplify the Brazilian tax system, to avoid internal disputes within and between the Brazilian states and municipalities, and to redistribute tax revenues. The tax reform proposals provide for changes in the rules governing the federal Social Integration Program (*Programa de Integração Social*, or "PIS") and Social Security Contribution (*Contribuição para o Financiamento da Seguridade Social*, or "COFINS") taxes, the state Tax on the Circulation of Goods and Services (*Imposto Sobre a Circulação de Mercadorias e Serviços*, or "ICMS") and some other taxes, such as increases in payroll taxes. These proposals may not be approved and passed into law. The effects of these proposed tax reform measures and any other changes that result from enactment of additional tax reforms have not been, and cannot be, quantified. However, some of these measures, if enacted, may result in increases in our overall tax burden, which could negatively affect our overall financial performance. In addition, the Brazilian beverage industry experiences unfair competition arising from tax evasion, which is primarily due to the high level of taxes on beverage products in Brazil. An increase in taxes may lead to an increase in tax evasion, which could result in unfair pricing practices in the industry.

Since 2018, the Brazilian government has gradually altered the value-added tax on industrialized products (*Imposto sobre Produtos Industrializados* or "IPI") applicable to soft drinks concentrate. This measure has negatively affected our operations, since it significantly reduced the tax credit derived from the purchases of concentrate from the Manaus Free Trade Zone that currently benefits Rio de Janeiro Refrescos, and the soft drinks industry as a whole. Such alterations have been implemented gradually, as follows:

- (1) 20% IPI rate until August 2018;
- (2) 4% IPI rate from September to December 2018;
- (3) 12% IPI rate in the first half of 2019;
- (4) 8% IPI rate from July to September 2019;
- (5) 10% IPI rate from October to December 2019;
- (6) 4% IPI rate from January to May 2020;
- (7) 8% IPI rate from June to November 2020;
- (8) 4% IPI rate from December 2020 to January 2021;
- (9) 8% IPI rate from February 2021 to February 2022; and
- (10) 6% IPI rate from February 2022 onwards.

Any further reductions of the IPI may adversely affect our financial condition and results of operations.

Risks Relating to Argentina

Our business operations in Argentina are dependent on economic conditions in Argentina.

Our operations in Argentina represented 8.8% and 11.3% of our assets as of December 31, 2020 and December 31, 2021, respectively, and 18.8% and 24.2% of our net sales for 2020 and 2021, respectively. Developments in economic, political, regulatory and social conditions in Argentina, and measures taken by the Argentine government, have had and are expected to continue to have an impact on our business, results of operations and financial condition.

Historically, the Argentine economy has experienced periods of high levels of instability and volatility, low or negative economic growth and high and variable inflation and devaluation levels. According to the National Statistics and Census Institute (*Instituto Nacional de Estadísticas y Censos*, or "INDEC"), Argentine GDP in real terms, contracted by 2.0% in 2019 and 9.9% in 2020,

compared to the previous year according to the INDEC. GDP in 2021 grew by an estimate of 10.8% according to the INDEC (considering the variation of the first three quarters 2021 vs 2020, the information available at the date of this annual report).

Argentine economic conditions are dependent on a variety of factors, including the following:

- domestic production, international demand and prices for Argentina's principal commodity exports;
- the competitiveness and efficiency of domestic industries and services;
- the stability and competitiveness of the Argentine peso against foreign currencies;
- the rate of inflation;
- the government's fiscal deficits;
- the government's public debt levels;
- government restrictions in response to the COVID-19 pandemic and the capacity of authorities to keep the pandemic under control;
- foreign and domestic investment and financing; and
- governmental policies and the legal and regulatory environment.

Government policies and regulation—which at times have been implemented through informal measures and have been subject to radical shifts—that have had a significant impact on the Argentine economy in the past have included, among others: monetary policy, including exchange controls, capital controls, high interest rates and a variety of measures to curb inflation, restrictions on exports and imports, price controls, mandatory wage increases, taxation and government intervention in the private sector.

We cannot assure you that the future development of the Argentine economy will not impair our ability to successfully carry out our business plan or materially adversely affect our business, financial condition or results of operations.

Political and economic instability in Argentina may recur, which could have a material adverse effect on our Argentine operations and on our financial condition and results of operations.

Argentina has a history of political and economic instability that often results in abrupt changes in government policies. Argentine governments have pursued different, and often contradictory, policies to those of preceding administrations. In recent decades, succeeding administrations have implemented interventionist policies, which included nationalization, debt renegotiation, price controls, and exchange restrictions, as well as market-friendly policies, such as export tax reductions, elimination of currency controls, deregulation of utility prices, negotiation of free trade agreements and implementation of pro-investor initiatives.

In October 2019, Argentine presidential, legislative and certain provincial and municipal governments elections were held and Alberto Fernández was elected president. Certain members of the current government coalition, including president Alberto Fernández and vice president Cristina Fernández de Kirchner, were part of administrations which in the past were characterized by high levels of government intervention and policies at times disadvantageous to investors and the private sector.

We cannot provide assurance that the Argentine government will not adopt policies, over which we have no control, that adversely affect the Argentine economy and impair our Argentine operations and our business, financial condition or results of operations.

Inflation in Argentina may adversely affect our operations, which could adversely impact our financial condition and results of operations.

Argentina has experienced high levels of inflation in recent decades. Argentina's historically high rates of inflation resulted mainly from its lack of control over fiscal policy and the money supply. Argentina continues to face high inflationary pressures. In 2018, the INDEC registered a variation in the CPI of 47.6% and an increase in WPI of 73.5%. In 2019, the INDEC registered an increase in CPI of 53.8%, while the WPI increased 58.5%. In 2020, the INDEC registered an increase in the consumer price index (índice de precios al consumidor or "CPI") of 36.1%, while the wholesale price index (índice de precios internos al por mayor or "WPI") increased 35.4%. In 2021, the INDEC recorded a CPI increase of 50.9%, while WPI increased 51.3%.

During 2019, 2020 and 2021, Argentina met the criteria to be considered a hyperinflationary economy as provided by IAS 29 guidelines, which include, among other characteristics, a cumulative inflation rate over three years that approaches or exceeds 100%. Accordingly, IAS 29 must be applied for financial statements for fiscal years ending on or after July 1, 2018. IAS 29 requires non-monetary assets and liabilities, shareholders' equity and comprehensive income to be restated in terms of a measuring unit current at the period end. IAS 29 also requires the use of a general price index to reflect changes in purchasing power. As a result, since July 2018, we began to apply IAS 29 in the preparation of our financial statements and report the results of our operations in Argentina as if this economy were hyperinflationary from January 1, 2018. In addition, by application of IAS 29, we had to translate figures in Argentine pesos to Chilean pesos using the period closing exchange rate (and not the average exchange rate), thus reducing our results of operations and net earnings. We cannot predict for how long Argentina will be considered a hyperinflationary economy and we will have to apply IAS 29 to the preparation of our financial statements.

In the past, inflation has materially undermined the Argentine economy and the government's ability to generate conditions that foster economic growth. High inflation or a high level of price instability may materially and adversely affect the business volume of the financial system. This result, in turn, could adversely affect the level of economic activity and employment in the country.

High inflation would also undermine Argentina's foreign competitiveness and adversely affect economic activity, employment, real salaries, consumption and interest rates, thereby materially and adversely affecting economic activity and consumers' income and their purchasing power, all of which could have a material adverse effect on our financial condition and operating results.

Between 2007 and 2015, the INDEC, which is the only institution in Argentina with the statutory authority to produce official national statistics, experienced significant institutional and methodological changes that gave rise to controversy regarding the reliability of the information that it produces, including inflation, GDP and unemployment data, resulting in allegations that the inflation rate in Argentina and the other rates calculated by INDEC could be substantially different than as indicated in official reports. While the previous administration undertook reforms and the credibility of the national statistics systems has since been restored, we cannot assure you that the new or future administrations will not implement policies that may affect the national statistics system undermining consumer and investor confidence, which ultimately could affect our business, results of operations and financial condition.

The Argentine peso is subject to depreciation and volatility, which could adversely affect our financial condition and results of operations.

Fluctuations in the value of the peso continue to affect the Argentine economy. Since January 2002, the peso has fluctuated significantly in value, often following periods of high inflation and currency controls that artificially appreciated the value of the currency. Frequent devaluations have had an adverse effect on the ability of the Argentine government and Argentine companies to make timely payments on their foreign currency denominated obligations, have significantly reduced wages in real terms, and have adversely impacted the stability of businesses whose success depends on the domestic market demand.

In an effort to reduce downward pressure on the value of the Argentine peso, the Argentine government has at times implemented policies aimed at maintaining the level of reserves of the *Banco Central de la República Argentina* ("BCRA") that limit the purchase of foreign currency by private companies and individuals. Currently, access to the foreign exchange market is subject to several restrictions and governmental authorizations.

In 2019, 2020 and 2021, the Argentine peso depreciated 59%, 41% and 22%, respectively, compared to the closing exchange rate as of the end of the prior period for the U.S. dollar. A significant part of the raw materials used by the company in Argentina are in U.S. dollars, so a devaluation of the Argentine peso against the U.S. dollar can affect our costs and margins in a significant way.

The depreciation of the Argentine peso may have a negative impact on the ability of certain Argentine businesses to service their foreign currency denominated debt, significantly reduce real wages and jeopardize the stability of businesses which success depends on domestic market demand. It may also, adversely affect the Argentine government's ability to honor its foreign debt obligations. A significant appreciation of the Argentine peso against the U.S. dollar also presents risks for the Argentine economy, including the possibility of a reduction in exports as a consequence of the loss of external competitiveness. Any such appreciation could also have a negative effect on economic growth and employment, and reduce tax revenues.

Given the economic and political conditions in Argentina, we cannot predict whether, and to what extent, the value of the Argentine peso may depreciate or appreciate against the U.S. dollar, the euro or other foreign currencies. We cannot predict how these conditions will affect the consumption of our products. Moreover, we cannot predict whether the current Argentine government will continue its monetary, fiscal, and exchange rate policy and, if so, what impact any of these changes could have on the value of the

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Argentine peso and, accordingly, on our financial condition, results of operations and cash flows, and on our ability to transfer funds abroad in order to comply with commercial or financial obligations.

The Argentine government could impose certain restrictions on currency conversions and remittances abroad, which could affect the timing and amount of any dividends or other payment we receive from our Argentine subsidiary.

Beginning in December 2015, the Argentine government gradually eased restrictions which significantly curtailed access to the foreign exchange market by individuals and private sector entities and affected our ability to declare and distribute dividends with respect to our Argentine subsidiary. These measures included informal restrictions, which consisted of de facto measures restricting local residents and companies from purchasing foreign currency through the foreign exchange market to make payments abroad, such as dividends and payment for the importation of goods and services.

In September 2019, in a response to the weakening of the Argentine peso following the results of the primary elections, the Argentine government temporarily reinstated certain exchange restrictions. The new controls apply with respect to access to the foreign exchange market by residents (both companies and natural persons) for savings and investment purposes abroad, the payment of external financial debts abroad, the payment of dividends in foreign currency abroad, the payment of imports of goods and services, and the obligation to repatriate and settle for Argentine pesos the proceeds from exports of goods and services, among others. Under current Argentine law, we are restricted from accessing the official foreign exchange market to make dividend payments to us from our Argentine subsidiaries without prior approval from the Argentine Central Bank.

The Argentine government could maintain or impose new exchange control regulations, restrictions and adopt other measures to prevent capital flight or significant depreciation of the peso, which could limit access to international capital markets, adversely affecting Argentina's economy, and further impair our ability to declare and distribute dividends from our Argentine subsidiaries.

The Argentine government's ability to obtain financing from international capital markets may be limited or costly, which may impair its ability to implement reforms and foster economic growth.

At the end of 2001, the Argentine government defaulted in part of its sovereign debt. In 2005 and 2010, Argentina conducted exchange offers to restructure part of its sovereign debt that had been in default since the end of 2001. Through these exchange offers, Argentina restructured over 92% of its eligible defaulted debt. In April 2016, after a series of judicial actions by Argentina's bondholders, the Argentine government settled substantially all of the remaining defaulted debt. Additionally, as a result partially of emergency measures undertaken by the government in response to the crisis of 2001 and 2002, foreign shareholders of several Argentine companies filed claims with the *International Centre for Settlement of Investment Disputes* ("ICSID"), alleging that those measures diverged from the just and equal treatment standards set forth in bilateral investment treaties to which Argentina is a party. The ICSID ruled against the Argentine government in a number of these proceedings, and the Argentine government has settled some but not all of these claims.

Between December 2019 and September 2020, the Argentine government agreed restrictions to its sovereign debt with international and local bondholders. In August and September 2020, the Argentine government restructured its sovereign bonds debt under foreign law in the amount of US\$67 billion and under local law in the amount of US\$45 billion, in both cases with an acceptance level of over 99%. The Ministry of Economy is currently renegotiating the agreement with the International Monetary Fund after extending part of a US\$57 billion bailout program agreed with the previous Administration. Argentina owes US\$44 billion to the IMF since the Argentine government did not accept US\$13 billion. As a result, the rating agency Fitch rates Argentina's credit risk at "CCC" and Standard & Poor's at "CCC+".

While Argentina had regained access to the international capital markets, actions by the Argentine government, or investor perceptions of the country's creditworthiness, could curtail access in the future or could significantly increase borrowing costs, limiting the government's ability to foster economic growth. Limited or costly access to international financing for the private sector could also affect our business, financial condition and results of operations.

The government may order salary increases to be paid to employees in the private sector, which could increase our operating costs and affect our results of operations.

In the past, the Argentine government has passed laws, regulations and decrees requiring companies in the private sector to increase wages and provide specified benefits to employees. On December 23, 2019, the Argentine government passed a law granting emergency powers to the executive branch which, among others, include the ability to mandate increases to private sector wages. Due to persistent high levels of inflation, labor organizations regularly demand significant wage increases. In 2019, 2020 and 2021 the increase in the federally-mandated minimum wage was 48%, 22% and 55%, respectively, and for these same years the market average

salary increase for workers was 48%, 38% and 48%, respectively. In addition, the Argentine government has arranged various measures to mitigate the impact of inflation and exchange rate fluctuation in wages. Due to high levels of inflation, both public and private sector employers continue to experience significant pressure to further increase salaries.

Labor relations in Argentina are governed by specific legislation, such as Labor Law No. 20,744 and Law No. 14,250 on Collective Bargaining Agreements, which, among other things, dictate how salary and other labor negotiations are to be conducted. In the future, the government could take new measures requiring salary increases or additional benefits for workers, and the labor force and labor unions may apply pressure in support of such measures. Any such increase in wages or worker benefit could result in added costs and reduced results of operations for Argentine companies, including us.

Government measures to preempt or respond to social unrest may adversely affect the Argentine economy and our business.

In recent decades, Argentina has experienced significant social and political turmoil, including civil unrest, riots, looting, nationwide protests, strikes and street demonstrations. Social and political tension and high levels of poverty and unemployment continue. Unions frequently stage nationwide strikes and protests, and riots and looting of shops and supermarkets in cities around the country have taken place at times of social turmoil.

Future government policies to preempt, or in response to, social unrest may include expropriation, nationalization, forced renegotiation or modification of existing contracts, suspension of the enforcement of creditors' rights, new taxation policies and changes in laws and policies affecting foreign trade and investment. Such policies could destabilize the country and adversely and materially affect the Argentine economy, and thereby our business, results of operations and financial condition.

Price control policies in Argentina may be accentuated, which may have a material and adverse effect on the results of our Argentine operations.

The Argentine government has from time to time established price controls on consumer products. To the extent that the price of our products in Argentina are restricted by government imposed price controls the results of our Argentine operations may be materially affected. As of 2020, with the change of administration, the Argentine government re-established its Precios Cuidados price-watch program with new products including 93 new items from different categories of the mass consumption basket with price revisions on a quarterly basis or every four months. In March 2020, with the implementation of the COVID-19 pandemic health measures, through a resolution issued by the Secretariat of Commerce presidential decree and in parallel to the current Precios Cuidados price-watch program, the Maximum Reference Prices program was created, freezing prices of 2,300 products from 50 basic consumer categories (in force for hypermarkets, supermarkets, mom & pops, self-service, mini markets and wholesale supermarkets and their respective products suppliers throughout the country). Price increases for the products involved in the new program were subsequently authorized in July and October. In line with price control policies, in March 2021 the Secretariat of Commerce created a new reporting regime known as the "System for the Implementation of Economic Reactivation Policies" (SIPRE for its acronym in Spanish) to prevent arbitrary price increases and product shortages. The SIPRE requires large commercial and industrial companies, including beverage manufacturers, to report on a monthly basis the price, production and sales, and inventory stocks of their products. The obligation to report to SIPRE will remain in force for the duration of the emergency declared by Law No. 27,541 (at least until December 31, 2022). Likewise, the Secretariat of Commerce announced, during April 2021, the creation of the Monitoring Center for the Price and Availability of Inputs, Goods and Services, with the purpose of monitoring, surveying and systematizing the prices and availability of all inputs, goods and services that are produced, traded and rendered in Argentina. The extension and validity of this program will depend on the Argentine government's policy based on the evolution of the health crisis and inflation. As of the date of this annual report, the Precios Cuidados price-watch program is expected to be extended through 2022 with a quarterly review of prices, since the Secretariat of Commerce decided to extend, once again, the validity and duration of this program to protect consumers, expanding the list to more than 1,300 products covered.

Towards the end of 2020 and beginning of 2021, the Argentine government began to reduce the number of categories in the Maximum Reference Prices program, with the aim and commitment to expand the offer of items in the current Precios Cuidados price-watch program. Starting in 2021, the Precios Cuidados price-watch program reaches 800 referential products, covering the main categories of mass consumption and other relevant industries. During 2022, the Precios Cuidados price-watch program will cover more than 1,300 reference products.

The participation of Coca-Cola products in the Precios Cuidados price-watch program as referential products involved one product from the soft drinks' category, which was temporarily extended to three in sugar-free variants during 2021, where some new categories were incorporated into the program. During 2022, it has already been announced that the number of Coca-Cola products in the program will increase to include more packaging, flavors and juices, such as Cepita and Ades, as reference products.

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We cannot assure that price controls in Argentina will not continue or be expected to include additional consumer products. Nor can we assure you the affect to which government imposed price control will affect the profitability of our Argentina operations.

Risks Relating to Paraguay

Our business operations in Paraguay are dependent on economic conditions in Paraguay.

Our operations in Paraguay represented 11.1% and 11.7% of our assets as of December 31, 2020 and December 31, 2021, respectively, and 9.3% and 7.6% of our net sales for 2020 and 2021, respectively. Because demand for soft drinks and beverage products is generally related to the economic conditions prevailing in the local market which, in turn, depend on the macroeconomic and political conditions of the country, our financial situation and our results of operations could be adversely affected by changes in these factors over which we have no control.

Paraguay has a history of economic and political stability, exchange controls, frequent changes in regulatory policies, corruption and weak judicial security. Paraguayan GDP did not grow in 2019, contracted 1% in 2020 and grew in 2021 by an estimate of 5%, according to the Paraguayan Central Bank. Paraguayan GDP is closely tied to the performance of Paraguay's agricultural sector, which can be volatile.

The situation of the Paraguayan economy is also strongly influenced by the economic situation in Argentina and Brazil. A deterioration in the economic situation of these countries could adversely affect the Paraguayan economy and, in turn, our financial condition and operating results.

Inflation in Paraguay may adversely affect our financial condition and results of operations.

Although inflation in Paraguay has remained stable at around 3.9% over the last five years, we cannot assure that inflation in Paraguay will not increase significantly. An increase in inflation in Paraguay could decrease the purchasing power of our consumers in the country, which could adversely affect our volumes and impact our sales income.

The Paraguayan guaraní is subject to depreciation and volatility, which could adversely affect our financial condition and results of operations.

The exchange rate of Paraguay is free and floating and the Paraguay Central Bank, actively participates in the exchange market in order to reduce volatility. Since a portion of our total costs (30)% in Paraguay for raw material and supplies are denominated in U.S. dollars, a significant depreciation of the local currency could adversely affect our financial situation and results.

The Paraguayan guaraní depreciated by 8% and 7% in 2019 and 2020, respectively, and in 2021 it appreciated 0.2%, in each case compared to the closing exchange rate as of the end of the prior period of the U.S. dollar.

The local currency follows regional and global trends. When the U.S. dollar's value increases, and raw materials lose value in Paraguay, this directly impacts Paraguay's generation of foreign exchange which occurs mainly through the export of raw materials. A deterioration in the economic growth of Paraguay as result of a significant depreciation of the Paraguayan guaraní could have an effect on our business, financial condition and results of operations.

Risk Factors Relating to the ADRs and Common Stock

Preemptive rights may be unavailable to ADR holders.

According to the *Ley de Sociedades Anónimas* No. 18,046 and the *Reglamento de Sociedades Anónimas* (collectively, the "Chilean Companies Law"), whenever we issue new shares for cash, we are required to grant preemptive rights to holders of our shares (including shares represented by ADRs), giving them the right to purchase a sufficient number of shares to maintain their existing ownership percentage. However, we may not be able to offer shares to United States holders of ADRs pursuant to preemptive rights granted to our shareholders in connection with any future issuance of shares unless a registration statement under the U.S. Securities Act of 1933, as amended, is effective with respect to such rights and shares, or an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended, is available.

Under the procedure established by the Central Bank of Chile, the foreign investment agreement of a Chilean company with an existing ADR program will become subject to an amendment (which will also be deemed to incorporate all laws and regulations applicable to international offerings in effect as of the date of the amendment) that will extend the benefits of such contract to new shares issued pursuant to a preemptive rights offering to existing ADR owners and to other persons residing and domiciled outside of

Chile that exercise preemptive rights, upon request to the Central Bank of Chile. We intend to evaluate at the time of any rights offering the costs and potential liabilities associated with any such registration statement as well as the indirect benefits to us of enabling United States ADR holders to exercise preemptive rights and any other factors that we consider appropriate at the time, and then make a decision as to whether to file such registration statement.

We cannot assure you that any registration statement would be filed. To the extent ADR holders are unable to exercise such rights because a registration statement has not been filed, the depositary will attempt to sell such holders' preemptive rights and distribute the net proceeds thereof if a secondary market for such rights exists and a premium can be recognized over the cost of any such sale. If such rights cannot be sold, they will expire, and ADR holders will not realize any value from the grant of such preemptive rights. In any such case, such holder's equity interest in the Company would be diluted proportionately.

Shareholders' rights are less well-defined in Chile than in other jurisdictions, including the United States.

Under the United States federal securities laws, as a foreign private issuer, we are exempt from certain rules that apply to domestic United States issuers with equity securities registered under the United States Securities Exchange Act of 1934, as amended, including the proxy solicitation rules, the rules requiring disclosure of share ownership by directors, officers and certain shareholders. We are also exempt from certain of the corporate governance requirements of the Sarbanes-Oxley Act of 2002 and the New York Stock Exchange, Inc., including the requirements concerning independent directors.

Our corporate affairs are governed by the laws of Chile and our *estatutos* or bylaws. Under such laws, our shareholders may have fewer or less well-defined rights than they might have as shareholders of a corporation incorporated in a U.S. jurisdiction.

Pursuant to Law No. 19,705, enacted in December 2000, the controlling shareholders of an open stock corporation can only sell their controlling shares through a tender offer to all shareholders in which the bidder would have to buy all of the offered shares up to the percentage determined by it, where the price paid is substantially higher than the market price (i.e., when the price paid was higher than the average market price for a period starting 90 days before the proposed transaction and ending 30 days before such proposed transaction, plus 10%).

The market for our shares may be volatile and illiquid.

The Chilean securities markets are substantially smaller, less liquid and more volatile than major securities markets in the United States. The *Bolsa de Comercio de Santiago* (the "Santiago Stock Exchange"), which is Chile's principal securities exchange, had a market capitalization of approximately US\$152,102 million as of December 31, 2021 and an average monthly trading volume of approximately US\$3,728 million for the year. The lack of liquidity is owed, in part, to the relatively small size of the Chilean securities markets and may have a material adverse effect on the trading prices of our shares. Because the market for our ADRs depends, in part, on investors' perception of the value of our underlying shares, this lack of liquidity for our shares in Chile may have a significant effect on the trading prices of our ADRs.

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

Overview

Our legal name is Embotelladora Andina S.A., and our commercial name is Coca-Cola Andina. We were incorporated and organized under Chilean law as a *sociedad anónima* on February 7, 1946. An abstract of our bylaws is registered in the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* (Public Registry of Commerce of the Real Estate Commission Administrator of the City of Santiago) under No. 581 of the year 1946. Pursuant to our bylaws, our term of duration is indefinite.

Our common shares are listed and traded on the Santiago Stock Exchange and on the *Bolsa Electrónica de Chile* (the Chilean Electronic Stock Exchange) and, until October 2018, were listed on the *Bolsa de Corredores de Valparaíso* (the Valparaíso Brokers Stock Exchange), which closed operations in October 2018. Our Series A and Series B ADRs representing our Series A and Series B shares, respectively, are listed on the New York Stock Exchange.

Our principal executive offices are located at Avenida Miraflores 9153, Floor 7, Renca, Santiago, Chile. Our telephone number is +562-2338-0520 and our website is www.koandina.com.

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Our depositary agent for the ADRs in the United States is The Bank of New York Mellon Corporation, located at 240 Greenwich Street, New York, New York 10286. Our depositary agent's telephone number is (212) 815-2296. Our authorized representative in the United States is Puglisi & Associates, located at 850 Library Avenue, Suite 204, Newark, Delaware 19711-7144, United States, and its phone number is (302) 738-6680.

History

Chile

In 1941, The Coca-Cola Company licensed a private Chilean company to produce Coca-Cola soft drinks in Chile and production began in 1943. In 1946, the original licensee withdrew from the license arrangement and a group of U.S. and Chilean investors formed Andina, which became The Coca-Cola Company's sole licensee in Chile.

Between 1946 and the early 1980s, Andina developed the Chilean market for Coca-Cola soft drinks with a system of production and distribution facilities covering the central and southern regions of Chile. In the early 1980s, Andina sold its Coca-Cola licenses for most areas outside the Santiago metropolitan region and concentrated on the development of its soft drink business in the Santiago metropolitan area. Although we are no longer the sole Coca-Cola bottler in Chile, we have been the principal manufacturer of Coca-Cola products in Chile for an uninterrupted period since 1946.

In 1998, we purchased a 49% stake in Vital S.A. from The Coca-Cola Company. Concurrently, The Coca-Cola Company purchased Vital S.A. mineral water springs located in Chanqueahue, 80 miles south of Santiago. As part of the transaction, the Vital bottler agreement was replaced with a Minute Maid International Inc. juice bottler agreement and a new mineral water bottling agreement with The Coca-Cola Company.

The production and packaging business of water, juices and non-carbonated beverages licensed by The Coca-Cola Company in Chile was restructured in 2005. Vital Aguas S.A. ("VASA") was created in 2005 in order to develop the processing, production and packaging of mineral water and other waters by Agua Mineral de Chanqueahue Vital. Andina and Embonor S.A. continued the development of juices and non-carbonated beverages through their ownership stakes in Vital S.A., holding 66.5% and 33.5%, respectively. In January 2011, the juice production business was restructured to incorporate other Coca-Cola bottlers in Chile as shareholders of Vital S.A., which changed its name initially to Vital Jugos S.A. and then to VJ S.A. in 2019. Andina and Embonor hold 65% and 35% stakes in VJ S.A., respectively.

In 2001, we entered into a joint venture with Cristalerías de Chile to produce PET bottles. On January 27, 2012, Coca-Cola Embonor through its subsidiary, Embonor Empaques S.A., acquired Cristalerías de Chile's stake equivalent to a 50% ownership interest in Envases CMF.

In 2012, in order to reinforce our leadership position among Coca-Cola bottlers in South America, the Company completed its merger with Embotelladoras Coca-Cola Polar S.A. ("Polar"). Polar was a Coca-Cola bottler with operations in Chile, where it serviced territories in the II, III, IV, XI and XII regions, as well as parts of Argentina, as described below, and all of Paraguay. The merger granted former shareholders of Polar a 19.68% ownership interest in the merged entity, however the Company controls its day to day operations. As a result of the transaction, we also acquired additional indirect ownership interests in Vital Jugos, Vital Aguas and ECSA.

In January 2016, the Company incorporated a closed joint-stock company called Coca-Cola Del Valle New Ventures S.A. ("Coca-Cola Del Valle"). Embotelladora Andina S.A. contributed 35% of the capital of Coca-Cola Del Valle, with Embonor S.A. and Coca-Cola de Chile S.A. contributing the remaining 15% and 50%, respectively. The main corporate purpose of Coca-Cola Del Valle is the development and production of juices, waters and non-carbonated beverages under brands owned by The Coca-Cola Company that Andina and Coca-Cola Embonor S.A. are authorized to commercialize and distribute in their respective franchise territories.

In August 2016, the Company signed an agreement with Monster Energy Company for the distribution of Monster Energy products in the Chilean territory covered by Andina, which we began distributing in September 2016.

In March 2017, The Coca-Cola Company, together with its bottlers in Latin America, announced the closing of the acquisition from Unilever of the AdeS vegetable protein-based beverage business. Andina began distributing AdeS products in Chile in July 2017.

In January 2018, the Company, Embonor S.A., Coca-Cola del Valle New Ventures S.A., and Coca-Cola de Chile S.A., as buyers, and Inversiones Siemel S.A. as seller, entered into a stock purchase agreement under which the parties agreed to transfer 100% ownership of the shares of Comercializadora Novaverde S.A. ("Novaverde"), a Chilean company dedicated to the production and

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distribution of juices, ice cream, and other food, mainly under the brand “Guallarauco”. The transaction did not include the acquisition of the avocado sales business line and the General Mills brand representation. In October 2018, the purchase of 100% of the shares of Novaverde was completed.

In May 2018, Diageo Chile Ltda., Embonor S.A. and Embotelladora Andina S.A. signed an agreement for the distribution in Chile of the brands belonging to Diageo, including Johnnie Walker, Baileys, Smirnoff, Guinness, Pampero, among others.

In October 2019, Cooperativa Agrícola Pisquera Elqui Ltda. (“Capel”), Embonor S.A. and Andina, signed an agreement for the distribution in Chile of products bearing the brands belonging to Capel, including Capel (brand), Alto del Carmen, Monte Fraile, Brujas de Salamanca, Artesanos del Cochiguaz, among others.

In August 2020, Cervecería Chile S.A. and Andina signed an agreement for the distribution in Chile of the brands belonging to AB InBev, including Corona, Becker, Báltica, Budweiser, Stella Artois, Cusqueña, among others.

In August 2021, Viña Santa Rita and Andina signed an agreement for the distribution in Chile of wine products under the brands belonging to Santa Rita, including Doña Paula, 120 Tres Medallas, Casa Real, Medalla Real, Carmen, Santa Rita, among others.

Brazil

Andina Brazil, our Brazilian subsidiary, began production and distribution of Coca-Cola soft drinks in Rio de Janeiro in 1942. In 1994, we acquired 100% of the capital stock of Andina Brazil. In 2000, we purchased a Coca-Cola franchise licensee NVG through Andina Brazil for a territory in Brazil comprising the State of Espírito Santo and part of the States of Rio de Janeiro and Minas Gerais.

In 2004, Andina Brazil entered into a franchise swap agreement with the Brazilian subsidiary of The Coca-Cola Company, Recofarma Indústria do Amazonas Ltda., for an exchange of franchising rights, goods and other assets of Andina Brazil in the territory of Governador Valadares in the State of Minas Gerais, and other franchise rights of The Coca-Cola Company in the territories of Nova Iguaçu in the state of Rio de Janeiro, which were previously owned by Companhia Mineira de Refrescos S.A.

In 2007, The Coca-Cola Company along with the Coca-Cola bottlers in Brazil created a joint venture, Mais Indústria de Alimentos, in order to enhance the non-carbonated business for the entire system in that country, and in 2008 The Coca-Cola system acquired a second company that produces non-carbonated beverages called Sucos del Valle do Brasil Ltda. These two companies merged in 2011 and SABB (Sistema de Alimentos y Bebidas do Brasil) was created.

In 2010, The Coca-Cola Company along with its bottlers, acquired in a joint venture the company Leão Junior S.A. (currently Leão Alimentos e Bebidas Ltda.) with a consolidated presence and market share in Andina Brazil’s region in the category of iced tea. Leão Alimentos e Bebidas Ltda. commercializes the Matte Leão brand, among others. Andina Brazil held a 10.26% ownership interest in Leão Alimentos e Bebidas Ltda.

In 2012, Andina Brazil acquired a 40% stake in Sorocaba Refrescos S.A., a Coca-Cola bottler located in the state of São Paulo.

In 2013, Andina Brazil, acquired 100% of the capital stock of Companhia de Bebidas Ipiranga (“Ipiranga”) in an all-cash transaction. Ipiranga is also a Coca-Cola bottler with operations in part of the States of São Paulo and part of the State of Minas Gerais. This acquisition was previously arranged between the parties through an agreement signed on July 10, 2013.

During 2013, there was a restructuring of the juice and mate herb (“yerba mate”) business, pursuant to which the companies in which Andina Brazil held an interest were merged. As a result of the restructuring, Andina Brazil ended up with a 9.57% ownership interest in Leão Alimentos y Bebidas Ltda., the legal successor of these companies. This percentage increased to 10.87% as a result of our acquisition of, and subsequent merger with, Companhia de Bebidas Ipiranga that held an ownership interest in Leão Alimentos y Bebidas Ltda. During 2014, Andina Brazil sold 2.05% of its ownership interest in Leão Alimentos e Bebidas Ltda., resulting in its current ownership interest of 10.26%.

During 2016, Andina Brazil, along with Coca-Cola Brazil and the other bottlers in Brazil, acquired Laticínios Verde Campo Ltda. The purchase was made through Trop Frutas do Brasil Ltda. a subsidiary of Leão Alimentos e Bebidas Ltda. Andina Brazil acquired 7.5% of Laticínios Verde Campo Ltda.

In 2016, Andina Brazil signed an agreement with Monster Energy Company for the distribution of Monster Energy products in Andina Brazil’s territory. These products began being distributed in November 2016.

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In 2016, Andina Brazil closed its production facility in Cariacica, state of Espírito Santo, leaving only two production facilities, in the States of Rio de Janeiro and São Paulo.

In 2017, Andina Brazil bought, together with Coca-Cola Brazil and the other Coca-Cola bottlers in Brazil, the company UBI 3 Participações Ltda. The operation was carried out to make the distribution and marketing of AdeS products in Brazil viable. Andina Brazil bought 8.50% of UBI 3 Participações Ltda. Andina Brazil began distributing AdeS products in June 2017.

In August 2017, Andina Brazil increased its ownership interest in Leão Alimentos e Bebidas Ltda. from 8.8% to 10.26%.

In March 2018, Andina Brazil started the production of soft drinks at the new Duque de Caxias plant in the state of Rio de Janeiro, and in January 2019, the production of mineral waters started in the same plant.

In September 2021, the distribution agreement under which our subsidiary Rio de Janeiro Refrescos Ltda commercialized and distributed Heineken and Amstel branded beers in Brazil was terminated. On the same date, our subsidiary Rio de Janeiro Refrescos Ltda and Heineken agreed a new distribution agreement, pursuant to which Rio de Janeiro Refrescos Ltda began to market and distribute Eisenbahn and Tiger branded beers, and continued to market and distribute beers from the Sol Premium, Kaiser and Bavaria branded beers, within its franchise territories in Brazil.

In September 2021, Andina Brazil acquired 50% of the Therezópolis beer brands from the company Greenday Natural Products Gestão de Ativos Ltda., for R\$35 million.

In September 2021, the Coca-Cola Brazil System, including Andina Brazil, signed a Master Agreement and Distribution Agreement with Estrella de Galicia Importação e Comercialização de Bebidas e Alimentos Ltda, with a term of 12 years, for the distribution of branded beers Estrella Galicia throughout the Brazilian territory with exclusivity.

Argentina

Production of Coca-Cola soft drinks in Argentina began in 1943 with operations in the province of Córdoba, Argentina, through Inti S.A.I.C., (“INTI”). In 1995, we, through an investment company incorporated in Argentina called Inversiones del Atlántico S.A., (“IASA”), acquired a 59% interest in Embotelladoras del Atlántico S.A. (“EDASA”, the parent company of Rosario Refrescos S.A. and Mendoza Refrescos S.A.). These entities were subsequently merged to create Rosario Mendoza Refrescos S.A., (“ROMESA”). In 1996, we acquired an additional 35.9% interest in EDASA, an additional 78.7% interest in INTI, a 100% interest in CIPET (a PET plastic bottle and packaging business located in Buenos Aires) and a 15.2% interest in Cican S.A. During 1997, the operations of ROMESA were merged with INTI. In 1999, EDASA was merged into IASA. In 2000, IASA was merged into INTI, forming Embotelladora del Atlántico S.A. (“EDASA”). In 2002, CIPET merged into EDASA. During 2007, EDASA’s ownership interest in Cican S.A. was sold to FEMSA.

In 2011, EDASA’s shareholders resolved to form Andina Empaques Argentina S.A., through a spin-off of all of EDASA’s Packaging Division, including all tangible and intangible assets related thereto. Subsequently, EDASA absorbed Coca-Cola Polar Argentina S.A.

Additionally, as a result of the Company’s merger with Polar which was completed in October 2012, the Company gained territory serviced by Polar in Argentina, consisting of territories in Santa Cruz, Neuquén, El Chubut, Tierra del Fuego, Río Negro, La Pampa and the western part of the province of Buenos Aires.

In March 2017, EDASA acquired 13.0% of the shares of the company Alimentos de Soja S.A.U., dedicated to the production of vegetable protein-based beverages marketed under the brand “AdeS.” The sale of Alimentos de Soja S.A.U. shares was carried out within the framework of a global transaction under the terms of which The Coca-Cola Company and certain Coca-Cola bottlers acquired the “AdeS” liquid soy-based food business from the Unilever Group in Brazil, Mexico, Argentina, Colombia, Paraguay, Uruguay, Bolivia and Chile. EDASA began distributing AdeS products in July 2017. In 2018, EDASA acquired shares of Alimentos de Soja S.A.U. (currently Alimentos de Soja S.A.), increasing its ownership interest to 14.3%. As of the date of this annual report, EDASA’s interest in Alimentos de Soja S.A. is equivalent to 14.82%. The amount of shares transferred was sufficient to provide EDASA a percentage of shares approximately proportional to its market share in the territory.

In December 2017, EDASA, together with Monster Energy Company, entered into an agreement in which Monster Energy Company named Embotelladora del Atlántico S.A. as distributor in the franchise territory of Andina Argentina of the products bearing the “Monster” brand for an initial period of 10 years. In February 2018, we began commercializing and distributing Monster products entering the category for energy drinks. Also, in April 2021 EDASA, together with Monster Energy Company, entered into an

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agreement whereby Monster Energy Company appointed Embotelladora del Atlántico S.A. as the manufacturer of products bearing the “Monster” brand for an initial term of 5 years.

Paraguay

PARESA is the first authorized Coca-Cola Bottler Company in Paraguay, which started its operations in 1965. In 1967, Plant 1 was opened with a capacity of 400,000 annual unit cases. In 1980, the Barcequillo Plant - located on Km 3.5 Barcequillo of the Ñemby route, in the City of San Lorenzo- was opened, reaffirming and applying the concept of the highest end technology of bottling. Beginning in 2004, PARESA became property of the Grupo Polar from Chile, continuing its operations in the Paraguayan market. In 2012, PARESA became part of Grupo Coca-Cola Andina due to the merger of Embotelladoras Coca-Cola Polar S.A. into Embotelladora Andina S.A.

In March 2017, The Coca-Cola Company, together with its bottlers in Latin America, announced the closing of the acquisition from Unilever of the AdeS vegetable protein-based beverage business.

PARESA began distributing AdeS and Monster products in July 2017 and May 2019, respectively.

Capital Expenditures

The following table sets forth our capital expenditures by country for the 2019-2021 period:

	Year ended December 31,		
	2019	2020	2021
	(in millions of Ch\$)		
Chile	56,141	26,488	57,245
Brazil	22,737	19,138	30,882
Argentina	22,011	16,508	31,723
Paraguay	15,283	20,519	22,102
Total	116,171	82,653	141,952

Our total capital expenditures were Ch\$116,171 in 2019, Ch\$82,653 in 2020 and Ch\$141,952 million in 2021. The increase in 2021 was mainly due to new projects that were postponed in the prior period due to the COVID-19 pandemic.

In 2021, capital expenditures were principally related to the following:

Argentina

- Returnable containers (glass and PET bottles) and cases for bottles,
- Coolers - Cold Equipment,
- RefPET Returnable Labeling (Monte Cristo plant and Bahía Blanca plant),
- Returnable Glass Labeling (Monte Cristo plant),
- Monster Products production (Monte Cristo Plant, fine-tuning)
- Sugar reduction in carbonated products,
- Adaptation of Effluents’ process (Monte Cristo plant),
- “Front Office Project” (2021 implementation phase to be completed during 2022),
- Purchase of forklifts and transpallets, and
- Hardware technology upgrade and software development for productivity and management improvement.

Brazil

- Production lines and equipment for the Andina’s plants,

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- Returnable containers (Ref PET and glass bottles) and plastic bottle cases,
- Cold equipment, post-mix and other equipment for the point of sale,
- Improvements in the management systems,
- Machinery to increase efficiency and productive capacity, and
- Renewal of part of the trucks and forklifts for industrial and logistics areas.

Chile

- Logistics Densification 2.0, increasing our storage capacity,
- New 20 liters Bottles Line,
- Einstein Project, production of Coca-Cola Original reduced in sugar,
- Apolo 2.0, incorporation of technology to the current SKU control process,
- Improvement of WUR Water Ratio in Renca and Antofagasta plants,
- Bottle blower,
- Automation of cash registers in Central Zone, and
- New Renca well.

Paraguay

- New line for stills products,
- Fructose production facilities,
- “Front Office” project,
- Returnable bottles and plastic cases, and
- Coolers - Cold equipment.

We have budgeted US\$190-200 million for our capital expenditures in 2022, which is expected to be mainly destined to:

- Expanding our production capacity, mainly by making improvements to expand production capacity for cans, flavored alcohols and sensitive products in Brazil, machinery and infrastructure to be able to produce a larger portfolio in our plants in Argentina, and new production lines for soft drinks in Chile and beverage cans products in ECSA,
- Improve infrastructure for greater flexibility and efficiency (mainly in Argentina and Chile),
- Returnable bottles and containers (optimizing the use of multipurpose bottles),
- Cold equipment (with energy efficiency savings and improved customer service),
- Truck fleet renewal (Chile),
- Improve water use efficiency (Argentina and Chile),
- Promote the use of recycled PET resin (new PET flakes line in Brazil),
- Compliance with industrial water treatment regulations (effluent treatment plant in Chile), and

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- Improve our information technologies in our relationship with clients, consumers and internal processes, accelerating digitization with the incorporation of more technological solutions, artificial intelligence and machine learning.

For 2022, we estimate that internally generated funds will finance a large part of our budgeted capital expenditure. Our capital expenditure plan for 2022 may change based on market conditions and how the economy evolves in the countries where we operate. We believe the uncertainty regarding the COVID-19 pandemic has diminished, but our capital expenditures plans are dynamic and subject to change if the conditions require it.

B. BUSINESS OVERVIEW

We are the third largest bottler of Coca-Cola trademark beverages in Latin America in terms of sales volume. We are the largest bottler of Coca-Cola trademark beverages in Chile and Argentina and the third largest in Brazil, in each case in terms of sales volume. We are also the only bottler of Coca-Cola trademark beverages in Paraguay.

In 2021, we had consolidated net sales of Ch\$2,216,733 million and total sales volume of 828.3 million unit cases of beverages.

In addition to our soft drinks business, which accounted for 61% of our consolidated net sales during 2021, we also:

- produce, sell and distribute fruit juices, other fruit-flavored beverages, sport drinks, flavored waters, mineral and purified water in Chile, Argentina, Brazil and Paraguay under trademarks owned by The Coca-Cola Company. Additionally, we produce, sell and distribute hard seltzers (blend of sparkling water, fruit juice and alcohol) in Argentina, and sell and distribute these products in Chile and Brazil;
- manufacture polyethylene terephthalate (“PET”) bottles and preforms, returnable PET bottles, cases and plastic caps, primarily for our own use in the packaging of our beverages in Chile and Argentina;
- produce, sell and distribute iced tea, mate beverages, and sell and distribute lactose free dairy products in Brazil;
- produce, sell and distribute seed-based beverages in Argentina under trademarks owned by The Coca-Cola Company, and sell and distribute these products in Brazil, Chile and Paraguay;
- produce, sell and distribute energy drinks in Argentina and Chile under trademarks owned by Monster Energy Company, and sell and distribute these products in Brazil and Paraguay;
- sell and distribute beer in Brazil under the brands Bavaria, Kaiser, Sol, Therezópolis, Tiger, Eisenbahn and Estrella Galicia;
- distribute beer, wine and cider in southern Argentina;
- sell and distribute beer, spirits and wine in Chile; and
- distribute ice cream and other frozen products under the Guallaraucó brand in Chile.

Our Territories

The following map shows our territories, estimates of the population to which we offer products, the number of retailers of our beverages and the per capita consumption of our beverages as of December 31, 2021.



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Per capita consumption data for a territory is determined by dividing total beverage sales volume, excluding the sales to other Coca-Cola bottlers within the territory by the estimated population within such territory, and is expressed on the basis of the number of eight-ounce servings of our products. One of the factors we use to evaluate the development of local volume sales in our territories and to determine product potential is the per capita consumption of our beverages.

Our Product Overview

We produce, market and distribute the following Coca-Cola trademark beverages and brands licensed from third parties throughout our franchise territories. In addition, we distribute different branded beers in Brazil; beer, wine and cider in southern Argentina; and beer, spirits and wine in Chile. The following table sets forth the brands of the products that we distribute by country as of December 31, 2021:

	Chile	Brazil	Argentina	Paraguay
Colas				
Coca-Cola	✓	✓	✓	✓
Coca-Cola Zero/Sin azúcar	✓	✓	✓	✓
Coca-Cola Light	✓		✓	
Coca-Cola Plus Café	✓	✓	✓	
Flavored soft drinks				
Cantarina	✓			
Crush Light/Zero/Sin azúcar			✓	✓
Fanta	✓	✓	✓	✓
Fanta Zero/Sin azúcar	✓	✓	✓	✓
Inca Kola	✓			
Inca Kola Zero	✓			
Kuat Zero		✓		
Nordic Mist	✓			
Nordic Mist Agua Tónica	✓			
Nordic Mist Zero	✓			
Quatro Light/Liviana/Zero/Sin azúcar	✓			
Royal Bliss	✓			
Schweppes		✓	✓	✓
Schweppes Light/Zero/Sin azúcar		✓	✓	
Schweppes Tónica		✓	✓	✓
Schweppes Tónica Light		✓		
Sprite	✓	✓	✓	✓
Sprite Zero/Sin azúcar	✓	✓	✓	✓
& NADA	✓			

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	Chile	Brazil	Argentina	Paraguay
Juices				
Andina Del Valle	✓			
Andina Del Valle Light	✓			
Cepita			✓	
Cepita Light/Zero/Sin azúcar			✓	
Del Valle		✓		
Del Valle Light		✓		
Frugos				✓
Frugos Light/Sin azúcar/0%				✓
Guallarauco	✓			
Kapo	✓			
Waters				
Aquarius	✓		✓	✓
Aquarius Zero Gasificada			✓	
Benedictino	✓		✓	
Benedictino Sabores	✓			
Bonaqua Con Gas			✓	
Bonaqua Sin Gas			✓	
Crystal		✓		
Dasani				✓
Glaceau Smart Water	✓	✓	✓	
Glaceau Vitamin Water	✓			
Guallarauco Agua de Fruta	✓			
Kin Con Gas			✓	
Kin Sin Gas			✓	✓
Vital	✓			

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	Chile	Brazil	Argentina	Paraguay
Other Non-alcoholic Beverages				
AdeS	✓	✓	✓	✓
Blak	✓			
Burn		✓		
Fuze Ice Tea		✓		
Fuze Ice Tea Zero		✓		
Guaraná Power		✓		
I9		✓		
Leão Ice Tea Light/Zero/sin azúcar		✓		
Matte Leão		✓		
Matte Leão Zero		✓		
Monster	✓	✓	✓	✓
Monster Zero/Light/Sin azúcar	✓	✓	✓	✓
Powerade	✓	✓	✓	✓
Powerade Zero/Light/Sin azúcar	✓	✓		
Reign		✓		
Tropical				✓

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	Chile	Brazil	Argentina	Paraguay
Beer				
Amstel			✓	
Báltica	✓			
Bavaria		✓		
Becker	✓			
Becks	✓			
Blue Moon			✓	
Brahma	✓			
Bud light	✓			
Budweiser	✓			
Busch	✓			
Corona	✓			
Corona Light	✓			
Cusqueña	✓			
Eisenbahn		✓		
Estrella Galicia		✓		
Goose Island	✓			
Grolsch			✓	
Heineken			✓	
Hoegaarden	✓			
Iguana			✓	
Imperial			✓	
Isenbeck			✓	
Kaiser		✓		
Kilómetro 24.7	✓			
Kunstmann			✓	
Leffe	✓			
Malta del Sur	✓			
Michelob Ultra	✓			
Miller			✓	
Palermo			✓	
Pilsen del Sur	✓			
Quilmes	✓			
Salta Cautiva			✓	
Santa Fe			✓	
Schneider			✓	
Sol		✓	✓	
Stella Artois	✓			
Stella Artois Gluten Free	✓			
Therezópolis		✓		
Tiger		✓		
Warsteiner			✓	

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	Chile	Brazil	Argentina	Paraguay
Spirits and Wine				
120 3 Medallas	✓			
120 Gran Edición	✓			
120 Héroes	✓			
120 Reserva Especial	✓			
Alto del Carmen Ice	✓			
Amaranta	✓			
Amaranta Spritz	✓			
Artesanos del Cochiguaz Sour	✓			
Baileys	✓			
Bodega Uno	✓			
Bourbon Bulleit	✓			
Cabernario	✓			
Capel Ice	✓			
Capel Mix	✓			
Capel Pisco Sour	✓			
Capel Pisco Sour Light	✓			
Carmen	✓			
Carmen Delanz	✓			
Carmen DO	✓			
Carmen Gran Reserva	✓			
Carmen Insigne	✓			
Carmen Late Harvest	✓			
Carmen Premier 1850	✓			
Carmen Tradicional	✓			
Carmen Waves Series	✓			
Casa Real	✓			
Cavanza	✓			
Coctail Inca de Oro mango	✓			
Creminse	✓			
Doña Paula 1100	✓			
Doña Paula Estate	✓			
Espumante Francisco de Aguirre	✓			
Espumante Myla	✓			
Espumante Nola Zero	✓			
Espumante Sensus	✓			
Floresta	✓			
Gin Tanqueray	✓			
Gran 120	✓			
Hermanos Carrera	✓			
Héroes	✓			
Invictas	✓			
Los Cardos	✓			
Maddero Ice	✓			

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	Chile	Brazil	Argentina	Paraguay
Medalla Real	✓			
Medalla Real Gold	✓			
Pisco Alto del Carmen	✓			
Pisco Artesanos del Cochiguaz	✓			
Pisco Brujas de Salamanca	✓			
Pisco Capel	✓			
Pisco Hacienda La Torre	✓			
Pisco Monte Fraile	✓			
Rita	✓			
Ron Cacique	✓			
Ron Maddero	✓			
Ron Maddero Piña Colada	✓			
Ron Pampero	✓			
Ron Zacapa	✓			
Sangria Guay	✓			
Santa Rita	✓			
Schweppes		✓		
Sheridan's	✓			
Sidra 1888			✓	
Sidra Pehuena			✓	
Sidra Real			✓	
Sour Inca de Oro	✓			
Stellar-Ice	✓			
Tequila Don Julio	✓			
Terra Andina	✓			
Terra Andina Free	✓			
Terra Andina Reserva	✓			
Topo Chico	✓	✓	✓	
Vino Carbonatado Pkador	✓			
Vino Colón			✓	
Vino Eugenio Bustos			✓	
Vino Graffigna			✓	
Vino Grosso	✓			
Vino La Celia			✓	
Vino Prologo Late Harvest	✓			
Vodka Ciroc	✓			
Vodka Smirnoff	✓			
Whisky Bell's	✓			
Whisky Buchanan's	✓			
Whisky J&B	✓			
Whisky Johnnie Walker	✓			
Whisky Old Parr	✓			
Whisky Sandy Mac	✓			
Whisky Singleton	✓			

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	Chile	Brazil	Argentina	Paraguay
Whisky Vat-69	✓			
Whisky White Horse	✓			
Ice Creams and Frozen Products				
Guallaraucó	✓			

In addition, in Chile, we import and distribute some other Coca-Cola branded beverages, such as Coca-Cola Plus Café, Topo Chico, among others.

We produce, market and distribute Coca-Cola products in our franchise territories through standard bottler agreements between our bottler subsidiaries and the local subsidiary in each jurisdiction of The Coca-Cola Company. We consider our relationship with The Coca-Cola Company to be an integral part of our business strategy.

We seek to enhance our business throughout the franchise territories by developing existing markets, penetrating other soft drink, waters and juices markets, and also alcoholic beverages markets, forming strategic alliances with retailers to increase consumer demand for our products, increasing productivity, and by further internationalizing our operations.

Reporting Segments

The following discussion analyzes our product sales and customers by reporting segments.

Chile

In Chile, we produce, market and distribute our beverages under The Coca-Cola Company trademarks in the metropolitan region of Santiago and the provinces of Cachapoal and San Antonio, as well as the regions of Antofagasta, Atacama, Coquimbo, Aysén and Magallanes.

During 2021, Chile accounted for 37.1% and 44.0% of our volume and consolidated net sales, respectively.

Soft Drinks: Our Chilean soft drink operations accounted for net sales in 2021 of Ch\$480,158 million. We measure sales volume in terms of unit cases (UCs). The following table highlights historical sales and volume of Coca-Cola soft drinks sold in Chile for the periods indicated:

	Year ended December 31,					
	2019		2020		2021	
	Ch\$	UCs	Ch\$	UCs	Ch\$	UCs
Colas	305,205	119.3	319,811	120.5	380,542	133.8
Flavored soft drinks	103,263	38.9	87,380	33.2	99,616	34.8
Total	408,468	158.2	407,191	153.8	480,158	168.6

As of December 31, 2021, we sold our products to approximately 67,000 customers in Chile. The following table highlights the type of customer in Chile for our products:

	Year ended December 31 ⁽¹⁾ ,		
	2019	2020 ⁽³⁾	2021
		(%)	
Mom & Pops ⁽²⁾	47	54	50
Supermarkets	27	25	26
On premise	13	10	10
Wholesale distributors	13	12	14
Total	100	100	100

(1) In 2020, we made more uniform our channel definitions across our four segments, consequently percentages from previous years were reclassified for comparison purposes.

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- (2) Mom & Pops are neighborhood stores (grocery stores, minimarkets, kiosks, liquor stores, bakeries, etc.) characterized by providing daily shopping needs, and differentiated because they are nearby, and products are available in smaller formats.
- (3) Due to the incorporation of the sales volume of spirits in Chile into the channels' sales, the figures for 2020 differ from those published in previous reports.

Other Beverages: Coca-Cola Andina, through VJ S.A., produces and sells juices, fruit flavored beverages and sports drinks. Juices are manufactured and commercialized under the brands Andina del Valle (juices and fruit nectars), Kapo (juice drink), Glaceau Vitamin Water (water with added vitamins and minerals), Aquarius (juice drink), Powerade (isotonic), Ades (soy juice) and Guallaraucó (fruit waters and nectars). Vital Aguas S.A. is in charge of bottling mineral and mineralized water under the brands Vital and SmartWater (sparkling and still versions). Also, Andina (in Chile) produces purified water under the brand Benedictino.

In September 2016 and July 2017, the Company began the distribution in Chile of products under the trademarks of Monster and AdeS, respectively. In 2018, the Company began selling and distributing certain Guallaraucó products and also spirits from the company Diageo, and in 2019 the Company began with the sale and distribution of liquors and wine of the company Capel.

In 2020, the Company began selling and distributing AB InBev beer in Chile, under the following brands: Corona, Becker, Báltica, Budweiser, Stella Artois, Cusqueña, among others.

In May 2020, the Company began the production of Monster in Chile, through Envases Central S.A.

In 2021 the Company began selling and distributing Viña Santa Rita wines under the following brands: Doña Paula, 120 Tres Medallas, Casa Real, Carmen, Santa Rita, among others.

In 2021, net sales of waters, juices, seed-based beverages, sports drinks and energy drinks in Chile were Ch\$245,400 million, and net sales of beer and spirits were Ch\$249,738 million.

Brazil

In Brazil, we produce, market and distribute our beverages under The Coca-Cola Company trademarks in the majority of the State of Rio de Janeiro and the entirety of the State of Espírito Santo and since October 1, 2013 in part of the state of São Paulo and part of the state of Minas Gerais, as a consequence of the Ipiranga acquisition on October 1, 2013. During 2021, Brazil accounted for 32.3% and 24.3% of our volume and consolidated net sales, respectively.

Soft Drinks: The Brazilian soft drink operations accounted for net sales of Ch\$313,148 million. The following table highlights historical sales and volume of Coca-Cola soft drinks sold in Brazil for the periods indicated:

	Year ended December 31,					
	2019		2020		2021	
	Ch\$	UCs	Ch\$	UCs	Ch\$	UCs
Colas	264,929	145.6	262,741	163.7	260,157	163.1
Flavored soft drinks	95,862	61.2	54,972	41.8	52,991	41.2
Total	360,792	206.8	317,713	205.5	313,148	204.3

As of December 31, 2021, we sold our products to approximately 87,000 customers in Brazil. The following table highlights the type of customer in Brazil for our products:

	Year ended December 31 ⁽¹⁾ ,		
	2019	2020	2021
		(%)	
Mom & Pops ⁽²⁾	33	34	33
Supermarkets	32	33	33
On premise	16	12	13
Wholesale distributors	20	22	22
Total	100	100	100

- (1) In 2020, we made more uniform our channel definitions across our four segments, consequently percentages from previous years were reclassified for comparison purposes.

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- (2) Mom & Pops are neighborhood stores (grocery stores, minimarkets, kiosks, liquor stores, bakeries, etc.) characterized by providing daily shopping needs, and differentiated because they are nearby, and products are available in smaller formats.

Other Beverages: As of December 2021, we sell and distribute beer under the Bavaria, Kaiser, Sol, Therezópolis, Estrella Galicia, Tiger and Eisenbahn brands. We sold and distributed beer under Heineken and Amstel brands up until August 2021. We sell and distribute water under the labels Crystal and SmartWater, ready-to-drink juices under the labels Del Valle Frut e Fresh, Del Valle Mais, Del Valle 100%, Del Valle Nutri, Del Valle Hortifruti and Kapo, energy drinks under the brand names Burn and Monster, isotonic drinks under i9 and Powerade brand names and Fuze Ice Tea, Leão Ice Tea, Matte Leão and Guaraná Power ready-to-drink teas. We also sell and distribute seed-based beverages, AdeS Juice and AdeS Milk, under the brand name AdeS, during 2021. From November 2021 we started to distribute Topo Chico and Schweppes with alcohol.

In 2021, net sales of waters, juices, ready-to-drink teas, seed-based beverages, sports drinks and energy drinks in Brazil were Ch\$79,760 million, and net sales of beer were Ch\$146,350 million.

Argentina

In Argentina, we produce, market and distribute our beverages under The Coca-Cola Company trademarks in the entirety of the provinces of Córdoba, Mendoza, San Juan, San Luis, Entre Ríos, western part of the province of Buenos Aires and most of Santa Fe, as well as La Pampa, Neuquén, Río Negro, Chubut, Santa Cruz, and Tierra del Fuego. During 2021, Argentina accounted for 22.3% and 24.2% of our sales volume and consolidated net sales, respectively.

Soft Drinks: The Argentine soft drink operations accounted for net sales of Ch\$419,724 million in 2021. The following table highlights historical sales and volume of Coca-Cola soft drinks sold in Argentina for the periods indicated:

	Year ended December 31,					
	2019		2020		2021	
	Ch\$	UCs	Ch\$	UCs	Ch\$	UCs
Colas	222,140	108.9	194,621	111.6	316,587	121.3
Flavored soft drinks	91,726	40.8	65,497	33.6	103,137	36.1
Total	313,866	149.7	260,118	145.2	419,724	157.4

As of December 31, 2021, we sold our products to approximately 66,000 clients in Argentina. The following table highlights the type of client in Argentina for our products:

	Year ended December 31 ⁽¹⁾ ,		
	2019	2020	2021
		(%)	
Mom & Pops ⁽²⁾	37	36	34
Supermarkets	23	23	27
On premise	8	4	6
Wholesale distributors	32	36	33
Total	100	100	100

- (1) In 2020, we made more uniform our channel definitions across our four segments, consequently percentages from previous years were reclassified for comparison purposes.
- (2) Mom & Pops are neighborhood stores (grocery stores, minimarkets, kiosks, liquor stores, bakeries, etc.) characterized by providing daily shopping needs, and differentiated because they are nearby, and products are available in smaller formats.

Other Beverages: in Argentina we produce, sell and distribute flavored waters under the brand name Aquarius, and mineral and drinking water under the brands Bonaqua, Kin and Benedictino. In addition, we produce, sell and distribute ready to drink juices under the Cepita brand name, and fruit and vegetable seed based drinks under the brand name AdeS (which in 2017 was incorporated into the portfolio through a joint venture between The Coca-Cola Company and other Coca-Cola bottlers, including Andina). We also produce, sell and distribute sport drinks under the Powerade brand name, and produce, sell and distribute energy drinks under the Monster brand name (which was incorporated into the portfolio in 2018). We also sell and distribute beer, wine and cider in the southern region of the franchise under the following brands: Amstel, Blue Moon, Grolsch, Heineken, Iguana, Imperial, Isenbeck, Kunstmann, Miller, Palermo, Salta Cautiva, Santa Fe, Schneider, Sol and Warsteiner (beer); Colón, Eugenio Bustos, Graffigna and La Celia (wine); and 1888, Pehuenia and Real (cider).

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In 2021, net sales of juices, waters, seed-based beverages, sports and energy drinks in Argentina were Ch\$97,742 million. These values also consider the commission for distribution of beer, wine and cider.

Paraguay

In Paraguay, we produce, market and distribute our beverages under The Coca-Cola Company trademarks in the entire country. During 2021, Paraguay accounted for 8.5% and 7.6% of our volume and consolidated net sales, respectively.

Soft Drinks: The Paraguayan soft drinks operations accounted for net sales of Ch\$134,284 million. The following table highlights historical sales and volume of Coca-Cola soft drinks sold in Paraguay for the periods indicated:

	Year ended December 31,					
	2019		2020		2021	
	Ch\$	UCs	Ch\$	UCs	Ch\$	UCs
Colas	72,303	30.6	58,597	30.1	126,507	33.9
Flavored soft drinks	52,553	25.6	67,460	25.0	7,777	23.6
Total	124,856	56.2	126,058	55.1	134,284	57.6

As of December 31, 2021, we sold our products to approximately 62,000 customers in Paraguay. The following table highlights the type of customer in Paraguay for our products:

	Year ended December 31 ⁽¹⁾ ,		
	2019	2020	2021
		(%)	
Mom & Pops ⁽²⁾	39	42	41
Supermarkets	13	12	12
On premise	13	9	11
Wholesale distributors	35	36	37
Total	100	100	100

(1) In 2020, we made more uniform our channel definitions across our four segments, consequently percentages from previous years were reclassified for comparison purposes.

(2) Mom & Pops are neighborhood stores (grocery stores, minimarkets, kiosks, liquor stores, bakeries, etc.) characterized by providing daily shopping needs, and differentiated because they are nearby, and products are available in smaller formats.

Other Beverages: In Paraguay, we produce and distribute juices ready to drink under the trademark Frugos and we import and distribute seed-based drinks under the AdeS trademark. We also manufacture and sell water under the trademarks Dasani (purified water), Aquarius (flavored water), Kin (mineral water) and Powerade (sports drinks). We also import and distribute energy drinks under the trademark Monster (since May 2019).

In 2021, net sales of juices, waters, seed-based beverages, sports and energy drinks in Paraguay were Ch\$34,932 million.

Distribution

Chile

Soft Drinks, Juices, Waters and Other Beverages: In Chile, we distribute our products through a distribution system that includes: (i) trucks owned by third parties (567 trucks) which provide exclusive distribution service, and (ii) our own trucks (299 trucks). In 2021, 83% of our distribution was carried out by exclusive third-party trucking companies and 17% by Andina group companies. Distribution of all Andina beverages in Chile is carried out from distribution centers and production facilities. In most cases, the transportation company collects payment in cash or checks from the customer. In some cases, the driver also collects empty returnable glass containers or PET bottles of the same type and quantity as those delivered or collects cash deposits for net returnable bottles delivered. This task is particularly significant in the Chilean territory where returnable containers accounted for approximately 30.5% of the total volume sold of non-alcoholic beverages in 2021. Certain important customers (such as supermarkets) maintain accounts receivable with us, which are settled on average every 49 days after invoices are issued.

Beer and spirits: Andina in Chile uses its distribution system to distribute beer, and other alcoholic beverages in its franchise territories. Since 2018 it has developed a portfolio expansion strategy to become a total beverage company. To this end, the Company has entered into agreements with different strategic partners that have transformed its value proposition towards the customers of the different channels it serves in each category. Since 2018 it has been distributing Diageo's complete distilled spirits portfolio, brands such as Johnnie Walker, Vat-69, Sandy Mac (whiskey), Cacique and Zacapa (rum), Smirnoff and Ciroc (vodka), Tanqueray and Gordon's (gin), Bailey's liqueur, among others, in the traditional channel, on-premise channel, convenience stores and B2C digital channel. In the third quarter of 2019, distribution of the complete product portfolio of the Capel Cooperative (Alto del Carmen and Capel piscos, among other brands, and wines from Viña Francisco de Aguirre) began in all channels in the territory. In 2020, a commercialization and distribution agreement was signed, with which most of the AB InBev brands in Chile were added to our portfolio, as part of the agreement, the products of said multinational are commercialized in the different channels in most of our territory. Finally, in 2021 a distribution agreement was signed with "Viña Santa Rita" to commercialize and distribute its main brands (as of November 2021) throughout Chile, such as wines, sparkling wines and cocktails. Andina in Chile buys the different alcoholic products from commercial partners (Diageo, Cooperativa Capel, AB InBev and Viña Santa Rita) at a price determined by those partners and sells them to its customers with a margin previously agreed by category and channel, to which different variables are added for the achievement of goals. The discount scheme is different in each category, but as a common rule the discounts approved by the commercial partners are paid by those partners and do not affect Andina's margin in Chile.

Brazil

Soft Drinks, Juices and Waters: In Brazil, we generally distribute Coca-Cola products through a distribution system that includes: (i) own trucks (ii) trucks operated by independent distributors pursuant to non-exclusive distribution arrangements, and (iii) trucks operated by independent transport companies on an exclusive basis with us. In 2021, 11.8% was distributed by exclusive distributors, 5.1% by independent transport companies and 83.1% by our own trucks. Distribution of all of Andina Brazil's beverages takes place from distribution centers and production facilities.

Other Beverages: Andina Brazil uses its distribution system to distribute beer in the Brazilian territory. Andina Brazil started distributing beer in the 1980s as a result of the acquisition of Cervejarias Kaiser S.A. ("Kaiser") by a consortium of Coca-Cola bottlers (including Andina Brazil) in Brazil. In March 2002, the Canadian brewing company Molson Inc. acquired Kaiser. In 2006, FEMSA acquired from Molson a controlling ownership interest in Kaiser and in 2010, Heineken acquired a controlling interest in FEMSA's beer operation. Andina Brazil buys beer from Heineken at a price determined by Heineken and sells it to its customers with a fixed margin. In the case of certain discount sales that have been approved by Heineken, Heineken shares between 50% and 100% of the cost of such discounts. In 2021, Andina Brazil's net sales of beer were Ch\$146,350 million.

In 2002, the Coca-Cola Company and the Brazilian Association of Coca-Cola Manufacturers entered into an agreement regarding the distribution through the Coca-Cola system of beer produced and imported by what is now Heineken. In July 2017 Heineken Brazil notified us of the termination of the agreement by virtue of which Andina Brazil commercialized and distributed Heineken-branded beers in Brazil, which will be effective in March 2022. During 2020, the Coca-Cola system in Brazil and Heineken reached a new agreement to redesign their distribution partnership in Brazil. As per the agreement, which became effective as of September 2021 and has an initial five year term of duration, the Coca-Cola system in Brazil will continue to offer the Kaiser, Bavaria and Sol brands, and will complement this portfolio with the Eisenbahn and Tiger. Additionally, as part of the redesign of the distribution partnership, the agreement allows the Coca-Cola system bottlers in Brazil to distribute and produce other national or international brands, in certain percentages and under certain conditions. See "Item 3. Key Information — Risk Factors — Risks Related to our Company— The modifications to the beer distribution agreement with Heineken in Brazil may not be approved by the Brazilian antitrust authorities, which could adversely affect our results of operations."

In 2016, Andina Brazil signed an agreement with Monster Energy Company for the distribution of Monster Energy products in Andina Brazil's territory. These products began being distributed in November 2016.

In September 2021, the Coca-Cola Brazil System, including Andina Brazil, signed a Master Agreement and Distribution Agreement with Estrella de Galicia Importação e Comercialização de Bebidas e Alimentos Ltda, with a term of 12 years, for the distribution of branded beers Estrella Galicia throughout the Brazilian territory with exclusivity.

Argentina

Soft Drinks, Juices and Waters: In 2021, 66% of EDASA's Coca-Cola soft drinks were distributed by direct distribution and 34% by other distributors and wholesale distribution (indirect distribution). The direct distribution is done by a group of independent transport companies, on an exclusive basis.

Other Beverages: Andina Argentina uses its distribution system to distribute beer in the territory composed by the provinces of La Pampa, Neuquén, Río Negro, Chubut, Santa Cruz, Tierra del Fuego and the following parts of the Province of Buenos Aires: Bahía Blanca, Tornquist, Coronel M.L.Rosales, Coronel Dorrego, Villarino, Daireaux, Guamini, Adolfo Alsina, Coronel Suarez, Coronel Pringles, Saavedra, Puán, Saliqueló, Municipio Urbano de Monte Hermoso, Benito Juárez, Gonzalez Chávez, Tres Arroyos, Carmen de Patagones, Olavarría, Azul, Tapalqué, Laprida, Lamadrid, Arrecifes, Chacabuco, Colón, Pergamino, Rojas, Salto, Bartolomé Mitre, Capitán Sarmiento, 9 de Julio, 25 de Mayo, General Alvear, Chivilcoy, Alberti, Bragado, Junín, Viamonte, Arenales, L.N.Alem, Lincoln, General Pinto, Ameghino, Tres Lomas, Pehuajó, Carlos Casares, Hipólito Yrigoyen, Bolívar, Carlos Pellegrini, Trenque Lauquen, Rivadavia, Carlos Tejedor, General Villegas. Andina Argentina began distributing beer in 2012 due to the merger with Coca-Cola Polar. Since mid-2019, wine and cider have been added to the business. Andina Argentina distributes on behalf of and according to an order by CICSA (*Compañía Industrial Cervecería S.A.*) at a set price which is segmented for each of the regions where the contract operates, and for which Andina Argentina receives a commission.

The Coca-Cola Company and two bottlers (ex-Coca-Cola Polar Argentina S.A., today Andina Argentina, and ex Juan Bautista Guerrero S.A., today Salta Refrescos S.A. of the Arca group) executed a master agreement regarding the distribution of beer manufactured or imported by CICSA, through the Coca-Cola distribution system. The distribution master agreement was executed in 2003 for an initial period of five years, with successive extensions every three years, and the last one agreed in November 2017 for a new five-year term expiring on June 12, 2022. In 2019, an addendum to this agreement was signed to amend the commissions and include wine and cider within the scope of the distribution agreement.

In addition, in December 2017, EDASA executed an agreement with Monster Energy Company for the distribution and commercialization of energy drinks of the “Monster” trademark for an initial period of 10 years in the territory within the franchise of Andina Argentina, with the consent of The Coca-Cola Company. Also, in April 2021 EDASA, together with Monster Energy Company, entered into an agreement whereby Monster Energy Company appointed Embotelladora del Atlántico S.A. as the manufacturer of products bearing the “Monster” brand for an initial term of 5 years.

Paraguay

Soft Drinks, Juices and Waters: PARESA distributed 88.3% of its products through direct distribution (independent transport companies), and 11.3% through wholesale distributors.

Competition

We face intense competition throughout the franchise territories principally from bottlers of competing soft drink brands. See “Item 3. Key Information — Risk Factors — Risks Related to our Company—Our Business is highly competitive including with respect to price competition which may adversely affect our net profits and margins.” Our business is highly competitive including with respect to price competition which may adversely affect our net profits and margins. As a result of restrictions related to COVID-19, A.C. Nielsen, the surveying company, changed the methodology and sample in Argentina, Chile and Paraguay, therefore figures may not be fully comparable to those of previous periods in these countries. The following table presents the market share of Coca-Cola and other soft drinks in Chile, Brazil, Argentina and Paraguay for the periods indicated:

	2019				2020				2021			
	Chile	Brazil	Argentina	Paraguay	Chile	Brazil	Argentina	Paraguay	Chile	Brazil	Argentina	Paraguay
Coca-Cola soft drinks	67	62	63	73	65	62	61	76	64	62	60	76
Pepsi Bottler soft drinks	30	17	14	7	31	18	14	7	33	16	15	7
Other soft drinks	4	21	23	20	4	20	25	17	3	22	25	17
Total	100	100	100	100	100	100	100	100	100	100	100	100

Source: A.C. Nielsen.

Chile

Soft Drinks: The soft drink segment of the Chilean beverage industry is highly competitive. The most important areas of competition are product image, pricing, advertising, ability to deliver product in popular bottle sizes, distribution capacity, and the number of returnable bottles held by retailers or by consumers. Returnable bottles can be exchanged at the time of new purchases in lieu of paying a bottle deposit, thereby decreasing the purchase price. Our main competitor in the Chilean franchise territory is Embotelladora Chilenas Unidas (ECUSA), a subsidiary of Compañía Cervecerías Unidas S.A. (CCU), the largest brewer in Chile.

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ECUSA produces and distributes Pepsi-Cola products and its own soft drinks brands (e.g., Bilz and Pap). Based on reports by A.C. Nielsen, we estimate that in 2021, our average soft drink market share within our franchise territories was 64.1%.

Other beverages: Our main competitor in the water market is CCU, which has its own brand (Cachantun), where there is also competition from other low-priced brands (“B-Brands”). In 2021 we have achieved volume leadership in the Plain Waters category. Our main competitors in the juice segment are the Watt’s-CCU joint venture, C  rpora Tres Montes and three of the main milk producers in Chile: Soprole S.A., Nestl   Chile S.A. and Loncoleche. The market for fruit-flavored beverages in Chile also includes lower-cost concentrates of lower quality and artificially flavored powdered soft drink mixes. We do not consider these products to compete with our water and juice business as we believe these products are of lower quality and value. Based on reports by A.C. Nielsen, we estimate that in 2021, our average market share within our Chilean franchise territories reached approximately 39.9% for juices and others segment and approximately 48.3% for waters.

In the different alcoholic categories, Andina’s main competitor in Chile is CCU, which through different business models distributes beers (its main brands are Escudo, Cristal, Kunstmann and Heineken), spirits (brands from the Pernod Ricard portfolio), piscos (Control and Mistral brands, among others) and wines (Vi  a San Pedro brands such as Castillo de Molina, among others).

Brazil

Soft Drinks: The soft drink segment of the Brazilian beverage industry is highly competitive. The most important areas of competition are product image, pricing, advertising and distribution capacity (including the number and location of sales outlets). According to A.C. Nielsen, our main soft drink competitor in the Brazilian territory is American Beverage Company or AmBev, the largest beer producer and distributor in Brazil and also produces soft drinks, including Pepsi-Cola products. Based on reports by A.C. Nielsen, we estimate that in 2021, our average soft drink market share within our Brazilian franchise territories was approximately 62.2%.

Other Beverages: In the beer sector, Andina Brazil’s main competitor is AmBev which during 2021 had a very dominant position in the Brazilian market. Based on reports by A.C. Nielsen, we estimate that in 2021, our average market share for waters reached 24.8%, where we distribute under the Crystal brand mineral water. In the segment of juices and others, based on reports by A.C. Nielsen, we estimate that in 2021, our average market share was 53.3%.

Argentina

Soft Drinks: The soft drink segment of the Argentine beverage industry is highly competitive. The most important areas of competition are product image, pricing, advertising, ability to produce bottles in popular sizes and distribution capacity. Our greatest competitor in Argentina is Pepsi, commercialized by InBev. The most significant B-brands competitors are: Refres Now (Manaos), Pritty and Produnoa (Secco). Based on reports by A.C. Nielsen, we estimate that in 2021, our average soft drink market share within our Argentine franchise territories reached approximately 59.6%.

Other Beverages: we service the market of flavored and plain waters with the brands Aquarius, Bonaqua, Kin and Benedictino. Based on reports by A.C. Nielsen, we estimate that in 2021, our average market share was 15.9%. In addition, the juices and others market is serviced by the Cepita, AdeS and Powerade brands. Based on reports by A.C. Nielsen, we estimate that in 2021, our average market share was 47.5%. Our biggest competitor in the water category is Danone, RPB (Baggio) in juices and InBev in sports drinks.

Paraguay

Soft Drinks: The soft drink segment of the Paraguayan beverage industry is highly competitive. The most important areas of competition are product image, pricing, advertising, ability to produce bottles in popular sizes and the number of returnable bottles held by retailers or by consumers.

Our greatest competitor, local brand “Niko/De La Costa,” is produced and bottled by Embotelladora Central S.A., which had a 9.3% market share in 2021. B-brands in Paraguay represented 23.16% of the soft drink industry. In 2021, Pepsi had a market share of 6.6%, and is produced and marketed by Vierci Group, a local franchisee. Based on reports by A.C. Nielsen, we estimate that in 2021, our average soft drinks market share within our Paraguayan franchise territories was approximately 75.9%.

Other Beverages: We are leaders in all non-carbonated categories. In waters, based on reports by A.C. Nielsen, we estimate that in 2021, our average market share was 52.5% with our Dasani, Aquarius, Tropical and Kin brands. The market for juices and others is serviced through the Frugos and AdeS brands, Powerade in sport drinks, and Monster in energy drinks. Based on reports by A.C. Nielsen, we estimate that in 2021, our average market share was 63.0%.

Seasonality

Each of our lines of business are seasonal. Most of our beverage products have their highest sales volumes during the South American spring and summer (October through March), with the exception of nectar products, which have a slightly higher sales volume during the South American winter and autumn (April through September).

Packaging

Overview

Through Envases CMF S.A. in Chile (50% owned by Andina and 50% owned by Embonor), and Andina Empaques Argentina S.A. (“AEASA”) in Argentina we produce PET bottles in both returnable and non-returnable formats, preforms and plastic caps. On average, returnable PET bottles can be used up to 12 times. Non-returnable PET bottles are produced in various sizes and are used by a variety of soft drink producers and, in Chile, also by producers of food, wine, home care and personal hygiene products.

Sales

In 2021, total sales of AEASA reached Ch\$30,751 million, of which Ch\$11,262 million corresponded to sales to EDASA, Ch\$3,087 million corresponded to sales to other related companies of the group and Ch\$16,402 million corresponded to sales to third parties.

Competition

AEASA is the supplier of returnable bottles, preforms, plastic caps and cases for Coca-Cola Bottlers in Argentina, also supplying some formats to Coca-Cola bottlers in Chile, Bolivia and Paraguay. In Argentina, we compete principally with Alpla S.A. and Amcor.

CMF is the exclusive supplier of PET resin raw materials, returnable and preform packaging, as well as a main supplier in caps, cases and other plastic resin inputs. There are few suppliers in Chile for these inputs; the other supplier with similar productive capacities is Plasco S.A., which manufactures mainly for ECUSA, Pepsi’s bottling company in the country.

Raw Materials and Supplies

The main raw materials used in the production of Coca-Cola soft drinks are concentrate, sweetener, water and carbon dioxide gas. Production also requires glass and plastic bottles, bottle caps and labels. Water used in soft drink production is treated for impurities and adjusted for taste reasons. All raw materials, especially water, are subjected to continuous quality control.

Chile

Soft Drinks: Main suppliers of raw materials for the production of soft drinks:

- Concentrate: Coca-Cola de Chile S.A.
- Sweeteners (Sugar/Fructose): Iansa Ingredientes S.A., Sucden Chile S.A. and Comercializadora de Productos Panor Ltda.
- Carbon dioxide gas: Linde Gas Chile S.A.
- Preform plastic containers: Envases CMF S.A.
- Glass containers: Cristalerías de Chile S.A. and Cristalerías Toro S.P.A.
- Caps: Sinea S.A.
- Cardboard: Corrupac S.A. and Envases Impresos S.A.
- Thermo-contractible: Plásticos Arpoli S.P.A.

In 2021, 88% of the variable cost of sales of soft drinks corresponded to the main raw materials and finished products purchased by Andina in Chile. The raw material cost mix is distributed as follows: concentrate represents 73%, sweeteners 13%, non-returnable bottles 9%, bottle caps 3%, carbon dioxide 1% and other raw materials 2%. Water is not an important raw material cost. Additionally,

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the cost of finished products acquired from our subsidiaries, such as ECSA, is included in the cost of soft drink sales. These costs represent 13% of total soft drink cost of sales and correspond mainly to cans, PET bottles and sweeteners.

Other Beverages: The principal raw materials used by Vital Jugos in the production of juices and as a percentage of total raw material costs, are sweeteners 2.4%, fruit pulp and juices 8.8%, concentrate 32%, containers 20.6%, wrapping material 3.2%, caps 4.4%, and other raw material 2.7% all of which during 2021 accounted for 74.1% of total costs for sales of juice, including packaging. Additionally, AdeS finished product represented 3.4% of total costs for sales of juices.

The principal raw materials used by Vital Aguas in the production of still and sparkling mineral water and as a percentage of total raw material costs are: packaging 29.4%, concentrate 27.5%, caps 5.7%, wrapping material 4.7%, carbonation 0.8%, and other raw materials 1.9%, all of which during 2021 accounted for 70% of total costs for sales of water, including packaging.

Brazil

Soft Drinks: Main suppliers of raw materials for the production of soft drinks:

- Concentrate: Recofarma Industria do Amazonas Ltda.
- Sweeteners (Sugar/Fructose): Usina Alta Mogiana S.A. Açúcar e Alcool.
- Juices: Tecnovin do Brasil S.A.
- Preform plastic containers: Lorenpet Industria e Comercio de Plásticos Ltda.
- Returnable plastic containers: RioPet Embalagens S.A.
- Glass containers: Owens-Illinois do Brasil Industria e Comercio Ltda.
- Cans: Ball Embalagens Ltda.
- Caps: Bericap do Brasil Ltda.
- Cardboard: Tetra Pak Ltda.
- Labels: Pp Print Embalagens S.A.
- Electricity/Gas: Ecogen Rio Soluções Energéticas S.A.
- Thermo-contractible: Valfilm Nordeste Industria E Comercio De Plasticos Ltda.

In 2021, 77.7% of the variable cost of sales for soft drinks produced by Andina Brazil corresponded to main raw materials. The cost of each raw material within the total of main raw materials is the following: concentrate (including juice used for some flavors) represents 42.3%; sugar and artificial sweeteners 20.2%; non-returnable bottles 16.5%; cans 10.3%; bottle caps 3.4%; carbon dioxide 1.9% and other raw material 5.4%.

Argentina

Soft Drinks: Main suppliers of raw materials for the production of soft drinks:

- Concentrate: Servicios y Productos para Bebidas Refrescantes S.R.L.
- Sweeteners: Complejo Azucarero Concepción and Complejo Aliment. San Salvador.
- Preforms: Vinisa Fuegoína S.R.L.
- Carbon dioxide gas, Carbonic gas and Nitrogen: Praxair Argentina S.R.L.
- Resin bottles: Dak Americas Argentina S.A.
- Containers (plastic bottles)-Cases-Plastic caps (Short finish screw)-Preforms: Andina Empaques Argentina S.A.

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- Tetra PM-Aseptic cardboard packaging (including straws and caps): Tetra Pak S.R.L.
- Cans: Ball Beverage Can South America.
- Chapadur hardboard: Fiplasto S.A.
- Pallet: Repallets S.A.
- Thermo-contractible: Rio Chico S.A.

In 2021, 66.6% of the variable cost of sales for soft drinks produced by Andina Argentina corresponded to main raw materials. The cost of each raw material as a percentage of the total cost of raw materials is as follows: concentrate 62.9%, sugar and artificial sweeteners 14.9%, non-returnable bottles 13.0%, bottle caps 3.2%, carbon dioxide 0.7%, cans and caps 2.8%, and other raw materials 2.5%. Additionally, the cost of finished products purchased from third parties is included within the cost of sales of soft drinks. These costs represent 1.6% of the total costs of sales of soft drinks and correspond to can formats and other formats of soft drinks which are not produced by Andina Argentina during 2021.

PET Packaging: The principal raw material required for production of PET bottles is PET resin. During 2021, this raw material was mainly purchased from DAK Americas de Argentina S.A. and Ecopek S.A. In the case of plastic caps and cases, the main raw material required for their production is HDPE resin (high density polyethylene), which during the year 2021 was bought mainly from PBB Polisor S.A. and GC Marketing Solution CO.

In 2021, AEASA's costs for PET resin accounted for 47% of the total variable cost of its sales.

Paraguay

Soft Drinks: Main suppliers of raw materials for the production of soft drinks:

- Concentrate: Recofarma Industria do Amazonas Ltda. and Servicios y Productos para Bebidas.
- Sweeteners: Inpasa del Paraguay S.A., Alcotec Sociedad Anónima, and Azucarera Paraguaya S.A.
- Carbon dioxide gas: Liquid Carbonic del Paraguay S.A.
- Caps: Sinea S.A.
- Preforms: Industrias PET S.A.E.C.A.
- Caps/Preforms: Andina Empaques Argentina S.A.
- Coil: Tetra Pak Global Distribution S.A.
- Labels/Film: Bolsi Plast S.A.
- Caustic soda: Grupo Bio S.A.C.I.

During 2021, 75% of the variable cost of sales for beverages produced by PARESA corresponded to our main raw materials. The composition of this raw material cost is as follows: concentrate represents 51%, sugar and artificial sweeteners 17%, non-returnable bottles 12%, bottle caps 4%, carbon dioxide 1% and other raw materials 8%. Additionally, AdeS finished products for the sale of juices represented 7% of total variable costs.

Marketing

We and The Coca-Cola Company jointly promote and market Coca-Cola products in our franchise territories, in accordance with the terms of our respective bottler agreements. We advertise in major communications media. We focus our advertising efforts on increasing brand recognition by consumers and improving our customer relations. National advertising campaigns are designed and proposed by The Coca-Cola Company's local affiliates, with our input at the local or regional level.

Generally, we pay approximately 50% of the advertising and promotional expenses incurred by The Coca-Cola Company in our franchise territories. Nearly all media advertising and promotional materials for Coca-Cola soft drinks are produced and distributed by

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The Coca-Cola Company. See “Item 4. Information on the Company —Bottler Agreements.” Marketing and promotional programs, including television, radio and print advertising, point-of-sale advertising, sales promotions and entertainment are developed by The Coca-Cola Company for all Vital Jugos’ and Vital Aguas’ products.

Pursuant to the existing distribution agreements with Heineken and Monster, these companies are responsible for planning and managing advertising, marketing and promotional activities related to beer and energy drinks, respectively. Andina Brazil, however, is free to undertake marketing or promotional activities with Heineken’s and Monster’s prior approval. The parties have agreed to assume jointly the costs of certain promotional activities (radio or television) and for certain outdoor events which take place in the Rio de Janeiro, Espírito Santo and Ribeirão Preto regions.

In Argentina, in accordance with the existing distribution agreement with CICSA, CICSA is responsible for planning and managing advertising, marketing and promotional activities related to beer, wine and cider. Andina Argentina, however, is free to undertake marketing or promotional activities with CICSA’s prior approval. The parties have agreed that CICSA will assume the costs of promotional activities (radio, television, outdoor advertising and media) in the region.

In September 2016, November 2016, February 2018 and May 2019, Andina (Chile), Andina Brazil, Andina Argentina and Paraguay Refrescos, respectively, began to commercialize the energy drink, called Monster Energy. This brand is part of the collaboration agreement entered into during 2015 by The Coca-Cola Company and Monster Energy, which included the distribution of its products in the territories of the Coca-Cola System, such as Chile, Brazil, Argentina and Paraguay.

Channel Marketing

In order to provide more dynamic and specialized marketing of our products, our strategy is to divide our market into distribution channels. Our main channels are “mom and pops” which are small retailers, “on premise” consumption such as restaurants and bars, “supermarkets” and “wholesale distributors”. Presence in these channels entails a comprehensive and detailed analysis of the purchasing patterns and preferences of various groups of soft drinks and other beverages consumers in each type of location or distribution channel. In response to this analysis, we seek to tailor our product, price, packaging and distribution strategies to meet the particular needs of and exploit the potential of each channel.

We believe that the implementation of our channel marketing strategy also enables us to respond to competitive initiatives with channel-specific responses. This focused response capability isolates the effects of competitive pressure in a specific channel, thereby avoiding costlier market-wide responses. Our channel marketing activities are facilitated by our management information systems. We have invested significantly in creating such systems, including providing hand-held computer and data gathering equipment to support the gathering of product, consumer and delivery information, as well as applications that may be used on smartphones enabled to use these applications. All of which is required to implement our channel marketing strategies effectively for most of our sales routes in Chile, Brazil, Argentina and Paraguay. We will continue investing to increase pre-sale coverage in our territories.

Bottler Agreements

General

Our status as a The Coca-Cola Company franchisee is based on the bottler agreements that the Company has entered into with The Coca-Cola Company by which it has the license to produce and distribute Coca-Cola brand products within its operating franchise territories in Chile, Brazil, Argentina and Paraguay. The Company’s operations are highly dependent on maintaining and renewing the bottler agreements which provide for the production and distribution of Coca-Cola brand products under certain terms and provisions.

The bottler agreements are international standard contracts. The Coca-Cola Company enters into with bottlers outside the United States for the sale of concentrates and beverage basis for certain Coca-Cola soft drinks and non-soft drink beverages. These are renewable upon request by the bottler and at the sole discretion of The Coca-Cola Company. We cannot assure you that the bottler agreements will be renewed upon their expiration or that they will be renewed upon the same or better terms.

Concentrates and beverage basis

The bottler agreements provide that we will purchase our entire requirement of concentrates and beverage basis for Coca-Cola soft drinks and other Coca-Cola beverages from The Coca-Cola Company and other authorized suppliers. Although under the bottler agreements, The Coca-Cola Company, in its sole discretion, may set the price of concentrates and beverage basis, among other terms, we set the price of products sold to retailers at our discretion, subject only to certain price restrictions.

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As of the date of this annual report, we are the sole producer of Coca-Cola soft drinks and other Coca-Cola beverages in our franchise territories. Although this right is not exclusive, The Coca-Cola Company even though it has the ability to do so, has never authorized any other entity to produce or distribute Coca-Cola soft drinks or other Coca-Cola beverages in such territories, although we cannot assure you that in the future it will not do so. In the case of post-mix soft drinks, the bottler agreements explicitly establish such non-exclusive rights.

The bottler agreements include an acknowledgment by us that The Coca-Cola Company is the sole owner of the trademarks that identify the Coca-Cola soft drinks and other Coca-Cola beverages and of any secret formula used in concentrates.

Production and Distribution

All distribution must be in authorized containers. The Coca-Cola Company has the right to approve, at its sole discretion, any and all kinds of packages and containers for beverages, including their size, shape and any of their attributes. The Coca-Cola Company has the authority at its sole discretion to redesign or discontinue any package of any of the Coca-Cola products, subject to certain limitations, so long as Coca-Cola soft drinks and other Coca-Cola beverages are not all discontinued at the same time. We are prohibited from producing or handling any other beverage products, other than those of The Coca-Cola Company or other products or packages that would imitate, infringe or cause confusion with the products, trade dress, containers or trademarks of The Coca-Cola Company, or from acquiring or holding an interest in a party that engages in such activities. The bottler agreements also impose restrictions concerning the use of certain trademarks, authorized containers, packaging and labeling of The Coca-Cola Company and prohibit bottlers from distributing Coca-Cola soft drinks or other Coca-Cola beverages outside their designated territories.

The bottler agreements require us to maintain adequate production and distribution facilities; inventories of bottles, caps, boxes, cartons and other exterior packaging or materials; to undertake adequate quality control measures prescribed by The Coca-Cola Company; to develop, stimulate, and fully satisfy the demand for Coca-Cola soft drinks and other Coca-Cola beverages and that we use all approved means, and spend such funds on advertising and other forms of marketing, as may be reasonably required to meet that objective; and to maintain financial capacity as may be reasonably necessary to assure performance by us and our affiliates of our obligations before to The Coca-Cola Company. All bottler agreements require us to submit, on an annually basis, our business plans for such franchise territories to The Coca-Cola Company, including without limitation, marketing, management and promotional and advertising plans for the following year.

Advertising and marketing

The Coca-Cola Company has no obligation to contribute to our expenditures for advertising and marketing, but it may, at its discretion, contribute to such expenditures and perform independent advertising and marketing activities, as well as cooperative advertising and sales promotion that would require our cooperation and support. In each of the franchise territories, The Coca-Cola Company has been contributing approximately 50% of our advertising and marketing expenses, but no assurances can be given that equivalent contributions or any contributions at all will be made in the future.

Assignments and other provisions

Each bottler is prohibited from, directly or indirectly, assigning, transferring or pledging its bottler agreement, or any interest therein, whether voluntarily, involuntarily or by operation of law, without the prior consent of The Coca-Cola Company, and each bottler agreement is subject to termination by The Coca-Cola Company in the event of default by us. Moreover, no material change of ownership or control in the bottler may occur without the prior consent of The Coca-Cola Company.

Termination

The Coca-Cola Company may terminate a bottler agreement immediately by written notice to the bottler in the event that, among other events, (i) the bottler suspends payments to creditors, declares bankruptcy, is declared bankrupt, is expropriated or nationalized, is liquidated, dissolved, changes its legal structure, or pledges or mortgages its assets; (ii) the bottler does not comply with instructions and standards established by The Coca-Cola Company relating to the production of its authorized soft drink products; (iii) the bottler ceases to be controlled by its controlling shareholders (without the prior consent of The Coca-Cola Company); or (iv) the terms of the bottler agreement become contrary to the applicable law.

Either party to any bottler agreement may, within 60 days' notice thereof to the other party, terminate the bottler agreement in case of default of the other party, provided that such default is not remedied during such period.

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In addition, if a bottler does not wish to pay the required price for concentrate for any Coca-Cola products, it must notify The Coca-Cola Company within 30 days of receipt of The Coca-Cola Company's new prices. In the case of any Coca-Cola soft drink or other Coca-Cola beverages other than Coca-Cola concentrate, the franchise regarding such product shall be deemed automatically canceled three months after The Coca-Cola Company's receipt of the bottler's notice of refusal. In the case of Coca-Cola concentrate, the bottler agreements shall be deemed terminated three months after The Coca-Cola Company's receipt of the bottler's notice of refusal.

The Coca-Cola Company may also terminate the bottler agreements if the bottler or any individual or legal entity that controls it, engages in the production of any non-Coca-Cola beverage, whether through direct ownership of such operations or through control or administration thereof, provided that, upon request, the bottler shall be given six months to remedy such situation.

Chile

Our licenses for the territories in Chile expire in January 2023.

In 2005 VJ S.A. and The Coca-Cola Company entered into a Juice Bottler Agreement by which The Coca-Cola Company authorized VJ S.A. to produce, prepare and bottle in packaging previously approved by The Coca-Cola Company the previously mentioned trademarks.

Andina and Embonor S.A. have the right to purchase products from VJ S.A. This contract was renewed on January 1, 2019 and is currently under renewal process. Additionally, Andina, VJ S.A. and Embonor S.A. have agreed with The Coca-Cola Company to produce, bottle and commercialize these products at their respective plants.

In 2005, Vital Aguas and The Coca-Cola Company entered into a Water Manufacturing and Packaging Agreement for the preparation and packaging of beverages in connection with the Vital, Chanqueahue, Vital de Chanqueahue, and Dasani brands incorporating at the beginning of 2008 the Benedictino brand to the product portfolio manufactured by Vital Aguas under the agreement. This contract was renewed on January 1, 2019 and is currently under renewal process.

Brazil

Our licenses for the territories in Brazil expire in October 2022.

Argentina

Our licenses for the territories in Argentina expire in September 2022.

Paraguay

Our licenses for the territories in Paraguay is currently under renewal process.

Regulation

General

We are subject to a full range of government regulations generally applicable to companies engaged in business in our franchise territories, including but not limited to labor, social security, public health, consumer protection, environmental, sanitation, employee safety, securities and anti-trust laws. Currently, no material legal or administrative proceedings are pending against us with respect to any regulatory matter in any of our franchise territories except those listed as such in "Item 3. Key Information—Risk Factors" and "Item 8. Financial Information—Contingencies."

We believe that, to the best of our knowledge we are in compliance in all material respects with applicable statutory and administrative regulations relating to our business in each of our franchise territories.

Chile: There are no special licenses or permits specifically required to manufacture and distribute soft drinks and juices in the Chilean territory. Food and beverage producers in Chile, however, must obtain authorization from, and are supervised by the Health Ministry's respective regional offices (*Secretaría Regional Ministerial de Salud*), which inspects production facilities and takes liquid samples for analysis on a regular basis. Our main plant in Renca obtained its permit to operate on October 6, 2011 which has been granted for an indefinite period. Likewise, the permits we have to operate our other plants in Chile, have also been granted for an indefinite period. In addition, production and distribution of mineral water is subject to special regulations such that mineral water

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may be drawn only from sources designated for such purpose by supreme decree. Certification of compliance with such decree is provided by the National Health Service, the Undersecretary's Office of the Ministry of Health (*Servicio de Salud Metropolitano del Ambiente*). Our mineral water production facilities have received the required certification.

With regard to the storage and distribution of alcoholic beverages, these activities are governed by the rules of Laws No. 18,455 and No. 19,925, which regulate the production, processing, commercialization, sale and consumption of alcoholic beverages.

Brazil: Labor laws, in addition to mandating employee benefits, include regulations to ensure sanitary and safe working conditions in our production facilities located in Brazil. Food and beverage producers in Brazil must register their products with and receive a ten-year permit from the Ministry of Agriculture and Provisioning and the Ministry of Health. Our permits from said Ministries are valid and in force for a term of ten years for each product we produce. Although we cannot assure you that they will be renewed, we have not experienced any material difficulties in renewing our permits in the past nor do we expect to experience any difficulties in the future. The Ministries do not regularly inspect facilities, but they do send inspectors to investigate any complaints it receives.

Argentina: While most laws applicable to EDASA are enforced at the federal level, some, such as sanitary and environmental regulations, are primarily enforced by provincial and municipal governments. Licenses or permits are required for the manufacture or distribution of beverages in the Argentine territory, which are evidenced through national records of food establishment and food products. Additionally, our production facilities are subject to registration with federal and provincial authorities and to supervision by municipal health agencies, which certify compliance with applicable laws.

Paraguay: PARESA is registered with the Ministry of Industry and Trade in Paraguay, which issues and renews the industrial registry. Food and beverage producers in Paraguay must register with the Ministry of Health, which performs inspections of plants and monitors products in the market. Industries must also have an environmental license issued by the Ministry of Environment and Sustainable Development, which is the main body responsible for monitoring compliance with environmental laws. In addition to establishing the mandatory employee benefits, include safe working and sanitary conditions at industrial installations within Paraguay. PARESA maintains all of its licenses, permits and registrations issued by these institutions and ensures compliance with the regulations and ordinances of the municipalities where its plant is located.

Environmental Matters

It is our policy to conduct environmentally sound operations on a basis consistent with applicable laws and within criteria established by The Coca-Cola Company. Although regulation of matters relating to the protection of the environment is not as well-developed in the franchise territories as in the United States and other industrialized countries, we expect that additional laws and regulations may be enacted in the future with respect to environmental matters that may impose additional restrictions on us which could materially or adversely affect our results of operations in the future. There are no material legal or administrative proceedings pending against us in any of the franchise territories with respect to environmental matters, and we believe that, to the best of our knowledge, we are in compliance in all material respects with all environmental regulations applicable to us.

Chile

The Chilean government has several regulations governing environmental matters relating to our operations.

Law N° 19,300, addressing general environmental concerns, passed in March 1994, regulates general environmental issues and fundamental aspects applicable to our activities and that could require the hiring of independent experts to conduct studies or environmental impact statements of any future project or activity that may be affected by the provisions of Law N° 19,300. In January 2010, the aforementioned law was amended by Law N° 20,417, which created a new environmental agency, the Environment Ministry, the Environmental Assessment Service and the Environment Superintendence. In January 2012, Law N° 20,600 was published which created the Environmental Tribunals (3), which came into operation on December 2012.

Law N° 20,920 passed in June 2016, sets the framework for waste management, the extended liability of the producer and the promotion of recycling, which aims to reduce waste generation and encourage reuse, recycling and other types of valorization, in order to protect people's health and the environment. Law 21,368 was published on August 13, 2021, which requires that the composition of disposable plastic bottles must contain a percentage of plastic that has been collected and recycled within the country.

Brazil

Our Brazilian operations are subject to several environmental laws, none of which currently impose substantial restrictions on us. The Brazilian Constitution establishes the broad guidelines for the new treatment of environmental concerns. Environmental issues are regulated at federal, state and municipal levels. The Brazilian Constitution empowers the public authorities to develop regulations designed to preserve and restore the environment and to control industrial processes that affect human life. Violations of these regulations are subject to criminal, civil and administrative penalties.

In addition, Law N° 6,938 of 1981, known as the Brazilian Environmental Policy, introduced an environmental regime under which no environmental damage is exempt from coverage. This legislation is based on the idea that even a polluting waste tolerated under the established standards could cause environmental damage, and therefore subjects the party causing such damage to the payment of an indemnity. Moreover, as mentioned above, activities damaging to the environment lead to criminal and administrative penalties, provided for in Law N° 9,605 of 1998 or the Environmental Crimes Act.

Numerous governmental bodies have jurisdiction over environmental matters. At the federal level, the *Ministério do Meio Ambiente* (Brazilian Ministry of Environment) and the *Conselho Nacional do Meio-Ambiente* or CONAMA dictate environmental policy, including, without limitation, initiating environmental improvement projects, establishing a system of fines and administrative penalties and reaching agreements on environmental matters with offending industries. The *Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis* or IBAMA, enforces environmental regulations set by CONAMA, including by developing several activities for the preservation and conservation of natural heritage and controlling and supervising the use of natural resources. In addition, various federal authorities have jurisdiction over specific industrial sectors, but none of these currently affect us.

Finally, various state and local authorities regulate environmental matters in the Brazilian territory including the *Instituto Estadual do Ambiente* or INEA, the main environmental authority in Rio de Janeiro, the *Instituto Estadual de Meio Ambiente e Recursos Hídricos* (“IEMA”), the main authority on environmental issues in Espírito Santo, the Companhia de Tecnologia de Saneamento Ambiental - CETESB, the main environmental authority in São Paulo and the Secretaria de Estado de Meio Ambiente e Desenvolvimento Sustentável (SEMAD), the main environmental authority in Minas Gerais. INEA, IEMA, CETESB and SEMAD periodically inspect industrial sites. We believe that we are in compliance in all material respects with the standards established by all the governmental authorities applicable to our operations in Brazil. We cannot assure you, however, that additional regulations will not be enacted in the future, and that such restrictions would not have a material adverse effect on our results or operations. The operation in Brazil as that of Chile counts with all certifications mentioned in terms of Quality, Environment and Occupational Health and Safety and those associated with Food Safety and Best Practices in Food Processing.

Argentina

The Argentine Constitution, as amended in 1994, allows any individual who believes a third party may be damaging the environment to initiate an action against it. No action of this nature has been initiated against EDASA, but we cannot ensure that it will not be initiated in the future. Though provincial governments have primary regulatory authority over environmental matters, municipal and federal authorities also have authority competent to enact decrees and laws on environmental issues. Thus, municipalities can set policy on local environmental matters, such as waste management, while the federal government regulates inter-province environmental issues, such as transport of hazardous waste or environmental matters covered by international treaties.

In 2002, the National Congress approved federal Law N° 25,612, Comprehensive Management of Industrial Residues and Service Activities (*Gestión Integral de Residuos Industriales y de Actividades de Servicios*) and Law N° 25,675, General Environmental Law (*Ley General del Ambiente*) establishing minimum guidelines for the protection of the sustainable environmental management and the protection of biodiversity, applicable throughout Argentina. The law establishes the purposes, principles and instruments of the national environmental policy, the concept of “minimum guidelines,” the judicial purview and the rules governing environmental education and information, citizens’ participation and self-management, among other provisions.

Provincial governments within the Argentine territory have enacted laws establishing a framework for the preservation of the environment. Provincial laws that are applicable to industrial facilities at EDASA, among others are Law N° 7,343 of the Province of Córdoba and its supplemental N° 10,208 since 2014, Law N° 11,459 of the Province of Buenos Aires and Environmental Code N° 5,439 of the Chubut province. These laws contain principles on environmental policy and management, as well as rules on environmental impact assessment. They also give certain agencies jurisdiction over environmental issues.

Almost all provinces as well as many municipalities have established rules regarding the use of water, the sewage system and the disposal of liquids into underground flows of water or rivers. There are currently no claims pending against EDASA related to these rules, whose violation normally results in a fine.

Paraguay

The environmental framework comprises several national and local environmental regulations. The Paraguayan Constitution of 1992 states that everyone has the right to live in a healthy and ecologically balanced environment and has the obligation to preserve it. All damage caused to the environment will carry the obligation to repair and compensate.

Law 1561/00 chartered the three primary environmental agencies in Paraguay. These are: The Ministry of the Environment and Sustainable Development of Paraguay (*Ministerio del Ambiente y Desarrollo Sostenible* or “MADES”), National Environmental Council (*Consejo Nacional del Ambiente* or “CONAM”), and National Environmental System (*Sistema Nacional del Ambiente* or “SISNAM”). The Law establishes the authority and responsibility of these agencies to develop and oversee the national environmental policy.

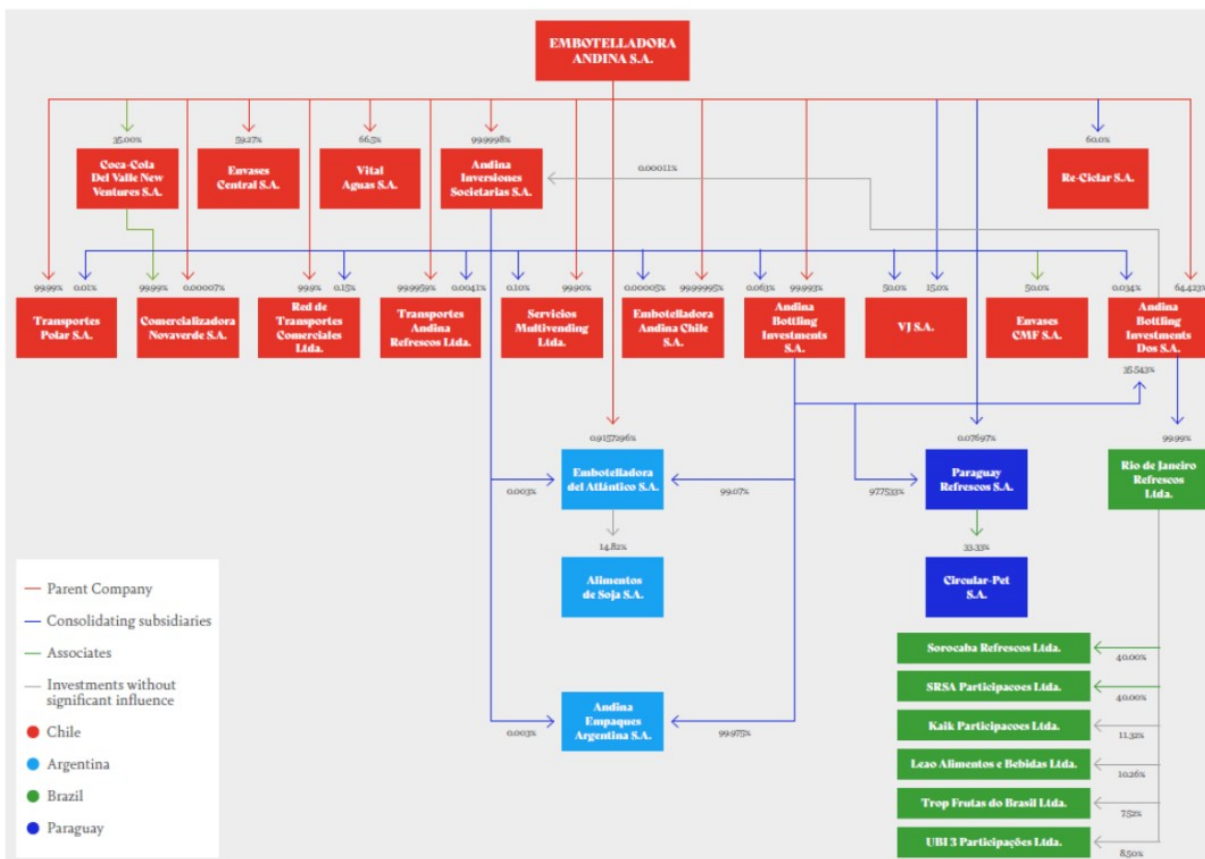
The Ministry of the Environment and Sustainable Development is the main environmental body responsible for the development and implementation of national environmental laws and it is also the authority responsible for implementing most of the national environmental regulations and for monitoring their compliance. The CONAM is responsible for investigating and establishing the main goals in the environmental policies, which the MADES must then implement. The SISNAM is integrated by several bodies, including governmental and municipal agencies and private sector stakeholders, all interested in solving environmental issues. The SISNAM provides a discussion forum for the public and private sectors to work together collectively, developing ideas and plans to promote a sustainable development.

Environmental Impact: Law 294/93 states the rights and obligations that will be triggered by any damage caused to the environment and provides the obligation to restore the environment to its previous state or, if that is technically impossible, to make a payment or provide compensation.

Water Resources Act of Paraguay: Law 3239/07 on water resources establishes the sustainable management of all waters (superficial, ground, atmospheric) and the territories that generate such waters, regardless of their location, physical condition or natural occurrence within the Paraguayan territory, in order to make it socially, economically and environmentally sustainable for the people living in the territory of Paraguay. The supervising agency is the Ministry of Environment and Sustainable Development. Superficial and ground waters are property of the State’s public domain. The law establishes the following order of priority for the use of water: i) fulfillment of the needs of aquatic ecosystems; ii) social use within the home environment; iii) use and enjoyment for agricultural activities, including aquaculture; iv) use and utilization for power generation; v) use and enjoyment for other industrial activities and vi) use and enjoyment for other activities. The use of water for productive purposes is subject to the authorization granted by the State through a permit (for the use of small amounts of water) or through concessions (prior public bidding process), in both cases after the payment of applicable fees. Authorizations may be revoked based on the occurrence of situations contemplated under the law. Concessions may be expropriated for public benefit or be terminated in certain situations established by the law. In addition, a National Registry of Water Resources has been created to keep record of all individuals or legal entities that utilize water resources or engage in activities related to them.

C. ORGANIZATIONAL STRUCTURE

The following chart presents a summary of our direct and indirect ownership interests in our subsidiaries and associated companies:



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The following table presents information relating to the main activities of our subsidiaries and associated companies, as well as our direct and indirect ownership interests in them as of the date of this document:

Subsidiary	Activity	Country of Incorporation	Percentage of direct and indirect ownership
Embotelladora Andina Chile S.A.	Manufacture, bottle, distribute, and commercialize non-alcoholic beverages.	Chile	99.99
VJ S.A.	Manufacture, distribute, and commercialize all kinds of food products, juices, and beverages.	Chile	65.00
Vital Aguas S.A.	Manufacture, distribute, and commercialize all kinds of waters and beverages in general.	Chile	66.50
Servicios Multivending Ltda.	Commercialize products through equipment and vending machines.	Chile	99.99
Transportes Andina Refrescos Ltda.	Provide administrative services and management of domestic and foreign ground transportation.	Chile	99.99
Transporte Polar S.A.	Provide administrative services and management of domestic and foreign ground transportation.	Chile	99.99
Envases Central S.A.	Manufacture and packaging of all kinds of beverages and commercialize all kinds of packaging.	Chile	59.27
Andina Bottling Investments S.A.	Manufacture, bottle and commercialize beverages and food in general. Invest in other companies.	Chile	99.99
Andina Bottling Investments Dos S.A. ⁽²⁾	Carry out exclusively foreign permanent investments and lease all kinds of real estate.	Chile	99.99
Andina Inversiones Societarias S.A.	Invest in all types of companies and commercialize food products in general.	Chile	99.99
Comercializadora Novaverde S.A.	Process and commercialize fruits, ice cream, vegetables and food in general, under the Guallarauc trademark.	Chile	35.00
Re-Ciclar S.A. ⁽³⁾	Produce recycled resin for the Coca-Cola system and third parties.	Chile	60.00
Rio de Janeiro Refrescos Ltda.	Manufacture and commercialize beverages in general, powdered juices and other related semi-processed products.	Brazil	99.99
Embotelladora del Atlántico S.A.	Manufacture, bottle, distribute, and commercialize non-alcoholic beverages.	Argentina	99.99
Andina Empaques S.A.	Design, produce, and commercialize plastic products mainly packaging.	Argentina	99.98
Alimentos de SOJA S.A.	Manufacture, commercialize, import, export, transformation, fraction, package and distribute food products and beverages in general, and their raw materials and related products and by-products.	Argentina	14.82
Paraguay Refrescos S.A.	Manufacture, bottle, distribute, and commercialize non-alcoholic beverages.	Paraguay	97.83
Circular-Pet S.A. ⁽⁴⁾	Produce recycled resin for the Coca-Cola system and third parties.	Paraguay	33.33
Red de Transportes Comerciales Ltda.	Provide administrative services and management of domestic and foreign ground transportation.	Chile	99.99
Envases CMF S.A.	Manufacture, acquire and commercialize all types of containers and packaging; and provide bottling services.	Chile	50.00
Coca-Cola del Valle New Ventures S.A.	Manufacture, distribute and commercialize all kinds of juices, waters and beverages in general.	Chile	35.00
Leão Alimentos e Bebidas Ltda.	Manufacture, bottle and commercialize beverages and food in general. Invest in other companies.	Brazil	10.26
Trop Frutas do Brasil Ltda.	Manufacture, commercialize and export natural fruit pulp and coconut water.	Brazil	7.52
Sorocaba Refrescos S.A. ⁽¹⁾	Manufacture, bottle and commercialize beverages and food in general. Invest in other companies.	Brazil	40.00
SRSA Participações Ltda.	Purchase and sale of real estate investments and property management.	Brazil	40.00
Kaik Participações Ltda.	Invest in other companies with own resources.	Brazil	11.32
UBI 3 Participações Ltda.	Invest in other companies with own resources. Purchase and sale of real estate investments and property management.	Brazil	8.50

⁽¹⁾ In 2012, 40% of the Brazilian company Sociedad Brasileira Sorocaba Refrescos S.A. was acquired for a total price of R\$146.9 million.

⁽²⁾ In November 2021, Abisa Corp and Aconcagua Investing Ltda. were merged into Andina Bottling Investments Dos S.A. (ABISA DOS) for corporate reorganization purposes. As a consequence of the merger, Abisa Corp and Aconcagua Investing Ltda. were absorbed by ABISA DOS, which became the owner of the shares issued by Andina Inversiones Societarias S.A, previously held by Aconcagua Investing Ltda. Abisa Corp had no investment in any entity.

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- (3) During 2021, Embotelladora Andina S.A. held an interest in Re-Ciclar S.A., a company whose purpose is to produce recycled resin for the Coca-Cola system and third parties. Non-controlling interest reaches 40.0%.
- (4) In February 2021, the subsidiary Paraguay Refrescos S.A. together with INPET S.A.E.C.A and CORESA incorporated and executed a shareholders' agreement for a company named Cicular-Pet S.A. Each of these companies will own 33.3% Cicular-Pet S.A. share capital. The main activity of Cicular-Pet S.A. will be the manufacture and commercialization of post-consumer recycled PET resins, coming from the transformation of PET flakes.

D. PROPERTY, PLANTS AND EQUIPMENT

We own production plants in each of the principal population centers that comprise the franchise territories. In addition, we own distribution centers and administrative offices in each of the franchise territories. We also use (i) facilities owned by third parties through lease agreements and (ii) facilities owned by third parties through contracts other than lease agreements, such as distribution contracts. The following table sets forth our principal real property (in square meters) and other facilities that we use in each of the franchise territories:

	MAIN USE	Square meters	Property
<u>ARGENTINA</u>			
Embotelladora del Atlántico S.A.			
Azul	Distribution Center / Warehouses	600	Third Parties
Bahía Blanca*	Offices / Production of Soft Drinks / Distribution Center / Warehouses	102,708	Own
Bahía Blanca	Warehouses (Don Pedro)	6,000	Leased
Bahía Blanca	Commercial Office	903	Leased
Bahía Blanca*	Real Estate (parking lot)	73,150	Own
Bahía Blanca	Warehouses (M&F Palletizer -EDF deposit)	1,400	Leased
Bariloche	Offices / Distribution Center / Warehouses	1,870	Leased
Bialet Masse*	Real Estate**	880	Own
Bragado	Commercial Office	38	Leased
Carlos Paz	Commercial Office	270	Leased
Carmen de Patagones	Commercial Office / Warehouses / Cross Docking	1,600	Leased
Chacabuco*	Offices / Distribution Center / Warehouses	25,798	Own
Chivilcoy	Distribution Center / Warehouses	1,350	Third Parties
Chivilcoy	Commercial Office	72	Leased
Comodoro Rivadavia	Offices / Distribution Center / Warehouses	7,500	Leased
Concepcion del Uruguay	Commercial Office	118	Leased
Concordia	Commercial Office / Third party Distribution Center / Warehouses	1,214	Leased
Córdoba*	Offices / Production of soft drinks and other still beverages / Distribution Center / Warehouses / Real estate	959,585	Own
Córdoba (San Isidro)*	Deposit and Offices	8,808	Own
Córdoba	Deposit (Rigar)	8,800	Leased
Córdoba	Deposit (Ricardo Balbín)	2,500	Leased
Córdoba	Commercial Office (Dinosaurio Mall Alto Verde)	357	Leased
Coronel Suarez	Offices / Third party Distribution Center / Warehouses / Deposit	1,000	Leased
General Pico*	Offices / Distribution Center / Warehouses	15,525	Own
General Roca	Distribution Center / Warehouses	2,800	Third Parties
Galeguaychu	Commercial Office / Warehouses	2,392	Leased
Junin (Buenos Aires)	Cross Docking	995	Third Parties
Junin (Buenos Aires)	Commercial Office	108	Leased
Mendoza*	Offices / Distribution Center / Warehouses	36,452	Own
Monte Hermoso*	Real Estate**	300	Own
Neuquén*	Offices / Distribution Center / Warehouses	10,157	Own

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	MAIN USE	Square meters	Property
Olavarria	Offices / Distribution Center / Warehouses	3,065	Leased
Paraná	Commercial Office	318	Leased
Pehuajo	Offices / Distribution Center / Warehouses	1,060	Leased
Pergamino*	Offices / Cross Docking	15,700	Own
Puerto Madryn	Commercial Office	115	Leased
Rio Gallegos	Distribution Center / Warehouses	2,491	Leased
Rio Grande	Offices / Distribution Center / Warehouses	2,460	Leased
Río IV*	Cross Docking	7,482	Own
Río IV	Commercial Office	93	Leased
Rivadavia (Mendoza)*	Deposit**	800	Own
Rosario*	Offices / Distribution Center / Warehouses / Parking Lot / Real Estate	27,814	Own
San Francisco	Commercial Office	63	Leased
San Juan*	Offices / Distribution Center / Warehouses	48,036	Own
San Luis*	Commercial Office / Distribution Center / Warehouses	5,205	Own
San Nicolas	Commercial Office	50	Leased
San Rafael	Commercial Office	58	Leased
Santa Fe (Casilda)	Commercial Office	40	Leased
Santa Fe	Commercial Office	238	Leased
Santa Rosa	Distribution Center / Warehouses	1,200	Third Parties
Santo Tomé*	Administrative Office / Distribution Center / Warehouses	88,309	Own
Trelew*	Offices / Production of Soft Drinks / Distribution Center / Warehouses	51,000	Own
Trelew	Warehouses	1,500	Leased
Tres Arroyos	Offices / Cross Docking / Warehouses	1,548	Leased
Ushuaia	Offices / Distribution Center / Warehouses	1,360	Leased
Ushuaia	Commercial Office	94	Leased
Venado Tuerto	Commercial Office / Distribution Center / Warehouses	2,449	Third Parties
Villa Maria	Commercial Office	125	Leased
Villa Mercedes	Commercial Office	70	Leased
Andina Empaques Argentina S.A.			
Buenos Aires*	Production of bottles, PET Preforms, Plastic Caps and Cases	27,520	Own
Buenos Aires	Deposit adjoining the production plant	1,041	Leased
<u>BRAZIL</u>			
Rio de Janeiro Refrescos Ltda.			
Jacarepaguá	Offices / Production of Soft Drinks / Distribution Center / Warehouses	249,470	Own
Duque de Caxias*	Offices / Production of Soft Drinks / Distribution Center / Warehouses	2,243,953	Own
Nova Iguaçu*	Distribution Center / Warehouses	82,618	Own
Bangu*	Distribution Center	44,389	Own

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	MAIN USE	Square meters	Property
Campos dos Goytacazes*	Distribution Center	36,083	Own
Cabo Frio*	Distribution Center**	1,985	Own
São Pedro da Aldeia 1*	Distribution Center	10,139	Concession
Itaperuna*	Cross Docking	2,500	Leased
Caju 1*	Distribution Center	4,866	Own
Caju 2*	Distribution Center	8,058	Own
Caju 3*	Parking Lot	7,400	Leased
Vitória (Cariacica)*	Distribution Center	93,320	Own
Cachoeiro do Itapemirim*	Cross Docking	8,000	Leased
Linhares*	Cross Docking	1,500	Leased
Ribeirão Preto	Offices / Production of Soft Drinks / Distribution Center / Warehouses	238,096	Own
Ribeirão Preto*	Real Estate	279,557	Own
Franca*	Distribution Center	32,500	Own
Mococa*	Distribution Center	33,669	Leased
Araraquara*	Distribution Center	11,658	Own
São Paulo*	Apartment	69	Own
São Joao da Boa Vista*	Cross Docking	20,773	Own
São Pedro da Aldeia 2*	Parking Lot	6,400	Concession
Nova Friburgo*	Commercial Office / Cross Docking	350	Leased
Guarapari*	Commercial Office	218	Leased
Colatina*	Commercial Office / Cross Docking	3,840	Leased
São Mateus*	Commercial Office / Cross Docking	2,007	Leased
Rio das Ostras*	Commercial Office	527	Leased
Passos*	Distribution Center	8,500	Leased
<u>CHILE</u>			
Embotelladora Andina S.A.			
Renca*	Offices / Production of Soft Drinks / Distribution Center / Warehouses	380,833	Own
Renca*	Warehouses	55,562	Own
Renca*	Warehouses	11,211	Own
Renca*	Warehouses	46,965	Own
Carlos Valdovinos*	Distribution Center / Warehouses	106,820	Own
Puente Alto *	Distribution Center / Warehouses	68,682	Own
Maipú*	Distribution Center / Warehouses	45,833	Own
Demetrop (Metropolitan Region)	Warehouses	n/a	Leased
Trailerlogistic (Metropolitan Region)	Warehouses	n/a	Leased
Monster (Metropolitan Region)	Warehouses	n/a	Leased
Rancagua*	Distribution Center / Warehouses	25,920	Own
San Antonio*	Distribution Center / Warehouses	19,809	Own

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	MAIN USE	Square meters	Property
Antofagasta *	Offices / Production of Soft Drinks / Distribution Center / Warehouses	34,729	Own
Antofagasta *	Offices / Production of Soft Drinks / Distribution Center / Warehouses	8,028	Own
Calama*	Distribution Center / Warehouses	10,700	Own
Tocopilla*	Distribution Center / Warehouses	562	Own
Coquimbo*	Offices / Distribution Center / Warehouses	31,383	Own
Copiapó*	Distribution Center / Warehouses	26,800	Own
Ovalle*	Distribution Center / Warehouses	6,223	Own
Vallenar*	Distribution Center / Warehouses	5,000	Own
Illapel	Distribution Center / Warehouses	n/a	Leased
Punta Arenas*	Offices / Production of Soft Drinks / Distribution Center / Warehouses	109,517	Own
Coyhaique*	Distribution Center / Warehouses	5,093	Own
Puerto Natales	Distribution Center / Warehouses	850	Leased
VJ S.A.			
Renca*	Offices / Production of Juices	40,000	Own
Vital Aguas S.A.			
Rengo*	Offices / Production of Waters	346,532	Own
Envases Central S.A.			
Renca*	Offices / Production of Soft Drinks	51,907	Own
<u>PARAGUAY</u>			
Paraguay Refrescos S.A.			
San Lorenzo*	Offices / Production of Soft Drinks / Warehouses	275,292	Own
Coronel Oviedo*	Offices / Warehouses	32,911	Own
Encarnación*	Offices / Warehouses	12,744	Own
Ciudad del Este*	Offices / Warehouses	14,620	Own

* Free of encumbrance properties.

**Inactive: facilities that are not being use currently by the Company.

Leased: facilities owned by third parties, used by the Company through a lease agreement.

Third Parties: facilities owned by third parties, used by the Company through contracts other than lease agreements, such as distribution contracts.

Own: facilities owned by the Company.

Capacity by Line of Business

Set forth below is certain information concerning the installed capacity and approximate average utilization of our production facilities, by line of business.

	Year Ended December 31,					
	2020			2021		
	Annual Total Installed Capacity ⁽¹⁾	Average Capacity Utilization (%)	Capacity Utilization During Peak Month (%)	Annual Total Installed Capacity ⁽¹⁾	Average Capacity Utilization (%)	Capacity Utilization During Peak Month (%)
Soft drinks (millions of UCs):						
Andina Chile	317	50	64	328	53	67
Andina Brazil	421	53	63	404	58	66
Andina Argentina	378	39	58	368	43	59
Paraguay Refrescos	128	39	57	128	45	52
Other beverages (millions of UCs)						
Andina Chile	22	54	61	20	66	73
Andina Brazil	56	43	54	58	49	60
Andina Argentina	117	15	24	127	18	12
Paraguay Refrescos	33	29	36	34	33	44
ECSA/VJSA/VASA	122	53	59	136	51	81
PET packaging (millions of bottles) ⁽²⁾	46	38	66	46	38	48
Preforms (millions of preforms) ⁽²⁾	860	64	85	900	77	98
Plastic caps (millions of caps) ⁽²⁾	1,000	41	97	1,000	48	74
Cases ⁽²⁾	0.7	59	100	1.0	75	100

⁽¹⁾ Annual Total Installed Capacity assumes production of the mix of products and containers produced in 2020 and 2021. Capacity calculation was standardized for all operations. Thus, calculation considers Overall Equipment Effectiveness budgeted for the years 2020 and 2021.

⁽²⁾ Andina Empaques Argentina only.

In 2021, we continued to modernize and renovate our manufacturing facilities in order to maximize efficiency and productivity. In Chile, during 2021 we began installing a hybrid bottling line to fill 20 liters returnable water bottles and non-returnable 6.5 liters bottles, with the capacity of blowing both sizes and therefore allowing to use level 1 recyclable refillable bottles. This line will begin production during the first half of 2022 in Renca plant. Another relevant investment in 2021 was the extension of the continuous blending mixers to increase the capacity for new SSD recipes. With the purpose of improving our water usage ratio, we implemented the first step of an investment masterplan, starting to recover reject water from the filtration plant in Renca and recovering water from the bottle washing machine in Antofagasta. This investment will continue in 2022 with an ambitious water reduction plan.

In Brazil, in 2021, we began replacing the refrigeration cooling system at the Ribeirão Preto production facility, in order to improve its energy efficiency. Additionally, we acquired a production line for one way packaging, which will allow us to replace an older, lower-productivity line. Complementing these projects, we continued renewing our truck fleet, enabling lower maintenance and operating costs.

In Argentina, in 2021, investments were made for the production of the sugar-reduced version of Coca-Cola. We also purchased equipment and made the necessary adjustments to have single returnable containers in 1.25 liters glass bottles, replacing the ACL label (permanent) with the OW label, optimizing the number of containers and allowing greater flexibility to change formulas and new flavors. Process and line adjustments were made in order to incorporate the production of the Monster brand in the canning line at the Córdoba Plant. Investments were made for the manufacture of the Ref Pet 2 liters container at the Trelew Plant.

In Paraguay, in 2021, the start-up of a new line of sensitive products was completed, expanding production capacity by 25%. We believe we have the capacity in each of the franchise territories to meet consumer demand for each product format. Because bottling is a seasonal business with significantly higher demand during the South American summer and spring and because soft drinks are perishable, it is necessary for bottlers to carry significant over-capacity in order to meet the substantially greater seasonal demand. We assure the quality of our products through worldwide class practices and procedures maintaining quality control laboratories and structures in each production facility where raw materials are tested and where we analyze samples of our products.

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As of December 31, 2021, we had total installed annual production capacity, including soft drinks, fruit juices, water and other beverages, of 1,602 million unit cases. Our primary facilities include:

- through Coca-Cola Andina, in the Chilean territory, three soft drink and other beverages production facilities with 19 production lines, with total installed annual capacity of 347 million unit cases (21.7% of our total installed annual capacity);
- through Vital Jugos in the Chilean territory, one fruit juice production facility, with 12 production lines, with total installed annual capacity of 40.5 million unit cases (2.5% of our total installed annual capacity);
- through ECSA in the Chilean territory, one fruit juice production facility, with 2 production lines, with total installed annual capacity of 51.3 million unit cases (3.2% of our total installed annual capacity);
- through Vital Aguas in the Chilean territory, one mineral water production facility, with 2 production lines, with total installed annual capacity of 44.2 million unit cases (2.8% of our total installed annual capacity);
- through Rio de Janeiro Refrescos in the Brazilian territory, three soft drink and other beverages production facilities with 18 production lines for soft drinks with total installed annual capacity of 404 million unit cases (25.2% of our total installed annual capacity); and 11 production lines for juices, tea and water which satisfy the franchise's needs and re-sales to other bottlers in Brazil, with total installed annual capacity of 58 million unit cases (3.6% of our total installed annual capacity);
- through Embotelladora del Atlántico in the Argentine territory, three soft drink and other beverages production facilities with 17 production lines for soft drinks with a total installed annual capacity of 368 million unit cases (23.0% of our total installed annual capacity); four production lines for juices that covers the needs of our franchise, and one production line for waters and sensitive products with a total installed annual capacity of 127 million unit cases (7.9% of our total installed annual capacity);
- through Andina Empaques Argentina S.A. in the Argentine territory, one production facility for bottles, preforms and plastic caps that covers the needs of the Coca-Cola system in that country. It has 13 preform injectors, two bottle blowers, two injectors for plastic caps and one production line for cases, with a total installed annual capacity of 1,947 million units considering PET bottles, preforms, plastic caps and cases;
- through PARESA in the Paraguayan territory, one production facility located in San Lorenzo, with seven soft drink and other beverages production lines with a total installed annual capacity of 141 million unit cases (9.0% of our total installed annual capacity); and three tetra pack lines with a total installed annual capacity of 20 million unit cases (1.1% of our total installed annual capacity).

ITEM 4A. UNRESOLVED SECURITIES AND EXCHANGE COMMISSION STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

A. OPERATING RESULTS 2021

Results of operation

Set forth below is a discussion and analysis of our results of operation for the years ended December 31, 2021, 2020 and 2019.

Our consolidated financial results for the years ended December 31, 2021, 2020 and 2019 include the results of our subsidiaries in Chile, Brazil, Argentina and Paraguay. Our consolidated financial statements reflect the results of the subsidiaries outside Chile, converted into Chilean pesos (our functional and reporting currency).

IFRS requires that assets and liabilities of our subsidiaries outside of Chile be converted from the functional currency to the presentation currency (Chilean peso) at year-end exchange rates, and that income and expense accounts are converted at monthly average exchange rates for the month in which they are recognized for those subsidiaries that do not operate in hyperinflationary economies.

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In the case of our Argentine subsidiaries, which have been operating in an environment that during 2019, 2020 and 2021 was classified as hyperinflationary, the conversion criteria from the functional currency of those subsidiaries to our presentation currency is the following:

- First adoption of a hyperinflationary economy was in 2018: Losses and gains by correction of current non-monetary items the previous year are recorded in accumulated results as of January 1, 2018.
- The statement of financial position (balance sheet): Non-cash items are expressed in the current currency at the balance sheet date and translated to the presentation currency at the closing exchange rate. Losses and gains are included in net earnings (fiscal year income).
- The income statement: Income statement items are expressed in the current currency unit at the end of the reporting period, using the variation of the general price index from the date on which the expenses and revenues were accrued, and translated to the presentation currency at closing exchange rate.
- Cash flow statement: Cash flow statement items are expressed in the current currency unit at the end of the reporting period and translated to the presentation currency at closing exchange rate.

For more information on the effects of the hyper-inflationary environment in Argentina, see note 2.5 of our consolidated financial statements included herein.

The Impact of the Ongoing COVID-19 Pandemic

As a result of the impact that the ongoing COVID-19 pandemic is having across the world, including in the countries where we operate, we have taken measures necessary to protect the health and safety of our employees and to ensure the continuity of our operations. Among the measures we have taken are the following:

- the launch of a campaign to educate our employees on actions to be taken to avoid the spread of the virus;
- sending home any employee that has been exposed to the virus;
- implementation of additional cleaning protocols for our facilities;
- modifying certain work practices and activities, without affecting our operational standards; for instance, home office has been implemented for those employees whose work can be performed remotely;
- providing personal protection and cleaning products (including face masks and sanitizers) to those employees who need to keep working at our plants and distribution centers or in the transportation of our products;
- implementing a plan to promote and facilitate the voluntary vaccination of our employees (including third party employees), carrying out a weekly monitoring of the progress of vaccination status at a regional level; and
- establishing a preventive protocol for the application of PCR tests and COVID-19 antigens in our production plants and distribution centers, in order to detect and isolate infected people and identify close contacts.

Beginning mid-March 2020, governments around the world, including in the countries where we operate, have adopted extraordinary measures to contain the spread of COVID-19 and reduce infection rates, including, in some cases, the closing of schools, universities, shopping centers, restaurants and bars, prohibiting social gathering events, issuing stay-at-home orders and establishing quarantine requirements, imposing additional sanitary requirements on exports and imports, and limiting international travel and closing borders. Governments in the countries where we operate have also announced economic stimulus programs for families and businesses, including in Argentina a temporary restriction on workforce reductions.

During 2021, the authorities in the countries in which we operate have started to ease restrictions related to COVID-19, and sales in our different commercial channels have gradually normalized. If these measures were to become more restrictive, our Company's priority will continue to be to protect the health and safety of our employees and to continue operating to serve our customers and communities in the best way we can. To date, our operations have not been required to close and we are not aware of the virus affecting any significant part of our workforce.

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As a result of the COVID-19 pandemic and government measures, we have experienced high volatility in our sales across channels, mostly in the on-premise channel, consisting mainly of restaurants and bars, which are currently able to operate but with capacity restrictions. Because the pandemic and the actions taken by governments change rapidly, we believe it is too early to make conclusions about changes in long-term consumption patterns, and how changes may affect our operational and financial results in the future.

Due to uncertainty regarding the evolution of the COVID-19 pandemic and government measures, including how long they will persist, we cannot predict the effect these trends will have on our financial performance. We believe that the Company will have no liquidity problems. To date, we also do not anticipate significant provisions or write-offs. We continuously monitor our investment plans and we cannot assure you that we will fully abide by our current plans, especially in the event of a stronger flare-up of the virus in the countries in which we operate, or for some other unforeseen circumstance.

Summary of Results of Operations for the Years ended December 31, 2020 and 2021

The following tables set forth our sales volume, net sales and gross profit for the years ended December 31, 2020 and 2021:

	Year ended December 31,	
	2020	2021
	(millions of unit cases ⁽¹⁾)	
Sales volume:		
<i>Chile</i>		
Soft drinks	153.8	168.6
Mineral water	41.1	51.0
Juices and other non-alcoholic	33.9	47.9
Beer & Spirits	7.5	39.5
Total	236.3	307.0
<i>Brazil</i>		
Soft drinks	205.5	204.3
Mineral water	17.9	18.6
Juices and other non-alcoholic	18.8	22.0
Beer	23.0	21.5
Total	265.1	266.4
<i>Argentina</i>		
Soft drinks	145.2	157.4
Mineral water	12.0	14.1
Juices and other non-alcoholic	9.5	13.1
Total	166.7	184.7
<i>Paraguay</i>		
Soft drinks	55.1	57.6
Mineral water	6.5	7.8
Juices and other non-alcoholic	4.8	4.9
Total	66.4	70.3

⁽¹⁾ Unit cases refer to 192 ounces of finished beverage product (24 eight-ounce servings) or 5.68 liters.

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Note: Totals may not sum due to rounding.

	Year ended December 31,			
	2020		2021	
	Ch\$ millions	% of Total	Ch\$ millions	% of Total
Net sales:				
Chile	644,762	38.0	975,296	44.0
Brazil	580,063	34.2	539,257	24.3
Argentina	318,828	18.8	536,955	24.2
Paraguay	157,153	9.3	169,216	7.6
Inter-country eliminations ⁽¹⁾	(2,524)	(0.1)	(3,993)	(0.2)
Total net sales	1,698,281	100.0	2,216,733	100.0

⁽¹⁾ Eliminations represent intercompany sales.

Note: Totals may not sum due to rounding.

The following tables set forth our results of operations for the years ended December 31, 2020 and 2021.

	Year ended December 31,			
	2020		2021	
	Ch\$ millions	% of net sales	Ch\$ millions	% of net sales
Net sales	1,698,281	100.0	2,216,733	100.0
Cost of sales	(1,022,499)	(60.2)	(1,375,393)	(62.0)
Gross profit	675,783	39.8	841,340	38.0
Distribution and administrative expenses	(436,171)	(25.7)	(548,902)	(24.8)
Other (expense) income, net ⁽¹⁾	(61,589)	(3.6)	(89,229)	(4.0)
Income taxes	(54,905)	(3.2)	(46,177)	(2.1)
Net income	123,117	7.2	157,032	7.1

⁽¹⁾ Includes other income (expenses), financial income (expenses), share in profit of investees accounted for under the equity method, foreign exchange gains (losses) and gains (losses) from indexed financial assets and liabilities.

Millions Ch\$	Chile		Brazil		Argentina		Paraguay		Eliminations		Total ⁽¹⁾	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Net Sales	644,762	975,296	580,063	539,257	318,828	536,955	157,153	169,216	(2,524)	(3,993)	1,698,281	2,216,733
Cost of sales	(392,720)	(630,862)	(373,445)	(361,323)	(172,066)	(296,090)	(86,792)	(91,109)	2,524	3,993	(1,022,499)	(1,375,393)
Gross profit	252,041	344,434	206,618	177,934	146,762	240,865	70,361	78,107	—	—	675,783	841,340
Distribution and administrative expenses	(160,876)	(209,202)	(117,623)	(108,592)	(120,729)	(190,538)	(31,516)	(34,177)	—	—	(430,744)	(542,509)
Corporate expenses	—	—	—	—	—	—	—	—	—	—	(5,427)	(6,393)

⁽¹⁾ Totals may not sum due to rounding.

Net Sales

Our sales volume was 828.3 million unit cases during the year ended December 31, 2021, a 12.8% increase compared to 734.6 million unit cases in 2020, explained by the volume increase in our four operations. Volume for soft drinks, waters, juices and other non-alcoholic beverages and beer and spirits increased 5.0%, 18.2%, 31.0% and 100.3%, respectively, in each case during the year ended December 31, 2021 compared to 2020. The increase of sales volume of beer is mainly due to the new distribution agreement signed with AB InBev in Chile, beginning November 2020. Excluding beer volume in Chile, resulting from the new agreement with AB InBev, sales volume would have increased by 8.6% during the year.

Our net sales were Ch\$2,216,733 million during the year ended December 31, 2021, a 30.5% increase compared to Ch\$1,698,281 million during 2020. Our net sales increased mainly as a result of an increase in sales in Argentina, Chile and Paraguay, and a positive effect upon translation of figures from our operation in Argentina. This was partially offset by lower sales in Brazil, mainly as a result of a decrease in the sales of beer.

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Soft drinks represented 60.7% of net sales during the year ended December 31, 2021, compared to 65.4% during 2020.

Chile

Our sales volume in Chile was 307.0 million unit cases during the year ended December 31, 2021, a 29.9% increase compared to 236.3 million unit cases during 2020. Volume for soft drinks, waters, juices and other non-alcoholic beverages and beer and spirits in Chile increased 9.6%, 24.2%, 41.2% and 426.4%, respectively, in each case during the year ended December 31, 2021, compared to 2020. Excluding beer volume in Chile resulting from the new agreement with AB InBev, sales volume would have increased by 17.2% during the year.

Our average market share for soft drinks in Chile during the year ended December 31, 2021, according to A.C. Nielsen Company, was 64.1% (in terms of volume), compared to 65.2% for 2020, and 67.4% (in terms of average sales), compared to 68.3% for 2020. It is worth mentioning that, as a result of restrictions related to COVID-19, beginning from April 2020 the company conducting the survey had to change the methodology and the sample, and in certain months the survey work was carried out with a higher degree of face-to-face/telephone measurement than other months, therefore figures are not completely comparable with those of previous periods.

Our net sales in Chile were Ch\$975,296 million during the year ended December 31, 2021, a 51.3% increase compared to Ch\$644,762 million during 2020, which is explained by the aforementioned volume increase and by higher revenues per unit case.

Our net sales of soft drinks in Chile were Ch\$480,158 million during the year ended December 31, 2021, a 17.9% increase when compared to Ch\$407,191 million in 2020, mainly as a result of the volume increase and by higher revenues per unit case. Our net sales of water, juices and other non-alcoholic beverages in Chile were Ch\$245,400 million during the year ended December 31, 2021, a 41.5% increase compared to Ch\$173,459 million during 2020, primarily as a result of the higher volume sold, and by higher revenues per unit case. Our net sales of beer and spirits in Chile were Ch\$249,738 million during the year ended December 31, 2021, a 289.5% increase compared to Ch\$64,111 million during 2020, mainly as a result of the new distributing agreement with AB InBev, effective since November 2020.

Brazil

Our sales volume in Brazil was 266.4 million unit cases during the year ended December 31, 2021, a 0.5% increase compared to 265.1 million unit cases during 2020. Volume for soft drinks and beer, in Brazil decreased 0.6% and 6.4%, respectively, while volume for waters and juices and other non-alcoholic beverages increased 4.2% and 17.0%, respectively, in each case during the year ended December 31, 2021 compared to 2020. The decrease of sales volume of beer is mainly explained because beginning September 2021, the distribution of part of our Heineken portfolio was terminated.

Our average market share for soft drinks in Brazil, during the year ended December 31, 2021, according to A.C. Nielsen Company, was 62.2% (in terms of volume), compared to 62.1% for 2020, and 68.4% (in terms of average sales), compared to 68.3% for 2020.

Our net sales in Brazil were Ch\$539,257 million during the year ended December 31, 2021, a 7.0% decrease compared to Ch\$580,063 million during 2020.

Our net sales of soft drinks in Brazil were Ch\$313,148 million during the year ended December 31, 2021, a 1.4% decrease compared to Ch\$317,713 million during 2020. In local currency, net sales of soft drinks increased 3.5%, mainly because of higher revenue per unit case, partially offset by the lower volume sold. Our net sales of water and juices and other non-alcoholic beverages in Brazil were Ch\$79,760 million during the year ended December 31, 2021, a 19.6% decrease compared to Ch\$99,184 million during 2020. In local currency, net sales of water and juices and other non-alcoholic beverages increased 9.0%, mainly because of an increase in volumes sold, partially offset by a lower average revenue per unit case sold. Our net sales of beer in Brazil were Ch\$146,350 million during the year ended December 31, 2021, a 10.3% decrease compared to Ch\$163,167 million during 2020. In local currency, net sales of beer decreased 4.0%, mainly as a result of lower volume sold, explained by the termination of the distribution agreement of some of the Heineken beer brands in September.

Argentina

Our sales volume in Argentina was 184.7 million unit cases during the year ended December 31, 2021, a 10.8% increase compared to 166.7 million unit cases during 2020. Volume for soft drinks, waters and juices and other non-alcoholic beverages in

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Argentina increased 8.4%, 17.8% and 38.0%, respectively, during the year ended December 31, 2021 compared to 2020. The increase of sales volumes is explained mainly by the recovery of the economy after the 2020 recession caused by the pandemic.

Our average market share for soft drinks in Argentina during the year ended December 31, 2021, according to A.C. Nielsen Company, was 59.6% (in terms of volume), compared to 61.5% for 2020, and 69.8% (in terms of average sales), compared to 71.2% for 2020. It is worth mentioning that, as a result of restrictions related to COVID-19, beginning from April 2020 the company conducting the survey had to change the methodology and the sample, and in some months the survey work was carried out with a higher degree of face-to-face/telephone measurement than other months, therefore figures are not completely comparable with those of previous periods.

Our net sales in Argentina were Ch\$536,955 million during the year ended December 31, 2021, a 68.4% increase compared to Ch\$318,828 million during 2020. This was mainly explained by the aforementioned increase in sales volume, by a positive effect upon translation of Argentinian pesos to Chilean pesos, and by a higher average revenue per unit case sold.

Our net sales of soft drinks in Argentina were Ch\$419,724 million during the year ended December 31, 2021, a 61.4% increase compared to Ch\$260,118 million during 2020. In local currency, net sales of soft drinks increased 10.4% in real terms, mainly as a result of the increase in sales volume, and by a higher average revenue per unit case sold. Our net sales of juices and other non-alcoholic beverages, waters and beer and spirits in Argentina were Ch\$97,742 million during the year ended December 31, 2021, a 96.2% increase compared to Ch\$49,818 million during 2020. In local currency, net sales of juices and other non-alcoholic beverages, water and beer and spirits increased 38.7% in real terms, mainly due to the previously mentioned increase in volumes.

Paraguay

Our sales volume in Paraguay was 70.3 million unit cases during the year ended December 31, 2021, a 5.8% increase compared to 66.4 million unit cases during 2020. Volume for soft drinks, water and juices and other non-alcoholic beverages in Paraguay increased 4.6%, 19.9% and 0.4%, respectively, in each case during the year ended December 31, 2021, compared to 2020.

Our average market share for soft drinks in Paraguay during the year ended December 31, 2021, according to A.C. Nielsen Company, was 75.9% (in terms of volume) compared to 76.5% for 2020, and 81.0% in terms of average sales, compared to 81.3% for 2020 according to the same source. It is worth mentioning that, as a result of restrictions related to COVID-19, beginning from April 2020 the company conducting the survey had to change the methodology and the sample, and in some months the survey work was carried out with a higher degree of face-to-face/telephone measurement than other months, therefore figures are not completely comparable with those of previous periods.

Our net sales in Paraguay were Ch\$169,216 million during the year ended December 31, 2021, a 7.7% increase compared to Ch\$157,153 million during 2020, mainly resulting from a higher volume sold, and higher revenues per unit case.

Our net sales of soft drinks in Paraguay were Ch\$134,284 million during the year ended December 31, 2021, a 6.5% increase compared to Ch\$126,058 million during 2020. In local currency, our net sales of soft drinks increased 9.6%, primarily as a result of an increase in volume sold, and by a higher average revenue per unit case. Our net sales of water and juices and other non-alcoholic beverages in Paraguay were Ch\$34,932 million during the year ended December 31, 2021, a 12.3% increase compared to Ch\$31,095 million during 2020. In local currency, net sales of water and juices and other non-alcoholic beverages increased by 15.6%, primarily as a result of the increase in sales volume, and by a higher average revenue per unit case sold.

Cost of Sales

Our cost of sales was Ch\$1,375,393 million during the year ended December 31, 2021, a 34.5% increase, compared to Ch\$1,022,499 million during 2020. The cost of sales per unit case increased 19.3% in the same period. This increase was mainly due to (i) the higher volume sold, (ii) the shift in the mix towards products which carry a higher costs per unit case, such as immediate consumption packaging, (iii) a higher cost of sugar and PET in Argentina, Brazil and Chile, (iv) the devaluation of the Argentine peso against the U.S. dollar, which impacts dollarized costs, and (v) the effect of translating figures to Chilean pesos of our operation in Argentina. Our cost of sales represented 62.0% of net sales for the year ended December 31, 2021, compared to 60.2% for 2020.

Chile

Our cost of sales in Chile was Ch\$630,862 million during the year ended December 31, 2021, a 60.6% increase compared to Ch\$392,720 million during 2020. The cost of sales per unit case increased 23.6% in the same period. The increase in the cost of sales was mainly due to the increase in sales in the beer and spirits category, explained by the commercialization of AB InBev beers, which

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have a high cost per unit case, by the higher sales volume in the other categories, and by the increase in the cost of PET resin. Our cost of sales in Chile represented 64.7% of net sales in Chile for the year ended December 31, 2021, compared to 60.9% for 2020.

Brazil

Our cost of sales in Brazil was Ch\$361,323 million during the year ended December 31, 2021, a 3.2% decrease compared to Ch\$373,445 million during 2020. The cost of sales per unit case decreased 3.7% in the same period. In local currency, total cost of sales increased 6.4%, mainly due to (i) a higher cost of sugar, (ii) a higher use and cost of resin, and (iii) the negative effect of the devaluation of the real on our dollarized costs. Our cost of sales in Brazil represented 67.0% of net sales in Brazil for the year ended December 31, 2021, compared to 64.4% for 2020.

Argentina

Our cost of sales in Argentina was Ch\$296,090 million during the year ended December 31, 2021, a 72.1% increase compared to Ch\$172,066 million during 2020. The cost of sales per unit case increased 55.4% in the same period. In local currency (in real terms, based on currency rates as of December 2021) cost of sales increased 17.7% mainly due to (i) the increase in volume sold, (ii) the negative effect of the devaluation of the Argentine peso on our dollarized costs, and (iii) the higher cost of sugar and PET resin. Our cost of sales in Argentina represented 55.1% of net sales in Argentina for the year ended December 31, 2021, compared to 54.0% for 2020.

Paraguay

Our cost of sales in Paraguay was Ch\$91,109 million during the year ended December 31, 2021, a 5.0% increase compared to Ch\$86,792 million during 2020. Cost of sales per unit case decreased 0.8% during the same period. In local currency, cost of sales increased 8.3%, mainly explained by a higher volume sold. Our cost of sales in Paraguay represented 53.8% of net sales in Paraguay for the year ended December 31, 2021, compared to 55.2% for 2020.

Gross Profit

Due to the factors described above, our gross profit was Ch\$841,340 million during the year ended December 31, 2021, a 24.5% increase compared to Ch\$675,783 million during 2020. Our gross profit represented 38.0% of our net sales during the year ended December 31, 2021, compared to 39.8% of our net sales in 2020.

Distribution, administrative and sales expenses

We had distribution, administrative and sales expenses of Ch\$548,902 million during the year ended December 31, 2021, a 25.8% increase compared to Ch\$436,171 million during 2020. This increase in distribution, administrative and sales expenses, was mainly due to (i) higher marketing expenses, (ii) higher labor expenses in Argentina, Chile and Paraguay, (iii) higher distribution expenses due to the higher volume sold and (iv) the effect of translating figures into Chilean pesos of our Argentine operations. Our distribution, administrative and sales expenses represented 24.8% of our net sales during the year ended December 31, 2021, compared to 25.7% for 2020.

Chile

In Chile, our distribution, administrative and sales expenses were Ch\$209,202 million during the year ended December 31, 2021, a 30.0% increase compared to Ch\$160,876 million during 2020. This was mainly due to (i) higher freight expenses due to the higher volume sold, (ii) higher labor expenses, and (iii) higher advertising expenses. Our distribution, administrative and sales expenses in Chile represented 21.5% of our net sales in Chile during the year ended December 31, 2021, compared to 25.0% for 2020.

Brazil

In Brazil, our distribution, administrative and sales expenses were Ch\$108,592 million during the year ended December 31, 2021, a 7.7% decrease compared to Ch\$117,623 million during 2020. In local currency, they increased 2.3%, mainly explained by higher advertising expenses, and higher distribution expenses due to higher volumes and higher fuel costs. This increase was partially offset by lower depreciation charges and lower labor costs. Our distribution, administrative and sales expenses in Brazil represented 20.1% of our net sales in Brazil during the year ended December 31, 2021, compared to 20.3% for 2020.

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Argentina

In Argentina, our distribution, administrative and sales expenses were Ch\$190,538 million during the year ended December 31, 2021, a 57.8% increase compared to Ch\$120,729 million during 2020. In local currency (in real terms, based on currency rates as of December 2021), the distribution, administrative and sales expenses increased 7.9%, mainly due to higher labor expenses, higher freight expenses due to higher sales volumes, and lower other operating income classified under this item. Our distribution, administrative and sales expenses in Argentina represented 35.5% of our net sales in Argentina during the year ended December 31, 2021, compared to 37.9% for 2020.

Paraguay

In Paraguay, our distribution, administrative and sales expenses were Ch\$34,177 million during the year ended December 31, 2021, a 8.4% increase, compared to Ch\$31,516 million during 2020. The distribution, administrative and sales expenses in local currency in Paraguay increased 13.1%, which is mainly due to (i) higher labor expenses, (ii) higher advertising expenses, (iii) higher depreciation expenses, and (iv) higher distribution expenses, due to the higher volume sold. Our distribution, administrative and sales expenses in Paraguay represented 20.2% of our net sales in Paraguay during the year ended December 31, 2021, compared to 20.1% for 2020.

Other Income (Expense), Net

The following table sets forth our other income (expense), net for the year ended December 31, 2020 and 2021:

	Year Ended December 31,	
	2020	2021
	(in millions of Ch\$)	
Other income (expense)	(9,074)	(13,874)
Financial income	14,946	7,792
Financial costs	(54,773)	(52,992)
Share of income (losses) from affiliated companies and joint business that are accounted for using the equity method	2,229	3,093
Exchange rate differences	(3,088)	(5,508)
Gain (loss) from differences in indexed financial assets and liabilities	(11,829)	(27,739)
Other income (expense), net	(61,589)	(89,229)

We had other expenses, net, of Ch\$89,229 million during the year ended December 31, 2021, a 44.9% increase compared to Ch\$61,589 million during 2020. The increase in other expenses, net, is mainly explained by an increase in losses from indexed financial assets and liabilities due to the effect of higher inflation compared to the previous period on the total debt in UF. In addition, we experienced a decrease in financial income of Ch\$7,154 million due to the market value of certain assets where we have investments, and an increase in Other expenses of Ch\$4,800 million due to contingencies and bank tax expenses.

Income Taxes

We had income taxes of Ch\$46,177 million during the year ended December 31, 2021, a 15.9% decrease compared to Ch\$54,905 million during 2020. This decrease is mainly explained by the depreciation of the Chilean peso against the U.S. dollar (18.8%), which generated a lower tax expense of Ch\$19,117 million in 2021, generated by the exchange difference. This decrease in tax expense was partially offset by the increase in income before taxes (14.1%) which generated an increase in income tax expense.

Net Income

Due to the factors described above, we had a net income of Ch\$157,032 million during the year ended December 31, 2021, a 27.5% increase compared to Ch\$123,117 million during 2020. Our net income represented 7.1% of our net sales during the year ended December 31, 2021, compared to 7.2% for 2020.

Summary of Results of Operations for the Years ended December 31, 2019 and 2020

For information regarding the results of operations for the years ended December 31, 2019 and December 31, 2020, See “Item 5. Operating and Financial Review and Prospects –A. Operating Results 2020 –Summary of Results of Operations for the years ended December 31, 2018, 2019 and 2020” in our Company’s annual report on Form 20-F for the fiscal year ended December 31, 2020.

Basis of Presentation

The aforementioned discussion should be read in conjunction with and is qualified in its entirety by reference to the consolidated financial statements, including the notes thereto.

These consolidated financial statements have been prepared in accordance with IFRS issued by the IASB.

These financial statements reflect the consolidated financial position of Embotelladora Andina S.A. and its subsidiaries as of December 31, 2021 and 2020 as well as the operating results, changes in shareholders' equity and cash flows for the years ended December 31, 2021, 2020 and 2019, all of which were approved by the board of directors on April 26, 2022.

Our consolidated financial results include the results of our subsidiaries located in Chile, Brazil, Argentina and Paraguay. Our subsidiaries outside Chile prepare their financial statements in accordance with IFRS and to comply with local regulations in accordance with generally accepted accounting principles of the country in which they operate. The consolidated financial statements reflect the results of the subsidiaries outside of Chile, converted to Chilean pesos (functional and reporting currency of the parent company) and are presented in accordance with IFRS. The IFRS require that balances of subsidiaries be converted from their functional currency to the presentation currency (Chilean peso). The conversion for subsidiaries operating in non-hyperinflationary environments (Brazil and Paraguay) is performed by converting the assets and liabilities of subsidiaries at year-end exchange rates, and income and expense accounts must be converted at monthly average exchange rates of the month in which they are recognized. In the case of subsidiaries operating in hyperinflationary environments (Argentina), non-monetary assets and liabilities and income statements are restated by the inflation rate of the hyperinflationary economy, bringing its effects to the income statement. These restated balances are converted from the functional currency to the presentation currency at the closing exchange rate of each year.

Critical Accounting Estimates

Discussion of critical accounting estimates

In the ordinary course of business, we have made a number of estimates and assumptions relating to the reporting of our results of operations and financial position in the preparation of financial statements in conformity with IFRS. We cannot assure you that actual results will not differ from those estimates. We believe that the following discussion addresses our most critical accounting policies, which are those that are most important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates and assumptions about the effect of matters that are inherently uncertain. For a more detailed discussion of accounting policies significant to our operations, please see note 2.23 to our Consolidated Financial Statements.

Impairment of goodwill and intangible assets of indefinite useful life

The Company tests if goodwill and intangible assets of indefinite useful life have suffered impairment loss on an annual basis or whenever there are indicators of impairment. The recoverable amounts of cash generating units ("CGU") are determined based on calculations of the value in use. The key variables that management calculates include the volume of sales, prices, marketing expenses and other economic factors. The estimation of these variables requires a material administrative judgment as those variables imply inherent uncertainties. However, the assumptions are consistent with our internal planning. Therefore, management evaluates, and updates estimates according to the conditions affecting the variables. If these assets are deemed to have become impaired, they will be written off at their estimated fair value or future recovery value according to discounted cash flows. Discounted free cash flows in the cash generating unit of the Parent Company in Chile as well as the subsidiaries in Brazil, Argentina and Paraguay generated greater values than their respective assets, including goodwill for the Brazilian, Argentine and Paraguayan subsidiaries.

The management of the Company understands that these discounted cash flows of the Company and subsidiaries are sensitive to many factors. The following further discusses the sensitivity of the most significant estimates in the value in use calculation: Discount Rate, Residual Cash Flows Growth Rate and EBITDA Margin.

Discount Rate: The Company used a weighted average cost of capital (WACC) in which each category of capital was proportionately weighted to obtain the discount rate. For each CGU we used a different discount rate, reflecting the specific risks related to its country's and operation's risk. To provide a more broad understanding of the effect of this variable on the valuation, changes in the discount rate of +/- 200 bps were applied. The result of this sensitivity analysis was that the value in use were greater than their respective recorded assets of each of the CGUs.

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Residual Cash Flows Growth Rate: In the model it was assigned a specific growth rate to future residual cash flows (beyond 5 years projections) for each CGU. To have a better understanding of the effect of this perpetual growth rate on the valuations, changes in the growth rate on +/- 30 bps were applied for each of the CGU. As a result of this sensitivity analysis, the value in use were greater than their respective recorded assets of each of the CGUs.

EBITDA Margin: Given that cash flows from each CGU may vary from the original projections for different reasons, such as variations on volume of sales, on prices, on expenses and also on other economic factors, management decided to apply a sensitivity analysis based on the variation of EBITDA margin of each CGU. The variation range of margins was of +/-150 bps from the original EBITDA margin of each year projected (2022-2026) and perpetuity. The result of the sensitivity analysis was that the generated value in use were greater than their respective assets on each CGU.

Fair value of assets and liabilities

IFRS requires, in certain cases, that assets and liabilities be recorded at their fair value. Fair value is the amount at which an asset can be purchased or sold or the amount at which a liability can be incurred or liquidated in an actual transaction among parties duly informed under conditions of mutual independence, different from a forced liquidation.

The basis for measuring assets and liabilities at fair value are the current prices in the active market. Lacking such an active market, we estimate said values based on the best information available, including the use of models or other valuation techniques.

We estimated the fair value of the intangible assets acquired as a result of mergers and acquisitions based on the multiple period excess earning method, which implies the estimation of future cash flows generated by intangible assets, adjusted by cash flows that do not come from intangible assets, but from other assets. For this, we estimated the time during which the intangible asset will generate cash flows, the cash flows themselves, cash flows from other assets and a discount rate.

Other assets acquired and implicit liabilities in the business combination are carried at fair value using valuation methods that are considered appropriate under the circumstances including the cost of depreciated recovery and recent transaction values for comparable assets, among others. These methodologies require certain inputs to be estimated, including the estimation of future cash flows.

Allowances for expected credit losses

We evaluate the possibility of collecting trade accounts receivables using several factors. We apply a simplified approach in calculating expected credit losses. Accordingly, we do not track changes in credit risk, but instead recognize a loss allowance based on lifetime expected credit losses at each reporting date. We have established a provision matrix that is based on our historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Useful life, residual value and impairment of property, plant, and equipment

Property, plant, and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of those assets. Changes in circumstances, such as technological advances, changes to our business model, or changes in our capital strategy might modify the effective useful lives compared to our estimates. Whenever we determine that the useful life of property, plant and equipment might be shortened, it depreciates the excess between the net book value and the estimated recoverable amount according to the revised remaining useful life. Factors such as changes in the planned use of manufacturing equipment, dispensers, and transportation equipment or computer software could make the useful lives of assets shorter. We review the impairment of long-lived assets each time events or changes in circumstances indicate that the book value of any of those assets might not be recovered. The estimate of future cash flows is based, among other things, on certain assumptions about the expected operating profits in the future. Our estimates of discounted cash flows may differ from real cash flows because of, among other reasons, technological changes, economic conditions, changes in the business model, or changes in the operating profit. If the sum of discounted cash flows that have been projected (excluding interest) is less than the carrying value of the asset, the asset will be written down to its estimated recoverable value.

Contingent liabilities

Provisions for litigation and other contingencies are recognized when the Company has a current obligation as a result of a past event (legal or constructive), and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is management's best estimate as to the consideration required to settle the current obligation at the date of issuance of the financial statements, considering the risks and uncertainties surrounding the obligation. When a provision is measured using estimated cash flows to settle the current obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The accrual of the discount is recognized as a finance cost. Incremental legal costs expected to be incurred in settling legal claims are included in the measurement of the provision.

Provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision is reversed. A contingent liability does not imply the recognition of a provision. Legal costs expected to be incurred in defending the legal claim are recognized in profit or loss when incurred.

Impact of Foreign Currency Fluctuations

Pursuant to the methodology of conversion of IFRS, the assets and liabilities of the subsidiaries of Brazil and Paraguay are converted from their functional currency (Brazilian real and Paraguayan guaraní, respectively) to the presentation currency of the Parent company (Chilean peso), at the closing exchange rate, and income accounts at the exchange rate of the date of each transaction or at the average exchange rate of each month in which these are performed. In the case of subsidiaries operating in hyperinflationary environments (Argentina, beginning in 2018), non-monetary assets and liabilities and income statements items are restated by the inflation rate of the hyperinflationary economy, bringing its effects to the income statement. These restated balances are converted from the functional currency to the presentation currency at the closing exchange rate of each year. The effects of these conversions are presented as other comprehensive income not affecting the results of the fiscal years ended as of December 31, 2019, 2020 and 2021. The conversion effect resulting from bringing assets and liabilities (including the effects of intercompany accounts designated as an integral part of the investment) from the functional currency to the presentation currency, according to the methodology described above, resulted in an increase of other comprehensive income of Ch\$75,916 million in 2021 (a net decrease of Ch\$178,412 million in 2020 and a net decrease of Ch\$32,402 million in 2019).

In order to protect us from the effects on income resulting from the volatility of the Brazilian real and the Chilean peso against the U.S. dollar, we maintain derivative contracts (cross currency swaps) to cover almost 100% of U.S. dollar-denominated financial liabilities.

Additionally, according to our currency hedge policy, we enter into forward contracts on a monthly basis to protect against the risk of variation of the U.S. dollar against our local currencies, which has an impact on some of our principal raw materials. Our balance sheets reflect these dollar forward contracts against the Argentine peso, the Brazilian real, the Chilean peso and the Paraguayan guaraní.

The mark to market of these contracts is recorded according to the hedge accounting methodology outlined in IFRS standards, i.e., the valuation at fair value is carried to equity accounts, and when the effect on results of the hedged item occurs, the effects of derivatives contracts, are recycled from equity to operating results. For further information about the instruments, we use to protect against foreign currency risk, see "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Risk."

B. LIQUIDITY AND CAPITAL RESOURCES

Capital Resources, Treasury and Funding Policies

The products we sell are usually paid for in cash or short-term credit, and therefore our main source of financing comes from the cash flow of our operations. This cash flow has been generally sufficient to cover the investments necessary for the normal course of our business, as well as the distribution of dividends approved at our general shareholders' meeting. Should additional funding be required for potential future investments in geographic expansion or other needs, our main sources of financing are expected to be: (i) debt offerings in the Chilean and international capital markets (ii) borrowings from commercial banks, both internationally and in the local markets where we have operations; and; (iii) public equity offerings.

Certain restrictions could exist to transfer funds from our operating subsidiaries to our parent company, however during 2021, we received dividends from subsidiaries in Argentina, Brazil and Paraguay. In July 2021, the Argentine government reinstated exchange restrictions. Aside from these restrictions that we will likely continue to face during 2022, we cannot assure you that we will not face restrictions in the future regarding the distribution of dividends from any other foreign subsidiaries.

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Our management believes that we have access to financial resources to maintain our current operations and provide for our current capital expenditure and working capital requirements, scheduled debt payments, interest and income tax payments and dividend payments to shareholders.

The amount and frequency of future dividends to our shareholders will be determined at the general shareholders' meeting upon the proposal of our board of directors in light of our earnings and financial condition at such time, and we cannot assure you that dividends will be declared in the future. However, it should be noted that Chilean Corporate Law requires us to distribute at least 30% of any profits generated each year.

Our board of directors has been empowered by our shareholders to define our financing and investment policies. Our bylaws do not define a strict financing structure, nor do they limit the types of investments we may make. Traditionally, we have preferred to use our own resources to finance our investments.

Our financing policy contemplates that each subsidiary finances its own operations. From this perspective, each subsidiary's management focuses on cash generation and should establish clear targets for operating income, capital expenditures and levels of working capital. These targets are reviewed on a monthly basis to ensure that their objectives are met. Should additional financing needs arise, either as a result of a cash deficit or to take advantage of market opportunities, our general policy is to prefer local financing to allow for natural hedging. If local financing conditions are not acceptable, because of costs or other constraints, Andina will provide financing, or our subsidiary could finance itself in a currency different than the local one and will use derivative instruments to hedge against the operation's functional currency.

Our cash management policy contemplates that cash surpluses be invested in low risk securities that are mainly short-term and easily liquidated assets until such time that this surplus should be needed.

Derivative instruments are utilized only for business purposes, and not for speculative purposes. Pursuant to our currency hedge policy, forward currency contracts are used in some operations to cover the risk of local currency devaluation relative to the U.S. dollar in an amount not greater than the budgeted purchases of U.S. dollar-denominated raw materials. Depending on market conditions, instead of forward currency contracts, from time to time we prefer to utilize our cash surplus to purchase raw materials in advance to obtain better prices and a fixed exchange rate.

The Company believes its balances of cash and cash equivalents, which totaled Ch\$304,312,020,152 as of December 31, 2021, along with cash generated by ongoing operations and continued access to debt markets, will be sufficient to satisfy its cash requirements over the next twelve months and beyond.

The Company's material cash requirements include the following contractual and other obligations.

Debt

As of December 31, 2021, the Company had outstanding floating- and fixed-rate notes with varying maturities for an aggregate principal amount of Ch\$1,046,045,280,794 (collectively the "Notes"), with Ch\$25,383,338,455 payable within 12 months. Future interest payments associated with the Notes total Ch\$505,372,340,205, with Ch\$13,333,338,420 payable within 12 months.

Leases

The Company has lease arrangements for certain equipment and facilities, including machinery and production lines, building and installations and technology equipment. As of December 31, 2021, the Company had fixed lease payment obligations of Ch\$24,578,565,236, with Ch\$8,191,535,104 payable within 12 months.

Manufacturing Purchase Obligations

The Company has agreements with its collaborating entities for its operation, which are mainly related to contracts entered into to supply products and/or support services in purchase of supplies for production like sugar, beverage cans and payments to obtain rights over mineral spring waters, among others. As of December 31, 2021, the Company had manufacturing purchase obligations of Ch\$100,047,513,037, with Ch\$59,814,253,197 payable within 12 months.

Other Purchase Obligations

The Company's other purchase obligations primarily consist of contracts entered into to supply information technology services, company commitments with its franchisor to make investments or expenses related to the development of the franchise, staff support

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services, security services, maintenance services for fixed assets. As of December 31, 2021, the Company had other purchase obligations of Ch\$39,965,158,989, with Ch\$25,540,340,559 payable within 12 months.

Cash Flows from Operating Activities 2021 vs. Cash Flows from Operating Activities 2020 and 2019

Cash flows from operating activities during 2021 amounted to Ch\$305,055 million compared to Ch\$278,769 million in 2020. The increase in cash flow generation was mainly due higher collections from sales, partially offset by higher payment to suppliers and employees and income taxes.

See “Item 5. Operating and Financial Review and Prospects –B. Liquidity and Capital Resources –Capital Resources, Treasury and Funding Policies,” in our Company’s annual report on Form 20-F for the fiscal year ended December 31, 2020.

Cash Flows from Investing Activities 2021 vs. Cash Flows from Investing Activities 2020 and 2019

Cash flows for investment activities (includes purchase and sale of property, plant and equipment; investments in associated companies; and financial investments) amounted to Ch\$198,253 million in 2021 compared to Ch\$223,879 million during 2020. The decrease in cash flow used in investing activities is mainly explained by lower purchases of short-term financial instruments partially offset by an increase in investment in property, plant and equipment.

See “Item 5. Operating and Financial Review and Prospects –B. Liquidity and Capital Resources –Capital Resources, Treasury and Funding Policies,” in our Company’s annual report on Form 20-F for the fiscal year ended December 31, 2020.

Cash Flows from Financing Activities 2021 vs. Cash Flows from Financing Activities 2020 and 2019

Financing activities generated a negative cash flow of Ch\$115,320 million in 2021, decreasing Ch\$228,360 million compared to 2020, which is mainly explained by the bond issuance in 2020 (Senior Notes due 2050).

As of December 31, 2021, 20 short-term credit lines are available for an amount equivalent to Ch\$167,649 million, of which all of them are unused lines of credit that remain available. In Argentina, we had the equivalent of Ch\$48,147 million in credit available from nine lines of credit, which have not been used. In Brazil, we had the equivalent of Ch\$90,963 million in credit available from eight lines of credit, which remained unused as of December 31, 2021. In Chile, we had the equivalent of Ch\$7,000 million in credit available from one line of credit, which has not been used. In Paraguay, we had the equivalent of Ch\$21,540 million in credit available from two lines of credit, which have not been used.

See “Item 5. Operating and Financial Review and Prospects –B. Liquidity and Capital Resources –Capital Resources, Treasury and Funding Policies,” in our Company’s annual report on Form 20-F for the fiscal year ended December 31, 2020.

Liabilities

As of December 31, 2021, our total liabilities, excluding non-controlling interest, were Ch\$1,844,693 million, representing a 14.1% increase compared to December 31, 2020.

Current liabilities increased by Ch\$151,511 million, 40.1% compared to December 2020, mainly due to the increase in trade accounts payable and other current accounts payable (Ch\$96,963 million), due to the increase in these accounts in local currency in our subsidiaries, due to a year with a higher level of activity than 2020, added to the positive effect of the translation of figures of the accounts in our subsidiary in Brazil. In addition to the above increase, there was an increase in current tax liabilities (Ch\$21,684 million) and an increase in current accounts payable to related entities (Ch\$16,561 million).

Non-current liabilities increased by Ch\$76,678 million, 6.2% compared to December 2020, mainly due to the increase in other non-current financial liabilities (Ch\$51,219 million) explained by the increase in bond debt due to the UF and U.S. dollar increase, partially offset by the decrease in liabilities from the mark to market of the cross currency swaps of the bond placed in the U.S. market in January 2020. Added to the above increase is the increase in deferred tax liabilities (Ch\$14,786 million) explained by (i) the increase in the income tax rate in Argentina (30% to 35%), (ii) lower tax losses in Chile, and (iii) an increase in deferred liabilities for distribution rights and fixed assets, due to currency translation.

As of December 31, 2021, our bond obligation had a weighted average interest rate of 3.7% in UF and 4.5% in US\$ while our bank obligation had a weighted average interest rate of 2.0% for the debts in Chilean pesos.

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The following table presents future expirations for additional long-term liabilities. These expirations have been estimated based on accounting estimates because the liabilities do not have specific dates of future payment, as allowance for severance indemnities, contingencies, and liabilities are included.

	Maturity Years			
	Total	1-3 Years	3-5 Years	More than 5 Years
	(Millions Ch\$2021)			
Provisions	57,412	1,529	1,918	53,966
Other long-term liabilities	14,140	280	429	13,431
Total long-term liabilities	71,552	1,809	2,347	67,397

Summary of Significant Debt Instruments

As of December 31, 2021, the Company is in compliance with all its debt covenants which are summarized below:

Series B Local Bonds (BANDI-B1; BANDI-B2)

During 2001, we issued in Chile Series B bonds. This issuance was structured into two series, one of which matured in 2008. As of December 31, 2021, Series B is the outstanding series with sub-series B1 and B2. During 2001, UF 3.7 million in bonds were issued with final maturity in 2026, bearing an annual interest rate of 6.5%. The Series B Local Bonds are subject to the following restrictive covenants:

- In October 2020, the covenant of Consolidated Financial Liabilities / Consolidated Equity was amended as the following: Maintain an indebtedness level where Net Consolidated Financial Liabilities shall not exceed Consolidated Equity by 1.20 times. For these purposes Net Consolidated Financial Liabilities will be the result of: (i) Other Current Financial Liabilities, plus (ii) Other Non-Current Financial Liabilities, less (iii) the sum of Cash and Cash Equivalents; plus, Other Current Financial Assets; plus Other Non-Current Financial Assets (to the extent that they correspond to the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities).
- Maintain and not lose, sell, assign, or transfer to a third party the geographical area today called the “Metropolitan Region,” as franchised territory in Chile by The Coca-Cola Company, for the development, production, sale and distribution of products and brands of such licensor, in accordance with the respective bottling agreement or license, renewable from time to time.
- Not lose, sell, assign, or transfer to a third party any other territory of Argentina or Brazil, which to date is franchised to the Company by The Coca-Cola Company for the manufacture, production, sale and distribution of products and brands of such licensor; as long as these territories account for more than 40% of the Company’s Adjusted Consolidated Operating Flow.
- Maintain consolidated assets free of any pledge, mortgage or other lien by an amount, less than or equal to 1.3 times the Company’s unsecured consolidated current liabilities.

Unsecured consolidated current liabilities are the Company’s total liabilities, obligations and debts that are not secured with real guarantees on goods and assets of the latter, made voluntarily or by agreement by the Company less the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities accounted for under Other Current Financial Assets and Other Non-current Financial Assets of the Company’s Consolidated Statement of Financial Position.

Consolidated Assets are assets free of any pledge, mortgage or other lien, as well as those assets that have real liens, mortgage or encumbrances that operate only by law less the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities accounted for under Other Current Financial Assets and Other Non-current Financial Assets of the Company’s Consolidated Statement of Financial Position.

In July 2020, derivatives have been contracted (Cross Currency Swaps) that cover 100% of UF denominated financial obligations, redenominating them to Chilean pesos.

Series C Local Bonds (BKOP-C)

As a consequence of our merger with Polar, we became an obligor under the following outstanding bonds issued by Polar in Chile in 2010.

- Series C bonds due 2031, bearing interest at a fixed annual rate equal to 4.00%.

This series is subject to the following restrictions:

- Maintain a level of Net Financial Indebtedness within its quarterly financial statements that may not exceed 1.5 times, measured by figures included in the Company Consolidated Statement of Financial Position. For these purposes, net financial indebtedness level is defined as the ratio of net financial debt to total equity of the Company (equity attributable to the owners of the controllers plus non-controlling interests). Net financial debt means the difference between the Company financial debt and cash.
- Maintain consolidated assets free of any pledge, mortgage or other encumbrances for an amount at least equal to 1.3 times of the Company unsecured consolidated liabilities.

Unencumbered Assets are (a) assets that meet the following conditions: (i) they are the property of the Company, (ii) they are classified under Total Assets in the Company's Financial Statement and, (iii) they are free of any pledge, mortgage or other levies constituted in favor of third parties, less (b) Other Current Financial Assets and Other Non-Current Financial Assets included in the Company's Financial Statements (to the extent they correspond to the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities).

Unsecured Total Liabilities are (a) liabilities included under Total Current Liabilities and Total Non-Current Liabilities on the Company Financial Statements which do not benefit from preferences or privileges, less (b) Other Current Financial Assets and Other Non-Current Financial Assets of the Company's Financial Statements (to the extent they correspond to the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities).

- Not invest in instruments issued by related parties or carry out operations with related parties other than those related to the general purpose of the entities, in conditions that are less favorable to those of the Company in relation to those prevailing in the market.
- Maintain a Net Financial Coverage ratio greater than 3.0 times. Net financial coverage is the ratio between the Company's EBITDA for the past 12 months and the Company's Net Financial Expenses. Net financial Expenses is defined as the difference between the absolute value of the interest expenses associated with the issuer's financial debt recorded in the "Financial Costs" account; and interest income associated with the issuer's cash, recorded in the Financial Income account, for the past 12 months. However, this restriction will be considered breached when the mentioned net financial coverage ratio is lower than the ratio previously indicated during two consecutive quarters.

In July 2020, derivatives have been contracted (Cross Currency Swaps) that cover 100% of UF denominated financial obligations, redenominating them to Chilean pesos.

Series D and E Local Bonds (BANDI-D; BANDI-E)

During 2013 and 2014, Andina placed local bonds in the Chilean market. The issuance was structured into three series, one of which matured in 2020.

- UF 4.0 million of Series D Bonds due 2034 were issued in August 2013, bearing an annual interest rate of 3.8%;
- UF 3.0 million of Series E Bonds due 2035 were issued in March 2014, bearing an annual interest rate of 3.75%.

The Series D and E local bonds are subject to the following restrictions:

- Maintain an indebtedness level where Net Consolidated Financial Liabilities shall not exceed Consolidated Equity by 1.20 times.

For these purposes Net Consolidated Financial Liabilities will be the result of: (i) Other Current Financial Liabilities, plus (ii) Other Non-Current Financial Liabilities, less (iii) the sum of Cash and Cash Equivalents; plus, Other Current Financial Assets; plus, Other Non-Current Financial Assets (to the extent that they correspond to the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities).

Consolidated Equity is total equity including non-controlling interests.

- Maintain Consolidated Assets free of any pledge, mortgage or other lien by an amount, at least equal to 1.3 times of the Issuer's unsecured consolidated current liabilities.

Unsecured Consolidated Current Liabilities are the Company's total liabilities, obligations and debts that are not secured with real guarantees on goods and assets of the latter, made voluntarily or by agreement by the Company, less the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities accounted for under Other Current Financial Assets and Other Non-current Financial Assets of the Company's Consolidated Statement of Financial Position.

For purposes of determining Consolidated Assets these will consider assets free of any pledge, mortgage or other lien, as well as those assets that have real liens, mortgage or encumbrances that operate only by law. Therefore, Consolidated Assets free of any lien, mortgage or other encumbrance are regarded as those assets for which no real lien, mortgage or other encumbrance has been made voluntarily or by agreement by the Company, less the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities accounted for under Other Current Financial Assets and Other Non-current Financial Assets of the Company's Consolidated Statement of Financial Position.

- Maintain and not lose, sell, assign, or transfer to a third party the Metropolitan Region, as franchised territory in Chile by The Coca-Cola Company for the production, sale and distribution of products and brands of the licensor. Losing said territory means the non-renewal, cancellation, early termination or annulment of the license agreement granted by The Coca-Cola Company for the Metropolitan Region.
- Not lose, sell, assign, or transfer to a third party any other territory of Argentina or Brazil, which as of the issuance date of the Series C, D and E local bonds were franchised to the Company by The Coca-Cola Company for the manufacture, production, sale and distribution of products and brands of The Coca-Cola Company; as long as these territories account for more than 40% of the Company's Adjusted Consolidated Operating Flow of the audited fiscal year immediately prior to the moment when such loss, sale, assignment or transfer occurs. For these purposes Adjusted Consolidated Operating Flow is the addition of the following accounting items of the Issuer's Consolidated Statement of Financial Position: (i) Gross Income, including revenue and cost of sales, less (ii) Distribution Costs, less (iii) Administrative Expenses, plus (iv) Participation in Earnings (Losses) of Associates and Joint Ventures accounted for using the Equity Method, plus (v) Depreciation, plus (vi) Amortization of Intangibles.

In July 2020, derivatives have been contracted (Cross Currency Swaps) that cover 100% of UF denominated financial obligations, redenominating them to Chilean pesos.

Series F Local Bonds (BANDI-F)

During 2018, Andina undertook the partial repurchase (US\$210 million) of the Senior Notes due 2023, which was refinanced with the placement of the Series F Local Bonds in the Chilean local market. These bonds were issued in October 2018, in the amount of UF5.7 million, accruing an annual interest rate of 2.8% and with a maturity of 2039.

The Series F local bonds are subject to the following restrictions:

- Maintain an indebtedness level where Net Consolidated Financial Liabilities shall not exceed Consolidated Equity by 1.20 times.

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For these purposes Net Consolidated Financial Liabilities will be the result of: (i) Other Current Financial Liabilities, plus (ii) Other Non-Current Financial Liabilities, less (iii) the sum of Cash and Cash Equivalents; plus, Other Current Financial Assets; plus, Other Non-Current Financial Assets (to the extent that they correspond to the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities).

Consolidated Equity is total equity including non-controlling interests.

- Maintain Consolidated Assets free of any pledge, mortgage or other lien by an amount, at least equal to 1.3 times of the Issuer's unsecured consolidated current liabilities.

Unsecured Consolidated Current Liabilities are the Company's total liabilities, obligations and debts that are not secured with real guarantees on goods and assets of the latter, made voluntarily or by agreement by the Company, less the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities accounted for under Other Current Financial Assets and Other Non-current Financial Assets of the Company's Consolidated Statement of Financial Position.

For purposes of determining Consolidated Assets these will consider assets free of any pledge, mortgage or other lien, as well as those assets that have real liens, mortgage or encumbrances that operate only by law. Therefore, Consolidated Assets free of any lien, mortgage or other encumbrance shall be regarded as those assets for which no real lien, mortgage or other encumbrance has been made voluntarily or by agreement by the Company, less the active balances of derivative financial instruments, taken to cover exchange rate risks or interest rate risks on financial liabilities accounted for under Other Current Financial Assets and Other Non-current Financial Assets of the Company's Consolidated Statement of Financial Position.

- Maintain and not lose, sell, assign, or transfer to a third party the Metropolitan Region, as franchised territory in Chile by The Coca-Cola Company for the production, sale and distribution of products and brands of the licensor. Losing said territory means the non-renewal, cancellation, early termination or annulment of the license agreement granted by The Coca-Cola Company for the Metropolitan Region.
- Not lose, sell, assign, or transfer to a third party any other territory of Argentina or Brazil, which as of the issuance date of the Series F local bonds, is franchised to the Company by The Coca-Cola Company for the manufacture, production, sale and distribution of products and brands of The Coca-Cola Company; as long as these territories account for more than 40% of the Company's Adjusted Consolidated Operating Flow of the audited fiscal year immediately prior to the moment when said loss, sale, assignment or transfer occurs. For these purposes Adjusted Consolidated Operating Flow is the addition of the following accounting items of the Issuer's Consolidated Statement of Financial Position: (i) Gross Income, including revenue and cost of sales, less (ii) Distribution Costs, less (iii) Administrative Expenses, plus (iv) Participation in Earnings (Losses) of Associates and Joint Ventures accounted for using the Equity Method, plus (v) Depreciation, plus (vi) Amortization of Intangibles.

In addition, on November 11, 2021, bondholders' meetings were held for the series C, D, E and F bonds issued in the Chilean local market under the lines registered in the Securities Registry of the CMF under No. 641 (Series C), No. 760 (Series D and E) and No. 912 (Series F), and for the series B bonds corresponding to the fixed amount issue registered in the Securities Registry of the CMF under No. 254. As a result of the aforementioned bondholders' meetings, the issuance contracts of the aforementioned bond issues were amended. Furthermore, the issuance contracts of the bond lines registered in the Securities Registry of the CMF under No. 911, No. 971 and No. 972 were also amended, because there were no bonds outstanding. In this respect, the modifications were made to financial indebtedness covenants that existed in the aforementioned issuance contracts, to be substituted by a new indebtedness level obligation defined as follows:

Indebtedness Level: Maintain an indebtedness level, measured and calculated quarterly, presented in the manner and within the terms determined by the Financial Market Commission, no greater than 3.5 times.

The following terms shall be construed as:

- "Indebtedness Level" the ratio between (a) the average of the Consolidated Net Financial Liabilities, calculated on the last four "Consolidated Financial Statements of Financial Position" contained in the Issuer's Consolidated Financial Statements filed by the Issuer with the Financial Market Commission as of the calculation date; and (b) the accumulated EBITDA in the twelve consecutive month period ending at the close of the last of the "Consolidated Financial Statements of Results by

Function” contained in the Consolidated Financial Statements that the Issuer has filed with the Financial Market Commission as of the calculation date;

- “Consolidated Net Financial Liabilities” means the result of the following transactions on the accounting items of the “Consolidated Statements of Financial Position” contained in the Issuer’s Consolidated Financial Statements indicated below:
(i) “Other Financial Liabilities, Current”, which include short-term obligations with banks and financial institutions, bond liabilities at face rate, issuance costs and discounts associated with the placement and other minor items that in accordance with IFRS regulations must be included in this heading; plus (ii) “Other Non-Current Financial Liabilities”, which include long-term obligations with banks and financial institutions, bond liabilities at face rate, issuance costs and discounts associated with the placement and other minor items that according to IFRS standards should be included in this heading; less (iii) the sum of “Cash and Cash Equivalents”; plus “Other Financial Assets, Current”; plus “Other Financial Assets, Non-Current” (to the extent that they correspond to asset balances for derivative financial instruments, taken to hedge exchange rate and/or interest rate risk of financial liabilities);
- “EBITDA” means the sum of the following accounts of the “Consolidated Statements of Income by Function” contained in the Issuer’s Consolidated Financial Statements: “Revenues from Ordinary Activities”, “Cost of Sales”, “Distribution Costs”, “Administrative Expenses” and “Other Expenses, by function”, deducting the value of “Depreciation” and “Amortization for the Fiscal Year” presented in the Notes to the Issuer’s Consolidated Financial Statements.

Senior Notes due 2023

In October 2013, we issued US\$575 million of Senior Notes in the U.S. market under 144A/Reg S regulations. These notes are unsecured obligations with the whole principal amount due in 2023. The proceeds from these notes were used to finance a portion of the purchase price for our acquisition of Ipiranga and for general corporate purposes.

In October 2018, as part of the Company’s debt reprofiling, Andina undertook a partial repurchase of the Senior Notes in the amount of US\$210 million (which was refinanced with the placement of Series F Local Bonds in the Chilean local market), with a total remaining outstanding amount of Senior Notes of US\$365 million.

In parallel, derivatives have been contracted (cross currency swaps) to partially redenominate US\$360 million dollar-denominated financial obligations to Brazilian reais.

Senior Notes due 2050

On January 21, 2020, the Company issued a 30-year corporate bond in the international markets for US\$300 million due 2050, with an annual coupon rate of 3.950%. The use of funds from this operation are general corporate purposes which could include an eventual payment of existing liabilities, financing of potential acquisitions and improvement of the company’s liquidity position.

At the same time, derivative contracts (cross currency swaps) have been entered into to fully redenominate financial obligations denominated in U.S. dollars to UF.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Given the nature of the business and the support provided by The Coca-Cola Company as franchisor to its bottlers, the Company’s research and development expenses are not meaningful. For more information on patents and licenses, see “Item 4. Information on the Company – Bottler Agreements.”

D. TREND INFORMATION

Our results will likely continue to be influenced by changes in the level of consumer demand in the countries in which we operate, resulting from governmental economic measures that are or may be implemented in the future. Additionally, the main raw materials used in the production of soft drinks, such as sugar and resin, may experience price increases in the future. Such price increases may affect our results if we are unable to pass the cost increases on to the sales price of our products due to depressed consumer demand and/or heightened competition.

Increased competition from low-price brands is another factor that could limit our ability to grow, and thus negatively affect our results.

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Additionally, exchange rate fluctuations, in particular the potential devaluations relative to the U.S. dollar of local currencies in the countries in which we operate, may adversely affect our results because of the impact on the cost of U.S. dollar-denominated raw materials and the conversion of monetary assets.

The outbreak of the COVID-19 pandemic and the extraordinary measures adopted by the government to contain the spread of the virus, could adversely affect our business and results of operations. For more information see “Item 3. Key Information – D. Risk Factors – Our business is subject to risks arising from the ongoing COVID-19 pandemic”.

E. [Reserved]

F. [Reserved]

G. SAFE HARBOR

See “Introduction - Presentation of Financial and Certain Other Information—Forward-Looking Statements.”

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Chilean law, we are managed by a group of executive officers under the supervision of our board of directors. The Company's operations in Chile, Brazil, Argentina and Paraguay report to the corporate headquarters in Chile.

Board of Directors

In accordance with our current bylaws, the board of directors is comprised of fourteen (14) directors. The directors may or may not be shareholders and are elected at general shareholders' meetings for a three-year term, with re-election permitted. Cumulative voting is permitted for the election of directors.

In the event of a vacancy, the board of directors may appoint a replacement to fill the vacancy, and the entire board of directors must be elected or re-elected at the next regularly scheduled general shareholders' meeting.

The shareholders agreement regulates the election of directors of the Company by the controlling shareholders (See "Item 7. Major Shareholders and Transactions with Related Companies"). In addition, pursuant to the terms and conditions of the deposit agreement entered between The Company and the Bank of New York dated as of December 14, 2000, (the "Deposit Agreement"), if no instructions are received by The Bank of New York, as depositary (the "Depositary"), it shall give a discretionary proxy to a person designated by the chairman of our board of directors with respect to the shares or other deposited securities that represent the ADRs.

The following table sets forth information with respect to the current directors of the Company, which have been elected at our general shareholders' meeting dated April 15, 2021:

Name	Age ⁽³⁾	Date of expiration current term	Position
Juan Claro	71	April 15, 2024	Chairman
Eduardo Chadwick	62	April 15, 2024	Director
Salvador Said ⁽¹⁾	57	April 15, 2024	Vice Chairman
José Antonio Garcés	55	April 15, 2024	Director
Gonzalo Said ⁽¹⁾	57	April 15, 2024	Director
Roberto Mercadé	53	April 15, 2024	Director
Gonzalo Parot ⁽²⁾	69	April 15, 2024	Director
Georges de Bourguignon	59	April 15, 2024	Director
Domingo Cruzat ⁽²⁾	65	April 15, 2024	Director
Rodrigo Vergara	59	April 15, 2024	Director
Felipe Joannon	62	April 15, 2024	Director
Marco Antonio Araujo	55	April 15, 2024	Director
Mariano Rossi	55	April 15, 2024	Director
Carmen Román	54	April 15, 2024	Director

⁽¹⁾ Salvador Said is first cousin of Gonzalo Said.

⁽²⁾ Independent from controlling shareholder pursuant to Article 50 bis, paragraph 6 of the Chilean Public Company Law N° 18,046.

⁽³⁾ Age at December 31, 2021.

The following are brief biographies of each of the Company's directors:

Juan Claro Gonzalez

Appointment: He has been a member of the board of directors, and also the Chairman since 2004.

Experience: He has studies of civil engineering in the Pontificia Universidad Católica de Chile. He was the president of the Sociedad de Fomento Fabril (Sofofa) between 2001 and 2005, the Confederación de la Producción y del Comercio (CPC), between 2002 and 2005 and also of the Chile-China Bilateral Business Council between 2005 and 2007. He has more than 17 years of experience in the beverage and mass consumption industry. Currently, he is member of the risk committee of Agrosuper S.A. and member of the

sustainability and stakeholders' committee of Antofagasta PLC. He has been a member of the board of directors of the following companies: Gasco S.A (1991-2000), CMPC S.A. (2005-2011), Entel S.A. (2005-2011) and chairman of the board of directors of Metrogas (1994-2000) and Emel S.A (2001-2007).

Other positions: Currently, he is member of the board of directors of Antofagasta PLC, Cementos Melon, Agrosuper and Energía Llaima SpA. He is also an honorary member of Centro de Estudios Públicos (CEP).

José Antonio Garcés Silva

Appointment: He has been a member of the board of directors of the Company since 1992.

Experience: He holds a business administration degree from the Universidad Gabriela Mistral with a specialization in Finance and master's in philosophy and ethics from Universidad Adolfo Ibáñez. He has postgraduate studies with an executive MBA and PADE from ESE school from the Universidad de Los Andes. Previously, he was chairman of the board of directors of Banvida S.A., CEO of Inversiones San Andrés (family holding company), past president of USEC, member of the board of Fundación Paternitas and advisor of Sofofa. He has 25 years of experience in the beverage and mass consumption industry, and extensive experience in risk and cybersecurity in the financial sector.

Currently he is a member of the risk committee of Banco Consorcio.

Other positions: Currently, he is member of the board of directors of Banco Consorcio, CN Life Compañía de Seguros, Consorcio Nacional de Seguros, Banvida S.A., Andes Iron SpA and Viña Montes.

Marco Antonio Araujo

Appointment: He has been a member of the board of directors of the Company since April 2020.

Experience: He holds a systems and industrial engineer degrees, both from Pontificia Universidad Católica de Rio de Janeiro, Brazil; He also holds a master's in finance degree from the Pontificia Universidad Católica de Rio de Janeiro, Brazil and postgraduate studies in accounting from the FGV in Rio de Janeiro, Brazil. He is CFO of the Latin America Operating Unit at The Coca-Cola Company. He has 29 years of experience in the beverage industry and mass consumption, experience in mergers and acquisitions, risk management and sustainability.

Other positions: At The Coca-Cola Company he has served as Finance VP & CFO Japan Business Unit; Finance VP & CFO Brazil Business Unit; Finance VP & CFO Mexico Business Unit; M&A Manager for Latin America, Atlanta-USA; Finance Director, Madrid, Spain; Finance Manager SE Region, Brazil Division; and Financial Planning Analyst/Manager, Brazil Division.

Georges De Bourguignon Arndt

Appointment: He has been a member of the board of directors of the Company since April 2016.

Experience: He holds an economist degree from the Pontificia Universidad Católica de Chile with a specialization in finance and has an MBA from Harvard University. In the academic field he was professor of economics at the Universidad Católica. He is co-founder and chairman of Asset Chile S.A. and Asset AGF. Previously he was director of Latam Airlines Group (2012-2019) and Empresas La Polar S.A. (2011-2015). He has more than ten years of experience in the mass consumption industry. He was a member of the directors committee and risk committee of Latam Airlines Group and Empresas La Polar S.A. He also is a member of the sustainability committee and the directors committee of Sociedad Química y Minera de Chile S.A.

Other positions: Currently, he is chairman of the board of directors of Asset Chile S.A. and Asset AGF S.A. Also he is member of the board of Sociedad Química y Minera de Chile S.A. and Tánica S.A.

Eduardo Chadwick Claro

Appointment: He has been member of the board of directors of the Company since June 2012.

Experience: He holds a civil industrial engineering degree from the Pontificia Universidad Católica de Chile. He has more than 30 years of experience in the beverage and mass consumption industry. He participated in The Oxford Strategic Leadership Programme in Oxford University during 2013. He was the chairman of the board of Cervecería Austral until 2007 and member of the board of Sociedad de Fomento Fabril (Sofofa) until 2015. During 2021, he was selected between 25 people from *Imagen de Chile* to be part of "Chilen@s Creando Futuro", a network that helps represent different areas that constitute Chilean image abroad.

Other positions: Currently, he is the chairman of the board of Holding Chadwick Group, founder and director of Hatch Mansfield Co. in England and Maltexco S.A. He was chairman of the board of Coca-Cola Polar until 2012, and currently is a member of Andina's Culture, Ethics & Sustainability Committee. He is a representative in ABAC/APEC since 2018.

Domingo Cruzat Amunátegui

Appointment: He has been member of the board of directors of the Company since 2021.

Experience: He holds a civil industrial engineering degree from the Universidad de Chile and an MBA from The Wharton School of the University of Pennsylvania. Previously, he served as commercial manager at Pesquera Coloso – San José; CEO at Watt's Alimentos; CEO at Loncoleche, CEO at Bellsouth Chile and chief operations officer at Compañía Sudamericana de Vapores. He has 12 years of experience in the beverage and mass consumption industry. He is a university professor in the areas of marketing and sales at the ESE from the Universidad Los Andes. He has also been member of the board of directors of Conpax, Construmart, Copefrut, Essal, Principal Financial Group, Compañía Sudamericana de Vapores and Viña San Pedro Tarapacá. Additionally, he was chairman of the board of Correos de Chile and president of the SEP ("Sistema de Empresas Públicas").

Other positions: Currently, he is member of the board of directors of Enel Américas, IP Chile, SEP and Stars (Family Office). Additionally, he is founding partner of Fundación La Esperanza, a foundation dedicated to rehabilitating young drug addicts.

Roberto Mercadé

Appointment: He has been member of the board of directors of the Company since April 2019.

Experience: He holds a civil industrial engineering degree from the Georgia Institute of Technology, Atlanta (United States). Previously, he was member of the board of directors of ARCA-Lindley in Peru, Escuela Campo Alegre in Venezuela and American International School of Johannesburg in South Africa. Has 29 years of experience in the beverage and mass consumption industry. He was responsible for the risk management operation at The Coca-Cola Company's Latin Center. In the sustainability area, he was responsible for co-creating and managing the World Without Waste strategy for the same unit. He has developed his experience in the regions of Latin America, Africa and Asia.

Other positions: Currently serves as president of Coca-Cola Mexico in The Coca-Cola Company.

Gonzalo Parot Palma

Appointment: He has been member of the board of directors of the Company since 2009.

Experience: He holds a civil industrial engineering and economist degree from the Universidad de Chile, a master's in industrial engineering degree from Universidad de Chile and a master's in economics from the University of Chicago. Previously, he served as head of research at CCU S.A., corporate manager of research and development in Empresas CMPC S.A., executive chairman of Filiales Envases y Productos de Papel CMPC S.A.; general manager and director of Pacific Pulp; corporate general manager of CMPC Tissue S.A.; and director and corporate general manager of Copesa S.A. In his career he has been director, executive vice president and advisor of the Municipal Corporation and Municipal Theater of Santiago, director of the Asociación Nacional de la Prensa and the the Cámara Chileno-Argentina de Negocios, professor and director of the School of Business and Economics of the Universidad de Chile, professor and dean of economics and Administration of the Universidad Gabriela Mistral. He has 16 years of experience in the beverage and mass consumption industry.

Other positions: Currently serves as Director of AES Gener S.A.

Mariano Rossi

Appointment: He has been member of the board of directors of the Company since June 2012.

Experience: He holds a business administration degree from the School of Economics, Universidad de Buenos Aires with a specialization in finance. At The Coca-Cola Company, he was CFO in Spain, Latin America and General Manager in Argentina. He has also been director in different bottlers of the Coca-Cola System in Chile (Embonor and Polar), Peru (JRL Lindley) and Uruguay (Monresa) between 1999 and 2008. He has participated in executive programs at the University of Michigan and IESE (Switzerland), as well as in the executive development programs of The Coca-Cola Company of Emory & Wharton Universities (USA). He has 30 years of experience in the beverage and mass consumption industry.

Salvador Said Somavía

Appointment: He has been member of the board of directors of the Company since 1992.

Experience: He holds a business administration degree from Universidad Gabriela Mistral, with specialization in business management. He was a member of the board of Envases del Pacífico S.A. and Envases CMF S.A. He also participates in non-profit organizations, such as Endeavor Chile, where he was the chairman for six years and currently he continues as a member of the board. He is advisor of the Centro de Estudios Públicos (CEP). He has 30 years of experience in the beverage and mass consumption industry. He has knowledge and experience in risk management due to his position as member of the board of Scotiabank Chile since 2011 and as a member of the risk committee of the bank.

Other positions: Currently, he is the chairman of Scotiabank Chile S.A. and of Parque Arauco S.A., member of the board of Inversiones Caburga SpA, Inversiones Cabildo SpA, SM-Salud S.A., Idelpa Energía S.A., Inversiones Sevillana S.A., Inmobiliaria Atlantis S.A., Inversiones del Pacífico S.A., and Administradora Costanera S.A.

Gonzalo Said Handal

Appointment: He has been member of the board of directors of the Company since April 1993.

Experience: He holds a business administration degree from Universidad Gabriela Mistral, with specialization in finance, best practices and corporate governance. He is advisor of Sofofa and chairman of the board of directors of Fundación Generación Empresarial. He has 30 years of experience in the beverage and mass consumption industry. He has knowledge and experience in risk management as a business administrator and member of the risk committee of Scotiabank Chile, as well as knowledge and experience in sustainability as a member of the ethics and sustainability committee of Embotelladora Andina S.A. and through Fundación Generación Empresarial.

Other positions: Currently, he serves as director of Scotiabank Chile S.A. and of Holding de Empresas Said Handal.

Felipe Joannon Vergara

Appointment: He has been member of the board of directors of the Company since April 2018.

Experience: He holds a business administration degree with a major in economics from Pontificia Universidad Católica de Chile and an MBA from The Wharton School. Previously, he was member of the board of directors of the companies of Grupo Luksic, development manager of Quiñenco S.A., general manager of Viña Santa Rita and assistant general manager of Cristalerías de Chile S.A. In the academic field, he is a professor at the School of Administration and Economics of the Pontificia Universidad Católica de Chile and at the ESE of the Universidad de los Andes.

Other positions: Currently, he is a member of the board of Forestal O'Higgins (parent company of the Matte Group), Quimetal Industrial S.A., Icom Gestión Inmobiliaria SpA, Altis S.A. AGF, Maquinarias y Construcciones Río Loa S.A., Almendral S.A. and Constructora e Inmobiliaria EBCO S.A.

Rodrigo Vergara Montes

Appointment: He has been member of the board of directors of the Company since April 2018.

Experience: He holds a business administration degree from the Pontificia Universidad Católica de Chile and a PhD in Economics from Harvard University. Former President of the Banco Central de Chile (2011-2016) and director of the same monetary entity (2009-2011). He was a director of Moneda S.A., Moneda AGF, Entel S.A. and Banco Internacional. He has knowledge and experience in Risk Management due to the functions he developed in Banco Central. He exhibits knowledge and experience in sustainability from his work in the monetary entity and in the companies in which he has been director. In the area of cybersecurity, he has knowledge and experience given that this is an issue of the utmost relevance for Banco Central, as well as for the banks in which he has been director. In the academic field, he is a professor at Instituto de Economía of the Universidad Católica de Chile.

Other positions: Currently, he is member of the board of Banco Santander Chile and Besalco S.A. He also is a Senior Economist at the Centro de Estudios Públicos and an Associate Researcher at the Mossavar-Rahmani Center for Business and Government of Harvard University.

Carmen Román Arancibia

Appointment: She has been member of the board of directors of the Company since 2021.

Experience: She holds a law degree from Universidad Gabriela Mistral. Former chief legal officer and head of corporate affairs of Walmart Chile. She has developed a strong experience in the retail industry, working for eleven years in Walmart, four years in Santa Isabel, and for seven years in Cencosud. She has knowledge and experience in risk management due to her role as chief compliance and ethics officer in Walmart. She exhibits knowledge and experience in sustainability from her work as president of the sustainability and corporate governance committee at SOFOFA. In the area of diversity and inclusion she has knowledge and experience as mentor and trainer of female leadership programs.

Other positions: Currently, she is member of the board of directors of the legal sustainability council in the Universidad Católica and Valle Escondido Golf Club. Also, she is counselor in Comunidad Mujer and Laboratoria ONG and part of the Círculo Legal of Icare.

Executive Officers

The following table includes information regarding our senior executives:

Name	Age ⁽¹⁾	Position
Miguel Ángel Peirano	62	Chief Executive Officer
Andrés Wainer	51	Chief Financial Officer
Fernando Jaña	44	Chief Strategic Planning Officer
Jaime Cohen	54	Chief Legal Officer
Martín Idígoras	46	Chief IT Officer
Gonzalo Muñoz	60	Chief Human Resources Officer
Fabián Castelli	56	General Manager of Embotelladora del Atlántico S.A.
Renato Barbosa	61	General Manager of Rio de Janeiro Refrescos Ltda.
José Luis Solorzano	51	General Manager of Embotelladora Andina S.A.
Francisco Sanfurgo	67	General Manager of Paraguay Refrescos S.A.

(1) Age at December 31, 2021.

Miguel Angel Peirano

Chief Executive Officer

He holds an electronic engineer degree from the Instituto Tecnológico de Buenos Aires and has postgraduate studies at Harvard Business School and Stanford University. He joined the Company and became Executive Vice President in 2011. Previously, he was senior engagement manager at McKinsey & Company and was president of Coca-Cola Femsa Mercosur.

Andres Wainer

Chief Financial Officer

He holds a business administration degree with a major in economics from the Pontificia Universidad Católica de Chile and a master's degree in finance from the London Business School. He joined the Company in 1996 and since 2011 he has been Chief Financial Officer. Previously, he was development manager at Coca-Cola Andina Argentina, administration and finance manager at Coca-Cola Andina Chile and research and development corporate manager at the Corporate Office.

Jaime Cohen

Chief Legal Officer

He holds a law degree from the Universidad de Chile and a master law degree from the University of Virginia, United States. He joined the Company in 2008. Previously, he was manager of legal affairs at Socovesa S.A. (2004-2008); corporate banking lawyer at Citibank N.A., Santiago de Chile (2000-2004); international associate at Milbank, Tweed, Hadley & McCloy, New York (2001-2002); associate lawyer at Cruzat, Ortúzar & Mackenna, Baker & McKenzie (1996-1999) and lawyer in the area of financial and real estate advisory at Banco Edwards (1993-1996).

Gonzalo Muñoz

Chief Human Resources Officer

He holds an auditor accountant degree from Universidad de Chile. He joined the Company in 2015. Previously, he was director of finance, general manager and director of human resources in various Latin American countries in the British American Tobacco company. He has also served as a professor of marketing at Universidad de Chile.

Martin Idígoras

Chief Information Technology Officer

He holds a bachelor's degree in systems from Universidad John F. Kennedy in Argentina, with a specialization in information technology. He joined the Company in 2018. Previously he worked for 18 years at Cencosud. During that time, he served as CIO for the home improvement division (2015-2018), regional manager of the SAP center of expertise (2014-2015) and regional CTO (2010- 2014). He also worked in different technology positions in different companies such as Correo Argentino and Arcor.

Fernando Jaña

Chief Strategic Planning Officer

He holds an industrial civil engineering degree from Universidad Adolfo Ibáñez and a master's degree in logistics and supply chain management from The University of Sydney, Australia. He joined the Company in 2014 and has held his current position since 2019. He was general manager of Coca-Cola del Valle, manager of innovation and projects in Coca-Cola Andina Chile, ecommerce manager at Cencosud Supermercados and logistics and distribution manager at CCU. He has also worked as a teacher and researcher at Universidad Adolfo Ibáñez.

Jose Luis Solorzano

General Manager Coca-Cola Andina Chile

He holds a business administration degree from Universidad Adolfo Ibáñez, with specialization in the areas of marketing and finance. He joined the Company in 2003 and since 2014 he has been general manager of Coca-Cola Andina Chile. He previously held the positions of general manager of Coca-Cola Andina Argentina and commercial manager of Coca-Cola Andina Chile. Prior to that, he was commercial manager of Coca-Cola Polar.

Fabian Castelli

General Manager Coca-Cola Andina Argentina

He holds an industrial engineering degree from Universidad Nacional de Cuyo, with specialization in a management development program at IAE, Argentina and Donald R. Keough System Leadership Academy. He joined the Company in 1994 and since 2014 he has been general manager of Coca-Cola Andina Argentina. Previously he held the positions of head of the Mendoza sales department, business development and planning manager, marketing manager and commercial manager. He was also director of AdeS in Argentina, vice president of Asociación de Fabricantes Argentinos de Coca-Cola (AFAC) and Director of Cámara Argentina de Industria de Bebidas sin Alcohol (Argentine Chamber of Non-Alcoholic Beverages Industry).

Renato Barbosa

General Manager Coca-Cola Andina Brazil

He holds an economist degree from Universidade do Distrito Federal Brazil, with specialization in business and post-graduation studies in business from FGV Sao Paulo, Brazil and an MBA in marketing from the FGV Rio de Janeiro, Brazil. He joined the Company in 2012 as general manager of Coca-Cola Andina Brazil. Previously held the position of general manager of Brasal Refrigerantes (Coca-Cola bottler in the central-eastern region of Brazil).

Francisco Sanfurgo

General Manager Coca-Cola Paresa

He holds a mechanical engineering degree from Universidad de Concepción and a specialization in project management from Universidad Adolfo Ibáñez. He joined the Company in 1988 and has been general manager of Coca-Cola Paresa since 2005. Previously, he was manager of Comercial Dimetral in Punta Arenas, branch manager of Citicorp Punta Arenas and general manager of Cervecería Austral in Punta Arenas.

B. COMPENSATION

Compensation of Executive Officers

For our executive officers, the compensation plans are composed of a fixed compensation and a performance bonus, which are adapted to the reality and competitive conditions of each market, and whose amounts vary according to the position and/or responsibility exercised. The performance bonuses are payable only to the extent that the personal goals of each executive and the Company, previously defined, are met.

For the Company's Chief Executive Officer, the main performance indicators that affect its performance bonus are consolidated EBITDA, net income, consolidated cash flow and capex. For general managers of operations, the main performance indicators are EBITDA generated by their operation in local currency, consolidated EBITDA in Chilean pesos, NARTD (non-alcohol ready-to-drink) market share, sustainability indicators (Water Use Ratio; % returnability on NARTD volume and % resin recycled in bottles in the operations that applied), safety, talent and succession and certain individualized goals in the event that the Company's Chief Executive Officer so determines.

For corporate officers, the main performance indicators are consolidated EBITDA in Chilean pesos and certain individualized goals in the event that the Company's Chief Executive Officer so determines. Particularly, for those executive officers who, by the nature of their position, are directly related to the Company's investors, there is a payment scheme for their performance bonus that is

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partly deferred over four years indexed to the Company's share price. Additionally, within the compensation structure for certain executive officers, there are permanence bonuses, which are paid out upon completion of the agreed terms of service.

For 2021, the fixed remuneration paid to Coca-Cola Andina's executive officers amounted to Ch\$4,401 million (Ch\$4,858 million in 2020). Similarly, the remuneration paid for performance bonuses amounted to Ch\$3,107 million (Ch\$2,817 million in 2020). During 2021, there were no severance indemnities paid to the Company's executive officers. During 2020, there were no severance indemnities paid to the Company's executive officers.

We do not make available to the public information as to the compensation of our executive officers on an individual basis, as disclosure of such information is not required under Chilean law.

Compensation of Directors

Directors receive an annual fee for their services and participation as members of the board of directors and committees. The amounts paid to each director varies in accordance with the position held and the period of time during which such position is held. Total compensation paid to each director during 2021, which was approved by our shareholders, was as follows:

2021	Directors' Compensation ThCh\$	Executive Committee ThCh\$	Directors' and Audit Committee ThCh\$	Culture, Ethics & Sustainability Committee ThCh\$	Total ThCh\$
Juan Claro González ⁽¹⁾	144,000				144,000
Gonzalo Said Handal	72,000	84,750		8,500	165,250
Jose Antonio Garcés Silva	72,000	84,750		8,500	165,250
Salvador Said Somavía	72,000	84,750	24,000		180,750
Eduardo Chadwick Claro	72,000	84,750		8,500	165,250
Gonzalo Parot Palma ⁽²⁾	72,000		24,000		96,000
Georges de Bourguignon Arndt	72,000				72,000
María del Pilar Lamana Gaete ⁽³⁾	21,000		7,000		28,000
Rodrigo Vergara Montes	72,000				72,000
Felipe Joannon Vergara	72,000				72,000
Carmen Roman ⁽⁴⁾	60,000			8,000	68,000
Domingo Cruzat ⁽⁵⁾	51,000		17,000		68,000
Mariano Rossi	72,000				72,000
Roberto Mercadé Rovira	72,000				72,000
Marco Antonio Fernandez De Araujo	72,000				72,000
Total Gross	1,068,000	339,000	72,000	33,500	1,512,500

(1) Includes Ch\$72 million additional as Chairman of the Board.

(2) Independent from controlling shareholder pursuant to Article 50 bis, paragraph 6 of the Chilean Public Company Law N° 18,046.

(3) Left the Board in April 2021.

(4) Joined the Board in March 2021.

(5) Joined the Board in April 2021.

For the year that ended December 31, 2021, the aggregate amount of compensation we paid to all directors and executive officers as a group was Ch\$9,021 million of which Ch\$7,508 million was paid to our executive officers. We do not disclose to our shareholders or otherwise make available to the public information as to the compensation of our executive officers on an individual basis, as disclosure of such information is not required under Chilean law. We only maintain a retirement plan for our chief executive officer.

C. BOARD PRACTICES

Our board of directors has regularly scheduled meetings at least once a month, and extraordinary meetings are convened when called by the chairman or when requested by one or more directors. The quorum for a meeting of the board of directors is established

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by the presence of an absolute majority of its directors. Directors serve terms of three years from the date they are elected. Resolutions are adopted by the affirmative vote of a majority of those directors present at the meeting, with the chairman determining the outcome of any tie vote.

Benefits upon Termination of Employment

There are no contracts providing benefits to directors upon termination of employment.

Executive Committee

Our board of directors is counseled by an Executive Committee that proposes Company policies and is currently comprised by the following Directors: Mr. Eduardo Chadwick Claro, Mr. José Antonio Garcés Silva (junior), Mr. Gonzalo Said Handal, and Mr. Salvador Said Somavía, who were elected during the ordinary Board Meeting held on April 27, 2021. The Executive Committee is also comprised by the Chairman of the Board, Mr. Juan Claro González and our chief executive officer. This committee meets permanently throughout the year and normally holds one or two monthly sessions.

Directors' Committee

Pursuant to Article 50 bis of Chilean Company Law N°18,046 and in accordance with the dispositions of Circular N°1,956 of the Financial Market Commission (*Comisión para el Mercado Financiero* – “CMF”) a new Directors' Committee was elected during the Board Meeting held on April 27, 2021, applying the same election criteria set forth by Circular N°1,956. The directors Mr. Domingo Cruzat Amunátegui and Mr. Gonzalo Parot Palma (both as Independent Directors), and Mr. Salvador Said Somavía comprised the Committee. Mr. Gonzalo Parot Palma is the Chairman of the Company's Directors' Committee.

The duties performed by this Committee during 2021, following the same categorization of faculties and responsibilities established by Article 50 bis of Law N°18,046, were the following:

- Subject to the duties of the Audit Committee, examine the reports of external auditors, the balance sheets and other financial statements, presented by the administrators of the Company, and take a position on such reports before they were presented to shareholders for their approval.
- Subject to the duties of the Audit Committee, analyze and prepare proposal of external auditors and private rating agencies to the Board of Directors, which were suggested to the respective shareholders' meeting.
- Examine background information regarding the operations referred to by Title XVI of Law N°18,046 (related parties' transactions) and issue a report on those operations.
- Examine the salary systems and compensation plans of the Company's managers, executive officers and employees.
- Review anonymous reports.
- Subject to the duties of the Audit Committee, review and approve the 20F and compliance with Section 404 of the Sarbanes-Oxley Act.
- Prepare the budget proposal for the Committee's operation.
- Review internal audit reports.
- Subject to the duties of the Audit Committee, periodically interview the Company's external auditors' representatives.
- Interview with Chief Human Resources Officer.
- Review operating budget between related companies (production joint ventures).
- Review corporate insurances.
- Review and approve press releases that refer to the Company's communications.

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- Review the Company's four operations' internal control standards, including critical risks in accounting processes, compliance of corporate policies, tax contingencies and status of internal and external audit observations.
- Analyze risk management model.
- Review Crime Prevention Model Law No. 20,393.
- Review advances in Cybersecurity and IT.
- Review judicial procedures and contingency analysis.
- Review tax status.
- Analyze possible improvements to corporate governance.
- Prepare the Annual Management Report.

Audit Committee

In accordance with NYSE and SEC requirements, the Board of Directors established an Audit Committee on July 26, 2005. The current Audit Committee was elected during the Board Meeting held on April 27, 2021. The Committee is comprised by the directors Mr. Domingo Cruzat Amunátegui, Mr. Gonzalo Parot Palma, and Mr. Salvador Said Somavía, with the Board of Directors determining that Mr. Domingo Cruzat Amunátegui and Mr. Gonzalo Parot Palma fulfill the independence standards set forth in Rule 10A-3 of the U.S. Exchange Act and applicable NYSE rules. Mr. Salvador Said Somavía has non-voting observer status, as described in Item 16D. Also, Mr. Parot Palma was determined the Board of Directors to qualify as the audit committee financial expert in accordance with the definitions of the SEC.

The resolutions, agreements and organization of the Audit Committee are governed by the rules relating to Board Meetings and to the Company's Directors' Committee. Since its creation, the sessions of the Audit Committee have been held with the Directors' Committee since some of the functions are very similar and the members of both of these Committees are the same.

The Audit Committee Charter, which is available on our website: www.koandina.com, defines the duties and responsibilities of this Committee. The Audit Committee is responsible for analyzing the Company's financial statements; supporting the financial supervision and rendering of accounts; ensuring management's development of reliable internal controls; ensuring compliance by the audit department and external auditors of their respective roles; and reviewing auditing practices.

Culture, Ethics & Sustainability Committee

The Culture, Ethics and Sustainability Committee was established during the Board Meeting held on January 28, 2014. This Committee is comprised by four directors, who are appointed by the Board of Directors and will occupy their posts until their successors are elected, or until resignation or dismissal. The current members of the Culture, Ethics and Sustainability Committee are Mr. José Antonio Garcés Silva, Mr. Eduardo Chadwick Claro, Mrs. Carmen Román Arancibia and Mr. Gonzalo Said Handal. In addition, the Chairman of the Board also participates in this Committee.

D. EMPLOYEES

Overview

As of December 31, 2021, we had 18,636 employees, including 5,308 in Chile (3,676 own and 1,632 outsourced), 7,890 in Brazil (7,582 own and 308 outsourced), 3,210 in Argentina (3,121 own and 89 outsourced) and 1,602 in Paraguay (1,127 own and 475 outsourced). From these employees, 1,018 were temporary employees in Chile, 510 were temporary employees in Argentina, 0 were temporary in Brazil and 116 were temporary employees in Paraguay. During the South American Summer, it is customary for us to increase the number of employees in order to meet peak demand. Additionally, in Vital Jugos, Vital Aguas and ECSA we had 325, 75 and 184 employees, respectively, for a total aggregate amount of 584 employees for those three companies. Additionally, the corporate office had 42 employees.

As of December 31, 2021, 1,869, 901, 2,172 and 408 of our employees in Chile, Brazil, Argentina and Paraguay, respectively, were members of unions.

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Management believes that the Company has good relations with its employees.

The following table represents a breakdown of our employees for the years ended December 31, 2020 and 2021:

2020												
	Chile ⁽¹⁾			Brazil			Argentina ⁽²⁾			Paraguay		
	Total	Union	Non-Union	Total	Union	Non-Union	Total	Union	Non-Union	Total	Union	Non-Union
Executives	47	—	47	46	1	45	95	—	95	38	—	38
Technicians and professionals	567	29	538	928	29	899	739	10	729	332	52	280
Workers	2,816	2,152	664	6,843	608	6,235	1,881	1,759	122	1,045	358	687
Temporary workers	915	—	915	—	—	—	386	308	77	73	—	73
Total	4,345	2,181	2,164	7,817	638	7,179	3,102	2,078	1,024	1,488	410	1,078

2021												
	Chile ⁽¹⁾			Brazil			Argentina ⁽²⁾			Paraguay		
	Total	Union	Non-Union	Total	Union	Non-Union	Total	Union	Non-Union	Total	Union	Non-Union
Executives	55	—	55	48	1	47	95	—	95	40	—	40
Technicians and professionals	674	42	631	1,108	94	1,014	731	10	721	324	52	272
Workers	3,561	1,827	1,734	6,734	806	5,928	1,874	1,754	120	1,122	356	766
Temporary workers	1,018	—	1,018	—	—	—	510	408	102	116	—	116
Total	5,308	1,869	3,439	7,890	901	6,989	3,210	2,172	1,038	1,602	408	1,194

2020			
Vital Aguas/Vital Jugos/Envases Central			
Total	Union	Non-Union	
Executives	10	—	
Technicians and professionals	175	101	
Workers	264	210	
Temporary workers	102	—	
Total	561	309	

2021			
Vital Aguas/Vital Jugos/Envases Central			
Total	Union	Non-Union	
Executives	10	—	
Technicians and professionals	233	175	
Workers	243	223	
Temporary workers	98	—	
Total	584	398	

(1) Information for Chile includes only Andina Chile.

(2) Argentina includes AEASA.

Note: The number of employees is calculated as equivalent to full time hours, which means that extraordinary hours are considered as additional employees.

Chile

In Chile, we have continued with the severance indemnity provision that employees are entitled to according to collective bargaining agreements and current legislation, which grants all employees one month per year of service with certain limits. Additionally, we benefit our employees with a contribution to a supplementary health insurance system in addition to that paid by the worker, which contributes to reducing the health costs of their families. On the other hand, employees are required to contribute funds to finance their retirement pensions. These pension funds are mostly managed by private entities.

In Chile, 58.86% of employees with indefinite employment contracts are affiliated with a labor union organization, with a total of 13 labor unions organizations and a total of 18 collective bargaining agreements.

Brazil

In Brazil, 11.42% of our employees are members of labor unions. Collective bargaining agreements are negotiated on an industry-wide basis, although companies can negotiate special terms for their affiliates that apply to all employees in each jurisdiction where companies have a plant. Collective bargaining agreements are generally binding for one year.

With respect to Andina Brazil, there are 33 collective bargaining agreements in force as of December 31, 2021.

The agreements do not require us to increase wages on a collective basis. Selected increases were granted, however, according to inflation. We provide benefits to our employees according to the relevant legislation and to the collective bargaining agreements. Andina Brazil experienced its most recent work stoppages in December 2014, for three days organized by the drivers of internal buses in the Espirito Santo operation. However, as this operation no longer uses internal buses, such work stoppages are not expected to occur in the future.

Argentina

In Argentina, 67.7% of EDASA's employees are parties to collective bargaining agreements and are represented by local workers' unions associated with a national federation of unions. The Argentine Chamber of Non-Alcoholic Beverages of the Argentine Republic (*Cámara Argentina de Industria de Bebidas sin Alcohol de la República Argentina*) (the "Chamber") and the Argentine Workers Federation of Carbonated Water (*Federación Argentina de Trabajadores de Aguas Gaseosas*) (the "Federation") are parties to a collective bargaining agreement that began July 29, 2008. On October 1, 2021, the Chamber and the Federation entered into a new collective bargaining agreement establishing new salaries, new non-salary benefits and a new complementary regulation on company contributions.

Argentine law requires severance payments upon dismissal without cause in an amount at least equal to an average of one-month's wages for each year of employment or a fraction thereof if employed longer than three months. Severance payments are subject to maximum and minimum amounts fixed by legislations and jurisprudence of the Justice Supreme Court of Argentina.

On December 13, 2019, a public emergency in occupational matters was declared, which was in force throughout 2021. Consequently, during this period in the event of an employee's dismissal without just cause, the employees shall be entitled to receive double the compensation referred to in the preceding paragraph. Along with this, on March 31, 2020, by means of a Decree of Need and Urgency, the national government banned dismissals without just cause and on the grounds of lack or decrease in labor and force majeure. This measure was originally valid for 90 days, but then had successive extensions, such that the measure was in force throughout 2021.

All employee contributions are made to the state social security system. Most of the health system in the Argentine territory is run by the unions through contributions from employees within the Collective Work Agreements (CCT — *Convenios Colectivos de Trabajo*).

Paraguay

In Paraguay, 29.5% of PARESA's employees are members of labor unions. Collective bargaining agreements are negotiated with the company (Coca-Cola Paresa Paraguay). Unions can negotiate special terms for their members, which are applicable to all employees. Collective bargaining agreements generally have a two year term of duration.

E. SHARE OWNERSHIP

The following table sets forth the amount and percentage of our shares beneficially owned by our directors and executive officers as of December 31, 2021.

	Series A						Series B					
	Beneficial Owner	% Class	Direct Owner	% Class	Indirect Owner	% Class	Beneficial Owner	% Class	Direct Owner	% Class	Indirect Owner	% Class
Shareholder												
José Antonio Garcés Silva	—	—	—	—	65,487,786	13.84	—	—	—	—	13,028,183	2.75
Salvador Said Somavía	—	—	—	—	65,487,786	13.84	—	—	—	—	37,000,463	7.82
Gonzalo Said Handal	—	—	—	—	65,489,786	13.84	---	---	—	—	25,214,463	5.33
Eduardo Chadwick Claro	—	—	63,327	0.01	65,683,396	13.88	—	—	63,327	0.01	22,918,824	4.84

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

The following table sets forth certain information concerning beneficial ownership of our capital stock with respect to the principal shareholders known to us who maintain at least a 5% beneficial ownership in our shares and with respect to all of our directors and executive officers as a group as of December 31, 2021:

Shareholder	Series A		Series B	
	Shares	% Class	Shares	% Class
Controlling shareholders ⁽¹⁾	262,148,781	55.39	98,161,933	20.74
The Bank of New York Mellon ⁽²⁾	2,686,116	0.57	19,410,150	4.10
The Coca-Cola Company, directly or through subsidiaries	69,348,241	14.65	—	—
AFPs as a group (Chilean pension funds)	26,732,426	5.65	40,810,868	8.62
International Shareholders	30,516,687	6.45	128,683,259	27.19
Executive officers as a group	—	—	—	—
Directors as a group ⁽³⁾	262,148,781	55.39	98,161,933	20.74

⁽¹⁾ For further information of our controlling shareholders, see below.

⁽²⁾ Acting as Depositary for ADRs.

⁽³⁾ Represents shares held directly and indirectly by Mr. Gonzalo Said Handal, Mr. José Antonio Garcés Silva (junior), Mr. Salvador Said Somavía and Mr. Eduardo Chadwick Claro.

As of December 31, 2021, approximately 92.98% of our Series A shares and 68.71% of our Series B shares are held in Chile. It is not practicable for us to determine the number of record holders in Chile.

Our controlling shareholders are: Inversiones SH Seis Limitada (controlled by family Said Handal), Inversiones Cabildo SpA (controlled by the Said Somavía family), Inversiones Nueva Delta S.A. (controlled by the Garcés Silva family), Inversiones Nueva Sofia Limitada (controlled by the Garcés Silva family), Inversiones Playa Amarilla SpA (controlled by Andres Herrera Ramirez), Inversiones Don Alfonso Limitada (controlled by María de la Luz Chadwick Hurtado), Inversiones El Campanario Limitada (controlled by María Soledad Chadwick Claro), Inversiones Los Robles Limitada (controlled by María Carolina Chadwick Claro), Inversiones Las Niñas Dos SpA (controlled by Eduardo Chadwick Claro), and the estates of Jaime Said Demaría, José Said Saffie and José Antonio Garcés Silva.

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Below is a summary of the members of our controlling shareholders or their related persons and the number of shares and percentage they hold in Andina (including series A and series B shares):

Controlling Shareholder Entity	Series A	Series B
Inversiones SH Seis Limitada ⁽¹⁾	65,489,786	25,164,863
Estate of Mr. Jaime Said Demaría ⁽¹⁾	—	49,600
Total of shares percentage of Andina:	13.8371 %	5.3275 %
Inversiones Cabildo SpA ⁽²⁾	65,487,786	36,950,863
Estate of Mr. José Said Saffie ⁽²⁾	—	49,600
Total of shares percentage of Andina:	13.8367 %	7.8178 %
Inversiones Nueva Delta S.A. ⁽³⁾	58,927,056	—
Inversiones Nueva Delta Dos S.A. ⁽³⁾	3,574,999	—
Inversiones Nueva Sofia Limitada ⁽³⁾	2,985,731	12,978,583
José Antonio Garcés Silva ⁽³⁾	—	49,600
Total of shares percentage of Andina:	13.8367 %	2.7527 %
Inversiones Playa Amarilla SpA ⁽⁴⁾	16,689,895	8,513,594
Inversiones Playa Amarilla SpA under custody of Larraín Vial S.A. Corredora de Bolsa ⁽⁴⁾	637,205	315,939
Inversiones El Campanario Limitada ⁽⁴⁾	12,089,074	—
Inversiones Los Robles Limitada ⁽⁴⁾	12,089,074	6,638,363
Inversiones Las Niñas Dos SpA ⁽⁴⁾	12,089,074	—
Inversiones Don Alfonso Limitada ⁽⁴⁾	12,089,074	7,450,928
Eduardo Chadwick Claro ⁽⁴⁾	63,327	63,327
Total of shares percentage of Andina:	13.8914 %	4.8559 %

(1) Inversiones SH Seis Limitada is controlled by the Said Handal family. The family members are: Jaime, Gonzalo, Javier, Bárbara, Marisol and Cristina Said Handal.

(2) Inversiones Cabildo SpA is controlled by the Said Somavía family. The family members are: Isabel Margarita Somavía Dittborn and Salvador, Isabel, Constanza and Loreto Said Somavía.

(3) Inversiones Nueva Delta S.A., Inversiones Nueva Delta Dos S.A. and Inversiones Nueva Sofia Limitada are controlled by the Garcés Silva family. The family members are: José Antonio Garcés Silva (father), María Teresa Silva Silva and María Teresa, María Paz, José Antonio (Jr.), Matías Alberto and Andrés Sergio Garcés Silva.

(4) Inversiones Playa Amarilla SpA is controlled by Andrés Herrera Ramírez; Inversiones Don Alfonso Limitada is controlled by María de la Luz Chadwick Hurtado; Inversiones El Campanario Limitada is controlled by María Soledad Chadwick Hurtado; Inversiones Los Robles Limitada is controlled by María Carolina Chadwick Claro; and Inversiones Las Niñas Dos SpA is controlled by Eduardo Chadwick Claro.

Our controlling shareholders act pursuant to a shareholders' agreement that establishes that this group will exercise joint control in order to ensure a majority vote at shareholders' meetings and board meetings. Our controlling shareholders pass resolutions with the simply majority approval except with respect to the following matters, which require an unanimous decision:

- carrying out of new business activities different from our current line of business (unless related to “ready to drink products” or Coca-Cola products);
- amendment of the number of our directors;
- issuances of new shares;
- spin-offs or mergers;
- capital increases (subject to certain indebtedness thresholds); and
- the joint acquisition of our Series A shares.

In connection with The Coca-Cola Company's investment in us, The Coca-Cola Company and our controlling shareholders entered into a Shareholders' Agreement dated September 5, 1996, as amended (the “Amended and Restated Shareholders Agreement or Shareholders' Agreement”, included as exhibit to this annual report), providing for certain restrictions on the transfer of shares of our capital stock by the Coca-Cola Shareholders and our controlling shareholders. Specifically, our controlling shareholders are

restricted from transferring its Series A shares without the prior authorization of The Coca-Cola Company. The Shareholders' Agreement also provides for certain corporate governance matters, including the right of the Coca-Cola shareholders to elect two members of our board of directors as long as The Coca-Cola Company and its subsidiaries collectively own, in aggregate, a certain percentage of the Series A shares. In addition, in related agreements, our controlling shareholders granted The Coca-Cola Company an option, exercisable upon the occurrence of certain changes in the beneficial ownership of the controlling shareholders, to acquire 100% of the Series A shares held by our controlling shareholders at a price and in accordance with procedures established in such agreements.

B. RELATED PARTY TRANSACTIONS

In the ordinary course of our business, we engage in a variety of transactions with certain of our affiliates and related parties. Financial information concerning these transactions is set forth in note 12.3 to our consolidated financial statements and were carried out under the following conditions: (i) they were previously approved by the Company's Board of Directors, with the abstention of the director involved in the corresponding case; (ii) the purpose of these transactions was to contribute to the Company's interest; and (iii) they were consistent with prevailing market price, terms and conditions at the time of their approval. Our Directors' Committee is responsible for evaluating transactions with related parties and for reporting these transactions to the full board of directors. See "Item 6. Directors, Senior Management and Employees—Directors' Committee."

Our management believes, to the best of its knowledge, that it has complied in all material respects with the Chilean Public Company law regarding to the transactions with related parties in effect as of December 31, 2021. There can be no assurance, however, that these regulations will not be modified in the future.

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

See "Item 18 - Financial Statements" for our consolidated financial statements filed as part of this annual report.

Contingencies

We are party to certain legal proceedings that have arisen during the normal course of business, and we believe none of them are likely to have a material adverse effect on our financial condition. In accordance with accounting principles, the provisions regarding legal proceedings must be recorded if said procedures are reasonably probable to be resolved against the Company.

The following table represents accounting provisions made as of December 31, 2020 and 2021, for probable loss contingencies stemming from labor, tax, commercial and other litigation faced by our Company:

	For the year ended December 31,	
	2020	2021
	Million ChS	
Chile	1,301	1,488
Brazil	47,946	53,966
Argentina	789	1,918
Paraguay	34	41
Total	50,070	57,412

For more details, see note 23 of our consolidated financial statements included herein.

Dividend Policy

The declaration and payment of dividends are determined, subject to the limitations set forth below, by the affirmative vote of a majority of our shareholders at a general shareholders' meeting, based upon the recommendation of our board of directors.

At our annual ordinary shareholders' meeting, our board of directors submits our annual financial statements for the preceding fiscal year together with reports prepared by our Audit Committee for approval by our shareholders. Once our shareholders have

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approved our annual financial statements, they determine the allocation of our net income, after provision for income taxes and legal reserves for the preceding year and considering the accumulation of losses from prior periods. All shares of our capital stock outstanding at the time a dividend or other distribution is declared are entitled to share equally in that dividend or other distribution, except that holders of our Series B shares are entitled to a dividend 10% greater than any dividend on Series A shares.

Pursuant to Chilean law, we must distribute cash dividends equal to at least 30% of our annual net income, calculated in accordance with IFRS. If we do not record any net income in a given year, we are not legally required to distribute dividends from accumulated earnings. At the general shareholders' meeting held on April 13, 2022, our shareholders authorized our board of directors to distribute a dividend amounting to Ch\$189 for each share Series A and Ch\$207.9 for each Series B share in the amount of Ch\$187,846,860,783, of which Ch\$28,823,063,295 relates to results of 2021 fiscal year and Ch\$159,023,797,488 relates to accumulated earnings.

During 2019, 2020 and 2021, our respective general shareholders' meetings approved additional dividend payments to be paid from retained earnings, given our significant cash generation. These additional dividend payments for 2019, 2020 and 2021 are not indicative of whether or not additional dividend payments will be made in any future period.

The following table sets forth the amount in Chilean pesos of dividends declared and paid per share each year and the U.S. dollar amounts paid to shareholders (each ADR represents six shares), on each of the respective payment dates:

Dividend Approval Date	Dividend payment Date	Fiscal year with respect to which dividend was declared	Aggregate Amount of Dividends Declared and Paid (Ch\$millions)	Series A		Series B	
				Ch\$ per share	US\$ per share	Ch\$ per share	US\$ per share
12-21-2021	01-28-2022	2021	28,823	29.00	0.03629	31.90	0.03992
09-28-2021	10-29-2021	2021	28,823	29.00	0.03600	31.90	0.03960
04-15-2021	08-27-2021	Accumulated earnings	25,841	26.00	0.03312	28.60	0.03643
04-15-2021	05-28-2021	2020	25,841	26.00	0.03560	28.60	0.03916
12-22-2020	01-29-2021	2020	25,841	26.00	0.03507	28.60	0.03858
10-27-2020	11-24-2020	2020	25,841	26.00	0.03394	28.60	0.03734
02-25-2020	08-28-2020	Accumulated earnings	25,841	26.00	0.03315	28.60	0.03647
02-25-2020	05-29-2020	2019	25,841	26.00	0.03199	28.60	0.03519
12-20-2019	01-23-2020	2019	22,462	22.60	0.02927	24.86	0.03220
09-24-2019	10-24-2019	2019	21,369	21.50	0.02961	23.65	0.03257
04-17-2019	08-29-2019	Accumulated earnings	21,369	21.50	0.02969	23.65	0.03266
04-17-2019	05-30-2019	2018	21,369	21.50	0.03036	23.65	0.03339
12-20-2018	01-24-2019	2018	21,369	21.50	0.03199	23.65	0.03519
09-25-2018	10-25-2018	2018	21,369	21.50	0.03127	23.65	0.03440
04-19-2018	08-30-2018	Accumulated earnings	21,369	21.50	0.03160	23.65	0.03475
04-19-2018	05-31-2018	2017	21,369	21.50	0.03406	23.65	0.03746
12-22-2017	01-25-2018	2017	21,369	21.50	0.03587	23.65	0.03946
09-27-2017	10-26-2017	2017	18,884	19.00	0.03018	20.90	0.03319
04-26-2017	08-31-2017	Accumulated earnings	18,884	19.00	0.03021	20.90	0.03323
04-26-2017	05-30-2017	2016	18,884	19.00	0.02814	20.90	0.03095
12-22-2016	01-26-2017	2016	18,884	19.00	0.02931	20.90	0.03224
09-27-2016	10-27-2016	2016	16,896	17.00	0.02601	18.70	0.02861
04-21-2016	08-27-2016	Accumulated earnings	16,896	17.00	0.02564	18.70	0.02821
04-21-2016	05-27-2016	2015	16,896	17.00	0.02473	18.70	0.02721
12-22-2015	01-28-2016	2015	16,896	17.00	0.02374	18.70	0.02611
09-29-2015	10-29-2015	2015	14,908	15.00	0.02182	16.50	0.02400
04-22-2015	08-28-2015	Accumulated earnings	14,908	15.00	0.02144	16.50	0.02358
04-22-2015	05-29-2015	2014	14,908	15.00	0.02429	16.50	0.02673
12-18-2014	01-29-2015	2014	8,946	9.00	0.01446	9.90	0.01590

At our general shareholders' meeting held on April 13, 2022, the distribution of dividends corresponding to the year 2021 were approved. The general shareholders' meeting approved to distribute a dividend amounting to Ch\$189 for each share Series A and Ch\$207.9 for each Series B share in the amount of Ch\$187,846,860,783, which is expected to be paid in April 2022.

B. SIGNIFICANT CHANGES

We are not aware of any changes bearing upon our financial condition since the date of the financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Our common shares are listed and traded on the Santiago Stock Exchange and on the Bolsa Electrónica de Chile (the Chilean Electronic Stock Exchange) and, until October 2018, were listed on the Bolsa de Corredores de Valparaíso (the Valparaíso Brokers Stock Exchange), which closed operations in October 2018.

Also, our common shares have been traded in the United States on the New York Stock Exchange (“NYSE”) since July 14, 1994 in the form of ADRs, which represent six common shares each. The Depositary for the ADRs is The Bank of New York.

The total number of registered ADR holders we had at December 2021 was 27 (20 in the Series A ADRs and 7 in the Series B ADRs). As of that date the ADRs represented 2.33% of the total number of our issued and outstanding shares. On December 31, 2021 the closing price for the Series A shares on the Santiago Stock Exchange was Ch\$1,600.00 per share (US\$ 10.48 per Series A ADR) and Ch\$1,850.00 for the Series B shares (US\$ 12.89 per Series B ADR). At December 31, 2021, there were 447,686 Series A ADRs (equivalent to 2,686,116 Series A shares) and 3,235,025 Series B ADRs (equivalent to 19,410,150 Series B shares).

Trading activity on the Santiago Stock Exchange is on average substantially less than that on the principal national securities exchanges in the United States.

Other than as previously discussed in “Item 7 - Major Shareholders”, we are not aware of any other existing contracts or documents that impose material limitations or qualifications on the rights of shareholders of our listed securities.

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

See “Item 9. The Offer and Listing—A. Offer and Listing Details.”

D. SELLING SHAREHOLDERS

Not applicable.

E. DILUTION

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Our bylaws (“Estatutos”) are included as an exhibit to this annual report, and are also available on our website www.koandina.com, under Corporate Governance/Board of Directors/Deeds of Incorporation. The following is a summary of the material provisions of our bylaws. The last amendment of our bylaws was approved on July 12, 2012.

Organization

We are a publicly held company and were incorporated on February 7, 1946. Our legal domicile is the city of Santiago, Chile, notwithstanding the special domiciles of offices, agencies or branches that are established in the country as well as abroad. Our duration is indefinite.

Purposes

Our corporate purposes are to execute and develop the following:

- Develop one or more industrial establishments dedicated to the business, operations and activities to manufacture, produce, transform, bottle, can, distribute, transport, import, export, purchase, sell and market in general, in any form and in any way, any type of food product and in particular any type of mineral water, juice, beverage and drink in general or other similar products, and raw materials or semi-finished materials used in such activities and/or products complementary or related to the preceding businesses and activities;
- Develop one or more agricultural or agro industrial establishments and farmland dedicated to the business, operations and development of agricultural activities and agro industry in general;
- Produce, transform, distribute, transport, import, export, purchase, sell and market in general, in any form and in any way, any type of agricultural products and/or agro industrial products and raw materials, or semi-finished materials used in such activities, and/or products complementary or related to the preceding activities;
- Manufacture, distribute, transport, import, export, purchase, sell and market in general, in any form and in any way, any type of container; and execute and develop any type of material recycling process and activity;
- Accept from and/or grant the representation of trademarks, products and/or licenses related to such businesses, activities, operations and products to national or foreign companies;
- Provide any type of service and/or technical assistance in any way related to the goods, products, businesses and activities referred to in the preceding letters;
- Invest cash surplus, even in the capital market; and
- In general, undertake all other businesses and activities supplementary or linked to the above mentioned operations.

We may execute our objectives directly or by participating as a partner or shareholder in other companies or by acquiring rights or interests in any other type of association related to the aforementioned activities.

Voting Rights

Our capital equity is divided into Series A shares and Series B shares, both preferred and with no par value, whose features, rights and privileges are the following:

- The preference of Series A shares consists solely of the right to elect twelve out of the fourteen board members of the Company. Series A shares are entitled to full voting rights without limitations.
- The preference of Series B shares consists solely of the right to receive all and any of the per share dividends we may distribute, whether temporary, definitive, minimum mandatory, additional, or eventual, increased by 10%. Series B shares are entitled to a limited voting right, voting only with respect to the election of two board members for the Company.
- The preferences of Series A and B shares will remain in effect through December 31, 2130. Once this period has expired, Series A and B will be eliminated and the shares which comprise them shall automatically become common shares without any preferences whatsoever, therefore eliminating the division of shares into series.

Board of Directors and Shareholder Meetings

The members of the board of Directors are proposed and elected every three years during the general annual shareholders' meeting. Separate voting of the Series A and Series B shareholder elect board members. As mentioned, Series A shares elect twelve directors, and Series B shares elect two Directors.

Board members are elected by separate voting at Series A and Series B shareholders' meeting and will hold their offices for three years with the possibility to be re-elected for an indefinite number of periods. Even though we have not established a formal process that allows our shareholders to communicate with the directors, shareholders desiring to do so may share their opinions, considerations or recommendations before or during the corresponding shareholders' meeting which will be heard and attended by the Chairman of the Board, or by the Chief Executive Officer, as the case may be, and any such recommendations will be submitted for resolution by the shareholders in attendance during the meeting.

Regular general shareholders' meetings are held once a year within the first four months following the date of the annual balance sheet. We prepare a balance sheet annually on our operations as of December 31, which is presented together with the profit and loss statement, the report by the auditors and annual report to the respective shareholders' meeting. The board sends a copy of the balance sheet, annual report, report by the auditors and respective notes to each of the shareholders registered in the registry no later than by the date the first summons is published. Special shareholders' meetings may be held at any time according to corporate needs and to discuss and decide upon any matter within the competence thereof, provided it is indicated in the summons. Being a shareholder of the Company is the only condition for entry to a shareholder's meeting.

C. MATERIAL CONTRACTS

See "Item 4. Information on the Company - Bottler Agreements and Item 5. Operating and Financial Review and Prospects - Summary of Significant Debt Instruments".

D. EXCHANGE CONTROLS

Foreign Investment and Exchange Controls in Chile

The Central Bank is responsible, among other matters, for setting monetary policies and exchange controls in Chile. As of April 19, 2001, the Chilean Central Bank ("CCB") eliminated prior foreign exchange controls, imposed certain reporting requirements and determined that certain operations be conducted through the Formal Exchange Market ("FEM"). The main purpose of these amendments, as declared by the Central Bank, is to facilitate the flow of capital into Chile and outside the country and to foster foreign investment.

Equity investments in Chile (including investments in stock) by non-resident persons or entities must comply with some existing exchange control restrictions.

Any foreign individual or legal entity, as well as Chileans with residence abroad, can invest in Chile through the New Direct Foreign Investment Statute or by Chapter XIV of the Foreign Exchange Regulations of the Central Bank.

Under the New Direct Foreign Investment Statute, any legal entity or individual that qualifies as foreign investor under the terms of the aforementioned Statute, may request a certificate to be issued by the Foreign Investment Promotion Agency, confirming its status as foreign investor, and enabling access to the new foreign investment regime.

During 2001, the CCB eliminated certain exchange controls. For instance, it revoked Chapter XXVI of the CFER, which regulated the issuance and placement of ADRs by Chilean corporations. Pursuant to the new rules, the Central Bank's approval is no longer a pre-condition for ADR issuances or foreign investment contracts with the CCB. ADR issuances are now regarded as an ordinary foreign investment, and the only requirements are that the CCB be informed of the transaction, by fulfilling the rules of Chapter XIV of the CFER, that mainly establishes that the monies come in or leave the country exclusively through the Formal Exchange Market, if the recipient of the investment decides to enter the foreign currency to the country or if it carries out payments or remittances from Chile.

Notwithstanding these changes, exchange transactions authorized prior to April 19, 2001 remained subject to the rules in force as of the date of such transactions. The new exchange regime did not affect Chapter XXVI of the CFER and the Foreign Investment Contract ("FIC") between Andina, the Central Bank and The Bank of New York Mellon (as Depositary of the shares represented by ADRs). Notwithstanding the previous, the parties to the FIC may choose to adopt the norms imposed by the CCB, resigning to those

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of the FIC, and which has been the option we have taken until this date. The FIC is the agreement by which access to the FEM is given to the Depositary and ADR holders. The FIC adopted the dispositions of Chapter XXVI and was celebrated pursuant to Article 47 of the Constitutional Organic Act of the CCB.

Under Chapter XXVI of the CFER, if the funds to purchase the common shares underlying the ADRs are brought into Chile, the Depositary must deliver, on behalf of foreign investors, an annex providing information on the transaction to the Formal Exchange Market entity involved, together with a letter instructing such entity to deliver the foreign currency or the equivalent amount in pesos, on or before the date the foreign currency is brought or is to be brought into Chile.

Repatriation of amounts received with respect to deposited common shares or common shares withdrawn from deposits on surrender of ADRs (including amounts received as cash dividends and proceeds from the sale in Chile of the underlying common shares and any rights arising there from) need be made through the FEM. The FEM entity intervening in the repatriation must provide certain information to the CCB on the following banking business day.

Under Chapter XXVI and the FIC, the CCB agreed to grant to the Depositary, on behalf of ADR holders, and to any investor not residing nor domiciled in Chile who acquire shares or replace ADRs for common stock, which we refer to as “Withdrawn Shares”, FEM access to convert Chilean pesos into U.S. dollars and to remit those dollars outside Chile including amounts received as: (i) cash dividends; (ii) proceeds from the sale in Chile of Withdrawn Shares; (iii) proceeds from the sale in Chile of preemptive rights to subscribe for additional shares; (iv) proceeds from the liquidation, merger or consolidation of Andina; (v) proceeds resulting from capital decreases or earnings or liquidations; and (vi) other distributions, including those in respect of any re-capitalization resulting from holding shares, ADRs or by Withdrawn Shares.

The guarantee of FEM access under the FIC will extend to the participants of the ADR offering if the following requirements are met: (i) that the funds to purchase the shares underlying the ADRs are brought into Chile and converted into Chilean pesos through the FEM; (ii) that the purchase of the underlying shares is made on a Chilean stock exchange; and (iii) that within five business days from the conversion of the funds into Chilean pesos, the CCB is informed that the funds converted were used to purchase the underlying shares, if those funds are not invested in shares within that period, it can access the FEM to reacquire foreign currency, provided that the request is submitted to the CCB within seven banking business days of the initial conversion into pesos.

Chapter XXVI provides that FEM access in connection with dividend payments is conditioned to our certifying to the CCB that a dividend payment has been made and that any applicable tax has been withheld. Chapter XXVI also provides that FEM access in connection with the sale of Withdrawn Shares, or distribution thereon, is conditioned upon receipt by the CCB (i) a certificate by the Depositary or custodian, as the case may be, that the shares have been withdrawn in exchange for delivery of the appropriate ADRs; and (ii) a waiver of the benefits of the FIC with respect to ADRs (except in connection with the proposed sale of the shares) until the Withdrawn Shares are re-deposited.

FEM access under any of the circumstances described above is not automatic. Pursuant to Chapter XXVI, such access needs the CCB’s approval on a request submitted to that end through a banking institution established in Chile. The FIC provides that if the CCB has not acted upon the request within seven banking days, the request is deemed to have been granted.

Under current Chilean law, the CCB cannot unilaterally change the FIC. The Chilean Courts (although not binding on future judicial decisions) also have established that the FIC cannot be annulled by future legislative changes. No assurance can be given, however, that additional Chilean restrictions applicable to the holders of ADRs, to the disposition of underlying shares, or to the repatriation of proceeds from their disposition, will not be imposed in the future; nor can there be any assessment of the duration or impact of any restrictions that might be imposed. If for whatever reason, including changes in the FIC or Chilean law, the Depositary is prevented from converting Chilean pesos into U.S. dollars, the investors shall receive dividends or other payments in Chilean pesos, which shall subject the investors to exchange rate risks. It cannot be guaranteed that the CFER, as amended, or any other exchange regulation will not be amended in the future, or that if new regulations are enacted that they shall have no material bearing on Andina or the ADR holders.

No assurance can be given that Andina will be able to purchase U.S. dollars in the local exchange market at any time in the future, nor that any such purchase will be for the amounts necessary to pay any sum due under any of its capital or debt instruments. Likewise, it is not possible to guarantee that changes to the regulations of the CCB or other legislative changes relating to exchange controls will not restrict or impair Andina’s ability to purchase U.S. dollars in order to make payment on its debt instruments.

E. TAXATION

Tax Considerations Relating to Equity Securities

Chilean Tax Considerations.

The following discussion summarizes the material Chilean income tax consequences of an investment in Andina's stock or ADRs by an individual who is not domiciled or resident in Chile or a legal entity that is not organized under the laws of Chile and does not have a permanent establishment in Chile ("foreign holder"). This discussion is based upon Chilean income tax laws presently in force and administrative jurisprudence, including Ruling No. 324 of January 29, 1990 of the *Servicio de Impuestos Internos* (the Chilean Internal Revenue Service or "SII") and other applicable regulations and rulings that are subject to change without notice. The discussion is not intended as tax advice to any particular investor, which can be rendered only in light of that investor's particular tax situation. Each investor or potential investor is encouraged to seek independent tax advice with respect to consequences of investing in Andina's stock or ADRs.

Dividends

Dividend distributions to investors who are juridical or natural persons residing or domiciled abroad, are affected by an additional tax ("withholding at the source") at a rate of 35%, with the right to credit for corporate income tax (First Category Tax) paid by Andina (today a rate of 27%). However, distributions made to investors residing or domiciled in countries that do not have a treaty to avoid double taxation with Chile, are taxed by an additional withholding equivalent to 35% of the corporate income tax credit, thus limiting the credit for this tax at 65%. This additional withholding does not apply to distributions made to residents of countries that have a treaty in force with Chile, which may allocate 100% of the credit. Until December 31, 2026, this additional withholding also does not apply to distributions made to shareholders who are residents of countries that have signed a treaty to avoid double taxation but was not in force to the extent that it was signed prior to January 1, 2020.

Distributions made to investors residing or domiciled in Chile are taxed by personal taxes ("Supplementary Global Tax") which have progressive rates ranging from 0% to 40%. The tax credit limitation also applies to these investors; thus, they are taxed with an additional tax ("debit") equivalent to 35% of the corporate tax credit.

Capital Gains

Gains recognized from the sale or exchange of ADRs by a foreign holder outside of Chile are not subject to Chilean taxation. Capital gains generated from the sale of shares are subject to general taxation, unless they are shares that are sold on the stock exchange and that have been acquired on the stock exchange, or are shares of first issue, in which case gains are not affected by income taxation in Chile. Regarding this exception, a bill is currently being discussed that would derogate it.

The tax cost of common shares received in exchange for ADRs ("conversion") is determined in accordance with the valuation procedure set out in the Deposit Agreement, which values common shares at the highest selling price according to transactions on the Santiago Stock Exchange on the date of withdrawal of common shares. Consequently, the conversion of ADRs into shares of common stock, and the immediate sale of the shares for the value established under the Deposit Agreement, will not generate a capital gain subject to taxation in Chile. However, in the case where the sale of the shares is made on a day that is different than the date in which the conversion is recorded, capital gain subject to taxation in Chile may be generated. In connection thereto, on October 1, 1999 the SII issued Ruling No. 3,708 whereby it allowed Chilean issuers of ADRs to amend the deposit agreements in order to include a clause that states that, in the case that the exchanged shares are sold by the ADRs' holders on a Chilean stock exchange either on the same day in which the exchange is recorded or within the two business days prior to such date, the acquisition price of such exchanged shares shall be the price registered in the invoice issued by the stock broker that participated in the sale transaction. As this amendment has been included in the Deposit Agreement, the capital gain that may be generated if the date of conversion is different than the date of sale, would not be subject to taxation, to the extent that the SII's criterion is maintained and the contributor in good faith adopts this criterion, which the contributor must certify to the satisfaction of the authority in case of observation.

The distribution and exercise of preemptive rights relating to the shares of common stock are not subject to taxation in Chile. Any capital gain from the sale or assignment of preemptive rights will be subject to general taxation.

Other Chilean Taxes

The transfer of ADRs by a foreign holder is not subject to inheritance tax or donation tax. These taxes may only apply in case of donation or hereditary transfer of common shares.

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The issuance, registration or transfer of ADRs or common shares is not taxed with Stamp and Seal Tax or any other similar tax.

Withholding Tax Certificates

Upon request, we will provide to foreign holders appropriate documentation evidencing the payment of Chilean withholding taxes applied in Chile on earnings distributed to foreign holders.

U.S. Federal Income Tax Considerations Relating to ADRs or Shares of Common Stock.

The following discussion summarizes certain U.S. federal income tax consequences of an investment in ADRs or shares of common stock. This discussion is based upon U.S. federal income tax laws presently in force. The discussion is not a full description of all tax considerations that may be relevant to a decision to purchase ADRs or shares of common stock. In particular, the discussion is directed only to U.S. holders (as defined below) that hold ADRs or shares of common stock as capital assets, and it does not address the tax treatment of holders that are subject to special tax rules under the Internal Revenue Code of 1986 as amended (the “Code”), such as financial institutions, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities, dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, insurance companies, tax-exempt entities, persons holding ADRs or shares of common stock as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, holders that own or are deemed to own 10% or more of our shares (by vote or value), persons required to accelerate the recognition of any item of gross income with respect to ADRs or shares of common stock as a result of such income being recognized on an applicable financial statement, persons liable for alternative minimum tax or persons whose “functional currency” is not the U.S. dollar. Furthermore, the discussion below is based upon the provisions of the Code and regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified so as to result in U.S. federal income tax consequences different from those discussed below. In addition, the discussion below assumes that the Deposit Agreement, and all other related agreements, will be performed in accordance with their terms. If a partnership holds our ADRs or shares of common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners in a partnership holding ADRs or shares of common stock should consult their tax advisors. This summary does not contain a detailed description of all the U.S. federal income tax consequences to a holder in light of its particular circumstances and does not address the Medicare tax on net investment income, U.S. federal estate and gift taxes or the effects of any state, local or non-United States tax laws.

Prospective purchasers should consult their tax advisors about the federal, state, local and foreign tax consequences to them of the purchase, ownership and disposition of ADRs or shares of common stock.

As used herein, the term “U.S. holder” means a beneficial owner of ADRs or shares of common stock that is (i) an individual U.S. citizen or resident, (ii) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust that: (a) is subject to the primary supervision of a court within the United States and with respect to which one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If the obligations contemplated by the Deposit Agreement are performed in accordance with its terms, ADR holders generally will be treated for U.S. federal income tax purposes as the owners of the shares of common stock represented by those ADRs. Deposits or withdrawals of shares of common stock by U.S. holders in exchange for ADRs will not result in the realization of gain or loss for U.S. federal income tax purposes.

Cash Dividends and Other Distributions

Cash distributions (including the amount of any Chilean taxes withheld) paid to U.S. holders with respect to the ADRs or shares of common stock generally will be treated as dividend income to such U.S. holders, to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such income will be includable in the gross income of a U.S. holder as ordinary income on the day received by the Depositary, in the case of ADRs, or by the U.S. holder, in the case of shares of common stock. The dividends will not be eligible for the dividends received deduction allowed to corporations under the Code. Subject to applicable limitations (including a minimum holding period requirement), dividends received by non-corporate U.S. holders from a qualified foreign corporation may be treated as “qualified dividend income” that is subject to reduced rates of taxation. A foreign corporation is treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares (or ADRs backed by such shares) that are readily tradable on an established securities market in the United States. U.S. Treasury Department guidance indicates that our ADRs (which are listed on the New York Stock Exchange), but not our shares of common stock, are readily tradable on an established securities market in the United States. Thus, we do not believe that dividends

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that we pay on our shares of our common stock that are not represented by ADRs currently meet the conditions required for these reduced tax rates. There also can be no assurance that our ADRs will be considered readily tradable on an established securities market in the United States in later years. Non-corporate U.S. holders should consult their own tax advisors regarding the application of these rules given their particular circumstances.

Dividends paid in Chilean pesos will be includable in income in a U.S. dollar amount based on the exchange rate in effect on the day of receipt by the Depositary, in the case of ADRs, or by the U.S. holder, in the case of shares of common stock, regardless of whether the Chilean pesos are converted into U.S. dollars. If the Chilean pesos received as dividends are not converted into U.S. dollars on the date of receipt, a U.S. holder will have a basis in the Chilean pesos equal to their U.S. dollar value on the date of receipt. Any gain or loss realized on a subsequent conversion or other disposition of the Chilean pesos will be treated as U.S. source ordinary income or loss, regardless of whether the pesos are converted into U.S. dollars.

Subject to certain conditions and limitations, including a minimum holding period requirement, any Chilean withholding tax (net of any credit for the corporate income tax) paid by or for the account of any U.S. holder may be eligible for credit against the U.S. holder's U.S. federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid with respect to the ADRs or shares of common stock will generally be foreign source income and will generally constitute passive category income. The rules governing the foreign tax credit are complex. Investors are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances. Instead of claiming a foreign tax credit, a U.S. holder may, at its election, deduct any otherwise creditable Chilean withholding tax in computing its taxable income, but only for a taxable year in which such U.S. holder elects to do so with respect to all foreign income taxes and subject to generally applicable limitations under U.S. law.

Distributions to U.S. holders of additional shares of common stock or preemptive rights with respect to shares of common stock that are made as part of a pro rata distribution to all shareholders of the Company generally should not be subject to U.S. federal income tax.

To the extent that the amount of any distribution exceeds our current and accumulated earnings and profits for a taxable year, as determined under U.S. federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the ADRs or shares of common stock, and the balance in excess of adjusted basis will be taxed as capital gain recognized on a sale or exchange. However, we do not expect to keep earnings and profits in accordance with U.S. federal income tax principles. Therefore, a U.S. holder should expect that a distribution will generally be treated as a dividend (as discussed above).

Passive Foreign Investment Company

We do not believe that we are, for U.S. federal income tax purposes, a passive foreign investment company (a "PFIC") and expect to continue our operations in such a manner that we will not be a PFIC. If, however, we are or become a PFIC, U.S. holders could be subject to additional U.S. federal income taxes on gain recognized with respect to the ADRs or shares of common stock and on certain distributions, plus an interest charge on certain taxes treated as having been deferred by the U.S. holder under the PFIC rules of the U.S. federal income tax laws.

Non-corporate U.S. holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year.

Capital Gains

U.S. holders that hold ADRs or shares of common stock as capital assets will recognize capital gain or loss for U.S. federal income tax purposes on the sale or other disposition of such ADRs or shares (or preemptive rights with respect to such shares) held by the U.S. holder or the Depositary. Capital gains of non-corporate U.S. holders (including individuals) derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. holder generally will be treated as U.S. source gain or loss. Consequently, in the case of a disposition of shares of common stock (which, unlike a disposition of ADRs, may be taxable in Chile), the U.S. holder may not be able to use a foreign tax credit for any Chilean tax imposed on the disposition unless such credit can be applied (subject to applicable limitations) against tax due on other income from foreign sources. However, pursuant to recently issued U.S. Treasury regulations that apply to taxes paid or accrued in taxable years beginning on or after December 28, 2021, any such Chilean tax would generally not be a foreign income tax eligible for a foreign tax credit (regardless of any other income that a U.S. holder may have that is from foreign sources). Investors are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to dividends in respect of ADRs or shares of common stock or the proceeds received on the sale, exchange, or other disposition of ADRs or shares of common stock paid within the United States (and in certain cases, outside of the United States) to U.S. holders other than certain exempt recipients. Likewise, a backup withholding tax may apply to such payments if the U.S. holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report interest and dividends required to be shown on its federal income tax returns. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a refund or a credit against the U.S. holder's U.S. federal income tax liability, provided the required information is furnished to the U.S. Internal Revenue Service.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We are subject to the informational reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, which requires that we file periodic reports and other information with the SEC. As a foreign private issuer, we file annual reports on Form 20-F as opposed to Form 10-K. We do not file quarterly reports on Form 10-Q but furnish quarterly reports and reports in relation to material events on Form 6-K. As a foreign private issuer, we are exempt from the rules under the U.S. Securities Exchange Act of 1934, as amended, prescribing the furnishing and content of proxy statements and short-swing profit disclosure and liability.

You may read and copy all or any portion of the annual report or other information in our files in the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can also access to these documents through the SEC's website at www.sec.gov, and access – and request – a hard copy of them through our corporate website www.koandina.com. You can also request copies of these documents upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms.

We also file reports with the Chilean *Comisión para el Mercado Financiero* ("CMF"). You may read and copy any materials filed with the CMF directly from its website www.cmfchile.cl or from our corporate website www.koandina.com. The documents referred to in this annual report can be inspected at Miraflores 9153, Piso 7, Renca, Santiago, Chile.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The main sources of systematic risks that the Company is exposed to are: changes in interest rates and changes in currency exchange rates.

Particularly, interest rates increase, and currency exchange rates depreciation may affect the Company financial strategy given the various currency denominated debt the Company currently holds. To protect the Company against market volatility, hedging policies have been set with the objective to regulate the use of financial derivatives by management. The use of these instruments had been strictly designed for hedging purposes, leaving out any speculation and trading use.

Interest Rate Risk

The Company's debt is mainly denominated in UF (local inflation indexed Chilean currency) and U.S. dollar fixed rate bonds. Bank debt represents a smaller proportion of the total debt and it's denominated in various local currencies in either fixed or variable rates. Given that the main portion of the debt is in fixed rate, the main risk is the interest rate increase at the moment of refinancing mature debt.

On the other side, our cash is invested in certain short-term securities mainly in fixed interest rate.

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The following table provides information about the Company's debt (bonds & bank debt) and short-term investments that have exposure to changes in interest rates as of December 31, 2021.

	Expected Maturity Date						Fair Value	
	2022	2023	2024	2025	2026	2027 Onwards	Total	Total
	(in millions Ch\$)							
Interest Earning Assets								
Short term investments - Chile - CLP	320,019	—	—	—	—	—	320,019	
<i>Interest rate (weighted average)</i>	(0.95)%	0.00%	0.00%	0.00%	0.00%	0.00%	(0.95)%	
Short term investments - Chile - USD	7,571	—	—	—	—	—	7,571	
<i>Interest rate (weighted average)</i>	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	
Short term investments - Brasil	51,628	—	—	—	—	—	51,628	
<i>Interest rate (weighted average)</i>	4.42%	0.00%	0.00%	0.00%	0.00%	0.00%	4.42%	
Short term investments - Argentina	19,435	—	—	—	—	—	19,435	
<i>Interest rate (weighted average)</i>	29.22%	0.00%	0.00%	0.00%	0.00%	0.00%	29.22%	
Interest Bearing Liabilities								
International bonds (144A/RegS) ⁽¹⁾	7,693	307,544	—	—	—	247,862	563,099	600,464
<i>Fixed Rate [US\$] 144A Bonds</i>	4.41%	5.00%	0.00%	0.00%	0.00%	3.95%	4.53%	
Local Chilean Bonds ⁽¹⁾	17,690	13,293	13,900	14,567	9,699	413,797	482,946	476,074
<i>Fixed Rate [UF] - Local Chilean Bonds (weighted average)</i>	5.09%	5.68%	5.72%	5.76%	5.39%	3.38%	3.68%	
Total public debt (Bonds)	25,383	320,837	13,900	14,567	9,699	661,659	1,046,045	1,076,539
Bank debt - Chile	27	—	—	4,000	—	—	4,027	
<i>Weighted average interest rate Ch\$</i>	2.00%	0.00%	0.00%	2.00%	0.00%	0.00%	2.00%	
Total bank debt	27	—	—	4,000	—	—	4,027	

⁽¹⁾ Includes issuance deferred costs:

International Bonds Issuance Costs: Current: Ch\$581 million, Non-Current: Ch\$6,312 million.

Local Chilean Bonds: Current: Ch\$138 million, Non-Current: Ch\$899 million.

Foreign Currency Risk

As of December 31, 2021, the only foreign currency used by the Company to finance its operation is the U.S dollar, all the rest of the Company's debt is denominated in local operation currencies (UF, Chilean peso, Argentinean peso, Brazilian real and Paraguayan guaraníes).

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The following table summarizes the financial instruments held to December 31, 2021, denominated in U.S. dollars:

(Denominated in U.S. Dollars instruments)	2022	2023	2024	2025	2026	2027 Onwards	Total	Fair Value
				(in millions Ch\$)				
Assets								
Cash and cash equivalents	13,641	—	—	—	—	—	13,641	13,641
Liabilities								
Bonds debt ⁽¹⁾	7,693	307,544	—	—	—	247,862	563,099	600,464
Leasing debt	870	1,343	383	—	235	—	2,831	2,831
Net debt	22,204	308,888	383	—	235	247,862	579,572	616,937

⁽¹⁾ Includes issuance deferred costs:

International Bonds Issuance Costs: Current: Ch\$581 million, Non-Current: Ch\$6,312 million.

In order to protect the Company from the effects on results due to the volatility of the Brazilian real against the U.S. dollar (bond due 2023), we have entered into currency swaps that cover 99% of our dollar-denominated financial obligations, thereby mitigating our exchange rate exposure. Additionally, to protect the Company from the effects on results due to the volatility of the Chilean peso against the U.S. dollar (bond due 2023 and bond due 2050), derivatives have been contracted (cross currency swaps) to fully redenominate the US dollar-denominated financial obligations to UF's.

As of December 31, 2021, the Company's net exposure to existing assets and liabilities in foreign currencies, discounting our derivatives contracts, was Ch\$5,205,338.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITARY RECEIPTS

Fees and Charges

The Bank of New York Mellon serves as the depository for our ADRs. ADR holders are required to pay various fees to the depository, and the depository may refuse to provide any service for which a fee is assessed until the applicable fee has been paid.

ADR holders are required to pay the depository amounts in respect of expenses incurred by the depository or its agents on behalf of ADR holders, including expenses arising from compliance with applicable law, taxes or other governmental charges, or conversion of foreign currency into U.S. dollars. The depository may decide in its sole discretion to seek payment by either billing holders or by deducting the fee from one or more cash dividends or other cash distributions.

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ADR holders are also required to pay additional fees for certain services provided by the depositary, as set forth in the table below.

Depositary service	Fee payable by ADR holders
Issuance and delivery of ADRs, including in connection with share distributions	Up to US\$5.00 per 100 ADSs (or portion thereof)
Withdrawal of shares underlying ADRs	Up to US\$5.00 per 100 ADSs (or portion thereof)
Registration for the transfer of shares	Registration or transfer fees that may from time to time be in effect
Cash distribution fees	US\$0.02 or less per ADS
Transfers made pursuant to terms of Deposit Agreement	Fee not in excess of US\$1.50 for an ADR

In addition, holders may be required to pay a fee for the distribution or sale of securities. Such fee (which may be deducted from such proceeds) would be for an amount equal to the lesser of (1) the fee for the issuance of ADRs that would be charged as if the securities were treated as deposited shares and (2) the amount of such proceeds.

Fees Incurred in Past Annual Period

From January 1, 2021 to December 31, 2021, we did not receive any amounts from the depositary.

Fees to be Paid in the Future

The Bank of New York Mellon, as depositary, has agreed to reimburse us for expenses they incurred that are related to establishment and maintenance expenses of the ADR program. The depositary has agreed to reimburse us for continuing annual stock exchange listing fees. The depositary has also agreed to waive the standard out-of-pocket maintenance costs for the ADRs programs, which consist of the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of U.S. Federal tax information, mailing required tax forms, stationery, postage, facsimile, and telephone calls. It has also agreed to reimburse us annually for certain investor relationship programs or special investor relations promotional activities. In certain instances, the depositary has agreed to provide additional payments to us based on any applicable performance indicators relating to the ADR facility. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not necessarily tied to the amount of fees the depositary collects from investors.

The depositary collects its fees for delivery and surrender of ADRs directly from investors depositing shares or surrendering ADRs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

In 1996, our shareholders approved the reclassification of our common stock into two new series of shares. Pursuant to the reclassification, each outstanding share of our common stock was replaced by one newly issued Series A share and one newly issued Series B share.

The Series A and Series B shares are principally differentiated by their voting and economic rights. The modification of our bylaws as of June 25, 2012, increased the number of directors from 7 to 14. The holders of the Series A shares have full voting power and are entitled to elect 12 of 14 members of the board of directors, and the holders of the Series B shares have no voting rights but for the right to elect 2 members of the board of directors. In addition, holders of Series B shares are entitled to a dividend 10% greater than any dividend on Series A shares.

After the reclassification, the Superintendencia de Pension Fund Managers (*Superintendencia de Administradores de Fondos de Pensiones*) decreed that Chilean pension funds would not be permitted to acquire Series B Shares due to their limited voting rights. In 2004, however, the Superintendencia reversed, and approved Series B shares as investment instruments for Chilean Pension funds. Series A shares have always been eligible as investment instruments for Chilean pensions funds.

ITEM 15. CONTROLS AND DISCLOSURE PROCEDURES

Disclosure Controls and Procedures

We have evaluated, with the participation of our chief executive officer and chief financial officer, the effectiveness of our disclosure controls and procedures as of December 31, 2021. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our chief executive officer and chief financial officer concluded that, as of December 31, 2021, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a—15(f) and 15d—15(f) under the Securities Exchange Act of 1934, as amended. Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. Our internal control over financial reporting includes those policies and procedures that (i) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as issued by the IASB, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based on our evaluation under

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the framework in Internal Controls—Integrated framework (2013) issued by the Committee of Sponsoring Organizations of the Tread way Commission, our management concluded that our internal control over financial reporting was effective as of December 31, 2021.

The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by our registered independent accounting firm, which opinion is stated in their report, included on pages F-2 and F-3 herein.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required under Rules 13a-15 or 15d-15 that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [Reserved]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has designated Mr. Gonzalo Parot Palma as our Audit Committee Financial Expert, as defined in the instructions to Item 16A of Form 20-F. Our board of directors has also determined that Mr. Domingo Cruzat Amunátegui and Mr. Gonzalo Parot Palma fulfills the independence standards set forth in Rule 10A-3 of the U.S. Exchange Act and applicable NYSE rules.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Ethics that constitutes a code of ethics for our directors and employees. This Code applies to our Board of Directors, chief executive officer and all senior financial officers of our Company, including the chief financial officer, or any other persons performing similar functions, as well as to all other officers and employees of the Company. Our Code of Ethics is available on our website www.koandina.com. If we make any substantive amendment to the Code or grant any waivers, including any implicit waiver, from a provision of the Code, we will disclose the nature of such amendment or waiver on the above mentioned website and. On December 22, 2020, we amended our Code of Ethics to incorporate provisions related to criminal liability of legal entities, in accordance with Chilean Law N° 20.393, Argentine Law N° 27.401, and other compliance and anti-bribery provisions, including the Sarbanes-Oxley Act and the U.S. Foreign Corrupt Practices Act (FCPA). Additionally, we incorporated other provisions, making explicit reference to the importance of equal treatment and respect for each individual, diversity and non-discrimination, a healthy working environment, protection of our natural resources, sustainability, among others.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees Paid to Independent Public Accountants

The following table sets forth, for each of the years indicated, the kinds of fees paid to our external auditors and the percentage of each of the fees out of the total amount paid to them.

	Year ended December 31,			
	2020		2021	
	Fees millions Ch\$	% of Total Fees	Fees millions Ch\$	% of Total Fees
Services rendered				
Audit fees ⁽¹⁾	827	98.2 %	935	98.4 %
Audit-related fees	—	—	—	—
Tax fees	—	—	2	0.2 %
All other fees ⁽²⁾	15	1.8 %	13	1.4 %
Total	842	100 %	950	100 %

(1) Fees for audit services and related expenses, including fees associated with the Company's annual audit, including the integrated audit of internal control over financial reporting, the reviews of the Company's quarterly reports required to be filed in Chile and annual statutory audits required in Chile and internationally.

(2) Fees for all other services and related expenses not included above and related to the audit of the Company's sustainability reports.

Directors' Committee and Audit Committee Pre-Approval Policies and Procedures

We have adopted pre-approval policies and procedures under which all non-audit services provided by our external auditors must be pre-approved by our Directors' Committee. Once the proposed service is approved, our subsidiaries or we formalize the engagement of services. In addition, the members of our board of directors are briefed on matters discussed by the Directors' Committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Our Audit Committee is comprised of Gonzalo Parot Palma, Salvador Said Somavía and Domingo Cruzat Amunátegui.

We disclose that, with respect to the current membership of Mr. Salvador Said Somavía on our Audit Committee, the Company has relied on the exemption from the independence requirements provided by Rule 10A-3(b)(1)(iv)(D) of the Securities and Exchange Act of 1934, as amended. Pursuant to said rule, a member of the Committee who is an affiliate of the foreign private issuer or a representative of such an affiliate that has only observer status on, and is not a voting member or the chair of, the audit committee, and neither the member nor the affiliate is an executive officer of the foreign private issuer, may be exempted from the independence requirement.

Mr. Salvador Said Somavía meets, for the duration of his membership, the requirements of Rule 10A-3(b)(1)(iv)(D) because he (i) is a representative of our controlling shareholder group; (ii) has an observer-only status on our Audit Committee; (iii) is not an officer of the Company or any of our subsidiaries; and (iv) does not receive, directly or indirectly, compensation from us or any of our subsidiaries other than in his capacity as member of our Audit Committee.

Our reliance on the exemption provided by Rule 10A-3 of the Exchange Act, with respect to Mr. Salvador Said Somavía, would not materially adversely affect the ability of our Audit Committee to act independently.

ITEM 16E. PURCHASERS OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

During 2021, no issuer or affiliated parties made purchases pursuant to publicly announced plans or programs or not pursuant to such plans.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Previous independent registered public accounting firm

Pursuant to the Chilean Corporations Act, the Company is obliged to elect on an annual basis its principal accountant. The election takes place at the annual shareholders' meeting. The audit committee and the directors committee independently submitted to the board of directors their proposal for the election of the principal accountant for fiscal year 2022. The board of directors' at its meeting held on February 22, 2022 agreed to propose to the annual shareholders' meeting of April 13, 2022 the candidates. At the referred annual shareholders' meeting held April 13, 2022, PricewaterhouseCoopers Consultores Auditores SpA was elected as principal accountant for the fiscal year 2022. As a consequence, EY Audit SpA was dismissed as our independent registered public accounting firm on April 13, 2022. Such dismissal becomes effective upon completion by EY Audit SpA of its procedures on the financial statements of Embotelladora Andina S.A. as of and for the year ended December 31, 2021 and the filing of the related Form 20-F.

The reports of EY Audit SpA on the Company's consolidated financial statements for the last two fiscal years did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle.

In connection with the audits of the Company's consolidated financial statements for each of the two fiscal years ended December 31, 2021, and in the subsequent interim period through April 26, 2022, there have been no disagreements with EY Audit SpA on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of EY Audit SpA would have caused EY Audit SpA to make reference to the matter in their report. There was no "reportable events" as that term is described in Item 16F(a)(1)(v) of Form 20-F.

Andina has requested that EY Audit SpA furnish it a letter addressed to the Securities and Exchange Commission stating whether or not it agrees with the above statements. A copy of that letter, dated April 26, 2022, is filed as Exhibit 8.2 to this Form 20-F.

New independent registered public accounting firm

Andina engaged PricewaterhouseCoopers Consultores Auditores SpA as its new independent registered public accounting firm as of April 13, 2022. During the fiscal years ended December 31, 2021 and 2020 and in the subsequent interim period through April 13, 2022, Andina has not consulted with PricewaterhouseCoopers Consultores Auditores SpA regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on Andina's financial statements, and either a written report or oral advice was provided to Andina that PricewaterhouseCoopers Consultores Auditores SpA concluded was an important factor considered by Andina in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is defined in Item 16F(a)(1)(iv) of Form 20-F or a reportable event as that term is defined in Item 16F(a)(1)(v) of Form 20-F.

ITEM 16G. CORPORATE GOVERNANCE

NYSE and Chilean Corporate Governance Requirements

The following table sets forth significant differences between Chilean corporate governance practices and those corporate governance practices followed by domestic corporations under NYSE listing standards. Significant ways in which our corporate governance practices differ from those followed by U.S. companies under NYSE listing standards are also publicly available on our website at www.koandina.com.

REQUIREMENT	NYSE REQUIREMENTS FOR US LISTED COMPANIES	CHILEAN LAW REQUIREMENTS AND COMPANY PRACTICE
Independent Directors	Under NYSE rules, the board of directors is required to have a majority of independent directors. However, "controlled companies," as defined under NYSE rules, are exempt from this requirement.	Under Chilean law, there is no legal obligation to have a Board of Directors composed of a majority of independent members. Our company does not have a majority independent board of directors, and as a "controlled company," we would be exempt from NYSE's requirement to do so.
	Article 50 bis of the Corporations Law requires appointing at least one independent director. Chilean Law considers independent such director that within the last 18 months is not involved in certain circumstances, such as: having an economic interest in the company or other group, having a relationship with such persons, be director of nonprofit organizations, among others, and comply with a declaration of independence. We have two such directors.	
Executive Sessions of Independent Directors	Independent directors of a NYSE-listed company must have meetings at which only the independent directors are present.	No similar legal obligation exists under Chilean law. Under Chilean law, the position of director of a corporation is incompatible with the position of manager, auditor, accountant or president of the company. The Non-Management Director does not exist under Chilean law. Directors, however, are required to convene in legally established meetings to resolve matters required by Chilean Corporation Law. Since Non-Management Director does not exist under Chilean law, it is not possible to comply with the Section 303A.03.

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Nominations of Directors	Listed companies must have a Nominating/Corporate Governance Committee composed entirely of independent directors. However, “controlled companies,” as defined under NYSE rules, are exempt from this requirement.	There is no similar legal obligation under Chilean law. Andina has a Directors’ Committee whose functions are set by Chilean Corporation Law. Our Company does not have a Nominating/Corporate Governance Committee composed entirely of independent directors and as a “controlled company,” we would be exempt from NYSE’s requirement to do so. The functions of the Directors’ Committee are described under Item 6C. “Directors, Senior Management and Employees-Board Practices”.
Compensation of Executive Officers	Listed companies must have a Compensation Committee composed entirely of independent directors. However, “controlled companies,” as defined under NYSE rules, are exempt from this requirement.	There is no similar legal obligation under Chilean law. In accordance with Chilean law, the above-mentioned Directors’ Committee is in charge of reviewing management compensation. Our Company does not have a Compensation Committee composed entirely of independent directors and as a “controlled company,” we would be exempt from NYSE’s requirement to do so. The functions of the Directors’ Committee are described under Item 6C. “Directors, Senior Management and Employees-Board Practices”.
Audit Committee	Must have an audit committee with the specific responsibilities and authority necessary to comply with SEC rules. Members must meet all of the independence requirements of the NYSE, as well as SEC Rule 10A-3 independence requirements (subject to any available exemptions).	No similar legal obligation exists under Chilean law. However, in accordance with the Chilean Public Companies Law 18,046, public companies that have a net worth of more than 1.5 million UFs and/or at least a 12.5% of its issued shares with voting rights are held by individual shareholders who control or own less than 10% of such shares must have a Directors’ Committee, formed by three members who are in their majority independent of the controller. Andina designated an Audit Committee in accordance with SEC Rule 10A-3. As described in Item 6.C. “Board Practice – Audit Committee,” we rely on an exemption from the independence requirements of Rule 10A-3 with respect to one of our audit committee members. The functions of the audit committee are described under “Item 6C. Directors, Senior Management and Employees-Board Practices-Audit Committee”.
Internal Audit Function	Listed companies must maintain an Internal Audit Function to provide management and the Audit Committee with ongoing assessments of the company’s risk management processes and systems of internal control. A listed company may choose to outsource this function to a third party service provider other than its independent auditor.	There is no similar obligation under Chilean law. Chilean law requires that companies must have both account inspectors and external auditors. However, Andina has an Internal Auditor who reports to the Audit Committee.

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Shareholder Approval of Equity Compensation Plans and Certain Other Share Issuances	Shareholders must approve all equity-compensation plans and material revisions thereto, with limited exemptions. Shareholder approval also required for certain other dilutive and related party equity issuances.	There is no similar obligation under Chilean law, with the exception of Directors' compensation which annually approved during the general shareholders' meeting. Other than the foregoing, we have not and do not intend to submit for shareholder approval any equity-compensation plans or the other dilutive and related party equity issuances covered by NYSE rules.
Corporate Governance Guidelines	Listed companies must adopt and disclose Corporate Governance Guidelines.	Chilean Law does not require the adoption of Corporate Governance Practices because Chilean Corporate Law have established them. However, the CMF in General Rule No. 385 requires publicly traded corporations to report their corporate governance practices. Our Company has not adopted such Corporate Governance Guidelines.
Code of Ethics and Business Conduct	A company must adopt a Code of Business Conduct for its directors, officers and employees. Such company must disclose any waiver of its code of conduct that is granted to an officer or director.	There is no legal obligation to adopt a Code of Business Conduct. Chilean law requires that a company have a set of internal regulations which regulate the company and its relations with personnel. Such regulations must contain, among other things, regulations related to ethics and good behavior. Notwithstanding the above, a company may create internal codes of conduct, provided they do not require or prohibit behavior that contravenes Chilean law. In 1996, Andina created a Code of Ethics and Business Conduct that applies to the entire Company, and that has been updated over the years. Andina has posted this information on its website at www.koandina.com . See Item 16B. "Code of Ethics."

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Reference is made to Item 18 for a list of all financial statements filed as part of this annual report.

ITEM 18. FINANCIAL STATEMENTS

The following financial statements, together with the report of independent registered accounting firm, are filed as part of this annual report:

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Consolidated Income Statements by function for the years ended December 31, 2021, 2020 and 2019	F-8
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Consolidated Statements of Direct Cash Flows for the years ended December 31, 2021, 2020 and 2019	F-12
Notes to the Consolidated Financial Statements	F-13

ITEM 19. EXHIBITS

The exhibits filed with or incorporated by reference in this annual report are listed in the exhibit index below.

EXHIBIT INDEX

Item	Description
1.1	Amended and restated Bylaws of Embotelladora Andina S.A. dated as of June 25, 2012 (English Translation) (incorporated by reference to Exhibit 1.1 to Andina's annual report on Form 20-F filed on April 30, 2012 (File No. 001-13142))
2.1	Amended and restated Deposit Agreement, dated as of December 14, 2000, among Embotelladora Andina S.A., The Bank of New York as Depositary, and Holders and Beneficial Owners of American Depositary Receipts (incorporated by reference to Exhibit 1.3 to Andina's annual report on Form 20-F filed on April 30, 2012 (File No. 001-13142))
2.2	Indenture dated as of October 1, 2013, among Embotelladora Andina S.A. and The Bank of New York Mellon (incorporated by reference to Exhibit 2.2 to Andina's annual report on Form 20-F filed on April 28, 2021 (File No. 001-13142))
2.3	Description of Securities Registered under Section 12(b) of the Exchange Act (incorporated by reference to Exhibit 2.3 to Andina's annual report on Form 20-F filed on April 29, 2020 (File No. 001-13142))
4.1	Amended and Restated Call Option Agreement, dated as of December 17, 1996, among Inversiones Freire Limitada, Inversiones Freire Dos Limitada, Coca-Cola Interamerican Corporation, Coca-Cola de Argentina S.A., The Coca-Cola Company, and Embotelladora Andina S.A. and Custody Agreement among Inversiones Freire Limitada and Inversiones Freire Dos Limitada and Citibank, N.A. (English translation) (incorporated by reference to Exhibit 1.5 to Andina's annual report on Form 20-F filed on April 30, 2012 (File No. 001-13142))
4.2	Amendment dated as of August 31, 2012 to the Amended and Restated Shareholders' Agreement, dated as of June 25, 2012, among Embotelladora Andina S.A., the Coca-Cola Company, Coca-Cola Interamerican Corporation, Coca-Cola de Argentina S.A., Bottling Investment Limited, Inversiones Freire Ltda., and Inversiones Freire Dos Ltda (incorporated by reference to Exhibit 4.2 to Andina's annual report on Form 20-F filed on May 15, 2014 (File No. 001-13142))
4.3	Bottler Agreement dated as of October 1, 2017 among Embotelladora del Atlántico S.A. and The Coca-Cola Company (incorporated by reference to Exhibit 4.30 to Andina's annual report on Form 20-F filed on April 27, 2018 (File No. 001-13142))
4.4	Bottler Agreement dated as of October 4, 2017 among Rio de Janeiro Refrescos Ltda. and The Coca-Cola Company (incorporated by reference to Exhibit 4.32 to Andina's annual report on Form 20-F filed on April 25, 2019 (File No. 001-13142))
4.5	Bottler Agreement dated as of January 1, 2018 among Embotelladora Andina S.A. and The Coca-Cola Company (incorporated by reference to Exhibit 4.31 to Andina's annual report on Form 20-F filed on April 27, 2018 (File No. 001-13142))
4.6	Amendment to the Bottler Agreement between Embotelladora Andina S.A. and The Coca-Cola Company dated November 7, 2019 (incorporated by reference to Exhibit 4.35 to Andina's annual report on Form 20-F filed on April 29, 2020 (File No. 001-13142))
4.7	Bottler Agreement dated as of September 1, 2015 among Paraguay Refrescos S.A. and The Coca-Cola Company (incorporated by reference to Exhibit 4.28 to Andina's annual report on Form 20-F filed on April 30, 2015 (File No. 001-13142))

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Item	Description
4.8	Amendment dated as of August 27, 2020 to Bottler Agreement dated as of September 1, 2015 among Paraguay Refrescos S.A. and The Coca-Cola Company (incorporated by reference to Exhibit 4.8 to Andina's annual report on Form 20-F filed on April 28, 2021 (File No. 001-13142))
8.1	List of our subsidiaries (filed herein)
8.2	Letter from EY Audit SpA to the Securities and Exchange Commission regarding change in certifying accountant (filed herein)
12.1	Certification of Miguel Ángel Peirano, Chief Executive Officer, pursuant to Rule 13-a14(a) (17 CFR 240.13a-12(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)) (filed herein)
12.2	Certification of Andrés Wainer, Chief Financial Officer pursuant to Rule 13-a14(a) (17 CFR 240.13a-12(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)) (filed herein)
13.1	Certification of Miguel Ángel Peirano, Chief Executive Officer, pursuant to 18 U.S.C. Chapter 63, Section 1350, (filed herein)
13.2	Certification of Andrés Wainer, Chief Financial Officer, pursuant to 18 U.S.C. Chapter 63, Section 1350, (filed herein)

Omitted from the exhibits filed with this annual report are certain instruments and agreements with respect to long-term debt of Embotelladora Andina S.A., none of which authorizes securities in a total amount that exceeds 10.0% of the total assets of Embotelladora Andina S.A. We hereby agree to furnish to the SEC copies of any such omitted instruments or agreements upon request by the SEC.

101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Embotelladora Andina S.A.
(Registrant)

/s/ Miguel Ángel Peirano

(Signature)

/s/ Andrés Wainer

(Signature)

Date: April 27, 2022

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Consolidated Financial Statements

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Santiago, Chile

December 31, 2021 and 2020

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Embotelladora Andina S.A.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Embotelladora Andina S.A. and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 26, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

<i>Description of the Matter</i>	<p>Tax Contingencies in Brazil</p> <p>As described in Note 23 to the consolidated financial statements, the Company is a party to a number of administrative and legal proceedings arising from various tax claims for which a provision was recorded as of December 31, 2021, as the probability of loss was assessed as more than likely based on current available information. The Company uses significant judgment in determining whether its technical merits are more-likely-than-not to be sustained in court, considering the complexity of the Brazilian tax environment and lack of jurisprudence for certain tax matters. To carry out this assessment, management monitors the evolution of court ruling trends and is assisted by the Company's external legal counsel.</p> <p>Auditing management's assessment of the probability of a loss on tax claims is complex, highly judgmental and based on interpretations of tax laws and legal rulings, as there is significant estimation uncertainty related to the ultimate outcome of court decisions, the evolution of jurisprudence and the position of the Brazilian tax authorities.</p>
<i>How We Addressed the Matter in our Audit</i>	<p>We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the identification and evaluation of tax claims, including management's process to determine whether the technical merits are more-likely-than-not to be sustained in the court.</p> <p>To test the Company's assessment of the probability of a loss on tax claims, our audit procedures included, among others, involving of our tax professionals to assess the Company's technical merits and in evaluating legal opinions and other tax advice obtained by the Company; independently corresponding with certain key external tax and legal advisers of the Company; comparing the evolution of the loss probability assessment by the Company for significant matters and evaluating the Company's current assessment using our knowledge of, and experience with, the application of tax laws by the relevant tax authorities. We also evaluated the financial statements disclosures included in notes in Notes 19 and 23.</p>

/s/ EY Audit SpA
We have served as the Company's auditor since 2017.
Santiago, Chile
April 26, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Embotelladora Andina S.A.

Opinion on Internal Control over Financial Reporting

We have audited Embotelladora Andina S.A. and subsidiaries' internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Embotelladora Andina S.A. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years then ended December 31, 2021, and the related notes and our report dated April 26, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ EY Audit SpA
Santiago, Chile
April 26, 2022

EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Financial Statements

I. Consolidated Statements of Financial Position as of December 31, 2021 and 2020	F-6
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EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Financial Position

ASSETS	NOTE	12.31.2021 ThCh\$	12.31.2020 ThCh\$
Current assets:			
Cash and cash equivalents	4	304,312,020	309,530,699
Other financial assets	5	195,470,749	140,304,853
Other non-financial assets	6	14,719,104	13,374,381
Trade and other accounts receivable, net	7	265,490,626	194,021,253
Accounts receivable from related companies	12.1	9,419,050	11,875,408
Inventory	8	191,350,206	127,972,650
Current tax assets	9	10,224,368	218,472
Total Current Assets		990,986,123	797,297,716
Non-Current Assets:			
Other financial assets	5	296,632,012	162,013,278
Other non-financial assets	6	70,861,616	90,242,672
Trade and other receivables	7	126,464	73,862
Accounts receivable from related parties	12.1	98,941	138,346
Investments accounted for under the equity method	14	91,489,194	87,956,354
Intangible assets other than goodwill	15	659,631,543	604,514,165
Goodwill	16	118,042,900	98,325,593
Property, plant and equipment	11	716,379,127	605,576,545
Deferred tax assets	10.2	1,858,727	1,925,869
Total Non-Current Assets		1,955,120,524	1,650,766,684
Total Assets		2,946,106,647	2,448,064,400

The accompanying notes 1 to 31 form an integral part of these Consolidated Financial Statements



EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Financial Position

LIABILITIES AND EQUITY	NOTE	12.31.2021	12.31.2020
		ThCh\$	ThCh\$
LIABILITIES			
Current Liabilities			
Other financial liabilities	17	47,763,039	38,566,724
Trade and other accounts payable	18	327,409,207	230,445,809
Accounts payable to related parties	12.2	56,103,461	39,541,968
Other provisions	19	1,528,879	1,335,337
Tax liabilities	9	30,512,787	8,828,599
Employee benefits current provisions	13	35,012,072	31,071,019
Other non-financial liabilities	20	31,237,834	28,266,730
Total Current Liabilities		529,567,279	378,056,186
 Other financial liabilities	17	1,041,048,972	989,829,569
Accounts payable	18	256,273	295,279
Accounts payable to related companies	12.2	11,557,723	10,790,089
Other provisions	19	55,883,527	48,734,936
Deferred tax liabilities	10.2	168,454,827	153,669,547
Employee benefits non-current provisions	13	14,139,670	13,635,558
Other non-financial liabilities	20	23,784,817	21,472,048
Tax liabilities	9	—	20,597
Total Non-current liabilities		1,315,125,809	1,238,447,623
 EQUITY	21		
Issued capital		270,737,574	270,737,574
Retained earnings		768,116,920	654,171,126
Other reserves		37,289,310	(113,727,586)
Equity attributable to equity holders of the parent		1,076,143,804	811,181,114
Non-controlling interests		25,269,755	20,379,477
Total Equity		1,101,413,559	831,560,591
Total Liabilities and Equity		2,946,106,647	2,448,064,400

The accompanying notes 1 to 31 form an integral part of these Consolidated Financial Statements.



EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Income by Function For the periods between January 1 and December 31, 2021, 2020 and 2019

	NOTE	01.01.2021 12.31.2021	01.01.2020 12.31.2020	01.01.2019 12.31.2019
		ThCh\$	ThCh\$	ThCh\$
Net sales		2,216,732,593	1,698,281,237	1,779,025,115
Cost of sales	8	(1,375,392,773)	(1,022,498,659)	(1,048,343,767)
Gross Profit		841,339,820	675,782,578	730,681,348
Other income	26	1,337,878	8,356,298	40,947,158
Distribution expenses	25	(199,952,373)	(152,532,018)	(166,996,289)
Administrative expenses	25	(348,949,863)	(283,638,935)	(325,903,809)
Other expenses	27	(15,211,790)	(17,430,256)	(26,182,847)
Other (loss) gains	29	—	287	2,876
Financial income	28	7,791,869	14,945,879	45,155,791
Financial expenses	28	(52,992,456)	(54,772,837)	(46,209,020)
Share of profit (loss) of investments in associates accounted for using the equity method	14.3	3,093,102	2,228,763	(3,415,083)
Foreign exchange differences		(5,508,311)	(3,088,278)	(4,130,543)
Income by indexation units		(27,738,888)	(11,828,762)	(7,536,466)
Net income before income taxes		203,208,988	178,022,719	236,413,116
Income tax expense	10.1	(46,177,320)	(54,905,399)	(61,166,891)
Net income		157,031,668	123,117,320	175,246,225
Net income attributable to				
Owners of the controller		154,698,150	121,999,805	173,721,928
Non-controlling interests		2,333,518	1,117,515	1,524,297
Net income		157,031,668	123,117,320	175,246,225
Earnings per Share, basic and diluted in ongoing operations		Ch\$	Ch\$	Ch\$
Earnings per Series A Share	21.5	155.65	122.75	174.79
Earnings per Series B Share	21.5	171.21	135.02	192.27

The accompanying notes 1 to 31 form an integral part of these Consolidated Financial Statements



EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
For the periods between January 1 and December 31, 2021, 2020 and 2019

	01.01.2021	01.01.2020	01.01.2019
	12.31.2021	12.31.2020	12.31.2019
	ThChS	ThChS	ThChS
Net Income	157,031,668	123,117,320	175,246,225
Other Comprehensive Income:			
Components of other comprehensive income that will not be reclassified to net income for the period, before taxes			
Actuarial Gains (losses) from defined benefit plans	(357,840)	(3,146,362)	(379,007)
Components of other comprehensive income that will be reclassified to net income for the period, before taxes			
Gain (losses) from exchange rate translation differences	98,973,862	(264,119,093)	(41,844,584)
Gain (losses) from cash flow hedges	104,232,055	(12,203,755)	(1,865,233)
Income tax related to components of other comprehensive income that will not be reclassified to net income for the period			
Income tax benefit related to defined benefit plans	96,617	849,518	102,332
Income tax related to components of other comprehensive income that will be reclassified to net income for the period			
Income tax related to exchange rate translation differences	(22,103,267)	84,571,922	9,295,546
Income tax related to cash flow hedges	(28,944,992)	2,334,037	683,482
Other comprehensive income, total	151,896,435	(191,713,733)	(34,007,464)
Total comprehensive income	308,928,103	(68,596,413)	141,238,761
Total comprehensive income attributable to:			
Equity holders of the controller	305,715,046	(68,721,632)	139,861,690
Non-controlling interests	3,213,057	125,219	1,377,071
Total comprehensive income	308,928,103	(68,596,413)	141,238,761

The accompanying notes 1 to 31 form an integral part of these Consolidated Financial Statements.



EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the periods between January 1 and December 31, 2021, 2020 and 2019

	Other reserves									
	Issued Capital	Reserves for exchange rate differences	Cash Flow hedge reserve	Actuarial gains or losses in employee benefits	Other reserves	Total other reserves	Retained earnings	Controlling equity	Non-controlling interests	Total Equity
	ThChS	ThChS	ThChS	ThChS	ThChS	ThChS	ThChS	ThChS	ThChS	ThChS
Opening balance as of 01.01.2021	270,737,574	(517,496,486)	(24,719,533)	(4,663,193)	433,151,626	(113,727,586)	654,171,126	811,181,114	20,379,477	831,560,591
Changes in equity										
Comprehensive income										
Earnings	—	—	—	—	—	—	154,698,150	154,698,150	2,333,518	157,031,668
Other comprehensive income	—	75,916,398	75,323,231	(222,733)	—	151,016,896	—	151,016,896	879,539	151,896,435
Comprehensive income	—	75,916,398	75,323,231	(222,733)	—	151,016,896	154,698,150	305,715,046	3,213,057	308,928,103
Dividends	—	—	—	—	—	—	(109,328,860)	(109,328,860)	(1,386,857)	(110,715,717)
Increase (decrease) from other changes *	—	—	—	—	—	—	68,576,504	68,576,504	3,064,078	71,640,582
Total changes in equity	—	75,916,398	75,323,231	(222,733)	—	151,016,896	113,945,794	264,962,690	4,890,278	269,852,968
Ending balance as of 12.31.2021	270,737,574	(441,580,088)	50,603,698	(4,885,926)	433,151,626	37,289,310	768,116,920	1,076,143,804	25,269,755	1,101,413,559

	Other reserves									
	Issued Capital	Reserves for exchange rate differences	Cash Flow hedge reserve	Actuarial gains or losses in employee benefits	Other reserves	Total other reserves	Retained earnings	Controlling equity	Non-controlling interests	Total Equity
	ThChS	ThChS	ThChS	ThChS	ThChS	ThChS	ThChS	ThChS	ThChS	ThChS
Opening balance as of 01.01.2020	270,737,574	(339,076,340)	(14,850,683)	(2,230,752)	433,151,626	76,993,851	600,918,265	948,649,690	20,254,258	968,903,948
Changes in equity										
Comprehensive income										
Earnings	—	—	—	—	—	—	121,999,805	121,999,805	1,117,515	123,117,320
Other comprehensive income	—	(178,420,146)	(9,868,850)	(2,432,441)	—	(190,721,437)	—	(190,721,437)	(992,296)	(191,713,733)
Comprehensive income	—	(178,420,146)	(9,868,850)	(2,432,441)	—	(190,721,437)	121,999,805	(68,721,632)	125,219	(68,596,413)
Dividends	—	—	—	—	—	—	(103,365,468)	(103,365,468)	—	(103,365,468)
Increase (decrease) from other changes *	—	—	—	—	—	—	34,618,524	34,618,524	—	34,618,524
Total changes in equity	—	(178,420,146)	(9,868,850)	(2,432,441)	—	(190,721,437)	53,252,861	(137,468,576)	125,219	(137,343,357)
Ending balance as of 31.12.2020	270,737,574	(517,496,486)	(24,719,533)	(4,663,193)	433,151,626	(113,727,586)	654,171,126	811,181,114	20,379,477	831,560,591

*Corresponds mainly to inflation effects on the equity of our Subsidiaries in Argentina (see Note 2.5.1)

The accompanying notes 1 to 31 form an integral part of these Consolidated Financial Statements.



	Other reserves									
	Issued Capital	Reserves for exchange rate differences	Cash Flow hedge reserve	Actuarial gains or losses in employee benefits	Other reserves	Total other reserves	Retained earnings	Controlling equity	Non-controlling interests	Total Equity
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of 01.01.2019	270,737,574	(306,674,528)	(13,668,932)	(1,954,077)	433,151,626	110,854,089	462,221,463	843,813,126	19,901,617	863,714,743
Changes in equity										
Comprehensive income										
Earnings	—	—	—	—	—	—	173,721,928	173,721,928	1,524,297	175,246,225
Other comprehensive income	—	(32,401,812)	(1,181,751)	(276,675)	—	(33,860,238)	—	(33,860,238)	(147,226)	(34,007,464)
Comprehensive income	—	(32,401,812)	(1,181,751)	(276,675)	—	(33,860,238)	173,721,928	139,861,690	1,377,071	141,238,761
Dividends	—	—	—	—	—	—	(86,568,579)	(86,568,579)	(1,024,430)	(87,593,009)
Increase (decrease) from other changes *	—	—	—	—	—	—	51,543,453	51,543,453	—	51,543,453
Total changes in equity	—	(32,401,812)	(1,181,751)	(276,675)	—	(33,860,238)	138,696,802	104,836,564	352,641	105,189,205
Ending balance as of 31.12.2019	270,737,574	(339,076,340)	(14,850,683)	(2,230,752)	433,151,626	76,993,851	600,918,265	948,649,690	20,254,258	968,903,948

*Corresponds mainly to inflation effects on the equity of our Subsidiaries in Argentina (see Note 2.5.1)

The accompanying notes 1 to 31 form an integral part of these Consolidated Financial Statements.



EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES
Consolidated Statements of Direct Cash Flows
For the periods between January 1 and December 31, 2021, 2020 and 2019

	NOTE	01.01.2021 12.31.2021	01.01.2020 12.31.2020	01.01.2019 12.31.2019
		ThCh\$	ThCh\$	ThCh\$
<i>Cash flows provided by (used in) Operating Activities</i>				
<i>Cash flows provided by Operating Activities</i>				
Receipts from the sale of goods and the rendering of services (including taxes)		2,953,813,799	2,321,999,131	2,626,374,510
<i>Payments for Operating Activities</i>				
Payments to suppliers for goods and services (including taxes)		(2,048,185,735)	(1,517,256,079)	(1,802,751,639)
Payments to and on behalf of employees		(216,192,088)	(189,758,823)	(203,681,853)
Other payments for operating activities (value-added taxes on purchases, sales and others)		(278,367,683)	(266,228,165)	(292,958,045)
Dividends received		1,441,355	1,176,079	411,041
Interest payments		(55,497,167)	(44,299,001)	(36,141,477)
Interest received		5,373,494	7,538,364	1,539,120
Income tax payments		(46,100,050)	(29,474,900)	(34,198,767)
Other cash movements (tax on bank debits Argentina and others)		(11,230,942)	(4,927,608)	(3,444,416)
<i>Cash flows provided by (used in) Operating Activities</i>		305,054,983	278,768,998	255,148,474
<i>Cash flows provided by (used in) Investing Activities</i>				
Proceeds from sale of Property, plant and equipment		39,919	3,570	18,904
Purchase of Property, plant and equipment		(138,856,157)	(85,874,958)	(110,683,258)
Purchase of intangible assets		(5,171,139)	(207,889)	(448,307)
Payment on forward, term option and financial exchange agreements		(375,579)	(472,551)	(70,373)
Collection on forward, term, option and financial exchange agreements		678,274	2,122,954	1,135,034
Purchase of other current financial assets		(54,567,998)	(139,449,884)	—
Net cash flows used in Investing Activities		(198,252,680)	(223,878,758)	(110,048,000)
<i>Cash Flows generated from (used in) Financing Activities</i>				
Charges for changes in share ownership of subsidiaries		3,000,000	—	—
Proceeds (payments) from short term loans		—	27,633,156	50,297,337
Loan payments		(797,428)	(25,197,737)	(74,332,889)
Lease liability payments		(4,008,924)	(3,974,086)	(2,989,457)
Dividend payments by the reporting entity		(106,347,165)	(99,985,500)	(86,265,896)
Placement and payment of public debt		(7,165,997)	214,565,128	(13,821,732)
Net cash flows (used in) generated by Financing Activities		(115,319,514)	113,040,961	(127,112,637)
Net increase in cash and cash equivalents before exchange differences		(8,517,211)	167,931,201	17,987,837
Effects of exchange differences on cash and cash equivalents		9,501,803	(13,574,854)	4,048,168
Effects of inflation in cash and cash equivalents in Argentina		(6,203,271)	(2,393,634)	(2,006,632)
Net increase (decrease) in cash and cash equivalents		(5,218,679)	151,962,713	20,029,373
Cash and cash equivalents - beginning of period	4	309,530,699	157,567,986	137,538,613
Cash and cash equivalents - end of period	4	304,312,020	309,530,699	157,567,986

The accompanying notes 1 to 31 form an integral part of these Consolidated Financial Statements



EMBOTELLADORA ANDINA S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

1 – CORPORATE INFORMATION

Embotelladora Andina S.A. RUT (Chilean Taxpayer Id. N°) 91.144.000-8 (hereinafter “Andina,” and together with its subsidiaries, the “Company”) is an open stock corporation, whose corporate address and principal offices are located at Miraflores 9153, borough of Renca, Santiago, Chile. The Company is registered under No. 00124 of the Securities Registry and is regulated by Chile’s Financial Market Commission (hereinafter “CMF”) and pursuant to Chile’s Law 18,046 is subject to the supervision of this entity. It is also registered with the U.S. Securities and Exchange Commission (hereinafter “SEC”) and its stock is traded on the New York Stock Exchange since 1994.

The principal activity of Embotelladora Andina S.A. is to produce, bottle, commercialize and distribute the products under registered trademarks of The Coca-Cola Company (TCCC), as well as commercialize and distribute some brands of other companies such as Monster, Heineken, AB InBev, Diageo and Capel, among others. The Company maintains operations and is licensed to produce, commercialize and distribute such products in certain territories in Chile, Brazil, Argentina and Paraguay

In Chile, the territories in which it has such a franchise are the Metropolitan Region; the province of San Antonio, the V Region; the province of Cachapoal including the commune of San Vicente de Tagua-Tagua, the VI Region; the II Region of Antofagasta; the III Region of Atacama, the IV Region of Coquimbo XI Region de Aysén del General Carlos Ibáñez del Campo; XII Region of Magallanes and Chilean Antarctic. In Brazil, the aforementioned franchise covers much of the state of Rio de Janeiro, the entire state of Espírito Santo, and part of the states of São Paulo and Minas Gerais. In Argentina it includes the provinces of Córdoba, Mendoza, San Juan, San Luis, Entre Ríos, as well as part of the provinces of Santa Fe and Buenos Aires, Chubut, Santa Cruz, Neuquén, Río Negro, La Pampa, Tierra del Fuego, Antarctica and South Atlantic Islands. Finally, in Paraguay the territory comprises the whole country. The bottling agreement for the territories in Chile expires in January 2023; in Argentina it expires in September 2022; in Brazil it expires in October 2022, and one agreement for Paraguay, which is currently under renewal. Said agreements are renewable upon the request of Embotelladora Andina S.A. and at the sole discretion of The Coca-Cola Company.

Company Management estimates that the bottling agreements will be renewed by The Coca-Cola Company as it has occurred in the past.

As of the date of these consolidated financial statements, regarding Andina’s principal shareholders, the Controlling Group holds 55.25% of the outstanding shares with voting rights, corresponding to the Series A shares. The Controlling Group is composed of the Chadwick Claro, Garcés Silva, Said Handal and Said Somavía families, who control the Company in equal parts.

These Consolidated Financial Statements reflect the consolidated financial position of Embotelladora Andina S.A. and its Subsidiaries, which were approved by the Board of Directors on February 22, 2022.

2 – BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND APPLICATION OF ACCOUNTING CRITERIA

2.1 Accounting principles and basis of preparation

The Company’s Consolidated Financial Statements for the fiscal years ended December 31, 2021 and 2020, have been prepared in accordance with the International Financial Reporting Standards (hereinafter “IFRS”) issued by the International Accounting Standards Board (hereinafter “IASB”).

These Consolidated Financial Statements have been prepared following the going concern principle by applying the historical cost method, with the exception, according to IFRS, of those assets and liabilities that are recorded at fair value.



These Consolidated Statements reflect the consolidated financial position of Embotelladora Andina S.A. and its Subsidiaries as of December 31, 2021 and 2020 and the results of operations for the periods between January 1 and December 31, 2021 and 2020, together with the statements of changes in equity and cash flows for the three periods years in the period ended December 31, 2021, 2020 and 2019 and the related notes.

The Company's 2021 local statutory consolidated financial statements in Spanish were approved by the Company's Board of Directors on February 22, 2022, with subsequent events first being considered through that date. Those local statutory consolidated financial statements consisted of consolidated statement of financial position as of December 31, 2021 and 2020 along with consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows (and related disclosures), each for the two years then ended. Those consolidated financial statements were then subsequently approved by the Company's shareholders during its April 13, 2022 meeting.

Included in this 2021 consolidated financial statements are consolidated statement of financial position as of December 31, 2021 and 2020, along with consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows (and the related disclosures) for each of the three years ended December 31, 2021, 2020 and 2019. This three-year presentation of operations, changes in equity and of cash flows is required by the rules of the United States Securities and Exchange Commission. The accompanying English language IFRS consolidated financial statements are consistent with the previously issued local statutory consolidated financial statements. This three-year English language IFRS consolidated financial statements were approved for issuances by the Board of Directors during a session held on April 26, 2022, with subsequent events considered through this later date.

These Consolidated Financial Statements have been prepared based on the accounting records maintained by the Parent Company and by the other entities that are part of the Company and are presented in thousands of Chilean pesos (unless expressly stated) as this is the functional and presentation currency of the Company. Foreign operations are included in accordance with the accounting policies established in Notes 2.5.

2.2 Subsidiaries and consolidation

Subsidiary entities are those companies directly or indirectly controlled by Embotelladora Andina. Control is obtained when the Company has power over the investee, when it has exposure or is entitled to variable returns from its involvement in the investee and when it has the ability to use its power to influence the amount of investor returns. They include assets and liabilities, results of operations, and cash flows for the periods reported. Income or losses from subsidiaries acquired or sold are included in the Consolidated Financial Statements from the effective date of acquisition through the effective date of disposal, as applicable.

The acquisition method is used to account for the acquisition of subsidiaries. The consideration transferred for the acquisition of the subsidiary is the fair value of assets transferred, equity securities issued, liabilities incurred or assumed on the date that control is obtained. Identifiable assets acquired, and identifiable liabilities and contingencies assumed in a business combination are accounted for initially at their fair values at the acquisition date. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Intercompany transactions, balances and unrealized gains on transactions between Group entities are eliminated. Unrealized losses are also eliminated. When necessary, the accounting policies of the subsidiaries are modified to ensure uniformity with the policies adopted by the Group.

The interest of non-controlling shareholders is presented in the consolidated statement of changes in equity and the consolidated statement of income by function under "Non-Controlling Interest" and "Earnings attributable to non-controlling interests", respectively.



The consolidated financial statements include all assets, liabilities, income, expenses, and cash flows of the Company and its subsidiaries after eliminating balances and transaction among the Group's entities, the subsidiary companies included in the consolidation are the following:

Taxpayer ID	Company Name	Ownership interest					
		12.31.2021			12.31.2020		
		Direct	Indirect	Total	Direct	Indirect	Total
59.144.140-K	Abisa Corp S.A. (1)	—	—	—	—	99.99	99.99
Foreign	Aconcagua Investing Ltda. (1)	—	—	—	0.70	99.28	99.98
96.842.970-1	Andina Bottling Investments S.A.	99.9	0.09	99.99	99.9	0.09	99.99
96.972.760-9	Andina Bottling Investments Dos S.A.	99.9	0.09	99.99	99.9	0.09	99.99
Foreign	Andina Empaques Argentina S.A.	—	99.98	99.98	—	99.98	99.98
96.836.750-1	Andina Inversiones Societarias S.A.	99.98	0.01	99.99	99.98	0.01	99.99
76.070.406-7	Embotelladora Andina Chile S.A.	99.99	—	99.99	99.99	—	99.99
Foreign	Embotelladora del Atlántico S.A.	0.92	99.07	99.99	0.92	99.07	99.99
96.705.990-0	Envases Central S.A.	59.27	—	59.27	59.27	—	59.27
Foreign	Paraguay Refrescos S.A.	0.08	97.75	97.83	0.08	97.75	97.83
76.276.604-3	Red de Transportes Comerciales Ltda.	99.9	0.09	99.99	99.9	0.09	99.99
77.427.659-9	Re-Ciclar S.A. (2)	60.00	—	60.00	—	—	—
Foreign	Rio de Janeiro Refrescos Ltda.	—	99.99	99.99	—	99.99	99.99
78.536.950-5	Servicios Multivending Ltda.	99.9	0.09	99.99	99.9	0.09	99.99
78.861.790-9	Transportes Andina Refrescos Ltda.	99.9	0.09	99.99	99.9	0.09	99.99
96.928.520-7	Transportes Polar S.A.	99.99	—	99.99	99.99	—	99.99
76.389.720-6	Vital Aguas S.A.	66.50	—	66.50	66.50	—	66.50
93.899.000-k	VJ S.A.	15.00	50.00	65.00	15.00	50.00	65.00

(1) These companies were merged into Andina Bottling Investments Dos S.A.

(2) Re-Ciclar S.A. is a company, whose purpose is to produce recycled resin for the Coca-Cola system and third parties

2.3 Investments in associates

Ownership interest held by the Group in associates are recorded following the equity method. According to the equity method, the investment in an associate is initially recorded at cost. As of the date of acquisition, the investment in the statement of financial position is recorded by the proportion of its total assets, which represents the Group's participation in its capital, once adjusted, where appropriate, the effect of the transactions made with the Group, plus capital gains that have been generated in the acquisition of the company.

Dividends received from these companies are recorded by reducing the value of the investment and the results obtained by them, which correspond to the Group according to its ownership, are recorded under the item "Participation in profit (loss) of associates accounted for by the equity method."

Associates are all entities over which the Group exercises significant influence but does not have control. Significant influence is the power to intervene in the financial and operating policy decisions of the associate, without having control or joint control over it. The results of these associates are accounted for using the equity method. Accounting policies of the associates are changed, where necessary, to ensure conformity with the policies adopted by the Company and unrealized gains are eliminated.

For associates located in Brazil, the financial statements accounted for using the equity method have a one-month lag because their reporting dates are different from those of Embotelladora Andina.

2.4 Financial reporting by operating segment

"IFRS 8 Operating Segments" requires that entities disclose information on the results of operating segments. In general, this is information that Management and the Board of Directors use internally to assess performance of segments and allocate resources to them. Therefore, the following operating segments have been determined based on geographic location:

- Operation in Chile



- Operation in Brazil
- Operation in Argentina
- Operation in Paraguay

2.5 Functional currency and presentation currency

2.5.1 Functional currency

Items included in the financial statements of each of the entities in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of each of the Operations is the following:

Company	Functional Currency
Embotelladora del Atlántico	Argentine Peso (ARS)
Embotelladora Andina	Chilean Peso (CLP)
Paraguay Refrescos	Paraguayan Guaraní (PYG)
Rio de Janeiro Refrescos	Brazil Real (BRL)

Foreign currency-denominated monetary assets and liabilities are converted to the functional currency at the spot exchange rate in effect on the closing date.

All differences arising from the liquidation or conversion of monetary items are recorded in the income statement, with the exception of the monetary items designated as part of the hedging of the Group's net investment in a business abroad. These differences are recorded under other comprehensive income until the disposal of the net investment, at which point they are reclassified to the income statement. Tax adjustments attributable to exchange differences in these monetary items are also recognized under other comprehensive income.

Non-monetary items that are valued at historical cost in a foreign currency are converted using the exchange rate in effect at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are converted using the exchange rate in effect at the date on which fair value is determined. Losses or gains arising from the conversion of non-monetary items measured at fair value are recorded in accordance with the recognition of losses or gains arising from the change in the fair value of the respective item (e.g., exchange differences arising from items whose fair value gains or losses are recognized in another overall result or in results are also recognized under comprehensive income).

Functional currency in hyperinflationary economies

Beginning July 2018, Argentina's economy is considered as hyperinflationary, according to the criteria established in the International Accounting Standard No. 29 "Financial information in hyperinflationary economies" (IAS 29). This determination was carried out based on a series of qualitative and quantitative criteria, including an accumulated inflation rate of more than 100% for three years. In accordance with IAS 29, the financial statements of companies in which Embotelladora Andina S.A. participates in Argentina have been retrospectively restated by applying a general price index to the historical cost, in order to reflect the changes in the purchasing power of the Argentine peso, as of the closing date of these financial statements.

Non-monetary assets and liabilities were restated since February 2003, the last date an inflation adjustment was applied for accounting purposes in Argentina. In this context, it should be mentioned that the Group made its transition to IFRS on January 1, 2004, applying the attributed cost exemption for Property, plant and equipment.

For consolidation purposes in Embotelladora Andina S.A. and as a result of the adoption of IAS 29, the results and financial situation of our Argentine subsidiaries were converted to the closing exchange rate (ARS/CLP) at December 31, 2021, in accordance with IAS 21 "Effects of foreign currency exchange rate variations", when dealing with a hyperinflationary economy.



The comparative amounts in the consolidated financial statements are those that were presented as current year amounts in the relevant financial statements of the previous year (i.e., not adjusted for subsequent changes in price level or exchange rates). This results in differences between the closing net equity of the previous year and the opening net equity of the current year and, as an accounting policy option, these changes are presented as follows: (a) the re-measurement of Opening balances under IAS 29 as an adjustment to equity and (b) subsequent effects, including re-expression under IAS 21, as "Exchange rate differences in the conversion of foreign operations" under other comprehensive income.

Inflation for the periods from January to December 2021 and 2020 was 50.21% and 36.01%, respectively.

2.5.2 Presentation currency

The presentation currency is the Chilean peso, which is the functional currency of the parent company, for such purposes, the financial statements of subsidiaries are translated from the functional currency to the presentation currency as indicated below:

- a. Translation of financial statements whose functional currency does not correspond to hyperinflationary economies (Brazil and Paraguay)

Financial statements measured as indicated are translated to the presentation currency as follows:

- The statement of financial position is translated to the closing exchange rate at the financial statement date and the income statement is translated at the average monthly exchange rates, the differences that result are recognized in equity under other comprehensive income.
- Cash flow income statement are also translated at average exchange rates for each transaction.
- In the case of the disposal of an investment abroad, the component of other comprehensive income (OCI) relating to that investment is reclassified to the income statement.

- b. Translation of financial statements whose functional currency corresponds to hyperinflationary economies (Argentina)

Financial statements of economies with a hyperinflationary economic environment, are recognized according to *IAS 29 Financial Information in Hyperinflationary Economies*, and subsequently converted to Chilean pesos as follows:

- The statement of financial position sheet is translated at the closing exchange rate at the financial statements date.
- The income statement is translated at the closing exchange rate at the financial statements date.
- The statement of cash flows is converted to the closing exchange rate at the date of the financial statements.
- For the disposal of an investment abroad, the component of other comprehensive income (OCI) relating to that investment is reclassified to the income statement.

2.5.3 Exchange rates

Exchange rates regarding the Chilean peso in effect at the end of each period are as follows:

Date	USD	BRL	ARS	PYG
12.31.2021	844.69	151.36	8.22	0.123
12.31.2020	710.95	136.80	8.44	0.103

2.6 Property, plant, and equipment

The elements of Property, plant and equipment, are valued for their acquisition cost, net of their corresponding accumulated depreciation, and of the impairment losses they have experienced.

The cost of the items of Property, plant and equipment include in addition to the price paid for the acquisition: i) the financial expenses accrued during the construction period that are directly attributable to the acquisition, construction or production of qualified assets,



which are those that require a substantial period of time before being ready for use, such as production facilities. The Group defines a substantial period as one that exceeds twelve months. The interest rate used is that corresponding to specific financing or, if it does not exist, the weighted average financing rate of the Company making the investment; and ii) personnel expenses directly related to the construction in progress.

Construction in progress is transferred to operating assets after the end of the trial period when they are available for use, from which moment depreciation begins.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the items of Property, plant and equipment will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance are charged to expense in the reporting period in which they are incurred.

Land is not depreciated since it has an indefinite useful life. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives.

The estimated useful lives by asset category are:

Assets	Range in years
Buildings	15-80
Plant and equipment	5-20
Warehouse installations and accessories	10-50
Furniture and supplies	4-5
Motor vehicles	4-10
Other Property, plant and equipment	3-10
Bottles and containers	2-5

The residual value and useful lives of Property, plant and equipment are reviewed and adjusted at the end of each fiscal year, if appropriate.

The Company assesses on each reporting date if there is evidence that an asset may be impaired. The Group estimates the recoverable amount of the asset, if there is evidence, or when an annual impairment test is required for an asset.

Gains and losses on disposals of property, plant, and equipment are calculated by comparing the proceeds to the carrying amount and are charged to other expenses by function or other gains, as appropriate in the statement of comprehensive income.

2.7 Intangible assets and Goodwill

2.7.1 Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in the net fair value of the net identifiable assets of the subsidiary and the fair value of the non-controlling interest in the subsidiary on the acquisition date. Since goodwill is an intangible asset with indefinite useful life, it is recognized separately and tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses.

Gains and losses on the sale of an entity include the carrying amount of goodwill related to that entity.

Goodwill is assigned to each cash generating unit (CGU) or group of cash-generating units, from where it is expected to benefit from the synergies arising from the business combination. Such CGUs or groups of CGUs represent the lowest level in the organization at which goodwill is monitored for internal management purposes.



2.7.2 Distribution rights

Distribution rights are contractual rights to produce and/or distribute Coca-Cola brand products and other brands in certain territories in Argentina, Brazil, Chile and Paraguay. Distribution rights are born from the process of valuation at fair value of the assets and liabilities of companies acquired in business combinations. Distribution rights have an indefinite useful life and are not amortized, (as they are historically permanently renewed by The Coca-Cola Company) and therefore are subject to impairment tests on an annual basis.

2.7.3 Software

Carrying amounts correspond to internal and external software development costs, which are capitalized once the recognition criteria in IAS 38, *Intangible Assets*, have been met. Their accounting recognition is initially realized for their acquisition or production cost and, subsequently, they are valued at their net cost of their corresponding accumulated amortization and of the impairment losses that, if applicable, they have experienced. The aforementioned software is amortized within four years.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life, such as intangibles related to distribution rights and goodwill, are not amortized and are tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. Assets that are subject to amortization are tested for impairment whenever there is an event or change in circumstances indicating that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the greater of an asset's fair value less costs to sell or its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units – CGU).

Regardless of what was stated in the previous paragraph, in the case of CGUs to which capital gains or intangible assets have been assigned with an indefinite useful life, the analysis of their recoverability is carried out systematically at the end of each fiscal year. These indications may include new legal provisions, change in the economic environment that affects business performance indicators, competition movements, or the disposal of an important part of a CGU.

Management reviews business performance based on geographic segments. Goodwill is monitored at the operating segment level that includes the different cash generating units in operations in Chile, Brazil, Argentina and Paraguay. The impairment of distribution rights is monitored geographically in the CGU or group of cash generating units, which correspond to specific territories for which Coca-Cola distribution rights have been acquired. These cash generating units or groups of cash generating units are composed of the following segments:

- Operation in Chile;
- Operation in Argentina;
- Operation in Brazil (State of Rio de Janeiro and Espirito Santo, Ipiranga territories, investment in the Sorocaba associate and investment in the Leão Alimentos S.A. associate);
- Operation in Paraguay

To check if goodwill has suffered a loss due to impairment of value, the Company compares the book value thereof with its recoverable value, and recognizes an impairment loss, for the excess of the asset's carrying amount over its recoverable amount. To determine the recoverable values of the CGU, management considers the discounted cash flow method as the most appropriate.



The main assumptions used in the annual test are:

a) Discount rate

The discount rate applied in the annual test carried out in 2021 was estimated using the CAPM (Capital Asset Pricing Model) methodology, which allows estimating a discount rate according to the level of risk of the CGU in the country where it operates. A nominal discount rate in local currency before tax is used according to the following table:

	2021 Discount rates	2020 Discount rates
Argentina	27.2 %	28.1 %
Chile	7.1 %	7.2 %
Brazil	9.0 %	9.9 %
Paraguay	8.1 %	9.3 %

b) Other assumptions

The financial projections to determine the net present value of the future cash flows of the CGUs are modeled based on the main historical variables and the respective budgets approved by the CGU. In this regard, a conservative growth rate is used, which reaches 4% for the carbonated beverage category and up to 5% for less developed categories such as juices and waters. Beyond the fifth year of projection, growth perpetuity rates are established per operation ranging from a real 0.4% to 0.9% depending on the degree of maturity of the consumption of the products in each operation. In this sense, the variables with greatest sensitivity in these projections are the discount rates applied in the determination of the net present value of projected cash flows, growth perpetuities and EBITDA margins considered in each CGU.

In order to sensitize the impairment test, variations were made to the main variables used in the model. Ranges used for each of the modified variables are:

- Discount Rate: Increase / Decrease of up to 200 bps as a value in the rate at which future cash flows are discounted to bring them to present value
- Perpetuity: Increase / Decrease of up to 30 bps in the rate to calculate the perpetual growth of future cash flows
- EBITDA margin: Increase / Decrease of 150 bps of EBITDA margin of operations, which is applied per year for the projected periods, that is, for the years 2022-2026

In each sensitization scenario of the of the 3 variables mentioned above, no signs of impairment were observed for the Company's CGUs.

The Company performs the impairment analysis on an annual basis. As a result of the tests conducted as of December 31, 2021 and 2020, no evidence of impairment was identified in any of the CGUs listed above, assuming conservative EBITDA margin projections and in line with market history.

Despite the deterioration in macroeconomic conditions experienced by the economies of the countries in which operations are carried out and as a result of the pandemic, the impairment test yielded recovery values higher than the book values of assets, including those for the sensitivity calculations in the stress test conducted on the model.

It should be noted that although no impairment indicators were identified for the CGUs described above, the annual review of other investments identified that for the Verde Campo brand (a dairy producer owned by Trop Frutas do Brasil Ltda.), in which Andina Brazil has a minority interest, the recoverable amount would be BRL 21.8 million, an amount below the carrying amount recorded in the financial statements of BRL 34.6 million, in which Andina Brazil includes its proportional interest. Given the difference, the BRL 12.8 million loss was reduced from its book value as of December 2021, leaving a recoverable amount of BRL 21.8 million. The impairment effects were included in the consolidated results under "Share of profit (loss) of associates accounted for under the equity method". The main reasons for the impairment of the investment are due to the lower flows expected for the dairy products segment for the local Brazilian market.



2.9 Financial instruments

A financial instrument is any contract that results in the recognition of a financial asset in one entity and a financial liability or equity instrument in another entity.

2.9.1 Financial assets

Pursuant to IFRS 9 “Financial Instruments”, except for certain trade accounts receivable, the Group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset that is not at fair value, reflecting changes in P&L.

The classification is based on two criteria: (a) the Group’s business model for the purpose of managing financial assets to obtain contractual cash flows; and (b) if the contractual cash flows of financial instruments represent “solely payments of principal and interest” on the outstanding principal amount (the “SPPI criterion”). According to IFRS 9, financial assets are subsequently measured at (i) fair value with changes in P&L (FVPL), (ii) amortized cost or (iii) fair value through other comprehensive income (FVOCI).

The subsequent classification and measurement of the Group’s financial assets are as follows:

- Financial asset at amortized cost for financial instruments that are maintained within a business model with the objective of maintaining the financial assets to collect contractual cash flows that meet the SPPI criterion. This category includes the Group’s trade and other accounts receivable.

Financial assets measured at fair value with changes in other comprehensive income (FVOCI), with gains or losses recognized in P&L at the time of liquidation. Financial assets in this category correspond to the Group’s instruments that meet the SPPI criterion and are kept within a business model both to collect cash flows and to sell.

Other financial assets are classified and subsequently measures as follows:

Equity instruments at fair value with changes in other comprehensive income (FVOCI) without recognizing earnings or losses in P&L at the time of liquidation. This category only includes equity instruments that the Group intends to keep in the foreseeable future and that the Group has irrevocably chosen to classify in this category in the initial recognition or transition.

Financial assets at fair value with changes in P&L (FVPL) include derivative instruments and equity instruments quoted that the Group had not irrevocably chosen to classify at FVOCI in the initial recognition or transition. This category also includes debt instruments whose cash flow characteristics do not comply with the SPPI criterion or are not kept within a business model whose objective is to recognize contractual cash flows or sale.

A financial asset (or, where applicable, a portion of a financial asset or a portion of a group of similar financial assets) is initially disposed (for example, canceled in the Group’s consolidated financial statements) when:

- The rights to receive cash flows from the asset have expired,
- The Group has transferred the rights to receive the cash flows of the asset or has assumed the obligation to pay all cash flows received without delay to a third party under a transfer agreement; and the Group (a) has substantially transferred all risks and benefits of the asset, or (b) has not substantially transferred or retained all risks and benefits of the asset but has transferred control of the asset.

2.9.2 Financial Liabilities

Financial liabilities are classified as a fair value financial liability at the date of their initial recognition, as appropriate, with changes in results, loans and credits, accounts payable or derivatives designated as hedging instruments in an effective coverage.



All financial liabilities are initially recognized at fair value and transaction costs directly attributable are netted from loans and credits and accounts payable.

The Group's financial liabilities include trade and other accounts payable, loans and credits, including those discovered in current accounts, and derivative financial instruments.

The classification and subsequent measurement of the Group's financial liabilities are as follows:

- Fair value financial liabilities with changes in results include financial liabilities held for trading and financial liabilities designated in their initial recognition at fair value with changes in results. The losses or gains of liabilities held for trading are recognized in the income statement.
- Loans and credits are valued at cost or amortized using the effective interest rate method. Gains and losses are recognized in the income statement when liabilities are disposed, as well as interest accrued in accordance with the effective interest rate method.

A financial liability is disposed of when the obligation is extinguished, cancelled or expires. Where an existing financial liability is replaced by another of the same lender under substantially different conditions, or where the conditions of an existing liability are substantially modified, such exchange or modification is treated as a disposal of the original liability and the recognition of the new obligation. The difference in the values in the respective books is recognized in the statement of income.

2.9.3 Offsetting financial instruments

Financial assets and financial liabilities are offset with the corresponding net amount presenting the corresponding net amount in the statement of financial position, if:

- There is currently a legally enforceable right to offset the amounts recognized, and
- It is intended to liquidate them for the net amount or to realize the assets and liquidate the liabilities simultaneously.

2.10 Derivatives financial instruments and hedging activities

The Company and its subsidiaries use derivative financial instruments to mitigate risks relating to changes in foreign currency and exchange rates associated with raw materials, and loan obligations.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each closing date. Derivatives are accounted as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

2.10.1 Derivative financial instruments designated as cash flow hedges

At the inception of the transaction, the group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated income statement within "other gains (losses)".

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when foreign currency denominated financial liabilities are translated into their functional currencies). The gain or loss relating to the



effective portion of cross currency swaps hedging the effects of changes in foreign exchange rates are recognized in the consolidated income statement within “foreign exchange differences.” When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the consolidated income statement.

2.10.2 Derivative financial instruments not designated for hedging

The fair value of derivative financial instruments that do not qualify for hedge accounting pursuant to IFRS are immediately recognized in the income statement under “Other income and losses”. The fair value of these derivatives is recorded under “other current financial assets” or “other current financial liabilities” in the statement of financial position.”

The Company does not use hedge accounting for its foreign investments.

The Company also evaluates the existence of derivatives implicitly in contracts and financial instruments as stipulated by IFRS 9 and classifies them pursuant to their contractual terms and the business model of the group. As of December 31, 2021, the Company had no implicit derivatives.

2.10.3 Fair value hierarchy

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 on the date of the transaction. Fair value is based on the presumption that the transaction to sell the asset or to transfer the liability takes place;

- In the asset or liability main market, or
- In the absence of a main market, in the most advantageous market for the transaction of those assets or liabilities.

The Company maintains assets related to foreign currency derivative contracts which were classified as Other current and non-current financial assets and Other current and non-current financial liabilities, respectively, and are accounted at fair value within the statement of financial position. The Company uses the following hierarchy to determine and disclose the fair value of financial instruments with assessment techniques:

Level 1: Quote values (unadjusted) in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level variable used, which is significant for the calculation, is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level variable used, which is significant for the calculation, is not observable.

During the reporting periods there were no transfers of items between fair value measurement categories. All of which were valued during the periods using Level 2.

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs and manufacturing overhead (based on operating capacity) to bring the goods to marketable condition, but it excludes interest expense. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Spare parts and production materials are stated at the lower of cost or net realizable value.

The initial cost of inventories includes the transfer of losses and gains from cash flow hedges, related to the purchase of raw materials.

Estimates are also made for obsolescence of raw materials and finished products based on turnover and age of the related goods.



2.12 Trade accounts receivable and other accounts receivable

Trade accounts receivable and other accounts receivable are measured and recognized at the transaction price at the time they are generated less the provision for expected credit losses, pursuant to the requirements of IFRS 15, since they do not have a significant financial component, less the provision of expected credit losses. The provision for expected credit losses is made applying a value impairment model based on expected credit losses for the following 12 months. The Group applies a simplified focus for trade receivables, thereby impairment is always recorded referring to expected losses during the whole life of the asset. The carrying amount of the asset is reduced by the provision of expected credit losses, and the loss is recognized in administrative expenses in the consolidated income statement by function.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances, time deposits and other short-term highly liquid and low risk of change in value investments.

2.14 Other financial liabilities

Resources obtained from financial institutions as well as the issuance of debt securities are initially recognized at fair value, net of costs incurred during the transaction. Then, liabilities are valued by accruing interests in order to equal the current value with the future value of liabilities payable, using the effective interest rate method.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualified assets, considered as those that require a substantial period of time in order to get ready for their forecasted use or sale, are added to the cost of those assets until the period in which the assets are substantially ready to be used or sold.

2.15 Income tax

The Company and its subsidiaries in Chile account for income tax according to the net taxable income calculated based on the rules in the Income Tax Law. Subsidiaries in other countries account for income taxes according to the tax regulations of the country in which they operate.

Deferred income taxes are calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements, using the tax rates that have been enacted or substantively enacted on the balance sheet date and are expected to apply when the deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The Company does not recognize deferred income taxes for temporary differences from investments in subsidiaries in which the Company can control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the near future.

The Group offsets deferred tax assets and liabilities if and only if it has legally recognized a right to offset against the tax authority the amounts recognized in those items; and intends to settle the resulting net debts, or to realize the assets and simultaneously settle the debts that have been offset by them.

2.16 Employee benefits

The Company records a liability regarding indemnities for years of service that will be paid to employees in accordance with individual and collective agreements subscribed with employees, which is recorded at actuarial value in accordance with IAS 19 "Employee Benefits".



Results from updated of actuarial variables are recorded within other comprehensive income in accordance with IAS 19.

Additionally, the Company has retention plans for some officers, which have a provision pursuant to the guidelines of each plan. These plans grant the right to certain officers to receive a cash payment on a certain date once they have fulfilled with the required years of service.

The Company and its subsidiaries have recorded a provision to account for the cost of vacations and other employee benefits on an accrual basis. These liabilities are recorded under current non-financial liabilities.

2.17 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.18 Leases

In accordance with IFRS 16 “Leases” Embotelladora Andina analyzes, at the beginning of the contract, the economic background of the agreement, to determine if the contract is, or contains, a lease, evaluating whether the agreement transfers the right to control the use of an identified asset for a period of time in exchange for a consideration. Control is considered to exist if the client has i) the right to obtain substantially all the economic benefits from the use of an identified asset; and ii) the right to direct the use of the asset.

The Company when operating as a lessee, at the beginning of the lease (on the date the underlying asset is available for use) records an asset for the right-of-use in the statement of financial position (under Property, plant and equipment) and a lease liability (under Other financial liabilities).

This asset is initially recognized at cost, which includes: i) value of the initial measurement of the lease liability; ii) lease payments made up to the start date less lease incentives received; iii) the initial direct costs incurred; and iv) the estimation of costs for dismantling or restoration. Subsequently, the right-of-use asset is measured at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated losses due to impairment of value. The right-of-use asset is depreciated in the same terms as the rest of similar depreciable assets, if there is reasonable certainty that the lessee will acquire ownership of the asset at the end of the lease. If such certainty does not exist, the asset depreciates at the shortest period between the useful life of the asset or the lease term.

On the other hand, the lease liability is initially measured at the present value of the lease payments, discounted at the incremental loan rate of the Company, if the interest rate implicit in the lease could not be easily determined. Lease payments included in the measurement of the liability include: i) fixed payments, less any lease incentive receivable; ii) variable lease payments; iii) residual value guarantees; iv) exercise price of a purchase option; and v) penalties for lease termination.

The lease liability is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying amount of the liability is measured again if there is a modification in the terms of the lease (changes in the term, in the amount of payments or in the evaluation of an option to buy or change in the amounts to be paid). Interest expense is recognized as an expense and is distributed among the periods that constitute the lease period, so that a constant interest rate is obtained in each year on the outstanding balance of the lease liability.

Short-term leases, equal to or less than one year, or lease of low-value assets are excepted from the application of the recognition criteria described above, recording the payments associated with the lease as an expense in a linear manner throughout the lease term. The Company does not act as lessor.



2.19 Deposits for returnable containers

This liability comprises cash collateral, or deposit, received from customers for bottles and other returnable containers made available to them.

This liability pertains to the deposit amount that would be reimbursed when the customer or distributor returns the bottles and containers in good condition, together with the original invoice.

This liability is presented under Other current financial liabilities since the Company does not have legal rights to defer settlement for a period in excess of one year. However, the Company does not anticipate any material cash settlements for such amounts during the upcoming year.

2.20 Revenue recognition

The Company recognizes revenue when control over a good or service is transferred to the client. Control refers to the ability of the client to direct the use and obtain substantially all the benefits of the goods and services exchanged. Revenue is measured based on the consideration to which it is expected to be entitled for such transfer of control, excluding amounts collected on behalf of third parties.

Management has defined the following indicators for revenue recognition, applying the five-step model established by IFRS 15 “Revenue from contracts with customers”: 1) Identification of the contract with the customer; 2) Identification of performance obligations; 3) Determination of the transaction price; 4) Assignment of the transaction price; and 5) Recognition of revenue.

All the above conditions are met at the time the products are delivered to the customer. Net sales reflect the units delivered at list price, net of promotions, discounts and taxes.

The revenue recognition criteria of the good provided by Embotelladora Andina corresponds to a single performance obligation that transfers the product to be received to the customer.

2.21 Contributions of The Coca-Cola Company

The Company receives certain discretionary contributions from The Coca-Cola Company (TCCC) mainly related to the financing of advertising and promotional programs for its products in the territories where the Company has distribution licenses. The contribution received from TCCC are recognized in net income after the conditions agreed with TCCC in order to become a creditor to such incentive have been fulfilled, they are recorded as a reduction in the marketing expenses included in the Administration Expenses account. Given its discretionary nature, the portion of contributions received in one period does not imply it will be repeated in the following period.

2.22 Dividend distribution

Dividend distribution to Company shareholders is recorded as a liability in the Company’s Consolidated Financial Statements, considering the 30% minimum dividend of the period’s earnings established by Chilean Corporate Law, unless otherwise agreed in the respective meeting, by the unanimity of the issued shares.

Interim and final dividends are recorded at the time of their approval by the competent body, which in the first case is normally the Board of Directors of the Company, while in the second case it is the responsibility of General Shareholders’ Meeting.

2.23 Critical accounting estimates and judgments

In preparing the consolidated financial statements, the Company has used certain judgments and estimates made to quantify some of the assets, liabilities, income, expenses and commitments. Following is an explanation of the estimates and judgments that might have a material impact on future financial statements.



2.23.1 Impairment of goodwill and intangible assets with indefinite useful lives

The Company tests annually whether goodwill and intangible assets with indefinite useful life (such as distribution rights) have suffered any impairment. The recoverable amounts of cash generating units are determined based on value in use calculations. The key variables used in the calculations include sales volumes and prices, discount rates, marketing expenses and other economic factors including inflation. The estimation of these variables requires a use of estimates and judgments as they are subject to inherent uncertainties; however, the assumptions are consistent with the Company's internal planning and past results. Therefore, management evaluates, and updates estimates according to the conditions affecting the variables. If these assets are considered to have been impaired, they will be written off at their estimated fair value or future recovery value according to the lowest discounted cash flows analysis. On an annual basis and close to each fiscal year end discounted cash flows in the Company's cash generating units in Chile, Brazil, Argentina and Paraguay generated a higher value than the carrying values of the respective net assets, including goodwill of the Brazilian, Argentinian and Paraguayan subsidiaries.

2.23.2 Fair Value of Assets and Liabilities

IFRS require in certain cases that assets and liabilities be recorded at their fair value. Fair value is the price that would be received for selling an asset or paid to transfer a liability in a transaction ordered between market participants at the date of measurement.

The basis for measuring assets and liabilities at fair value are their current prices in an active market. For those that are not traded in an active market, the Company determines fair value based on the best information available by using valuation techniques.

In the case of the valuation of intangibles recognized as a result of acquisitions from business combinations, the Company estimates the fair value based on the "multi-period excess earning method", which involves the estimation of future cash flows generated by the intangible assets, adjusted by cash flows that do not come from these, but from other assets. The Company also applies estimations over the period during which the intangible assets will generate cash flows, cash flows from other assets, and a discount rate.

Other assets acquired, and liabilities assumed in a business combination are carried at fair value using valuation methods that are considered appropriate under the circumstances. Assumptions include the depreciated cost of recovery and recent transaction values for comparable assets, among others. These valuation techniques require certain inputs to be estimated, including the estimation of future cash flows.

2.23.3 Allowances for doubtful accounts

The Group uses a provision matrix to calculate expected credit losses for trade receivables. Provisions are based on due days for various groups of customer segments that have similar loss patterns (i.e., by geography region, product type, customer type and rating, and credit letter coverage and other forms of credit insurance).

The provision matrix is initially based on the historically observed non-compliance rates for the Group. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For example, if expected economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to more non-compliances in the industry, historical default rates are adjusted. At each closing date, the observed historical default rates are updated and changes in prospective estimates are analyzed. The assessment of the correlation between observed historical default rates, expected economic conditions and expected credit losses are significant estimates.

2.23.4 Useful life, residual value and impairment of property, plant, and equipment

Property, plant, and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of those assets. Changes in circumstances, such as technological advances, changes to the Company's business model, or changes in its capital strategy might modify the effective useful lives as compared to our estimates. Whenever the Company determines that the useful life of Property, plant and equipment might be shortened, it depreciates the excess between the net book value and the estimated recoverable amount according to the revised remaining useful life. Factors such as changes in the planned usage of manufacturing equipment, dispensers, transportation equipment and computer software could make the useful lives of assets shorter. The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of any of those assets



may not be recovered. The estimate of future cash flows is based, among other factors, on certain assumptions about the expected operating profits in the future. The Company's estimation of discounted cash flows may differ from actual cash flows because of, among other reasons, technological changes, economic conditions, changes in the business model, or changes in operating profit. If the sum of the projected discounted cash flows (excluding interest) is less than the carrying amount of the asset, the asset shall be written-off to its estimated recoverable value.

At the closing of December 2021, based on the best estimate according to the most recent reliable, reasonable and available information, Management performed a review of its accounting estimates of useful lives in the Operations in Argentina, Brazil and Paraguay.

The review of the estimates resulted in slight changes mainly in fixed assets related to Furniture and Fixtures:

Assets	Previous range of years	New range of years
Buildings	15-80	15-80
Plant and equipment	5-20	5-20
Fixed and ancillary equipment	10-50	10-50
Furniture and fixtures	4-5	5
Vehicles	4-10	4-10
Other property, plant and equipment	3-10	5-10
Containers and cases	2-5	1-8

The impact of the change in the useful life of the Company's foreign operations is not significant in the current and future years.

2.23.5 Contingent liabilities

Provisions for litigation and other contingencies are recognized when the Company has a current obligation (legal or implied) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the current obligation at the date of issuance of the financial statements, considering the risks and uncertainties surrounding the obligation. When a provision is measured using estimated cash flows to settle the current obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The accrual of the discount is recognized as a finance cost. Incremental legal costs expected to be incurred in settling the legal claim are included in the measurement of the provision.

Provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision is reversed.

A contingent liability does not imply the recognition of a provision. Legal costs expected to be incurred in defending the legal claim are recognized in profit or loss when incurred.

2.24.1 New Standards, Interpretations and Amendments for annual periods beginning on or after January 1, 2021.

Amendments to IFRS which have been issued and are effective from January 1, 2021, are detailed below.

	Amendments	Application date
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform—Phase 2	January 1, 2021
IFRS 16	COVID-19-Related Rent Concessions	April 1, 2021



IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform—Phase 2

In August 2020, the IASB published the second phase of the Interest Rate Benchmark Reform containing amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With this publication, the IASB completes its work to respond to the effects of Interbank Offer Rate Reform (IBOR) on financial information.

The amendments provide temporary exceptions that address the effects on financial information when a benchmark interest rate (IBOR) is replaced by an almost risk-free alternative interest rate.

Amendments are required and early application is permitted. A hedging ratio must be resumed if the hedging ratio were discontinued solely due to the changes required by the reform of the benchmark interest rate and would therefore not have been discontinued if the second phase of amendments had been implemented at that time. While application is retrospective, an entity is not required to restate previous periods.

The amendment is applicable for the first time in 2021, however, it has no impact on Andina's financial statements.

IFRS 16 COVID-19-Related Rent Concessions

In May 2020, the IASB issued an amendment to IFRS 16 *Leases* to provide relief for lessees in the application of IFRS 16 guidance regarding lease modifications due to rent concessions occurring as a direct consequence of the Covid-19 pandemic. The amendment does not affect lessors. On March 31, the IASB extended this amendment for one year

As a practical solution, a lessee may choose not to assess whether the Covid-19-related rent reduction granted by a lessor is a modification of the lease. A lessee making this choice will recognize changes in lease payments from Covid-19-related rent reductions in the same way as it would recognize the change under IFRS 16 as if such a change was not a modification of the lease.

A lessee shall apply this practical solution retroactively, recognizing the cumulative effect of the initial application of the amendment as an adjustment in the Opening balance of accumulated results (or another component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment.

A lessee will apply this amendment for annual periods beginning on April 1, 2021.

Company management has not implemented this amendment because it has no Covid-19-related lease modifications.

2.24.2 New Accounting Standards, Interpretations and Amendments with effective application for annual periods beginning on or after January 1, 2020.

Standards and interpretations, as well as IFRS amendments, which have been issued, but have still not become effective as of the date of these financial statements are set forth below. The Company has not made an early adoption of these standards.

	<u>Standards and Interpretations</u>	<u>Mandatory application date</u>
IFRS 17	Insurance Contracts	January 1, 2023

IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts*, a new accounting standard for insurance contracts that covers recognition, measurement, presentation and disclosure. Once effective, it will replace IFRS 4 *Insurance Contracts* issued in 2005. The new rule applies to all types of insurance contracts, regardless of the type of entity issuing them, as well as certain guarantees and financial instruments with certain characteristics of discretionary participation. Some exceptions within the scope may be applied.

IFRS 17 will be effective for periods starting on or after January 1, 2023, with comparative figures required. Early application is permitted, provided that the entity applies IFRS 9 Financial Instruments, on or before the date on which IFRS 17 is first applied.



Amendments to IFRS that have been issued to become effective in the near future are detailed below.

	Amendments	Date of application
IAS 1	Disclosure of Accounting Policies	January 1, 2023
IAS 1	Classification of liabilities as current or non-current	January 1, 2023
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, Plant and Equipment — Proceeds before Intended Use	January 1, 2022
IAS 37	Onerous Contracts—Cost of Fulfilling a Contract	January 1, 2022
IFRS 10 and IAS 28	Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined
IAS 12	Deferred taxes regarding assets and liabilities that arise from a single transaction	January 1, 2023
IAS 8	Definition of Accounting estimate	January 1, 2023

IAS 1 Presentation of Financial Statements – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making materiality judgements, providing guidance and examples to help entities apply relative importance judgements to accounting policy disclosures.

Amendments have the purpose of helping entities provide disclosure on accounting policies that are more useful by:

- Replacing the requirement for entities to disclose “significant” accounting policies with the requirement to disclose its “material” accounting policies.
- Include guidance on how entities apply the concept of materiality in decision-making on the disclosure of accounting policies.

On assessing the relative importance of the accounting policy information, entities should consider both the size of the transaction as well as other events and conditions and the nature of these transaction. The amendment is effective for annual periods beginning on January 1, 2023. Early application of IAS 1 amendments is allowed as long as it is disclosed.

IAS 1 Presentation of Financial Statements - Classification of liabilities as current or non-current

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

The amendments are effective for periods beginning on or after January 1, 2022. Entities should carefully consider whether there are any aspects of the amendments suggesting that the terms of their existing loan agreements should be renegotiated. In this context, it is important to stress that amendments must be implemented retrospectively.

IFRS 3 Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. These amendments are intended to replace the reference to an earlier version of the IASB Conceptual Framework (1989 Framework) with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments shall be effective for periods beginning on or after January 1, 2022 and should be applied retrospectively. Early application is permitted if, at the same time or before, an entity also applies all amendments contained in the amendments to the Conceptual Framework References of the IFRS Standards issued in March 2018.

The amendments will provide consistency in financial information and avoid potential confusion by having more than one version of the Conceptual Framework in use.

IAS 16 Property, Plant and Equipment — Proceeds before Intended Use

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.



Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss for the period, pursuant to applicable standards.

The amendment shall be effective for periods beginning on or after January 1, 2022.

IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 *Provisions, Contingent Liabilities, and Contingent Assets* to specify the costs an entity needs to include when assessing whether a contract is onerous, or it generates losses.

The amendment shall be effective for periods beginning on or after January 1, 2022. The amendment should be applied retrospectively to existing contracts at the beginning of the annual reporting period in which the entity first applies the amendment (date of initial application). Early application is permitted and must be disclosed.

The amendments are intended to provide clarity and help ensure consistent implementation of the standard. Entities that previously applied the incremental cost approach will see an increase in provisions to reflect the inclusion of costs directly related to contract activities, while entities that previously recognized contractual loss provisions using the guidance to the previous standard, IAS 11 *Construction Contracts*, should exclude the allocation of indirect costs from their provisions.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – sale or contribution of assets between an investor and its associate or joint venture

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures (2011)* address a recognized inconsistency between IFRS 10 requirements and IAS 28 (2011) requirements in the treatment of the sale or contribution of assets between an investor and its associate or joint venture. The amendments, issued in September 2014, state that when the transaction involves a business (whether it is in a subsidiary or not) all gains, or losses generated are recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary. The mandatory implementation date of these amendments is yet to be determined because the IASB is awaiting the results of its research project on accounting according to the equity method of accounting. These amendments must be applied retrospectively, and early adoption is allowed, which must be disclosed.

IAS 12 Deferred tax related to assets and liabilities arising from a single transaction

In May 2021, the IASB issued amendments to IAS 12, narrowing the scope of the initial recognition exception pursuant to IAS 12, so that it is no longer applied to transactions giving rise to equal amounts of taxable and deductible temporary differences.

The amendments clarify that when liability settlement payments are deductible for tax purposes, it is a judgement call (having considered the applicable tax legislation) if those deductions are attributable to tax effects on liabilities recognized in the financial statements (and interest expenses) or to the related asset component (and interest expenses). This judgment is important in determining if temporary differences exist in the initial recognition of the asset and liability.

Likewise, pursuant to the issued amendments, the exception in the initial recognition does not apply to transactions that, upon initial recognition, give rise to equal taxable and deductible temporary differences. It only applies when recognizing a lease asset and a lease liability (or a dismantling liability and a dismantling asset component) give rise to taxable and deductible temporary differences that are not equal. However, it is possible that the resulting deferred tax assets and liabilities may not be the same (e.g., if the entity cannot benefit from the tax deductions or if the tax rates applied are different from the taxable and deductible temporary differences). In those cases, an entity would need to account for the difference between the deferred tax asset and liability in the P&L.

The amendment will be effective for annual periods beginning on January 1, 2023.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates



In February 2021, the IASB issued amendments to IAS 8, incorporating a new definition for “accounting estimates”. The amendments clarify the distinction between changes to accounting estimates and changes to accounting policies and error correction. Also, they clarify how entities use input and measurement techniques to develop accounting estimates.

The amended standard clarifies that the effects of accounting estimates, resulting from a change in the input or a change in the measurement technique are considered as changes in accounting estimates, as long as these did not result from error corrections of previous periods. The previous definition of a change in accounting estimate specified that the changes in accounting estimates could result from new information or new developments. Therefore, said changes are not considered error corrections.

The amendment will be effective for annual periods beginning on January 1, 2023.

The Company will perform an impact assessment of the above described amendments once they become effective.

3 – FINANCIAL REPORTING BY SEGMENT

The Company provides financial information by segments according to IFRS 8 “*Operating Segments*,” which establishes standards for reporting by operating segment and related disclosures for products and services, and geographic areas.

The Company’s Board of Directors and Management measures and assesses performance of operating segments based on the operating income of each of the countries where there are Coca-Cola franchises.

The operating segments are determined based on the presentation of internal reports to the Company’s chief strategic decision-maker. The chief operating decision-maker has been identified as the Company’s Board of Directors who makes the Company’s strategic decisions.

The following operating segments have been determined for strategic decision making based on geographic location:

- Operation in Chile
- Operation in Brazil
- Operation in Argentina
- Operation in Paraguay

The four operating segments conduct their businesses through the production and sale of soft drinks and other beverages, as well as packaging materials.

Expenses and revenue associated with the Corporate Officer were assigned to the operation in Chile in the soft drinks segment because Chile is the country that manages and pays the corporate expenses, which would also be substantially incurred, regardless of the existence of subsidiaries abroad.

Total revenues by segment include sales to unrelated customers and inter-segments, as indicated in the consolidated statement of income of the Company.



A summary of the Company's operations by segment according to IFRS is as follows:

For the period ended December 31, 2021	Operation in Chile	Operation in Argentina	Operation in Brazil	Operation in Paraguay	Inter- country eliminations	Consolidated, total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Softdrinks	480,157,607	419,724,122	313,147,740	134,284,020	(904,603)	1,346,408,886
Other beverages	495,138,445	97,742,388	226,109,683	34,932,160	(587)	853,922,089
Packaging	—	19,488,958	—	—	(3,087,340)	16,401,618
Revenues from ordinary activities	975,296,052	536,955,468	539,257,423	169,216,180	(3,992,530)	2,216,732,593
Cost of sales	(630,862,197)	(296,090,157)	(361,323,450)	(91,109,499)	3,992,530	(1,375,392,773)
Distribution expenses	(78,995,679)	(78,019,531)	(33,458,924)	(9,478,239)	—	(199,952,373)
Administrative expenses	(142,762,661)	(110,329,089)	(71,995,712)	(23,862,401)	—	(348,949,863)
Financial income	(2,936,819)	5,011,888	5,327,527	389,273	—	7,791,869
Financial costs	(27,669,541)	(577,941)	(24,744,974)	-	—	(52,992,456)
Net financial costs	(30,606,360)	4,433,947	(19,417,447)	389,273	—	(45,200,587)
Share of entity in income of associates accounted for using the equity method, total	2,799,437	—	293,665	-	—	3,093,102
Income tax expense	(15,756,620)	(25,697,558)	82,395	(4,805,537)	—	(46,177,320)
Other income (expenses)	(29,072,689)	(10,652,582)	(7,834,863)	439,023	—	(47,121,111)
Net income of the segment reported	50,039,283	20,600,498	45,603,087	40,788,800	—	157,031,668
Depreciation and amortization	38,189,190	32,863,821	23,647,789	10,074,503	—	104,775,303
Current assets	626,277,188	117,319,226	183,268,173	64,121,536	—	990,986,123
Non-current assets	739,113,114	216,757,538	720,101,674	279,148,198	—	1,955,120,524
Segment assets, total	1,365,390,302	334,076,764	903,369,847	343,269,734	—	2,946,106,647
Carrying amount in associates accounted for using the equity method, total	52,519,831	—	38,969,363	—	—	91,489,194
Segment disbursements of non-monetary assets	53,513,835	33,789,235	30,171,387	21,381,700	—	138,856,157
Current liabilities	283,835,866	101,832,549	109,691,047	34,207,817	—	529,567,279
Non-current liabilities	743,108,008	20,388,886	534,386,761	17,242,154	—	1,315,125,809
Segment liabilities, total	1,026,943,874	122,221,435	644,077,808	51,449,971	—	1,844,693,088
Cash flows (used in) provided by in Operating Activities	181,679,320	55,490,096	36,121,074	31,764,493	—	305,054,983
Cash flows (used in) provided by Investing Activities	(108,283,362)	(33,789,408)	(32,875,359)	(23,304,551)	—	(198,252,680)
Cash flows (used in) provided by Financing Activities	(111,533,388)	(940,318)	(2,455,073)	(390,735)	—	(115,319,514)



For the period ended December 31, 2020	Operation in Chile	Operation in Argentina	Operation in Brazil	Operation Paraguay in	Inter- country eliminations	Consolidated, total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Softdrinks	407,191,500	260,118,269	317,712,571	126,057,797	(578,764)	1,110,501,373
Other beverages	237,570,385	49,817,791	262,350,736	31,094,787	(359,666)	580,474,033
Packaging	—	8,891,560	—	—	(1,585,729)	7,305,831
Revenues from ordinary activities	644,761,885	318,827,620	580,063,307	157,152,584	(2,524,159)	1,698,281,237
Cost of sales	(392,720,439)	(172,065,726)	(373,444,835)	(86,791,818)	2,524,159	(1,022,498,659)
Distribution expenses	(59,897,972)	(49,112,014)	(34,784,528)	(8,737,504)	—	(152,532,018)
Administrative expenses	(112,306,460)	(69,668,104)	(79,674,089)	(21,990,282)	—	(283,638,935)
Financial income	6,437,945	1,169,193	7,068,396	270,345	—	14,945,879
Financial costs	(23,938,992)	(729,164)	(30,104,681)	—	—	(54,772,837)
Net financial costs	(17,501,047)	440,029	(23,036,285)	270,345	—	(39,826,958)
Share of entity in income of associates accounted for using the equity method, total	1,248,478	—	980,285	—	—	2,228,763
Income tax expense	(23,057,195)	(7,668,059)	(20,536,914)	(3,643,231)	—	(54,905,399)
Other income (expenses)	(21,231,223)	(6,046,069)	3,064,104	222,477	—	(23,990,711)
Net income of the segment reported	19,296,027	14,707,677	52,631,045	36,482,571	—	123,117,320
Depreciation and amortization	50,271,626	22,895,329	27,339,714	10,413,848	—	110,920,517
Current assets	532,713,969	70,215,594	149,709,603	44,658,550	—	797,297,716
Non-current assets	636,275,547	144,802,176	643,447,811	226,241,150	—	1,650,766,684
Segment assets, total	1,168,989,516	215,017,770	793,157,414	270,899,700	—	2,448,064,400
Carrying amount in associates accounted for using the equity method, total	50,628,307	—	37,328,047	—	—	87,956,354
Segment disbursements of non-monetary assets	41,114,189	15,803,061	17,075,672	11,882,036	—	85,874,958
Current liabilities	198,669,957	58,904,281	96,144,933	24,337,015	—	378,056,186
Non-current liabilities	748,105,248	10,717,606	465,225,175	14,399,594	—	1,238,447,623
Segment liabilities, total	946,775,205	69,621,887	561,370,108	38,736,609	—	1,616,503,809
Cash flows (used in) provided by in Operating Activities	191,911,595	24,603,123	36,409,227	25,845,053	—	278,768,998
Cash flows (used in) provided by Investing Activities	(178,910,100)	(16,010,950)	(17,075,672)	(11,882,036)	—	(223,878,758)
Cash flows (used in) provided by Financing Activities	117,081,470	(167,606)	(3,443,826)	(429,077)	—	113,040,961



For the period ended December 31, 2019	Chile Operation	Argentina Operation	Brazil Operation	Paraguay Operation	Intercompany Eliminations	Consolidated total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Softdrinks	408,467,731	313,866,082	360,791,744	124,855,857	(366,490)	1,207,614,924
Other beverages	200,484,390	70,990,286	258,529,540	34,036,153	(450,559)	563,589,810
Packaging	—	9,779,472	—	—	(1,959,091)	7,820,381
Revenues from ordinary activities	608,952,121	394,635,840	619,321,284	158,892,010	(2,776,140)	1,779,025,115
Cost of sales	(359,465,664)	(214,447,259)	(384,838,875)	(92,368,109)	2,776,140	(1,048,343,767)
Distribution expenses	(59,076,433)	(56,421,024)	(42,673,570)	(8,825,262)	—	(166,996,289)
Administrative expenses	(114,250,801)	(89,276,114)	(98,071,441)	(24,305,453)	—	(325,903,809)
Finance income	1,286,021	1,346,501	42,327,682	195,587	—	45,155,791
Finance expense	(13,151,176)	999,370	(34,057,214)	—	—	(46,209,020)
Interest expense, net (1)	(11,865,155)	2,345,871	8,270,468	195,587	—	(1,053,229)
Share of the entity in income of associates	381,255	—	(3,796,338)	—	—	(3,415,083)
Income tax expense	(12,838,517)	(6,902,265)	(36,821,377)	(4,604,732)	—	(61,166,891)
Other income (loss)	(15,109,823)	(3,235,926)	21,754,242	(308,315)	—	3,100,178
Net income of the segment reported	36,726,983	26,699,123	83,144,393	28,675,726	—	175,246,225
Depreciation and amortization	46,105,063	25,369,034	29,945,887	9,667,300	—	111,087,284
Current assets	244,504,165	76,354,086	171,349,293	41,266,559	—	533,474,103
Non-current assets	657,069,423	165,116,212	786,979,234	248,309,451	—	1,857,474,320
Segment assets, total	901,573,588	241,470,298	958,328,527	289,576,010	—	2,390,948,423
Carrying amount in associates and joint ventures accounted for using the equity method, total	49,703,673	—	50,163,060	—	—	99,866,733
Segment disbursements of non-monetary assets	51,542,820	24,343,002	21,343,312	13,454,124	—	110,683,258
Current liabilities	193,298,799	68,120,885	124,248,587	25,990,081	—	411,658,352
Non-current liabilities	474,576,722	13,350,651	506,297,573	16,161,177	—	1,010,386,123
Segment liabilities, total	667,875,521	81,471,536	630,546,160	42,151,258	—	1,422,044,475
Cash flows provided by in Operating Activities	145,551,360	30,440,761	63,145,540	16,010,813	—	255,148,474
Cash flows (used in) provided by Investing Activities	(50,706,748)	(24,790,752)	(21,096,376)	(13,454,124)	—	(110,048,000)
Cash flows (used in) provided by Financing Activities	(100,352,068)	(616,475)	(25,654,792)	(489,302)	—	(127,112,637)

4 – CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents is as follows:

By item	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Cash	503,687	339,628
Bank balances	94,472,637	82,997,449
Othe fixed rate instruments	209,335,696	226,193,622
Cash and cash equivalents	304,312,020	309,530,699



Other fixed income instruments correspond primarily to investments in short-term instruments with good credit ratings, such as Time Deposits and Mutual Funds, which are highly liquid, with insignificant risk of change in value and easily converted into known amounts of cash.. There are no restrictions for significant amounts available to cash.

By currency	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
USD	13,640,823	21,332,268
EUR	2,838,102	223,449
ARS	22,425,407	14,821,502
CLP	176,278,025	201,936,140
PYG	32,856,836	21,688,915
BRL	56,272,827	49,528,425
Cash and cash equivalents	304,312,020	309,530,699

5 – OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

The composition of other financial assets is as follows:

Other financial assets	Balance			
	Current		Non-current	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Financial assets measured at amortized cost (1)	194,509,044	140,304,853	1,216,865	1,216,865
Financial assets at fair value (2)	961,705	—	281,337,127	150,983,295
Other financial assets measured at amortized cost (3)	—	—	14,078,020	9,813,118
Total	195,470,749	140,304,853	296,632,012	162,013,278

- (1) Financial instrument that does not meet the definition of cash equivalents as defined in Note 2.13.
- (2) Market value of hedging instruments. See details in Note 22.
- (3) Correspond to the rights in the Argentinean company Alimentos de Soya S.A., manufacturing company of “AdeS” products and its distribution rights, which are framed in the purchase of the "AdeS" brand managed by The Coca-Cola Company at the end of 2016.



6 – OTHER CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

The composition of other non-financial assets is as follows:

Other non-financial assets	Balance			
	Current		Non-current	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Prepaid expenses	7,860,112	7,932,770	1,254,775	527,110
Tax credit remainder (1)	2,022,493	234,124 (a)	52,746,937 (a)	76,262,417
Guaranty deposit	—	286	—	—
Judicial deposits	—	—	15,259,876	11,492,642
Others (2)	4,836,499	5,207,201	1,600,028	1,960,503
Total	14,719,104	13,374,381	70,861,616	90,242,672

- (1) (a) In November 2006, Rio de Janeiro Refrescos Ltda. ("RJR") filed a court order No. 0021799-23.2006.4.02.5101 seeking recognition of the right to exclude ICMS (Tax on Commerce and Services) from the PIS (Program of Social Integration) and COFINS (Contribution for the Financing of Social Security) calculation base, as well as recognition of the right to obtain reimbursement of amounts unduly collected since November 14, 2001, duly restated using the Selic interest rate. On May 20, 2019, the ruling favoring RJR became final, allowing the recovery of amounts overpaid from November 14, 2001 to August 2017. It is worth noting that in September 2017, RJR had already obtained a Security Mandate, which granted it the right to exclude, from that date, the ICMS from the PIS and COFINS calculation base.

The company took steps to assess the total amount of the credit at issue for the period of unduly collection of taxes from November 2001 to August 2017, totaling approximately CLP 92,783 million (CLP 103,540 million in 2020) (BRL 613 million, of which BRL 370 million corresponds to capital and BRL 243 million to interest and monetary restatement). These amounts were recorded as of December 31, 2019. In addition, the company acknowledged the indirect costs (attorneys' fees, consulting, auditing, indirect taxes and other obligations) resulting from the recognition of the right acquired in court, totaling BRL 175 million.

The payment of income tax occurs when liquidating the credit, therefore the respective deferred tax liability recorded was CLP 20,246 million (BRL 148 million). Amounts already offset until 2021 were CLP 49,040 million (BRL 234 million) and in 2020 CLP 16,142 million (BRL 118 million).

Companhia de Bebidas Ipiranga ("CBI") acquired in September 2013, also filed a court order No. 0014022-71.2000.4.03.6102 in order to recognize the same issue as the one previously described for RJR. In September 2019, the ruling favoring CBI became final, allowing the recovery of the amounts overpaid from September 12, 1989 to December 1, 2013 (date when CBI was incorporated by RJR). CBI's credit will be generated in the name of RJR, however, pursuant to the contractual clause ("Subscription Agreement for Shares and Exhibits"), as soon as collected by RJR, this payment should be immediately paid to former CBI shareholders (supervention favoring former CBI shareholders). Based on supporting documents found, for the August 1993-November 2013 period, the amount of credits related to this process have been calculated and totaled CLP 24,823 million (BRL 164 million, of which BRL 80 million corresponds to capital and BRL 84 million correspond to interest and monetary restatement), from this amount, CLP 1,059 million (BRL 7 million) must be deducted from indirect taxes, thus generating an account payable to former shareholders for CLP 23,612 million (CLP 21,204 million in 2020) (BRL 156 billion) and a government receivables related to credits for that same amount. It is worth mentioning that for the September 1989-July 1993 period, the Company did not account the credit due to the lack of supporting documents.

In addition, RJR has an associate called Sorocaba Refrescos SA ("Sorocaba"), where it has a 40% shareholding in the capital, which also filed a court order seeking recognition of the right to the same issue as RJR's action. On June 13, 2019, the ruling favoring Sorocaba became final, allowing the recovery of the amounts overpaid from July 5, 1992 until the date on which the decision became final.

As of December 31, 2021, the impacts were recognized in RJR's result from its ownership in Sorocaba, totaling CLP 6,703 million (BRL 49 million, of which BRL 28 million correspond to capital and BRL 21 million correspond to interest and monetary restatement). In



addition, the company recognized indirect costs (attorneys' fees, consulting, auditing, indirect taxes, and other obligations) resulting from the recognition of the right acquired in court, totaling CLP 1,513 million (CLP 1,368 million in 2020) (BRL 10 million).

Income tax payment occurs upon credit settlement, with that the respective deferred tax liability recorded was CLP 1,967 million (CLP 1,778 million in 2020) (BRL 13 million). In 2020, CLP 684 million (BRL 5 million) of the total credit obtained by Sorocaba have already been offset.

(2) Other non-financial assets are mainly composed of advances to suppliers.

7 – TRADE ACCOUNTS AND OTHER ACCOUNTS RECEIVABLE

The composition of trade and other receivables is as follows:

	Balance			
	Current		Non-current	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Trade debtors and other accounts receivable, Net	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Trade debtors	205,466,469	151,017,754	42,726	40,432
Other debtors	55,281,501	41,688,151	83,738	32,219
Other accounts receivable	4,742,656	1,315,348	—	1,211
Total	265,490,626	194,021,253	126,464	73,862

	Balance			
	Current		Non-current	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Trade debtors and other accounts receivable, Gross	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Trade debtors	210,175,775	154,591,684	42,726	40,432
Other debtors	55,281,501	44,691,925	83,738	32,219
Other accounts receivable	4,744,721	1,533,307	—	1,211
Total	270,201,997	200,816,916	126,464	73,862

The stratification of the portfolio is as follows:

Current trade debtors without impairment impact	Balance	
	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Less than one month	195,325,587	147,177,119
Between one and three months	6,843,836	2,230,594
Between three and six months	1,808,425	1,708,015
Between six and eight months	2,235,866	509,855
Older than eight months	4,004,787	3,006,533
Total	210,218,501	154,632,116

The Company has approximately 282,200 clients, which may have balances in the different sections of the stratification. The number of clients is distributed geographically with 67,100 in Chile, 87,400 in Brazil, 65,800 in Argentina and 61,900 in Paraguay.



The movement in the allowance for expected credit losses is presented below:

	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Opening balance	6,795,663	6,492,987
Increase (decrease)	1,697,887	2,321,958
Provision reversal	(3,832,220)	(1,595,521)
Increase (decrease) for changes of foreign currency	50,041	(423,761)
Sub – total movements	(2,084,292)	302,676
Ending balance	4,711,371	6,795,663

8 – INVENTORIES

The composition of inventories is detailed as follows:

Details	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Raw materials (1)	134,153,673	80,902,721
Finished goods	34,222,429	27,556,884
Spare parts and supplies	23,063,797	19,592,377
Work in progress	109,467	76,577
Other inventories	3,358,474	3,101,016
Obsolescence provision (2)	(3,557,634)	(3,256,925)
Total	191,350,206	127,972,650

The cost of inventory recognized as cost of sales amounts to CLP 1,375,392,773 thousand and CLP 1,022,498,659 thousand as of December 31, 2021 and 2020, respectively.

- (1) Approximately 80% is composed of concentrate and sweeteners used in the preparation of beverages, as well as caps and PET supplies used in the packaging of the product.
- (2) The obsolescence provision is related mainly with the obsolescence of spare parts classified as inventories and to a lesser extent to finished products and raw materials. The general standard is to provision all those multi-functional spare parts without utility in rotation in the last four years prior to the technical analysis technical to adjust the provision. In the case of raw materials and finished products, the obsolescence provision is determined according to maturity.

9 – TAX ASSETS AND LIABILITIES

The composition of current tax accounts receivable is the following:

Tax assets	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Tax credits (1)	10,224,368	218,472
Total	10,224,368	218,472

- (1) This item corresponds to tax surplus credits in Chile and other tax credits reported by the Brazilian operation.

The composition of current tax accounts payable is the following:

Tax liabilities	Current		Non-current	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Income tax expense	30,512,787	8,828,599	—	20,597
Total	30,512,787	8,828,599	—	20,597



10 – INCOME TAX EXPENSE AND DEFERRED TAXES

10.1 Income tax expense

The current and deferred income tax expenses are detailed as follows:

Details	12.31.2021	12.31.2020	12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Current income tax expense	45,614,890	55,522,189	35,439,707
Current tax adjustment previous period	(2,284,477)	(735,907)	713,992
Foreign dividends tax withholding expense	2,877,817	6,987,142	4,534,145
Other current tax expense (income)	(114,130)	(47,569)	(425,958)
Current income tax expense	46,094,100	61,725,855	40,261,886
Expense (income) for the creation and reversal of temporary differences of deferred tax and others	83,220	(6,820,456)	20,905,005
Expense (income) for deferred taxes	83,220	(6,820,456)	20,905,005
Total income tax expense	46,177,320	54,905,399	61,166,891

The distribution of national and foreign tax expenditure is as follows:

Income taxes	12.31.2021	12.31.2020	12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Current taxes			
Foreign	(37,363,624)	(39,128,690)	(24,315,576)
National	(8,730,476)	(22,597,165)	(15,946,310)
Current tax expense	(46,094,100)	(61,725,855)	(40,261,886)
Deferred taxes			
Foreign	6,942,925	7,280,487	(24,012,798)
National	(7,026,145)	(460,031)	3,107,793
Deferred tax expense	(83,220)	6,820,456	(20,905,005)
Income tax expense	(46,177,320)	(54,905,399)	(61,166,891)



The reconciliation of the tax expense using the statutory rate with the tax expense using the effective rate is as follows:

Reconciliation of effective rate	12.31.2021	12.31.2020	12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Net income before taxes	203,208,988	178,022,719	236,413,116
Tax expense at legal rate (27.0%)	(54,866,427)	(48,066,134)	(63,831,541)
Effect of tax rate in other jurisdictions	860,745	1,032,950	(3,471,705)
Permanent differences:			
Non-taxable revenues	(10,868,055)	(2,417,582)	9,507,807
Non-deductible expenses	(2,935,310)	(6,007,898)	(4,664,045)
Tax effect on excess tax provision in previous periods	13,250,594	113,747	(3,316,278)
Tax effect of price-level restatement for Chilean companies	(15,794,098)	(5,936,464)	5,199,589
Subsidiaries tax withholding expense and other legal tax debits and credits	24,175,231	6,375,982	(590,718)
Adjustments to tax expense	7,828,362	(7,872,215)	6,136,355
Tax expense at effective rate	(46,177,320)	(54,905,399)	(61,166,891)
Effective rate	22.7 %	30.8 %	25.9 %

The applicable income tax rates in each of the jurisdictions where the Company operates are the following:

Country	Rate		
	2021	2020	2019
Chile	27.0 %	27.0 %	27.0 %
Brazil	34.0 %	34.0 %	34.0 %
Argentina	35.0 %	30.0 %	30.0 %
Paraguay	10.0 %	10.0 %	10.0 %

The entry into force of Argentine Law No. 27.630 amended the Income Tax Law and established corporate income tax rates. The Law replaces the fixed tax rate of 30% applicable for 2021 and 25% for 2022 onwards with a progressive tax scale according to the following scheme: earnings up to ARS 5,000,000 are taxed at 25%, earnings between ARS 5,000,000 and ARS 50,000,000 are taxed at 30% and earnings above ARS 50,000,000 are taxed at 35%.

The deferred tax expense amount related to the tax rate change for the Operation in Argentina is CLP 4,195,619 thousand (ARS 510,416 thousand).



10.2 Deferred taxes

The net cumulative balances of temporary differences resulted in deferred tax assets and liabilities, which are detailed as follows:

Temporary differences	12.31.2021		12.31.2020	
	Assets	Liabilities	Assets	Liabilities
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Property, plant and equipment	5,944,185	52,435,301	5,421,466	39,544,960
Obsolescence provision	1,696,051	—	1,340,235	—
ICMS exclusion credit	4,925,230	—	—	17,679,221
Employee benefits	3,163,172	115,828	4,475,497	18,300
Provision for severance indemnity	271,789	271,367	150,027	101,339
Tax loss carry forwards (1)	4,292,863	698	6,423,820	—
Tax goodwill Brazil	—	3,126,125	2,080,987	—
Contingency provision	30,216,275	—	24,103,234	—
Foreign Exchange differences (2)	7,165,844	—	8,116,713	—
Allowance for doubtful accounts	638,484	—	915,562	—
Assets and liabilities for placement of bonds	—	2,081,271	378,901	2,377,870
Lease liabilities	1,781,922	—	1,528,990	—
Inventories	652,669	—	469,416	—
Distribution rights	—	151,228,739	—	144,151,661
Hedge derivatives	—	—	—	—
Spare parts	—	3,374,376	—	—
Intangibles	130	5,440,229	—	—
Others	5,906,158	5,326,478	3,785,655	7,060,830
Subtotal	61,729,542	228,325,642	59,190,503	210,934,181
Total assets and liabilities net	1,858,727	168,454,827	1,925,869	153,669,547

- (1) Tax losses mainly associated with the subsidiary Embotelladora Andina Chile S.A. Tax losses have no expiration date in Chile.
(2) Corresponds to deferred taxes for exchange rate differences generated on the translation of debts expressed in foreign currency that for tax purposes are recognized when incurred.

Deferred tax account movements are as follows:

Movement	12.31.2021	12.31.2020	12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Opening balance	151,743,678	168,085,407	145,245,948
Increase (decrease) in deferred tax	4,507,688	4,411,619	20,905,005
Increase (decrease) due to foreign currency translation*	10,344,734	(20,753,348)	1,934,454
Total movements	14,852,422	(16,341,729)	22,839,459
Ending balance	166,596,100	151,743,678	168,085,407

* Includes IAS 29 effect, due to inflation in Argentina



11 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at the close of each period is detailed as follows:

Property, plant and equipment, gross	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Construction in progress	56,280,594	34,194,083
Land	101,286,107	94,321,726
Buildings	306,300,748	266,921,167
Plant and equipment	613,537,377	515,395,328
Information technology equipment	29,470,242	24,323,557
Fixed installations and accessories	61,264,172	45,558,495
Vehicles	56,346,552	45,808,748
Leasehold improvements	322,036	203,164
Rights of use (1)	69,616,828	56,726,206
Other properties, plant and equipment (2)	383,403,363	314,602,940
Total Property, plant and equipment, gross	1,677,828,019	1,398,055,414
Accumulated depreciation of Property, plant and equipment	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Buildings	(102,957,623)	(86,004,289)
Plant and equipment	(443,885,822)	(369,605,125)
Information technology equipment	(23,857,025)	(19,445,250)
Fixed installations and accessories	(38,165,051)	(27,910,603)
Vehicles	(37,161,952)	(29,397,964)
Leasehold improvements	(208,747)	(144,022)
Rights of use (1)	(45,962,853)	(35,388,929)
Other properties, plant and equipment (2)	(269,249,819)	(224,582,687)
Total accumulated depreciation	(961,448,892)	(792,478,869)
Total Property, plant and equipment, net	716,379,127	605,576,545

(1) For adoption of IFRS 16, See details of underlying assets in Note 11.1

(2) The net balance of each of these categories is presented below:

Other Property, plant and equipment, net	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Bottles	36,546,377	30,275,255
Marketing and promotional assets (market assets)	55,210,620	44,106,959
Other Property, plant and equipment	22,396,547	15,638,039
Total	114,153,544	90,020,253



11.1 Movements

Movements in Property, plant and equipment are detailed as follows:

	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT equipment, net	Fixed facilities and accessories, net	Vehicles, net	Leasehold improvements, net	Others	Rights-of-use, net (1)	Property, plant & equipment, net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance at 01.01.2021	34,194,083	94,321,726	180,916,878	145,790,203	4,878,307	17,647,892	16,410,784	59,142	90,020,253	21,337,277	605,576,545
Additions	61,100,226	—	3,708,881	19,025,057	1,428,080	12,068	171,420	8,738	47,426,736	—	132,881,206
Right-of use additions	—	—	—	—	—	—	—	—	—	9,070,997	9,070,997
Disposals	(74,476)	—	(276,312)	(277,845)	(3,896)	(11)	(9,573)	—	(3,156,795)	—	(3,798,908)
Transfers between items of Property, plant and equipment	(39,845,790)	—	4,370,826	21,182,049	751,603	606,279	4,771,885	88,345	8,074,803	—	—
Right-of-use transfers	—	—	—	—	—	—	—	—	—	—	—
Depreciation expense	—	—	(7,862,888)	(32,058,439)	(2,219,235)	(3,700,948)	(4,054,092)	(51,774)	(43,651,397)	—	(93,598,773)
Amortization	—	—	—	—	—	—	—	—	—	(8,386,063)	(8,386,063)
Increase (decrease) due to foreign currency translation differences	6,513,216	6,964,382	21,941,520	23,364,406	658,167	3,080,061	2,264,353	8,840	16,399,966	1,759,346	82,954,257
Other increase (decrease) (2)	(5,606,665)	(1)	544,220	(7,373,876)	120,191	5,453,780	(370,177)	(2)	(960,022)	(127,582)	(8,320,134)
Total movements	22,086,511	6,964,381	22,426,247	23,861,352	734,910	5,451,229	2,773,816	54,147	24,133,291	2,316,698	110,802,582
Ending balance at 12.31.2021	56,280,594	101,286,107	203,343,125	169,651,555	5,613,217	23,099,121	19,184,600	113,289	114,153,544	23,653,975	716,379,127

(1) Right of use assets is composed as follows:

Right-of-use	Gross asset	Accumulated depreciation	Net asset
	ThCh\$	ThCh\$	ThCh\$
Constructions and buildings	4,042,921	(2,140,590)	1,902,331
Plant and Equipment	43,450,544	(27,325,328)	16,125,216
IT Equipment	997,458	(750,993)	246,465
Motor vehicles	12,171,762	(7,065,299)	5,106,463
Others	8,954,143	(8,680,643)	273,500
Total	69,616,828	(45,962,853)	23,653,975

Lease liabilities interest expenses at the closing of the period reached CLP 1,816,506 thousand.

(2) Corresponds mainly to the effect of adopting IAS 29 in Argentina.

	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT equipment, net	Fixed facilities and accessories, net	Vehicles, net	Leasehold improvements, net	Others	Rights-of-use, net (1)	Property, plant & equipment, net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance at 01.01.2020	27,290,581	104,196,754	211,973,775	185,353,224	5,001,845	19,843,281	21,961,147	70,021	114,784,403	32,243,832	722,718,863
Additions	37,726,227	—	1,520,363	8,963,015	809,348	(1,313)	1,323,740	—	30,536,408	—	80,877,788
Right-of use additions	—	—	—	—	—	—	—	—	—	1,775,457	1,775,457
Disposals	—	—	(164,113)	(2,485,145)	(2,426)	—	(22,823)	—	(6,046,468)	(87,043)	(8,808,018)
Transfers between items of Property, plant and equipment	(23,336,382)	—	2,177,344	8,858,066	1,151,754	1,175,520	906,624	50,356	9,016,718	—	—
Right-of-use transfers	—	—	—	—	—	—	—	—	—	—	—
Depreciation expense	—	—	(7,240,230)	(33,465,104)	(2,058,555)	(2,803,621)	(4,963,835)	(44,630)	(48,830,152)	—	(99,406,127)
Amortization	—	—	—	—	—	—	—	—	—	(7,851,901)	(7,851,901)
Increase (decrease) due to foreign currency translation differences	(3,086,288)	(9,936,257)	(29,231,570)	(19,859,576)	(829,268)	(628,317)	(3,124,155)	(16,605)	(11,400,730)	(4,728,542)	(82,841,308)
Other increase (decrease) (2)	(4,400,055)	61,229	1,881,309	(1,574,277)	805,609	62,342	330,086	—	1,960,074	(14,526)	(888,209)
Total movements	6,903,502	(9,875,028)	(31,056,897)	(39,563,021)	(123,538)	(2,195,389)	(5,550,363)	(10,879)	(24,764,150)	(10,906,555)	(117,142,318)
Ending balance at 12.31.2020	34,194,083	94,321,726	180,916,878	145,790,203	4,878,307	17,647,892	16,410,784	59,142	90,020,253	21,337,277	605,576,545

(1) Right of use assets is composed as follows:

Right-of-use	Gross asset	Accumulated depreciation	Net asset
	ThCh\$	ThCh\$	ThCh\$
Constructions and buildings	2,740,852	(1,326,250)	1,414,602
Plant and Equipment	37,671,980	(19,802,307)	17,869,673
IT Equipment	451,313	(449,249)	2,064
Motor vehicles	7,298,422	(5,966,204)	1,332,218
Others	8,563,639	(7,844,919)	718,720



Total **56,726,206** **(35,388,929)** **21,337,277**

Lease liabilities interest expenses at the closing of the period reached CLP 1,873,571 thousand.

(2) Corresponds mainly to the effect of adopting IAS 29 in Argentina

	Construction in progress	Land	Buildings, net	Plant and equipment, net	IT Equipment, net	Fixed facilities and accessories, net	Vehicles, net	Leasehold improvements, net	Other, net	Rights-of-use	Property, plant and equipment, net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance at 01.01.2019	26,048,670	100,479,196	214,160,351	207,403,985	5,184,721	21,057,169	21,798,601	32,177	114,606,098	—	710,770,968
Additions	49,134,461	—	749,800	11,582,259	675,974	7,271	(342,001)	1,309	32,640,210	—	94,449,283
Right-of use additions (3)	—	—	—	—	—	—	—	—	—	21,721,728	21,721,728
Disposals	(8,761)	—	(5,902)	(352,204)	(977)	(8,911)	(52,095)	(155)	(1,135,304)	—	(1,564,309)
Transfers between items of Property, plant and equipment	(48,358,902)	2,268,316	430,971	20,735,065	1,019,048	1,379,012	7,650,847	65,250	14,810,393	—	—
Right-of-use transfers	(25,991)	—	(266,007)	(13,788,120)	(23,712)	—	(1,181,465)	—	(2,520,405)	17,805,700	—
Depreciation expense	—	—	(7,681,481)	(37,572,910)	(1,949,851)	(2,977,512)	(6,267,039)	(30,737)	(42,410,016)	—	(98,889,546)
Amortization (2)	—	—	—	—	—	—	—	—	—	(8,254,568)	(8,254,568)
Increase (decrease) due to foreign currency translation differences	688,063	1,529,526	4,685,319	3,228,519	83,757	386,253	464,563	2,177	2,216,555	1,024,539	14,309,271
Other increase (decrease) (1)	(186,959)	(80,284)	(99,276)	(5,883,370)	12,885	(1)	(110,264)	—	(3,423,128)	(53,567)	(9,823,964)
Total movements	1,241,911	3,717,558	(2,186,576)	(22,050,761)	(182,876)	(1,213,888)	162,546	37,844	178,305	32,243,832	11,947,895
Ending balance at 12.31. 2019	27,290,581	104,196,754	211,973,775	185,353,224	5,001,845	19,843,281	21,961,147	70,021	114,784,403	32,243,832	722,718,863

(1) Mainly correspond to effects of IAS 29 in Argentina,

(2) Of the total of CLP 8,254,568 thousand recorded as amortization for the current period, CLP 5,994,037 thousand correspond to right-of-use amortization arising from the adoption of the IFRS, effective beginning on January 1, 2019, the remaining CLP 2,260,531 thousand correspond to depreciation (today amortization) of goods acquired under the financial lease method, which until December 31, 2018 were classified and valued pursuant to the accounting criteria of property, plant and equipment,

(3) For IFRS 16 adoption

12 – RELATED PARTIES

Balances and main transactions with related parties are detailed as follows:

12.1 Accounts receivable:

Taxpayer ID	Company	Relationship	Country	Currency	12.31.2021		12.31.2020	
					Current	Non-current	Taxpayer ID	
					ThCh\$	ThCh\$	ThCh\$	ThCh\$
96.891.720-K	Embonor S.A.	Shareholder related	Chile	CLP	3,870,800	—	3,643,603	—
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	CLP	62,756	98,941	16,024	138,346
Foreign	Coca-Cola de Argentina	Director related	Argentina	ARS	2,490,194	—	4,558,753	—
Foreign	Alimentos de Soja S.A.U.	Shareholder related	Argentina	ARS	166,813	—	308,882	—
96.517.210-2	Embotelladora Iquique S.A.	Shareholder related	Chile	CLP	155,264	—	292,801	—
86.881.400-4	Envases CMF S.A.	Associate	Chile	CLP	1,266,871	—	773,732	—
77.526.480-2	Comercializadora Nova Verde	Common shareholder	Chile	CLP	934,350	—	837,837	—
76.572.588-7	Coca-Cola del Valle New Ventures S.A.	Associate	Chile	CLP	371,907	—	1,401,898	—
76.140.057-6	Monster	Associate	Chile	CLP	87,865	—	41,878	—
79.826.410-9	Guallarauco	Associate	Chile	CLP	12,230	—	—	—
Total					9,419,050	98,941	11,875,408	138,346



12.2 Accounts payable:

Taxpayer ID	Company	Relationship	Country	Currency	12.31.2021		12.31.2020	
					Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	CLP	19,134,864	—	18,897,093	—
Foreign	Recofarma do Indústrias Amazonas Ltda.	Shareholder related	Brazil	BRL	13,770,200	11,557,723	7,926,109	10,790,089
86.881.400-4	Envases CMF S.A.	Associate	Chile	CLP	7,609,951	—	3,856,973	—
Foreign	Ser. y Prod. para Bebidas Refrescantes S.R.L.	Shareholder	Argentina	ARS	9,893,495	—	4,848,196	—
Foreign	Leão Alimentos e Bebidas Ltda.	Associate	Brazil	BRL	577,723	—	1,323,609	—
Foreign	Monster Energy Brasil Com de Bebidas Ltda.	Shareholder related	Brazil	BRL	2,173,901	—	1,156,786	—
76.572.588-7	Coca-Cola del Valle New Ventures S.A.	Associate	Chile	CLP	367,186	—	490,758	—
89.996.200-1	Envases del Pacífico S.A.	Director related	Chile	CLP	—	—	3,414	—
96.891.720-K	Embonor S.A.	Shareholder related	Chile	CLP	378,718	—	118,314	—
Foreign	Alimentos de Soja S.A.U.	Shareholder related	Argentina	ARS	277,708	—	402,581	—
77.526.480-2	Comercializadora Nova Verde	Common shareholder	Chile	CLP	1,858,682	—	518,135	—
Foreign	Coca-Cola Panamá	Shareholder related	Panama	USD	—	—	—	—
Foreign	Monster Energy Argentina S.A.	Shareholder related	Argentina	PYG	2,365	—	—	—
Foreign	Monster Energy Company – EEUU	Shareholder related	Argentina	PYG	58,668	—	—	—
Foreign	Sorocaba Refrescos S.A.	Associate	Brazil	BRL	—	—	—	—
Total					56,103,461	11,557,723	39,541,968	10,790,089



12.3 Transactions:

Taxpayer ID	Company	Relationship	Country	Transaction description	Currency	Accumulated	Accumulated
						12.31.2021	12.31.2020
						ThCh\$	ThCh\$
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Concentrate purchase	CLP	174,892,744	139,193,479
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Advertising services purchase	CLP	3,290,184	2,890,638
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Water source lease	CLP	4,727,676	3,847,817
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Sale of raw materials and others	CLP	1,720,061	1,169,944
96.714.870-9	Coca-Cola de Chile S.A.	Shareholder	Chile	Minimum dividend	CLP	35,474	—
86.881.400-4	Envases CMF S.A.	Associate	Chile	Bottle purchase	CLP	17,713,063	12,210,449
86.881.400-4	Envases CMF S.A.	Associate	Chile	Raw material purchase	CLP	24,883,194	16,055,991
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of caps	CLP	153,142	91,778
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of services and others	CLP	1,325,941	520,221
86.881.400-4	Envases CMF S.A.	Associate	Chile	Sale of services and others	CLP	1,430	1,578
86.881.400-4	Envases CMF S.A.	Associate	Chile	Purchase of containers	CLP	7,625,273	5,992,443
86.881.400-4	Envases CMF S.A.	Associate	Chile	Sale of finished products	CLP	—	2,380,574
86.881.400-4	Envases CMF S.A.	Associate	Chile	Sale of containers/raw materials	CLP	11,939,711	6,344,834
93.281.000-K	Coca-Cola Embonor S.A.	Common shareholder	Chile	Sale of finished products	CLP	59,018,653	44,982,749
93.281.000-K	Coca-Cola Embonor S.A.	Common shareholder	Chile	Sale of services and others	CLP	359,739	447,092
93.281.000-K	Coca-Cola Embonor S.A.	Common shareholder	Chile	Sale of raw materials and materials	CLP	523,958	197,288
96.891.720-K	Embonor S.A.	Shareholder related	Chile	Minimum dividend	CLP	339,562	118,314
96.891.720-K	Embonor S.A.	Shareholder related	Chile	Sale of fixed asset	CLP	357,000	—
96.891.720-K	Embonor S.A.	Shareholder related	Chile	Dividend distribution	CLP	541,188	—
96.517.310-2	Embotelladora Iquique S.A.	Shareholder related	Chile	Sale of finished products	CLP	4,220,323	167,430
89.996.200-1	Envases del Pacífico S.A.	Director related	Chile	Purchase of raw materials and materials	CLP	265,503	427
94.627.000-8	Parque Arauco S.A.	Director related	Chile	Lease of space	CLP	69,151	—
Foreign	Recofarma do Indústrias Amazonas Ltda.	Shareholder related	Brazil	Concentrate purchase	BRL	69,785,833	71,959,416
Foreign	Recofarma do Indústrias Amazonas Ltda.	Shareholder related	Brazil	Reimbursement and other purchases	BRL	100,072	220,708
Foreign	Serv. y Prod. para Bebidas Refrescantes S.R.L.	Shareholder related	Argentina	Concentrate purchase	ARS	129,275,444	81,198,463
Foreign	Serv. y Prod. para Bebidas Refrescantes S.R.L.	Shareholder related	Argentina	Advertising rights, prizes and others	ARS	3,230,351	—
Foreign	Serv. y Prod. para Bebidas Refrescantes S.R.L.	Shareholder related	Argentina	Advertising participation	ARS	5,201,881	6,395,881
Foreign	KAIK Participações	Associate	Brazil	Reimbursement and other purchases	BRL	21,180	14,162
Foreign	Leao Alimentos e Bebidas Ltda.	Associate	Brazil	Product purchases	BRL	293,677	—
Foreign	Sorocaba Refrescos S.A.	Associate	Brazil	Product purchases	BRL	2,667,326	3,671,472
89.862.200-2	Latam Airlines Group S.A.	Director related	Chile	Sale of products	CLP	269,688	—
89.862.200-2	Latam Airlines Group S.A.	Director related	Chile	Product purchase	CLP	18,695	85,140
76.572.588-7	Coca-Cola Del Valle New Ventures SA	Associate	Chile	Sale of services and others	CLP	442,566	397,659
76.572.588-7	Coca-Cola Del Valle New Ventures SA	Associate	Chile	Purchase of services and others	CLP	4,436,600	4,410,223
Foreign	Alimentos de Soja S.A.U.	Shareholder related	Argentina	Commission payments and services	ARS	2,973,907	1,373,594
Foreign	Alimentos de Soja S.A.U.	Shareholder related	Argentina	Product purchases	ARS	11,658	80,761
Foreign	Trop Frutas do Brasil Ltda.	Associate	Brazil	Product purchases	BRL	2,736,529	—
77526480-2	Comercializadora Novaverde S.A.	Common shareholder	Chile	Sale of raw materials	CLP	6,210	10,914
77526480-2	Comercializadora Novaverde S.A.	Common shareholder	Chile	Sale of finished products	CLP	8,937,506	2,050,156
77526480-2	Comercializadora Novaverde S.A.	Common shareholder	Chile	Sale of services and others	CLP	11,183	459,707
77526480-2	Comercializadora Novaverde S.A.	Common shareholder	Chile	Raw material purchase	CLP	4,519,948	1,009,547
96.633.550-5	Sinea S.A.	Director related	Chile	Raw material purchase	CLP	2,294,594	—
97.036.000-K	Banco Santander Chile	Director/Manager/Executive	Chile	Purchase of services-bank expenses	CLP	1,852,076	—

12.4 Salaries and benefits received by key management

Salaries and benefits paid to the Company's key management personnel including directors and managers are detailed as follows:

Description	12.31.2021	12.31.2020	12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Executive wages, salaries and benefits	7,253,863	7,464,071	6,267,936
Director allowances	1,512,500	1,479,420	1,512,000
Benefits accrued in the last five years and payments during the fiscal year	254,240	297,072	305,674
Benefit from termination of contracts	—	115,341	54,819
Total	9,020,603	9,355,904	8,140,429



13 – CURRENT AND NON-CURRENT EMPLOYEE BENEFITS

Employee benefits are detailed as follows:

Description	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Accrued vacation	18,630,043	14,650,267
Participation in profits and bonuses	15,538,771	15,969,735
Severance indemnity	14,982,928	14,086,575
Total	49,151,742	44,706,577
	ThCh\$	ThCh\$
Current	35,012,072	31,071,019
Non-current	14,139,670	13,635,558
Total	49,151,742	44,706,577

13.1 Severance indemnities

The movements of employee benefits, valued pursuant to Note 2 are detailed as follows:

Movements	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Opening balance	14,086,575	10,085,264
Service costs	(8,917)	1,675,492
Interest costs	1,672,491	369,332
Actuarial variations	1,216,808	3,127,398
Benefits paid	(1,984,029)	(1,170,911)
Total	14,982,928	14,086,575

13.1.1 Assumptions

The actuarial assumptions used are detailed as follows:

Assumptions	12.31.2021	12.31.2020
Discount rate	2.30 %	(0.05)%
Expected salary increase rate	2.0 %	2.0 %
Turnover rate	7.68 %	7.68 %
Mortality rate	RV-2014	RV-2014
Retirement age of women	60 years	60 years
Retirement age of men	65 years	65 years

The outcome of the changes in severance indemnities, resulting from sensitizing the actuarial assumptions at the valuation date, are presented below:



Discount rate sensitivity	ThCh\$
Change in provision by an increase of up to 100 bps	(781,222)
Change in provision by a decrease of up to 100 bps	794,316
Salary growth sensitivity	ThCh\$
Change in provision by an increase of up to 100 bps	869,297
Change in provision by a decrease of up to 100 bps	(8,590,434)

13.2 Personnel expenses

Personnel expenses included in the consolidated statement of income are as follows:

Description	12.31.2021	12.31.2020	12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Wages and salaries	225,883,645	187,600,163	194,740,646
Employee benefits	53,340,673	48,504,899	58,005,213
Severance benefits	4,163,608	3,238,966	6,987,184
Other personnel expenses	18,134,494	12,993,234	13,389,967
Total	301,522,420	252,337,262	273,123,010

14 – INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

14.1 Description

Investments in associates are accounted for using the equity method. Investments in associates are detailed as follows:

TAXPAYER ID	Name	Country	Functional currency	Investment value		Ownership interest	
				12.31.2021	12.31.2020	12.31.2021	12.31.2020
86.881.400-4	Envases CMF S.A. (1)	Chile	CLP	21,863,790	20,185,148	50.00 %	50.00 %
Foreign	Leão Alimentos e Bebidas Ltda. (2)	Brazil	BRL	11,359,597	10,628,035	10.26 %	10.26 %
Foreign	Kaik Participações Ltda. (2)	Brazil	BRL	1,107,007	979,978	11.32 %	11.32 %
Foreign	SRSA Participações Ltda.	Brazil	BRL	51,615	48,032	40.00 %	40.00 %
Foreign	Sorocaba Refrescos S.A.	Brazil	BRL	24,258,224	20,976,662	40.00 %	40.00 %
Foreign	Trop Frutas do Brasil Ltda. (2)	Brazil	BRL	2,192,920	4,695,228	7.52 %	7.52 %
76.572.588.7	Coca-Cola del Valle New Ventures S.A.	Chile	CLP	30,656,041	30,443,271	35.00 %	35.00 %
Total				91,489,194	87,956,354		

(1) In Envases CMF S.A., regardless of the percentage of ownership interest, it was determined that no controlling interest was held, only a significant influence, given that there was not a majority vote of the Board of Directors to make strategic business decisions.

(2) In these companies, regardless of the ownership interest, it has been defined that the Company has significant influence, given that it has the right to appoint directors.

Envases CMF S.A.

Chilean entity whose corporate purpose is to manufacture and sell plastic material products and beverage bottling and packaging services. The business relationship is to supply plastic bottles, preforms and caps to Coca-Cola bottlers in Chile.

Leão Alimentos e Bebidas Ltda.

Brazilian entity whose corporate purpose is to manufacture and commercialize food, beverages in general and beverage concentrates. Invest in other companies. The business relationship is to produce non-carbonated products for Coca-Cola bottlers in Brazil.



Kaik Participações Ltda.

Brazilian entity whose corporate purpose is to invest in other companies with its own resources.

SRSA Participações Ltda.

Brazilian entity whose corporate purpose is the purchase and sale of real estate investments and property management, supporting the business of Rio De Janeiro Refrescos Ltda. (Andina Brazil).

Sorocaba Refrescos S.A.

Brazilian entity whose corporate purpose is to manufacture and commercialize food, beverages in general and beverage concentrates, in addition to investing in other companies. It has commercial relationship with Rio De Janeiro Refrescos Ltda. (Andina Brazil).

Trop Frutas do Brasil Ltda.

Brazilian entity whose corporate purpose is to manufacture, commercialize and export natural fruit pulp and coconut water. The business relationship is to produce products for Coca-Cola bottlers in Brazil.

Coca-Cola del Valle New Ventures S.A.

Chilean entity whose corporate purpose is to manufacture, distribute and commercialize all kinds of juices, waters and beverages in general. The business relationship is to produce waters and juices for Coca-Cola bottlers in Chile.

14.2 Movements

The movement of investments in other entities accounted for using the equity method is shown below:

Description	12.31.2021 ThCh\$	12.31.2020 ThCh\$	12.31.2019 ThCh\$
Opening balance	87,956,354	99,866,733	102,410,945
Dividends received	(3,236,541)	(1,215,126)	(1,076,491)
Share in operating income	4,041,118	3,248,680	(2,495,621)
Amortization unrealized income in associates	(435,884)	(566,422)	(919,462)
Other increase (decrease) in investments in associates*	3,164,147	(13,377,511)	1,947,362
Ending balance	91,489,194	87,956,354	99,866,733

*Mainly due to foreign exchange rates

The main movements are explained below:

- Dividends declared in 2021 correspond to Sorocaba Refrescos S.A., Envases CMF S.A. and Coca-Cola del Valle New Ventures S.A..
- In 2021 it was identified that for the brand Verde Campo (Trop Frutas do Brasil Ltda.) the recoverable value would be R\$ 21.8 million, an amount below the book value recorded, proportionally impacting the result of Andina Brazil according to its participation (for more information see Note 2.8).
- In 2020 Leão Alimentos e Bebidas Ltda. recognized the value of a plant at its use value less selling costs, reducing the value previously recognized. Andina recognized a proportional loss of Ch\$2,931 million as income for the period 2020.
- In the 2020 period Sorocaba Refrescos S.A., recognized a tax credit for excluding ICMS from the basis of calculation of PIS and COFINS. Andina recognized as results for the 2020 period a proportional result of CLP 2,134 million.
- Dividends declared in 2020 correspond mainly to Envases CMF S.A.
- In December 2019, Leão Alimentos e Bebidas Ltda, performed an impairment provision at its Linhares Plant for BRL 256 million, Andina recognized as results for the 2019 fiscal year, a loss of CLP 4,671 million.
- In 2019 Sorocaba Refrescos S.A., Coca-Cola del Valle and CMF S.A. distributed dividends.



14.3 Reconciliation of share of profit in investments in associates:

Description	12.31.2021 ThCh\$	12.31.2020 ThCh\$	12.31.2019 ThCh\$
Equity value on income of associates	4,041,118	3,248,680	(2,495,621)
Unrealized earnings from product inventory acquired from associates and not sold at the end of the period, which is presented as a discount in the respective asset account (containers and / or inventory)	(512,131)	(528,122)	(394,490)
Amortization goodwill in the sale of fixed assets of Envases CMF S.A.	42,633	85,266	85,266
Amortization goodwill preferred rights CCDV S.A.	(478,518)	(523,061)	(610,238)
Income statement balance	3,093,102	2,228,763	(3,415,083)

14.4 Summary financial information of associates:

At December 31, 2021:

	Envases CMF S.A.	Sorocaba Refrescos S.A.	Kaik Participações Ltda.	SRSA Participações Ltda.	Leão Alimentos e Bebidas Ltda.	Trop Frutas do Brasil Ltda.	Coca- Cola del Valle New Ventures S.A.
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Short term assets	72,400,404	19,468,334	—	20,648	68,192,154	16,765,435	29,227,758
Long term assets	42,875,230	92,639,217	9,779,486	294,662	50,034,496	33,021,014	75,706,352
Total assets	115,275,634	112,107,551	9,779,486	315,310	118,226,650	49,786,449	104,934,110
Short term liabilities	57,080,891	21,255,565	—	186,266	12,991,480	10,009,915	10,181,664
Long term liabilities	14,467,165	34,960,269	28	—	6,489,944	18,294,787	7,164,058
Total liabilities	71,548,056	56,215,835	28	186,266	19,481,424	28,304,702	17,345,722
Total Equity	43,727,578	55,891,716	9,779,458	129,044	98,745,226	21,481,747	87,588,388
Total revenue from ordinary activities	77,805,312	(25,164,499)	204,624	126,016	94,169,579	35,224,230	46,509,329
Earnings before taxes	7,347,219	4,518,371	204,624	126,016	2,876,850	(31,042,731)	2,306,620
Earnings after taxes	5,509,658	2,573,415	204,624	126,016	1,556,223	(37,324,877)	2,869,945
Other comprehensive income	—	2,363,061	—	—	49,784	30,547,925	—
Total comprehensive income	—	4,936,476	—	—	1,606,007	(6,776,952)	—
Reporting date (See Note 2.3)	12.31.2021	11.30.2021	11.30.2021	11.30.2021	11.30.2021	11.30.2021	12.31.2021

At December 31, 2020:

	Envases CMF S.A.	Sorocaba Refrescos S.A.	Kaik Participações Ltda.	SRSA Participações Ltda.	Leão Alimentos e Bebidas Ltda.	Trop Frutas do Brasil Ltda.	Coca- Cola del Valle New Ventures S.A.
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Short term assets	31,354,324	17,959,344	—	20,314	70,192,521	12,293,489	37,284,398
Long term assets	43,735,099	73,675,946	8,657,291	268,126	73,918,788	63,719,245	68,450,919
Total assets	75,089,423	91,635,290	8,657,291	288,440	144,111,309	76,012,734	105,735,317
Short term liabilities	17,929,088	16,295,336	—	168,354	28,383,151	5,000,314	9,116,608
Long term liabilities	16,704,773	28,180,230	26	—	9,251,314	16,235,813	10,883,589
Total liabilities	34,633,861	44,475,566	26	168,354	37,634,465	21,236,127	20,000,197
Total Equity	40,455,562	47,159,724	8,657,265	120,086	106,476,844	54,776,607	85,735,120
Total revenue from ordinary activities	60,067,879	52,345,526	96,980	117,350	84,813,829	31,483,800	30,329,646
Earnings before taxes	5,587,691	4,028,010	96,980	117,350	(38,601,167)	(1,391,494)	(1,226,517)
Earnings after taxes	4,717,515	3,004,352	96,980	117,350	(39,244,393)	(890,021)	(475,467)
Other comprehensive income	—	(1,899,548)	—	—	472,160	—	—
Total comprehensive income	—	1,104,804	—	—	(38,772,233)	—	—
Reporting date (See Note 2.3)	12.31.2020	11.30.2020	11.30.2020	11.30.2020	11.30.2020	11.30.2020	12.31.2020



15 – INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets other than goodwill are detailed as follows:

Description	December 31, 2021			December 31, 2020		
	Gross Value	Accumulated Amortization	Net Value	Gross Value	Accumulated Amortization	Net Value
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Distribution rights (1)	650,411,156	(3,896,827)	646,514,329	598,371,081	(2,005,344)	596,365,737
Software	44,084,900	(31,019,938)	13,064,962	35,030,003	(26,882,550)	8,147,453
Others	509,957	(457,705)	52,252	417,957	(416,982)	975
Total	695,006,013	(35,374,470)	659,631,543	633,819,041	(29,304,876)	604,514,165

- (1) Correspond to the contractual rights to produce and distribute Coca-Cola products in certain parts of Argentina, Brazil, Chile and Paraguay. Distribution rights result from the valuation process at fair value of the assets and liabilities of the companies acquired in business combinations. Production and distribution contracts are renewable for periods of 5 years with Coca-Cola. The nature of the business and renewals that Coca-Cola has permanently done on these rights, allow qualifying them as indefinite contracts.

The distribution rights together with the assets that are part of the cash-generating units, are annually subjected to the impairment test, Such distribution rights have an indefinite useful life and are not subject to amortization, except for the Monster rights that are amortized in the term of the agreement which is 4 years.

	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Distribution rights		
Chile (excluding Metropolitan Region, Rancagua and San Antonio)	303,973,971	303,702,092
Brazil (Rio de Janeiro, Espírito Santo, Ribeirão Preto and investments in Sorocaba and Leão Alimentos e Bebidas Ltda.) *	158,175,979	138,176,054
Paraguay	181,675,993	152,595,420
Argentina (North and South)	2,688,386	1,892,171
Total	646,514,329	596,365,737

* On September 21, 2021 Coca-Cola Andina together with Coca-Cola Femsa, acquired the Brazilian beer brand Therezópolis for BRL 70 million. Each bottler bought 50% of the brand. This transaction is part of the company's long-term strategy to complement its beer portfolio in Brazil. The transaction was completed and approved by CADE (Brazilian Administrative Council of Economic Defense). In September, 2021 Andina recorded an intangible asset under the Therezópolis brand for BRL 35 million with an indefinite useful life.

The movement and balances of identifiable intangible assets are detailed as follows:

Description	January 1 to December 31, 2021				January 1 to December 31, 2020			
	Distribution rights	Others	Software	Total	Distribution rights	Others	Software	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance	596,365,737	975	8,147,453	604,514,165	666,755,196	456,763	7,863,416	675,075,375
Additions	5,773,560	—	6,998,593	12,772,153	94,661	—	2,575,125	2,669,786
Amortization	(152,644)	—	(2,637,823)	(2,790,467)	(1,573,878)	—	(2,088,612)	(3,662,490)
Other increases (decreases) (1)	44,527,676	51,277	556,739	45,135,692	(68,910,242)	(455,788)	(202,476)	(69,568,506)
Saldo final	646,514,329	52,252	13,064,962	659,631,543	596,365,737	975	8,147,453	604,514,165

- (1) Mainly corresponds to restatement due to the effects of translation of distribution rights of foreign subsidiaries.



16 – GOODWILL

Movement in Goodwill is detailed as follows:

Cash Generating Unit	01.01.2021	Foreign currency translation differences where functional currency is different from presentation currency		12.31.2021
	ThCh\$	ThCh\$		ThCh\$
Chilean operation	8,503,023		—	8,503,023
Brazilian operation	56,001,413		5,850,036	61,851,449
Argentine operation	27,343,642		12,632,750	39,976,392
Paraguayan operation	6,477,515		1,234,521	7,712,036
Total	98,325,593		19,717,307	118,042,900

Cash Generating Unit	01.01.2020	Foreign currency translation differences where functional currency is different from presentation currency		12.31.2020
	ThCh\$	ThCh\$		ThCh\$
Chilean operation	8,503,023		—	8,503,023
Brazilian operation	75,674,072		(19,672,659)	56,001,413
Argentine operation	29,750,238		(2,406,596)	27,343,642
Paraguayan operation	7,294,328		(816,813)	6,477,515
Total	121,221,661		(22,896,068)	98,325,593

Operating segment	01.01.2019	Foreign currency translation differences where functional currency is different from presentation currency		12.31.2019
	ThCh\$	ThCh\$		ThCh\$
Chilean operation	8,503,023		—	8,503,023
Brazilian operation	73,080,100		2,593,972	75,674,072
Argentine operation	28,318,129		1,432,109	29,750,238
Paraguayan operation	7,327,921		(33,593)	7,294,328
Total	117,229,173		3,992,488	121,221,661

17 – OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Liabilities are detailed as follows:

	Balance			
	Current		Non-current	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Bank loans (Note 17.1.1 - 2)	26,617	799,072	4,000,000	4,000,000
Bonds payable, net ¹ (Note 17.2)	25,383,339	18,705,015	1,020,661,942	918,921,342
Bottle guaranty deposits	13,402,885	12,126,831	—	—
Derivative contract liabilities (Note 17.3)	758,663	1,217,322	—	51,568,854
Lease liabilities (Note 17.4.1 - 2)	8,191,535	5,718,484	16,387,030	15,339,373
Total	47,763,039	38,566,724	1,041,048,972	989,829,569

¹ Amounts net of issuance expenses and discounts related to issuance.



The fair value of financial assets and liabilities is presented below:

Current	Book Value 12.31.2021	Fair Value 12.31.2021	Book Value 12.31.2020	Fair Value 12.31.2020
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Cash and cash equivalent (2)	304,312,020	304,312,020	309,530,699	309,530,699
Other financial assets (1)	961,705	961,705	—	—
Trade debtors and other accounts receivable (2)	265,490,626	265,490,626	194,021,253	194,021,253
Accounts receivable related companies (2)	9,419,050	9,419,050	11,875,408	11,875,408
Bank liabilities (2)	26,617	111,992	799,072	896,307
Bonds payable (2)	25,383,339	26,774,799	18,705,015	22,471,852
Bottle guaranty deposits (2)	13,402,885	13,402,885	12,126,831	12,126,831
Forward contracts liabilities (see Note 22) (1)	758,663	758,663	1,217,322	1,217,322
Leasing agreements (2)	8,191,535	8,191,535	5,718,484	5,718,484
Accounts payable (2)	327,710,552	327,710,552	230,438,133	230,438,133
Accounts payable related companies (2)	56,103,461	56,103,461	39,541,968	39,541,968
Non-current	12.31.2021	12.31.2021	12.31.2020	12.31.2020
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Other financial assets (1)	281,337,127	281,337,127	150,983,295	150,983,295
Non-current accounts receivable (2)	126,464	126,464	73,862	73,862
Accounts receivable related companies (2)	98,940	98,940	138,346	138,346
Bank liabilities (2)	4,000,000	4,056,753	4,000,000	4,056,753
Bonds payable (2)	1,020,661,942	1,041,841,338	918,921,342	1,088,617,557
Leasing agreements (2)	16,387,030	16,387,030	15,339,373	15,339,373
Non-current accounts payable (2)	256,273	256,273	295,279	295,279
Derivative contracts liabilities (see Note 22) (1)	—	—	51,568,854	51,568,854

- (1) Fair values are based on discounted cash flows using market discount rates at the close of the six-month and one-year period and are classified as Level 2 of the fair value measurement hierarchies.
- (2) Financial instruments such as: Cash and Cash Equivalents, Trade and Other Accounts Receivable, Accounts Receivable, Bottle Guarantee Deposits and Trade Accounts Payable, and Other Accounts Payable present a fair value that approximates their carrying value, considering the nature and term of the obligation. The business model is to maintain the financial instrument in order to collect/pay contractual cash flows, in accordance with the terms of the contract, where cash flows are received/cancelled on specific dates that exclusively constitute payments of principal plus interest on that principal. These instruments are revalued at amortized cost.

17.1.1 Bank liabilities, current

Indebted entity			Creditor entity			Currency	Tipo de Amortization	Nominal Rate	Maturity		Total	
Taxpayer ID	Name	Country	Taxpayer ID	Name	Country				Up to 90 days	90 days to 1 year	At 12.31.2021	At 12.31.2020
									ThCh\$	ThCh\$	ThCh\$	ThCh\$
96.705.990-0	Envases Central S.A.	Chile	97.006.000-6	Banco BCI	Chile	UF	Semiannually	2.13 %	—	—	—	760,667
96.705.990-0	Envases Central S.A.	Chile	97.006.000-6	Banco BCI	Chile	CLP	Semiannually	2.00 %	26,617	—	26,617	33,111
Foreign	Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Galicia y Buenos Aires S.A.	Argentina	ARS	Monthly	22.00 %	—	—	—	5,294
Total											26,617	799,072



17.1.2 Bank liabilities, non-current

Indebted entity			Creditor entity			Currency	Type of Amortization	Nominal Rate	Maturity					
Taxpayer ID	Name	Country	Taxpayer ID	Name	Country				1 year up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years	At 12.31.2021
									ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
96.705.990-0	Envases Central S.A.	Chile	97.006.000-6	Banco BCI	Chile	CLP	Semiannually	2.00 %	—	—	4,000,000	—	—	4,000,000
Total														4,000,000

17.1.3 Bank liabilities, non-current previous year

Indebted entity			Creditor entity			Currency	Type of Amortization	Nominal Rate	Maturity					
Taxpayer ID	Name	Country	Taxpayer ID	Name	Country				1 year up to 2 years	more than 2 up to 3 years	more than 3 up to 4 years	more than 4 up to 5 years	more than 5 years	At 12.31.2020
									ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
96.705.990-0	Envases Central S.A.	Chile	97.006.000-6	Banco BCI	Chile	CLP	Semiannually	2.00 %	—	—	4,000,000	—	—	4,000,000
Total														4,000,000

17.1.4 Current and non-current bank obligations “Restrictions”

Bank obligations are not subject to restrictions for the reported periods.

17.2 Bond obligations

On January 21, 2020, the Company issued corporate bonds on the international market for USD 300 million with a 30-year maturity, with a bullet structure and an annual interest rate of 3.950%. In parallel, derivatives (Cross Currency Swaps) covering 100% of the financial obligations of the bond that are denominated in US dollars have been contracted re-denominating that liability to UF.

Composition of bonds payable	Current		Non-current		Total	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020	12.31.2021	12.31.2020
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Bonds face value ¹	26,103,215	19,347,033	1,027,864,462	925,968,913	1,053,967,677	945,315,946

¹ Gross amounts do not consider discounts related to issuance.

17.2.1 Current and non-current balances

Bonds payable correspond to bonds in UF issued by the parent company on the Chilean market and bonds in U.S. dollars issued by the Parent Company on the international market. A detail of these instruments is presented below:

Bonds	Series	Current nominal amount	Adjustment unit	Interest rate	Final maturity	Interest payment	Current		Non-current	
							12.31.2021	12.31.2020	12.31.2021	12.31.2020
							ThCh\$	ThCh\$	ThCh\$	ThCh\$
CMF Registration 254 06.13.2001	B	1,389,336	UF	6.5 %	12-01-2026	Semiannually	8,769,787	7,776,693	34,515,188	40,388,468
CMF Registration 641 08.23.2010	C	1,363,636	UF	4.0 %	08-15-2031	Semiannually	4,853,856	647,672	38,035,317	43,605,495
CMF Registration 760 08.20.2013	D	4,000,000	UF	3.8 %	08-16-2034	Semiannually	1,737,109	1,629,677	123,966,960	116,281,320
CMF Registration 760 04.02.2014	E	3,000,000	UF	3.75 %	03-01-2035	Semiannually	1,151,467	1,083,063	92,975,229	87,210,999
CMF Registration 912 10.10.2018	F	5,700,000	UF	2.83 %	09-25-2039	Semiannually	1,316,202	1,234,601	176,652,918	165,700,881
Bonds USA 2023 10.01.2013	—	365,000,000	US\$	5.0 %	10-01-2023	Semiannually	3,853,898	3,243,709	308,311,850	259,496,750
Bonds USA 2050 01.01.2020	—	300,000,000	US\$	3.95 %	01-21-2050	Semiannually	4,420,896	3,731,618	253,407,000	213,285,000
Total							26,103,215	19,347,033	1,027,864,462	925,968,913

Accrued interest included in the current portion of bonds payable as of December 31, 2021 and 2020 amounts to CLP 13,333,338 thousand and CLP 11,841,892 thousand, respectively.



17.2.2 Non-current maturities

	Series	Year of maturity				Total Non-current 12.31.2021
		More than 1 up to 2	More than 2 up to 3	More than 3 up to 4	More than 5	
		ThCh\$	ThCh\$	ThCh\$	ThCh\$	
CMF Registration 254 06.13.2001	B	9,098,047	9,689,420	10,319,232	5,408,489	34,515,188
CMF Registration 641 08.23.2010	C	4,226,146	4,226,147	4,226,146	25,356,878	38,035,317
CMF Registration 760 08.20.2013	D	—	—	—	123,966,960	123,966,960
CMF Registration 760 04.02.2014	E	—	—	—	92,975,229	92,975,229
CMF Registration 912 10.10.2018	F	—	—	—	176,652,918	176,652,918
Bonds USA	—	—	308,311,850	—	—	308,311,850
Bonds USA 2	—	—	—	—	253,407,000	253,407,000
Total		13,324,193	322,227,417	14,545,378	677,767,474	1,027,864,462

17.2.3 Market rating

The bonds issued on the Chilean market had the following rating:

AA : ICR Compañía Clasificadora de Riesgo Ltda. rating
AA : Fitch Chile Clasificadora de Riesgo Limitada rating

The rating of bonds issued on the international market had the following rating:

BBB : Standard&Poors Global Ratings
BBB+ : Fitch Ratings Inc.

17.2.4 Restrictions

17.2.4.1 Restrictions regarding bonds placed abroad.

Obligations with bonds placed abroad are not affected by financial restrictions for the periods reported.

17.2.4.2 Restrictions regarding bonds placed in the local market.

The following financial information was used for calculating restrictions:

	12.31.2021 ThCh\$
Total Equity	1,101,413,559
Net financial debt	307,692,116
Unencumbered assets	2,638,120,437
Total unsecured liabilities	1,562,394,258
EBITDA LTM	382,001,096
Net financial expenses LTM	48,510,695

Restrictions on the issuance of bonds for a fixed amount registered under number 254, series B1 and B2.

In October 2020, the Consolidated Financial Liabilities/Consolidated Equity no more than 1.20 times covenant was amended as follows:

- Maintain an indebtedness level where Net Consolidated Financial Liabilities to Consolidated Equity does not exceed 1.20 times. For these purposes Net Consolidated Financial Liabilities shall be regarded as (i) “Other Current Financial Liabilities,” plus (ii) “Other Non-Current Financial Liabilities,” less (iii) the addition of “Cash and Cash Equivalents” plus “Other Current Financial



Assets;" plus "Other Non-Current Financial Assets) (to the extent they correspond to asset balances of derivative financial instruments, taken to cover exchange rate and/or interest rate risks on financial liabilities). Consolidated Equity will be regarded as total equity including non-controlling interest.

As of the date of these financial statements, this ratio is 0.28 times.

- Maintain, and in no manner lose, sell, assign or transfer to a third party, the geographical area currently denominated as the "Metropolitan Region" (Región Metropolitana) as a territory in Chile in which we have been authorized by The Coca-Cola Company for the development, production, sale and distribution of products and brands of the licensor, in accordance to the respective bottler or license agreement, renewable from time to time.
- Not lose, sell, assign, or transfer to a third party any other territory of Argentina or Brazil, which as of this date is franchised by TCCC to the Company for the development, production, sale and distribution of products and brands of such licensor, as long as any of these territories account for more than 40% of the Issuer's Adjusted Consolidated Operating Cash Flow.
- Maintain consolidated assets free of any pledge, mortgage or other encumbrances for an amount at least equal to 1.3 times of the issuer's unsecured consolidated liabilities.

Unsecured consolidated liabilities payable shall be regarded as the total liabilities, obligations and debts of the issuer that are not secured by real guarantees on goods and assets of the latter, voluntarily and conventionally constituted by the issuer less the asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities under "Other Current Financial Assets" and "Other non-current Financial Assets" of the Issuer's Consolidated Statement of Financial Position.

Consolidated Assets free of any pledge, mortgage or other lien will only be regarded as those assets free of any pledge, mortgage or other real lien voluntarily and conventionally constituted by the issuer less asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities and under "Other Current Financial Assets" and "Other non-current Financial Assets" of the Issuer's Consolidated Statement of Financial Position.

As of the date of these financial statements, this ratio is 1.69 times.

Restrictions to bond lines registered in the Securities Registered under number 641, series C

- Maintain a level of "Net Financial Debt" within its quarterly financial statements that may not exceed 1.5 times, measured over figures included in its consolidated statement of financial position. To this end, net financial debt shall be defined as the ratio between net financial debt and total equity of the issuer (equity attributable to controlling owners plus non-controlling interest). On its part, net financial debt will be the difference between the Issuer's financial debt and cash.

As of the date of these financial statements, net financial debt level was 0.28 times.

- Maintain consolidated assets free of any pledge, mortgage or other encumbrances for an amount at least equal to 1.3 times of the issuer's unsecured consolidated liabilities.

Unencumbered assets refer to the assets that are the property of the issuer; classified under Total Assets of the Issuer's Financial Statements; and that are free of any pledge, mortgage or other liens constituted in favor of third parties, less "Other Current Financial Assets" and "Other Non-Current Financial Assets" of the Issuer's Financial Statements (to the extent they correspond to asset balances of derivative financial instruments, taken to hedge exchange rate and interest rate risk of the financial liabilities).

Unsecured total liabilities correspond to liabilities from Total Current Liabilities and Total Non-Current Liabilities of Issuer's Financial Statement which do not benefit from preferences or privileges, less "Other Current Financial Assets" and "Other Non-Current Financial Assets" of the Issuer's Financial Statements (to the extent they correspond to asset balances of derivative financial instruments, taken to hedge exchange rate and interest rate risk of the financial liabilities).



As of the date of these financial statements, this ratio was 1.69 times.

- Maintain a level of “Net Financial Coverage” greater than 3 times in its quarterly financial statements. Net financial coverage means the ratio between the issuer's Ebitda of the last 12 months and the issuer's Net Financial Expenses in the last 12 months. Net Financial Expenses will be regarded as the difference between the absolute value of interest expense associated with the issuer's financial debt account accounted for under “Financial Costs”; and interest income associated with the issuer's cash accounted for under the Financial Income account. However, this restriction shall be deemed to have been breached where the mentioned level of net financial coverage is lower than the level previously indicated during two consecutive quarters.

As of the date of these financial statements, Net Financial Coverage was 7.87 times.

Restrictions to bond lines registered in the Securities Registrar under number 760, series D and E.

- Maintain an indebtedness level where Net Consolidated Financial Liabilities to Consolidated Equity does not exceed 1.20 times. For these purposes Net Consolidated Financial Liabilities shall be regarded as (i) “Other Current Financial Liabilities,” plus (ii) “Other Non-Current Financial Liabilities,” less (iii) the addition of “Cash and Cash Equivalents” plus “Other Current Financial Assets,” plus “Other Non-Current Financial Assets” (to the extent they correspond to asset balances of derivative financial instruments, taken to cover exchange rate and/or interest rate risks on financial liabilities). Consolidated Equity will be regarded as total equity including non-controlling interest.

As of the date of these financial statements, Indebtedness Level is 0.28 times of Consolidated Equity.

- Maintain consolidated assets free of any pledge, mortgage or other encumbrances for an amount at least equal to 1.3 times of the issuer's unsecured consolidated liabilities payable.

Unsecured Consolidated Liabilities Payable shall be regarded as the total liabilities, obligations and debts of the issuer that are not secured by real guarantees on goods and assets of the latter, voluntarily and conventionally constituted by the issuer less the asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities under “Other Current Financial Assets” and “Other non-current Financial Assets” of the Issuer's Consolidated Statement of Financial Position.

The following will be considered in determining Consolidated Assets: assets free of any pledge, mortgage or other lien, as well as those assets having a pledge, mortgage or real encumbrances that operate solely by law, less asset balances of derivative financial instruments, taken to hedge exchange rate or interest rate risks on financial liabilities under “Other Current Financial Assets” and “Other non-current Financial Assets” of the Issuer's Consolidated Financial Statements. Therefore, Consolidated Assets free of any pledge, mortgage or other lien will only be regarded as those assets free of any pledge, mortgage or other real lien voluntarily and conventionally constituted by the issuer less asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities and under “Other Current Financial Assets” and “Other non-current Financial Assets” of the Issuer's Consolidated Statement of Financial Position.

As of the date of these financial statements, this ratio was 1.69 times.

- Maintain, and in no manner, lose, sell, assign or transfer to a third party, the geographical area currently denominated as the “Metropolitan Region” as a territory franchised to the Issuer in Chile by The Coca-Cola Company, hereinafter also referred to as “TCCC” or the “Licensor” for the development, production, sale and distribution of products and brands of said licensor, in accordance to the respective bottler or license agreement, renewable from time to time. Losing said territory, means the non-renewal, early termination or cancellation of this license agreement by TCCC, for the geographical area today called “Metropolitan Region”. This reason shall not apply if, as a result of the loss, sale, transfer or disposition, of that licensed territory is purchased or acquired by a subsidiary or an entity that consolidates in terms of accounting with the Issuer.
- Not lose, sell, assign, or transfer to a third party any other territory of Argentina or Brazil, which as of the issuance date of these instruments is franchised by TCCC to the Issuer for the development, production, sale and distribution of products and brands of such licensor, as long as any of these territories account for more than 40% of the Issuer's Adjusted Consolidated Operating Cash



Flow of the audited period immediately before the moment of loss, sale, assignment or transfer. For these purposes, the term “Adjusted Consolidated Operating Cash Flow” shall mean the addition of the following accounting accounts of the Issuer’s Consolidated Statement of Financial Position: (i) “Gross Profit” which includes regular activities and cost of sales; less (ii) “Distribution Costs”; less (iii) “Administrative Expenses”; plus (iv) “Participation in profits (losses) of associates that are accounted for using the equity method”; plus (v) “Depreciation”; plus (vi) “Intangibles Amortization”.

Restrictions to bond lines registered in the Securities Registrar under number 912, series F.

- Maintain an indebtedness level where Net Consolidated Financial Liabilities to Consolidated Equity does not exceed 1.20 times. For these purposes Net Consolidated Financial Liabilities shall be regarded as (i) “Other Current Financial Liabilities,” plus (ii) “Other Non-Current Financial Liabilities,” less (iii) the addition of “Cash and Cash Equivalents” plus “Other Current Financial Assets;” plus “Other Non-Current Financial Assets) (to the extent they correspond to asset balances of derivative financial instruments, taken to cover exchange rate and/or interest rate risks on financial liabilities). Consolidated Equity will be regarded as total equity including non-controlling interest.

As of the date of these financial statements, this ratio was 0.28 times.

- Maintain consolidated assets free of any pledge, mortgage or other encumbrances for an amount at least equal to 1.3 times of the issuer’s unsecured consolidated liabilities payable. Unsecured Consolidated Liabilities Payable shall be regarded as the total liabilities, obligations and debts of the issuer that are not secured by real guarantees on goods and assets of the latter, voluntarily and conventionally constituted by the issuer less the asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities under “Other Current Financial Assets” and “Other non-current Financial Assets” of the Issuer’s Consolidated Statement of Financial Position. The following will be considered in determining Consolidated Assets: assets free of any pledge, mortgage or other lien, as well as those assets having a pledge, mortgage or real encumbrances that operate solely by law, less asset balances of derivative financial instruments, taken to hedge exchange rate or interest rate risks on financial liabilities under “Other Current Financial Assets” and “Other non-current Financial Assets” of the Issuer’s Consolidated Financial Statements. Therefore, Consolidated Assets free of any pledge, mortgage or other lien will only be regarded as those assets free of any pledge, mortgage or other real lien voluntarily and conventionally constituted by the issuer less asset balances of derivative financial instruments, taken to cover exchange rate or interest rate risks on financial liabilities and under “Other Current Financial Assets” and “Other non-current Financial Assets” of the Issuer’s Consolidated Statement of Financial Position.

As of the date of these financial statements, this ratio was 1.69 times.

- Not lose, sell, assign, or transfer to a third party any other territory of Argentina or Brazil, which as of the issuance date of local bonds Series C, D and E is franchised by TCCC to the Issuer for the development, production, sale and distribution of products and brands of such licensor, as long as any of these territories account for more than 40% of the Issuer’s Adjusted Consolidated Operating Cash Flow of the audited period immediately before the moment of loss, sale, assignment or transfer. For these purposes, the term “Adjusted Consolidated Operating Cash Flow” shall mean the addition of the following accounting accounts of the Issuer’s Consolidated Statement of Financial Position: (i) “Gross Profit” which includes regular activities and cost of sales; less (ii) “Distribution Costs”; less (iii) “Administrative Expenses”; plus (iv) “Participation in profits (losses) of associates that are accounted for using the equity method”; plus (v) “Depreciation”; plus (vi) “Intangibles Amortization”.

As of December 31, 2021 and 2020, the Company complies with all financial collaterals.

It should be noted that on November 11, 2021, bondholders’ meetings were held for the series C, D, E and F bonds issued in the local market under the lines registered in the Securities Registry of the CMF under No. 641 (Series C), No. 760 (Series D and E) and No. 912 (Series F), and for the series B bonds corresponding to the fixed amount issue registered in the Securities Registry of the CMF under No. 254.

As a result of the aforementioned bondholders’ meetings, by means of public deeds dated November 19, 2021 granted at the Santiago Notary Office of Mr. Iván Torrealba Acevedo, the issuance contracts of the aforementioned bond issues were amended. Additionally, by means of public deeds granted on the same date and at the same Notary’s office, the issuance contracts of the bond lines registered in the Securities Registry of the CMF under No. 911, No. 971 and No. 972 were also amended, in respect of which there were no bonds



outstanding at the date of said deeds. In this regard, amendments were made to the financial indebtedness covenant that existed in the aforementioned issuance contracts, to be replaced by a new indebtedness level obligation defined as follows:

Indebtedness Level: To maintain an Indebtedness Level, measured and calculated quarterly on the Issuer's Consolidated Financial Statements, presented in the form and terms determined by the Financial Market Commission, no greater than three point five times.

The following terms shall be understood as:

- "Indebtedness Level" shall mean the ratio between /a/ the average of the Consolidated Net Financial Liabilities, calculated on the last four "Consolidated Financial Statements of Financial Position" contained in the Issuer's Consolidated Financial Statements submitted by the Issuer as of the calculation date to the Financial Market Commission; and /b/ the accumulated EBITDA in the twelve consecutive month period ending at the close of the last of the "Consolidated Financial Statements of Results by Function" contained in the Consolidated Financial Statements that the Issuer has filed as of the calculation date with the Financial Market Commission.

- "Consolidated Net Financial Liabilities" the result of the following operations on the accounting items of the "Consolidated Financial Statements of Financial Position" contained in the Issuer's Consolidated Financial Statements indicated below: /i/ "Other Financial Liabilities, Current", which include short-term obligations with banks and financial institutions, obligations with the public at face rate, issuance expenses and discounts associated with the placement and other minor items that according to IFRS regulations must be included in this category; plus /ii/ "Other Non-Current Financial Liabilities", which include long-term obligations with banks and financial institutions, obligations with the public at face rate, issuance costs and discounts associated with the placement and other minor items that according to IFRS standards should be included in this category; minus /iii/ the sum of "Cash and Cash Equivalents"; plus "Other Financial Assets, Current"; plus "Other Financial Assets, Non-Current" /to the extent that they correspond to asset balances for derivative financial instruments, taken to hedge exchange rate and/or interest rate risk of financial liabilities/;

- EBITDA" the aggregate of the following accounts of the "Consolidated Financial Statements of Income by Function" contained in the Issuer's Consolidated Financial Statements: "Revenues from Ordinary Activities", "Cost of Sales", "Distribution Costs", "Administrative Expenses" and "Other Expenses, by function", discounting the value of "Depreciation" and "Amortization for the Year" presented in the Notes to the Issuer's Consolidated Financial Statements.

It should be noted that the modification of the financial covenant was ratified by Chile's Financial Market Commission (CMF) on February 3, 2022 for bond lines No. 254, No. 641, on February 7, 2022 for bond line No. 760 and on February 11 for bond line No. 912.

The calculation of the index at December 31, 2021 was 0.89 times, complying with the limit of not exceeding 3.50 times.

17.3 Derivative contract obligations

Please see details in Note 22.



17.4.1 Current liabilities for leasing agreements

Indebted entity		Creditor entity			Currency	Amortization Type	Nominal Rate	Maturity		Total	
Name	Country	Taxpayer ID	Name	Country				Up to 90 days	90 days up to 1 year	AI 12.31.2021	al 12.31.2020
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Cogeração - Light ESCO	Brazil	BRL	Monthly	12.28 %	208,428	664,893	873,321	698,526
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Tetra Pack	Brazil	BRL	Monthly	7.39 %	46,545	133,591	180,136	208,738
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Real estate	Brazil	BRL	Monthly	8.10 %	86,365	181,387	267,752	183,694
Rio de Janeiro Refrescos Ltda.	Brazil	Foreign	Leão	Brazil	BRL	Monthly	3.50 %	72,497	216,912	289,409	269,310
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	USD	Monthly	12.00 %	37,087	111,260	148,347	83,469
Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Comafi	Argentina	USD	Monthly	12.00 %	24,779	-	24,779	124,927
Embotelladora del Atlántico S.A.	Argentina	Foreign	Real estate	Argentina	ARS	Monthly	50.00 %	94,094	392,699	486,793	213,905
Embotelladora del Atlántico S.A.	Argentina	Foreign	Systems	Argentina	USD	Monthly	12.00 %	34,526	103,577	138,103	82,227
VJ S.A.	Chile	93.899.000-k	De Lage Landen Chile S.A	Chile	USD	Linear	12.16 %	137,601	421,271	558,872	-
Vital Aguas S.A	Chile	76.389.720-6	Coca-Cola del Valle New Ventures S.A	Chile	CLP	Linear	7.50 %	298,788	808,351	1,107,139	1,171,464
Envases Central S.A	Chile	96.705.990-0	Coca-Cola del Valle New Ventures S.A	Chile	CLP	Linear	5.56 %	584,259	1,780,718	2,364,977	2,290,464
Paraguay Refrescos SA	Paraguay	80.003.400-7	Tetra Pack Ltda. Suc. Py	Paraguay	PGY	Monthly	1.00 %	66,479	118,866	185,345	215,632
Transportes Polar S.A.	Chile	96.928.520-7	Cons. Inmob. e Inversiones Limitada	Chile	UF	Monthly	2.89 %	25,212	76,738	101,950	92,778
Embotelladora Andina S.A	Chile	91.144.000-8	Central de Restaurante Aramark Ltda.	Chile	CLP	Monthly	1.30 %	13,997	-	13,997	83,350
Transportes Andina Refrescos Ltda	Chile	78.861.790-9	Arrendamiento De Maquinaria SPA	Chile	UF	Monthly	1.00 %	68,732	205,331	274,063	-
Transportes Andina Refrescos Ltda	Chile	78.861.790-9	Comercializadora Novaverde Limitada	Chile	UF	Monthly	0.08 %	94,083	282,363	376,446	-
Transportes Andina Refrescos Ltda	Chile	78.861.790-9	Jungheinrich Rentalift SPA	Chile	UF	Monthly	0.24 %	197,874	602,232	800,106	-
								Total		8,191,535	5,718,484

The Company maintains leases on forklifts, vehicles, real estate and machinery. These leases have an average lifespan of between one and eight years without including a renewal option in the contracts.



17.4.2 Non-current liabilities for leasing agreements

Indebted entity			Creditor entity			Amortization	Nominal	Maturity					at
Name	Country	Taxpayer ID	Name	Country	Currency			1 year up to	2 years up to	3 years up to	4 years up to	More than	
						Type	Rate	2 years	3 years	4 years	5 years	5 years	12.31.2021
								ThChS	ThChS	ThChS	ThChS	ThChS	ThChS
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Cogeração - Light ESCO	Brazil	BRL	Monthly	12.28 %	986,852	1,115,143	1,260,112	1,423,926	3,917,596	8,703,629
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Tetra Pack	Brazil	BRL	Monthly	7.39 %	64,906	69,872	75,217	80,971	256,055	547,021
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Real estate	Brazil	BRL	Monthly	8.10 %	115,321	28,670	-	-	-	143,991
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Leao Alimentos e Bebidas Ltda.	Brazil	BRL	Monthly	3.50 %	276,248	269,864	249,693	29,102	27,331	852,238
Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Comafi	Argentina	USD	Monthly	12.00 %	-	86,276	-	-	-	86,276
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	USD	Monthly	12.00 %	-	296,693	-	234,882	-	531,575
Embotelladora del Atlántico S.A.	Argentina	Foreign	Real estate	Argentina	ARS	Monthly	50.00 %	-	86,139	-	-	-	86,139
VJ S.A.	Chile	Foreign	De Lage Landen Chile S.A	Chile	USD	Monthly	12.16 %	1,343,457	-	-	-	-	1,343,457
Envases Central S.A	Chile	76.572.588-7	Coca-Cola del Valle New Ventures S.A	Chile	CLP	Monthly	5.56 %	602,887	-	-	-	-	602,887
Transportes Andina Refrescos Ltda	Chile	85.275.700-0	Arrendamiento De Maquinaria SPA	Chile	UF	Monthly	1.00 %	-	541,264	-	44,696	-	585,960
Transportes Polar S.A.	Chile	76.413.243-2	Cons. Inmob. e Inversiones Limitada	Chile	UF	Monthly	2.89 %	-	212,945	-	64,460	-	277,405
Transportes Andina Refrescos Ltda	Chile	77.526.480-2	Comercializadora Novaverde Limitada	Chile	UF	Monthly	0.08 %	-	156,942	-	-	-	156,942
Transportes Andina Refrescos Ltda	Chile	78.861.790-9	Jungheinrich Rentalift SPA	Chile	UF	Monthly	0.24 %	-	1,670,939	-	798,571	-	2,469,510
Total													16,387,030

17.4.3 Non-current liabilities for leasing agreements (previous year)

Indebted entity		Creditor entity				Amortization	Nominal	Maturity					at
Name	Country	Taxpayer ID	Name	Country	Currency			Type	Rate	1 year up to 2 years	2 years up to 3 years	3 years up to 4 years	4 years up to 5 years
								THCHS	THCHS	THCHS	THCHS	THCHS	THCHS
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Cogeração - Light ESCO	Brazil	BRL	Monthly	12.28 %	789,334	891,946	1,007,901	1,138,928	4,827,833	8,655,942
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Tetra Pack	Brazil	BRL	Monthly	7.39 %	95,856	—	—	—	—	95,856
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Real estate	Brazil	BRL	Monthly	8.20 %	72,906	32,980	23,547	—	—	129,433
Rio de Janeiro Refrescos Ltda.	Brasil	Foreign	Leao Alimentos e Bebidas Ltda.	Brazil	BRL	Monthly	6.56 %	261,577	249,681	243,911	225,680	51,007	1,031,856
Embotelladora del Atlántico S.A.	Argentina	Foreign	Banco Comafi	Argentina	USD	Monthly	12.00 %	—	20,867	—	-	—	20,867
Embotelladora del Atlántico S.A.	Argentina	Foreign	Tetra Pak SRL	Argentina	USD	Monthly	12.00 %	—	249,854	—	249,854	72,874	572,582
Embotelladora del Atlántico S.A.	Argentina	Foreign	Real estate	Argentina	ARS	Monthly	50.00 %	—	128,930	—	—	—	128,930
Embotelladora del Atlántico S.A.	Argentina	Foreign	Real estate	Argentina	ARS	Monthly	50.00 %	—	95,931	—	—	—	95,931
Vital Aguas S.A	Chile	76.572.588-7	Coca-Cola del Valle New Ventures S.A	Chile	CLP	Monthly	8.20 %	1,107,140	—	—	—	—	1,107,140
Envases Central S.A	Chile	76.572.588-7	Coca-Cola del Valle New Ventures S.A	Chile	CLP	Monthly	9.00 %	2,967,864	—	—	—	—	2,967,864
Paraguay Refrescos SA	Paraguay	80.003.400-7	Tetra Pack Ltda. Suc. Py	Paraguay	Guarani	Monthly	1.00 %	—	163,635	—	—	—	163,635
Transportes Polar S.A.	Chile	76.413.243-2	Cons. Inmob. e Inversiones Limitada	Chile	UF	Monthly	2.89 %	—	193,789	—	161,551	—	355,340
Embotelladora Andina S.A	Chile	76.178.360-2	Central de Restaurante Aramark Ltda.	Chile	CLP	Monthly	1.30 %	—	13,997	—	—	—	13,997
Total													15,339,373

Leasing agreement obligations are not subject to financial restrictions for the reported periods.



18 – TRADE AND OTHER ACCOUNTS PAYABLE

Trade and other current accounts payable are detailed as follows:

Classification	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Current	327,409,207	230,445,809
Non-current	256,273	295,279
Total	327,665,480	230,741,088
Item	ThCh\$	ThCh\$
Trade accounts payable	248,163,428	163,361,078
Withholding tax	54,812,365	48,566,443
Others	24,689,687	18,813,567
Total	327,665,480	230,741,088

19 – OTHER PROVISIONS, CURRENT AND NON-CURRENT

19.1 Balances

The composition of provisions is as follows:

Description	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Litigation (1)	57,412,406	50,070,273
Total	57,412,406	50,070,273
Current	1,528,879	1,335,337
Non-current	55,883,527	48,734,936
Total	57,412,406	50,070,273

- (1) Correspond to the provision made for the probable losses of fiscal, labor and commercial contingencies, based on the opinion of our legal advisors, according to the following detail:

Description (see note 23.1)	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Tax contingencies	28,673,105	25,543,101
Labor contingencies	9,502,630	8,688,551
Civil contingencies	19,236,671	15,838,621
Total	57,412,406	50,070,273



19.2 Movements

The movement of principal provisions over litigation is detailed as follows:

Description	12.31.2021 ThCh\$	12.31.2020 ThCh\$
Opening balance at January 1st	50,070,273	69,107,550
Additional provisions	948,632	172,801
Increase (decrease) in existing provisions	5,903,714	4,624,789
Used provision (payments made charged to the provision)	(3,717,687)	(5,799,209)
Reversal of unused provision	(788,215)	—
Increase (decrease) due to foreign exchange rate differences	4,995,689	(18,035,658)
Total	57,412,406	50,070,273

20 – OTHER NON-FINANCIAL LIABILITIES

Other current and non-current liabilities at each reporting period end are detailed as follows:

Description	Current		Non-current	
	12.31.2021 ThCh\$	12.31.2020 ThCh\$	12.31.2021 ThCh\$	12.31.2020 ThCh\$
Dividends payable	29,020,899	25,999,055	—	—
Others(1)	2,216,935	2,267,675	23,784,817	21,472,048
Total	31,237,834	28,266,730	23,784,817	21,472,048

- (1) Other non-current corresponds mainly to accounts payable to former shareholders of Companhia de Bebidas Ipiranga (“CBI”). See Note 6 for further information.

21 – EQUITY

21.1 Number of shares:

Series	Number of subscribed, paid-in and voting shares	
	2021	2020
A	473,289,301	473,289,301
B	473,281,303	473,281,303

21.1.1 Capital:

Series	Paid-in and subscribed capital	
	2021 ThCh\$	2020 ThCh\$
A	135,379,504	135,379,504
B	135,358,070	135,358,070
Total	270,737,574	270,737,574

21.1.2 Rights of each series:

- Series A: Elects 12 of the 14 Directors.
- Series B: Receives an additional 10% of dividends distributed to Series A and elects 2 of the 14 Directors.



21.2 Dividend policy

Under Chilean law, we must distribute cash dividends equivalent to at least 30% of our annual net profit, barring a unanimous vote by shareholders to the contrary. If there is no net profit in a given year, the Company shall not be legally obligated to distribute dividends from accumulated earnings, unless approved by the General Shareholders Meeting. At the General Shareholders' Meeting held in April 2021, shareholders agreed to pay out of the 2020 earnings a final dividend and an additional dividend to the 30% required by Chile's Law on Corporations, which were paid in May 2021 and August 2021, respectively.

In accordance with the provisions of Circular No. 1.945 of the Commission for the Financial Market (CMF) dated September 29, 2009, the Company's Board of Directors decided to maintain the initial adjustments of adopting IFRS as cumulative gains whose distribution is conditional on their future realization.

The dividends declared and/or paid per share are presented below:

Periods approved - paid		Dividend type	Profits imputable to dividends	CLP Series A	CLP Series B
04.17.2019	05.30.2019	Final	2018 Results	21.50	23.65
04.17.2019	08.29.2019	Additional	Accumulated Earnings	21.50	23.65
09.24.2019	10.24.2019	Interim	2019 Results	21.50	23.65
12.20.2019	01.23.2020	Interim	2019 Results	22.60	24.86
02-25-2020	05-29-2020	Final	2019 Earnings	26.00	28.60
02-25-2020	08-28-2020	Additional	Accumulated Earnings	26.60	28.60
10-27-2020	11-24-2020	Interim	2020 Earnings	26.60	28.60
12-22-2020	01-29-2021	Interim	2020 Earnings	26.00	28.60
04-15-2021	05-28-2021	Final	2020 Earnings	26.00	28.60
04-15-2021	08-27-2021	Additional	2020 Earnings	26.00	28.60
09-28-2021	10-29-2021	Interim	2021 Earnings	29.00	31.90
12-21-2021	01-28-2022	Interim	2021 Earnings	29.00	31.90

21.3 Other reserves

The balance of other reserves includes the following:

Concept	12.31.2021 ThCh\$	12.31.2020 ThCh\$	12.31.2019 ThCh\$
Polar acquisition	421,701,520	421,701,520	421,701,520
Foreign currency translation reserves	(441,580,088)	(517,496,486)	(339,076,340)
Cash flow hedge reserve	50,603,698	(24,719,533)	(14,850,683)
Reserve for employee benefit actuarial gains or losses	(4,885,926)	(4,663,193)	(2,230,752)
Legal and statutory reserves	5,435,538	5,435,538	5,435,538
Other	6,014,568	6,014,568	6,014,568
Total	37,289,310	(113,727,586)	76,993,851

21.3.1 Polar acquisition

This amount corresponds to the difference between the valuation at fair value of the issuance of shares of Embotelladora Andina S.A. and the book value of the paid capital of Embotelladoras Coca-Cola Polar S.A., which was finally the value of the capital increase notarized in legal terms.



21.3.2 Cash flow hedge reserve

They arise from the fair value of the existing derivative contracts that have been qualified for hedge accounting at the end of each financial period. When contracts are expired, these reserves are adjusted and recognized in the income statement in the corresponding period (see Note 22).

21.3.3 Reserve for employee benefit actuarial gains or losses

Corresponds to the restatement effect of employee benefits actuarial losses that according to IAS 19 amendments must be carried to other comprehensive income.

21.3.4 Legal and statutory reserves

In accordance with Official Circular N° 456 issued by the Chilean Financial Market Commission (CMF), the legally required price-level restatement of paid-in capital for 2009 is presented as part of other equity reserves and is accounted for as a capitalization from Other Reserves with no impact on net income or retained earnings under IFRS. This amount totaled CLP 5,435,538 thousand as of December 31, 2009.

21.3.5 Foreign currency translation reserves

This corresponds to the conversion of the financial statements of foreign subsidiaries whose functional currency is different from the presentation currency of the Consolidated Financial Statements. Additionally, exchange differences between accounts receivable kept by the companies in Chile with foreign subsidiaries are presented in this account, which have been treated as investment equivalents accounted for using the equity method, Translation reserves are detailed as follows:

Description	12.31.2021	12.31.2020	12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Brazil	(167,447,389)	(203,657,392)	(98,794,118)
Argentina	(294,696,228)	(291,332,402)	(246,415,922)
Paraguay	20,563,529	(22,506,692)	6,133,700
Total	(441,580,088)	(517,496,486)	(339,076,340)

The movement of this reserve for the periods ended on the dates indicated below, is detailed as follows:

Description	12.31.2021	12.31.2020	12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Brazil	36,210,003	(104,863,274)	15,386,079
Argentina	(3,363,826)	(44,916,480)	(45,297,742)
Paraguay	43,070,221	(28,640,392)	(2,490,149)
Total	75,916,398	(178,420,146)	(32,401,812)

21.3.6 Consolidated statements of comprehensive income

The detail of the comprehensive income and expense for the periods ended on the dates indicated below, is detailed as follows:

	Gross Balance	Tax	Net Balance
Cash Flow for hedge (1)	104,232,055	(28,944,992)	75,287,063
Exchange rate translation differences (1)	98,973,862	(22,103,267)	76,870,595
Benefit related to defined benefit plans	(357,840)	96,617	(261,223)
Total Comprehensive income as of December 31, 2021	202,848,077	(50,951,642)	151,896,435



	Gross Balance	Tax	Net Balance
Cash Flow for hedge (1)	(12,203,755)	2,334,037	(9,869,718)
Exchange rate translation differences (1)	(264,119,093)	84,571,922	(179,547,171)
Benefit related to defined benefit plans	(3,146,362)	849,518	(2,296,844)
Total Comprehensive income as of December 31, 2020	(279,469,210)	87,755,477	(191,713,733)

	Gross Balance	Tax	Net Balance
Cash Flow for hedge (1)	(1,865,233)	683,482	(1,181,751)
Exchange rate translation differences (1)	(41,844,584)	9,295,546	(32,549,038)
Benefit related to defined benefit plans	(379,007)	102,332	(276,675)
Total Comprehensive income as of December 31, 2019	(44,088,824)	10,081,360	(34,007,464)

(1) These concepts will be reclassified to the statements of income when it is settled,



The movement of comprehensive income and expense is as follows:

As of December 31, 2021:	Cash Flow Hedge	Exchange rate Differences	Benefit related to defines benefit plans
	MS	MS	MS
Increase (decrease)	102,529,128	98,973,862	3,026,996
Deferred taxes	(28,469,748)	(22,103,267)	(817,289)
Reclassification to the result by function	1,227,683	—	(2,470,930)
Reclassification of deferred taxes related to other reserves	—	—	—
Total Changes in Equity	75,287,063	76,870,595	(261,223)
Majority Equity holders	75,323,231	75,916,398	(222,733)
Non-Controlling interests	(36,168)	954,197	(38,490)
Total Changes in equity as of December 31, 2021	75,287,063	76,870,595	(261,223)

As of December 31, 2020:	Cash Flow Hedge	Exchange rate Differences	Benefit related to defines benefit plans
	MS	MS	MS
Increase (decrease)	(11,029,171)	(264,119,093)	(3,338,354)
Deferred taxes	2,029,363	84,571,923	901,356
Reclassification to the result by function	(869,910)	—	140,153
Reclassification of deferred taxes related to other reserves	—	—	—
Total Changes in Equity	(9,869,718)	(179,547,170)	(2,296,845)
Majority Equity holders	(9,686,850)	(178,420,146)	(2,432,441)
Non-Controlling interests	(868)	(1,127,024)	135,596
Total Changes in equity as of December 31, 2020	(9,869,718)	(179,547,170)	(2,296,845)

As of December 31, 2019:	Cash Flow Hedge	Exchange rate Differences	Benefit related to defines benefit plans
	MS	MS	MS
Increase (decrease)	(1,724,004)	(41,844,584)	53,511
Deferred taxes	340,835	9,295,546	(14,448)
Reclassification to the result by function	118,779	—	(432,518)
Reclassification of deferred taxes related to other reserves	82,639	—	116,780
Total Changes in Equity	(1,181,751)	(32,549,038)	(276,675)
Major Equity holders	(1,181,751)	(32,401,812)	(276,675)
Non-Controlling interests	—	(147,226)	—
Total Changes in equity as of December 31, 2019	(1,181,751)	(32,549,038)	(276,675)



21.4 Non-controlling interests

This is the recognition of the portion of equity and income from subsidiaries owned by third parties. This account is detailed as follows:

Details	Non-controlling Interests								
	Ownership %			Shareholders' Equity			Income		
	2021	2020	2019	December 2021	December 2020	December 2019	December 2021	December 2020	December 2019
				ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Embotelladora del Atlántico S.A.	0.0171	0.0171	0.0171	33,794	23,662	26,342	3,463	2,312	4,183
Andina Empaques Argentina S.A.	0.0209	0.0209	0.0209	3,761	2,349	2,290	326	244	409
Paraguay Refrescos S.A.	2.1697	2.1697	2.1697	6,331,726	5,037,332	5,368,470	885,010	791,576	622,188
Vital S.A.	35.0000	35.0000	35.0000	8,056,551	8,176,999	7,904,741	499,923	285,269	263,442
Vital Aguas S.A.	33.5000	33.5000	33.5000	2,041,837	1,912,023	1,803,884	130,522	109,110	105,870
Envases Central S.A.	40.7300	40.7300	40.7300	5,738,008	5,227,112	5,148,531	750,192	(70,996)	528,205
Re-Ciclar S.A.*	40.0000	—	—	3,064,078	—	—	64,082	—	—
Total				25,269,755	20,379,477	20,254,258	2,333,518	1,117,515	1,524,297

(*) Re-Ciclar is a company, whose purpose is to produce recycled resin for the Coca-Cola system and third parties. Non-controlling interest reaches 40.0%.

The following tables presents summarized information regarding the Company's subsidiaries owned by third parties:

	Embotelladora Del Atlántico S.A.	Andina Empaques Argentina S.A.	Paraguay Refrescos S.A.	Vital Jugos S.A.	Vital Aguas S.A.	Envases Central S.A.
December 31, 2021						
Total current assets	107,589,399	13,197,912	64,121,536	25,441,586	5,575,990	17,976,170
Total non-current assets	209,051,488	11,865,984	279,148,198	16,832,859	5,789,335	20,945,892
Total current liabilities	98,942,717	6,210,788	34,207,817	17,498,997	4,934,841	20,091,524
Total non-current liabilities	19,520,634	868,253	17,242,154	1,756,730	335,449	4,742,707
Net sales	517,466,510	30,750,914	169,216,180	64,513,412	16,005,176	77,475,816
Net Income	20,307,709	1,558,476	40,788,801	1,428,350	389,619	1,841,867
December 31, 2020						
Total current assets	65,077,621	6,212,726	44,658,550	21,175,722	3,798,228	15,600,566
Total non-current assets	140,891,069	8,247,288	226,241,150	14,306,662	7,297,306	18,205,899
Total current liabilities	56,982,545	2,733,092	24,337,015	11,812,384	3,897,100	13,908,411
Total non-current liabilities	10,226,241	491,364	14,399,594	307,146	1,490,904	7,064,568
Net sales	309,936,060	15,148,572	157,152,584	42,955,659	12,929,160	62,267,424
Net Income	13,386,097	1,168,507	36,482,572	815,053	325,700	(174,313)
December 31, 2019						
Total current assets	73,309,861	4,350,074	41,266,559	18,534,272	5,266,575	16,265,862
Total non-current assets	160,885,628	9,433,294	248,309,451	15,475,979	8,527,624	20,903,184
Total current liabilities	66,987,371	2,212,255	25,990,081	11,150,695	5,794,282	18,732,369
Total non-current liabilities	12,732,620	618,031	16,161,177	274,583	2,615,188	5,796,119
Net sales	384,856,368	18,509,124	158,892,010	46,818,385	18,201,656	70,633,817
Net Income	24,531,815	1,954,024	28,675,727	752,692	316,031	1,296,840



21.5 Earnings per share

The basic earnings per share presented in the statement of comprehensive income is calculated as the quotient between income for the period and the average number of shares outstanding during the same period.

Earnings per share used to calculate basic and diluted earnings per share is detailed as follows:

Earnings per share	12.31.2021	
	SERIES A	SERIES B
Earnings attributable to shareholders (ThCh\$)	73,666,409	81,031,741
Average weighted number of shares	473,289,301	473,281,303
Earnings per share (in CLP)	155.65	171.21

Earnings per share	12.31.2020	
	SERIES A	SERIES B
Earnings attributable to shareholders (ThCh\$)	58,095,636	63,904,169
Average weighted number of shares	473,289,301	473,281,303
Earnings per share (in CLP)	122.75	135.02

Earnings per share	12.31.2019	
	SERIES A	SERIES B
Earnings attributable to shareholders (ThCh\$)	82,725,427	90,996,501
Average weighted number of shares	473,289,301	473,281,303
Earnings per share (in CLP)	174.79	192.27

22 – DERIVATIVE ASSETS AND LIABILITIES

Embotelladora Andina currently maintains “Cross Currency Swaps” and “Currency Forward” agreements as derivative financial instruments.

Cross Currency Swaps (“CCS”), also known as interest rate and currency swaps are valued by the method of discounted future cash flows at a market rate corresponding to the currencies and rates of the transaction.

On the other hand, the fair value of forward currency contracts is calculated in reference to current forward exchange rates for contracts with similar maturity profiles.

As of the date of these financial statements, the Company holds the following derivative instruments:

22.1 Accounting recognition of cross currency swaps

Cross Currency Swaps, associated with local Bonds (Chile)

At the closing date of these financial statements, the Company maintains derivative contracts to secure some of its bond debt issued in Unidades de Fomento totaling UF 9,752,973 in 2021 (UF 10,148,159 in 2020), to convert those obligations to CLP.

These contracts were valued at fair value, yielding a net asset at the closing date of the financial statements of CLP 34,239,224 thousand (CLP 6,229,116 thousand in 2020) which is presented in Other non-current financial assets. Maturity dates of derivative contracts are distributed throughout 2026, 2031, 2034 and 2035.



Cross Currency Swaps, associated with international Bonds (U.S.A.)

At the closing date of these financial statements, the Company maintains derivative contracts to secure US Dollar public bond obligations of USD 360 million due in 2023, to convert such obligations into Brazilian Real. In addition, derivative contracts amounting to USD 300 million are held to convert such obligation into Unidades de Fomento (UF - CLP re-adjustable by the Consumer Price Index) due in 2050. The valuation of the first contract at its fair values generates an asset of CLP 192,844,908 thousand as of the closing date of these financial statements (CLP 144,684,179 thousand as of December 31, 2020), while the valuation of the second contract at its fair value generates an asset of CLP 54,252,995 thousand at the closing date of these financial statements (CLP 51,568,854 thousand liability at December 31, 2020).

The amount of exchange differences recognized in the statement of income related to financial liabilities in U.S. dollars are absorbed by the amounts recognized under comprehensive income.

22.2 Forward currency transactions expected to be very likely

During 2021 and 2020, Embotelladora Andina entered into forward contracts to ensure the exchange rate on future commodity purchasing needs for its 4 operations, i.e., closing forward instruments in USD/ARS, USD/BRL, USD/CLP and USD/GYP. As of December 31, 2021, outstanding contracts amount to USD 70.2 million (USD 54.0 million as of December 31, 2020).

Futures contracts that ensure prices of future raw materials have not been designated as hedge agreements, since they do not fulfill IFRS documentation requirements, whereby its effects on variations in fair value are accounted for directly under other comprehensive income.

Fair value hierarchy

At the closing date of these financial statements, the Company held assets for derivative contracts for CLP 282,298,832 thousand (CLP 150,983,295 thousand as of December 31, 2020) and held liabilities for derivative contracts for CLP 758,663 thousand (CLP 52,786,176 thousand as of December 31, 2020). Those contracts covering existing items have been classified in the same category of hedged, the net amount of derivative contracts by concepts covering forecasted items have been classified in current and non-current financial assets and financial liabilities. All the derivative contracts are carried at fair value in the consolidated statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included in level 1 that are observable for the assets and liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for assets and liabilities that are not based on observable market data.



During the reporting period, there were no transfers of items between fair value measurement categories; all of which were valued during the period using level 2.

Fair Value Measurement at December 31, 2021			
	Quoted prices in active markets for identical assets or liabilities (Level 1) ThCh\$	Observable market data (Level 2) ThCh\$	Unobservable market data (Level 3) ThCh\$
Total ThCh\$			
Assets			
Current and non-current assets			
Other current financial assets	—	961,705	—
Other non-current financial assets	—	281,337,127	—
Total assets	—	282,298,832	—
Liabilities			
Current and non-current liabilities			
Other current financial liabilities	—	758,663	—
Other non-current financial liabilities	—	—	—
Total liabilities	—	758,663	—
Fair Value Measurement at December 31, 2020			
	Quoted prices in active markets for identical assets or liabilities (Level 1) ThCh\$	Observable market data (Level 2) ThCh\$	Unobservable market data (Level 3) ThCh\$
Total ThCh\$			
Assets			
Current assets			
Other current financial assets	—	—	—
Other non-current financial assets	—	150,983,295	—
Total assets	—	150,983,295	—
Liabilities			
Current liabilities			
Other current financial liabilities	—	1,217,322	—
Other non-current financial liabilities	—	51,568,854	—
Total liabilities	—	52,786,176	—

23 – LITIGATION AND CONTINGENCIES

23.1 Lawsuits and other legal actions:

In the opinion of the Company's legal counsel, the Parent Company and its subsidiaries do not face legal or extrajudicial contingencies that might result in material or significant losses or gains, except for the following:

- 1) Embotelladora del Atlántico S.A. and Andina Empaques Argentina S.A. face labor, tax, civil and trade lawsuits. Accounting provisions have been made for the contingency of a probable loss because of these lawsuits, totaling CLP 1,917,657 thousand (CLP 778,065 thousand in 2020). Management considers it unlikely that non-provisioned contingencies will affect the Company's income and equity, based on the opinion of its legal counsel. Additionally, Embotelladora del Atlántico S.A. maintains time deposits for an amount of CLP 276,971 thousand to guaranty judicial liabilities.
- 2) Rio de Janeiro Refrescos Ltda. faces labor, tax, civil and trade lawsuits. Accounting provisions have been made for the contingency of a probable loss because of these lawsuits, totaling CLP 53,965,870 thousand (CLP 47,945,921 thousand in 2020). Management



considers it unlikely that non-provisioned contingencies will affect the Company's income and equity, based on the opinion of its legal counsel. As it is customary in Brazil, Rio de Janeiro Refrescos Ltda. maintains Deposit in courts and assets given in pledge to secure the compliance of certain processes, irrespective of whether these have been classified as a possible, probable or remote. The amounts deposited or pledged as legal guarantees As of December 31, 2021, amounted to CLP 23,502,962 thousand (CLP 21,054,433 thousand as of December 31, 2020).

Part of the assets held under warranty by Rio de Janeiro Refrescos Ltda. as of December 31, 2014, are in the process of being released and others have already been released in exchange for guarantee insurance and bond letters for BRL 1,530,835,558, with different Financial Institutions and Insurance Companies in Brazil, these entities receive an annual commission fee of 0.61%. and become responsible of fulfilling obligations with the Brazilian tax authorities should any trial result against Rio de Janeiro Refrescos Ltda. Additionally, if the warranty and bail letters are executed, Rio de Janeiro Refrescos Ltda. promises to reimburse to the financial institutions and Insurance Companies any amounts disbursed by them to the Brazilian government.

Main contingencies faced by Rio de Janeiro Refrescos are as follows:

- a) Tax contingencies resulting from credits on tax on industrialized products (IPI).

Rio de Janeiro Refrescos is a party to a series of proceedings under way, in which the Brazilian federal tax authorities demand payment of value-added tax on industrialized products (*Imposto sobre Produtos Industrializados*, or IPI) totaling BRL 2,774,605,147 as of the date of these financial statements.

The Company does not share the position of the Brazilian tax authority in these procedures and considers that it was entitled to claim IPI tax credits in connection with purchases of certain exempt raw materials from suppliers located in the Manaus free trade zone.

Based on the opinion of its advisers, and legal outcomes to date, Management estimates that these procedures do not represent probable losses and has not recorded a provision on these matters.

Notwithstanding the above, the IFRS related to business combination in terms of distribution of the purchase price establish that contingencies must be measured one by one according to their probability of occurrence and discounted at fair value from the date on which it is deemed the loss can be generated. As a result of the acquisition of Companhia de Bebidas Ipiranga in 2013 and pursuant to this criterion and although there are contingencies listed only as possible for BRL 708,345,690 (amount includes adjustments for current lawsuits) a start provision has been generated in the accounting of the business combination for BRL 141,639,007.

- b) Other tax contingencies.

They refer to ICMS-SP tax administrative processes that challenge the credits derived from the acquisition of tax-exempt products acquired by the Company from a supplier located in the Manaus Free Zone. The total amount is BRL 415,170,501 being assessed by external attorneys as a remote loss, so it has no accounting provision.

The company was challenged by the federal tax authority for tax deductibility of a portion of goodwill in the 2014-2016 period arising from the acquisition of Companhia de Bebidas Ipiranga. The tax authority understands that the entity that acquired Companhia de Bebidas Ipiranga is Embotelladora Andina and not Rio de Janeiro Refrescos Ltda. In the view of external lawyers, such a statement is erroneous, classifying it as a possible loss. The value of this process is BRL 488,331,303, as of the date of these financial statements.

- 3) Embotelladora Andina S.A. and its Chilean subsidiaries face labor, tax, civil and trade lawsuits. Accounting provisions have been made for the contingency of a probable loss because of these lawsuits, totaling CLP 1,487,509 thousand (CLP 1,300,587 thousand as of December 31, 2020). Management considers it is unlikely that non-provisioned contingencies will affect income and equity of the Company, in the opinion of its legal advisors.



- 4) Paraguay Refrescos S.A. faces tax, trade, labor and other lawsuits. Accounting provisions have been made for the contingency of any loss because of these lawsuits amounting to CLP 41,370 thousand (CLP 34,747 thousand as of December 31, 2020). Management considers it is unlikely that non-provisioned contingencies will affect income and equity of the Company, in the opinion of its legal advisors.



23.2 Direct guarantees and restricted assets:

Guarantees and restricted assets are detailed as follows:

Guarantees that commit assets recognized in the financial statements:

Guaranty creditor	Debtor name	Relationship	Committed assets		Accounting value	
			Guaranty	Type	12.31.2021	12.31.2020
					ThCh\$	ThCh\$
Transportes San Martín	Embotelladora Andina S.A.	Parent company	Cash	Trade Accounts and Other Accounts Receivable	—	2,907
Administradora Plaza Vespucio S.A.	Embotelladora Andina S.A.	Parent company	Cash	Trade Accounts and Other Accounts Receivable	86,416	—
Cooperativa Agrícola Pisquera Elqui Limitada	Embotelladora Andina S.A.	Parent company	Cash	Otros activos financieros no corrientes	1,216,865	1,216,865
Mall Plaza	Embotelladora Andina S.A.	Parent company	Cash	Trade Accounts and Other Accounts Receivable	290,890	—
Serv. Nacional Aduanas	Embotelladora Andina S.A.	Parent company	Cash	Trade Accounts and Other Accounts Receivable	18,583	—
Metro S.A.	Embotelladora Andina S.A.	Parent company	Cash	Trade Accounts and Other Accounts Receivable	24,335	—
Parque Arauco S.A.	Embotelladora Andina S.A.	Parent company	Cash	Trade Accounts and Other Accounts Receivable	126,136	—
Several Retail	Vending	Subsidiary	Cash	Trade Accounts and Other Accounts Receivable	63,792	—
Several Retail	Transportes Refrescos	Subsidiary	Cash	Trade Accounts and Other Accounts Receivable	628	—
Several Retail	Transportes Polar	Subsidiary	Cash	Accounts Receivable	69,745	15,751
Labor claims	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Other non-current non-financial assets	6,057,282	5,329,947
Civil and tax claims	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	assets	6,562,747	5,882,379
Governmental entities	Rio de Janeiro Refrescos Ltda.	Subsidiary	Judicial deposit	Property, Plant and Equipment	10,882,933	9,842,108
Distribuidora Baraldo S.H.	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	164	169
Acuña Gomez	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	247	253
Nicanor López	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	176	181
Labarda	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	3	3
Municipalidad Bariloche	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	2,230	—
Municipalidad San Antonio Oeste	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	18,153	18,650
Municipalidad Carlos Casares	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	734	754
Municipalidad Chivilcoy	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	113,530	116,641
Others	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	35	36
Granada Maximiliano	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	1,480	1,521
Cicsa	Embotelladora del Atlántico S.A.	Subsidiary	Cash deposit	Other current non-financial assets	—	2,114
Several stores	Embotelladora del Atlántico S.A.	Subsidiary	Cash deposit	Other current non-financial assets	—	13,140
Aduana de EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Cash deposit	Other current non-financial assets	—	286
Municipalidad de Junín	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	237	243
Almada Jorge	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	2,009	2,064
Mirgóni Marano	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	50	51
Fariás Matías Luis	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	922	947
Temas Industriales SA - Embargo General de Fondos	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	103,110	—
DBC SA C CERVECERIA ARGENTINA SA ISEMBECK	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	18,502	19,009
Coto Cicsa	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	3,289	3,379
Cencosud	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	2,056	2,112
Mariano Mirgóni	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	—	105,936
Jose Luis Kreitzer, Alexis Beade Y Cesar Bechetti	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	8,143	—
Causa Bariloche	Embotelladora del Atlántico S.A.	Subsidiary	Judicial deposit	Other non-current non-financial assets	1,902	—
Marcus A. Peña	Paraguay Refrescos	Subsidiary	Real estate	Property, Plant and Equipment	5,692	4,011
Mauricio J Cordero C	Paraguay Refrescos	Subsidiary	Real estate	Property, Plant and Equipment	987	814
José Ruoti Maltese	Paraguay Refrescos	Subsidiary	Real estate	Property, Plant and Equipment	712	655
Alejandro Galcano	Paraguay Refrescos	Subsidiary	Real estate	Property, Plant and Equipment	1,365	1,132
Ana María Mazó	Paraguay Refrescos	Subsidiary	Real estate	Property, Plant and Equipment	1,300	1,077



Guarantees that do not commit assets recognized in the Financial Statements:

Guaranty creditor	Debtor name	Relationship	Committed assets		Amounts involved	
			Guaranty	Type	12.31.2021	12.31.2020
					ThCh\$	ThCh\$
Labor procedures	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guaranty receipt	Legal proceeding	1,593,498	1,527,347
Administrative procedures	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guaranty receipt	Legal proceeding	4,717,824	8,860,598
Federal Government	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guaranty receipt	Legal proceeding	153,491,717	147,841,989
State Government	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guaranty receipt	Legal proceeding	64,725,638	46,031,398
Sorocaba Refrescos	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guaranty receipt	Guarantor	3,027,291	2,736,159
Others	Rio de Janeiro Refrescos Ltda.	Subsidiary	Guaranty receipt	Legal proceeding	3,390,177	1,715,099
Aduana de EZEIZA	Embotelladora del Atlántico S.A.	Subsidiary	Surety insurance	Faithful compliance of contract	—	3,150
Aduana de EZEIZA	Andina Empaques Argentina S.A.	Subsidiary	Surety insurance	Faithful compliance of contract	637,631	143,615

24 – FINANCIAL RISK MANAGEMENT

The Company's businesses are exposed to a variety of financial and market risks (including foreign exchange risk, interest rate risk and price risk). The Company's global risk management program focuses on the uncertainty of financial markets and seeks to minimize potential adverse effects on the performance of the Company. The Company uses derivatives to hedge certain risks. A description of the primary policies established by the Company to manage financial risks are provided below:

Interest Rate Risk

As of the closing date of these financial statements, the Company maintains all its debt liabilities at a fixed rate as to avoid fluctuations in financial expenses resulting from tax rate increases.

The Company's greatest indebtedness corresponds to six contracts for own issued Chilean local bonds at a fixed rate, which currently have an outstanding balance of UF 15.45 million denominated in UF ("UF"), debt indexed to inflation in Chile (Company sales are correlated with the UF variation), of which five of these Local Bonds have been redenominated through Cross Currency Swaps to Chilean Pesos (CLP).

On the other hand, there is also the Company's indebtedness on the international market through two 144A/RegS Bonds at a fixed rate, one for USD 365 million, denominated in dollars, and practically 100% of which has been re-denominated to BRL through Cross Currency Swaps, and another one for USD 300 million denominated in USD, and practically 100% of which has been re-denominated to Unidades de Fomento (UF) through Cross Currency Swaps.

Credit risk

The credit risk to which the Company is exposed comes mainly from trade accounts receivable maintained with retailers, wholesalers and supermarket chains in domestic markets; and the financial investments held with banks and financial institutions, such as time deposits, mutual funds and derivative financial instruments.

a) Trade accounts receivable and other current accounts receivable

Credit risk related to trade accounts receivable is managed and monitored by the area of Finance and Administration of each business unit. The Company has a wide base of more than 283 thousand clients implying a high level of atomization of accounts receivable, which are subject to policies, procedures and controls established by the Company. In accordance with such policies, credits must be based objectively, non-discretionary and uniformly granted to all clients of a same segment and channel, provided these will allow generating economic benefits to the Company. The credit limit is checked periodically considering payment behavior. Trade accounts receivable pending of payment are monitored on a monthly basis.

i. Sale Interruption

In accordance with Corporate Credit Policy, the interruption of sale must be within the following framework: when a customer has outstanding debts for an amount greater than USD 250,000, and over 60 days expired, sale is suspended. The General Manager in



conjunction with the Finance and Administration Manager authorize exceptions to this rule, and if the outstanding debt should exceed USD 1,000,000, and in order to continue operating with that client, the authorization of the Chief Financial Officer is required. Notwithstanding the foregoing, each operation can define an amount lower than USD 250,000 according to the country's reality.

ii. Impairment

The impairment recognition policy establishes the following criteria for provisions: 30% is provisioned for 31 to 60 days overdue, 60% between 60 and 91 days, 90% between 91 and 120 days overdue and 100% for more than 120 days. Exemption of the calculation of global impairment is given to credits whose delays in the payment correspond to accounts disputed with the customer whose nature is known and where all necessary documentation for collection is available, therefore, there is no uncertainty on recovering them. However, these accounts also have an impairment provision as follows: 40% for 91 to 120 days overdue, 80% between 120 and 170, and 100% for more than 170 days.

iii. Prepayment to suppliers

The Policy establishes that USD 25,000 prepayments can only be granted to suppliers if its value is properly and fully provisioned. The Treasurer of each subsidiary must approve supplier warranties that the Company receives for prepayments before signing the respective service contract. In the case of domestic suppliers, a warranty ballot (or the instrument existing in the country) shall be required, in favor of Andina executable in the respective country, non-endorsable, payable on demand or upon presentation and its validity will depend on the term of the contract. In the case of foreign suppliers, a stand-by credit letter will be required which shall be issued by a first line bank; in the event that this document is not issued in the country where the transaction is done, a direct bank warranty will be required. Subsidiaries can define the best way of safeguarding the Company's assets for prepayments under USD 25,000.

iv. Guarantees

In Chile, we have insurance with Compañía de Seguros de Crédito Continental S.A. (AA rating -according to Fitch Chile and Humphreys rating agencies) covering the credit risk regarding trade debtors in Chile.

The rest of the operations do not have credit insurance, instead mortgage guarantees are required for volume operations of wholesalers and distributors in the case of trade accounts receivables. In the case of other debtors, different types of guarantees are required according to the nature of the credit granted.

Historically, uncollectible trade accounts have been lower than 0.5% of the Company's total sales.

b) Financial investments

The Company has a Policy that is applicable to all the companies of the group in order to cover credit risks for financial investments, restricting both the types of instruments as well as the institutions and degree of concentration. The companies of the group can invest in:

- i. Time deposits: only in banks or financial institutions that have a risk rating equal or higher than Level 1 (Fitch) or equivalent for deposits of less than 1 year and rated A or higher (S&P) or equivalent for deposits of more than 1 year.
- ii. Mutual funds: investments with immediate liquidity and no risk of capital (funds composed of investments at a fixed-term, current account, fixed rate Tit BCRA, negotiable obligations, Over Night, etc.) in all those counter-parties that have a rating greater than or equal to AA-(S&P) or equivalent, Type 1 Pacts and Mutual Funds, with a rating greater than or equal to AA+ (S&P) or equivalent.
- iii. Other investment alternatives must be evaluated and authorized by the office of the Chief Financial Officer.



Exchange Rate Risk

The company is exposed to three types of risk caused by exchange rate volatility:

a) Exposure of foreign investment

This risk originates from the translation of net investment from the functional currency of each country (Brazilian Real, Paraguayan Guaraní, and Argentine Peso) to the Parent Company's reporting currency (Chilean Peso). Appreciation or devaluation of the Chilean Peso with respect to the functional currencies of each country, originates decreases and increases in equity, respectively. The Company does not hedge this risk.

Currency variation at closing	USD/CLP +18.8%	BRL/CLP +9.4%	ARS/CLP -2.7%	PGY/CLP +19.1%
	Brazil	Argentina	Paraguay	
	ThCh\$	ThCh\$	ThCh\$	
Total assets	903,369,847	334,076,764	343,269,734	
Total liabilities	644,077,808	122,221,435	51,449,972	
Net investment	259,292,039	211,855,329	291,819,762	
Share on income	24.3 %	24.0 %	7.6 %	
-5% variation impact on currency translation				
Impact on results for the period	(2,171,576)	(980,976)	(1,942,324)	
Impact on equity at closing	(12,076,796)	(6,738,919)	(13,162,380)	

Net exposure of assets and liabilities in foreign currency

This risk stems mostly from carrying liabilities in US dollar, so the volatility of the US dollar with respect to the functional currency of each country generates a variation in the valuation of these obligations, with consequent effect on results.

In order to protect the Company from the effects on income resulting from the volatility of the Brazilian Real and the Chilean Peso against the U.S. dollar, the Company maintains derivative contracts (cross currency swaps) to cover almost 100% of US dollar-denominated financial liabilities.

By designating such contracts as hedging derivatives, the effects on income for variations in the Chilean Peso and the Brazilian Real against the US dollar, are mitigated annulling its exposure to exchange rates.

b) Exposure of assets purchased or indexed to foreign currency

This risk originates from purchases of raw materials and investments in Property, plant and equipment, whose values are expressed in a currency other than the functional currency of the subsidiary. Changes in the value of costs or investments can be generated through time, depending on the volatility of the exchange rate.

In order to minimize this risk, the Company maintains a currency hedging policy stipulating that it is necessary to enter into foreign currency derivatives contracts to lessen the effect of the exchange rate over cash expenditures expressed in US dollars, corresponding mainly to payment to suppliers of raw materials in each of the operations. This policy stipulates up to 12-month forward horizon.

Commodities risk

The Company is subject to a risk of price fluctuations in the international markets mainly for sugar, PET resin and aluminum, which are inputs used to produce beverages and containers, which together, account for 35% to 40% of operating costs. Procurement and



anticipated purchase contracts are made frequently to minimize and/or stabilize this risk. To minimize this risk or stabilize often supply contracts and anticipated purchases are made when market conditions warrant.

Liquidity risk

The products we sell are mainly paid for in cash and short-term credit; therefore, the Company's main source of financing comes from the cash flow of our operations. This cash flow has historically been sufficient to cover the investments necessary for the normal course of our business, as well as the distribution of dividends approved by the General Shareholders' Meeting. Should additional funding be required for future geographic expansion or other needs, the main sources of financing to consider are: (i) debt offerings in the Chilean and foreign capital markets (ii) borrowings from commercial banks, both internationally and in the local markets where the Company operates; and (iii) public equity offerings

The following table presents an analysis of the Company's committed maturities for liability payments throughout the coming years, with interest calculated for each period:

Item	Payments on the year of maturity				
	1 year	More than 1 up to 2	More than 2 up to 3	More than 3 up to 4	More than 5
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Bank debt	26,617	—	—	4,000,000	—
Bonds payable	25,383,339	321,636,043	13,915,567	14,545,378	670,564,954
Lease obligations	8,191,535	4,949,066	2,975,353	2,641,096	5,821,515
Contractual obligations (1)	85,354,594	31,678,743	9,036,380	8,992,060	4,950,895
Total	118,956,085	358,263,852	25,927,300	30,178,534	681,337,364

(1) Agreements that the Andina Group has with collaborating entities for its operation, which are mainly related to contracts entered into to supply products and/or support services in information technology services, commitments of the company with its franchisor to make investments or expenses related to the development of the franchise, support services to personnel, security services, maintenance services of fixed assets, purchase of inputs for production, among others.

COVID-19-Related Risk

As a result of the impact that COVID-19 is having in different countries around the world, including its recent outbreak in the region where we operate, Coca-Cola Andina is adopting measures necessary to protect its employees and to ensure the continuity of the Company's operations.

Among the measures it has adopted to protect its employees are the following:

- campaign to educate our employees on actions to be taken to avoid the spread of COVID-19;
- sending home any employee that has been exposed to the virus;
- implementation of additional cleaning protocols for our facilities;
- modifying certain work practices and activities, keeping customer service:
 - home office has been implemented for those positions where work can be performed remotely
 - domestic and international traveling has been canceled
- providing personal protective equipment to all our employees who need to keep working at plants and distribution centers, as well as to truck drivers and assistants, including face masks and sanitizers.
- We developed a plan to promote and encourage voluntary vaccination of our own employees and direct third parties, with weekly monitoring of the evolution of the vaccination status at the regional level.
- In our plants and distribution centers, we established a preventive protocol for the application of COVID-19 PCR and antigen tests to detect and isolate infected people and identify close contacts.

Since mid-March 2020, governments of the countries where the Company operates, have adopted several measures to reduce infection rates of COVID-19. Among these measures are, closing of schools, universities, shopping centers, restaurants and bars, prohibiting



social gathering events, issuing stay-at-home orders and establishing quarantine requirements, imposing additional sanitary requirements on exports and imports, and limiting international travel and closing borders. Governments in the countries where we operate have also announced economic stimulus programs for families and businesses, including in Argentina a restriction on workforce reductions. To date, none of our plants has had to suspend their operations.

As a result of the COVID-19 pandemic and the restrictions imposed by the authorities in the four countries where we operate, we have seen a great volatility in our sales across channels. During this fiscal year, at a consolidated level, we have observed an improvement in the relative share of our sales channels. Because the pandemic and the actions taken by governments are changing very rapidly, we believe it is too early to draw conclusions regarding changes in the long-term consumption pattern, and how these may affect our operating and financial results in the future.

Due to uncertainties regarding the COVID-19 pandemic and the above-mentioned government restrictions, including how long these conditions may persist, and the effects they will have on our sales volumes and our business in general, we cannot accurately predict the ultimate financial impact from these new trends. In any event, we estimate that the Company will not face liquidity constraints, or difficulties in complying with covenants under our debt instruments. We do not anticipate any significant provisions or impairments at this time.

25 – EXPENSES BY NATURE

Other expenses by nature are:

Description	01.01.2021	01.01.2020	01.01.2019
	12.31.2021	12.31.2020	12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Direct production costs	1,192,363,804	862,383,664	877,716,948
Payroll and employee benefits	301,522,420	252,337,262	273,123,010
Transportation and distribution	174,253,526	126,683,586	138,486,337
Advertisement	28,475,957	6,917,300	27,113,322
Depreciation y amortization	104,775,303	110,920,517	111,087,284
Repairs and maintenance	38,631,914	25,971,485	30,528,180
Other expenses	84,272,085	73,455,798	83,188,784
Total (1)	1,924,295,009	1,458,669,612	1,541,243,865

(1) Corresponds to the addition of cost of sales, administrative expenses and distribution costs

26 – OTHER INCOME

Other income by function is detailed as follows:

Description	01.01.2021	01.01.2020	01.01.2019
	12.31.2021	12.31.2020	12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Gain on disposal of Property, plant and equipment	480,401	16,005	265,514
Recovery of PIS credit and COFINS (1)	—	6,744,341	40,281,550
Others	857,477	1,595,952	400,094
Total	1,337,878	8,356,298	40,947,158

(1) See Note 6 for more information on recovery.



27 – OTHER EXPENSES BY FUNCTION

Other expenses by function are detailed as follows:

Description	01.01.2021 12.31.2021	01.01.2020 12.31.2020	01.01.2019 12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Contingencies and associated non-operating fees	7,950,093	1,081,812	17,690,171
Tax on bank debts and other bank expenses	5,270,040	3,367,615	4,356,973
Write-offs and disposal of Property, plant and equipment	417,623	7,972,976	2,978,194
Others	1,574,034	5,007,853	1,157,509
Total	15,211,790	17,430,256	26,182,847

28 – FINANCIAL INCOME AND COSTS

Financial income and costs are detailed as follows:

a) Financial income

Description	01.01.2021 12.31.2021	01.01.2020 12.31.2020	01.01.2019 12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Interest income	2,196,886	7,931,055	3,249,550
Ipiranga purchase warranty restatement	11,290	7,674	27,219
Recovery of PIS credit and COFINS (1)	1,312,930	5,124,810	39,780,620
Other financial income	4,270,763	1,882,340	2,098,402
Total	7,791,869	14,945,879	45,155,791

(1) See Note 6 for more information on recovery.

b) Financial costs

Description	01.01.2021 12.31.2021	01.01.2020 12.31.2020	01.01.2019 12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Bond interest	48,624,062	45,927,500	38,153,036
Bank loan interest	267,012	1,186,731	1,337,670
Lease interest	1,816,506	1,873,571	2,229,442
Other financial costs	2,284,876	5,785,035	4,488,872
Total	52,992,456	54,772,837	46,209,020

29 – OTHER (LOSSES) GAINS

Other (losses) gains are detailed as follows:

Description	01.01.2021 12.31.2021	01.01.2020 12.31.2020	01.01.2019 12.31.2019
	ThCh\$	ThCh\$	ThCh\$
Other gains (losses)	—	287	2,876
Total	—	287	2,876



30 – LOCAL AND FOREIGN CURRENCY

Local and foreign currency balances are the following:

CURRENT ASSETS	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Cash and cash equivalent	304,312,020	309,530,699
USD	13,640,823	21,332,268
EUR	2,838,102	223,449
CLP	176,278,025	201,936,140
BRL	56,272,827	49,528,425
ARS	22,425,407	14,821,502
PGY	32,856,836	21,688,915
Other current financial assets	195,470,749	140,304,853
CLP	194,834,125	139,449,882
BRL	140,544	10,171
ARS	481,148	844,800
PGY	14,932	—
Other non-current financial assets	14,719,104	13,374,381
USD	1,141,780	1,723,989
EUR	77,526	621,516
UF	256,912	493,546
CLP	6,282,535	1,900,762
BRL	1,183,076	1,300,995
ARS	3,831,513	6,052,294
PGY	1,945,762	1,281,279
Trade debtors and other accounts payable	265,490,626	194,021,253
USD	2,347,439	901,930
UF	69,142	65,250
CLP	147,478,959	105,340,179
BRL	76,173,944	67,423,832
ARS	32,330,010	14,928,954
PGY	7,091,132	5,361,108
Accounts receivable related entities	9,419,050	11,875,408
CLP	6,674,178	6,965,894
BRL	87,865	41,878
ARS	2,657,007	4,867,636
Inventory	191,350,206	127,972,650
CLP	77,225,374	54,112,760
BRL	44,848,239	31,446,180
ARS	54,376,217	32,214,119
PGY	14,900,376	10,199,591
Current tax assets	10,224,368	218,472
CLP	5,574,826	218,472
BRL	4,649,542	—
Total current assets	990,986,123	797,297,716
USD	17,130,042	23,958,187
EUR	2,915,628	844,965
UF	326,054	558,796
CLP	614,348,022	509,924,089
BRL	183,356,037	149,751,481
ARS	116,101,302	73,729,305
PGY	56,809,038	38,530,893



NON-CURRENT ASSETS	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Other non-current assets	296,632,012	162,013,278
UF	34,239,224	7,515,981
CLP	55,469,858	—
BRL	192,844,909	144,684,180
ARS	14,078,021	9,813,117
Other non-current, non-financial assets	70,861,616	90,242,672
USD	673,524	—
UF	—	338,014
CLP	419,910	47,530
BRL	66,621,741	88,001,852
ARS	1,836,280	1,825,631
PGY	1,310,161	29,645
Non-current accounts receivable	126,464	73,862
UF	7,089	32,219
CLP	76,649	—
ARS	—	1,211
PGY	42,726	40,432
Non-current accounts receivable related entities	98,941	138,346
CLP	98,941	138,346
Investments accounted for using the equity method	91,489,194	87,956,354
CLP	52,519,699	50,628,307
BRL	38,969,495	37,328,047
Intangible assets other than goodwill	659,631,543	604,514,165
USD	—	3,959,421
CLP	311,086,862	306,202,181
BRL	159,307,806	139,166,117
ARS	7,560,882	2,591,026
PGY	181,675,993	152,595,420
Goodwill	118,042,900	98,325,593
CLP	9,523,767	9,523,767
BRL	60,830,705	54,980,669
ARS	39,976,392	27,343,642
PGY	7,712,036	6,477,515
Property, plant and equipment	716,379,127	605,576,545
EUR	404,450	—
CLP	273,812,253	255,963,912
BRL	201,527,151	179,286,945
ARS	152,227,991	103,227,548
PGY	88,407,282	67,098,140
Deferred tax assets	1,858,727	1,925,869
CLP	1,858,727	1,925,869
Total non-current assets	1,955,120,524	1,650,766,684
USD	673,524	3,959,421
EUR	404,450	—
UF	34,246,313	7,886,214
CLP	704,866,666	624,429,912
BRL	720,101,807	643,447,810
ARS	215,679,566	144,802,175
PGY	279,148,198	226,241,152



CURRENT LIABILITIES	12.31.2021			12.31.2020		
	Up to 90 days	90 days up to 1 year	Total	Up to 90 days	90 days up to 1 year	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Other current financial liabilities	10,887,752	36,875,287	47,763,039	9,270,838	29,295,886	38,566,724
USD	233,993	8,329,598	8,563,591	72,655	6,704,245	6,776,900
UF	9,155,688	10,086,725	19,242,413	7,799,637	5,272,547	13,072,184
CLP	923,663	13,491,768	14,415,431	908,790	13,489,310	14,398,100
BRL	413,835	1,381,397	1,795,232	362,854	1,245,940	1,608,794
ARS	94,094	2,272,643	2,366,737	70,950	1,578,082	1,649,032
PGY	66,479	1,313,156	1,379,635	55,952	1,005,762	1,061,714
Current trade accounts and other accounts payable	312,643,627	14,765,580	327,409,207	227,503,270	2,942,539	230,445,809
USD	20,438,936	1,309,678	21,748,614	8,972,065	—	8,972,065
EUR	6,093,006	—	6,093,006	1,622,411	—	1,622,411
UF	2,359,381	—	2,359,381	—	—	—
CLP	142,370,837	13,455,902	155,826,739	108,670,085	2,942,539	111,612,624
BRL	74,142,872	—	74,142,872	58,136,480	—	58,136,480
ARS	52,030,144	—	52,030,144	33,511,747	—	33,511,747
PGY	15,208,451	—	15,208,451	15,878,527	—	15,878,527
Other Currencies	—	—	—	711,955	—	711,955
Current accounts payable to related entities	56,103,461	—	56,103,461	39,541,968	—	39,541,968
CLP	29,349,401	—	29,349,401	23,884,687	—	23,884,687
BRL	16,799,532	—	16,799,532	10,809,085	—	10,809,085
ARS	9,893,495	—	9,893,495	4,848,196	—	4,848,196
PGY	61,033	—	61,033	—	—	—
Other current provisions	1,082,929	445,950	1,528,879	805,842	529,495	1,335,337
CLP	1,082,929	404,580	1,487,509	805,842	494,748	1,300,590
PGY	—	41,370	41,370	—	34,747	34,747
Current tax liabilities	20,733,623	9,779,164	30,512,787	4,590,876	4,237,723	8,828,599
CLP	20,038,643	8,452	20,047,095	173,771	3,414,859	3,588,630
BRL	—	—	—	4,249,909	—	4,249,909
ARS	694,980	8,524,083	9,219,063	167,196	439,641	606,837
PGY	—	1,246,629	1,246,629	—	383,223	383,223
Current employee benefit provisions	13,434,697	21,577,375	35,012,072	17,027,427	14,043,592	31,071,019
CLP	1,181,717	7,327,637	8,509,354	1,168,973	5,799,389	6,968,362
BRL	11,649,154	—	11,649,154	15,325,256	—	15,325,256
ARS	603,826	12,529,323	13,133,149	533,198	6,701,756	7,234,954
PGY	—	1,720,415	1,720,415	—	1,542,447	1,542,447
Other current non-financial liabilities	612,391	30,625,443	31,237,834	620,609	27,646,121	28,266,730
CLP	612,391	30,472,381	31,084,772	598,769	27,551,000	28,149,769
ARS	—	18,234	18,234	21,840	—	21,840
PGY	—	134,828	134,828	—	95,121	95,121
Total current liabilities	415,498,480	114,068,799	529,567,279	299,360,830	78,695,356	378,056,186
USD	20,672,929	9,639,276	30,312,205	9,044,720	6,704,245	15,748,965
EUR	6,093,006	—	6,093,006	1,622,411	—	1,622,411
UF	11,515,069	10,086,725	21,601,794	7,799,637	5,272,547	13,072,184
CLP	195,559,581	65,160,720	260,720,301	136,210,917	53,691,845	189,902,762
BRL	103,005,393	1,381,397	104,386,790	88,883,584	1,245,940	90,129,524
ARS	63,316,539	23,344,283	86,660,822	39,153,127	8,719,479	47,872,606
PGY	15,335,963	4,456,398	19,792,361	15,934,479	3,061,300	18,995,779
Other Currencies	—	—	—	711,955	—	711,955



NON-CURRENT LIABILITIES	12.31.2021				12.31.2020			
	More than 1 year up to 3 years	More than 3 and up to 5 years	More than 5 years	Total	More than 1 year up to 3 years	More than 3 and up to 5 years	More than 5 years	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Other non-current financial liabilities	35,164,178	331,118,858	674,765,936	1,041,048,972	31,811,687	279,600,958	678,416,924	989,829,569
USD	1,726,426	308,546,732	247,094,136	557,367,294	366,652	259,746,604	207,280,189	467,393,445
UF	29,821,850	15,453,105	423,470,818	468,745,773	24,669,188	13,214,387	414,689,041	452,572,616
CLP	602,887	4,000,000	—	4,602,887	4,089,001	4,000,000	51,568,854	59,657,855
BRL	2,926,876	3,119,021	4,200,982	10,246,879	2,394,281	2,639,967	4,878,840	9,913,088
ARS	86,139	—	—	86,139	128,930	—	—	128,930
PGY	—	—	—	—	163,635	—	—	163,635
Non-current accounts payable	256,273	—	—	256,273	295,279	—	—	295,279
CLP	256,273	—	—	256,273	293,176	—	—	293,176
ARS	—	—	—	—	2,103	—	—	2,103
Accounts payable related companies	11,557,723	—	—	11,557,723	10,790,089	—	—	10,790,089
BRL	11,557,723	—	—	11,557,723	10,790,089	—	—	10,790,089
Other non-current provisions	1,917,655	53,965,872	—	55,883,527	789,016	47,945,920	—	48,734,936
BRL	—	53,965,872	—	53,965,872	—	47,945,920	—	47,945,920
ARS	1,917,655	—	—	1,917,655	789,016	—	—	789,016
Deferred tax liabilities	21,365,277	35,470,702	111,618,848	168,454,827	10,677,151	38,508,424	104,483,972	153,669,547
CLP	3,619,149	1,845,868	95,076,888	100,541,905	1,604,289	1,070,325	90,781,152	93,455,766
BRL	—	33,624,834	—	33,624,834	—	37,438,099	—	37,438,099
ARS	17,746,128	—	—	17,746,128	9,072,862	—	—	9,072,862
PGY	—	—	16,541,960	16,541,960	—	—	13,702,820	13,702,820
Non-current employee benefit provisions	1,329,992	62,456	12,747,222	14,139,670	911,873	145,165	12,578,520	13,635,558
CLP	629,798	62,456	12,747,222	13,439,476	378,733	145,165	12,578,520	13,102,418
PGY	700,194	—	—	700,194	533,140	—	—	533,140
Other non-financial liabilities	21,113	23,763,704	—	23,784,817	35,315	21,436,733	—	21,472,048
BRL	—	23,763,704	—	23,763,704	—	21,436,733	—	21,436,733
ARS	21,113	—	—	21,113	35,315	—	—	35,315
Income taxes payable, non-current	—	—	—	—	20,597	—	—	20,597
CLP	—	—	—	—	20,597	—	—	20,597
Total non-current liabilities	71,612,211	444,381,592	799,132,006	1,315,125,809	55,331,007	387,637,200	795,479,416	1,238,447,623
USD	1,726,426	308,546,732	247,094,136	557,367,294	366,652	259,746,604	207,280,189	467,393,445
UF	29,821,850	15,453,105	423,470,818	468,745,773	24,669,188	13,214,387	414,689,041	452,572,616
CLP	5,108,107	5,908,324	107,824,110	118,840,541	6,385,796	5,215,490	154,928,526	166,529,812
BRL	14,484,599	114,473,431	4,200,982	133,159,012	13,184,370	109,460,719	4,878,840	127,523,929
ARS	19,771,035	—	—	19,771,035	10,028,226	—	—	10,028,226
PGY	700,194	—	16,541,960	17,242,154	696,775	—	13,702,820	14,399,595

31 – SUBSEQUENT EVENTS

In February 2022, Chile's Financial Market Commission (CMF) ratified the financial covenant for bond lines No. 254, No. 641, bond line No. 760 and bond line No. 912. For further information see Note 17.2

In a shareholders meeting held on April 13, 2022 was approved the distribution of a Dividend No. 221, payable in Chilean pesos, amounting to \$189 for each share Series A and \$207.9 for each Series B share.

This dividend will be paid on April 26, 2022, in favor of the shareholders who are registered in the Shareholders' Registry at midnight on April 20, 2022.

No other events have occurred after December 31, 2021, that may significantly affect the Company's consolidated financial situation.

LIST OF SUBSIDIARIES

Subsidiaries	Jurisdiction
Embotelladora Andina Chile S.A.	Chile
Andina Inversiones Societarias S.A.	Chile
Andina Bottling Investments Dos S.A.	Chile
Andina Bottling Investments S.A.	Chile
Red de Transportes Comerciales Ltda.	Chile
Servicios Multivending Ltda.	Chile
Transportes Andina Refrescos Ltda.	Chile
VJ S.A.	Chile
Vital Aguas S.A.	Chile
Transportes Polar S.A.	Chile
Envases Central S.A.	Chile
Re-Ciclar S.A.	Chile
Rio de Janeiro Refrescos Ltda.	Brazil
Embotelladora del Atlántico S.A. Argentina	Argentina
Andina Empaques Argentina S.A. Argentina	Argentina
Paraguay Refrescos S.A.	Paraguay

EXHIBIT 8.2

April 26, 2022

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Ladies and Gentlemen:

We have read Item 16F – “Change in Registrant’s Certifying Accountant” of the annual report on Form 20-F for the year ended December 31, 2021, of Embotelladora Andina S.A. and are in agreement with the statements contained in the third paragraph on page 111 therein. We have no basis to agree or disagree with other statements of Embotelladora Andina S.A. contained therein.

/s/ EY Audit SpA.

CERTIFICATION

I, Miguel Ángel Peirano, certify that:

1. I have reviewed this annual report on Form 20-F of Embotelladora Andina S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

April 27, 2022

/s/ Miguel Ángel Peirano

Miguel Ángel Peirano
Chief Executive Officer

CERTIFICATION

I, Andrés Wainer, certify that:

1. I have reviewed this annual report on Form 20-F of Embotelladora Andina S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

April 27, 2022

/s/ Andrés Wainer

Andrés Wainer
Chief Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS
ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Embotelladora Andina S.A (the “Company”) on Form 20-F for the fiscal year ended December 31, 2021, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), I, Miguel Ángel Peirano, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MIGUEL ÁNGEL PEIRANO

Miguel Ángel Peirano
Chief Executive Officer
Embotelladora Andina S.A.
Dated: April 27, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT
TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Embotelladora Andina S.A. (the “Company”) on Form 20-F for the fiscal year ended December 31, 2021, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), I, Andrés Wainer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ANDRÉS WAINER

Andrés Wainer
Chief Financial Officer
Embotelladora Andina S.A.
Dated: April 27, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.