

2Q22 Conference Call Guidelines

Miguel Ángel Peirano: Good morning and welcome to Coca-Cola Andina's second quarter 2022 earnings conference call.

Financial results for the quarter were very positive, with consolidated Adjusted EBITDA growing 35.5% when compared to the same quarter of the previous year, which was driven by results from Argentina, Brazil and Paraguay, as well as by a favorable effect in the translation of figures to Chilean pesos. Consolidated Sales grew 34.0%, explained by a higher average revenue per unit case sold, as well as by increases in NARTDS volumes in all 4 operations.

Notable is the fact that, despite facing high cost inflation in the countries where we operate since the end of last year, we have been able to mitigate its negative effects through strict cost and expense control as well as targeted price increases. Thus, we closed the quarter with an 18-basis point expansion in our consolidated Adjusted EBITDA margin, which was driven by our operations in Brazil and Argentina.

These results once again demonstrate the strength of the product portfolio we manage, the importance of placing the customer and consumer at the center of all of our strategic decisions, and the excellence with which our sales and distribution forces execute our strategy.

On the other hand, in June we agreed on a joint framework with The Coca-Cola Company to strengthen the long-term relationship between the two companies in different areas. This agreement includes the following aspects:

- Growth principles: the parties agree to build ambitious growth plans together in order to capture the potential that exists in our franchises.
- Economic relationship between the parties: ensure that the economic fundamentals of our business are fully aligned with the long-term value creation of the system and consider investment and profitability levels that are mutually beneficial.
- Potential new businesses and ventures: the Company may explore revenue sources from other categories, always in a collaborative framework with The Coca-Cola Company.
- Digital strategy: a framework is agreed to develop industry-leading digital sales channels.

Finally, regarding sustainability:

- This quarter in our Press Release we presented the **Customer Satisfaction** pillar.
- We are also proud to tell you that **our Duque de Caxias plant in Brazil obtained Leed Gold Certification**, awarded by the U.S. Sustainable Building Council. This acknowledgement, which reflects our ongoing dedication to the efficient use of natural resources and concern for the environment, encourages us to continue implementing our sustainability strategy in each of our operations and the beverages we produce and distribute.
- **Lastly, in Paraguay, for the sixth consecutive year, we were recognized as Employer of the Year.** This award is presented to companies that formalize employment and recognizes their contribution to employability through their operations and actions of commitment to society.

Turning to the operations, in general, the performance of the markets was positive. We experienced volume growth in the four countries where we operate during the second quarter.

In Argentina during this quarter, sales volume increased 23.5%, which was explained by an increase in volume across all categories, with the Water and Juices and Other Non-Alcoholic Beverages categories performing particularly well.

In Brazil, this quarter sales volume increased 1.5% compared to the previous year, mainly explained by the increase in the Soft Drinks, Waters and Juices and other non-alcoholic beverages categories, which was partially offset by the volume decrease in the Beers category. Excluding beers, volume in Brazil grew 11.4%.

In Chile, sales volume increased 7.0% compared to the same quarter of the previous year, explained by the volume increase in the Water, Juices and other non-alcoholic beverages and Beer and spirits categories, partially offset by the volume decrease in the soft drinks category. Sales volume excluding the wine category, which was not present in the previous year, grew 5.0%.

In Paraguay, our sales volume increased 5.6%, explained by volume growth in all categories, with the Juices and Other Non-Alcoholic Beverages categories showing particularly strong growth.

Andrés will now comment on the **company's financial results**:

Andrés Wainer: Good morning,

To begin, I would like to remind you that the figures analyzed incorporate the application of IAS 29. For this reason, the figures for Argentina for the second quarter of 2021 were consolidated using the closing exchange rate of June 2021, which was \$7.6 Chilean pesos per Argentine peso, and those for the second quarter of 2022 were consolidated using the closing exchange rate of June 2022, which was \$7.4 Chilean pesos per Argentine peso. The figures for our Argentine operation for both the second quarter of 2021 and the second quarter of 2022 are presented in local currency of June 2022.

Regarding the exchange rates of the other countries where we have operations and their effect on the consolidation of figures, this quarter we had a positive impact when consolidating figures from our Brazilian operation, as in the consolidation of figures we used an exchange rate of \$171.4 Chilean pesos per real, which compares to the exchange rate of \$135.2 Chilean pesos per real in 2Q21. From Paraguay, we also had a positive impact when consolidating figures, with an exchange rate of \$0.12 Chilean pesos per guaraní, which compares to an exchange rate of \$0.11 Chilean pesos per guaraní in 2Q21.

With respect to each of the franchises where the company has operations, and for a better understanding, the figures that we will analyze in each of them will be in nominal local currency, and in the case of Argentina, as we have already mentioned, will be in real currency, of June 2022.

In Argentina, Net Sales increased 26.6% in the quarter, which was mainly explained by the increase in volume already mentioned by Miguel Ángel, and to a lesser extent by a higher average price.

Cost of Sales increased 16.5% in the quarter, which is mainly explained by higher volume sold, the negative effect of the devaluation of the Argentine peso on our dollarized costs, and higher sugar and PET resin costs.

Distribution Costs and Administrative Expenses increased 13.4% in the quarter, which is mainly explained by higher distribution expenses due to higher volume sold and higher labor expenses. This was partially offset by lower marketing expenses.

Finally, Adjusted EBITDA increased 99.9% in the quarter, and Adjusted EBITDA margin expanded 624 basis points to 17.0%. Argentina accounted for 28.2% of the Adjusted EBITDA generated by the company.

In Brazil, Net Sales decreased 6.0%, which was mainly explained by the decrease in beer sales volume due to the discontinuation of the Amstel and Heineken brands, which was partially offset by volume increases in soft drinks, juices and waters, as well as price increases.

Cost of sales decreased 16.0%, which is mainly explained by the decrease in beer volumes, which have a high unit cost, and the positive effect of the appreciation of the real on our dollarized costs. These effects were partially offset by higher raw material costs, such as sugar, resin and aluminum.

Distribution Costs and Administrative Expenses increased 24.8%, which is mainly explained by higher distribution expenses, higher labor expenses, and higher marketing expenses.

Brazil's Adjusted EBITDA increased 9.0% in the quarter and Adjusted EBITDA margin was 17.3%, a 237-basis point expansion. Brazil accounted for 27.8% of the Adjusted EBITDA generated by the company.

***In Chile,** Net Sales increased 17.6% in the quarter, mainly explained by the increase in the average price and by the increase in volumes already mentioned by Miguel Ángel. Excluding the wine category, which did not exist the previous year, net sales increased by 13.3%.*

Cost of Sales increased 22.3%, which was mainly explained by the increase in sales in the Beer and Spirits category, as well as a change in the mix towards the water and juice categories, which have a high cost per unit case, an increase in the cost of certain raw materials, particularly resin and sugar, and a devaluation of the exchange rate, which has a negative effect on dollarized costs.

Distribution Costs and Administrative Expenses increased 20.8% in the quarter, which is mainly explained by higher distribution and hauling expenses, as a result of higher volume sold and higher tariffs, as well as higher labor costs and higher costs for third-party services.

Adjusted EBITDA decreased 10.3% in the quarter and Adjusted EBITDA margin reached 12.6%, a 391-basis point contraction compared to the previous year. In the period, the Chilean operation represented 31.3% of the Adjusted EBITDA generated by the company.

***In Paraguay,** Net Sales increased 16.4% in the quarter, which was mainly explained by a higher average price, and to a lesser extent by the aforementioned increase in volume.*

Cost of Sales increased 19.9%, which was mainly explained by higher sales volume, higher resin cost, and a change in the mix towards higher unit cost products.

Distribution Costs and Administrative Expenses increased 15.4%. This is mainly explained by higher distribution expenses, higher volume sold and higher tariffs, higher labor costs, and higher advertising expenses.

Adjusted EBITDA increased 9.8% in the quarter and Adjusted EBITDA margin reached 28.0%, a 170-basis point contraction from the previous year. Paraguay accounted for 12.7% of the company's Adjusted EBITDA.

We now welcome any questions you may have.

Operator: The first question comes from Thiago Bortoluci with Goldman Sachs. Please, go ahead.

Thiago Bortoluci: Hello Miguel Angel and Andina team, thank you for the presentation and for answering our questions. We have two. The first one, you mention that the quarterly volume of soft drinks in Chile decreased year-over-year. What would this imply for the region's market share? And in Brazil, could you please comment on the trend of your NARTD margins excluding beer? Those are the questions. Thank you.

Miguel Ángel Peirano: Hello, Thiago. This is Miguel Ángel, how are you? Good morning. Well, as you say, soft drinks volume in Chile decreased and this is related to what is happening on the market, where growth has already slowed compared to the growth we were used to in the first quarter. In any case, our market share has remained in line, growing a little bit compared to the previous year, so it is basically a market issue, not a market share issue.

Andrés Wainer: Hi Thiago, this is Andrés. Regarding the issue of margins in Chile excluding alcohol, we do not make it public. What I can tell you is that an important part of the drop in margins in Chile during this quarter is attributable to the fact that we have wine this year, whereas we did not have it last year, and I would like to remind you that alcohol distribution margins are much lower than the EBITDA margins that we have in the products that we produce and commercialize. EBITDA margins for wine are close to 10%.

Thiago Bortoluci: Thanks.

Operator: The next question comes from Alan Alanis with Santander. Go ahead please.

Alan Alanis: Yes, thank you very much. Hello, Miguel Angel, hello, how are you, Andres? Congratulations on the results. Some questions. The first is to understand why the segment of alcoholic beverages decreased 2% in Chile, excluding wines, but at the same time you say that the beer category in Chile grew. So, I wanted to understand what happened with the alcoholic beverages category in Chile? That would be the first question. In addition, I have a couple of other questions regarding the 24% increase in volumes in Argentina, what the main drivers are. And finally, if you could comment on what are the next steps in this new collaboration agreement with Coca-Cola. It is a very similar or practically identical agreement to what we have seen with other bottlers in the region. They are already conducting pilot tests with Diageo, with Procter & Gamble, with Kellogg's, and others. Should we expect the same for Andina, and in which countries? Thank you.

Miguel Ángel Peirano: Hi, Alan, how are you? Well, regarding the first question about alcoholic beverages in Chile, the decline is primarily due to the decline of the industry. It's an industry issue. In general, all alcohols have fallen.

Regarding Argentina, the growth drivers are given on the one hand, in Argentina, as you know, inflation is high, and after the pandemic, and the economic situation that Argentina is experiencing, it seems as if the Argentineans have decided to enjoy life a bit more. On the other hand, since they cannot afford durable goods, everything that is mass consumption and daily treats, where Coca-Cola clearly occupies a relevant place, becomes significantly more important, which explains the increase in volumes.

And finally, the long-term agreement with Coca-Cola that we discussed is in line with the one signed by Femsa a few months ago, and the strategies are basically the ones I mentioned in terms of digital issues, to continue growing in long-term projects, to continue growing in other categories. This does not mean that we will start entering any category, but only those that add value to our core business, which is the beverage business. And as we gain knowledge, we will consolidate what we have. As you are aware, we are already present in all beverage categories in Chile. Currently, we are focusing on strengthening the different segments we have entered, and then we will continue to grow. This implies a greater logistical complexity, a different handling in the channels, in the sales form, which we will need to learn. We will also need to grow and continue to grow once we have achieved consolidation.

Alan Alanis: Thanks Miguel Ángel. And is the agreement for Chile, or for all countries where Andina operates?

Miguel Ángel Peirano: The agreement is for all of Andina. All of the countries.

Alan Alanis: Okay, thank you very much.

Miguel Ángel Peirano: Thank you.

Operator: The next question comes from Felipe Ucros with Scotiabank. Go ahead please.

Felipe Ucros: Thank you very much. Good morning, Miguel Ángel, Andrés, congratulations for the results, and well, thank you for providing the opportunity for questions. Alan already asked one of the questions I had, which was whether something had changed in the beverage orientation at the moment, and it seems that nothing has changed. The other question had to do with the economic relationship: is there any significant change in the economic relationship with Coca-Cola Company that we should be concerned about? Particularly with regards to concentrate costs where you have undoubtedly observed significant increases for Mexican bottlers in Mexico. I am unaware of any changes in the economic relationship between you and Coca-Cola.

Miguel Ángel Peirano: Hello, Felipe, This is Miguel Ángel. No, there has been no change and, in short, regarding the cost of concentrate, this provides us with greater certainty and stability for the future, allowing us to share plans and explore opportunities to continue expanding our beverage business.

Felipe Ucros: Perfect. It is very clear to me, thank you very much.

Operator: The next question comes from Carlos Laboy with HSBC. Go ahead please.

Carlos Laboy: Yes, good morning, Miguel Ángel, I wanted to follow up on the question you just responded to. You have always been upfront about the fact that the increase in concentrate and economic relationship issues with Coca-Cola are challenging. Nevertheless, if I understand you correctly, you are quite confident and enthusiastic about the long-term visibility of how much each party is receiving here. Is that accurate, and could you provide a little more information?

Miguel Ángel Peirano: Hi, Carlos, how are you? Well, we are perfectly comfortable with the current situation, which is being maintained. And clearly, this long-term agreement provides us with greater cost certainty and stability, allowing us to better plan the investments and the actions that we are implementing together. Therefore, it is positive from all perspectives. On

the other hand, the relationship between the Coca-Cola Company and Andina has always been excellent and will continue to be so because that is how we operate.

Carlos Laboy: Thank you.

Operator: The next question comes from Fernando Olivera, with Bank of America. Go ahead, please.

Fernando Olivera: Hello, how are you, good morning, Miguel Ángel, Andrés, Paula. Thank you for taking my question. Anyway, as a follow-up to the previous questions, right, I just wanted to review with you that Coca-Cola Femsa recently announced the study of the Perfetti Group products in Brazil and I would like to know, what you think about this agreement and if you could join this agreement in the future. Thank you very much.

Miguel Ángel Peirano: Hi Fernando, how are you? Well, in reality we are constantly on the lookout for options to add to our portfolio that will generate the most added value to our core products. Clearly, our greatest profitability comes from Coca-Cola products, not the products in which we are distributors, like the rest of the additional products that we are adding to our portfolio. Now, these additional products not only generate some profitability on their own, but they also help us improve our customer relationships, service levels and customer focus. We analyze them for this reason. We are focused on beer in Brazil, as Heineken and Amstel are leaving our portfolio, we understand that the most important thing at this time is to focus on growing our own brand, Therezópolis, or the other brands we have from Heineken, Estrella Galicia, and others, in order to compensate for the loss of volume. Going forward, we will analyze all segments; never say never! Currently, the emphasis is on those that are more closely related to our core products.

Fernando Olivera: Perfect, thank you very much.

Operator: The next question comes from Lucas Ferreira with JP Morgan. Go ahead please.

Lucas Ferreira: Hello, and good morning to all. I have two inquiries. The first relates to the topic of price elasticity. How do you view the situation? Do you intend to raise prices in your markets, primarily Chile, in response to the decrease? What can we say about prices?

And specifically in Brazil, you have also had an excellent performance in the growth of Non-Alcoholic volumes. How do you anticipate this growth there in the upcoming quarters? I do not know if the Brazilian consumer will continue to be strong in the event of a recession or after the elections. Thank you very much.

Miguel Ángel Peirano: Hello, Lucas, how are you? Regarding Chile and price elasticity, we must essentially take into account that we are comparing ourselves to an exceptional year in 2021. Regarding the volume issue, the comparative really makes volume growth difficult; volume growth in Chile, beyond the specific situation Chile is experiencing, is significantly impacted by the comparison to the prior year. Regardless, our strategy has always been to try to maintain margins as much as possible, increasing prices, of course, with price elasticity studies and, thus, the relevance of revenue management to know how, in which packaging, in which channels, and at what time to increase prices, and by how much, so as to minimize the impact on volume. On occasion, price increases are slightly delayed or brought forward, but the intention is that, over the medium to long term, they will continue to increase in line with inflation. And in the specific case of Brazil, we must also keep in mind that Brazil will be holding elections at the end of the year, so we anticipate more incentives for the population, which makes us optimistic for the remainder of the year.

Andrés Wainer: And add one more issue in Chile, Lucas. Last year we did not have Santa Rita, immediate consumption remained depressed, and we had supply issues with some products, particularly Monster. All of that should help us this year partially offset the issue of the very high base, compared to what we had in Chile last year due to all the state aid that families received that is not being repeated this year. We are therefore somewhat optimistic that the second half of the year in Chile will be quite reasonable.

Lucas Ferreira: Excellent, thank you very much.

Operator: At this time, we will take questions from the webcast. I will now turn the call over to Kenia Vargas-Trent.

Kenia Vargas: Yes, thank you. We have a question from Santiago Valenzuela, from LarrainVial and he says, "What is going to be your pricing strategy going forward, due to higher costs?".

Miguel Ángel Peirano: Santiago, well, as I just mentioned, our strategy is to keep prices in line, in order to mitigate cost increases through revenue management and an understanding of the elasticities of the different channels, products and occasions. In order to maintain margins, the objective is to be in line with inflation over the medium to long term.

Kenia Vargas: Very well, I have no further questions via webcast.

Operator: There are no further questions on the phone at this time. I now turn the microphone over to Mr. Peirano for his closing remarks.

Miguel Ángel Peirano: *I simply want to thank you for your time, your participation in this call and your interest in Coca-Cola Andina's results. As always, our investor relations team and management are and will be available to meet with you and answer any questions you may have. We remain at your disposal. Have a good day.*