

4Q20 Conference Call Guidelines

Miguel Ángel Peirano: Good morning and thanks for participating in this conference where we will review Coca-Cola Andina's results for the fourth quarter of 2020.

We closed 2020 with very positive financial results, given the health and economic crisis scenario we have had to face, and given the negative effect of the exchange rate on translating figures to Chilean pesos.

We were able to expand our consolidated adjusted EBITDA margin by more than 100 basis points and keep our consolidated adjusted EBITDA margin and Income attributable to the owners of the controller adjusted by extraordinary effects of 2019, practically with no variation compared to 2019.

Particularly, we had an excellent last quarter of the year, where volume grew by 6.0%, leveraged in the growth of the soft drinks' category in our four operations, and that of beer, mainly in Chile, given the new distribution agreement with AB InBev that began in November. Our consolidated adjusted EBITDA in the quarter grew by 7.8% and adjusted EBITDA margin expanded by 189 basis points. Therefore, Income attributable to the owners of the controller adjusted for the extraordinary effects of 2019 increased by 21.1%.

On the other hand, our focus on Environmental, Social and Corporate Governance (ASG) issues, led us to be included in S&P's Global Sustainability Yearbook 2021. This Yearbook aims to distinguish those companies that have demonstrated great strengths in the area of corporate sustainability. More than 7,000 companies from around the world participated in 2020, and due to the extraordinary performance in Corporate Sustainability Assessment (CSA), we were ranked in the top 15% of our industry and were therefore chosen to be part of the Yearbook, according to S&P Global's own annual assessment.

In addition to this recognition, in 2020 we were ratified in the FTSE4Good Index, for the fifth consecutive year we form part the Dow Jones Sustainability Index Chile and, for the fourth year, the Dow Jones Sustainability MILA Pacific Alliance Index. All these recognitions fill us with pride, as they acknowledge the work done and reflect the **relevance that sustainable development has in the way we work every day to refresh our consumers**.

Moving on to the operations,

In Argentina, during this quarter sales volume increased by 1.5%, explained by an increase in the volume of the categories for soft drinks, juices and other non-alcoholic beverages, which was partially offset by a volume decrease of the category for waters. For its part, the volume growth of the soft drinks' category is mainly explained by a growth in returnables, a packaging that we have strongly developed to offer an economic and sustainable alternative to our consumers, who have been affected by the economic crisis that the country is going through.

The existing price controls of the price-watch programs in Argentina through Precios Máximos and Precios Cuidados (Maximum Pricing and Careful Pricing) have involved a price delay over inflation, but strong spending control and productivity plans have enabled to offset this impact. Looking towards 2021 we expect these controls to show some flexibility.

Our market share for soft drinks reached 61.3 points in the quarter. It should be noted that as a result of COVID-19 related restrictions, the company conducting the survey had to change the methodology and sample, so figures are not completely comparable to those of previous periods, affecting Argentina, Chile and Paraguay.

In Brazil, sales volume increased by 7.1% this quarter compared to the previous year, explained by a volume increase in the categories for soft drinks, beer and waters, which was partially offset by a volume decrease in the categories for juices and other non-alcoholic beverages. On the other hand, our Duque de Caxias plant obtained first place in the 2020 Quality Award of the Coca-Cola System in Brazil, recognition that fills us with pride, while

reflecting that the investments we have made in sustainable and highly complex projects, which finally allow strict control of costs and expenses, are acknowledged, not only by investors and analysts, but also by our peers and other stakeholders.

Our market share for soft drinks reached 62.2 points, 15 basis points higher than the same quarter last year.

In Chile, sales volume increased by 10.8% compared to the same quarter of the previous year, explained by a volume increase in all categories, especially in the category for beer and other alcoholic beverages. Just last November we began commercializing AB InBev beer in our franchise. As we have noted in other opportunities, this agreement is part of our strategy for product growth and diversification, with the aim of offering our customers and consumers a broader beverage portfolio. Excluding beer volume from this new agreement with AB InBev, volume growth would have been 2.7% in the quarter.

Our market share for soft drinks reached 64.1 points in the quarter.

In Paraguay, our sales volume decreased by 2.1%, explained by a volume decrease of the categories for water, juices and other non-alcoholic beverages, partially offset by a volume increase of the category for soft drinks. The decrease in sales volume is explained by a high comparison base, since in the same quarter last year sales volume growth was 7.2%, and by less favorable weather conditions compared to the previous year. Our market share for soft drinks reached 76.5 points in the quarter.

Our investment plan for 2021 is of approximately USD 160 - 180 million in the four countries we operate, which will mainly go towards further developing the market for returnables, with significant **investments in bottles and cases in the four countries**. The segment for returnables allows us to offer our products at affordable prices, which is much needed for our consumers at this difficult time for all the economies in which we operate. On the other hand, and from a circular economy point of view, it allows us to have an alternative to single-use plastic, a path we want to continue following. This is how during 2020, in the 4 operations we saw a significant growth of the mix for returnables: Argentina, 7 percentage points, Brazil, 2 points, Chile, 2 points, and Paraguay 3 points.

We will also **invest in supporting the recovery of our customers from the on-premise channel** as restrictions are eased and the **traditional channel**, making cold equipment available in order to increase our coverage. Finally, we have some specific projects aimed at strengthening our presence and flexibility in the segment for returnable packaging, such as paper labelling in Argentina, which will allow us to work with a single bottle for all our brands. In Paraguay we will increase our installed capacity, with the start-up of a new production line.

Now Andrés will 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 as a result of Argentina being categorized as a hyperinflationary economy more than a year ago. Consequently, among other implications, Argentina's figures for the fourth quarter of 2019 were consolidated using the December 2019 closing exchange rate, which was \$12.5 Chilean Pesos per Argentine Peso, and figures for the fourth quarter of 2020 were consolidated using the December 2020 closing exchange rate, which reached \$8.4 Chilean Pesos per Argentine Peso. Figures for our Argentine operation, both for the fourth quarter of 2019 and the fourth quarter of 2020, are presented in local currency for December 2020.

With regard to the exchange rates of the other countries where we have operations and their effect on the consolidation of figures, this quarter we had a negative impact upon consolidating figures from our operation in

Brazil, since in the consolidation of figures we use an exchange rate of \$141.0 Chilean Pesos per Brazilian Real, which is compared to an exchange rate of \$183.7 Chilean Pesos per Brazilian Real in 4Q19. From Paraguay we also had a negative impact upon consolidating figures, with an exchange rate of \$0.11 Chilean Pesos per Paraguayan Guarani, compared to an exchange rate of \$0.12 Chilean Pesos per Paraguayan Guarani in 4Q19.

For each of the franchises where the company has operations, and for a better understanding of figures, the figures that we will analyse in each of them will be in nominal local currency, and in Argentina, as we have already mentioned, it will be in real currency of December 2020.

In Argentina, Net Sales declined 4.4% in the quarter, explained by a lower average price, which was affected by price controls implemented by the authorities, as well as by the lower mix of immediate consumption. This was partially offset by the volume increase already mentioned by Miguel Ángel.

Cost of Sales decreased by 6.2% in the quarter, which is mainly explained by a lower cost of concentrate due to lower sales prices, and by a lower cost of PET resin. These effects were partly offset by the devaluation effect of the Argentine Peso on our dollarized costs, and by a higher cost of sugar.

For its part, Distribution Costs and Administrative Expenses decreased by 7.7% in the quarter, which is mainly explained by lower labor costs and advertising expenses, as well as by higher other operating income classified under this item. This was partially offset by higher distribution expenses resulting from higher volume sold, as well as higher distribution tariffs.

Finally, Adjusted EBITDA increased by 10.7% in the quarter, and Adjusted EBITDA margin expanded by 231 basis points reaching 17.0%.

Argentina accounted for 12.8% of Adjusted EBITDA generated by the company.

In Brazil, Net Sales increased by 14.0%, which was mainly explained by the increase in Sales Volume already mentioned by Miguel Ángel, and by a higher average price, driven by a higher mix and average price of the beer category, coupled with a higher average price of soft drinks.

Cost of Sales increased by 19.2%, which is mainly explained by:

- i. the negative effect on dollarized costs (particularly sugar and PET resin) of the depreciation of the Brazilian Real against the U.S. Dollar,*
- ii. a higher cost of concentrate due to the reduction of tax benefits, and*
- iii. an increase in the sale of beer, which carries a high cost per unit case.*

For its part, Distribution Costs and Administrative Expenses decreased by 13.6%, which is mainly explained by a reduction in advertising expenses, and by higher other operating income classified under this item.

This was partially offset by increased labor costs, and higher distribution costs, resulting from higher volume sold.

Brazil's Adjusted EBITDA increased by 22.9% in the quarter and Adjusted EBITDA margin was 24.6%, an expansion of 178 basis points.

Brazil accounted for 29.5% of adjusted EBITDA generated by the company.

In Chile, Net Sales increased by 22.3% in the quarter, mainly explained by the increase in Sales Volume already mentioned by Miguel Ángel, and by a higher average price. The higher average price is mainly explained by a higher average price in soft drinks, and by a higher mix of the beer and spirits category, which has prices that are higher than average prices. These effects were partially offset by the lower mix of immediate consumption.

Cost of Sales increased by 36.0%, which is mainly explained by:

- i. an increase in total sales volume,*
- ii. an increase in the sale of the beer and spirits category, explained because we began commercializing AB InBev beer, which carry a high cost per unit case, and*
- iii. higher depreciation charges.*

Distribution Costs and Administrative Expenses increased by 0.7% in the quarter, which is mainly explained by higher distribution and freight expenses, as a result of higher volume, and higher labor costs.

This was partially offset by lower advertising expenses.

Adjusted EBITDA increased by 17.6% in the quarter and Adjusted EBITDA margin reached 28.0%, a contraction of 110 basis points compared to the previous year, which is because the commercialization of beer has a lower margin.

During the period, the operation in Chile accounted for 45.2% of Adjusted EBITDA generated by the company.

In Paraguay, Net Sales declined by 0.6% in the quarter, which was explained by the reduction in Sales Volume already mentioned by Miguel Ángel, which was partially offset by a higher average price.

Cost of Sales decreased by 7.0%, which is mainly explained by lower volume sold, lower PET resin costs, and lower labor costs.

This was partially offset by the negative effect of the depreciation of the Guarani on our dollarized costs.

Distribution Costs and Administrative Expenses decreased by 25.6%, which is mainly explained by lower advertising expenses and labor costs, as well as by higher other operating income classified under this item.

Adjusted EBITDA increased by 33.1% in the quarter and adjusted EBITDA margin reached 36.6%, an expansion of 926 basis points from the previous year.

Paraguay accounted for 12.5% of Adjusted EBITDA generated by the company.

We are now available for any questions you may have.

Operator: And the first question comes from Fernando Olvera with Bank of America. Go ahead, please.

Fernando Olvera: Hello, how are you? Good morning. Thank you very much for taking my call. I have two questions. The first is in relation to beer distribution in Chile. I know it has only been two months, but can you talk about how its market penetration evolved in the regions where the distribution will occur, and whether you expect to reach new points of sale. That is the first one.

The second one is in relation to expenses, a bit more general. After the reduction in advertising expenses seen in all operations, how do you expect these expenses to behave throughout the year, and especially with a return to normalcy in mind? Thank you.

Miguel Ángel Peirano: Hello, how are you, Fernando? This is Miguel Ángel. Well, as you say, we are just starting with the beer issue in Chile. We started in November so it's too early to give a forward vision. Yes, there are clearly points of sale that

we are adding, and those have increased, the number of points of sale. While we have had some supply problems with ABInBev in the latter part of the year, due to the effects of the pandemic, there were some import delays. And, since a good proportion of the products that ABInBev sells in Chile are imported, it had an impact on the supply. However, this is already being taken care of. On one hand, ABInBev has announced investments to expand its productive capacity, decreasing its independence in terms of imports, and we hope it will quickly normalize, as it is already happening.

In short, we are seeing growth, especially in the traditional market, of customers to whom we are selling. So, we are very positive and optimistic about any future growth. The second point you were referring to, were marketing expenses, and marketing investments?

Fernando Olvera: Yes, exactly.

Miguel Ángel Peirano: Clearly last year, and also as a result of the pandemic, and for the most part I would tell you that almost everything, when the pandemic started there was a fairly strict cost restriction, including spending, or marketing investments, because there was a lot of uncertainty about how the year would play out. Remember that in March, April, the second quarter was greatly impacted by strict quarantines in almost every country, and that led to a significant reduction in marketing investments during 2020. That is specific, and we are gradually making a comeback in the different channels to normal levels, understanding that for us, the health and strength of our brands is fundamental and therefore require the support of investments, contact, and permanent communication, as Coca-Cola has always had. Therefore, we will gradually return to standard levels in order to maintain quality.

And on the other hand, we've also learned a lot, and together with The Coca-Cola Company, we're looking at places where we can invest so that these investments are much more efficient, and much more effective in their impact on the strength and health of our brands.

Fernando Olvera: Perfect, Thank you very much.

Miguel Ángel Peirano: Thank you, Fernando.

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

Felipe Ucros: Good morning, Miguel Ángel, Andrés. Congratulations for the good results. I don't know if you can comment a little more on the relationship, or the agreement with ABInBev. Do you already have any evidence of how the sales of your products have increased as a result of the better relationship with the stores?

It may be difficult to assign something numerical on the subject, but perhaps something more anecdotal that you have seen in the relationship with customers, and how that has changed. Perhaps you could talk a little bit about Argentina, how the issue of the *Precios Cuidados* price-watch program has evolved, and what you expect for 2021. Do you think there will be more price restrictions for you in the year? I know you change the lists, sometimes products come in, go out, but more like a general comment on how the relationship with the government is, and what you think is going to happen in Argentina in 2021. Thank you.

Miguel Ángel Peirano: Thank you, Felipe. Look, about the question on the impact of beer sales on other products, it's still too early to tell. Especially in a market that is still impacted by COVID-19 restrictions, and so on. But we have no doubt about it because we have the extensive knowledge and measurement with the rest of the products we have added to our portfolio, such as pisco and spirits. Where those customers who sell alcohol, and we are present with a portfolio of alcoholic products, our share and sale of non-alcoholic products, of Coca-Cola products, has been increased. And especially in stills, which is why we have no doubt about it. Measurements, it's been a very short time and there is still a lot of market noise due to customers who are starting to open, customers who are starting to have a little more circulation, and others who are not due to restrictions, so there's still no concrete measurement on that. However, there is no doubt that we will obtain it and it will help us provide better service, being closer to our customers by offering a full portfolio of products.

Also in regard to Argentina, we have moved from maximum prices to price watch, to consensual prices. This implies a certain flexibility with respect to management, and the prices that the government has now called "price-watch" imply that one has to coordinate and agree with the government on the issue of taxes. Which, on one hand, there are still restrictions on increases, but there is certain flexibility, since new opportunities for open dialogue have become more accessible, where one can bring the reasons why through cost increases one is proposing a price increase, and we look forward to being heard, and understood in this regard. We therefore hope that there will be some flexibility about this in the future.

Felipe Ucros: Do you think you're going to get ahead of inflation, or maybe we should expect that this year you're going to stay a little bit below inflation?

Miguel Ángel Peirano: I believe that this year it will be difficult to achieve inflation.

Felipe Ucros: Okay. Thank you for your comments. Again, congratulations.

Miguel Ángel Peirano: Yes, Felipe. Thank you very much.

Operator: The next question comes from Marcella Recchia with Credit Suisse. Go ahead, please.

Marcella Recchia: Hi, Miguel Ángel, Andrés. Thank you for taking my question. I have two questions. The first is whether you could give us details of how much smaller the beer margins are in Chile, compared to the rest of the portfolio. And the second question is whether you could talk about how you're having consumption dynamics, both in Chile and in Brazil, with the end of government subsidies this year. Thank you.

Andrés Wainer: Hello, Marcella. This is Andrés. Regarding your first question about beer margins in Chile, about the revenue generated by beer, the margin we have for commercializing beer is 5%. Therefore, the margin is less than the rest of our products because we do not have the complete chain, the rest of the products we also have to make investments and produce them. Therefore, the EBITDA margin of Andina Chile will decrease, but what is important is that total EBITDA will increase, and practically without any additional investment, which causes the ROI to increase. We are using all the infrastructure we already have, additional investments are very marginal, allowing us to increase our ROI over time. That also helps sell more soft drinks.

Regarding how we are viewing consumption in Brazil and Chile, these months are somewhat unstable, one good month, then a bad month. For example in the case of Brazil, January was not good, but February will be good. In Chile's case, it is the opposite; January was very good, and February will not be as good. In Chile most likely very affected by one of the coldest summers in ten years. We are almost five degrees lower than last year, which is a lot. But the truth is that we have not seen a major shift in trends from the previous months, the last three, or four months of last year. This is still very unstable, very difficult to project over time, and a lot will depend on state aid to families, as well as quarantines and restrictions caused by COVID-19.

Marcella Recchia: Okay, thank you.

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

Alan Alanis: Thank you. How are you, Miguel Ángel? How are you, Andrés? I hope you and your families are all very well. Thank you for taking my question. Two questions, one simple and one a little more complex. The simple one is the capital allocation, the Capex you have, with a net debt to EBITDA level of 1.3 times, so how should we be thinking ahead about how you will make your capital deployment? Especially in regard to dividends and so forth and so on.

And the second question is a bit more strategic, we're all asking about beer because we are focusing on the company's growth mechanisms, and for you, beer is clearly an impressive growth mechanism. Your volumes in Chile grew 3% but when you add beer it is almost 11%, therefore, it is a very large growth mechanism and the same for the entire year. The question is, if this has been such a big growth mechanism, as it was in Brazil, and this question is for you, Miguel Ángel, what would the restrictions be in Brazil once the Heineken agreement expires in about a year, and you make a similar agreement to the one you have in Chile but in Brazil with AmBev? That would be the question, thank you.

Andrés Wainer: Hello, Alan. This is Andrés, I am going to answer the first question, that of Capex. This year Capex should be in the order of \$160-\$180 million dollars. Obviously, it can change depending on the evolution of COVID-19 but if we don't have any surprises, it should be around that amount. Remember that the previous year, 2020, the total Capex was about \$100 million dollars, a very significant reduction due to the pandemic. We cut off all plans that were not essential. From there, in the future you should expect perhaps close to \$170-\$180 million dollars in the coming years. We do not have major investment projects, we have our four bottling plants with good capacity and quite modern, especially in the case of Brazil, Chile and Argentina.

Regarding dividends, you should expect any cash surpluses to be distributed in dividends, keeping a net debt to EBITDA target of approximately 1.5 times. So, last year's closing was a little bit below that, but we should stay between 1.5 and 2.0 in the long run. If below that, one could expect more dividend, and on the other hand, if we approached 2.0, surpassed 2.0, dividends could likely decrease.

Alan Alanis: Thank very much. Your answer is very clear.

Miguel Ángel Peirano: Hello Alan, how are you? This is Miguel Ángel.

Alan Alanis: How are you?

Miguel Ángel Peirano: Everything is going well. Look, as far as what you were saying about beer, clearly for us beer is a growth mechanism like the rest of the categories are because as we have said more than once, our strategic positioning is to transform into a Total Beverage Company, participating in as many segments as we can. And, as to what happens the moment the Heineken agreement expires, as its name says, it expires. We have no strings attached, no restrictions to do what we want. The agreement has expired, and we are free to do what we want.

Alan Alanis: Nothing else in that sense. Do you think there would be any impediment on the part of CADE, the Brazilian authority, in case of making an agreement similar to the one you have in Chile but in the territories of Andina in Brazil with AmBev?

Miguel Ángel Peirano: I really do not know, we have not looked into it.

Alan Alanis: I understand. I know it's a delicate question, but congratulations, the results you are presenting are impressive, and clearly beer is helping you in every territory. Good luck, Miguel Ángel. Thank you so much for taking the question.

Miguel Ángel Peirano: No, on the contrary. Thank you very much, Alan. And well, the result is no more than the joint effort of a very close team working together with a clear focus. This is the day-to-day operation of each of our collaborators, from the one who prepares the load in the warehouse, to the one who goes out with his hand-held to sell beyond all the problems, restrictions, or climate to deal with. With the management people who manage and take care for our costs, that is, it is a joint group effort. Thank you very much, Alan.

Alan Alanis: No, of course. You have made a great team. Congratulations and good luck. Goodbye.

Miguel Ángel Peirano: Thank you.

Operator: This question comes from Carlos Laboy with HSBC. Go ahead, please.

Carlos Laboy: Yes, good morning. Andrés, Miguel Ángel, I wanted to see if you could clarify the question that was asked a little while ago about the beer margin. You have explained to us that a beer margin cannot be seen in isolation, that it is similar to the returnables margin, the profitability of said returnable margin is hidden within the one-way, by which you could open the price caps.

You have also explained that the profitability of the beer arrangements is hidden in the point-of-sale domain. I wanted to see if you could explain a little bit how the Board views it, and how the Board measures the benefit of these two strategies.

Andrés Wainer: Hello, Carlos. This is Andrés. Indeed the beer margin, since we do not have the entire business and we are simply a distributor, is lower than soft drinks and is about 5%, and that 5% is compared with approximately 20% that soft drinks have. But, as you say, that's only part of it. As a starting point, there are no associated investments therefore all generated EBITDA is additional, with virtually no Capex. How do we view beer? We don't just view it that way, we see it as something more comprehensive, as part of our business. It allows us to be a Total Beverage Company, allows us to reach the customer with the entire product portfolio, compete much better in the case of Chile with CCU, or in the case of Brazil with AmBev.

So, when you say how the Board views it, not only do they see the margin directly generated by beer, but they also see all the benefit that it has in the rest of the portfolio and the customer's evaluation. And given the success we have had in the past with beer in Brazil, and the fact that we are sure that we will have it in Chile because we also had it with Diageo and with Capel, we would also like to increase beer and other products in other countries. In Argentina we already have some beer but only in the south, in a small part of the franchise, and in Paraguay we do not have any. But how do we see ourselves in five, ten more years? We would like to fill the truck with beer, and with other beverages that we do not yet have in all countries.

Miguel Ángel Peirano: Hello, how are you, Carlos? Just to add a little bit to what Andrés says about how the Board views beer. I would not only extend it to beer, but to Total Beverage Company. The Board views and agrees that this is the right strategy for the future, that it is increasingly important to be customer and consumer oriented, and that means being able to provide them with all the needs they have, at least in the soft drinks segment where we participate.

This also takes on a more important relevance when one thinks about the development of digital channels, where the purchase when direct to the consumer, including to their own customers through virtual points of sale, having a complete portfolio helps, enhances and positions these sites much better. Therefore, in full agreement, and support they subscribe to our strategy which is to add new beverage segments in each of the countries where we are.

Carlos Laboy: Thank you Miguel Ángel. As for returnables, has Coca-Cola started to promote the environmental benefit of its packaging? Or are they still growing just from the momentum of affordability benefit?

Miguel Ángel Peirano: Yes, this has been done, particularly in Chile, for some time now we have been communicating the benefits it has in terms of environmental care, environmental responsibility and sustainability, and this is spreading to the rest of the countries. Undoubtedly, that has also become one of the main vectors of returnable support.

Carlos Laboy: Thank you.

Miguel Ángel Peirano: You are welcome Carlos. Thank you very much.

Operator: This question comes from Ulises Argote with JP Morgan. Go ahead, please.

Ulises Argote: Hello, Miguel Ángel, Andrés, good morning. Thank you for giving us time for questions. A couple more on my side, as some of the topics I wanted to ask about, have been discussed, however, given the focus you have here at Capex, noticeably on returnables breakthroughs, perhaps you could give us some more detail about the specific objective of participation you have for returnables in the different regions.

And the second question would be more about the costs, I don't know if you can give us any update on how hedges are for 2021, more or less what the expectations are in that sense. Thank you very much.

Andrés Wainer: Hello, Ulises. This is Andrés. Regarding hedges, we have hedged sugar in the four countries. Depending on the country, for example in Argentina and Paraguay we have almost 100% already for this year, and in the case of Brazil and Chile we are closer to 75%. We also hedge exchange rates, and on average, we have more or less 25% of the year already hedged. In the four countries, the cost of sugar is probably going to be slightly higher than the previous year. As you well know, the international price has been increasing. Excuse me, what was your other question, the first?

Miguel Ángel Peirano: I'll answer that one. Ulises, with regard to our projected target that we have for returnables in each of the countries, today in Paraguay, Argentina and in Chile, we are at 50%, 50% plus in the mix of returnables. In Brazil's case, we were the most behind, and it was one of the reasons why we built the Duque de Caxias bottling plant, to have available capacity, which allowed us to double the capacity.

Today as we see how far we have come, we already are at about 30% of our volume in returnables, which in a way the first phase we had set for ourselves when we were at around 10%, and 12% of returnables. Returnables are composed of two parts. On one hand, have the capacity, and all the logistics to deliver and, reverse logistics. Market education as for the handling of the bottle, with care, and not disposed of by the consumer, which not only benefits his wallet, but it also benefits humanity, and as Carlos was just saying, solve the impact that plastics have on waste particles, since bottles decompose in our bottling plant.

Right now our focus will be continued growth. We already have very healthy percentages in all countries, and as far as the market, the consumer understands that we will continue to grow.

Ulises Argote: Okay, very clear. Perfect. Thank you very much, and again congratulations for the great results.

Miguel Ángel Peirano: Thank you, Ulises.

Operator: The next question is from Juan Berrios with Sagil. Go ahead, please.

Juan Berrios: Thanks for letting me ask a question. I apologize if this was previously asked but I do not think I heard it. I wanted to ask you for more feedback regarding hedges, about sugar. I do not know if you could give us some more detail. You folks mentioned that there is going to be some impact on cost, and on the other hand, I wanted to know how much you are raising prices to offset cost increases. Will you transfer 100% of the cost increases, which have not been hedged, to the customers? That would be great. That is all, thank you very much.

Andrés Wainer: Hello, Juan. Good morning, Andrés speaking. With regard to sugar hedging, in the case of Brazil and Chile we already have prices set for approximately 75% of the volume that we are going to use until the end of this year. In addition, in the case of Paraguay and Argentina, we have set 100% of the volume. Regarding the exchange rate hedging in the four countries, we have set approximately 25% of the dollar needs from now until December of this year.

In addition, on the subject of prices, our intention, and we have always done so, is transferring cost increases to price. In general, our cost on average is very similar to inflation, and we try to raise prices in line with inflation, or even a bit more. In the event that costs go higher than that, because of exchange rate issues, or commodity prices, our goal is to raise prices above that to protect our margins.

Juan Berrios: Great, so if I understand correctly, impact at least on Net Profit should be minimal because of the hedges you have, so if there could possibly be some impact at the EBITDA margin level, it is offset on the Financial Income line, right?

Andrés Wainer: Yes, we shouldn't see an impact of relevance. There is going to be some, but it is not going to be as relevant in each country's local currency. The impact we are going to have, at least the first quarter, I do not know the rest of the year, is on the translation of figures. In the case of the Brazilian Real, which has greatly depreciated compared to the Chilean Peso, it means that when we consolidate the result that comes from Brazil, there are less Chilean Pesos. We will have that, at least in the first quarter.

Juan Berrios: Okay, and forgive me for insisting, but could there be a negative impact on EBITDA margins but not at the last line because then you have profits for sugar derivatives. Is what I'm thinking okay or not?

Andrés Wainer: We do hedge accounting, which means that the result of derivatives, both raw materials and exchange rates, go on the upper part.

Juan Berrios: Very good. Perfect. Thank you.

Andrés Wainer: You are welcome.

Operator: At this time there are no more questions. Mr. Peirano, do you have any final comments?

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