

A close-up photograph of several green hop cones, which are the flowers of the hop plant used in brewing. The cones are covered in small, pointed scales and have a vibrant green color. They are arranged in a cluster, with some in sharp focus and others blurred in the background.

ambev

FY20 and 4Q20 Results
February 25, 2021

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This presentation segregates the impact of organic changes from those arising from changes in scope or currency translation. Scope changes represent the impact of acquisitions and divestitures, the start up or termination of activities or the transfer of activities between segments, curtailment gains and losses and year over year changes in accounting estimates and other assumptions that management does not consider as part of the underlying performance of the business. Organic growth and normalized numbers are presented applying constant year-over-year exchange rates to exclude the impact of the movement of foreign exchange rates.

Unless stated, percentage changes in this presentation are both organic and normalized in nature. Whenever used in this document, the term “normalized” refers to performance measures (EBITDA, EBIT, Profit, EPS) before exceptional items adjustments. Exceptional items are either income or expenses which do not occur regularly as part of the normal activities of the Company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the Company due to their size or nature. Normalized measures are additional measures used by management and should not replace the measures determined in accordance with IFRS as indicators of the Company's performance. Comparisons, unless otherwise stated, refer to the fourth quarter of 2019 (4Q19). Values in this presentation may not add up due to rounding.

2020 was unforgettable...



We made a **positive impact in society**



We launched **meaningful innovations**

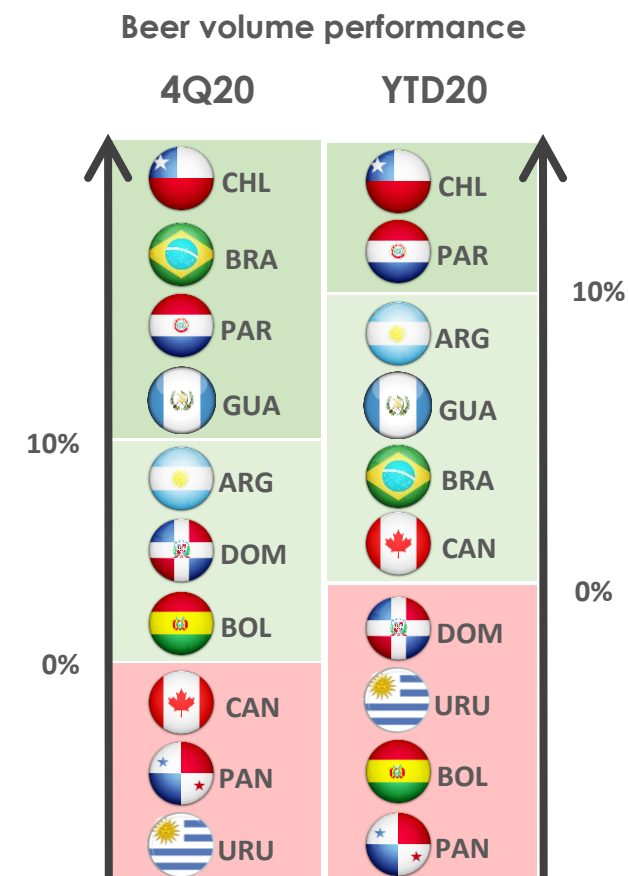
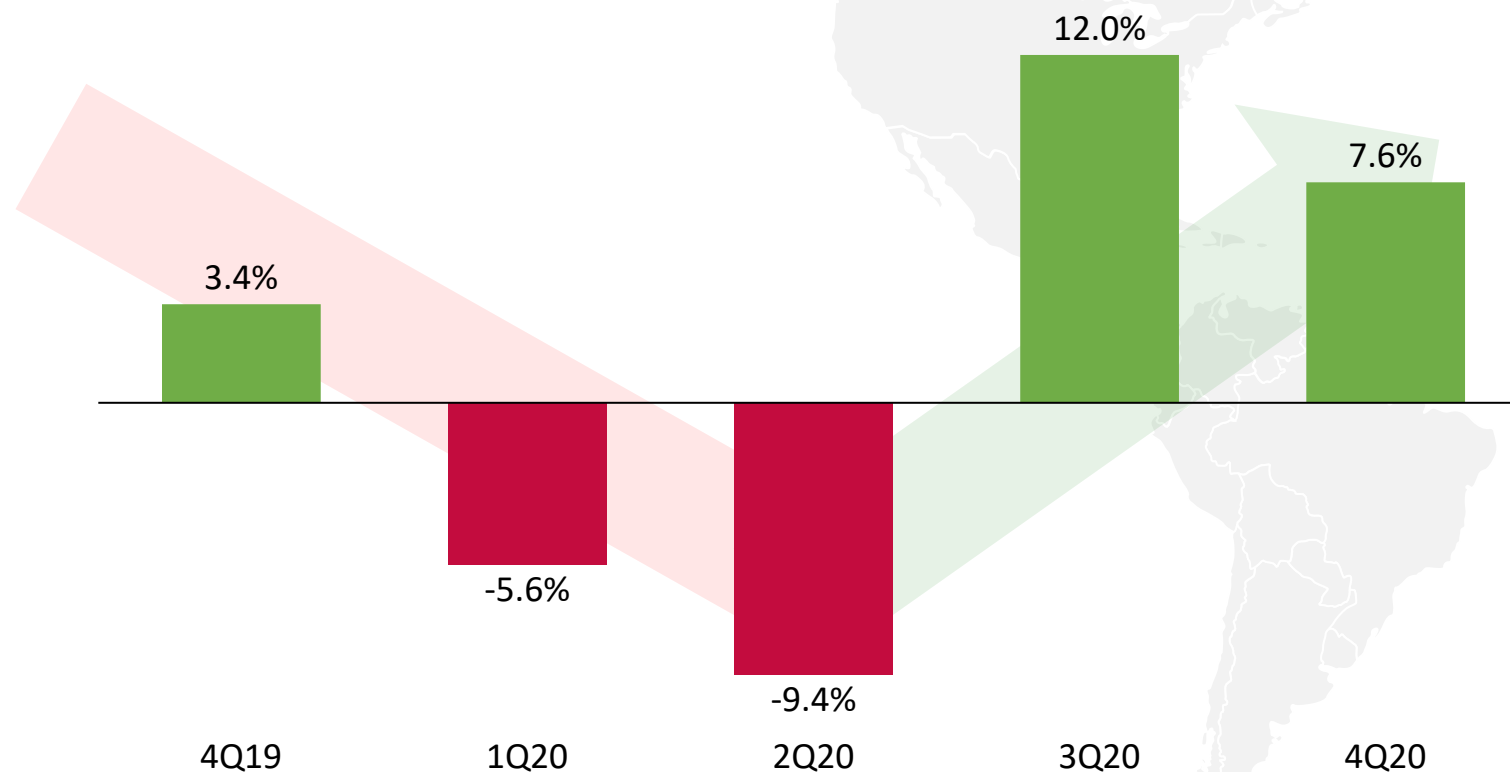


Our technology platforms were **adopted exponentially**



We continue to build momentum...

We **built on the commercial momentum from Q3 to deliver a good finish to the year**. More importantly, the success of our commercial strategy in the quarter also **positioned us well for 2021**.

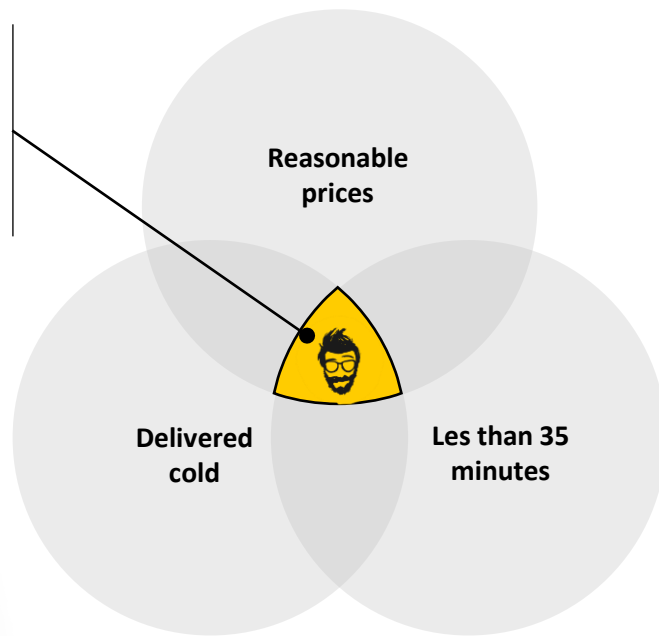


... and to transform our business...

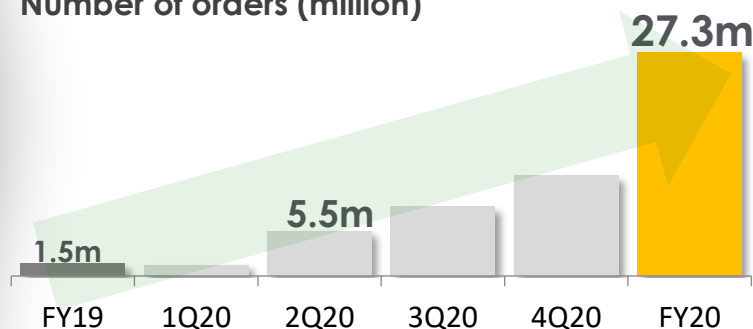


Direct to consumer – Zé Delivery

- ✓ Convenient
- ✓ Reliable
- ✓ Best service available
- ✓ Cool, relatable brand

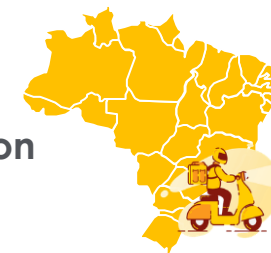


Number of orders (million)



Key statistics

- **+200** cities
- All **27** **Estates** in Brazil
- Reaching **~50%** **population**
- **+2k** **retail partners**



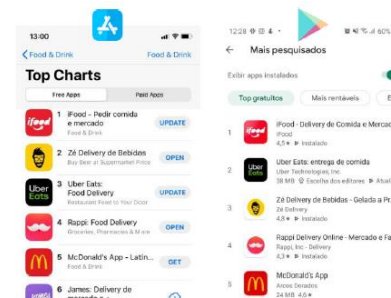
Performance metrics

NPS



+80

Consumer &
Customer NPS



Business to business – BEES Super App



SERVICE
LEVEL



PORTFOLIO
DEVELOPMENT

Order Taking 24/7



Requests & Tracking



Financial Service



Marketplace



Digital Communication



Innovation Portfolio



Digital Trade



Logistics Service



2021 outlook – Brazil Beer

We expect another **challenging year**. COVID is still very real, and we will face **larger cost pressure**, but **we are off to a good start in terms of topline momentum**

Cost pressures

Cash COGS/hl to increase low-twenties:

- FX depreciation
- Commodity prices

Strong topline momentum

• We are off to a good start in topline:

- Volumes +10% year to date

• NR/hl performance

- Price increase
- Better mix playing in our favor
- Smarter promotional activity

Tax Credits

“Our Q4 results were positively impacted by R\$4.3 billion tax credits related to a 2017 Brazilian Supreme Court decision that declared unconstitutional the inclusion of the ICMS state tax in the taxable basis of the PIS and the COFINS federal taxes.

As disclosed in our notes to the financial statements in December 2020, with the support of counsel and external advisors, we concluded the estimation with sufficient reliability of the amounts to which we are entitled. Regarding the amount of R\$4.3 billion mentioned above, the company recorded in 2020 a tax credit (before tax effects), of which R\$ 2.5 billion in Other Operating Income, as described in our Consolidated Financial Statements Note 7 - Other Operating Income (Expenses), and R\$1.8 billion in Financial Income, as described in Note 11 - Financial Expenses and Income.

Given the nature of the dispute, these tax credits are technically part of our normalized results from an accounting standpoint. However, given their materiality, and to ensure greater transparency of the underlying performance of our business, we: (i) updated the accounting policy to record extemporaneous tax credits and debits under Other operating income/(expenses), no longer following the original P&L lines that were originally impacted; and (ii) removed credits or debits of this nature from the calculation of our organic performance of Normalized EBITDA.

It is important to note that such adjustments do not change Ambev's consolidated results for the year.”

Financial Highlights Ambev 4Q20 (organic)

+7.6% Volume

+13.4% Net Revenue

+5.3% Net Revenue per hL

+13.8% Cash COGS per hL

-0.1% EBITDA

36.7% EBITDA Margin¹

Financial Highlights Ambev FY20 (organic)

+1.4% Volume

+4.7% Net Revenue

+3.2% Net Revenue per hL

+16.5% Cash COGS per hL

-11.1% EBITDA

33.4% EBITDA Margin¹

+2.6% Operating Cash Flow

7.7 bn Total payout

Note: (1) Adjusted for tax credits

Financial performance priorities

It is difficult to predict exactly how much of the margin pressure we will be able to offset, but **we are fully committed to continuously and consistently improve our results during the course of the year without losing sight of the longer term**

Margins Pressured

Cash COGS/hl to increase low-twenties:

- FX depreciation
 - **Avg. BRL/USD 2021: 5.29 (+31.9%)**
- Commodity prices
 - **Barley and corn**

What we must do right

- **Deliver solid topline performance**
- **Implement productivity initiatives**
 - **Keep our financial discipline on costs and expenses management**

2025 Sustainability Goals

In 2020, we have already...



33.3% plastic pollution of our packaging **neutralized** in Brazil



30% less carbon emissions by our **breweries** since 2017 in Brazil



In Chile and Argentina, **100% of breweries** with **renewable energy**



100% of distribution centers operating with **solar energy** in Brazil

And we are working so that by 2023...



+90% breweries in Brazil supplied by **renewable energy**



Packaging materials with **majority of recycled content**



+50% of our dedicated fleet in Brazil composed by **electric vehicles**



SMART AGRICULTURE



WATER STEWARDSHIP



CIRCULAR PACKAGING



CLIMATE ACTION



ambev

Q&A



"Everyone deserves a beverage, where, how and when they want"

Coupon¹:
AMBEVHH

¹Limited to 600 orders

Valid only for cities covered by Zé Delivery in Brazil

