

We also have a licensing agreement with ABI which allows us to exclusively produce, distribute and market *Budweiser* in Brazil. We also have certain arrangements to sell and distribute *Budweiser* products in Paraguay, Guatemala, Dominican Republic, El Salvador, Nicaragua, Uruguay and Chile.

We also have a cross-licensing agreement with ABI through which we are allowed to produce, bottle, sell and distribute beer under the *Stella Artois* and *Becks* brands in Latin America and Canada on an exclusive basis, and ABI is allowed to produce, bottle, sell and distribute beer under the brand *Brahma* in Europe, Asia, Africa and the United States on an exclusive basis. Ambev has agreed not to directly or indirectly produce, bottle, distribute, sell or resell (or have an interest in any of these), any other European premium branded beer in Latin America, and ABI has agreed to be bound by the same restrictions relating to any other Latin American premium branded beer in Europe, Asia, Africa and the United States. As a result, in June 2005 we launched *Stella Artois* in Brazil and, since March 2005, ABI has been distributing *Brahma* beer in the United States and several countries such as the United Kingdom, Spain, Sweden, Finland and Greece.

We also have ABI's subsidiary, Metal Container Corporation, as one of our can suppliers.

We have also a licensing agreement with Grupo Modelo, S. de R.L. de C.V. ("Cervecería Modelo" - formerly Grupo Modelo, S.A.B. de C.V.), a subsidiary of ABI, to produce, import, promote and resell Corona products (*Corona Extra*, *Corona Light*, *Coronita*, *Pacifico* and *Negra Modelo*) in Latin America countries, including Brazil, as well as in Canada.

Taxation

Beer

Taxation on beer in the countries where we operate is comprised of different taxes specific to each jurisdiction, such as an excise tax and a value-added tax. The amount of sales tax charged on our beer products in 2020, represented as a percentage of gross sales, was: 43.8% in Brazil; 21.5% in Canada; 9.0% in Central America; 47.8% in the Dominican Republic; 21.0% in Panama; 1.8% in Cuba; 8.5% in Barbados; 26.0% in Argentina; 35.6 % in Bolivia; 24.2% in Chile; 11.7% in Paraguay; and 29.8% in Uruguay.

NAB

Taxation on NAB in the countries where we operate is comprised of taxes specific to each jurisdiction, such as an excise tax and a value-added tax. The amount of taxes charged on our NAB products in 2020, represented as a percentage of gross sales, was: 36.1% in Brazil; 18.0% in the Dominican Republic; 7.0% in Panama; 17.3% in Argentina; 28.1% in Bolivia; and 30.1% in Uruguay.

Changes to Brazilian Taxes on Beverages

In January 2015, it was enacted Law No. 13,097 by the Brazilian federal government, introducing a new federal taxation model for beer and soft drinks. The law is a result of the combined efforts of the Brazilian federal government and beverage companies with a view to creating a less complex and more predictable tax system for the industry. The new tax model came into force on May 1, 2015. Among other changes, the new set of rules establishes that the IPI Excise Tax, the PIS Contribution and the COFINS are due by manufacturers and wholesalers and shall be calculated based on the respective sales price (*ad valorem*). Under the previous legislation (in force from 2009 to 2015), the referred taxes were due exclusively by the manufacturer at fixed amounts per liter of beer or soft drink produced (*ad rem*). As to this new taxation model introduced by Law No. 13,097, Decree No. 8,442/2015 brought temporary reductions on the tax rates applicable to beers and soft drinks, which are no longer applicable as of January 2018. Without such reduction, PIS Contribution and COFINS rates have increased between 5% and 11% over the previously reduced rates for breweries - except for special beers with limited production which have 75% or more of barley malt by weight on the original extract as a source of sugar.

In 2015 the States of São Paulo, Rio de Janeiro, Minas Gerais, Distrito Federal, Rio Grande do Sul, Ceará, Amapá, Rondônia, Amazonas, Tocantins, Piauí, Maranhão, Rio Grande do Norte, Bahia, Pernambuco, Paraíba, Alagoas, Sergipe and Mato Grosso do Sul increased their ICMS Value-Added Tax rate applicable to beer and soft drinks. In 2016, the States of Rio de Janeiro and Acre also increased their respective ICMS Value-Added Tax rates, scheduled to take effect in early 2017. In 2017, the States of Goiás and Amazonas increased their soft drinks and beer ICMS rates. In 2018, the States of Maranhão and Pernambuco increased their non-alcoholic beverages ICMS rates and Bahia and Maranhão increased beer ICMS burden, which became effective in early 2019. In 2019, the State of Maranhão decreased the non-alcoholic beverages ICMS Value-Added Tax rates, which became effective in early 2020. In 2020, no Brazilian state raised ICMS Value-Added Tax rate for either beer or non-alcoholic beverages.

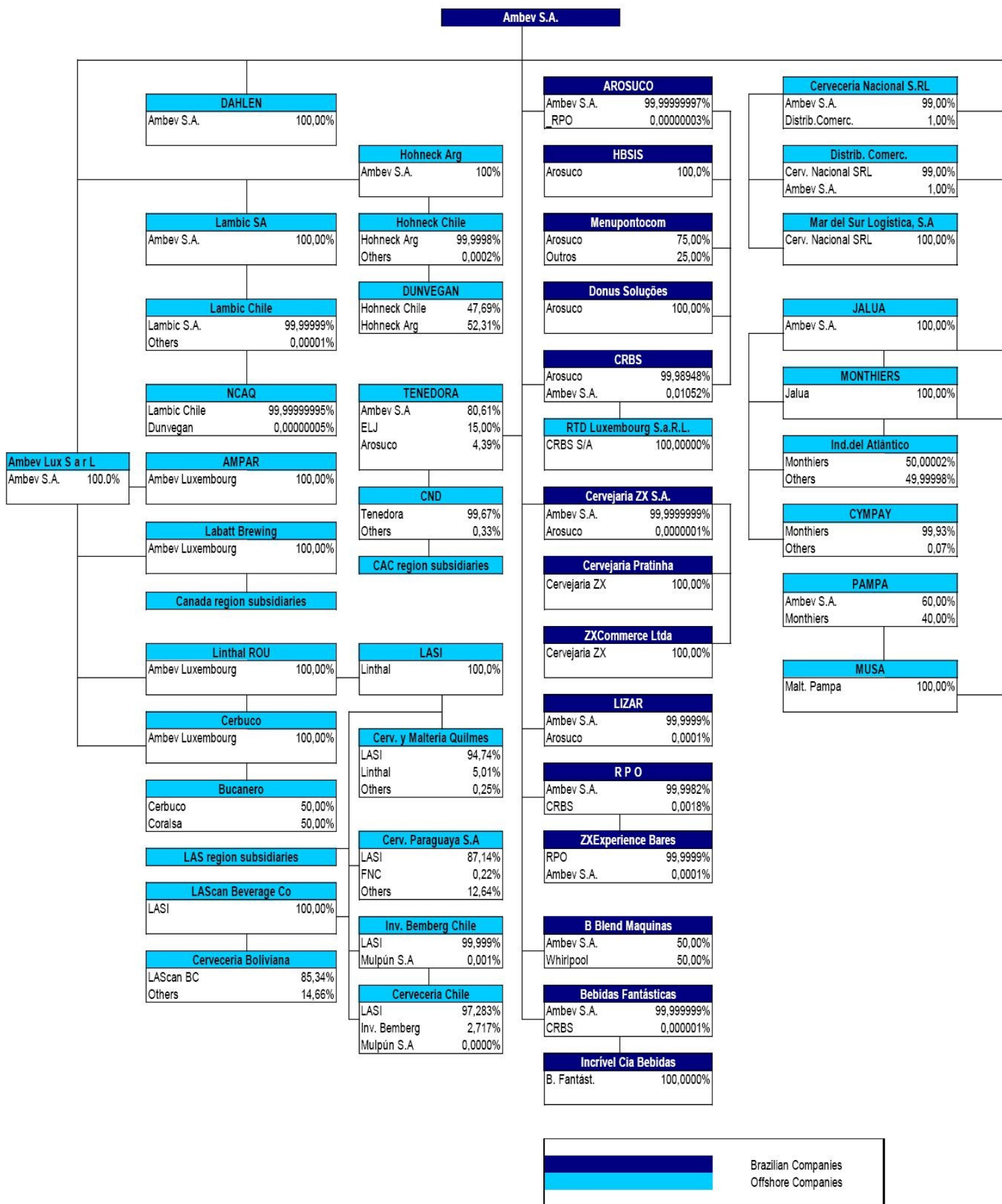
In May 2018, the Brazilian Federal Government enacted Decree No. 9,394/2018 changing the IPI taxation applicable on transactions with concentrate units, consequently reducing the value of the IPI presumed credits registered by Ambev on acquisitions from companies located in the Manaus Free Trade Zone from 20% to 4%. Due to the severe effects of such change, the Brazilian Federal Government enacted Decree No. 9,514/2018 to make a gradual change of the IPI taxation, as follows: (1) taxation of 12% in the first half of 2019; (2) taxation of 8% in the second half of 2019; and (3) taxation of 4% from 2020 onwards. In July 2019, the Brazilian Federal Government enacted Decree No. 9,897/2019 determining the application of the 8% rate until September 30, 2019 and implementing a 10% rate from October 1, 2019 to December 31, 2019, maintaining the rate of 4% effective as of January 2020. In February 2020, Decree No. 10,254/2020 was issued, increasing the IPI rate to 8% for the specific period from July 1, 2020 to November 30, 2020. In October, 2020, a new decree (10,523/2020) was issued to establish the 8% rate from February 2021 onwards.

C. Organizational Structure

Our two direct controlling shareholders, IIBV and AmBrew, both of which are subsidiaries of ABI, together with FAHZ, held in aggregate 72.1% of our total and voting capital stock (excluding treasury shares) as of December 31, 2020.

ABI indirectly holds shares in us representing 61.8% of our total and voting capital stock (excluding treasury shares) as of December 31, 2020. ABI thus has control over us, even though (1) ABI is subject to the Shareholders' Agreement and (2) ABI is controlled by Stichting that represents an important part of interests of BRC and the Interbrew Founding Families. For further information on these matters see "Item 4. Information on the Company-A. History and Development of the Company-The InBev-Ambev Transactions" and "Item 7. Major Shareholders and Related Party Transactions-A. Major Shareholders-Ambev's Major Shareholders-The Shareholders' Agreement."

We conduct the bulk of our operations in Brazil directly. We also indirectly control Labatt and the operations conducted by our CAC and Latin America South units. The following chart illustrates the ownership structure of our principal subsidiaries as of December 31, 2020 based on total share capital owned.



D. Property, Plant and Equipment

Our properties consist primarily of brewing, soft drink production, malting, bottling, distribution and office facilities in the countries where we operate.

As of December 31, 2020, our aggregate beer and non-alcoholic beverages production capacity was 250.8 million hectoliters per year. In 2020, the total production at the facilities set forth below was equal to 163.4 million hectoliters.

The following is a list of our principal production facilities as of December 31, 2020:

Brazil	
Plant	Type of Plant
Almirante Tamandaré, Paraná	Soft Drinks
Anápolis, Goiás	Mixed
Aquiraz, Ceará	Mixed
Camaçari, Bahia	Mixed
Cuiabá, Mato Grosso	Mixed
Estancia, Sergipe	Mixed
Guarulhos, São Paulo	Beer
Itapissuma, Pernambuco	Mixed
Jacarei, São Paulo	Beer
Jaguariúna, São Paulo	Mixed
Juatuba, Minas Gerais	Mixed
Jundiaí, São Paulo	Soft Drinks
Lages, Santa Catarina	Beer
Cachoeiras de Macacu, Rio de Janeiro	Mixed
Manaus, Amazonas	Mixed
Pirai, Rio de Janeiro	Mixed
Ponta Grossa, Paraná	Beer
Rio de Janeiro, Rio de Janeiro	Mixed
São Luis, Maranhão	Beer
Sapucaia do Sul, Rio Grande do Sul	Soft Drinks
Sete Lagoas, Minas Gerais	Mixed
Teresina, Piauí	Mixed
Uberlândia, Minas Gerais	Beer
Viamão, Rio Grande do Sul	Mixed
Crown Manaus, Amazonas	Crown Cap
Glass Rio, Rio de Janeiro	Glass Bottles
Label São Paulo, São Paulo	Labels
Malt. Navegantes, Rio Grande do Sul	Malt
Malt. Passo Fundo, Rio Grande do Sul	Malt
Cans Minas, Minas Gerais	Cans
Contagem, Minas Gerais	Bag in box plant
SAZ Zitec Research Pilot Brewery, Rio de Janeiro	Research Plant
Wals, Minas Gerais	Beer
Colorado, São Paulo	Beer
Bohemia, Rio de Janeiro	Beer
Pratinha, São Paulo	Beer
João Pessoa, Paraíba	C02 Plant
SD Aromas, Manaus	Soft Drinks Kits

CAC

Plant	Type of Plant
Ambev Centroamerica, Guatemala	Beer
Santo Domingo, Dominican Republic	Mixed
Hato Nuevo, Dominican Republic	Mixed
Saint Vincent	Mixed
Cuba	Mixed
Barbados	Mixed
Panama	Mixed

Latin America South

Plant	Type of Plant
Acheral, Argentina	Beer
Cordoba, Argentina	Soft Drinks
Corrientes, Argentina	Mixed
Manantial, Argentina	Soft Drinks
Mendoza, Argentina	Beer
Pompeya, Argentina	Beer
Quilmes, Argentina	Beer
Zarate, Argentina	Beer
Cerveceria Argentina, Argentina	Beer
Cochabamba, Bolivia	Beer
El Alto, Bolivia	Soft Drinks
Huari, Bolivia	Beer
La Paz, Bolivia	Beer
Sacaba, Bolivia	Soft Drinks
Santa Cruz, Bolivia	Beer
Santiago, Chile	Beer
Ypane, Paraguay	Beer
Minas, Uruguay	Beer
Montevideo, Uruguay	Mixed
Malt. Pampa, Argentina	Malt
Crown Coroplas, Argentina	Crown Cap
Malt Tres Arroyos, Argentina	Malt
Can Oruro, Bolivia	Cans
Glass Ypane, Paraguay	Glass Bottles
Malt Nueva Palmira, Uruguay	Malt
Malt Paysandu, Uruguay	Malt
Hop Fernandez Oro, Argentina	Hops Pellets
Zarate Research Pilot Brewery, Argentina	Research Plant
Patagonia, Argentina	Beer
Dante Robino, Argentina	Wine
Tarija, Bolivia	Beer

Canada

Plant	Type of Plant
St. John's	Beer
Halifax	Beer
Montreal	Beer/RTD
London	Beer/RTD
Edmonton	Beer/RTD
Creston	Beer
Mill Street	Beer/Spirits
Turning Point	Beer/RTD/Cider
Archibald	Beer
Alexander Keith	Beer
Goodridge&Williams.....	RTD/Spirits