

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. (formerly Grupo Modelo, S.A.B. de C.V.), a subsidiary of ABI, to 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 2019, 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; 35.2% in Bolivia; 23.8% in Chile; 12.0% in Paraguay; and 30.0% 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 2019, represented as a percentage of gross sales, was: 36.1% in Brazil; 18.0% in the Dominican Republic; 7.0% in Panama; 18.4% in Argentina; 27.0% in Bolivia; and 30.3% in Uruguay.

##### *Changes to Brazilian Taxes on Beverages*

In November 2008, the Brazilian Congress approved changes (effective as of January 1, 2009) to the taxable amount and tax rates for (1) the IPI Excise Tax, (2) the PIS Contribution and (3) the COFINS. Under the previous system, these taxes were paid as a fixed rate per hectoliter by all taxpayers. Under the system approved in 2008, higher priced brands pay higher taxes per hectoliter than lower priced brands based on a consumer price reference table. The taxable amount is calculated through the application of a rate to the consumer price established in the respective consumer price reference table. In recent years, taxes on the beverage industry were increased at the Brazilian federal and state levels. In April 2013, an aggregate increase of 2% was approved with respect to the rates of the IPI Excise Tax, the PIS Contribution and the COFINS on beer sales. In addition, in 2014 the IPI Excise Tax, the PIS Contribution and the COFINS were subject to another aggregate increase of 4% in April and 2% in October with respect to beer sales. Moreover, in January 2015 the Brazilian federal government enacted Law No. 13,097, which introduced 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, the referred taxes were due exclusively by the manufacturer at fixed amounts per liter of beer or soft drink produced (*ad rem*). The 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. As of January 2018, such temporary reductions are no longer in force. Without such reduction, PIS Contribution and COFINS rates have increased between 5% and 12% 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 2012, the following six Brazilian states increased their rates for ICMS Value-Added Tax applicable to beer: Minas Gerais, Sergipe, Amazonas, Mato Grosso, Bahia and the Federal District. In addition, in 2015 the States of São Paulo, Rio de Janeiro, Minas Gerais, Distrito Federal, Rio Grande do Sul, Ceará, Amapá, Rondonia, 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 will become effective in early 2020.

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. From December 1, 2020 onwards, the applicable rate will return to 4%.

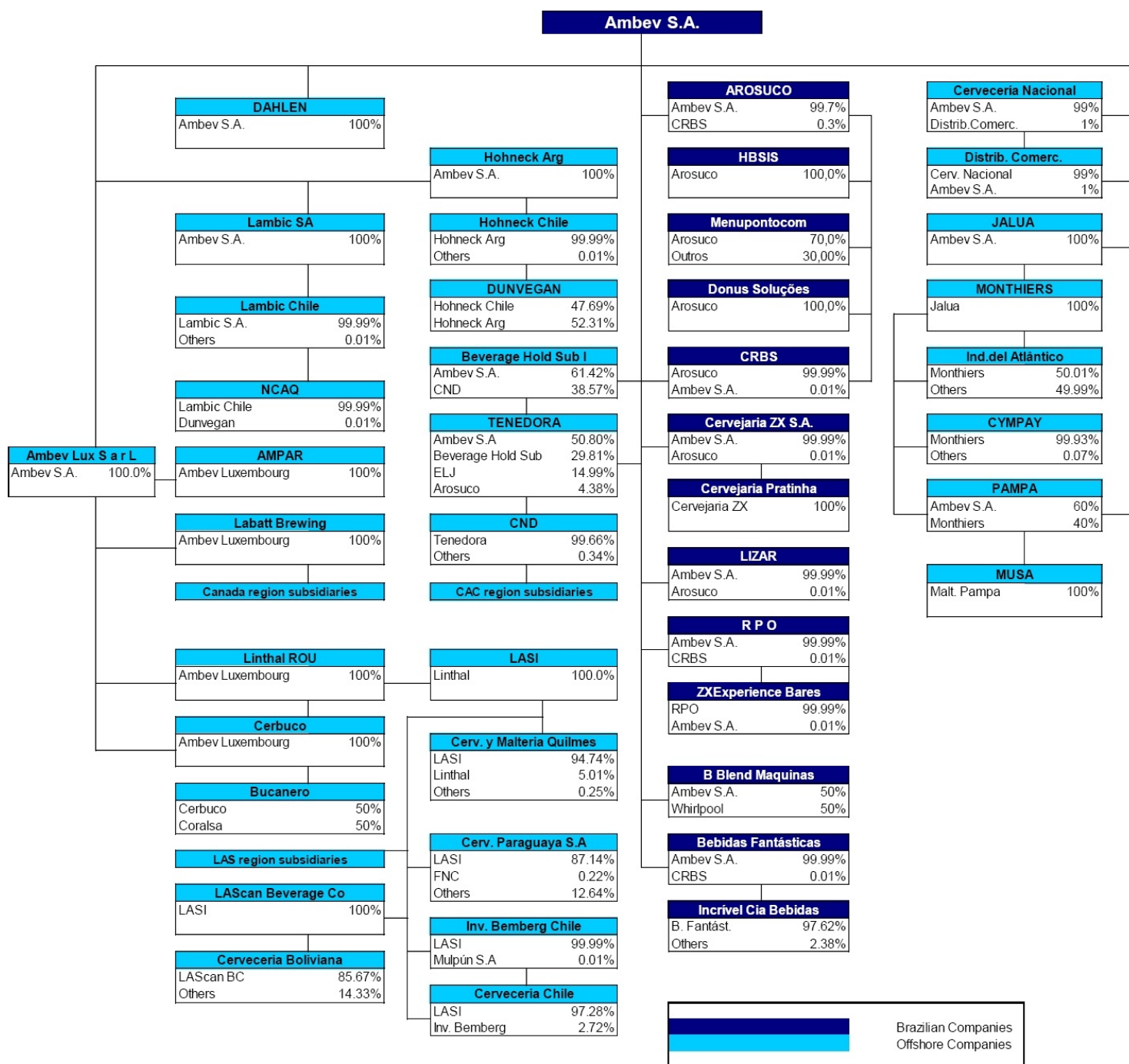
**C. Organizational Structure**

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, 2019.

ABI indirectly holds shares in us representing 61.8% of our total and voting capital stock (excluding treasury shares) as of December 31, 2019. ABI thus has control over us, even though (1) ABI is subject to the 2019 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 2019 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, 2019 based on total share capital owned.

#### Organizational Structure



#### 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, 2019, our aggregate beer and non-alcoholic beverages production capacity was 257.6 million hectoliters per year. In 2019, the total production at the facilities set forth below was equal to 156.8 million hectoliters.

The following is a list of our principal production facilities as of December 31, 2019:

**Brazil**

Plant	Type of Plant
Agudos, São Paulo	Beer
Equatorial, Maranhão	Beer
Jacareí, São Paulo	Beer
Lages, Santa Catarina	Beer
Guarulhos, São Paulo	Beer
Sete Lagoas, Minas Gerais	Mixed
Uberlândia, Minas Gerais	Beer
Petrópolis, Rio de Janeiro	Beer
Ponta Grossa, Paraná	Beer
Wals/Belo Horizonte, Minas Gerais	Beer
Colorado/Ribeirão Preto, São Paulo	Beer
Estância, Sergipe	Mixed
Aquiraz, Ceará	Mixed
Camaçari, Bahia	Mixed
Anápolis, Goiás	Mixed
Cuiabá, Mato Grosso	Mixed
Jaguariúna, São Paulo	Mixed
Cachoeiras de Macacu, Rio de Janeiro	Mixed
Itapissuma, Pernambuco	Mixed
Rio de Janeiro, Rio de Janeiro	Mixed
Manaus, Amazonas	Mixed
Minas, Minas Gerais	Mixed
Teresina, Piauí	Mixed
Viamão, Rio Grande do Sul	Mixed
Pirai, Rio de Janeiro	Mixed
Almirante Tamandaré, Paraná	Soft drinks
Contagem, Minas Gerais	Soft drinks
Jundiaí, São Paulo	Soft drinks
Sapucaia do Sul, Rio Grande do Sul	Soft drinks
São Paulo, São Paulo	Labels
Manaus, Amazonas	Crown Cap
Campo Grande, Rio de Janeiro	Glass Bottle
Manaus, Amazonas	Concentrate
Maltaria Navegantes, Rio Grande do Sul	Malt
Maltaria Passo Fundo, Rio Grande do Sul	Malt
Maués, Brazil	Guaraná Extract Plant
Yeast Plant, Brazil	Yeast
Manaus, Amazonas	Shrink film

CAC

Plant	Type of Plant
Ambev Centroatamerica, 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
Cympay, Uruguay	Malt
Musa, Uruguay	Malt
Malteria Pampa, Argentina	Malt
Quilmes, Argentina	Beer
Corrientes, Argentina	Mixed
La Paz, Bolivia	Beer
Santa Cruz, Bolivia	Beer
Cochabamba, Bolivia	Beer
Huari, Bolivia	Beer
Tarija, Bolivia	Beer
Santiago, Chile	Beer
Minas, Uruguay	Beer
Ypane, Paraguay	Beer
Zarate, Argentina	Beer
Mendoza, Argentina	Mixed
Montevideo, Uruguay	Mixed
Cordoba, Argentina	Soft Drinks
CASA, Argentina	Beer
Buenos Aires South, Argentina	Soft Drinks and Juices
Manantial, Tucumán, Argentina	Soft Drinks
Tres Arroyos, Argentina	Malt
Acheral, Tucumán, Argentina	Beer
Coroplas, Argentina	Crown Cap
FPV, Ypane, Paraguay	Bottles
Sacaba, Bolivia	Soft Drinks
El Alto, Bolivia	Soft Drinks
Enalbo, Oruro, Bolivia	Cans
Bariloche Craft Beer, Argentina	Beer
Fernandez Oro, Argentina	Hops Pellets

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