

**ITEM 3. KEY INFORMATION**

**A. Selected Financial Data**

[Reserved]

**B. Capitalization and Indebtedness**

Not applicable.

**C. Reasons for the Offer and Use of Proceeds**

Not applicable.

**D. Risk Factors**

Before making an investment decision, you should consider all of the information set forth in this annual report, including the consolidated financial statements and our periodic public information released by Ambev from time to time. In particular, you should consider the special features applicable to an investment in Brazil and applicable to an investment in Ambev, including those set forth below. In general, investing in the securities of issuers in emerging market countries, such as Brazil, involves a higher degree of risk than investing in the securities of issuers in the United States. Our business, financial condition and operational results may also be significantly affected not only by the risks set forth below but also by other risks that are currently unknown or considered irrelevant to us.

**Summary of Risk Factors**

***Risks Relating to Our Operations***

- We face operational risks that can result in the partial or temporary shutdown of our operations, which may adversely affect our financial condition and results of operations;
- We are exposed to the risk of litigation;
- Our results of operations are affected by fluctuations in exchange rates, and devaluation of the real or other currencies with which we operate relative to other currencies, including the U.S. dollar, which may adversely affect our financial performance;
- We rely on the reputation of our brands and damages to their reputation may have an adverse effect on our sales;
- Information technology failures, including failures to implement upgrades and new technologies effectively or those that affect the privacy and security of sensitive customer and business information, could disrupt our operations;
- If any of our products is defective or found to contain contaminants, we may be subject to product recalls, individual or collective litigation and/or other liabilities;
- We are subject to risks associated with noncompliance with any data protection laws in the countries in which we operate and can be adversely affected by any penalties or other sanctions imposed;
- If we are not successful in obtaining and maintaining the necessary licenses in the countries in which we operate, we may be subject to fines, penalties, or other regulatory sanctions, which could negatively impact our business and cause us to incur additional costs;
- Our failure to obtain or renew surety bonds and letters of credit necessary in certain lawsuits on attractive terms or at all may adversely affect our liquidity, financial condition and business;

- Our insurance coverage may be insufficient to make us whole on any losses that we may sustain in the future;
- We may not be able to protect our intellectual property rights;
- The relative volatility and illiquidity of securities of Brazilian companies may substantially limit your ability to sell our common shares and ADSs at the price and time you desire;
- Our shareholders may not receive any dividends or IOC;
- Future equity issuances may dilute the holdings of current holders of Ambev common shares or ADSs and could materially affect the market price for those securities;
- Contractual and legal restrictions to which Ambev and its subsidiaries are potentially or allegedly subject may be triggered upon the consummation of certain transactions involving our indirect controlling shareholder, Anheuser-Busch InBev SA/NV, or ABI, resulting in adverse limitations to our operations;
- Our current controlling shareholder will be able to determine the outcome of our most significant corporate actions;
- The ability of our foreign subsidiaries to distribute cash upstream may be subject to various conditions and limitations;
- We may not be able to recruit or retain key personnel;
- We rely on key third parties, including key suppliers, and the termination or modification of the arrangements with such third parties or non-compliance with the Company's ESG guidelines or any failure to comply with laws and regulations by them could negatively affect our business; and
- Demand for our products may be adversely affected by changes in consumer preferences and tastes.

***Risks Relating to the Economy Sector in Which We Operate***

- Volatility in commodities prices may adversely affect our financial performance;
- Negative publicity focusing on us or our products or on the way we conduct our operations may harm our business;
- Competition could lead to a reduction of our margins, increase costs and adversely affect our profitability;
- If we do not successfully comply with applicable anti-corruption laws, export control regulations and trade restrictions, we could be subjected to fines, penalties or other regulatory sanctions, as well as adverse press coverage, which could impact our reputation, operations and sales;
- Increases in taxes levied on beverage products in the countries in which we operate and unfair competition arising from tax evasion may adversely affect our results and profitability;
- Our business is subject to regulations in the countries in which we operate, and we may have our activities impacted by foreign legislation regarding social, environmental and climate issues;
- We are subject to Brazilian and other antitrust regulations;
- The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy; Brazilian economic and political conditions have a direct impact on our business and the market price of our shares and ADSs; and

- Economic and political uncertainty and volatility in Brazil, and the perception of these conditions in the international financial markets, may adversely affect our business and the market price of our shares and ADSs.

***Risks Relating to Other Countries in Which We Operate***

- Our Latin America South operations are subject to substantial risks relating to the businesses and operations conducted in Argentina and other South American countries;
- Continuing high rates of inflation in Argentina may have an adverse effect on the economy and our business, financial condition and results of operations;
- Deterioration in economic and market conditions in Brazil and other emerging market countries, as well as in developed economies, may adversely affect the market price of our common shares and ADSs;
- We operate a joint venture in Cuba, in which the Government of Cuba is our joint venture partner. Cuba is still targeted by broad and comprehensive economic and trade sanctions of the United States. Our operations in Cuba may adversely affect our reputation and the liquidity and value of our securities; and
- The outbreaks of infectious diseases, or the risk of an outbreak (e.g. pandemics, epidemics, including a potential new wave of COVID-19), its effects and the manner in which such events may continue to impact us are highly uncertain and unpredictable and may result in further adverse effects on our business and may impact our ability to continue operating our business.

***Risks Relating to Environmental, Social and Governance (ESG) Matters***

- Our commitment to social responsibility may result in the incurrence of additional costs, and we are subject to laws, regulations and other obligations in furtherance of human rights, social justice and labor standards that may exposes us to additional contingencies;
- Our operations are subject to broad safety and environmental regulations, the non-compliance of which may pose significant financial, operational, reputational, litigation and regulatory risks related to environmental issues for us;
- Natural and other disasters and accidents caused by human and technological errors could disrupt our operations;
- Climate change, or legal, regulatory or market measures to address climate change, may negatively affect our business or operations;
- New ESG regulations may be enacted and this may result in increased costs for Ambev to comply with them;
- Scarcity or poor quality of water may negatively affect our production costs and capacity; and
- Seasonal consumption cycles and adverse weather conditions may result in fluctuations in demand for our products.

***Risks Relating to Our Common Shares and ADSs***

- Brazilian foreign exchange controls and regulations could restrict conversions and remittances abroad of the dividend payments and other shareholder distributions paid in Brazil in *reais* arising from Ambev's common shares (including shares underlying the Ambev ADSs);
- The surrender of ADSs may cause the loss of the ability to remit foreign currency abroad and of certain Brazilian tax attributes;
- Certain shareholder entitlements may not be available in the U.S. to holders of Ambev ADSs;

- Holders of Ambev ADSs may be unable to fully exercise voting rights with respect to the Ambev shares underlying their ADSs;
- Our status as a foreign private issuer allows us to follow Brazilian corporate governance practices and exempts us from a number of rules under the U.S. securities laws and listing standards, which may limit the amount of public disclosures available to investors and the shareholder protections afforded to them;
- As a Brazilian company, Ambev is subject to different corporate laws and regulations than those typically applicable to U.S.-listed companies, which may result in Ambev's shareholders having fewer or less well-defined shareholder rights than the shareholder rights of those companies;
- Foreign holders of our ADSs may face difficulties in serving process on or enforcing judgments against us and other persons; and
- Judgments of Brazilian courts with respect to our shares will be payable only in *reais*.

#### **Risks Relating to Our Operations**

*We face operational risks that can result in the partial or temporary shutdown of our operations, which may adversely affect our financial condition and results of operations.*

We face operational risks that may result in partial or temporary suspension of our operations and in loss of production. Such outages may be caused by factors associated with equipment failure, information system disruptions or failures (including due to cyber-attacks), accidents, fires, strikes, weather, exposure to natural disasters, regional water crisis, electricity power outages and chemical product spills, accidents involving water reservoirs, availability of our suppliers to meet demand of raw and packaging materials, among other operational and environmental hazards. The occurrence of these events may, among other impacts, result in serious damage to our property, assets and reputation, a decrease in production or an increase in production costs, any of which may adversely affect our financial condition and results of operations.

During the normal course of our business, we depend on the continuous availability of logistics and transportation networks, including roads, railways, warehouses and ports, among others. Such operations may be disrupted by factors beyond our control, such as social movements, natural disasters, electricity shortages and labor strikes. Any interruption in the supply of inputs for the operation of our industrial units or in the delivery of our products to clients could cause a material adverse impact on our results of operations.

Moreover, the transportation and infrastructure system in Brazil and other countries we operate is under development and needs improvements so that it can work efficiently and serve better our business. Any significant interruptions or reductions in the use of transport infrastructure or in its operations in the cities where our distribution centers are located, may delay or impair our ability to distribute goods and cause our sales to drop, which may negatively impact our financial and operating results.

*We are exposed to the risk of litigation.*

We are now and may in the future be party to legal proceedings and claims (including labor, environmental and climate, tax and alcohol-related claims) and significant damages may be asserted against us. See "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal Proceedings" and Note 27 to our audited consolidated financial statements as of and for December 31, 2023, included elsewhere in this annual report, for a description of our material litigation contingencies. Given the inherent uncertainty of litigation, it is possible that we might incur liabilities as a consequence of the proceedings and claims brought against us, including those that are not currently believed by us to present a reasonably possible chance of loss to us. Any changes to the risk assessments of chance of success of our cases could adversely affect our liquidity, financial positions, and business. Our management may also be exposed to sanctions due to legal proceedings against its members involving our operations or due to their involvement in other businesses.

Our tax contingency in Brazil has grown in recent years, and we expect it will continue to grow in the coming years, mainly because (1) its principal amount is adjusted on a monthly basis in accordance with the SELIC rate, or other equivalent interest rate, and (2) of the highly litigious environment in Brazil in connection

with tax disputes. In addition, the highly complex tax legislation in Brazil reduces certainty of interpretation by taxpayers. This environment affects the economic sector generally. According to research conducted in 2020 by the Brazilian Teaching and Research Institute – *Inspir*, tax disputes in Brazil reached the amount of R\$5.44 trillion in 2019, which corresponded to approximately 75% of the national Gross Domestic Product – GDP. The Brazilian Finance Ministry reported that in 2022, there were R\$5.06 trillion of tax credits under dispute.

As the administrative phase of our tax proceedings ends and the judicial proceedings begin, the Company may be required to guarantee the amounts under discussion, through insurance bonds, bank guarantees, bank deposits or other types of assets or rights subject to attachment by law. We will continue to vigorously defend our position in connection with such disputes.

On September 20, 2023, Law 14,689 was enacted (“Law 14,689/2023”) in Brazil, providing for the exclusion of fines imposed in tax administrative proceedings decided in favor of the Brazilian federal government following a tie-breaking vote at the federal administrative level, including any such proceedings that were subsequently challenged in judicial courts and, as of the date of publication of Law 14,689/2023, that were pending decision by the appeal courts. Law 14,689/2023 also exempts taxpayers that challenged federal administrative tie-vote decisions in court from being required to post surety bonds or similar guarantees, subject to the fulfillment of certain requirements that have not yet been set by the tax authorities.

On December 20, 2023, the Brazilian Congress approved the consumption tax reform, resulting in the enactment of Constitutional Amendment No. 132/2023 which completely overhauls the taxation over consumption. One of the main goals of this tax reform is to simplify the tax legislation applicable to the consumption in Brazil by replacing current indirect taxes (IPI, ICMS, ISS, PIS and COFINS – IPI will be zero-rated as of 2027, except for products with industrialization incentives in the Manaus Free Trade Zone) by two consumption taxes and an Excise Tax (IBS, CBS and IS). The new system will be implemented over a period of seven years starting in 2026 up to 2033. The new regime is still to be regulated and tax rates have not yet been defined. Accordingly, we cannot anticipate the impact of the consumption tax reform on our operations with any precision as of the date of this annual report on Form 20-F. However, the effects on our results of operations may be significant and could have negative consequences that materially affect our reported results. In addition, the tax reform eliminates all tax benefits currently applicable to us, preserving only certain specific benefits as the Manaus Free Trade Zone, which could also negatively impact on our results of operations.

Additionally, on February 8, 2023, the STF judged two leading cases (Extraordinary Appeals Nos. 949.297 and 955.227) and ruled that any given collegiate decision by the STF recognizing the constitutionality or unconstitutionality of taxes collected on an ongoing basis will cease the effects of the *res judicata* of a prior ruling that is contrary to the STF’s position, even if this prior ruling had become final and unappealable in the past. This opinion from by the STF has created legal uncertainty for Brazilian companies, which relied on final judicial decisions to carry out their tax procedures and that are now faced with this binding STF decision that allows the overturn of past unappealable decisions, which could materially impact their business and results. Although this decision has no material impact on any tax credits already recognized by the Company and its subsidiaries, it may impact future tax credits in case the STF changes its binding view on a *res judicata* in place to the Company.

Moreover, companies in the alcoholic beverage and soft drink industries are, from time to time, exposed to collective suits (class actions) or other litigation relating to alcohol advertising, alcohol abuse problems or health consequences from the excessive consumption of beer, other alcoholic beverages and soft drinks. As an illustration, certain beer and other alcoholic beverage producers from Brazil have been involved in class actions and other litigation seeking damages.

Additionally, there has been an increase in litigation against large companies involving environmental, social and governance (ESG) matters, including claims related to climate justice, net-zero targets and ambitions, greenwashing, climate-washing, supply chain commercial relationships, and diversity and sustainability disclosure practices. As a result, we may also be subject to class actions or other litigation, including administrative proceedings, with respect to our ESG practices since these issues have attracted increasing attention from investors and civil society on a global scale.

If any of these types of litigation were to result in fines, damages or reputational damages to us or our brands, this could have a material adverse effect on our business, results of operations, cash flows or financial position.

*Our results of operations are affected by fluctuations in exchange rates, and devaluation of the real or other currencies with which we operate relative to other currencies, including the U.S. dollar, which may adversely affect our financial performance.*

Most of our sales are in *reais*; however, a portion of our debt is denominated in foreign currencies, including U.S. dollars. In addition, a significant portion of our cost of sales, particularly those associated with packaging materials such as aluminum cans and polyethylene terephthalate (PET) bottles, as well as essential

ingredients like sugar, hops, and malt, are denominated in or linked to the U.S. dollar. Accordingly, the recent volatility of the U.S. dollar/*real* exchange rate has had a notable impact on our cost structure in recent years. Therefore, any devaluation of the *real* or other currencies with which we operate when compared to those foreign currencies may increase our financial expenses and operating costs and could affect our ability to meet our foreign currency obligations. Although our current policy is to substantially hedge our cost of sales against changes in foreign exchange rates, we cannot assure you that such hedging will be possible, accurate or available at reasonable costs at all times in the future.

In addition, we have historically reported our consolidated results in *reais*. In 2023, we derived 42% of our net revenues from operating companies that have functional currencies that are not *reais* (that is, in most cases, the local currency of the respective operating company). Consequently, any change in exchange rates between our operating companies' functional currencies and *reais* will affect our consolidated income statement and balance sheet. Decreases in the value of our operating companies' functional currencies against *reais* will tend to reduce those operating companies' contributions in terms of our financial condition and results of operations.

We also incur currency transaction risks whenever one of our operating companies enters into transactions using currencies other than their respective functional currencies, including purchase or sale transactions and the issuance or incurrence of debt. Although we have hedging policies in place to manage commodity price and foreign currency risks, there can be no assurance that such policies will be able to successfully hedge against the effects of such foreign exchange exposure, particularly over the long term.

The Brazilian currency has devalued frequently, including during the last two decades. Throughout this period, the Brazilian government has implemented various economic plans and utilized a number of exchange rate policies, including sudden devaluations and periodic mini-devaluations, during which the frequency of adjustments has ranged from daily to monthly, floating exchange rate systems, exchange controls and dual exchange rate markets. There have been significant fluctuations in the exchange rates between Brazilian currency and the U.S. dollar and other currencies. For example, prior to the COVID-19 pandemic, the Brazilian *real*/U.S. dollar selling exchange rate was R\$4.03 per U.S. dollar as of December 31, 2019. However, by December 31, 2021, the Brazilian *real*/U.S. dollar selling exchange rate was R\$5.58 per U.S. dollar, reflecting a 7.4% depreciation against the U.S. dollar as compared to the exchange rate as of December 31, 2020. As of December 31, 2022, the Brazilian *real*/U.S. dollar selling exchange rate was R\$5.22 per U.S. dollar, reflecting a 6.5% appreciation against the U.S. dollar as compared to the exchange rate as of December 31, 2021. As of December 31, 2023, the Brazilian *real*/U.S. dollar selling exchange rate was R\$4.84 per U.S. dollar, reflecting a 7.2% appreciation against the U.S. dollar as compared to the exchange rate as of December 31, 2022. As of March 1, 2024, the exchange rate was R\$ 4.95 per US\$1.00, reflecting a 2.4% depreciation against the U.S. dollar as compared to the exchange rate as of December 31, 2023.

Devaluation of the *real* relative to the U.S. dollar may create additional inflationary pressures in Brazil by generally increasing the price of imported products and requiring recessionary governmental policies to curb aggregate demand. On the other hand, appreciation of the *real* against the U.S. dollar may lead to a deterioration of the current account and the balance of payments, as well as dampen export-driven growth. The potential impact of the floating exchange rate and measures of the Brazilian government aimed at stabilizing the *real* is uncertain. In addition, a substantial increase in inflation may weaken investor confidence in Brazil, impacting our ability to finance our operations through the international capital markets.

Other exchange rate devaluations or political decisions related to exchange rates may impact our business as well. For instance, during the first quarter of 2021, Cuba carried out the unification of currencies and the process of elimination of the Cuban Convertible Peso, which resulted in a limited amount of hard currency available to transfer abroad and to acquire raw materials locally, mainly impacting Bucanero's beer volume sold due to increasing costs of production and price of our Cuban products.

*We rely on the reputation of our brands and damages to their reputation may have an adverse effect on our sales.*

Our success depends on our ability to maintain and enhance the image and reputation of our existing products and to develop a favorable image and reputation for new products. The image and reputation of our products may be reduced in the future; concerns about product quality, even when unfounded, could tarnish the image and reputation of our products. An event or series of events that materially damages the reputation

of one or more of our brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business. Restoring the image and reputation of our products may be costly or not possible.

Moreover, our marketing efforts are subject to restrictions on the permissible advertising style, media and messages conveyed. In a number of countries, for example, television is a prohibited channel for advertising beer and other alcoholic products, and in other countries, television advertising, while permitted, is carefully regulated. Any additional restrictions in such countries, or the introduction of similar restrictions in other countries, may constrain our brand building potential and thus reduce the value of our brands and related revenues.

*Information technology failures, including failures to implement upgrades and new technologies effectively or those that affect the privacy and security of sensitive customer and business information, could disrupt our operations.*

We rely on information technology systems to process, transmit and store large amounts of electronic data, including personal information. A significant portion of communication between our personnel, customers and suppliers depends on information technology. As with all large systems, our information systems may be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers' attacks, or other security issues.

We depend on information technology to enable us to operate efficiently and interface with customers, as well as to maintain in-house management and control. Looking ahead, we continue to implement strategic initiatives and new technologies designed to grow our business, which are critical for the efficient functioning of our business. We also collect and store non-public personal information that customers provide to purchase products or services, including personal information and payment information.

For instance, we are implementing a new version of our main enterprise resource planning (ERP) System -the S4 Hana a SAP platform-which will help us book all the transactional data used in our Brazilian operations. Any replacement or upgrades to our system and related process to implement it may cause occasional system disruptions or delays to run our business operations, including to efficiently fulfill orders and provide services to our customers, subjecting us to inherent costs and risks. There are no assurances that our choices of technologies will prove correct, or that our initiatives will succeed and bring sufficient growth in revenue to offset the costs.

Additionally, we may experience occasional system interruptions and delays that make our websites, in-house controls, and services unavailable or slow to run our business operations, including to respond and prevent us from efficiently accepting or fulfilling orders or providing services to our customers.

In addition, the concentration of processes in shared services centers means that any disruption could impact a large portion of our business within the operating regions we serve. Any implementation of new technology or transition of processes to, from or within shared services centers as well as other transformational projects, could lead to business disruptions. If we do not allocate, and effectively manage, the resources necessary to build and sustain the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, the loss of customers, or failure to attract new customers, lost revenues resulting from the disruption or shutdown of computer systems, unexpected failure of devices and software in use by our IT platforms, operations or supply chain disruptions, alteration, corruption or loss of accounting financial or other data on which we rely for financial reporting and other purposes, which could cause errors or delays in our financial reporting or the loss of or damage to intellectual property through a security breach. As with all information technology systems, our system could also be penetrated by outside parties with the purpose of extracting information, corrupting information or disrupting business processes.

We take various actions with the aim of minimizing potential technology disruptions - such as investing in intrusion detection solutions, proceeding with internal and external security assessments, building and implementing business continuity plans and reviewing risk management processes - but all of these protections may be compromised as a result of third-party security breaches, burglaries, cyberattack, errors by employees or employees of third-party vendors, of contractors, misappropriation of data by employees, vendors or unaffiliated third parties, or other irregularities that may result in persons obtaining unauthorized access to

company data or otherwise disrupting our business. Unauthorized or accidental access to, or destruction, loss, alteration, disclosure, misuse, falsification or unavailability of information could result in violations of data privacy laws and regulations, damage to our reputation or our competitive advantage, loss of opportunities to acquire or divest of businesses or brands and loss of ability to commercialize products developed through research and development efforts and, therefore, could have a negative impact on net operating revenues. More generally, these or other similar technological disruptions can have a material adverse effect on our business, results of operations, cash flows or financial condition.

We, as with all business organizations, are routinely subject to cyber-threats, however, while we continue to invest in new technology-monitoring and cyberattack prevention systems, no commercial or government entity can be entirely free of vulnerability to attack, or compromise given how rapidly and unpredictably techniques evolve to obtain unauthorized access or disable or degrade service.

*If any of our products is defective or found to contain contaminants, we may be subject to product recalls, individual or collective litigation and/or other liabilities.*

We take precautions to ensure that our beverage products and our associated packaging materials (such as bottles, crowns, cans, and other containers) meet accepted food safety and regulatory standards. Such precautions include quality control programs for primary materials, the production process, and our final products. We have established procedures to correct issues or concerns that are detected.

In the event that any failure to comply with accepted food safety and regulatory standards (such as a contamination or a defect) does occur in the future, it may lead to business interruptions, product recalls or liability, each of which could have an adverse effect on our business, reputation, prospects, financial condition and results of operations.

Although we maintain insurance policies against certain product liability (but not product recall) risks, we may not be able to enforce our rights in respect of these policies, and, in the event that a contamination or defect occurs, any amounts that we recover may not be sufficient to offset any damage we may suffer, which could adversely impact our business, results of operations and financial condition.

*We are subject to risks associated with noncompliance with any data protection laws in the countries in which we operate and can be adversely affected by any penalties or other sanctions imposed.*

In the ordinary course of our business, we receive, process, transmit and store large volumes of personal data, including that of employees, dealers, customers, and consumers. As a result, we are subject to various laws and regulations relating to personal data. These laws have been subject to frequent changes, and new legislation in this area may be enacted in other jurisdictions at any time. For example, Law No. 13,709/2018, the Brazilian General Data Protection Law (*Lei Geral de Proteção de Dados Pessoais*), or LGPD, was enacted in 2018 and came into effect as of September 18, 2020. Inspired by the General Data Protection Regulation of the European Union, the LGPD sets forth a comprehensive set of rules that promise to reshape how companies, organizations and public authorities collect, use, process and store personal data when carrying out their activities.

If we are not in compliance with the LGPD and other personal data protection laws in other jurisdictions, we may be subject to administrative sanctions, individually or cumulatively. In addition to the administrative sanctions provided for in the LGPD, failure to comply with any provisions set forth in the LGPD regarding the personal data collected by us may expose us to the following consequences: (i) the filing of lawsuits, individual or collective, claiming damages resulting from violations, based not only on the LGPD, but also on the sparse legislation that address data protection matters; (ii) the application of specific penalties foreseen in the sparse legislation, such as the Consumer Protection Code (*Código de Defesa do Consumidor*) and the Brazilian Internet Act (*Marco Civil da Internet*), in case of violation of its provisions, by some consumer protection bodies and public prosecution offices. Therefore, we have designed and implemented a privacy governance framework to comply with all the regulations. We have also implemented security measures to protect our databases and prevent cyberattacks, thereby reducing risks of exposure to data breaches and information security incidents.

Additionally, as a result of the remote work option implemented by us, an increase in cyberattacks through our employees' personal computers may occur, since the cybersecurity of the networks used by them



in their homes may bear the same level of security as that of our corporate work environment, which may impair our ability to manage our business.

Despite the security measures that we have in place, our facilities and systems may be vulnerable to security breaches, cyberattacks, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors, or other similar events, and individuals may attempt to gain unauthorized access to our database to misappropriate such information for potentially fraudulent purposes. Our security measures may fail to prevent such incidents and breaches of our systems could result in adverse impact to our reputation, financial condition, and market value. In addition, if we are unable to prove that our systems are properly designed to detect and to try and detain a cyberattack, or even if we fail to respond to a cyberattack properly, we could be subject to severe penalties and loss of existing or future business, aside from damages awarded to our customers, dealers and employees whose personal data might have been mishandled or breached.

*If we are not successful in obtaining and maintaining the necessary licenses in the countries in which we operate, we may be subject to fines, penalties, or other regulatory sanctions, which could negatively impact our business and cause us to incur additional costs.*

Our business is subject to obtaining and maintaining the necessary licenses and regulatory approvals issued by the competent bodies in the countries in which we operate. We cannot guarantee that such licenses or regulatory approvals will be granted, renewed, or extended. Such licenses or regulatory approvals may be withdrawn or made subject to limitations or onerous conditions. The absence of such licenses or regulatory approvals may result in the interruption of the activities of a specific plant or distribution center, which may adversely affect our results. Additionally, for the granting or renewal of such licenses or regulatory approvals, the competent authorities may determine that we must make certain changes to our operations or facilities, potentially resulting in additional costs.

We may also be subject to the regulation and control of other public authorities, in addition to those that we currently understand as the competent ones and cannot guarantee that such authorities will not require further licenses, permits and authorizations.

Furthermore, if we are unable to timely obtain, maintain or renew the licenses and permits necessary for our activities, we may have to incur additional costs for the payment of any charges or even compromise our regular activities.

Any of these factors that impact the non-obtaining or non-renewal of licenses and permits may cause us to incur additional costs, which may force us to revert resources to meet the legal requirements or compromise the regular operation of our activities. Furthermore, the development of activities without the proper licenses or in non-compliance with the licenses and their technical requirements may result in adverse consequences, such as: (i) infraction notices; (ii) application of successive fines; (iii) impediment to opening and operating units, even temporarily; (iv) interdiction or closing of units, even temporarily; (v) exposure to additional risk or loss of insurance coverage in the event of a safety and security accident or similar event; (vi) affecting an installation while a license is pending; and (vii) exposure of us, as well as our representatives, to other civil, administrative, and criminal sanctions. We may be adversely affected if one of our establishments closes, even if temporarily.

*Our failure to obtain or renew surety bonds and letters of credit necessary in certain lawsuits on attractive terms or at all may adversely affect our liquidity, financial condition and business.*

Certain agreements to which we are a party and certain legal proceedings in which we are involved require us to obtain and maintain surety bonds, letters of credit or similar financial instruments (e.g., bank products known as *fiança bancária* and/or *seguro garantia*) to secure the performance or payment of certain obligations and potential losses, respectively. We may be required to pay higher fees, post additional collateral or otherwise be subject to unfavorable terms and conditions when negotiating these products with financial institutions or insurers. In addition, if those negotiations fail, we may be required to use a substantial portion of our cash to secure such agreements and legal proceedings, which may materially and adversely affect our liquidity, financial condition, and results of operations.

*Our insurance coverage may be insufficient to make us whole on any losses that we may sustain in the future.*

The cost of some of our insurance policies could increase in the future. In addition, some types of losses, such as losses resulting from wars, acts of terrorism, or natural disasters, generally are not insured because they are either uninsurable or it is not economically practical to obtain insurance. Moreover, insurers recently have become more reluctant to insure against these types of events. Should a material uninsured loss or a loss in excess of insured limits occur, this could adversely impact our business, results of operations and financial condition.

*We may not be able to protect our intellectual property rights.*

Our future success depends significantly on our ability to protect our current and future brands and products and to defend our intellectual property rights, including trademarks, patents, domain names, industrial design, trade secrets and know-how. We have been granted numerous trademark registrations and patents covering our brands and products and have filed, and expect to continue to file, trademark and patent applications before the relevant intellectual property authorities in the variety of markets we conduct our business, always seeking to protect newly developed brands and products. We cannot be sure that trademark and patent registrations will be issued with respect to any of our applications. Therefore, events such as the definitive rejection of our trademark applications before the authorities, the unauthorized use or other misappropriation of our trademarks may diminish their value and reputation, so that we may suffer negative impact on the operating results. There is also a risk that we could, by omission, fail to renew a trademark, domain name, industrial design or patent on a timely basis or that our competitors will challenge, invalidate or circumvent any existing or future trademarks and patents requested by, issued to, or licensed by, us. In case of judicial questioning of any trademarks the judicial decision may negatively affect their use and may be prohibited from continuing to exploit them.

Although we have put in place appropriate actions to protect our portfolio of intellectual property rights (including patent applications, trademark registration and domain names), we cannot be certain that the steps we have taken will be sufficient or that third parties will not infringe upon or misappropriate proprietary rights. If we are unable to protect our proprietary rights against infringement or misappropriation, it could have a material adverse effect on our business, results of operations, cash flows or financial condition, and in particular, on our ability to develop our business. In addition, any dispute or litigation related to intellectual property assets may be costly and time consuming due to the uncertainty of litigation on the matter.

*The relative volatility and illiquidity of securities of Brazilian companies may substantially limit your ability to sell our common shares and ADSs at the price and time you desire.*

Investing in securities of companies in emerging markets, such as Brazil, involves greater risk than investing in securities of companies from more developed countries, and those investments are generally considered speculative in nature. Brazilian investments, such as investments in our common shares and ADSs, are subject to economic and political risks, involving, among other factors:

- changes in the Brazilian regulatory, tax, economic and political environment that may affect the ability of investors to receive payment, in whole or in part, in respect of their investments; and
- restrictions on foreign investment and on repatriation of capital invested.

The Brazilian securities markets are substantially smaller, less liquid and more concentrated and volatile than major U.S. and European securities markets. They are also not as highly regulated or supervised as those other markets. The relative illiquidity and smaller market capitalization of Brazilian securities markets may substantially limit your ability to sell the Ambev common shares and ADSs at the price and time you desire.

*Our shareholders may not receive any dividends or IOC.*

According to our bylaws, we generally pay our shareholders 40% of our annual adjusted net income, calculated and adjusted pursuant to Brazilian Corporation Law in accordance with the mechanisms described in our bylaws as presented in our consolidated financial statements prepared under IFRS. The main sources for

these dividends are cash flows from our operations and dividends from our operating subsidiaries. Therefore, that net income may not be available to be paid out to our shareholders in a given year. In addition, we might not pay dividends to our shareholders in any particular fiscal year based on the opinion of the Board of Directors that any such distribution would be inadvisable in view of our financial condition. While the law does not establish the circumstances rendering the payment of dividends inadvisable, it is generally agreed that a company need not pay dividends if such payment threatens its existence as a going concern or harms its normal course of operations.

*Future equity issuances may dilute the holdings of current holders of Ambev common shares or ADSs and could materially affect the market price for those securities.*

We may in the future decide to offer additional equity to raise capital or for other purposes. Any such future equity offering could reduce the proportionate ownership and voting interests of holders of our common shares and ADSs, as well as our earnings and net equity value per common share or ADS. Any offering of shares and ADSs by us or our main shareholders, or a perception that any such offering is imminent, could have an adverse effect on the market price of these securities.

*Contractual and legal restrictions to which Ambev and its subsidiaries are potentially or allegedly subject may be triggered upon the consummation of certain transactions involving our indirect controlling shareholder, ABI, resulting in adverse limitations to our operations.*

Ambev and its subsidiaries are a party to certain joint venture, distribution and other agreements, guarantees and instruments that may contain restrictive provisions that our contractual counterparties may try to interpret as being triggered upon the consummation of certain unrelated transactions of ABI. Some of those contracts may be material and, to the extent they may contain any such restrictive provisions, our counterparties may seek to enforce certain contractual remedies that may curtail material contractual rights and benefits that we have thereunder under the argument that ABI's consummation of certain transactions has triggered the referred provisions. Similarly, unrelated transactions consummated by ABI may subject us to further antitrust restrictions in the countries in which we already operate. Any such restrictions may limit the amount and quality of business we conduct in each of those countries.

*Our current controlling shareholder will be able to determine the outcome of our most significant corporate actions.*

Our controlling shareholder, ABI, together with *Fundação Antonio e Helena Zerrenner Instituição Nacional de Beneficência*, or FAHZ, held in aggregate 72.0% of our total and voting capital stock (excluding treasury shares) as of December 31, 2023.

ABI indirectly held shares in us representing 61.8% of our total and voting capital stock (excluding treasury shares) as of December 31, 2023. ABI thus has control over us, even though (1) ABI is subject to the Ambev shareholders' agreement among IIBV, AmBrew and FAHZ dated April 16, 2013 and effective as of July 2, 2019, or the Shareholders' Agreement, and (2) ABI is controlled by Stichting Anheuser-Busch InBev, or Stichting, a foundation organized under the laws of the Netherlands, which represents an important part of interests of the founding Belgian families of Interbrew N.V./S.A. (as ABI was then called) (mainly represented by EPS Participations S.à.R.L and Eugénie Patri Sébastien S.A.) and the interests of the Brazilian families which were previously our controlling shareholders (represented by BRC S.à.R.L.), or 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."

Our controlling shareholder is able to elect the majority of the members of our Board of Directors and Fiscal Council, and generally determine the outcome of most other actions requiring shareholder approval, including dividend distributions, the consummation of corporate restructurings, issuances of new shares, sales of materials assets and bylaw amendments.

Additionally, our controlling shareholder may have interests that differ from ours and may vote in a way that is adverse to the interests of our other shareholders. In addition, any reputational issues associated with our (direct or indirect) shareholders may adversely affect the trading price of our shares.

Under Brazilian Law No. 6,404/76, as amended, or the Brazilian Corporation Law, the protections afforded to non-controlling security holders may differ from, or be less comprehensive than, the corresponding protections and fiduciary duties of directors applicable in the U.S. or other jurisdictions. See “As a Brazilian company, Ambev is subject to different corporate laws and regulations than those typically applicable to U.S.-listed companies, which may result in Ambev’s shareholders having fewer or less well-defined shareholder rights than the shareholder rights of those companies.”

*The ability of our foreign subsidiaries to distribute cash upstream may be subject to various conditions and limitations.*

Our foreign subsidiaries’ ability to distribute cash (to be used, among other things, to meet our financial obligations) through dividends, intercompany advances, management fees and other payments is, to a large extent, dependent on the availability of cash flows at the level of such foreign subsidiaries and may be restricted by applicable laws and accounting principles. In particular, 41.9% (R\$33.4 billion) of our total net revenues of R\$79.7 billion in the year ended December 31, 2023, came from our foreign subsidiaries. In addition, some of our subsidiaries are subject to laws restricting their ability to pay dividends or the amount of dividends they may pay.

If we are not able to obtain sufficient cash flows from our foreign subsidiaries, this could negatively impact our business, results of operations and financial condition because the insufficient availability of cash at our company level may constrain us from paying all our obligations.

*We may not be able to recruit or retain key personnel.*

In order to develop, support and market our products, we must hire and retain skilled employees with particular expertise and considering diversity attributions, whenever applicable. The implementation of our strategic business plans could be undermined by a failure to recruit or retain key personnel or the unexpected loss of senior employees, including in acquired companies. We face various challenges inherent in the management of a large number of employees over diverse geographical regions, with its particular social contexts. Key employees may choose to leave their employment for a variety of reasons, including reasons beyond our control. The impact of the departure of key employees cannot be determined and may depend on, among other things, our ability to recruit other individuals of similar experience and skill at an equivalent cost and our ability to convey, maintain and monitor the culture of a safe, friendly and non-discriminatory work environment. It is not certain that we will be able to attract or retain key employees and successfully manage them, which could disrupt our business and have an unfavorable material effect on our financial position, income from operations and competitive position.

*We rely on key third parties, including key suppliers, and the termination or modification of the arrangements with such third parties or non-compliance with the Company’s ESG guidelines or any failure to comply with laws and regulations by them could negatively affect our business.*

We rely on third-party suppliers for a range of raw materials for our beer and non-beer products, and for packaging material, including aluminum cans, glass, kegs and PET bottles. We seek to limit our exposure to market fluctuations in the supply of these raw materials by entering into medium- and long-term fixed-price arrangements. We have a limited number of suppliers of aluminum cans, glass and PET bottles. Consolidation of the aluminum can industry, glass and PET bottle industry in certain markets in which we operate has reduced local supply alternatives and increased the risk of disruption to aluminum can, glass and PET bottle supplies. Although we generally have other suppliers of raw materials and packaging materials, the termination of or material change to arrangements with certain key suppliers, disagreements with those suppliers as to payment or other terms, or the failure of a key supplier to meet our contractual obligations or otherwise deliver materials consistent with current usage would or may require us to make purchases from alternative suppliers, in each case at potentially higher prices than those agreed with this supplier. Additionally, we may be subject to potential reputational damage if one of our suppliers violates applicable laws or regulations. These factors could have a material adverse effect on our business, results of operations, cash flows or financial condition.

We have also entered into contracts with third parties to provide transportation and logistics services in connection with part of our products. The early termination of these contracts or our inability to renew them or negotiate new contracts with other service providers with similar conditions could adversely affect our financial and operating condition. In addition, the majority of our suppliers of transportation operate under

concessions granted by the Brazilian government and the loss or non-renewal of such concessions may also adversely affect our results of operations and financial condition.

Moreover, if any of our suppliers and/or service providers fails to comply with laws or regulations, or applicable corporate policies and/or specific contractual clauses determined by us, including binding sustainability and ESG (environmental, social and corporate governance) practices, including social, environmental, climate, integrity, and labor laws, we may be subject to fines, administrative and legal proceedings, or other measures with an adverse impact on our business, results of operations and reputation. For further information, see “Item 8. Financial Information–A. Consolidated Financial Statements and Other Financial Information–Legal Proceedings–Ambev Third-Party Supplier – Labor Investigations.”

Additionally, we have licenses to bottle and/or distribute brands held by companies over which we do not have control. See “Item 4. Information on the Company–B. Business Overview–Licenses.” If we are unable to maintain such arrangements on favorable terms, this could have a material adverse effect on our business, results of operations, cash flows or financial condition.

*Demand for our products may be adversely affected by changes in consumer preferences and tastes.*

We depend on our ability to satisfy consumer preferences and tastes. Consumer preferences and tastes can change in unpredictable ways due to a variety of factors, such as changes in demographics, consumer health concerns regarding obesity, product attributes and ingredients, changes in travel, vacation or leisure activity patterns, weather, consumer concerns regarding environmental impact caused by the products and its manufacturing, negative publicity resulting from regulatory action or litigation against us or comparable companies or a downturn in economic conditions. Consumers also may begin to prefer the products of competitors or may generally reduce their demand for products of our business segment. Failure by us to anticipate or respond adequately to changes in consumer preferences and tastes could adversely impact our business, results of operations and financial condition.

**Risks Relating to the Economy Sector in Which We Operate**  
*Volatility in commodities prices may adversely affect our financial performance.*

A significant portion of our cost of sales is comprised of commodities such as aluminum, sugar, corn, wheat and PET bottles, the prices of which fluctuated in 2023. An increase in commodities prices directly affects our consolidated operating costs. Although our current policy is to mitigate our exposure risks to commodity prices whenever financial instruments are available, we cannot assure that such hedging will be always possible or available at reasonable costs at all times in the future.

Set forth below is a table showing the volatility in 2023 prices of the principal commodities we purchase:

Commodity	High Price	Low Price	Average in 2023	Fluctuation
Aluminum (US\$/ton)	2,633.8	2,075.8	2,260.4	0.1%
Sugar (US\$ cents/pounds)	28.0	19.0	24.1	2.7%
Corn (US\$ cents/bushel)	6.9	4.5	5.6	(30.5%)
Wheat (US\$ cents/bushel)	7.9	5.3	6.5	(20.7%)
PET (US\$/ton)	1,138.9	947.1	1,035.0	7.1%

Sources: Aluminum LME, Sugar ICE, Corn CBOT, Wheat CBOT and PET IHS (formerly CMAI).

*Negative publicity focusing on us or our products or on the way we conduct our operations may harm our business.*

Media coverage and publicity generally can exert significant influence on consumer behavior and actions. If the social acceptability of beer, other alcoholic beverages or soft drinks were to decline significantly, sales of our products could materially decrease. In recent years, there has been increased public and political attention directed at the alcoholic beverage and soft drink industries. This attention is a result of public concern over alcohol-related problems, including drunk driving, underage drinking, drinking while pregnant and health

consequences resulting from the misuse of beer (for example, alcoholism), as well as soft-drink related problems, including health consequences resulting from the excessive consumption of soft drinks (for example, obesity). Factors such as negative publicity regarding the consumption of beer, other alcoholic beverages or soft drinks, publication of studies indicating a significant health risk from consumption of those beverages, or changes in consumer perceptions affecting them could adversely affect the sale and consumption of our products and harm our business, results of operations, cash flows or financial condition to the extent consumers and customers change their purchasing patterns.

Key brand names are used by us, our subsidiaries, associates and joint ventures, and licensed to third-party brewers. To the extent that we or one of our subsidiaries, associates, joint ventures or licensees are subject to negative publicity, and the negative publicity causes consumers and customers to change their purchasing patterns, it could have a material adverse effect on our business, results of operations, cash flows or financial condition. As we continue to expand our operations, there is a greater risk that we may be subject to negative publicity or fake news, in particular in relation to our businesses, environmental impacts, taxes, labor rights, corporate transparency, local work conditions among others. Negative publicity or fake news that materially damages the reputation of one or more of our brands or our businesses could have an adverse effect on the value of that brand or our businesses and subsequent revenues from that brand or business, which could adversely impact our business, results of operations, cash flows and financial condition.

*Competition could lead to a reduction of our margins, increase costs and adversely affect our profitability.*

We compete with both brewers and other beverages companies. Globally, brewers, as well as other players in the beverage industry, compete mainly on the basis of brand image, price, quality, distribution networks and customer service. Consolidation has significantly increased the capital base and geographic reach of our competitors in some of the markets in which we operate.

Concurrently, competition in the beverage industry is expanding and the market is becoming more fragmented, complex and sophisticated as consumer preferences and tastes evolve. Competition may divert consumers and customers from our products. Competition in our various markets could cause us to reduce pricing, increase capital investment, increase marketing and other expenditures, prevent us from increasing prices to recover higher costs, and thereby cause us to reduce margins or lose market share. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. Innovation faces inherent risks, and the new products we introduce may not be successful, while competitors may be able to respond more quickly than we can to emerging trends.

The purchasing decisions of consumers are affected by factors including brand recognition, product quality and performance, price and subjective preferences. Some of our competitors may have marketing investments substantially larger than ours. If our advertising, promotional and marketing strategies do not succeed and if we are unable to offer new products to meet the market demands, our market share and results may be adversely affected. If we cannot introduce new products in a timely manner or if our end consumers believe that our competitors' products are more attractive, our sales, profitability and our results of operations may be adversely affected.

Additionally, the unfair pricing practices in some markets and the lack of transparency, or even certain illicit practices, such as tax evasion and corruption, may skew the competitive environment, with material adverse effects on our profitability or ability to operate.

*If we do not successfully comply with applicable anti-corruption laws, export control regulations and trade restrictions, we could be subjected to fines, penalties or other regulatory sanctions, as well as adverse press coverage, which could impact our reputation, operations and sales.*

We are committed to conducting business in a legal and ethical manner in compliance with local and international laws and regulations applicable to our business. Nevertheless, there is a risk that our management, employees or other representatives may take actions that violate applicable anti-corruption laws, such as Brazilian Federal Law No. 12,846/2013 (known as the Clean Company Act or BCCA) and the U.S. Foreign Corrupt Practices Act (known as the FCPA).

The BCCA imposes strict liability on companies for certain acts against the public administration, including corrupt acts involving public officials, whether foreign or local. Under the BCCA, companies may

be held liable for such acts and face administrative and judicial sanctions, including severe fines and disgorgement of profits, among other sanctions. When imposing sanctions under the BCCA, Brazilian authorities may consider whether a company has implemented an effective compliance program.

Notwithstanding the BCCA and related Brazilian enforcement efforts, Brazil still has a perceived elevated risk of corruption. To a certain degree, that may leave us exposed to potential violations of the BCCA, FCPA or other applicable anti-corruption laws and regulations. For example, a number of high-profile corporate corruption allegations have surfaced in Brazil, especially since the beginning of 2014. See “D. Risk Factors—Risks Relating to Brazil and Other Countries in Which We Operate—Economic and political uncertainty and volatility in Brazil, and the perception of these conditions in the international financial markets, may adversely affect our business and the market price of our shares and ADSs”.

Additionally, in the ordinary course of business, we regularly contract and deal with business partners and consulting firms. Some of these third parties have been managed or controlled by former government officials. Because Brazilian authorities are conducting ongoing investigations that target certain firms and business partners that we previously engaged, we have been cited as clients in connection with such investigations.

In the third quarter of 2019, there were news reports regarding alleged leaks of statements about Ambev by a former consultant, Mr. Antonio Palocci, in a legal procedure to which Ambev subsequently had access. In this regard, we have not identified evidence supporting Mr. Palocci’s claims of illegal conduct by Ambev and remain committed to monitoring this matter.

As a global brewer, we also operate our business and market our products in countries that may be subject to export control regulations, embargoes, economic sanctions and other forms of trade restrictions imposed by the United States, the United Nations and other participants in the international community.

We have implemented an anti-corruption compliance program designed to detect, prevent and remediate potential violations of applicable anti-corruption laws. Nevertheless, there remains some risk that improper conduct could occur, thereby exposing us to potential liability and the costs associated with investigating and remediating such potential misconduct. Our existing internal controls and compliance procedures may not be sufficient to prevent or detect all inappropriate conduct, fraud or violations of applicable law by management, employees, or other representatives (agents, and other business partners).

If we are not in compliance with anti-corruption and other similar laws, such as the BCCA and FCPA, we may be subject to administrative, civil and criminal penalties. This could harm our brand and reputation and have a material adverse impact on our business, financial condition, results of operations and prospects. Adverse press coverage also may result from having our name or brands associated with any misconduct and, even if unwarranted or baseless, could damage our reputation, brands and sales. Therefore, if we become involved in any investigations or other proceedings under the FCPA, BCCA or other applicable anti-corruption laws, our business could be adversely affected.

*Increases in taxes levied on beverage products in the countries in which we operate and unfair competition arising from tax evasion may adversely affect our results and profitability.*

Increases in levels of taxation in the countries in which we operate could adversely affect our profitability. Increases in taxes on beverage products usually result in higher beverage prices for consumers. Higher beverage prices generally result in lower levels of consumption and, therefore, lower net sales. Lower net sales result in lower margins because some of our costs are fixed and thus do not vary significantly based on the level of production. We cannot assure you that the countries’ governments will not increase current tax levels and that this will not impact our business.

For instance, in May 2018, the Brazilian Federal Government enacted Decree No. 9,394/2018 reducing the rate of the Excise Tax (*Imposto sobre Produtos Industrializados*), or IPI Excise Tax, applicable to transactions with concentrate units and, in so doing, effectively reduced the value of the IPI Excise Tax presumed credits that we had recorded on acquisitions of soft drinks concentrates from companies located in the Manaus Free Trade Zone from 20% to 4%, which was later revoked by the Decree No. 10,5454/2020. Since then, other decrees were issued with temporary rates applicable to transactions with concentrate units. In 2022, Brazilian Federal Government altered IPI Excise Tax rates levied on transactions with several products,

including beer, soft drinks and soft drinks concentrate units. As for concentrate units, the IPI Excise Tax rate was fixed in 8% (Decree No. 11,182/2022).

In 2022, the States of Acre, Alagoas, Amazonas, Bahia, Maranhão, Paraná, Pará, Piauí, Rio Grande do Norte, Roraima, Sergipe, Tocantins increased their ICMS Value-Added Tax rate applicable to beer and/or soft drinks (increases ranging from 1% to 4%), while both the States of Minas Gerais and Rio de Janeiro decreased their ICMS value-Added Tax rates with effect from early 2023 (decreases of 2% and 1%, respectively). In 2023, the States of Minas Gerais and Rondônia increased their ICMS Value-Added Tax rate applicable to beer (increases ranging from 2% to 5%), while the states, Maranhão, Pernambuco, Roraima, Paraíba, Ceará, Bahia, Distrito Federal, Goiás and Minas Gerais increased their ICMS Value-Added Tax rate applicable to soft drinks (increases ranging from 1% to 3%) and the States of Rio Grande do Sul and Rio Grande do Norte, decreased their ICMS value-Added Tax rates applicable to soft drinks (decreases of 2%, respectively), with all effects from early 2024 on.

In addition, certain tax laws may be subject to controversial interpretations by tax authorities. If the tax authorities interpret the tax laws inconsistently with our interpretations, we may be adversely affected, including the full payment of taxes due, plus charges and penalties.

Furthermore, as mentioned, the Brazilian National Congress has approved a tax reform that revamps the existing consumption tax system, in place since the 1960s. The core of the tax reform is the substitution of current indirect taxes (PIS, COFINS, IPI, ICMS and ISS – IPI will be zero-rated as of 2027, except for products with industrialization incentives in the Manaus Free Trade Zone) into a so-called “Dual” value-added tax (IBS and CBS), charged on the consumption of goods, services, and rights and an Excise Tax which will apply over goods and services considered as harmful to health or the environment. See “Item 4. Information on the Company–B. Business Overview–Taxation.”

At the national level, the VAT will be called Contribution on Goods and Services (CBS) and at the subnational level, the VAT will be called Tax on Goods and Services (IBS). The Dual VAT will be charged at the destination and, in practice, will be the sum of the national VAT (CBS) and subnational VAT (IBS) rates. It will also be charged on imports, but not on exports. In addition to simplicity and transparency, the new Dual VAT system seeks to eliminate the existing distortion of tax-over-tax, and the so-called “tax war” among states, that compete with each other to attract investment. Besides the Dual VAT (CBS/IBS), the reform also establishes an Excise Tax (IS) yet to be regulated but that will apply over goods and services considered as harmful to health or the environment. It is still pending the regulation of the IBS, CBS and IS tax rates and detailed regime.

Also, the Constitutional Amendment No. 132/2023 provides that the Executive Branch of the Federal Government has until March 2024 to present a suggestion of bill of law related to the tax reform concerning income taxation. The implementation of a tax reform or of any modifications to the current applicable tax legislation, altering the taxes due and/or the tax incentives enjoyed by the companies could directly or indirectly impact our business.

Additionally, Provisional Measure No. 1,185/2023 was converted into Law No. 14,789/2023, which became effective on January 1, 2024. The law provided relevant changes in the federal taxation, such as:

- **Federal taxation of tax incentives:** Apart from specific federal tax incentives for the development of the North and Northeast regions (“SUDAM” and “SUDENE” benefits), all other federal, state and municipal tax incentives will be subject to Corporate Income Tax (“IRPJ”) and PIS and COFINS taxation. A Corporate Income Tax restricted tax credit may be granted to partially offset the federal taxation impacts, provided certain conditions are met and an authorization by the tax authorities is issued;
- **Deductibility of Interest on Shareholders’ Equity (or Interest On Capital – “IOC”):** Law No. 14,789/2023 also brought specific limitations for the deductibility of IOC payout mainly by means of limiting Net Equity’s accounts that could be considered for the calculation of a fully deductible IOC. Thus, as of January 1, 2024, our IOC basis was adjusted downwards by the value that was recorded in the “carrying value adjustments account” in connection with the stock swap merger carried out in 2013 that allowed us to move to a “one share, one vote” system.

*Our business is subject to regulations in the countries in which we operate, and we may have our activities impacted by foreign legislation regarding social, environmental and climate issues.*

Our business is regulated by federal, state and municipal laws and regulations governing many aspects of our operations, including brewing, marketing and advertising, consumer promotions and rebates, workplace



safety, transportation, environmental aspects, distributor relationships, retail execution, sales and data privacy, among others. In addition, as a public company in Brazil, we are also subject to the Brazilian securities law and the oversight of the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or the CVM, in connection with our public securities. We may be subject to claims that we have not complied with existing laws and regulations, which could result in fines, penalties and additional obligations such as disclosure of additional information, change of current practices, among others.

In Brazil, the Ministry of Agriculture and Livestock (“MAPA”) and its local departments are responsible for the registration, standardization, classification, labelling and for the inspection and surveillance of beverage production and commerce. MAPA regulation sets forth that the registration of establishments and beverages products is valid throughout the country and must be renewed every ten years, except for imported beverages that do not require registration with the MAPA. Moreover, some products and beverages (i.e., energy drinks) may be subject to prior registrations or post-production regulations issued by the Brazilian National Health Surveillance Agency (ANVISA).

We may be subject to laws and regulations aimed at reducing the availability of beer and carbonated soft drink, or CSD beverages, in some of our markets to address alcohol abuse, underage drinking, health concerns and other social issues. For example, certain Brazilian states and small municipalities in which we operate have enacted legislation restricting the hours of operations of certain points of sale, prohibiting the sale of CSDs in schools and imposing restrictions on advertisement of alcoholic beverages. The Brazilian Congress is also evaluating proposed regulation imposing hygienic seals on beverage cans, as well as regulation on the consumption, sales and marketing of alcoholic beverages, including beer which, if enacted, may impose restrictions on the advertisement of alcoholic beverage products on television during specified times of the day and the hours of operation of certain points of sale, among other things. Furthermore, there are legal proceedings pending before Brazilian courts that may lead to restrictions on advertisement of alcoholic beverages. These rules and restrictions may adversely impact our results of operations. For further information, see “Item 4. Information on the Company—B. Business Overview—Regulation.”

We may be unable to timely comply with recently enacted laws and regulations in the countries we operate or to comply with laws and regulations in countries we recently started to operate. There is a global trend of increasing regulatory restrictions with respect to the sale of alcoholic and CSD beverages. Compliance with such regulatory restrictions can be costly and may affect earnings in the countries in which we operate.

Additionally, the trend towards the multiplication of regulations aimed at regulating ESG issues in the international jurisdictions where we conduct our businesses can result in complex regulatory obligations, with compliance actions to be implemented throughout the value chain, which may lead to high compliance costs and, in the event of non-compliance, reputational, financial and operational damage, as well as limitations on accessing external consumer markets.

*We are subject to Brazilian and other antitrust regulations.*

As any company operating in Brazil, we are subject to the Brazilian antitrust law and regulation, which sets forth the conducts that should be considered a violation to the economic order and the penalties applied. We have a substantial share of the beer market in Brazil and thus we are subject to scrutiny and enforcement by Brazilian antitrust authorities (mainly the Administrative Council for Economic Defense – CADE). We are committed to conducting business in a legal manner, having implemented what we understand to be a sound competition compliance program to prevent anticompetitive practices. Nevertheless, from time to time, we are and may become involved in litigation, investigations and other legal or administrative proceedings relating to antitrust claims arising from allegations of violations of laws, regulations or acts, either from competitors, clients and other third parties or initiated by CADE. Therefore, we cannot assure you that Brazilian antitrust regulation and decisions will not affect our business in the future.

We also have substantial share of the beer market in other countries, such as Argentina, Bolivia, Uruguay, Paraguay, Panama and the Dominican Republic, in which our operations are subject to scrutiny by local antitrust authorities. We cannot assure you that local antitrust regulations will not affect our business in such other countries in the future.

*The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy; Brazilian economic and political conditions have a direct impact on our business and the market price of our shares and ADSs.*

The Brazilian economy has been characterized by significant involvement on the part of the Brazilian government, which has historically changed monetary, credit and other policies to influence Brazil's economy. The Brazilian government's actions to influence the course of Brazil's economy, control inflation and to implement other policies have involved increase in the Central Bank's base interest rate, changes in tax policies, wage and price controls, currency devaluations, capital controls, fiscal adjustments, limits on imports and exports, as well as other measures, such as the freezing of bank accounts, which occurred in 1990.

Actions taken by the Brazilian government concerning the economy may have important effects on Brazilian corporations and other entities, including Ambev, and on market conditions and prices of Brazilian securities. Our financial condition and results of operations may be adversely affected by the following factors and the Brazilian government's response to the following factors:

- devaluations and other exchange rate movements;
- inflation;
- investments;
- exchange control policies;
- employment levels and labor regulation;
- social instability;
- price instability;
- energy shortages;
- water rationing;
- natural and other disasters, including large scale epidemics and/or pandemics, including governmental and other responses and business restrictions related thereto;
- interest rates and monetary policy;
- liquidity of domestic capital and lending markets;
- growth or downturn of the Brazilian economy;
- import and export controls;
- exchange controls and restrictions on remittances abroad;
- fiscal policy and changes in tax laws; and
- other political, diplomatic, social and economic developments in or affecting Brazil.

Uncertainty as to whether the Brazilian federal government will implement changes in policy or regulation affecting these or other factors in the future may affect economic performance and contribute to economic uncertainty in Brazil and to heightened volatility and lack of liquidity in the Brazilian capital market and securities issued by Brazilian companies. For example, the deterioration in federal, state and municipal governments' fiscal results in recent years has led to an unprecedented increase in gross debt as well as in the gross debt to GDP ratio, which led Brazil to lose its investment grade from credit rating agencies, decreasing the influx of foreign capital and contributing to a lower level of economic activity. In addition, the Brazilian

economy has experienced a sharp drop in recent years due, in part, to the interventionist economic and monetary policies of the Brazilian federal government.

We cannot predict the measures that the Brazilian federal government will take due to mounting macroeconomic pressures or otherwise. Recent economic and political instability has led to a negative perception of the Brazilian economy and higher volatility in the Brazilian capital markets and the securities of Brazilian issuers, which also may adversely affect us. Indecision as to changes in policies and regulations implemented by the Brazilian federal government may contribute to economic uncertainty in Brazil and greater volatility in the Brazilian capital markets. Prior to the COVID-19 pandemic, Brazil was just emerging from a prolonged recession and a period of slow recovery, with only meager GDP growth in 2017, 2018 and 2019. Brazil's incipient economic recovery in 2020 was torpedoed with the onset of the COVID-19 pandemic and governmental measures in relation thereto, all of which have introduced an additional level of economic and political uncertainty. These dynamics further impacted 2021, 2022 and 2023, which, coupled with government stimulus reduction, amplified the uncertainty by adding volatility to the market through accelerated inflation, lower disposable income and higher SELIC rates in Brazil.

*Economic and political uncertainty and volatility in Brazil, and the perception of these conditions in the international financial markets, may adversely affect our business and the market price of our shares and ADSs.*

Our most significant market is Brazil, which has periodically experienced rates of inflation higher than expected. Inflation, along with governmental measures to fight inflation and public speculation about possible future measures, has had significant negative effects on the Brazilian economy. The annual rate of inflation, as measured by the National Consumer Price Index (*Índice Nacional de Preços ao Consumidor*), was 10.1% in 2021, 5.8% in 2022 and 4.6% in 2023. Brazil may continue to experience high levels of inflation in the future and such inflationary pressures may lead to the Brazilian government intervening in the economy and introducing policies that could adversely affect the Brazilian economy, the securities market and our business. In the past, the Brazilian government's interventions included the maintenance of a restrictive monetary policy with high interest rates that restricted credit availability and reduced economic growth, causing volatility in interest rates. More recently, inflationary pressures have receded, which has led to the return of a more expansionary monetary policy.

Inflationary pressures in Brazil present notable challenges to our operations, affecting both our cost and expense structure and consumer demand dynamics. For additional information on such effects, see "Item 5. Operating and Financial Review and Prospects - A. Operating Results - Brazilian Economic Environment and Inflation Impacts" for more information.

The Central Bank's Monetary Policy Committee (*Comitê de Política Monetária do Banco Central do Brasil*, or COPOM) frequently adjusts the interest rate in situations of economic uncertainty to achieve goals established in the Brazilian federal government's economic policy. In the event of an increase in inflation, the Brazilian federal government may choose to significantly increase interest rates. For example, the SELIC official interest rate oscillated from 2.75% in March 2021 to 9.75% in the end of 2021, with further increases in February, March, May and June 2022. As of the date hereof, the SELIC rate was 11.25%. We cannot assure you that inflation will not affect our business in the future.

Consumption of beer, other alcoholic beverages and soft drinks in many of the jurisdictions in which we operate, including Brazil, is closely linked to general economic conditions, such that levels of consumption tend to rise during periods of rising per capita income and to fall during periods of declining per capita income. Consumption of beer and other alcoholic beverages also varies in accordance with changes in disposable income. Any decrease in disposable income resulting from an increase in inflation, income taxes, cost of living, unemployment levels, political or economic instability or other factors would likely adversely affect the demand for beer, other alcoholic beverages, soft drinks and other non-alcoholic beverages, as well as our results of operations. Moreover, the instability and uncertainty in the Brazilian economic and political scenario may continue to adversely affect the demand for our products, which in turn may negatively impact our operations and financial results.

In addition, Brazil's political environment has historically influenced, and continues to influence, the performance of the country's economy. Political crises have affected and continue to affect the confidence of investors and the general public, which have historically resulted in economic deceleration and heightened

volatility in the securities issued by Brazilian companies. For example, presidential elections occurred in October 2022, with Luiz Inácio Lula da Silva defeating Jair Messias Bolsonaro, in one of the closest presidential races in history. In the aftermath of the 2022 election results, there were mass protests and demonstrations throughout Brazil by supporters of former president Jair Bolsonaro disputing the election results and a heightened state of political and social tension has persisted in Brazil following the election and the commencement of Luiz Inácio Lula da Silva's new term of office on January 1, 2023.

Further, during the term of the former president Jair Messias Bolsonaro, who remained president until January 1, 2023, there were several inquiries related to potential misconduct. The potential outcome of these and other inquiries, as well as potential new inquiries involving Jair Messias Bolsonaro that may arise, are uncertain, but they had a negative impact on the general perception of the Brazilian economy and have adversely affected and may continue to affect our businesses, financial condition, and results of operations, as well as the market price of our common shares.

Ultimately, we cannot predict the scope, nature and impact of any policy changes or reforms (or reversals thereof) that the president's administration will implement, particularly the scope, viability, and effectiveness of much-anticipated tax reforms, which could result in further political and economic instability and negatively impact the regulatory framework in which we operate, which in turn could adversely affect our businesses, financial condition and operating results. Likewise, we cannot predict how the president's administration may impact the overall stability, growth prospects and economic and political health of the country.

In addition, any effort on the part of the Brazilian government to preserve economic stability, as well as any public speculation about possible future initiatives, may contribute significantly to economic uncertainty in Brazil and may heighten volatility in the Brazilian securities markets and securities issued abroad by Brazilian issuers. It is also difficult to assess the impact that turmoil in the credit markets will have in the Brazilian economy, and as a result on our operations and financial results in the future.

A failure by the Brazilian government to implement reforms may result in diminished confidence in the Brazilian government's budgetary condition and fiscal stance, which could result in downgrades of Brazil's sovereign foreign credit rating by credit rating agencies and the rise of risk premium, negatively impacting Brazil's economy and leading to further depreciation of the real and an increase in inflation and interest rates, adversely affecting our businesses, financial condition and results of operations.

#### ***Risks Relating to Other Countries in Which We Operate***

*Our Latin America South operations are subject to substantial risks relating to the businesses and operations conducted in Argentina and other South American countries.*

We own 100% of the total share capital of Latin America South Investment, S.L., or LASI, which is a holding company with operating subsidiaries in Argentina and other South American countries. As a result, LASI's financial condition and results of operations may be adversely affected by the political instability, fluctuations in the economy and governmental actions concerning the economy of Argentina and the other countries in which its subsidiaries operate and, consequently, affect our consolidated results.

The results of our Argentinian operations have been significantly impacted in recent years by political instability, fluctuations in the Argentine economy (such as the devaluation of the Argentine peso in 2021, 2022 and 2023 relative to the U.S. dollar), governmental actions concerning the economy of Argentina (such as Argentina's selective default on its restructured debt in July 2014), inflation and deteriorating macroeconomic conditions in the country (See "Item 3. Key Information-D. Risk Factors-Risks Related to Other Countries in Which We Operate - Continuing high rates of inflation in Argentina may have an adverse effect on the economy and our business, financial condition and results of operations"). Continued deterioration of the Argentine economy, or new foreign exchange, price controls, export repatriation or expropriation regimes could adversely affect our liquidity and ability to access funds from Argentina, our financial condition and operating results.

The 2021, 2022 and 2023 devaluations of the Argentine peso relative to the real, and further devaluations of the Argentine peso in the future, if any, may decrease our net assets in Argentina, with a balancing entry in our equity. See "Item 3. Key Information-D. Risk Factors-Risks Relating to Our Operations-Our results of operations are affected by fluctuations in exchange rates and devaluation of the

real or other currencies with which we operate relative to other currencies, including the U.S. dollar, which may adversely affect our financial performance.”

In 2020, the Argentine government implemented multiple measures in response to the economic crisis resulting from the COVID-19 pandemic including increased health spending, financial support for workers (including funding of wages), vulnerable groups and certain industry sectors, as well as price controls. In 2021, these actions were further enhanced with the freezing of housing rental prices (coupled with the prohibition of evictions upon payment delays), temporary suspensions of service interruption due to non-payment and the extension of credit card payment deadlines and reduced fees on public transportation. Argentina’s inflation reached 211.4% in 2023 with the Central Bank increasing its reference interest rate (BADLAR) by 25pp, ending the year at 100%, in an attempt to prevent further devaluation of the currency that went from 177 ARS/USD to 809 ARS/USD (a 367% devaluation).

In light of the country’s ailing economy and market’s concerns, including as a result of increases in corporate income tax, our liquidity and operations, as well as our ability to access funds from Argentina could be adversely affected to the extent the economic or political situation in Argentina deteriorates, or if foreign exchange restrictions are further implemented in the country. It is also difficult to assess the impact that the changes to the Argentine political scenario will have in the Argentine economy and, as a result, on our future operations and financial results.

In November of 2023, Argentina elected Javier Milei as its new president, with views to fix an economy battered by soaring inflation, a looming recession and rising poverty. However, there is no guarantee that Mr. Milei will be successful in improving the macroeconomic scenario in relevant ways, or at all, and, likewise, we cannot predict the scope and effectiveness of any reforms he may implement, which are considered radical. If the economic or political situation in Argentina further deteriorates, our Latin America South operations may be subject to restrictions under new Argentinean foreign exchange, export repatriation or expropriation regimes that could adversely affect our liquidity and operations, and our ability to access funds from Argentina.

In addition, on November 8, 2020, Luis Arce took office as the new president of Bolivia, having won the elections in the first round with the majority of votes. With these results, the Movement towards Socialism (*Movimiento al Socialismo* or MAS) returned to power. In October 2023, following a power struggle between Arce and former-president Morales, Bolivia’s president Luis Arce was expelled from his own party, MAS. In 2023, Bolivia faced economic challenges, particularly regarding its dwindling net reserves and escalating country risk. The Bolivian central bank experienced a substantial decrease in its net foreign reserves, primarily comprised of gold and foreign currency, marking its lowest value in 17 years at \$1.709 billion by the end of 2023. This decline in reserves triggered concerns about Bolivia’s financial stability, prompting investors to divest from Bolivian bonds due to default risks stemming from the depletion of dollars.

Furthermore, in December 2021, Gabriel Boric was elected Chile’s new president, defeating José Antonio Kast, in an election marked by political polarization. Boric’s government plan included promises to increase taxes on the highest income bracket as well as large companies, ending the current pension system, and creating a universal fund to finance public and private health. Mr. Boric was sworn in as president in March 2022. In 2023, the Chilean economy showed signs of recovery following a negative macroeconomic scenario in recent years. Nevertheless, Chilean GDP decreased by 0.2% in 2023 as compared to 2022, reflecting weak private consumption and higher unemployment rates, which increased by 0.7% in 2023.

It is difficult to assess the impact that the changes to the Bolivian and Chilean political scenario, as well as other Latin American countries, will have on their respective economies and, as a result, the effect on our results of operation and financial position.

Political developments in Latin America, including government deadlock, political instability and civil strife could impact our Latin America South operations and have a material adverse effect on our business, financial condition, and results of operations.

*Continuing high rates of inflation in Argentina may have an adverse effect on the economy and our business, financial condition and results of operations.*

Following the categorization of Argentina in our results for the third quarter of 2018 as a country with a three-year cumulative inflation rate greater than 100%, the country is considered as a hyperinflationary economy in accordance with IFRS rules (IAS 29), requiring us to restate the results of our operations for the year ended December 31, 2018, in hyperinflationary economies for the change in the general purchasing power of the local currency, using official indices before converting the local amounts at the closing rate of the period.

Historically, high rates of inflation have undermined the Argentine economy and the Argentine government's ability to foster conditions for stable growth. High rates of inflation may also undermine Argentina's competitiveness in international markets and adversely affect economic activity and employment, as well as our business, financial condition and results of operations.

Argentina has confronted inflationary pressures, evidenced by significantly higher fuel, energy and food prices, among other factors. The National CPI variation was 211.4% in 2023, 94.8% in 2022 and 50.9% in 2021. On February 6, 2024, the Central Bank announced that the new inflation estimates for 2024 and 2025 are 227.0% and 58.9%, respectively, pursuant to its survey of market expectations (*Relevamiento de Expectativas de Mercado*) which was carried out between 29 and 31 of January, 2024. The Argentine government's adjustments to electricity and gas tariffs, as well as the increase in the price of gasoline have affected prices, creating additional inflationary pressure. If the value of the Argentine Peso cannot be stabilized through fiscal and monetary policies, an increase in inflation rates could be expected.

A high inflation rate or a hyperinflationary process affects Argentina's foreign competitiveness by diluting the effects of the peso depreciation, negatively impacting employment and the level of economic activity and undermining confidence. The efforts undertaken by the Argentine government to reduce inflation have not achieved the desired results yet. A continuing inflationary environment could undermine our results of operation, adversely affect our ability to finance the working capital needs in Argentina.

The main impact of this hyperinflationary environment in Argentina on our results of operations is the corresponding impact such inflation effects have on our cost of sales and operating expenses, particularly in terms of increasing costs of raw materials, labor, and other operating expenses. In this way, such inflationary pressures have direct impact on our gross profit margins and overall profitability. See "Item 5. Operating and Financial Review and Prospects - A. Operating Results - Argentinean Economic Environment and Inflation Impacts." In addition, inflation impacts pricing dynamics due to its impact on consumer behavior and purchasing power. As prices rise, consumers may cut back on discretionary spending, including purchases of beverages. We may face challenges in passing on increased costs to consumers if they are already feeling the strain of inflation on their budgets. This can lead to deterioration on profit margins as Ambev may be unable to fully offset cost increases with higher prices.

There is uncertainty regarding the effectiveness of the policies implemented by the Argentine government to reduce and control inflation and the potential impact of those policies. An increase in inflation may adversely affect the Argentine economy, which in turn may have a negative impact on our financial condition and results of operation.

There can be no assurances that inflation rates will not continue to escalate in the future or that the measures adopted or that may be adopted by the Argentine government to control inflation will be effective or successful. High rates of inflation remain a challenge for Argentina. Significant increases in the rates of inflation could have a material adverse effect on Argentina's economy and in turn could increase our costs of operation, in particular labor costs, and may negatively affect our business, financial condition and results of operations. Also, see "Item 5. Operating and Financial Review and Prospects - A. Operating Results - Argentinean Economic Environment and Inflation Impacts" for more information.

*Deterioration in economic and market conditions in Brazil and other emerging market countries, as well as in developed economies, may adversely affect the market price of our common shares and ADSs.*

Economic and market conditions in Brazil and other emerging market countries, especially those in Latin America, influence the market for securities issued by Brazilian companies as well as investors' perception of economic conditions in Brazil. Crises in emerging markets, such as in Southeast Asia, Russia

and Argentina, historically caused volatility in the Brazilian stock market and other emerging countries. In addition, global financial crisis originating in developed economies, including the subprime debt crisis in the United States and the sovereign debt crisis in Europe, have had an impact on many economies and capital markets around the world, including Brazil, which may adversely affect investors' interest in the securities of Brazilian issuers such as Ambev.

Our businesses, financial condition and results of operations may be materially and adversely affected by a general economic downturn and by instability and volatility in the financial markets and commodity prices, including as a result of the conflict between Ukraine and Russia and the armed conflict involving Hamas and Israel, and other conflicts in the Middle East.

More recently, the COVID-19 virus pandemic resulted in significant financial market volatility and uncertainty around the globe, evidencing that the market value of our common shares and ADSs may be adversely affected by events occurring inside and outside of Brazil, such as the emergence or continuation of widespread health emergencies or pandemics, military conflicts, including the ongoing conflict between Russia and Ukraine and the armed conflict involving Hamas and Israel, terrorism or other geopolitical events. Additionally, monetary policy changes and/or implementation of protectionist policies in the United States and other relevant countries for the international economy may impact, directly or indirectly, the economy in the countries where we operate, generating several risks, especially exchange rate, interest rate and increase in the price of commodities, and, consequently, affecting our results.

*We operate a joint venture in Cuba, in which the Government of Cuba is our joint venture partner. Cuba is still targeted by broad and comprehensive economic and trade sanctions of the United States. Our operations in Cuba may adversely affect our reputation and the liquidity and value of our securities.*

Ambev, through its Canadian subsidiary Cerbuco Brewing Inc., ("Cerbuco"), currently owns a controlling interest of 50% in Cerveceria Bucanero S.A., or Bucanero, a Cuban company in the business of producing and selling beer. The other 50% equity interest in Bucanero is owned by the Government of Cuba. We have the right to appoint the general manager of Bucanero. In 2021, Cerbuco initiated arbitration proceedings regarding potential breach of certain obligations relating to the joint venture. For more information regarding the arbitration proceedings, see "Item 8. Financial Information—Civil Claims—Cerbuco Arbitration."

Bucanero's main brands are *Bucanero* and *Cristal*. In 2023, Bucanero sold 1.03 million hectoliters of beer, representing about 0.56% of our total volume of 183.7 million hectoliters for the year. Although Bucanero's production is primarily sold in Cuba, a small portion of its production is exported to and sold by certain distributors in other countries outside Cuba (but not the United States).

Based on U.S. foreign policy, the U.S. Treasury Department's Office of Foreign Assets Control and the U.S. Commerce Department together administer and enforce broad and comprehensive economic and trade sanctions against Cuba. Although our operations in Cuba are quantitatively immaterial, our overall business reputation may suffer, or we may face additional regulatory scrutiny as a result of our activities in Cuba based on the fact that Cuba remains a target of U.S. economic and trade sanctions.

In addition, there have in the past been initiatives by federal and state lawmakers in the United States, and certain U.S. institutional investors, including pension funds, to adopt laws, regulations or policies requiring the divestment from, or reporting of interests in, companies that do business with countries designated as state sponsors of terrorism. On January 11, 2021, the United States government designated Cuba as a state sponsor of terrorism, a list from which Cuba had previously been removed in 2015. If U.S. investors decide to liquidate or otherwise divest their investments in companies that have operations of any magnitude in Cuba, the market in and value of our securities could be adversely impacted.

Also, Title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (known as the "Helms-Burton Act") authorizes private lawsuits for damages against anyone who traffics in property confiscated without compensation by the Government of Cuba from persons who at the time were, or have since become, nationals of the United States.

The Helms-Burton Act also includes a section that authorizes the U.S. Department of State to prohibit entry into the United States of non-U.S. persons who traffic in confiscated property, and corporate officers and principals of such persons, and their families. Although Title III of the Helms-Burton Act had previously been

suspended by discretionary presidential action following its inception in 1996. On May 2, 2019, the former Trump Administration activated Title III of the Helms-Burton Act, thereby allowing nationals of the United States that hold claims under the Helms-Burton Act to file suit in U.S. federal court against all persons trafficking in property confiscated by the Cuban government. As a result of the activation of Title III of the Helms-Burton Act, we may be subject to potential U.S. litigation exposure, including claims accrued during the prior suspension of Title III of the Helms-Burton Act. It remains uncertain how the activation of Title III of the Helms-Burton Act will impact our U.S. litigation exposure. ABI has received notices of potential claims purporting to be made under the Helms-Burton Act.

*The outbreaks of infectious diseases, or the risk of an outbreak (e.g. pandemics, epidemics, including a potential new wave or variant of COVID-19), and government and other response thereto are highly uncertain and unpredictable and may result in further adverse effects material to our business and may impact our ability to continue operating our business.*

Outbreaks or potential disease outbreaks may have an adverse effect on our operations. Historically, some epidemics and regional or global outbreaks, such as the one caused by the Zika virus, the Ebola virus, the H5N5 virus (popularly known as avian influenza), the foot and mouth disease, the H1N1 virus (influenza A, popularly known as swine flu), the Middle East Respiratory Syndrome (MERS), the Severe Acute Respiratory Syndrome (SARS) and Dengue virus, have affected certain sectors of the economy in the countries where these diseases have spread.

During 2020 and 2021, as the COVID-19 pandemic progressed in the countries in which we operate, including Brazil, Argentina, Canada and several other countries in Central and South America, states and municipalities adopted guidelines that varied in terms of scope and intensity to control the spread of COVID-19, such as the restriction on circulation of people and social distancing, which resulted in the closing of and operating restrictions on stores, restaurants, hotels, shopping centers, crowded areas, parks and other public spaces. In 2022, most of such restrictions were lifted throughout the first half of the year as a result of improvements in the control of the pandemic. While these restrictions were in effect, they have changed consumer behavior and the dynamics of on-trade (e.g., bars and restaurants) and off-trade (e.g., supermarkets) channels, which adversely impacted our profitability. This changed dynamics had a severe effect on emerging market countries, such as Bolivia and Panama, where the on-trade channel is the predominant consumption occasion for consumers. See “Item 5. Operating Financial Review and Prospects–A. Operating Results.”

The dissemination of COVID-19 made us change our business practices (including additional hygienic practices for workplaces and employees, in addition to canceling in-person meetings, events and conferences) during the pandemic. We may take additional actions, as required by government authorities, or as determined by management, considering the best interests of our employees, customers and business partners. We cannot guarantee that these measures will be sufficient to mitigate the risks posed by the pandemic or that they will meet the demands of government authorities.

The extent to which the outbreak of pandemics of infectious diseases will affect our business, financial condition, results of operations or cash flows will depend on future developments, which are highly uncertain and unpredictable. These developments include, among others, the duration and geographic distribution of the outbreak, its severity, actions to contain the virus or minimize its impact, and how quickly and to what extent normal economic and operational conditions can be resumed. Even four years after the COVID-19 pandemic started, our business continues to suffer adverse and material impacts due to the global or regional economic impact, including recession, economic slowdown or increase in unemployment levels, which may affect the purchasing power of our customers.

In addition, we cannot guarantee that other regional and/or global outbreaks will not occur. If they do, we cannot guarantee that we will be able to take the necessary measures to prevent an adverse impact on our businesses of equal or greater dimension than the impact caused by the COVID-19 pandemic, in case of new regional and/or global outbreaks or new large-scale waves of COVID-19.

Any outbreak of a disease that affects human behavior or that requires public policies to restrict the circulation of people and/or social contact may change consumer behavior, having an adverse impact on our business, as well as on the economies in the countries in which we operate. Disease outbreaks may also make it impossible for our employees and customers to go to our facilities (including for preventative reasons or avoiding large-scale contamination), which would adversely affect the development of our business.



The impact of outbreaks of infectious diseases, or the risk of an outbreak (e.g. pandemics, epidemics, including a potential new wave or variant of COVID-19) can also precipitate or exacerbate the other risks described in this annual report.

**Risks Relating to Environmental, Social and Governance (ESG) Matters**

*Our commitment to social responsibility may result in the incurrence of additional costs, and we are subject to laws, regulations and other obligations in furtherance of human rights, social justice and labor standards that may exposes us to additional contingencies.*

We aim to operate our business in a manner that upholds corporate social responsibility standards, which may vary based on the specific characteristics of our various business operations and the geographies where we operate. We are also subject to laws, regulations and other obligations that require us to comply with social impact and diversity standards and, accordingly, we are exposed to certain risks related to noncompliance.

In general, social risks arise from the potential and effective adverse impacts to our business related to the human rights of all stakeholders involved in our operations, including our employees, consumers, suppliers, investors and the local communities where we operate, whether directly or indirectly.

If the measures we adopt are not sufficient to prevent, manage and mitigate the social risks applicable to our business, we will consequently be exposed to legal, regulatory, operational and reputational risks, which can materialize in different ways.

We are also required to guarantee dignified working conditions for our employees, ensuring their health, safety, well-being and their right to associate and participate in unions, in compliance with local laws and regulations, respecting human rights. A workplace identified as dangerous, hostile or discriminatory may result in legal contingencies and inhibit the Company's ability to attract and retain talent, negotiate with associations and unions, prevent incidents of health and safety at work, and drive innovation.

Similarly, if we do not take well-structured initiatives that are integrated into long-term planning to foster diversity, equity and inclusion, in all levels regardless of the hierarchy, we may be challenged, including judicially, about the absence of clear goals and effective actions in this area.

There is no guarantee that we will be able to properly manage the social risks mentioned above, meeting all national and international laws, parameters and guidelines, which, consequently, may harm our operating results and reputation.

*Our operations are subject to broad safety and environmental regulations, the non-compliance of which may pose significant financial, operational, reputational, litigation and regulatory risks related to environmental issues for us.*

The Company's operations are subject to a wide variety of federal, state and municipal environmental laws and regulations, related to the licenses or authorizations necessary for the development of the Company's business regarding the installation and operation of its projects and activities, the use of water resources, solid waste management, removal of vegetation, impact on protected areas, use of forestry products or raw materials, among other aspects possibly related to its activities.

The Company's activities require the constant obtaining and renewal of environmental licenses and authorizations, which depend on the installation and operation of activities and undertakings considered by the competent environmental agency, under the terms of current environmental legislation, as effectively or potentially polluting the environment. Technical difficulties, non-compliance with the related environmental legislation and the technical conditions established in the environmental licenses and authorizations may have harmful effects on the Company's business, since they may subject it to the imposition of various administrative sanctions (such as simple or successive fines, interruption or suspension of activities, embargo or closure of undertakings, revocation of licenses and authorizations, as applicable), payment of costs for the recovery of degraded areas and environmental regularization (resulting from environmental compensation and embargo, for example), as well as accountability in the civil, administrative and criminal spheres, as the case may be. There is no guarantee that the Company, even adopting appropriate practices and processes, will not incur environmental liability or that these applicable environmental laws and regulations will not change or

become more stringent in the future. In this sense, non-compliance with the applicable legislation and the technical conditions established in the licenses and authorizations may harm the Company's operations, reputation, operating results and financial health.

As the scrutiny of environmental authorities, society and investors regarding the Company's practices in relation to the environment, as well as the Company's compliance with environmental legislation in the various federative spheres, as well as in the countries in which we operate, has become increasingly rigorous, the Company's costs to comply with environmental regulation, improve environmental practices and repair possible environmental damage can increase substantially in the future. Furthermore, processes related to environmental compliance can become more complex.

In this context, for the purpose of complying with current environmental legislation and addressing other environmental issues relevant to the Company, the following are considered material issues from a regulatory, operational, financial and reputational point of view: (i) the use of water resources; (ii) climate change and a potential regulation of carbon markets and greenhouse gas emissions in countries where the Company operates, such as Brazil; (iii) solid waste management, reverse logistics and circular packaging; (iv) sustainable agriculture and (v) responsible consumption. In view of their relevance, the Company internally manages the material topics by establishing and monitoring appropriate performance indicators to assess the variations, evolutions and challenges related to each of the aforementioned topics.

*Natural and other disasters and accidents caused by human and technological errors could disrupt our operations.*

The economy of countries in which we operate, as well as our business activity and operating results, may be adversely impacted by natural (including floods, fires), social, technical (technological or human errors) or physical risks such as large-scale epidemics and pandemics, including the COVID-19 pandemic, the occurrence of natural disasters, terrorist events, military conflicts, including the ongoing conflict between Russia and Ukraine and the armed conflict involving Hamas and Israel, which could disrupt the operations of our suppliers, affect the price or availability of certain raw materials or commodities required for our products and adversely affect our operations, as well as other actions that may result in significant widespread disruptions to commerce and the ability of businesses, including ours, to operate normally. The exemplified events and others can affect our business in general or be specific to certain strategic locations, where our plants, distribution center or logistic hubs may be located. Such disruptions may result in reduced economic activity and business sentiment, both in the Brazilian market and internationally.

*Climate change, or legal, regulatory or market measures to address climate change, may negatively affect our business or operations.*

There is growing concern about adverse impacts caused by emissions of carbon dioxide and other greenhouse gases into the atmosphere such as rising global temperatures, changing weather patterns, and the increased frequency and severity of extreme weather events and natural disasters. If climate change has a negative effect on agricultural productivity in the locations where the Company operates, the Company may be subject to reduced availability or the offer at less favorable prices for certain agricultural products that are necessary for the Company's production process, such as barley, hops, sugar and corn. In addition, public expectations for reducing greenhouse gas emissions may result in increased cost of energy, transportation and raw materials and may require the Company to make additional investments in facilities and equipment due to increased regulatory or social pressures. As a result, the effects of climate change could have material adverse long-term impacts on the Company's business and results of operations. The Company's operations are subject to physical risks, with impacts on the production capacity and delivery of services and products, resulting from the effects of climate change. Tropical cyclones can cause disruptions and damage to businesses and breweries. Wildfires can cause malt barley crop failures, as occurred in 2021 in Canada, which led to significant crop failures. Non-seasonal rains can cause malting barley harvest failures, affecting barley quality. Changes in weather conditions can result in reduced malting barley yields. This reduction directly affects inputs for production and may consequently increase production costs and indirectly costs to markets. For instance, the growing demand for aluminum for packaging, combined with sourcing challenges, may result in higher procurement costs.

The Company's operations are also subject to transition risks such as: (i) regulatory changes on water use and prices, which may increase the price of water or cause interruptions in supply, affect the availability

and license to operate in certain localities and countries; (ii) carbon pricing mechanisms (both taxes and emissions trading systems) that affect both direct operations and emissions from packaging materials throughout the supply chain, may result in higher operating costs for the Company. For example, the aluminum and glass production process are energy high and greenhouse gas emissions intensive. Depending on the country where materials are sourced from, there is potential associated with a high carbon cost and carbon pricing mechanisms; (iii) current and emerging energy and fuel regulations and taxes may increase direct operating costs, given that the Company is exposed to such fuel and energy taxes; and (iv) fluctuations in demand for inputs prone to low availability, such as aluminum, may affect production capacity and increase the cost of purchasing packaging for the Company's products.

We established sustainability goals focused on smart agriculture, efficient use of water resources, circular packaging, carbon emissions reduction and use of renewable electricity that we aim to achieve by 2025. While we continue to work towards meeting our sustainability goals, we have encountered, and may in the future continue to confront, challenges in relation to achieving these aspirations by 2025 or otherwise in the same manner and to the same extent as previously planned and reported.

Adding to our 2025 climate goal, we also announced our ambition to achieve net zero emissions across our value chain by 2040, which require ongoing investment, and there is no assurance that we will achieve any of these goals or that our initiatives will achieve their intended outcomes. If we fail to meet these targets for any reason, there is a risk of reputational damage, as well as possible questioning – including through litigation – by interested parties. As a result, the effects of climate change could have a material adverse long-term impact on our business and results of operations.

*New ESG regulations may be enacted and this may result in increased costs for Ambev to comply with them.*

New ESG regulations continue to be enacted and proposed in countries where we operate. These regulations brought by governing and regulatory bodies could be comprehensive in scope and cover various matters within the ESG framework, including, among other areas, reporting, disclosure and due diligence processes.

The enactment of new regulations may require that we adapt our business, activities and current practices in order to comply with such new legislation and other requirements, which may result in higher operating costs that may negatively impact our operating results.

*Scarcity or poor quality of water may negatively affect our production costs and capacity.*

The Company faces risks related to water shortages. The availability of fresh water is a limited resource in many parts of the world, facing unprecedented challenges relating to climate change and the resulting change in rainfall patterns and frequency of extreme weather, overexploitation, increased pollution and poor water management. As the demand for water continues to increase worldwide, and as water becomes scarcer and the quality of available water deteriorates, the Company may be affected by increased production costs, capacity limitations or significant changes in water quality, which could adversely affect the Company's business and results of operations.

Water shortages can result in business interruptions and/or reduced production and increased treatment costs. The availability of water is critical for the Company's operations, as it is an essential input for the production of beer. Reduced water availability can also affect legislation regulating water use. In addition, water quality affected by scarcity can also affect water treatment costs and the ability to operate around the clock.

Droughts can cause malting barley harvests to fail, especially in South America, where most barley is rain-fed, so-called meteorological droughts (short-term droughts and impacted by precipitation) can significantly affect *barley crops* yields.

*Seasonal consumption cycles and adverse weather conditions may result in fluctuations in demand for our products*

Seasonal consumption cycles and adverse weather conditions in the markets in which we operate may have an impact on our operations. This is particularly true in the summer months, when unseasonably cool or wet weather can affect sales volumes.

Stakeholders concerns and changing consumer preferences for sustainable products could also result in reduced revenues if the Company is unable to meet these requirements.

***Risks Relating to Our Common Shares and ADSs***

*Brazilian foreign exchange controls and regulations could restrict conversions and remittances abroad of the dividend payments and other shareholder distributions paid in Brazil in reais arising from Ambev's common shares (including shares underlying the Ambev ADSs).*

Brazilian law provides that whenever there is a serious imbalance in Brazil's balance of payments or reasons to foresee such a serious imbalance, the Brazilian government may impose temporary restrictions on the remittance to foreign investors of the proceeds of their investments in Brazil. Such restrictions may hinder or prevent the Custodian or holders who have exchanged ADSs for Ambev's underlying shares from converting distributions or the proceeds from any sale of such shares into U.S. dollars and remitting such U.S. dollars abroad. In the event the Custodian is prevented from converting and remitting amounts owed to foreign investors, the Custodian will hold the reais it cannot convert for the account of the holders of ADSs who have not been paid. The Depositary will not invest the reais and will not be liable for interest on those amounts. Any reais so held will be subject to devaluation risk against the U.S. dollar.

In addition, the likelihood that the Brazilian government would impose such restrictions may be affected by the extent of Brazil's foreign currency reserves, the availability of foreign currency in the foreign exchange markets on the date a payment is due and the size of Brazil's debt service burden relative to the economy as a whole. We cannot assure you that the Brazilian Central Bank will not modify its policies or that the Brazilian government will not institute restrictions or delays on cross-border remittances in respect of securities issued in foreign capital markets. For further information on this matter, see "Item 10. Additional Information-D. Exchange Controls and other Limitations Affecting Security Holders."

*The surrender of ADSs may cause the loss of the ability to remit foreign currency abroad and of certain Brazilian tax attributes.*

While ADS holders benefit from the electronic certificate of foreign capital registration obtained in Brazil by the Custodian, which permits the Depositary to convert gains, dividends, profits or other payments under Ambev's shares with respect to the shares underlying the ADSs into foreign currency and remit the proceeds abroad, the availability and requirements of such electronic certificate may be adversely affected by future changes to the applicable regulation.

If an ADS holder surrenders the ADSs and, consequently, receives shares underlying the ADSs, the investment in Ambev's shares would be registered with the Brazilian Central Bank either as (i) a foreign direct investment, subject to Brazilian Central Bank Resolution 278, dated December 31, 2022 ("BCB Resolution 278"), which will require an electronic certificate of foreign capital registration, the *Capital Information Provision System* of Foreign Direct Investment ("SCE-IED"), or (ii) a foreign investment in portfolio, subject to National Monetary Council's (*Conselho Monetário Nacional*) ("CMN") Resolution 4,373, dated September 29, 2014 ("CMN Resolution 4,373"), which among other requirements, requires the appointment of a financial institution in Brazil as the custodian of the preferred shares and legal representative of the foreign investor in the Electronic Declaratory Registration of Portfolio ("RDE - Portfolio").

The failure to register the investment in the Ambev's shares as foreign investment as described above (e.g., SCE - IED or RDE - Portfolio) will impact the ability of the holder to dispose of Ambev's shares and to receive gains, dividends, profits or other payments under Ambev's shares. Moreover, upon receipt of Ambev's shares underlying the ADSs, Brazilian regulations require the investor to enter into corresponding exchange rate transactions and pay taxes on these exchange rate transactions, as applicable.

In addition, if the SCE-IED or RDE-Portfolio are not properly registered the relevant holder may incur expenses or suffer delays in the application process, which could impact the investor's ability to receive gains, dividends, profits or other payments under Ambev's shares on a timely manner.

*Certain shareholder entitlements may not be available in the U.S. to holders of Ambev ADSs.*

Due to certain United States laws and regulations, U.S. holders of Ambev ADSs may not be entitled to all of the rights possessed by holders of Ambev common shares. For instance, U.S. holders of Ambev ADSs may not be able to exercise preemptive, subscription or other rights in respect of the Ambev common shares underlying their Ambev ADSs, unless a registration statement under the Securities Act is effective with respect to those rights or an exemption from the registration requirements thereunder is available.

*Holders of Ambev ADSs may be unable to fully exercise voting rights with respect to the Ambev shares underlying their ADSs.*

Under Brazilian law, only shareholders registered as such in the corporate books of Brazilian companies may attend shareholders' meetings. Because all the Ambev common shares underlying the Ambev ADSs are registered in the name of the Depositary (and not the ADS holder), only the Depositary (and not the ADS holder) is entitled to attend Ambev's shareholders' meetings. A holder of Ambev ADSs is entitled to instruct the Depositary as to how to vote the respective Ambev common shares underlying their ADSs only pursuant to the procedures set forth in the deposit agreement for Ambev's ADS program. Accordingly, holders of Ambev ADSs will not be allowed to vote the corresponding Ambev common shares underlying their ADSs directly at an Ambev shareholders' meeting (or to appoint a proxy other than the Depositary to do so), unless they surrender their Ambev ADSs for cancellation in exchange for the respective Ambev shares underlying their ADSs. We cannot ensure that such ADS cancellation and exchange process will be completed in time to allow Ambev ADS holders to attend a shareholders' meeting of Ambev.

Further, the Depositary has no obligation to notify Ambev ADS holders of an upcoming vote or to distribute voting cards and related materials to those holders, unless Ambev specifically instructs the Depositary to do so. If Ambev provides such instruction to the Depositary, it will then notify Ambev's ADS holders of the upcoming vote and arrange for the delivery of voting cards to those holders. We cannot ensure that Ambev's ADS holders will receive proxy cards in time to allow them to instruct the Depositary as to how to vote the Ambev common shares underlying their Ambev ADSs. In addition, the Depositary and its agents are not responsible for a failure to carry out voting instructions or for an untimely solicitation of those instructions.

As a result of the factors discussed above, holders of Ambev ADSs may be unable to fully exercise their voting rights.

*Our status as a foreign private issuer allows us to follow Brazilian corporate governance practices and exempts us from a number of rules under the U.S. securities laws and listing standards, which may limit the amount of public disclosures available to investors and the shareholder protections afforded to them.*

We are a foreign private issuer, as defined by the Securities and Exchange Commission, or the SEC, for purposes of the Exchange Act. As a result, we are exempt from many of the corporate governance requirements of stock exchanges located in the United States, as well as from rules under the Exchange Act that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. For example, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions under Section 16 of the Exchange Act. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. Accordingly, there may be less publicly available information concerning us than there is for U.S. public companies.

In addition, for so long as we remain as a foreign private issuer, we will be exempt from most of the corporate governance requirements of stock exchanges located in the United States. Accordingly, you will not be provided with some of the benefits or have the same protections afforded to shareholders of U.S. public companies. The corporate governance standards applicable to us are considerably different than the standards applied to U.S. domestic issuers. For example, although Rule 10A-3 under the Exchange Act generally requires that a company listed in the United States have an audit committee of its board of directors composed solely

of independent directors, as a foreign private issuer we are relying on an exemption from this requirement under Rule 10A-3(c)(3) of the Sarbanes-Oxley Act of 2002 that is available to us as a result of features of the Brazilian Corporation Law applicable to our Fiscal Council. In addition, we are not required under the Brazilian Corporation Law to, among other things:

- have a majority of our Board of Directors be independent (though our bylaws provide that two of our directors must be independent and, in certain circumstances pursuant to the Brazilian Corporation Law, our minority shareholders may be able to elect members to our Board of Directors);
- have a compensation committee, a nominating committee, or corporate governance committee of the Board of Directors (though we currently have a non-permanent People Committee that is responsible for evaluating our compensation policies applicable to management and a Governance Committee that is responsible for governance matters as related party transactions, antitrust matters, strategies related to ESG issues and cyber security and privacy and data protection matters);
- have regularly scheduled executive sessions with only non-management directors (though none of our current directors hold management positions in us); or
- have at least one executive session of solely independent directors each year.

For further information on the main differences in corporate governance standards in the United States and Brazil, see “Item 6. Directors, Senior Management and Employees—C. Board Practices—Differences Between United States and Brazilian Corporate Governance Practices.”

*As a Brazilian company, Ambev is subject to different corporate laws and regulations than those typically applicable to U.S.-listed companies, which may result in Ambev’s shareholders having fewer or less well-defined shareholder rights than the shareholder rights of those companies.*

Ambev’s corporate affairs are governed by its bylaws and the Brazilian Corporation Law, which may differ from the legal principles that would apply to Ambev if the company were incorporated in a jurisdiction in the United States, such as Delaware or New York, or in other jurisdictions outside of Brazil. In addition, shareholder rights under the Brazilian Corporation Law to protect them from actions taken by the board of directors or controlling shareholders may be fewer and less well-defined than under the laws of jurisdictions outside of Brazil.

Although insider trading and price manipulation are restricted under applicable Brazilian capital markets regulations and treated as crimes under Brazilian law, the Brazilian securities markets may not be as highly regulated and supervised as the securities markets of the United States or other jurisdictions outside Brazil. In addition, rules and policies against self-dealing and for the preservation of shareholder interests may be less well-defined and enforced in Brazil than in the United States or other jurisdictions outside Brazil, potentially causing disadvantages to a holder of Ambev ADSs as compared to a holder of shares in a U.S. public company. Further, corporate disclosures may be less complete or informative than required of public companies in the United States or other jurisdictions outside Brazil.

Any dividends not distributed would be allocated to a special reserve account for future payment to shareholders unless it is used to offset subsequent losses or as otherwise provided for in our bylaws. It is possible, therefore, that our shareholders will not receive dividends in any particular fiscal year.

*Foreign holders of our ADSs may face difficulties in serving process on or enforcing judgments against us and other persons.*

We are organized under the laws of Brazil and most of our directors and executive officers, as well as our independent registered public accounting firm, reside or are based in Brazil. In addition, substantially all of our assets and those of these other persons are located in Brazil. As a result, it may not be possible for foreign holders of our ADSs to expediently effect service of process upon us or those persons within the United States or other jurisdictions outside Brazil or to efficiently enforce against us or them judgments obtained in the United States or other jurisdictions outside Brazil. Because judgments of U.S. courts for civil liabilities based upon the U.S. federal securities laws may only be enforced in Brazil if certain formal and procedural conditions are met (including non-violation of Brazilian national sovereignty, public policy and “good morals”), holders