

**AB INBEV'S CAPITAL MARKETS DAY 2023 MEXICO CITY, MEXICO  
TUESDAY, 20 SEPTEMBER 2023**

**Chief Direct to Consumer Officer, Lucas Herscovici &  
Digitize & Monetize - DTC**

Good morning, everyone.

It's a pleasure to be with all of you today.

As Tadeu mentioned, I'm Lucas Herscovici, Chief Direct to Consumer Officer for ABI.

I joined the company 21 years ago in Argentina as a global management trainee.

In 2008 I embarked on several international assignments in Global HQ and the North America zone where I held different positions in marketing, driving change through innovation and technology.

In 2018 I was honored to join our SLT first as Chief Non-Alcohol Officer, and later as Chief Sales Officer.

Since 2022 I've had the pleasure of leading our Direct-to-Consumer business, where I can apply my commercial experience to drive ABI's business transformation.

The goal for today's DTC section is to share with you 3 things:

I will start by providing an Overview of our DTC Strategy and how our DTC products are designed to help deliver ABI's company strategy.

I'll then talk about each of Our Digital DTC Megabrands and how Ze Delivery became a replicable model that is being scaled globally.

I'll finish by sharing our Key Messages and how DTC is helping us lead & grow the category through digitizing & monetizing our ecosystem.

Direct to Consumer is part of the Digitize & Monetize Pillar of our strategy and generated \$1.5Bn in net revenue.

We have both Digital and Physical Businesses.

The key focus for the presentation today is how we are scaling our 3 digital Brands: Ze Delivery, Tada Delivery and PerfectDraft.

Our DTC brands have enabled us to collect more than 1 billion first party data points that we are leveraging to develop deep consumer insights and transform the way we engage with our consumers.

This is helping us drive category growth by developing occasions.

Within our DTC business we have 3 Digital Megabrands:

For Developing markets, our value proposition is focused on delivering cold beer, in less than 30 min at supermarket prices.

Our brand in Brazil is Ze Delivery which we replicated to the rest of the world under the brand TaDa.

For Developed Markets, our proposition is called PerfectDraft, which is like a “Nespresso for beers”, where consumers get to enjoy the draft bar experience at home, from over 40 different beer brands, buying their kegs online or in physical stores.

Both propositions leverage the breadth of ABI’s physical, brand and experiential assets, making this a key differentiator vs other players.

Our digital megabrands are currently operating in 20 markets.

Ze Delivery in Brazil, TaDa in 12 markets across Latin America & South Africa and PerfectDraft in 7 markets across Western Europe.

In the past years we have been growing exponentially, generating almost half a billion dollars in annual revenue from our digital megabrands.

I've just shared with you our DTC Strategy & Megabrands.

Now, I am going to zoom into each of them, starting with Ze Delivery, which became a replicable model that is being scaled globally.

Ze Delivery was born in 2016 and grew exponentially during the pandemic.

Today Ze is available to over 60% of the Brazilian population, serves over 8 million consumers per year, offers more than 300 SKUs across a variety of categories like spirits, soft-drinks, snacks, charcoal - and we even sell meat.

We offer consumers the products they want for the occasions we serve.

Generating millions of data points that we transform into action, to help solve consumer problems.

As you can see in the social media pictures on the right, consumers have a strong passion for Ze delivery!

In 2022 our App rating on both google and apple store was 4.9 and NPS reached 76.

What makes Ze delivery different, viable and scalable is our unique model, that leverages the full ABI ecosystem and the relationship we have with our customers.

In Brazil we have deep relationships with over 1 million customers.

Our footprint enables us to deliver cold beer in less than 30 minutes in every city, regardless of its size.

Scaling to new cities requires very little incremental costs, creating a model that's:

- Unique
- Scalable
- Truly "asset light"

We believe this is a true competitive advantage.

Now let me share with you one example on how we leverage our DTC business to develop Occasions and Grow the category.

In Brazil, two of our key priorities are to improve margins and expand the category by reaching more consumers on more occasions.

As you saw previously in the Brazil Category Participation section, expanding the availability of returnable glass bottles can help us progress on these priorities because:

- Consumers can buy beer at a lower price point, driving increased participation
- Customers earn higher margins
- It's better for the environment

...and this all benefits ABI because RGB drives superior margins and category participation.

RGB products are very popular in the on trade Brazilian market, making RGB 45% of total mix.

However, RGB represents only 16% of the off-trade market mix and 0% of the mix in e-commerce retailers (excluding Ze delivery).

Given this context we had one problem to solve for our consumers: how to eliminate the hassle of carrying these bulky products to and from their homes.

By fixing this pain point we are increasing Beer participation within in-home occasion.

We were able to solve this problem with Ze Delivery.

Today Ze is the only e-commerce retailer in Brazil that sells RGB's online, eliminating the consumer friction of carrying the bottles.

That's why Ze has been activating returnable glass bottles at scale, increasing relevance within a variety of consumption occasions

With these activations, small RGB now represents 44% of total mix within Ze.

Because of this growth and this scale, in-home participation of small RGB bottles in Brazil has grown by 40% since 2019.

This is one of the examples of how DTC helps us solve consumer pain points, drive profitable growth, and grow the category by developing occasions.

Now let me bring back to the stage Dani Wakswaser, our CMO in Brazil, who is going to share some case studies on how we leverage Ze Delivery to build brands and grow the category by developing occasions.

**Daniel Wakswaser, CMO Brazil**

Thanks Lucas, it's a pleasure to be here again.

Now I will be sharing with you how we leverage our DTC business to develop Occasions and Grow the category.

Driving new occasions starts with powerful consumer insights.

In order to have this deep consumer understanding we are focused on integrating technology with business knowledge to convert data into actionable insights.

We are building a very solid consumer data platform that already has 25 million consumer records, powered by Zé Delivery transactions, and the data we gather from our brands campaigns.

All this data enables us to do the best of two worlds: build brands and drive occasions development.

Let me give you a couple of examples of how this works on occasions for two of our key brands: Corona, the brand that we believe the most to build the future; and Brahma, the biggest brand in the country.

Let's start with Corona.

Through the data we found out that Corona consumers want to disconnect from their everyday routines (travel, outdoor, nature) but do not have that many opportunities.

We also found out that Zé Delivery users overindex in relax occasions like chilling, going to the beach and Friday Happy Hour.

The biggest challenge we have is to increase participation and total beer servings of Corona beyond holidays or very special moments – we want people to connect with the brand in everyday relaxing moments.

And the solution has always been in front of us: using the sunsets as a period for daily unwinding.

The name of the platform is Corona Sunset Hours, and it is a series of promotional activities every day, from 5pm to 7pm.

We explore the best of coupons, prizes, and even free shipping to encourage people to celebrate the sunsets.

Of course, all of this had to be connected with our lime ritual experience, but we also doubled down on experiential activities, connecting the Zé Delivery consumption with trips & festivals in real life, and even giving consumers a chance to get to know our beautiful Corona Island in Colombia.

From doing these activations on DTC we learnt that the sunset moment can be much bigger than just a happy hour.

It can really represent the moment of relaxation after work that drives the disconnection that consumers really seek, either in home or outside.

Our results so far have been very encouraging: driven by incremental occasions; we have increased almost 1 percentage point in our market share within Zé

Furthermore, 7.3% of Total Corona volume in Brazil is now sold directly to the consumers via Ze Delivery.

This means that we have direct control, and full consumer understanding, of over 7% of all Corona volume that is sold nationally.

Not only is the brand big and growing in a healthy way within Ze Delivery, but most importantly, these learnings were scaled beyond DTC and Corona is growing Net Revenue by 33% YTD at a national level.

Now let me share another great example, of Brazil's biggest brand and biggest passion point: Brahma and the Soccer Occasion

Again, it all starts with powerful insights:

- 25% of Zé Delivery orders come from soccer occasions.
- Majority of Zé Delivery orders come from weekends.
- There is a double-digit uplift when there is a soccer game.
- 1 to 2 hours before the game is really where orders peak.

So, we clearly had an amazing opportunity of increasing Brahma's participation and total beer servings in soccer weekdays, to create more moments of celebration within the week.

And our solution, "Quarta pede Brahma", is a full program to leverage all our assets.

We started activating Brahma on Wednesdays with soccer games through:

- Digital media investment and Club base communications
- Gametime promotions and cashback
- Full consumer activation within the app

Our results in this on-going soccer platform have also been encouraging:

- Almost 5pp increase in frequency vs Zé Delivery's average;
- Brahma's Brand Lovers increased from 4.5 million to 4.9 million in 2023

To showcase our finger on the pulse in terms of data, this Sunday there was a major match amongst two of Brazil's Biggest soccer clubs.

It was literally the best Sunday for Ze delivery ever, almost reaching 350,000 orders.

This shows that our Brahma and Ze soccer strategy is working, but also conveys how fast you're able to get information and insights in our DTC brands/ partnership.

As you saw from these two examples from Brazil, we are fully leveraging Ze Delivery's scale and consumer insights to lead & grow the category by developing occasions.

Thank you so much!

And now it's back to you, Lucas

LUCAS HERSCOVICI:

Thank you, Dani, for sharing those cases and showing how DTC is helping deliver on our company strategy.

Shifting gears, now I want to share more of what's happened and what's coming.

Since the creation of the growth group, BEES and DTC are becoming truly complementary, creating a unique Omnichannel engagement platform.

This integrated platform leverages the full power of the ABI ecosystem, benefiting all involved – including both our customers and consumers.

There are 3 areas that unlock synergies between BEES and DTC:

- First, Customers: we are empowering them via insights and data
- Second, Marketplace: Improving Assortments via additional partnerships
- Lastly, Rewards: Expanding benefits through omnichannel ecosystem

Now let's talk more about Rewards.

Ze Compensa is our Rewards program in Brazil.

Consumers earn points by buying ABI products on Ze and can redeem points:

- For online coupons on Ze
- For beer in bars and restaurants enabled by BEES
- For access to sport events, music concerts or a wide range of experiences that ABI can offer

This omnichannel engagement platform is only possible through the integration of BEES, DTC and marketing.

Let's watch a video to learn more about it.

As you saw this Omnichannel engagement program brings more options for consumers to enjoy their favorite beers, and also foot traffic to our customers driving sales uplift.

It also drives incremental consumer frequency and provides us 100% consumer understanding, from following their online and offline behaviors.



To wrap up our Ze delivery overview, it is important to highlight that Ze Delivery brings 50% volume incrementality to ABI

Furthermore, by leveraging ABI Ecosystem Ze has positive unit economics, something that is difficult to accomplish within last mile delivery businesses.

Inspired by Ze's success it became a replicable model that we decided to expand to the rest of the world under the brand TaDa!

This digital brand was born to be global.

Following Ze's replicable model, we scaled to 12 markets in less than one year, from Latin America to South Africa.

Let's watch a video to show how this happened.

As you saw TaDa is a reality across LATAM, yet our largest opportunity is in Mexico.

Let me tell you more about it.

Mexico is our number one market for TaDa and has the benefit of leveraging the footprint of the physical Modelorama stores.

It already delivered over 1.8MM orders in the first half of 2023 exhibiting exponential growth since its launch in 2020, achieving a 4.8 app rating and 77 Consumer NPS.

And we have recently launched Club TaDa, a rewards program based off Ze Compensa where consumers can already experience the benefits of the program both online and offline through coupons enabled by BEES.

We've now covered 2 of our 3 megabrands, which takes me to sharing with you the overview of our business for developed markets: PerfectDraft.

PerfectDraft is the ultimate home draft beer experience, with a machine that chills the keg within hours and preserves the beer freshness for 30 days once opened.

And through PerfectDraft consumers can enjoy more than 40 different brands in the convenience of their home. Moreover, Consumers pay half the price of draft beer in the on-trade, while ABI sells the beer at ultra-premium pricing.

Perfect Draft is present in 7 European markets and is most developed in the UK and France where we have more active machines than Bars & Pubs in those countries.

Our state-of-the-art machines, paired with our recently revamped app, redefine the consumer experience.

Users can now customize settings like beer temperature, discover new brews, and even receive notifications about low beer levels or keg freshness.

Beyond these features, this technology gives us a deep understanding of our consumers.

We don't just get insights from purchasing behaviors, but also deep dive into our consumers' occasions.

Since the launch of Corona Cero on PerfectDraft, we've gained valuable insights into the occasions and times where non-alcoholic beer is most relevant for our consumers.

Corona Cero consumers in the UK over index their consumption in post-work hours and during dinner occasions relative to other brands.

As you can see on the Corona ad on the right, our team in Europe have been able to use these insights to focus the corona Cero activations during these occasions, maximizing effectiveness of their campaigns.

Now that I've shared with you details about our 3 DTC brands, I encourage you to visit our booths where you can learn more about them and how we are growing key occasions such as soccer, barbecue, and meals.

Before I finish let me leave you with few final messages.

As we saw today, DTC products exist to help deliver ABI's strategy by solving consumer problems.

DTC is helping us lead & grow the category by:

- Using consumer data to unlock deep consumer insights that are replicated beyond DTC
- And activating our brands to develop occasions

Moreover, DTC is digitizing & monetizing our ecosystem by:

- Building Digital DTC Megabrands that are loved by consumers
- And having a unique and scalable replicable model, grounded in our enduring relationships with millions of customers, paving the way for the global expansion of our DTC business in a profitable way

Wanted to thank you for your time and consideration today.

ABI is on a transformation journey, to become the most tech-enabled CPG company, and DTC is an integral piece of that transformation.

We are committed to drive incremental profitable growth for ABI, and we look forward to engaging with you further to discuss the promising future ahead.