

**AB INBEV'S CAPITAL MARKETS DAY 2023 MEXICO CITY, MEXICO
WEDNESDAY, 21 SEPTEMBER 2023**

BU President Mexico, Cassiano de Stefano

Welcome to Mexico!

It is a pleasure to welcome you all in our amazing country.

As Lisboa already said, we are very proud to have been chosen to host this Capital markets event.

For us, it is an opportunity to showcase the powerful results that can be driven from the consistent execution of our global ABI strategy.

It is an honor to share with you how we are living this organic growth journey.

Before sharing an overview of our country and explaining what you should expect from the market visit later this morning, let me give a brief introduction of myself:

I joined the ABI family in the year 2000 in Brasil, almost 24 years ago.

During that time, I had the opportunity to hold several leadership positions in the business with a mix of local and international assignments in sales, logistics and marketing, in Brazil and Russia.

Since 2018, I have been BU President for Mexico and starting in January 2024, I am privileged to have the opportunity to lead our Africa Zone, taking with me the lessons learned from the successful development of the beer category in Mexico to our developing and emerging markets in Africa.

Mexico is a crystal-clear example of the results we can deliver when consistently executing our strategy.

It is a developing market where we have been able to take advantage of untapped potential.

Our focus on expanding the beer category has allowed us to be a key contributor to the growth of ABI.

And we expect this growth to continue, as we continue to relentlessly execute the 3 pillars of our global strategy.

Mexico is a good representation of the potential of our developing markets across the world

It has a very promising demographic profile:

First, it has the world's 10th largest population.

Second, this population has an average age of only 29 years, compared to more developed market benchmarks such as the USA and Germany with older populations.

And third, improving social economic levels over time, with growth in the upper and middle classes.

Mexico is also very attractive for investments, being the 9th largest economy in terms of direct foreign investment, boosted by multiple Trade Agreements with the US, Canada, the European Union and over 50 more countries and a stable currency.

Our business is well positioned to benefit from Mexico's potential, given the relevance of the beer category and the strength of our portfolio.

Our business in Mexico is one of the key growth countries within ABI's footprint, being the 4th largest operation by volume and net revenue, and the 2nd largest in terms of EBITDA contribution, in a growing industry.

We are the proud owners of three out of the four most valuable beer brands in the country, with Corona being number two across all categories.

Corona, Victoria and Modelo are true Mexican heritage brands, loved by our customers and consumers.

Mexico is also the proud homeland of Corona, a national icon that represents the conqueror Mexican spirit, now present in more than 180 countries and, as you saw earlier in Marcel's presentation, the fastest growing global beer brand in terms of value in 2022.

Grupo Modelo has a strong reputation across society, recognized by Merco as the #2 most admired among all companies and #1 in the beverages sector.

Our reputation is founded on:

- 98 years of commitment to Mexico's social and economic development
- Being a local business, with a positive impact in our communities, generating over 30 thousand direct jobs

- Our steadfast commitment to Mexico - in times of both celebration and need

Over the past years we have committed to the mission of leading and growing our category.

From 2017 to 2022, the Beer Industry grew volumes at a compound annual growth rate of 4%, ahead of GDP, population, and other alcohol categories, gaining share of total alcohol, delivering an industry consumption growth of 25 liters over the last 10 years, with ABI being responsible for around 80% of this industry growth, with consistent market share gains.

These results are a direct consequence of the relentless execution of ABI's global strategy: lead and grow the category, digitize and monetize, and optimize our business.

In a nutshell, here is our proven formula for growth:

- With loved brands and a consistent portfolio strategy, welcoming more consumers and expanding consumption occasions.
- Digital transformation of our business, empowering our customers and consumers, leveraged on technology, data & analytics.
- All that serving as enablers to deliver strong value, from top to bottom line and consistent profitable growth.

For a deeper look at how we are implementing the first pillar of our strategy, I would like to invite Felipe Ambra, our Marketing VP for Mexico, to the stage.

Felipe, you have it...

VP Marketing Mexico, Felipe Ambra – Mexico Overview

Thank you Cassiano.

I am honored to lead our Marketing team here in Mexico and excited to take you through how we are leading and growing the category

Before jumping in, I wanted to take a moment to introduce myself and my career experience to date.

I joined ABI in 2001 in Brazil, almost 23 years ago.

I have held roles in Marketing and Sales, with several international assignments over LATAM.

For the last 5 years, I worked as the Corona Global VP, where I had the chance to lead the expansion of our strongest global brand.

And this year, I joined the team in Mexico as Marketing VP.

I couldn't be more excited to bring this experience to the country where Corona was born, to keep developing our category and supporting our business growth.

As Cassiano just mentioned, we challenged ourselves to deliver consistent compound growth and develop the beer category.

And over the last few years, industry consumption level confirmed that our strategy works.

The P.O.S system that Marcel mentioned yesterday helped us to identify opportunities to expand the category participation, and we made it accessible to more consumers, while developing new occasions, and growing the total amount of beer servings.

All of this could only be delivered because we have a portfolio of healthy and growing megabrands.

And we see that there's still a positive industry growth trend ahead of us, when comparing Mexico to more developed markets.

So while we are proud of our past success, we keep challenging ourselves and opening gaps to find new opportunities.

As part of our culture, we dream big.

As it has been presented by Marcel and reinforced by Angelica yesterday, we follow the exact same replicable toolkit to lead and grow our category based on the five key category expansion levers.

In Mexico, we implemented the same toolkit that Angelica presented yesterday to increase participation and develop occasions.

We expanded our pack assortment to new offerings in different price points across our whole portfolio of both Core and Premium brands, and focused on expanding beer into the meal occasion, our biggest opportunity.

You were able to experience how we approached that in our brand immersion yesterday, for example with Victoria and tacos.

So today, I will focus my presentation on introducing the strong portfolio that we built in Mexico to help us to lead and grow the category across the remaining three expansion

levers:

- Core Superiority
- Premiumization
- And Beyond Beer

Starting with our Core Brands and our Core Superiority framework.

Core is the backbone of our business. We believe that with No core, there is no category. Brands in this segment represent more than 60% of our volume here in Mexico

Our main brands are Corona & Victoria: iconic loved brands, which have been part of the Mexican culture for decades.

And our strategy is very clear: to respect their legacy while keeping them relevant and vibrant.

As Marcel presented yesterday, we aim to always deliver to consumers a superior product, with superior positioning, executed with superior platforms to deliver superior value

Let me share what we mean by that in our Core Brands...

What have we achieved with this Core Superiority strategy?

We have grown volume above industry.

Not only gaining market share across the total market, but also within the core segment, while gaining brand power at the same time.

As markets develop, consumers start looking for more sophisticated propositions.

And to lead this development, we have a very strong Premium portfolio. It is composed of Local jewels: Modelo and Pacifico, and a successful international brand: Michelob Ultra.

Again, let's see a video to present this powerful portfolio...

We also see very positive results in the Premium segment.

These brands show three times more compound annual growth than our total portfolio.

And we have been gaining share of the premium segment and increasing brand power.

Our expansion to Beyond Beer in Mexico started with a strong focus on cultural understanding: this is the country of mixing food & beverages.

Leveraging on this we developed an inclusive and incremental portfolio:

- Victoria expanded to flavored beer with Vickys, addressing the “Familiar Flavors” segment introduced by Marcel yesterday.
- Michelob Ultra always ahead of the emerging consumer trend for lower carb and less bitter offerings with Hard Seltzer, bringing a solid proposition to the “Light and Refreshing” segment.
- And Corona democratizing the category with Agua Rifada, bringing local flavors beloved by Mexican consumers, touching on the intersection of “Familiar, Light and refreshing.”

Results: with these brands we established ourselves as market share leaders in the most dynamic segment – Hard Seltzers.

To close, let me recap how we deliver consistent industry growth:

- With strong and vibrant brands across our portfolio.
- With superior products, positionings and platforms that deliver superior value, each one with clear business roles, to include more consumers and develop more occasions.
- And a clear mindset on P.O.S to maintain our growth momentum for the future.

Now I'll let you get back with Cassiano to walk you through the other key components of our strategy. Thank you!

BU President Mexico, Cassiano de Stefano

Thank you, Felipe, for the clear message about the first pillar of our strategy.

Now, moving to the second one, let me share what we are doing to digitize & monetize our ecosystem here in Mexico, empowering our customers and consumers

Mexico is a great proof point of how relevant, scalable, and replicable our Bees platform can be.

We reached 80% point of sale adoption in year one.

And now we may say we have a fully digital route to market, with 96% of our customers using BEES both in our direct distribution and our wholesaler systems, representing over 90% of our net revenue.

BEES is today our single platform for business and market development, becoming an important enabler to successfully execute the first pillar of the strategy, Lead and Grow the category, and consistently improving our service level.

Let me present one example of how we transformed and improved our Core Business Efficiency, through BEES, using data & analytics.

I'm talking about our innovations, aiming to develop the category as Felipe just shared.

Over the last years, we launched several new packs and products, based on participation and occasions opportunities.

Data driven analytics from BEES helped us to identify the most likely innovations to be successful with specific customer audiences.

We then used direct communication through BEES, with the correct toolkit to activate each innovation.

And the results speak for themselves:

- 70% of customers use our suggested orders
- The weight of innovations in our revenue has grown 2 times since 2019
- Driving 6% participation growth of our category in 2022

BEES started by improving our Core Business, and now evolves to generate new growth sources, expanding to new revenue streams, bringing more opportunities to expand our customers portfolio.

With the introduction of BEES Marketplace, adopted by almost 70% of our customers monthly, and already representing around 4% of our Total Revenue.

Enabling our commercial partners - the traditional trade - digitization journey with their consumers, unlocking new revenue streams.

Providing them access to new digital products like financial services, mobile data purchases and utilities payments.

Vendo is a great example to illustrate this transformation.

The main gaps for the traditional trade, when compared to the modern, were the digital and financial products.

Vendo, powered by BEES, was launched at the end of 2021 and is already present in 4 other markets besides Mexico.

It started by enabling our customers to sell mobile data recharges, expanding the offering to utilities payments, with a very fast escalation to 90 thousand points of sale, a number significantly higher than the modern trade.

Our national sales footprint allows Vendo to be present even in the most remote areas of Mexico, reaching over 4 million consumers with a weekly retention rate of 70%

Please, keep this 4 million consumers figure in mind, because we will come back to it.

Now let's check how Vendo is expanding with a recently launched consumer facing brand, to increase the awareness of our service: Modelo Pago.

Let's move now to our DTC channels

They act as insights labs for our category growth, allowing us to learn and scale up what works for our consumers.

In Mexico we have both physical and digital DTC platforms: Modelorama and TaDa.

Modelorama is a very strong network of 10 thousand self-owned stores.

A business that allows us to:

- Deliver the best beer experience - the coldest beer, with our ideal assortment, at the right price
- With superior margins for our business versus any other channel
- And, perhaps most importantly, unlocking deep consumer insights via our sell out data

Pedro and Lucas shared yesterday the strong value proposition for Tada: the coldest beer, at supermarket price, and delivered at home in less than 35 minutes.

Mexico is our leading market for TaDa in the zone, and the first to implement the loyalty program toolkit shared yesterday for Ze Delivery in Brazil.

Club TaDa added loyalty to the platform value proposition, rewarding consumers with the redemption of benefits in our Modelorama stores, putting together digital and physical exclusive experiences in the most relevant entertainment platforms, such as tickets to Corona Capital, the best music festival in Mexico, and unique benefits to engage with the national soccer team, just to name a few.

With this proposition, TaDa rapidly became the number 1 beer home delivery platform in Mexico, with around 300 thousand orders per month, and over 400 thousand unique users

400 thousand consumers whose data can be integrated with Modelorama and unlock even deeper consumer insights.

To recap, our digitization strategy has allowed us to create a unique ecosystem of integrated tools, that unlocks deep consumer understanding.

Going back - Vendo has quickly impacted 4 million consumers in the traditional trade, our most important channel, while providing us with valuable data records.

That was integrated with transactional information of over 400 thousand users of TaDa and almost 3 million of monthly sell out data records from Modelorama stores, enriching our data lakes with consumer driven information.

And finally, all this data is integrated with our customer database and sales information in our BEES platform, enabling us to adjust our portfolio recommendation to each one of our customers, becoming our backbone to play our role as industry developers.

Finally, now we move to our third and final strategic pillar: optimize our business

As a recap, here are the main messages about our Mexico business:

- A relentless implementation and execution of our global ABI strategy
- Following the Lead & Grow category framework
- With a continuous mindset of category developers - with ABI driving 80% of the industry growth in the last 5 years
- Enabled by becoming a fully digital business
- Proven to drive strong and consistent compound growth - this growth has been very balanced, with a top-line CAGR of approximately 11% from 2017 to 2022
- Always maintaining strong financial discipline and making the right investment choices
- And also delivering a double-digit bottom-line CAGR

As a result, Mexico has been the biggest contributor to ABI's top and bottom-line growth during the last 5 years.

So, what comes next?

Now you'll be able to experience all the strategy that we just presented in action in a market visit.

But before sharing the logistics for the visit, I'd like to provide a brief context of the market that you'll be visiting.

First: In Mexico, a point of sale is required to have a license to sell alcohol.

Since licenses are controlled by the government, only around 30% of points of sale sell alcoholic beverages, which means that around 70% of points do not sell alcohol.

In our visit, we'll cover those allowed to sell our beers.

Second: In Mexico ABI has over 60% of market share nationally.

In Mexico City, including the zone that we'll be visiting, our market share is around 15 percentage points above our national average, which means that you'll experience customers with a high presence of ABI's portfolio.

Third: our market is composed of 5 main channels:

- The Traditional Trade, the biggest and most relevant channel nationally
- Convenience Stores and Supermarkets, also referred to as the Modern Trade
- The Owned Retail stores: including our Modelorama franchise, and the equivalent for our competitor
- And the On Premise, composed of Bars and Restaurants

Another remark is that in all channels, you might find customers that would sell exclusively our brands, exclusively our competitor's, and some that would sell both.

In our visit we'll be able to cover a good representation of the market in Mexico.

In that context, let me give you a quick reminder of what to look for during our market visit.

For our first Pillar:

- Our multiple pack offerings with different pricing propositions to make our portfolio accessible to everyone.
- The strong presence and leadership of our Core Brands, Corona and Victoria
- Our portfolio approach to expand beer presence in the Meals occasion
- A strong execution of our premium portfolio in store, which helps them to grow ahead of the industry
- And our beyond beer portfolio activating both familiar tastes, and Light and refreshing consumer needs

In our second Pillar, you should ask our teams to show our digital ecosystem in action:

- How BEES is serving our core business to help us developing the category
- Its expansion to new digital services with Vendo
- And our Modelorama and TaDa businesses, where we extract the most out of our physical and digital direct interaction with consumers

So, let's go to the logistics.

The market visit will be held in the Polanco area and adjacencies.

We are here at the Hyatt Hotel, where we will also finish the morning.

We are distributed in 4 zones and 9 different groups

All groups will use vans.

On your badge, you will find your group definition, illustrated by one of our brands.

To find your group, look for the big lollypops signs with each of the brands. Each route has a local Leader, who will be responsible for guiding, explaining all details of the market, characteristics of each POC to be visited, answering any questions you may have, and very important, they will be the pacers of the group, making sure we accomplish to visit all defined points and be back at no later than mid-day.

Summarizing:

- Go find your group and enjoy the ride.
- During the visit, as part of our continuous improvement, if you have something to share, please scan this QR code and give us your comments. They will be very much appreciated.
- And let's meet back at midday

Thank you so much for your time! Let's go for action.

And see you soon back here.