Hello, everyone, and welcome to the Q&A panel section of our seminar today. I'm Shaun Fullalove, the global VP of investor relations for ABI, and I'm joined here by Michel, and Fernando, and some of our management team that you heard from today, including Ricardo Tadeu, Jason Lambert, Ezgi Barcenas, Pedro Earp, Rosie Coppiano, Pablo Panizza, and Bernardo Novick. Before we start, I just have a couple of quick disclaimers to note and then we can dive right into it. Firstly, the presentations you heard today and the answers in this Q&A contain forward-looking statements. Please, refer to the disclaimers contained in the materials posted to the presentation section of the investor's page on our website. Secondly, all participants in studio, including the panelists, staff, and crew have been fully vaccinated against COVID-19. The health and safety of our teams is our number one priority. So, although we are maskless during this Q&A, all crew and staff off-camera are masked and socially distanced to maintain safe working conditions.

So, with that out of the way, let's move to the Q&A. Thanks to all those who submitted questions throughout the day. We have collated some of the frequent themes. So, Michel, let's start with one for you. From Celine, at JPMorgan, the question, what is your assessment of the beer industry, medium-term growth in terms of both value and volume?

Michel Doukeris, Chief Executive Officer

Hi, Celine. Thanks for the question. I think that we discussed during the presentation today something that was very important for me to share with you and to bring the data forward. You know that we discussed during the quarter 3 results, my 100 days that I spent a lot of time talking to people, listening, understanding what people knew about the company and their views. And one thing that struck me very deeply was this idea that there was a lot of conversations about the category, a lot of assumptions, but very little data. So, I asked questions to people while they were talking about the category, and most of the times, nobody could refer to any data point. So, I think that as leaders in the category, it was our job to clarify the trajectory of the category, and to bring some perspectives around the beer category and its future. And the data is very clear. So, first, beer is big, and beer is profitable. So, beer is growing share of
throat, in the last 4 years, share of volume, and every monitor on this 100
countries span, which is very comprehensive data, is also doing a forecast about
the future of the category. And it shows that beer is set to grow. A lot of this
growth is coming from emerging markets. So, we see what we call the
maturity-2 markets growing. But even in very developed markets in the last
three, four years, we saw a huge turnaround for the category.

So, the second data that's very important is that beer has a lot of headroom to
continue to premiumize. There is more opportunities to premiumize in beer than
in other categories that are already very advanced in terms of premiumization.
And the third point is how important and how meaningful this idea of the fourth
category, the Beyond Beer, as we call, brings for us to have further growth and
to continue to expand the category with the model that we built today. So, more
than 50% of the volume that comes from Beyond Beer, it comes from hard
liquor, and wine from occasions that today beer under-index, and we are very
well positioned to capture. The growth that the beer category will have, the
growth that exists with the Beyond Beer innovation possibilities, and moreover,
the position that we have is very unique in terms of markets that will allow us to
continue, not only to capture this growth but also to accelerate it in the future.
So, we are very happy with the learnings that we had, are very confident with
our ability to continue to drive the category forward. And we thought that
would be very important to share this data with you here today.

Shaun Fullalove, Global VP, Investor Relations

Great. Thanks, Michel. The next for you, Ezgi, so with the announcement
today, we've received multiple questions on the same theme. So, summarizing
here, I think in relation to net zero, can you provide more details on what our
net zero ambition is? And secondly, does management have incentives linked to
this ambition to make it real?

Ezgi Barcenas, Chief Sustainability Officer

Thanks, Shaun. So, at AB InBev, we have a very strong track record in
sustainability. And, you know, decarbonization and building climate resilience
across our entire value chain is something that we've invested in for a very, very
long time, including through our 2025 sustainability goals, which were
announced back in 2018. So, we are all very proud today to announce a new
ambition to achieve net-zero emissions across our entire value chain by 2040. And you've heard about our framework, inclusive, natural, and local. That's exactly how we want to approach this new emission towards net zero. Our approach is strengthened by inclusivity. So, we're going to work with our retailers and supplier partners, we're going to engage with the broader industry to identify breakthrough solutions. Our approach is also underpinned by natural solutions, so we'll continue to invest in nature-based solutions, in our watershed initiatives, and across our agricultural supply chains around the world. And last but not least, we're going to focus on local impact. Our prioritization will be deep decarbonization across our operations and value chain. So, through these approaches, we're really excited to continue to cascade targets in our organization across senior leadership. In 2020, you may have seen it in our ESG report, over 500 colleagues from around the world carried targets linked to their bonus, their variable compensation, and sustainability last year. In 2021, we've got five chiefs that carry targets linked to broader ESG topics. So, we will continue to share and cascade those targets and create that accountability across our organization. Thank you.

**Shaun Fullalove, Global VP, Investor Relations**

Perfect. Thanks very much. So, Fernando, maybe one for you. Let's turn to finance for a minute. And I think while you were presenting, we got multiple questions along a similar theme. So, the way in which you represented the capital allocation priorities today seems a bit different to the clear priority order of one, two, three, and four, that we have historically shown. Does this signal any change in your capital allocation priorities, or how do you think about that as we go forward?

**Fernando Tennenbaum, Chief Financial Officer**

Thank you, Shaun. Capital allocation has always been about maximizing value creation. So, that's what we're trying to solve for. We have three very important areas of focus. One is optimized resource allocation. We have no shortage of opportunities to invest for consistent growth in our business, either Beer or Beyond Beer, our new business. So, making sure that you are efficient in that resource allocation and maximize, that is a very important topic. The second one is robust risk management. And the third one is the efficient capital
structure. When we talk about capital structure, we need to dynamically balance how we use each one of the levers, that is, in different moments in times, we are going to have different outcomes or different actions. At the current level, we've looked at how we finished 2020 at 4.8 times net debt to EBITDA. That is a significant value from deleveraging. So, we should aim to deleverage quicker. Once we get closer to three times, we should be able to capture around 90% of the benefits from deleveraging, this can be captured. And then, of course, deleveraging is still going to be relevant, but it's going to be a different way to any company to selective M&A, or you compare to return to shareholders. And for me, the key message here is dynamically, to make sure there is not necessarily, at one point, there is always one order, but it's kind of, for what is the order that maximize or what is the ratios that maximize at that given moment. We'll always be seeking for that. Thank you.

Shaun Fullalove, Global VP, Investor Relations

Perfect. Thanks, Fernando. Maybe, Tadeu, let's pivot to BEES for second. I think, you know, we brought some additional detail today on the BEES platform. And we've got a number of questions on really how does BEES add value or enhance ABI's ability to grow? And can you speak to the incrementality of the marketplace concept, which is really, I think, something you brought some additional detail on today?

Ricardo Tadeu, Chief BEES Officer

Okay. Well, I think in terms of incrementality, and talking about how BEES helps ABI to grow faster and more profitably. I think that the first thing is, is by solving customer pain points. One very important element that we found out in the last few years is that, as part of our journey to a more organic-driven growth, we came to the conclusion that it's not just about us, it's about helping our customers to grow. Because when our customers grow, their businesses grow, their economies grow, our category grows, and, of course, ABI grows, as well, right? So, I'll give you some very tangible ways that we solve their pain points and to drive growth this way. So, for example, think about the suggested order. We talked a lot about suggested order. Why is that so important for a customer? Imagine, every week, the customer has to decide what to do with their cash, right? They're very cash restrained. They have to decide what they
have to purchase, and they have to be as precise as possible so they can optimize their cash. They don't want to overload, but at the same time, they don't want to lose sales to order less than they need. They don't want to miss any one of these SKUs that sometimes they're not so relevant in terms of numbers, but they really help with their profitability. That's why you bring a suggested order.

If you think of most companies that go to the markets in a traditional way, with sales representatives, they have this relationship of trying to push some products. In the end, there is a person-to-person relationship going on, where normally, you know, the customer wants to be nice to the sales representative, the sales representatives pushed by their own sales targets, but there's all this bias in the negotiation. And sometimes the customer is afraid of saying no. With BEES, they get an unbiased machine learning suggestion that just provides to them, what is the best solution that would optimize their cash day after day. And it's great to see that today, more than 80% of the customers that are part of this...more than 2 million customers that are already part of BEES are leveraging on our suggested orders to place their orders with us. And we are seeing that the average order that is based on the suggested orders, at least 5% on average, greater than an order that normally comes through the catalog without leveraging on our algorithms. But this is just one example, right? I mean, as we can provide, for example, credit to customers really identifying which customers need, how much they need to grow, what are the exact fees that we should be charging, you know, providing different types of financial services.

We just saw also our BEE tool, which is the BEES to offline, where we try to address a very important pain point for customers, which is like driving consumer traffic to their businesses. So, we are doing all that. And as we do these elements, as we solve these pain points, we're creating incrementality in a very meaningful way. And one thing leads to the other in the end, because as customer starts engaging with BEES, they start saying, "Look, I love if I could purchase as much as possible more products from BEES because it's so tough for me, you know, to go to different points of sales to buy things and have to resell. I don't have control or visibility of the price." And that's why the marketplace came into place. It's really by trying to solve another pain point of them, bringing more visibility, transparency, convenience to customers. And we are seeing, and Jen just showed that customers that buy from our marketplace, which are totally new products and services that we're offering, they are also making more business refers, and helping our core business. So, beer is
growing 1.7% on average more in marketplace customers, and that's it. Today, we are selling. It's a business in itself that's growing, and we're selling annualized, $500 million on marketplace products today.

Shaun Fullalove, Global VP, Investor Relations

Perfect. Thanks, Tadeu. So, maybe one of the hot topics of today and probably for Michel, and maybe for you, Fernando, is on the medium-term guidance that we issued. So, I'm going to summarize just in one question from Pienaar at Morgan Stanley, which I think encompasses a little bit of the questions that we have heard. So, can you please share with us your thinking on the buildup of the 48% Organic EBITDA growth ambition? And we also got a few questions on what that specifically means for 2022. So, maybe just your thoughts, comments on the guidance which we gave today and why.

Michel Doukeris, Chief Executive Officer

I think that's very important, Pienaar. Thank you for the question. We started this conversation with the idea that historically, we don't give guidance, right? And you know that. In 2021, because of the environment, the challenge that we were all facing, we thought as a company that would be important to provide some clarity, and what was the ambition for 2021. So far, we've been working very hard in delivering this ambition. So, year to date, quarter 3, results are pointing out in the right direction. Again, if I go back to the conversations that I've heard with all analysts, investors in my listening tour, one thing that struck me very deeply was this idea that majority of the questions were related to short-term performance next quarter, next year. And people were really concerned and they're trying to model what the outlook for the company was. And I recognize that this is a legitimate concern, given that over the years, we have delivered a lot of growth and very important value creation. But in the short term, we've had some misses.

Because of that, and because today we'd like to share with you a more long-term view and the evolution of our strategy, and how we want to pivot from inorganic to organic. As Fernando said before, we had a lot of opportunities to invest and grow. We thought that would be very important to give you some direction. That's why this idea of midterm outlook, in which you could understand that we are going for organic growth, that we have a solid strategy
and several opportunities to invest and generate growth and value creation for the long-term, but our eyes continued to be on delivery each and every year. So, the mid-term outlook was an important evolution for us, was then based on the conversations I had with you. So, I thought that was important for you to have this reassurance that we will invest for the organic growth while continuing to deliver EBITDA growth and value creation each and every year. I'm not sure if you want to complement something, Fernando?

**Fernando Tennenbaum, Chief Financial Officer**

Oh, just that I would echo you, Michel. I feel it's important to highlight that this is a medium-term outlook. Of course, every year is going to be slightly different, you're going to have [inaudible 00:15:51], headwinds, depending on the years and different challenges. But just to reiterate, and make sure this outlook is that we aim to deliver organic EBITDA growth for 4% to 8% over the middle term.

**Shaun Fullalove, Global VP, Investor Relations**

Great. Okay. Maybe let's pivot to the back row quickly. And one from Mitch Cole at Deutsche Bank, which sort of encompasses some of the questions you've had on the biotech initiatives. And the specific question is, how important will the plant-based protein business be for our long-term ambitions as a company? Maybe that's something Pedro or Bernardo, you could speak to?

**Pedro Earp, Chief Marketing & ZX Ventures Officer**

Sure. So, five years ago, when we took a look at the opportunities that we have for the company, we took a look at consumer trends, and where we believe we could have competitive advantage, where we could play in a meaningful way. And out of that study, a lot of new things came in, you know, Beyond Beer is one of them, our DTC platforms is another one, and biotech was another one. We felt that in biotech, we could play in a meaningful way, given some of the capabilities that we have, and also had attractive returns on a risk-adjusted basis, right? So, our core business is a profitable business. So, for us to make sense, you know, to expand our total addressable market, and get into new
industries, it had to make sense from a financial standpoint. So, Bernardo, do wanna complement there?

**Bernardo Novick, Global Head, ZX Ventures**

No, Sure. Yeah. Thank you, Pedro. So, definitely, food supply is going to be a global problem in the next years, but it's a great opportunity for ABI. And I wanted to elaborate a little bit more on, you know, why us? What are the opportunities that we bring to the table? Right? And I will say, number one, is that we have an amazing global footprint with more than...you know, we operate in more than 50 countries, we reach 20,000 farmers around the world. And that's a big advantage for us. Number two, our knowledge in fermentation at scale, I think that's something that it's very important if we want to make, you know, fermented protein at scale, and we can do it in a very cost-efficient way. And number three, our barley saved grain. You know, we discover that is very rich in protein, we can extract that protein, and it's a very high-quality protein. That is also very, very sustainable. So, we're very excited about the biotech space and the opportunity, and how much we can add value to our partners, our shareholders, and also our society. Shaun.

**Shaun Fullalove, Global VP, Investor Relations**

Great. Thanks, both. Ezgi, maybe back to you. I think you also spoke a little bit about this inclusive, natural, local framework that we have within ESG, which is new news today. So, we received multiple questions along a similar theme. So, wrapping those into one, you know, how does this framework translates into how ABI works to empower its partners across the value chain, like farmers and retailers?

**Ezgi Barcenas, Chief Sustainability Officer**

Yeah. So, as a global-local company, we are really empowered by our rootedness and our reach. And I can't emphasize that enough. So, inclusive, natural, local for us really, truly encapsulate who we are, and how we will continue to create shared prosperity around the world, and really be that next-generation business today. So, by solving the challenges of our partners across our entire value chain, we know that we're creating opportunities for inclusive
growth. And as you saw, you know, we're building that resilient quality supply of ingredients globally, working with over 20,000 farmers across 13 countries. And we work with them side-by-side on the field directly as trusted partners. And we improve access to technology to financing, we provide new skills, new seed varieties to those farmers so that we can continue to build their resilience, improve their productivity, but also ensure our supply security. So, that's upstream. But maybe I can turn it over to Tadeu, and he can talk a little bit more about how we work with our retailer partners downstream as well.

Ricardo Tadeu, Chief BEES Officer

Okay. Ezgi, thank you. Yeah. So, I'll get back to the customer pain points that I just referred. And I think that one of the beautiful things about BEES is that we're really making digital inclusion happen at scale, and every day, right, as we scale fast, as we expand to more and more markets. But why a customer pain point? I just would like everybody to think of a situation, imagine if you run a business, and you don't know how you perform, actually, you don't have any control about your numbers in the end of the month, you don't know if you're growing, you don't know if you're declining against your history. You don't know how you're performing against your peers, the people in the neighborhood. The people who are in the same market as you are. You don't know, what are the products that are being successful, and they're being sold by your peers in your market? So, in general, you have very, very limited. And also, when you go and buy the goods that you're going to sell, you know that because of your scale, you want to get access, you know, to the best prices, because you're just like small, right? And then you have to compete for consumers with different types of customers and peers that have access to much more, besides all that information.

So, all of this is a reality for many, many customers that today are not yet part of BEES. Because we try to solve this issue, give to the customer's insights, very meaningful insights, so they can know how they're performing, they know how they're doing versus the peers, they know what's going well in the market so they can have much more educated choices. We truly believe that by giving insights, transparency, empowerment to customers, this relationship of them with us, will improve a lot, we will do much more business, and that will drive growth. And by helping our customers we're helping the community because we know how much small businesses are important to the growth of the
economy and the communities, in general. And in that way, as we really hope that we're already making a difference today to helping entrepreneurs all around the world.

**Shaun Fullalove, Global VP, Investor Relations**

Perfect. Thanks to you both. There's a two-part question here, but I think along a similar theme. So, maybe we can take both at the same time. So, the first is from Carlos Laboy at HSBC, saying, how do the digital platforms transform how you innovate and develop your brands better? And then a second part from Andrea at [inaudible 00:22:27] asking, can you speak to the incrementality from your DTC platform? So, maybe, Pedro, you can speak first, and then we can hear from Pablo on the DTC?

**Pedro Earp, Chief Marketing & ZX Ventures Officer**

Sure. So, let me get the first part of the question. Technology and data analytics for us is not an enemy itself, right? It has a purpose. And for us, the purpose is really to offer the right product to the right consumer at the right time, in a very convenient way, right? So, that's kind of the mission that we have for technology, data, and capabilities. We have focused a lot on three main use cases for the past few years. I think the first one is portfolio management. And increasingly a fragmented landscape it's very important to know what to offer to what consumers, and we're using a lot of the B2B data to know where we need to have these products available also for innovation, what's missing, in terms of products to satisfy needs states that we don't satisfy today. The second one is media efficiency and personalization, right? What we should offer to consumers in a very efficient way, in a way that our dollars they go further. And the third one, it's really convenient. How can we create technology platforms that improve the availability, and the convenience that we can offer consumers? So, we invested a lot in these platforms for the past few years. I know today we have a very robust technology stack. In marketing the commercial organization alone, we have more than 400 people focus on data and analytics in the D2C, B2B platform. We have more than 2000 engineers really focused on that. And we already see some of the early results, right? So we see a lot of their category acceleration, we see the share of beer, and we see an improved media efficiency. We have MMM models that we run all over the world, and we've
been seeing a lot of acceleration of our media efficiency. So, do you want to get Pablo the incrementality of DTC?

**Pablo Panizza, Chief Direct to Consumer**

Sure. Thank you, Pedro. I think it all starts by delighting our consumers with a superior experience, because we're designing our digital products to optimize the consumer journey and eliminate meaningful friction points. And because of that, we can create long-term relationships with our consumers that end up driving customer lifetime value growth. For example, out of the 50 million transactions, consumer orders that we delivered this year, we can learn about the consumer preference, and optimize our commercial processes to drive more personalized activations. So, all our consumer data that we collect indirectly onto our platforms is connected with our CRM platforms, so we can reach the right segment of consumers with the right product and brand at the right moment, and with a very relevant method. And all these together drive category growth. Because we are reaching new occasions, we are driving premiumization, for example, all our direct-to-consumer platforms have a higher premium mix than the average of the market. And as we grow direct to consumer, we're also developing e-commerce that is a driver of convenience. And all these together accelerate the category growth. Thank you.

**Shaun Fullalove, Global VP, Investor Relations**

Great. Thanks, guys. Maybe for Pedro and maybe for Rosie as well. So, we've received multiple questions along a similar theme. So, in the presentation today, we spoke about the new category expansion model. Questions are sort of, what is working well versus what is not. And then, can you provide some examples of the category expansion levers that we spoke about during the day?

**Pedro Earp, Chief Marketing & ZX Ventures Officer**

Sure. So, let me get started, then I'll pass it on to Rosie. I think category expansion, first and foremost, is about a mindset shift, right? From managing our business within the beer category to expanding the category, you know, is the first and foremost most important thing that we have in there. Of course, it's not easy, right? Starting to expand the category is something not easy. So, for
the past three to five years, we had a lot of experiments, we have kind of a new innovation process to be more agile. Today, we're putting a lot of products in the market in less than 100 days. And we also have improved the way to scale up these innovations, right? So, we have like the seed and learn stage where we put products out very quickly and we learn very quickly. And once these products are proven, these [inaudible 00:26:33] are proven in a couple of markets. We are very good at scaling them through the Prove and Move program. So, that has been some of the ways we improved our process. Some of the examples, you know, that we have Brahma Duplo Malte in Brazil, which is a huge success, you know, more than 9 million hectoliters sold, we expanded in Israel more than 10 markets. Today, it's a big success for us. The expansion of Michelob ULTRA, you know, our health and wellness proposition also used the same process that we're having there. And like we mentioned, 00, and some other projects. So, Rosie, do want to talk a little bit about the levers?

**Rosie Coppiano, Global VP, Category Strategy and Insights**

Yeah. And as Pedro I mentioned earlier, we've landed on five levers that we know work. And we are very disciplined in the rollout of all of these initiatives. You know, so those start with making the category more inclusive, ensuring superior offerings to all of our consumers, expanding occasions and premiumizing, and, of course, expanding the reach of our category, Through Beyond beer offerings. And some of these are more mature than others. So, you see examples like core superiority, which is quite mature, and we're seeing already gains in market share as a result. And others are a little bit less mature or still evolving, like Beyond Beer in some of our markets outside of the U.S. You know, so across all of these, we're seeing category acceleration, we're seeing increased share of throat as well as gains in share of beer.

**Shaun Fullalove, Global VP, Investor Relations**

Perfect. Thanks, guys. Pedro still with you, actually, I think... Actually, sorry, no. Back to Bernardo, a little bit. One of the questions which we've actually heard, and I got some interest in during the day in relation to BioBrew. And so one of the analysts, Robert Yan Fosse, specific question, can you provide a few examples of the products or initiatives that we can expect from BioBrew, given what we've presented today?
Bernardo Novick, Global Head, ZX Ventures

Yeah. I mean, I think we are ahead in terms of...we have two main businesses, EverGrain and BioBrew. In EverGrain, that is a plant-based protein, right? We're a little bit ahead. So, we have already a facility in St. Louis and our pilot facility in Newark. And we are starting to produce next March, we're expecting to produce $20 million in revenue already next year. So, it's a fact, and it's in breads, it's in protein bars, it can be in even milks. I will say for BioBrew is a little bit more ahead. So, we are still in exploratory stages. The idea here is to start partnering with other people in terms of produce. So, we already have a juice, press juice that is in the market testing, but I will say for BioBrew we're still in exploratory spaces. But the idea for BioBrew is huge, right? Because you can, you know, ferment any type of protein. So, we started more milk-related products, but, you know, the opportunities are huge.

Shaun Fullalove, Global VP, Investor Relations

Okay. Great. And more to come.

Bernardo Novick, Global Head, ZX Ventures

Yeah, more to come.

Shaun Fullalove, Global VP, Investor Relations

Pivoting back to BEES a little bit today. I think some of the question is more on some of the specifics on BEES, so from Simon Hales at Citi, asking how many markets have you rolled out BEES into now? What are the rollout plans for 2022? And is there an ambition in terms of what proportion of the group's revenue we hope will be coming through BEES three years from now? So, it's a little bit how we see about BEES today and BEES into the future?

Ricardo Tadeu, Chief BEES Officer

Yeah. Some of these questions we talk every quarter, Michel, so you give me...you know, can I update some of the numbers, so good? So, we are today in
16 markets, right? We just most recently reached Tanzania as our newest market. And today, if we think about digital transactions with customers, we are reaching the threshold of 50% of total ABI's net revenue, being through BEES or other digital means. So, I mean, we're already, you know, very relevant and getting at scale very fast.

**Bernardo Novick, Global Head, ZX Ventures**

Perfect. Pivoting to Beyond Beer, I think, which we haven't asked much about today as yet. But from Sanjeet, at Credit Suisse. A question on, how big do we expect Beyond Beer for ABI to become within the medium-term timeframe? I think we mentioned in the presentation today, it's around $1.5 billion in revenue in 2021. And how much of this do we think will come from extending existing beer brands versus new innovations within the Beyond Beer space?

**Pedro Earp, Chief Marketing & ZX Ventures Officer**

Yeah, I think Beyond Beer is a massive opportunity for us, right? As we talked about, it leverages some of the capabilities that we have. So, we have a huge relationship with more than 2 billion consumers all over the world. We have logistics, the supply capability. So, Beyond Beer, I think is a place that we feel very comfortable that we have a competitive advantage. And you can tap into spaces that there are some barriers for beer to penetrate. So, for us, it's very incremental in all the markets that we've been casting Beyond Beer, usually, incrementality is anywhere between 50% and 100%, which cast a lot during our 10-year plan and the potential of Beyond Beer. It's a more established category in the U.S., but it's still to be built all over the world. So, we had an experience, for example, in craft, where we had an operation in the U.S., and we saw the future in the U.S. of what craft could be. And then we took that trend that was saw in the U.S., and we took it all over the globe. And today we lead the craft segment in the markets that we operate. We believe the same opportunities there, you know, for Beyond Beer, we see that the need states and the barriers are very similar across markets. And we really believe that having some of the learnings and operating in the U.S., a massive advantage for us to take some of these learnings and develop Beyond Beer in markets like Brazil, in markets like China, and Middle America is also a big opportunity for us.
Shaun Fullalove, Global VP, Investor Relations

Perfect. Tadeu, maybe back to you on BEES. So, we've got a couple coming in. So, I'm going to summarize in a consistent theme, I think, but a lot of questions on, can you speak to our competitive advantage within BEES? And what is our right to win within this space in terms of where we are currently with that platform?

Ricardo Tadeu, Chief BEES Officer

Okay. Great question. I think there's a combination of factors that make us very competitive in the space. I think, first one, it's things actually culture-related. We've been talking a lot about customer pain points and this whole customer-centricity. I'd actually like to allude to a fact that a couple of years ago, we added customer to our 10 principles, is now our principle seven. It's because, as we were doing this journey for BEES, we really identified as a company, as a whole that we really needed to put customer also at the center of everything we do. So, we really could think with the eyes of the customers and really feel how they feel and think how to solve their problems to create opportunities for both. So, I think that customer-centricity in this laser-focused culture on really addressing their issues is something that is a very big competitive advantage that we have.

I think that a second factor, I think, are more related to topics which are more part of strengths, traditional strengths of ABI that now are being very useful as we expand BEES. I think, you know, the quality of our route to market, not only, you know, direct distribution but also the quality of our wholesalers in many, many markets, which are very, very professional, very well organized. So, BEES works very well in markets, not only that we direct distribute but also with wholesalers. So, we were prepared to work with all conditions. But, I mean, this strong route to market together with that very strong portfolio of brands that we have and that we keep investing on them and making them stronger every day. So, we know that in these customers, we are already the most important supplier that they have, with big amount of brands, like very relevant brands to them. So, this combination of, you know, this route to market, it's a very strong route to market with this great portfolio of brands we have is, I'll say that's a second layer. And the third one, I think that I have to emphasize also, you know, this strong investments that we've been putting on
technology to really develop the platform and create that ecosystem that Michel is talking a lot about, but I will ask Jason to help on that.

**Jason Lambert, Global VP of Product, BEES**

Oh, sure. Thanks, Ricardo. So, over the last several years we've invested heavily to build this state-of-the-art e-commerce platform for our customers. We have a team of over 1,200 engineers, product managers, and developers that not only have built a robust microservices architecture but are now also operating 10 next-generation applications on top of this architecture. It's also supported by a modern customer data infrastructure that captures warehouses and deploys billions of data points across our ecosystem every month. The result is, not only an application but an experience that is personable and reliable that our customers truly love. And this love is seen through our NPS. We have seen consistently higher NPS for our BEES customers that are non-BEES customers in all the markets that Ricardo has mentioned. And we really, truly believe that we will be a reference point for B2B e-commerce, given our size and our scale. Just as one sort of additional discussion on our adoption, we've had the close of month of November with an additional 200,000 monthly active users compared to September, and 9 million orders just in the month of November alone.

**Ricardo Tadeu, Chief BEES Officer**

These are great numbers, I think in terms of adoption. And I think that the fact that we have invested so much, and really built internally that allows us to do like releases every other week, and really to make the BEES app better for our customers, you know, every two weeks. So, I think that's a great competitive advantage, and thanks for helping, Jason.

**Shaun Fullalove, Global VP, Investor Relations**

Great. Thanks, guys. Michel, maybe back to you. Getting a few more questions on the beer category and beer share of throat. So, one from Simon Hales at Citi. Do you expect beer to be able to win back share of throat within the total beverage alcohol category in key developed markets like the U.S. for the next three to five years? So, a little spin on the earlier question?
Michel Doukeris, Chief Executive Officer

I think that we discussed that and we shared the numbers on a consolidated way. And what’s that exciting is that after a period of stabilization, and then some share of throat losses between 2010 and 2016, beer is now consistently growing globally in the last three to five years. The projections, as you look forward is that this growth will continue to happen is led by, as I said, emerging markets, but we see some very well-developed markets like the U.K., like Canada, where beer is gaining in the last two to three years. You can refer as well to the U.S. with the advent of the Beyond Beer that you add growth on top of the beer category by going to new occasions, new liquids and sourcing from wine and spirits. So, we are very excited about the opportunities to expand the category, we are very well positioned because we can capture a lot of this growth in emerging markets. But moreover, we see markets that are very well developed like Canada, like the U.K., and even the U.S., where this is turning around and already growth can be observed like in the U.K. and in Canada. So, the Beyond Beer, 50% incrementality is a great tool for us to continue to drive and expand the category.

Shaun Fullalove, Global VP, Investor Relations

Great. Maybe one for you, Rosie, I think as we look at the volume of questions we have here. So, can you add a bit more color on how you're making the category more inclusive? So, I think inclusivity is one of the key levers which we spoke about in the question, focusing on how we plan to do that. And then particularly for the females, the female consumer.

Rosie Coppiano, Global VP, Strategy and Insights

Yeah. So, there's three components to making the category more inclusive, and it's a combination of revenue management, price pack, as well as product innovation. You know, so within product innovation, we're looking at a series of liquid developments that are going to target specific needs for different consumer groups. Of course, usually, in the past, and historically, when we talked about making the category more inclusive, we're really thinking about some of the consumers that today do not have access, but want to be part of the category but we also know that half of our drinkers are women, you know, and women also want to be able to take part of socialization relaxation locations,
you know, with a beverage that would allow them to connect with the group. So, that's part of what we're doing. A lot of it is actually in some of the propositions that you've seen like Buddha fruit, for example, and the expansion of Beyond Beer in North America, you know, but also in some of our developing markets, you know, with more moderation as well as these smaller packs that allow women to have the right size for the kinds of occasions that, you know, we like to partake in.

Shaun Fullalove, Global VP, Investor Relations

Okay. Perfect. Thanks. I think we're probably just looking at the time, I think we maybe have time for one more, Michel. So, I'll start with you and then see how we get on timing. So, this we've received from sort of multiple people, including, I think, Brett from Consumer Edge asked this question, Trevor from Bernstein asked this question in different forms. But Michel, you spoke to the fact that in the past, there was a focus on the short-term, and results have been somewhat inconsistent for us as a business. And now we have the shift to long-term value creation. What is changing to position you better, including from a cultural and organizational perspective, to capture these new opportunities and drive organic growth long-term as we think about the business?

Michel Doukeris, Chief Executive Officer

So, I think that the first point is that historically, we have created a lot of value, and we had a repeatable, very simple strategy that allowed us to be part of the consolidation of this industry or industries. They have examples of consolidation, and beer was not different. And we were agents in this consolidation together with other players. When they refer to the topic that, in our conversations, by listening to investors and analysts, there was a lot of focus on the short-term, and questions around the results in the short-term. We saw that there was a reason of this collateral effects of our strategy being implemented over the years. And perhaps the two most important collateral effects was the idea that as we were consolidating the industry, we didn't apply enough innovation, and we didn't allow the industry to realize its full potential. And this to me, becomes a huge opportunity for the long-term. The second topic is also that, in delivering synergies and being very focused on delivering
the results of each and every integration, we miss this big opportunity to realize the full potential and unlock value from the ecosystem that we built.

The good part, as I said, during the presentation is that those are more strategic bottlenecks, and not really like existential bottlenecks. And as we upgrade and evolve our strategy, with the right mindset, the right outside-in view, focused on customers and consumer main points, and deploying tools and products that allow us to harness the value of the ecosystem, we can create a lot of value. And the changes in terms of culture, just complementing the answer, there are changes that we need to be more long-term focused. So, organic growth is very different from inorganic growth. It's more granular. You need to seed. You need to grow, then you can harvest. So, this is something that is on the way inside the company, and we just finalized our 10-year plan. So, I often talk about this competitive advantage of having a 10-year horizon, right? So, everybody has one-year plans and three-year plans. Every time that you stretch this line, and you can really see the massive transformational changes that consumer trends can bring to the business, then you can position yourself much better to the long run.

The second thing, I think that the culture of ownership in everything that we do, with the right focus, like consumer focus, customer focus, solving for pain points, and finding opportunities to lead and grow the category, is something very important. We've been talking a lot to our team about that. And even our purpose now is the idea of create a future of more cheers, is more category-centric, is more explicit about our ambitions, and gives us an umbrella that's much broader, in terms of what we need to do to lead and grow the category, not being the leaders but leading the category expansion and the category growth. And I think that our priorities are very clear. I hope that they work for you today, at least, therefore, that to me today was to say that lead and grow the category, digitize and monetize our ecosystem, and optimize our business, our laser focused priorities on our strategy, and now it's about execution. And in this way, I always say, you can doubt a little bit about our directions and our strategy, but you cannot doubt about our will and our ability to execute. So, I'm very confident that the team will quickly grasp all the concepts that we have around our strategy, and we will deliver, as usual, a great execution, and we will create future value and we'll create a future of more cheers.
Perfect. Thanks, Michel. I think just looking at the time we'll probably call it a close here. I know there were many questions which we weren't able to address, please, reach out to myself or the investor relations team with those, we'll be happy to address. So, thanks to you all for joining. You know, we appreciate your time and support for the company. We hope you enjoy the rest of your afternoon or evening, and I hope the presentations today were enjoyable for you. So, thank you very much and we'll speak to you all soon.