

AB INBEV'S INVESTOR SEMINAR 2018**JOHANNESBURG, SOUTH AFRICA****DAY 3****THURSDAY, 9 AUGUST 2018****Q & A**

QUESTION 1: Brito, in your dream people culture, you spoke about encouraging candour, so I'm going to take you on face value.

Brito, your management team is all male, two thirds are Brazilian, or come with strong Brazilian connections. Is that something you're concerned about and if so, what are you doing about it?

CARLOS BRITO RESPONDS: Well it's not two thirds, but let's not argue, but the point's a relevant one. It is also true that my team had female representation up until a year ago, so it was not always like this, but we're in a transition phase, but let me tell you why diversity and inclusion is important for us and I cannot say we were paying attention to that some years ago, so that's something that's been two or three years in the making and the thing is, it's very simple. Firstly, our business is all about, as you've seen here, dream people culture, known as for many years, it's all about attracting talented people to start with, everything derives from that. If talent is equally distributed, we cannot be a company that appeals only to a segment of the population, because of course we would be missing out on a lot of talent out there, so that's the first reason why it makes sense for us to do a better job there. The second thing is that, it is proven and it makes sense, that for complex problems, more diverse groups tend to come with better solutions for complex problems than homogeneous groups. It was interesting because the other day I bought an Alexa, but I gave up on it as it could not get understand my accent. Then the other day there was an article in the Wall Street Journal I think, one of those newspapers, saying that the Alexa is having issues in the US, in the Midwest and South because of accent of native speakers

and the article was saying that the main issue that they are now getting to the root cause, is that the group that built Alexa was so non-diverse that the accent that was put into the application was the accent from the coasts and nothing else, so I mean diversity is a problem, even in that kind of situation. The third is that our people, also want more of a diverse workforce to represent what we have out there in terms of talent tackling complex issues. So it makes sense in terms of talent, it makes sense in terms of solutions, and it makes sense in terms of what our people want. Having said that, a big Aha moment I had two years ago in that respect, was a training session we had on “unconscious bias” and that’s where the problem is. Diversity and inclusion is just a reflection of that and I was the first one who said, I’m biased and I have things that I’ve been doing for many years now that I’m conscious about and I will try to work on that and that for me was a big Aha moment. If you look at the announcements that we are going to be doing, not sure that they all going to be external, but you know you end up knowing about it, in the next few weeks for the next leadership. You know, levels of the organisation because of the reorganisation we did, you’re going to see the gender representation will be more present and that’s already a reflection on the bias training we had, because the problem we have is not, when we start, you know with GMT’s and GMBA’s, our group is very diverse, both in nationalities and in gender, just to give two examples of two verticals. Nationalities, we don’t lose that, our nationalities are much better, so that’s why I dispute the two thirds because that’s not accurate, but the gender we tend to lose and that’s one of the things that we’ve been thinking more and more about and trying to locate exactly what the reasons are for that and we have groups now working on that, because we want those female partners to stay with us because they’re very smart, to start with, and they bring a lot of good solutions to issues we have, so but, in the next few weeks you’re going to be seeing announcements and because we’re a meritocracy, that will and I’m told quite often, that will lead again for my team to be gender diverse as it has always been but for the past year and a half, so I feel very confident because we, we don’t hire from the outside or rarely we do, this wave that’s coming, is the wave that will feed into my

leadership group, so I take your point, you're right, we have a gap there, not so much in nationalities because if you look, the numbers are there, but in gender, you're right. But if you look at the zones it's totally different, so here in South Africa, you showed this morning or yesterday was two thirds, one third. So in the regions it's not a problem. Today, the problem is mine, so it's not a company problem, it's my problem, but in the company, it can be better.

QUESTION 2: Brito, you said you rarely go into market to recruit experienced people. Well, we've heard a lot over the last couple of days about the intellectual synergies you're getting from SAB, which obviously has involved the recruitment of a lot of external people. Are you worried that your culture might lead to ABI being almost too introspective and being too internalised and sorry one other one, also I guess HR related things, but ABI has clearly evolved a lot in the last three years since you last held one of these. How is your remuneration approach evolving to reflect that?

CARLOS BRITO: I mean when I said, we source our people mostly from inside, that's totally true, but it's not one hundred percent – David Kamenetzky who presented here just the other day, he came from outside and it's bringing a lot of contribution for us, so we had that mix, it's just that we have eighty five / fifteen, or ninety / ten depending on the area, sourced from inside, so yes, we see value and every time we do a combination like this, one of the values that we always are very alert to, is not to lose anything in translation, because when one thinks to hire somebody from outside, there are things to understand, how it works in a systematic way, when you join and see the other company that's in the same business as you are, just in different territories, when they open the kimono and you see all those pieces all connect, as opposed to hiring one person that will come with one piece of the story but not the whole system, so it's a bit more, it's richer when you do the way with the intellectual synergies. In terms of compensation, our compensation model is connected to targets, that's connected to gap openings and it's basically a three-tier system. First,

you have targets at the company level, business unit level and then individual targets, which is something a lot of people dispute. The individual targets, because that can create some non-cooperation among the various themes, but because first you need to make it at this level, then at this level, then we look at individual targets. If you get to your individual targets but your business unit doesn't get good results, you also don't get a good bonus, so I mean all those things are connected. They are multipliers, so you need all that, but the individual is the recognition we have. The individual target, that in any group, you always have people that are more important vis a vis performance than others. I always give the example when I go to colleges that, when we have work groups in college or high school, it's always the case that the work groups are six people and it's always the case that two or three will do the hard work. One guy will be the pizza guy that will feed everybody, the other guy will be the guy good at making you know, Xerox copies and getting binders together. That's also very necessary, but I mean that's not the one that creates the most value and so on and so forth. You need everybody, but we'll try to recognise the one or two that really did the heavy lifting and that's why we have individual targets, but again, if the business unit doesn't make it, you don't make it, so that's what creates this. The other thing about our target system is that we like conflict, healthy conflicts, because we believe by having conflicts you get to better places, so the target system will put a lot of people at odds in terms of what they're trying to achieve, because we believe that by having people and by having that kind of conflict, you're able to get to better places. So, if you have somebody in supply and logistics that's only trying to optimise the cost of distribution and you have the sales guy, with delivery level and service level as a metric and a target. I mean these guys are in principle in opposition because one is trying to maybe deliver less frequently, deliver higher, you know drop sizes. The other one is trying to deliver better service and from that tension, we'll find a place, that's a trade-off, not one hundred percent here, not a hundred percent there, that something that makes sense, so the target system is also that and in terms of compensation, we have three tiers, we have, like most companies. We have what's called the base salary, but

our base salary is the average of the market. We don't want anybody to come to work for us for fixed salary. That's not our system, so we try to get people excited about coming to work for us because of the variable portion, because of the sharing of the value creation and that's in the bonus and for one percent of the people, the partners, on the equity side and that's the system, so for example, as you grow in the company, most of your compensation is away from fixed into variable and most of it is five to ten years, right. An important part is also yearly, but a lot of it is more long term incentives, to exactly get the check and balance on decisions and incentives for you to make this decision, as opposed to that decision and we're constantly reviewing it, but one thing we continue to be very firm on is the whole thing about being cliff and being five to ten years because we believe again that's connected to ownership and that helps us self-select the professionals and executives that want to join us just for two or three years. We don't want those people, so we try to make it harder for them to join.

QUESTION 3: So sorry, just to follow up, how, I think you could have said exactly that three years ago, so what, has anything changed or is it just the way, the individual targets you set people?

CARLOS BRITO: Well David can talk a little bit about that.

DAVID ALMEIDA: Yes, so I think just as Brito, just to underline what Brito said, we recently did an assessment of our compensation and it's more deferred but there's more upside potential, so driving ownership and driving the right mentality, that's the first thing. The one thing we've done is and connected to everything we've heard here about the whole idea of resource allocation. At some point, the first factor in the way we drive variable compensation is what we call size of the pie. It's the amount of money that's available to pay for bonus and in the past a lot of that, how that size of the pie was defined was based mostly on the zone and the business as opposed to a

global perspective and that made it very hard for us to kind of reallocate resources, because if you were to take for example, sales and marketing investment from one zone to another. That would impact their ability to develop, to deliver their EBITDA growth, so a big change, I say the most significant change we've done over the past few years, has been migrating the size of pie more towards the global size of the pie so that, that will give us the ability to do what we need to do, which is resource allocation and really drive money to where it needs to be, so that we can drive the growth. The other small thing we've done is in certain specifics, so for example Pedro's group ZX, given we're trying to recruit a different kind of people for ZX right, with a different mindset, there we've applied a different kind of model, to be more effective for recruiting the kind of talent we need within the ZX right, so tailored for that group.

CARLOS BRITO: Yes and that group would have for example, what's called founders, right Pedro, would you like to talk a little about founders and how the compensation works for them?

PEDRO EARP: Yes, so at ZX we have a different profile of people. We have people working for example in specialties globally and then the compensation is related to specialties right because some of these people they want to be, have their compensation closer to the things that they are adding value, but it's sort of specialties global, you know. The other extreme, is that we have entrepreneurs that are fine having a much lower salary but have a big equity upside linked to his or her contributions, so in some cases, we are creating actual equity or phantom equity in the things that people are running with, so we are testing kind of, you know, different models to appeal to the kind of people, the profile of people that we want, but we also don't give up on some of the, some of the principles that we believe in right, so at the beginning we did a lot of benchmark with other companies, to take a look at compensation and for example, you know Amazon and Google, they have sort of a

four year grant, but it vests every, twenty five percent every year, right so people see a lot of liquidity on their first years. That's something that we were against in the beginning you know, because having a five year cliff, really self-select the kind of people that they are very sure that they want to join, so you know people that are kind of doubtful, say I'm going to join but I'm not very sure, you know if this is the right place for me, you know a five year cliff forces the decision, you know, so we kind of, we're adapting, you know to be able to recruit the right people for the right job, but there are some principles that we, you know, we don't compromise.

QUESTION 4: Talking to Miguel and Tony around the edges of this event, I think I'm right in saying that they said that something like seventy or eighty percent of your sponsorship spend you think you know with your new tools, the ROI that is very low and might need to be changed obviously. The World Cup sponsorship was clearly successful, but that means that a lot of the rest of it isn't. I wonder how that would benchmark against your competitors in your view and whether this is a cost saving opportunity or an efficiency opportunity going forward and I guess you could also talk about your marketing mix and how that's going to move over time.

CARLOS BRITO: Better than myself responding, Lucas may tell us about his meeting in the US with all the leagues and how you told them that we have to evolve.

LUCAS HERSCOVICI: So, what Brito is alluding to, we had a meeting less than two months ago, where we brought in all our agencies and we also brought in all the partners. We have over eighty teams and we have over six leagues where we share with them our vision moving forward and that we needed to move to a model that was more variable, that we needed, so we had NFL, MLB and NBA and we have eighty teams, Patriots, like Yankees, just to name a few, so our previous model was as you outlined, was all fixed and we are now moving to a model that is much more variable. The recent deals that we signed, there were articles that were written recently that

appeared in the press that we've, we are revolutionising the system from a sponsorship perspective and we're putting KPI's that are tied to our business growth and that's a model that we're implementing for any deal moving forward. Alluding to the first question on ROI, first that is a short-term ROI, the lower and we know sponsorships also have a long-term value because they drive affinity with our brands. Second, we do not, then you asked a question with regards to media, we know based on benchmarks provided by Nielsen, we use Nielsen medium mix modelling and we have, we are more than two times have a higher ROI in media than any average CPG out there and we do not have that benchmarking for sponsorship because we created a sponsorship ROI model with Nielsen that no other companies have today, so we cannot look at what their ROI is, because there's no benchmarking, so I think that answers the questions. I think there are rooms of improvement that we have in sponsorship and those are the changes that we're driving, but we shouldn't lose the context, one thing is short term, the other is long term.

MIGUEL PATRICIO: We are not against sponsorships, I think sponsorships can be very important for the brands, but we need to have the right contracts for the sponsorships. The contracts for sponsorships from the past were based on logos and awareness, this doesn't have a lot of value to us today, so that's why the ROIs are low, but they can be increased if we start talking and this is the conversation on the variable part about content creation, having access to content with the teams, et cetera and that can be very powerful, so the point is not a crusade against sponsorships, it's a crusade to have a much better return on investment.

LUCAS HERSCOVICI: And just looking at, to refresh on Miguel's point, analysing the learnings from our sponsored ROI model, we've been able to identify what are the things that work and what are the things that don't work and based on that we've been renegotiating contracts with our partners, focusing on those things that matter and in only twelve months, when we measured in sixteen and we saw it in seventeen,

we were able to improve our ROI by thirty three percent, so again that is something that the tools that we have are helping us drive the transformation that we need, focusing on what matters.

QUESTION 5: Thank you, I have two questions, one for Pedro, if you can share some of the learnings that you've had from the wines and spirits acquisitions that you've made and how can beer learn from those categories and one for Brito, in the last three days I mean we've seen how much the mindset of the ABI is changing, so just wondering is the board giving you the patience to fix some of the challenges that are still in the business and not going back to the quick fixes that you've, that you guys tried in the past, so really applying this whole new mindset to the whole company?

PEDRO EARP: Yeah, so in general terms, I'm going to talk a little about it in general terms and then go into specifically. I think the main learning you know when we dealing with all the start-ups is kind of their learning agility and really like testing things quickly and cheaply, before you know scaling them, so if you take a look at our more traditional innovation model, we kind of see a big opportunity. We'll do some research, we'll design something, then we'll kind of launch it you know nationally, putting big money behind it right, that's the kind of the model of the past and these guys don't do that. So for example in craft, the way that they innovate is that they have ten brewmasters at Goose Island, they will all develop new beers, they will get between themselves, they will choose five, they put the five on the brew pub, they see in the first week the three bottom ones, they take it out, you know and they keep doing that and then what works in a brew pub for four weeks, they put in ten brew pubs and then they start scaling this thing, so you know, a much more efficient way you know of doing innovations, so I'm thinking you know, probably in the past years in the US, we had kind of one or two big bets per year, we're like a fifty percent strike rate. This year we have simultaneously running, we're running twenty or thirty pilots, you know in the US and only doubling down on the things that are working, so Hiball

is one, we have canned wine business doing very well, you know, SpikedSeltzer sales are going triple digit but this business are still kind of on a regional level and now we are feeling confident enough to go there and expand them nationally so I think we're going to get a lot of efficiency in our strike rate and the impact on the things that we innovate. I think that you know, our investment thesis, you know in all of these adjacencies, if you will, it's not really you know to go there, go to the Red Oceans, going into the competitive spirits, wine with the same proposition that our incumbents have because we'll lose because they are much bigger and they have scale. What we're trying to do is we're trying to invest in businesses that we believe we can actually disrupt, you know the incumbency in the spaces right and that is the second learning you know these guys, they say if I come up with the same angle, I'm never going to win against a big player. I have to play a disruptive angle, so if you take a look at Hiball - it's the only zero calories, fair trade, all natural, organic, energy drink in the market right. I mean, there's no other energy drink in the market and that's exactly going in the direction that you know millennials are going, you know millennials love the image of energy drinks, they are drinking less of it because they think it's chemical, it's bad for you, it looks radioactive for them and we believe the Hiball can tap into that. If you think about wine for example you know, wine from a functional liquid standpoint, you know it's great with millennials, with females, people perceive it as healthy, it's less bloaty, you know it has a higher alcohol content, so sometimes you know if you are in a concert or something like that. One insight we got especially from female consumers is that they go less to the restroom and things like that, but it has lot of liabilities right, people see it as a very unbranded category, so really you don't have brands that connect with millennial consumers, the formats and the sizing that they have is not adequate for like music concerts, for beach, for whatever that is and we really see an opportunity to go there and have for example canned wines, which has, you know an image of beer almost in a way from a connection stand point with millennials and we know how to do that very well because that's a segment we've been targeting forever, but use all the functional benefits of

wine, you know, so that's kind of, those are just two examples. We also have a spirits business in the UK that can be truly disruptive for the spirits industry, but our objective is, you know to say, what are the things we believe can be one billion dollars in each category because it's very disruptive for the category, but we have a platform that fits perfectly into the platform.

CARLOS BRITO: Back to the question you asked about the board. Our board, I would say that our board is one of the strong points in our company. The strength that we have in our company, for a couple of reasons. First, because they are owners, like we are, so they're not professional board members, they are invested big time in the business, they've been, some of them, for generations in the business and I would say it's a very tough board, but fair, but very tough because they don't take anything for an answer and in terms of governance, we have a separation between board and management, so when I go to the board I'm invited to go to board meetings but I'm management, I'm not the board. The chairman and the CEO are two separate figures and that provides a great check and balance, we think, in terms of governance, so the board is independent in their thinking, they're owners, they have a control group, clearly defined, they take interest in the short and the long term of the business. They are willing to be contrarians for the short term, for the long-term benefit and they always think what's best for the company, not what's best for them, as shareholders of the controlling group, also the company first and they don't mix with management. So, we manage the company, they try to see things we don't see that are going to hit us around the corner, that's the kind of feedback they give and stuff. They like to travel because they like to know the business, they like to get to know the talent pipeline that's coming up so they have an opinion, can ask good questions, can challenge us the right way, so again a tough but fair board, but they have patience to a limit, but they willing to invest for the long term, but they want results as well.

PEDRO EARP: Brito, can I make, just a comment on that, you know I talk a lot to my

peers and CPGs that are trying to create similar things you know like disruptive growth and things like that and one of the main challenges that they have is usually, this comes from management, you know seeing all the evolution that is going on and actually faces a little bit of resistance you know at the board level and one thing that I always look back and you know and I was very fortunate, is that as Brito explained, the kind of the creation of ZX for example, was inspired by a conversation that he had with the board, so you know really, having a board that you know is always thinking very long term you know and is kind of, very in tune with what's going on out there, you know has been a great asset for us in terms of being able to drive innovation forward with a lot of support.

QUESTION 6: Brito, any lessons that you can take from the turnaround in the Australian business for the US and the reason I ask that is it seems that they are quite aggressive where they've decided not to emphasize as much those core brands like Victoria Bitter and Carlton and investing a lot more on the other, well in the US it hasn't been as aggressive, the change in mindset it seems, I mean, if you can comment on that, thanks.

CARLOS BRITO: Yes, if you look at the Australian business and our Western European business, the story is very similar, so at some point our guys look at the portfolio of today, look at where consumers and occasions are going, decided that the portfolio was not well built, well fit for that future that was coming and decided to start prioritising different things and doing resource allocation following those priorities. This is not done overnight, it's done in the course of many years and the same is being done in the US, it doesn't mean that you're taking money here necessarily from there, but it's recognising that it's not about brand by brand, it's about a portfolio play. I think that's one thing that the category expansion framework came to open our eyes, that sometimes we're focusing in some markets and fixing one brand as opposed to preparing the portfolio for what's to come and talking a portfolio game as opposed to

a brand by brand game and in recognising, in doing that you recognise that sometimes some brands will be smaller, but will remain very important, like Victoria, VB in Australia and some others will grow, like Great Northern and they will need fuel because you know they have the winds in their favour and that's the portfolio that you need to, to do to be competitive in the future, so not only looking at occasions, but also looking at segments of consumers' needs and have a portfolio that, in which consumers as they go through different occasions, throughout the day, the week, the month, the year, that they stay always with you, because you're offering them what they want, because you're consumer centric and you're looking at portfolio not only one brand, so those are the things that happened in Australia, Western Europe, with great, look at Western Europe. Western Europe was always a dog of a region for us, because it had great margins, but no growth and four or five years ago, our guys decided to invest more in global brands and Pan European brands, look at it as a common market as one market more and more and do resource location accordingly and in the past four years we've been growing at four plus percent. UK is just one example, it's the best example we have in the last three years in Western Europe and also growing profitability with operational leverage, so that has been a great case, Australia is another case. The other thing David is saying here is that in the US, when we got there, we had a first ten-year plan, that was then in 2007, to be the basis for valuation for the business, of course in that ten-year plan there was no financial crisis, but that was the ten-year plan that we had. And last year we compared that ten year plan, it was amazing to see as I presented here on our first day, that our guys in the US, they were able to deliver a much better financial result in terms of top line, in terms of cash flow and EBITDA, but not top line, top line was below that, so we took that idea again of the ten year plan having now the category expansion framework in our minds and you know, where trends were going, where locations were going and we now are, did last year, did a ten year plan for the US, in which you understand that some brands will be smaller, some brands will be bigger and that will instruct and

guide our resource allocation and priorities and target setting for the next few years, so that's the ten year plan that we have for the US, for example.

QUESTION 7: I've got a question that perhaps all three of you could give your thoughts on and that is you know, dream people culture, you know, you're very passionate about and is really critical in terms of identifying the company and you spend always a lot of time on talking about people and the importance of having the right kind of people, the culture and all the different principles. The dream part you don't tend to talk about as much, you talk about the importance of having a big dream, but you don't talk about the dream itself in a lot of detail and I'm wondering you know to what extent, you know, how you articulate the dream and you changed it recently, in the last couple of years, whether how you articulate the dream today is relevant given the kind of stuff that Pedro is working on, given some of the stuff on the category framework that Anne Stephens has brought in and you know, is it relevant and is it something that is inspiring? Is it relevant and whether perhaps a different dream may be more helpful driving performance the next five years and perhaps also having something more with perhaps financial metrics potentially, potentially maybe being the best performing FMCG company, I don't know? I don't know the answer, but I'm just, I'd love to get your thoughts in terms of articulating the dream.

CARLOS BRITO: Okay, I'm sure you noticed here that a lot of the people that came to present here said that the dream of our function, or the dream of our zone is X, so dream is present everywhere. As a company, the larger umbrella idea is that we exist in this business to bring people together for a better world, okay and we try, when you think about this, this all came from, not one hundred percent from that one question but about eight or ten years ago, I was doing a trainee, a global management trainee program, induction, in St Louis, so it's nine years ago and one trainee from Ukraine asked me a very tough question. It was the last question and she said, Brito, you know I'm Ludmilla from Ukraine, what would the world miss if maybe I did not exist and I

was like wow and then I did what you do when you don't know exactly the answer, is say what's your name again, thinking, oh Ludmilla, Ludmilla okay great, thank you, where you from? Ukraine. Thank you, but which city? Oh Kiev, I've been there many times beautiful city, congratulations, I almost asked the district within Kiev, but then thought it's too much. I said you know what you asked a very important question, thinking and I'm about to answer, but that's a very important question and then I answered the best way I could then. I said well, I think if we didn't exist our consumers would miss our brands and what they mean to their lives on a daily basis, entertainment and the things they connect to brands because that's what brands give to consumers and our people would miss the workplace we have, the environment, our colleagues, our culture and those are the two things, but then I came to my colleagues and said guys we need to have a better answer for that, because if all we do is supply product, anybody can do that. We need to become indispensable for our customers and consumers like Apple is for us today, so if the iPhone disappeared and the iPads and the iPhones and the iMacs, our life would be worse off, because we'd have to go back to Blackberries and things that don't connect, don't talk to each other and you have the IT guy always by your side because those things don't connect, don't talk to each other, so I would like to be that guy. For example, I give you an example, you go to China, EDM music, Electronic Dance Music, we are curators of music in China, so we have artists, EDM DJ's that come to us, so we introduce them to the Chinese market, because our consumers in China, they know that when we curate that artist, that DJ, that's good. That's something that globally makes sense, that we're now bringing to China, so I became part of my consumers life and entertainment in China, that's one example, so that's, then I become indispensable, so if I do a connected POC as you showed here and I give more tools to my customers, so they're more efficient, or I help ladies in that program in Latin America, about the tenderas that normally are women, so they have the basics of the business and they are more successful. I'm becoming indispensable for them, not because of just what I sell, great brands that command margins and all of that but also because of everything else that

I bring, so when Tony comes here and talks about agriculture, we're doing in smart barley is exactly that, we're bringing farmers together for a better world so they use better water, they get more yields, they have a better family life because they now went from subsistence to commercial farming, so that idea is the thing that I think can really make a difference, we can really make a difference. Of course, we have KPIs that are internal KPIs, that try to translate that every three years so we can measure because we like to measure, but those KPIs are not public, but so I hear that every function that came here, every zone that came here said, well, my dream is to be this and this and this and measuring like this and this and this, so this is very present, but it's not every culture that supports that. I mean like for you to come, like I come every year, in the beginning of the year to my team and say, guys, this is the budget that we have for the year and guess what, as always, we only know eighty percent, eighty five percent how to get there. Fifteen, twenty percent we will have to discover along the way. A lot of cultures, the CEO would be deemed much more of a great guy if I get there to say to my team, guys I just negotiated an amazing budget with our board, guess what? We know a hundred and twenty percent how to get there and people say, man, this is a great CEO, oh man, negotiating really with the board, you know and I say, no, no, we stretched as we always do and you know eighty five percent, but I'm confident that we're going to be able to find, as we go along the way because we visit companies, because we trip over things, because we learn things, the balance, but this is a, only some cultures will support that, right. If I go in the wrong culture with that kind of statement, people will say, he is a bad negotiator, you know, he's not thinking about us, you know he's playing a different agenda, you know, so I mean all these things connect, so they give the dream is very present everywhere, it's just that different regions will have different dreams but they all connected to this idea that we need to be indispensable to be able to be here for the next six hundred years, we been here since 1366, we want to be here for the next forever, we're brewers and for that we need to be indispensable for our consumers and I remember when we had that question from Ludmilla. We went to do some consumer research but from a different

angle, and we heard things that are amazing and then people telling us in different countries like, I don't know Brahma, in Brazil, people would say, well, in my family, we drink Brahma in barbecues with my dad, every weekend in the Summer, forever. My dad passed and every time I drink Brahma and I'm doing barbecue with my family, I think of those times we had together. I was like man, look at our responsibility, man we have this brand in our hands that's connected to so many emotions out there and we're guiding this brand through changing times but we have to keep true to what this brand represents because a lot of people have a lot of things deposited on that brand in terms of memories and things they've lived, so that's how we see ourselves, how we could be indispensable, getting people together, so the world can be a better place. I give you another example, in Russia, World Cup Russia, this year. In Russia, you cannot sell beer in stadiums, period, okay, but because we had the contract, not because of us, but FIFA went there and said in negotiating the whole framework for the World Cup, was able to convince the government to allow us to sell beer in the stadiums, but we said we want to do this the right way so this is a memorable experience, so we put a lot of limits on the beers we sold in stadiums. First, we sold the zero, zero Budweiser and the regular Budweiser, so it was always there and second, we put limits to what people could buy, which they didn't like, consumers, we sell less beer than we could, but at the end the government, a source from the government said you know what, we're surprised, because we had sixty four games, we had millions of people coming through the stadiums, drinking beer and nothing happened. Okay, so much so that now some governors in some provinces are being pressured by their constituents to say, hey, why can't we do the same with hockey? You know, our passion point, ice hockey, why can't we watch a game and drink beer? Nothing happened, so but that's good. Imagine if it was the opposite, the government says see, that's why there's no beer, so we take this very seriously because we want to do the right thing because only then, we always say that we're a business that's connected to the community right, so we say always two things. We want community to look at the community, to look at it as a part of the solution not as part of the

problem. Cape Town, the drought they had here, they looked at us as a solution to the drought, we were there with the community to share the wealth we had in terms of water and we were part of trying to solve a problem. The other thing we always say in the company is that we have to earn our seat at the table, when things are being discussed, because if you're not at the table, you're going to be on the menu, right, so it's better to be at the table discussing things and giving your opinion and trying to be part of the solution again, so long answer but just to connect a lot of dots, right, here, we have time for one more.

QUESTION 8: Maybe one for Felipe, you provided the last few days some insights as to how you're going to use technology to both sweat the non-working money and the working money harder. As you go towards this new growth phase which may involve reallocation of you know, marketing spend towards the growth drivers within the portfolios, are you confident that you can continue to get good revenue growth and margin expansion beyond the SAB synergies you know, over the medium term?

FELIPE DUTRA: Well, before coming here, I reflected on the China presentation and if you go back there, you will see a very little tiny logo about connected POC, a very little tiny logo about B2B and some of the things that at the time were probably just an idea and in just three years we are where we are and we've shared with you, you know just a bit of what is out there and of course we are working on other stuff that will become relevant in the future, but when David presented a connected contact strategy, two point zero for example, we refer to both efficiencies of about twenty percent, but much more powerful than that is potential sales uplift of three to five percent, when we take into account the time split between initiatives that are going to drive top line and initiatives that are going to drive efficiencies, probably seventy, eighty, top line and thirty, twenty efficiencies, for the simple reason that, efficiencies are part of the DNA and we bring technology for step changes right, so first movement as an example was shared service centres, then centralising primarily financial transactions and then

there was the idea of reorganising that in terms of end to end processes, right, then there was the idea of going to India and basically I think there were some questions about that on the offline conversations. We realised that we were maybe ten or fifteen years late in getting to India and when we landed in India, we said okay, this thing of salary arbitrage is nice, but that is not what companies are doing there. They are already past the phase of centralising repetitive, non-strategic transactions and they were building new capabilities, which led to the decision of not outsourcing, but building ourselves. As we did it for the next wave again, using technology was one of automation and in doing so, we free up resources for that same group of talented people to focus more in building capabilities than to take over, also activities that are more strategic and more complex and that is a journey that we believe will help both, will help free up brand power to focus on what really matters to help drive the business and top line while allowing us to be effective on the cost side too. I'm excited about both and I truly believe in the ability to leverage technology for both.

PEDRO EARP: Felipe, just one comment, you know more on the marketing side, we had kind of our efficiency champions two weeks ago and I think it was very eye opening, you know, like the way some countries have been able to apply technology and creativity together to multiply efficiency by digital media, by ten times for example, so to give you an example, during the World Cup, with Budweiser, you know, we kind of start extracting a lot of data through APIs from YouTube, whatever, to see what are the things that are more likely, you know to become viral, in today's, you know YouTube environment, especially in the World Cup and one of the things we identified, for example, is that you know reactions to things and people recording how other people react to things, like you know, the MVP, or you know, whenever you got drafted, you know for NBA or whenever you got, you were in your computer being accepted at university and whatever, people were actually filming that and actually sharing the virality, the sharing of that was massive, you know, so one of the things we decided to do is to say look, let's have sort of a campaign where people record

them watching the World Cup and sharing, you know, the reaction moment, you know where their country scores and whatever like and we put a hashtag on that, so with that thing we had like two hundred million organic views that we paid zero for, you know, the average, you know earned media, so free media, that we had in Budweiser last year, I think it was around two percent, during the World Cup, it was like twenty eight percent, which means, you know we increased additional media efficiency through technology and we through creativity to more than 10x and we saw a lot of those things and again, the benefit of the efficiency champions is that all the countries are there and all the countries are looking at these kind of things, so we can really replicate these things fast, you know, so I you know, we transform it into targets, which we know how to do well right. We know it's possible and then we know, so next year everybody's going to have a very aggressive target on that, so I'm pretty sure that those things are not either or, you know I really believe that we can be much more efficient on, you know, on the marketing side of things and still deliver more top line.

CARLOS BRITO: Thank you for your questions.