

4Q25 Preview - Limited Asymmetry

A different approach to pricing, volumes and margins

Before we dig into 4Q25 expectations, let us digress a bit. 2025 was a year in which Ambev defied some of the most longstanding commercial practices. Instead of raising prices ahead of the summer, Ambev brought a good chunk of its price hike forward to Q2, when sales volumes are seasonally the weakest of the year. Why? Based on hedges, Ambev knew costs would escalate toward the back half of the year, and it wanted to be better able to navigate that and preserve profit margins. This also highlights another change in Ambev's approach: the past five years have been ones in which Ambev was all about maximizing volumes via top-line growth, even at the expense of profitability. Margins were a consequence of a well-executed commercial strategy. In the new CEO's own words, Ambev now seems to be looking for a more balanced strategy between turnover and profitability, where margins gain more relevance. In a way, 4Q25 was the culmination of that. More below:

Brazil Beer: Softer on pricing, not so bad on volumes; Mind SG&A gains

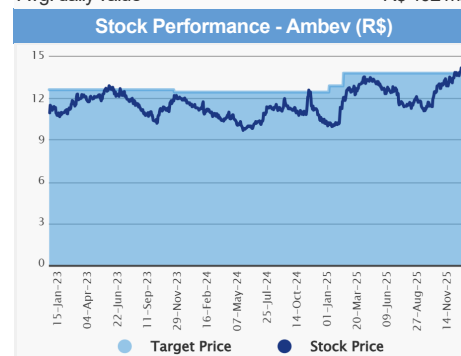
We're modeling a Brazil beer volume drop of 2.2% y/y in 4Q25. That's obviously not great, but probably better than what the consensus is expecting based on IBGE's alcoholic production y/y drop of ~4-5% (December data still not out). The decision to anticipate price hikes to Q2 also arguably allowed Ambev to go easier on pricing in Q4. It possibly helped volumes while still keeping an in-line-with-inflation FY2025 average price gain (~4.2%). As a result, we have Rev/HL growing only 3.2% y/y in 4Q25. Unit costs are expected to have peaked during the quarter (+13% y/y), with gross margin down 420bps y/y to 51.4% (one of the lowest ever for a Q4). But we expect a combination of better SG&A and, even more, higher contribution from other operating income to lead to an EBITDA margin drop of only 290bps to 34.9%.

Elsewhere: Not much to cheer or worry about

The times of booming volumes aren't gone only for Brazil beer but also for many of Ambev's other BUs. We expect volumes to decline y/y for all geographies except for CAC, where we see a 2.2% y/y volume gain. We also expect a CAC to post solid EBITDA margin of 44.2% (up slightly y/y). For LAS, a distorted comparison base is expected to drive lower reported y/y EBITDA, but we're still looking at a solid R\$1.6bn (34% margin), with fewer accounting/operational distortions caused by FX/inflation. Brazil NAB is expected to see similar trends to Brazil beer (lower volumes and margin pressure partially offset by better SG&A and other operating incomes), while Canada

Rating	Neutral
12m Price Target	R\$15.00/US\$2.80
Price	R\$14.04/US\$2.62
RIC:	ABEV3.SA
BBG:	ABEV3 BZ

Trading Data & Return Forecasts	
Forecast price appreciation	+6.8%
Forecast dividend yield	8.8%
Forecast stock return	+15.6%
52-wk range	R\$ 14.2-R\$ 10.0
Market cap.	R\$ 218,918 mn
Shares o/s (m)	15,592.4 mn
Free Float	29.0
Avg. daily value	R\$ 402 mn



Analysts
Thiago Duarte Brazil – Banco BTG Pactual S.A. thiago.duarte@btgpactual.com +55 11 3383 2366
Guilherme Guttilla Brazil – Banco BTG Pactual S.A. guilherme.guttilla@btgpactual.com +55 11 3383 9684

Valuation	12/2023	12/2024	12/2025E	12/2026E	12/2027E
RoIC (EBIT) %	27.1	30.9	30.9	33.9	36.3
EV/EBITDA	7.4	5.5	7.0	6.7	6.2
P/E	13.9	12.9	15.3	14.3	13.0
Net dividend yield %	5.4	6.0	8.9	6.7	7.4
Financials (R\$m)	12/2023	12/2024	12/2025E	12/2026E	12/2027E
Revenues	79,737	89,453	87,368	92,899	99,042
EBITDA	25,237	28,829	28,997	30,211	32,552
Net Income	14,502	14,437	15,081	15,324	16,777
EPS (R\$)	0.93	0.93	0.97	0.98	1.08
Net DPS (R\$)	0.74	0.70	1.23	0.94	1.04
Net (debt) / cash	12,835	26,385	15,603	15,603	15,603

ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 5

Banco BTG Pactual S.A. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Any U.S. person receiving this report and wishing to effect any transaction in a security discussed in this report should do so with BTG Pactual US Capital, LLC at 212-293-4600, 601 Lexington Avenue, 57th Floor, New York NY 10022

should see volume decline accelerating due to tougher comps (-6.2% y/y).

Neutral rated

We remain Neutral ahead of the results, but our stance is different from what it had been for some time now. For years, our Neutral was based on our sense that there was some sort of 'excess' investor confidence. Expectations had been too high in the face of the challenges surrounding the business, and valuations, as a result, were too demanding. We no longer see that. After a period defined by market share losses, margin compression, and repeated resets of expectations, the last five years saw Ambev capable of stabilizing its operational footing. Volumes recovered, margins stopped collapsing, and execution improved. The profit machine no longer looks broken. Perhaps even more importantly, expectations have come to such a low point that we struggle to find much of a downside risk now. 2025 brought us lower volumes, a controversial pricing strategy, continuous competitive pressure and a new cycle of cost inflation. This is all reflected in ours and (we believe) investors expectations —and 4Q25 earnings should somehow attest to that. Valuation isn't particularly undemanding at 14.5x P/2026E, but remains at a discount to its most obvious global peers. We believe the stock should continue trading in a narrow range. The downside is cushioned by cash generation, balance sheet strength, and dividend capacity. Upside is capped by a lack of growth compound.

Table 1: Ambev - 4Q25 Preview

Income Statement (R\$m)	4Q25E	4Q24	3Q25	YoY	QoQ
Net Revenues	23,933	27,035	20,847	-11.5%	14.8%
- COGS	(11,548)	(12,524)	(10,120)	-7.8%	14.1%
= Gross Profit	12,385	14,512	10,727	-14.7%	15.5%
- Selling Expenses	(5,135)	(5,798)	(4,480)	-11.4%	14.6%
- General and administrative	(1,672)	(1,888)	(1,355)	-11.4%	23.4%
+/- Other	795	688	634	15.6%	25.3%
= EBIT	6,374	7,514	5,527	-15.2%	15.3%
+ Depreciation	1,906	2,044	1,599	-6.8%	19.2%
= EBITDA	8,280	9,558	7,126	-13.4%	16.2%
(-)Financial Results	(930)	(612)	(1,091)	51.9%	-14.8%
+/- Non-Operating	0	9	778	n.m.	n.m.
= EBT	5,444	6,911	5,214	-21.2%	4.4%
Minorities Interest	(124)	(144)	(119)	-14.1%	4.4%
- Income Tax	(1,418)	(1,886)	(350)	-24.8%	304.9%
= Net Earnings	3,902	4,880	4,745	-20.0%	-17.8%
= Adj. Net Earnings	3,902	4,871	3,967	-19.9%	-1.6%
= EPS	0.25	0.31	0.30	-20.0%	-17.8%
= Adj. EPS	0.25	0.31	0.25	-19.9%	-1.6%
Gross Margin	51.8%	53.7%	51.5%	-1.9p.p	0.3p.p
Operating Margin	26.6%	27.8%	26.5%	-1.2p.p	0.1p.p
EBITDA Margin	34.6%	35.4%	34.2%	-0.8p.p	0.4p.p
Net Margin	16.3%	18.1%	22.8%	-1.7p.p	-6.5p.p
Adj. Net Margin	16.3%	18.0%	19.0%	-1.7p.p	-2.7p.p

Source: Company / BTG Pactual Estimates

Table 2: Ambev - 4Q25 Preview - Operating Highlights

Operating Highlights	4Q25E	4Q24	3Q25	YoY	QoQ
Volumes ('000 hl)	49,482	50,416	42,419	-1.9%	16.6%
BEER - BRAZIL	24,743	25,299	21,557	-2.2%	14.8%
CSD & NANC - BRAZIL	9,361	9,591	7,760	-2.4%	20.6%
CANADA	1,985	2,116	2,400	-6.2%	-17.3%
LAS	9,969	10,060	7,605	-0.9%	31.1%
CAC	3,424	3,350	3,098	2.2%	10.5%
Net Revenues/hl (R\$/hl)	484	536	491	-9.8%	-1.6%
BEER - BRAZIL	462	448	449	3.2%	3.0%
CSD & NANC - BRAZIL	268	249	268	8.0%	0.0%
CANADA	1,161	1,233	1,190	-5.8%	-2.4%
LAS	461	739	459	-37.7%	0.3%
CAC	902	976	884	-7.7%	2.0%
COGS/hl (R\$/hl)	233	248	239	-6.1%	-2.2%
BEER - BRAZIL	225	199	220	13.0%	2.0%
CSD & NANC - BRAZIL	145	127	148	14.0%	-2.2%
CANADA	494	523	501	-5.5%	-1.3%
LAS	228	366	238	-37.7%	-4.1%
CAC	402	443	390	-9.3%	3.0%
EBITDA (R\$ mn)	8,280	9,558	7,126	-13.4%	16.2%
BEER - BRAZIL	3,994	4,289	3,451	-6.9%	15.7%
CSD & NANC - BRAZIL	736	733	597	0.4%	23.2%
CANADA	620	663	857	-6.5%	-27.7%
LAS	1,563	2,431	993	-35.7%	57.4%
CAC	1,366	1,442	1,227	-5.3%	11.3%
EBITDA margin (%)	34.6%	35.4%	34.2%	-0.8 p.p.	0.4 p.p.
BEER - BRAZIL	34.9%	37.8%	35.7%	-2.9 p.p.	-0.7 p.p.
CSD & NANC - BRAZIL	29.3%	30.8%	28.7%	-1.5 p.p.	0.6 p.p.
CANADA	26.9%	25.4%	30.0%	1.5 p.p.	-3.1 p.p.
LAS	34.0%	32.7%	28.4%	1.4 p.p.	5.6 p.p.
CAC	44.2%	44.1%	44.8%	0.2 p.p.	-0.6 p.p.
EBITDA/hl (R\$/hl)	167	190	168	-11.7%	-0.4%
BEER - BRAZIL	161	170	160	-4.8%	0.8%
CSD & NANC - BRAZIL	79	76	77	2.8%	2.1%
CANADA	312	313	357	-0.3%	-12.6%
LAS	157	242	131	-35.1%	20.0%
CAC	399	430	396	-7.3%	0.7%

Source: Company / BTG Pactual Estimates

Ambev

Income Statement (R\$m)	12/2023	12/2024	12/2025E	12/2026E	12/2027E
Revenue	79,737	89,453	87,368	92,899	99,042
Operating expenses (ex depn)	(56,311)	(62,881)	(60,994)	(65,488)	(69,484)
EBITDA (BTG Pactual)	25,237	28,829	28,997	30,211	32,552
Depreciation	(6,418)	(7,126)	(6,921)	(6,474)	(6,928)
Operating income (EBIT, BTG Pactual)	18,819	21,702	22,076	23,737	25,624
Other income & associates	15	103	726	0	0
Net Interest	(3,799)	(2,318)	(3,847)	(2,617)	(2,304)
Abnormal items (pre-tax)	0	0	0	0	0
Profit before tax	15,036	19,487	18,956	21,120	23,320
Tax	(76)	(4,640)	(3,449)	(5,321)	(6,020)
Profit after tax	14,960	14,847	15,507	15,799	17,301
Abnormal items (post-tax)	0	0	0	0	0
Minorities / pref dividends	(459)	(410)	(426)	(475)	(524)
Net Income (local GAAP)	14,502	14,437	15,081	15,324	16,777
Adjusted Net Income	14,502	14,437	15,081	15,324	16,777
Tax rate (%)	1	24	18	25	26
Per Share	12/2023	12/2024	12/2025E	12/2026E	12/2027E
EPS (local GAAP)	0.93	0.93	0.97	0.98	1.08
EPS (BTG Pactual)	0.93	0.93	0.97	0.98	1.08
Net DPS	0.74	0.70	1.23	0.94	1.04
BVPS	5.06	6.33	5.42	5.46	5.50
Cash Flow (R\$m)	12/2023	12/2024	12/2025E	12/2026E	12/2027E
Net Income	14,502	14,437	15,081	15,324	16,777
Depreciation	6,418	7,126	6,921	6,474	6,928
Net change in working capital	2,432	4,314	(3,977)	1,232	1,355
Other (operating)	0	0	0	0	0
Net cash from operations	23,352	25,878	18,024	23,030	25,060
Cash from investing activities	(2,992)	(10,666)	(3,398)	(8,361)	(8,914)
Cash from financing activities	(11,943)	(11,033)	(19,763)	(14,669)	(16,146)
Bal sheet chge in cash & equivalents	955	13,502	(11,340)	0	(0)
Balance Sheet (R\$m)	12/2023	12/2024	12/2025E	12/2026E	12/2027E
Cash and equivalents	16,336	29,838	18,497	18,497	18,497
Other current assets	20,227	24,318	22,365	23,343	24,418
Total current assets	36,563	54,156	40,862	41,840	42,915
Net tangible fixed assets	26,630	30,170	26,647	28,534	30,520
Net intangible fixed assets	0	0	0	0	0
Investments / other assets	69,451	78,182	72,416	72,416	72,416
Total assets	132,644	162,508	139,925	142,790	145,851
Trade payables & other ST liabilities	39,707	48,112	42,181	44,391	46,822
Short term debt	1,298	1,276	1,049	1,049	1,049
Total current liabilities	41,005	49,389	43,231	45,440	47,871
Long term debt	2,203	2,176	1,845	1,845	1,845
Other long term liabilities	9,292	11,362	9,604	9,604	9,604
Total liabilities	52,500	62,927	54,680	56,890	59,320
Equity & minority interests	80,144	99,581	85,245	85,900	86,531
Total liabilities & equities	132,644	162,508	139,925	142,790	145,851

Company Profile

Ambev SA is a Brazil-based company engaged in the brewing sector, and sells beer, carbonated soft drinks (CSDs) and other non-alcoholic and non-carbonated (NANC) beverages across the Americas. The Company's activities are divided into three segments: Latin America North, including sell of beer, CSD and NANC drinks in Brazil, the Dominican Republic, Saint Vincent, Antigua, Dominica, Cuba, Guatemala, El Salvador, Honduras, Nicaragua, Barbados and Panama; Latin America South, distributing products in Argentina, Bolivia, Paraguay, Uruguay, Chile; and Canada.

Financial ratios	12/2023	12/2024	12/2025E	12/2026E	12/2027E
EBITDA margin	31.7%	32.2%	33.2%	32.5%	32.9%
Operating margin	23.6%	24.3%	25.3%	25.6%	25.9%
Net margin	18.2%	16.1%	17.3%	16.5%	16.9%
RoE	18.0%	16.3%	16.5%	18.1%	19.6%
RoIC	27.1%	30.9%	30.9%	33.9%	36.3%
EBITDA / net interest	6.6x	12.4x	7.5x	11.5x	14.1x
Net debt / EBITDA	-0.5x	-0.9x	-0.5x	-0.5x	-0.5x
Total debt / EBITDA	0.1x	0.1x	0.1x	0.1x	0.1x
Net debt / (net debt + equity)	-19.1%	-36.0%	-22.4%	-22.2%	-22.0%

Source: Company reports and BTG Pactual estimates. Valuations: based on the last share price of that year(E) based on share price as of 15-Jan-2026

Disclosures

Required Disclosure

This report has been prepared by Banco BTG Pactual S.A.
The figures contained in performance charts refer to the past; past performance is not a reliable indicator of future results.

BTG Pactual Rating	Definition	Coverage *1	IB Services *2
Buy	Expected total return 10% above the company's sector average.	64%	54%
Neutral	Expected total return between +10% and -10% the company's sector average.	34%	50%
Sell	Expected total return 10% below the company's sector average.	2%	40%

Analyst Certificate

Each research analyst primarily responsible for the content of this investment research report, in whole or in part, certifies that:

(i) all of the views expressed accurately reflect his or her personal views about those securities or issuers, and such recommendations were elaborated independently, including in relation to Banco BTG Pactual S.A. and/or its affiliates, as the case may be;

(ii) no part of his or her compensation was, is, or will be, directly or indirectly, related to any specific recommendations or views contained herein or linked to the price of any of the securities discussed herein.

Research analysts contributing to this report who are employed by a non-US Broker dealer are not registered/qualified as research analysts with FINRA and therefore are not subject to the restrictions contained in the FINRA rules on communications with a subject company, public appearances, and trading securities held by a research analyst account.

Part of the analyst compensation comes from the profits of Banco BTG Pactual S.A. as a whole and/or its affiliates and, consequently, revenues arisen from transactions held by Banco BTG Pactual S.A. and/or its affiliates.

Where applicable, the analyst responsible for this report and certified pursuant to Brazilian regulations will be identified in bold on the first page of this report and will be the first name on the signature list.

Company Disclosures

7. Within the past 12 months, neither Banco BTG Pactual S.A., nor its affiliates or subsidiaries, has received compensation for investment banking services from this company/entity.

8. Neither Banco BTG Pactual S.A., nor its affiliates or subsidiaries, expect to receive or intend to seek compensation for investment banking services and/or products and services other than investment services from this company/entity within the next three months.

9. This company/entity is not, or within the past 12 months has not been, a client of Banco BTG Pactual S.A., and investment banking services are not being, or have been, provided.

10. Banco BTG Pactual S.A. has not acted as manager/co-manager in the underwriting or placement of securities of this company/entity, its affiliates nor subsidiaries within the past 12 months.

11. Banco BTG Pactual S.A. is not acting as manager/co-manager, underwriter, placement or sales agent in regard to an offering of securities of this company/entity, one of its affiliates nor subsidiaries.

12. Directors or employees of Banco BTG Pactual S.A., its affiliates or subsidiaries are not directors of this company.

13. Directors or employees of Banco BTG Pactual S.A., its affiliates or subsidiaries do not take part on the board of directors of this company.

14. As of the end of the month immediately preceding the date of publication of this report, neither Banco BTG Pactual S.A. nor its affiliates or subsidiaries beneficially own 1% or more of any class of common equity securities.

15. Neither Banco BTG Pactual S.A., nor its affiliates or subsidiaries, including the funds, portfolios and investment clubs in securities managed by them, beneficially own directly or indirectly 5% or more of a class of the subject company common equity.

16. Investment strategists have not contributed in the preparation of this company's section. Investment strategists should not be considered as research analysts and are not registered or qualified as such in their local market.

17. Neither Banco BTG Pactual S.A., its affiliates nor subsidiaries, are market makers in the securities of this company.

Ambev	ABEV3.SA	Neutral	R\$14.20/US\$2.63	2026-01-15
-------	----------	---------	-------------------	------------

Global Disclaimer

18. This report has been prepared by Banco BTG Pactual S.A. ("BTG Pactual S.A."), a Brazilian regulated bank. BTG Pactual S.A. is the responsible for the distribution of this report in Brazil. BTG Pactual US Capital LLC ("BTG Pactual US"), a broker-dealer registered with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation is distributing this report in the United States. BTG Pactual US is an affiliate of BTG Pactual S.A. BTG Pactual US assumes responsibility for this research for purposes of U.S. law. Any U.S. person receiving this report and wishing to effect any transaction in a security discussed in this report should do so with BTG Pactual US at 212-293-4600, 601 Lexington Ave. 57th Floor, New York, NY 10022.

This report is being distributed in the United Kingdom by BTG Pactual (UK) Limited ("BTG Pactual UK"), which is authorized and regulated by the Financial Conduct Authority of the United Kingdom. BTG Pactual UK has not: (i) produced this report, (ii) substantially altered its contents, (iii) changed the direction of the recommendation, or (iv) disseminated this report prior to its issue by BTG Pactual S.A./BTG Pactual US. BTG Pactual UK does not distribute summaries of research produced by BTG Pactual S.A..

This report is being distributed in the EEA by BTG Pactual Portugal – Empresa de Investimentos S.A. ("BTG Pactual PT"), which is authorized and regulated by the Comissão do Mercado de Valores Mobiliários (CMVM) of Portugal. BTG Pactual PT has not: (i) produced this report, (ii) substantially altered its contents, (iii) changed the direction of the recommendation, or (iv) disseminated this report prior to its issue by BTG Pactual S.A./BTG Pactual US. BTG Pactual PT does not distribute summaries of research produced by BTG Pactual S.A..

BTG Pactual Chile S.A. Corredores de Bolsa ("BTG Pactual Chile"), formerly known as Celfin Capital S.A. Corredores de Bolsa, is a Chilean broker dealer registered with Comisión para el Mercado Financiero (CMF) in Chile and responsible for the distribution of this report in Chile and BTG Pactual Perú S.A. Sociedad Agente de Bolsa ("BTG Pactual Peru"), formerly known as Celfin Capital S.A. Sociedad Agente e Bolsa, registered with Superintendencia de Mercado de Valores (SMV) de Peru is responsible for the distribution of this report in Peru. BTG Pactual Chile and BTG Pactual Peru acquisition by BTG Pactual S.A. was approved by the Brazilian Central Bank on November 14th, 2012.

BTG Pactual S.A. Comisionista de Bolsa ("BTG Pactual Colombia") formerly known as Bolsa y Renta S.A. Comisionista de Bolsa, is a Colombian broker dealer register with the Superintendencia Financiera de Colombia and is responsible for the distribution of this report in Colombia. BTG Pactual Colombia acquisition by BTG Pactual S.A. was approved by Brazilian Central Bank on December 21st, 2012.

BTG Pactual Argentina is a broker dealer (Agente de Liquidación y Compensación y Agente de Negociación Integral) organized and regulated by Argentinean law, registered with the Exchange Commission of Argentina (Comisión Nacional de Valores) under license Nro. 720 and responsible for the distribution of this report in Argentina. Additionally, the Brazilian Central Bank approved the indirect controlling participation of Banco BTG Pactual S.A. in BTG Pactual Argentina on September 1st, 2017.

References herein to BTG Pactual include BTG Pactual S.A., BTG Pactual US Capital LLC, BTG Pactual UK, BTG Pactual Chile and BTG Pactual Peru and BTG Pactual Colombia and BTG Pactual Argentina as applicable. This report is for distribution only under such circumstances as may be permitted by applicable law. This report is not directed at you if BTG Pactual is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that BTG Pactual is permitted to provide research material concerning investments to you under relevant legislation and regulations. Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. It is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation, offer, invitation or

inducement to buy or sell any securities or related financial instruments in any jurisdiction. Prices in this report are believed to be reliable as of the date on which this report was issued and are derived from one or more of the following: (i) sources as expressly specified alongside the relevant data; (ii) the quoted price on the main regulated market for the security in question; (iii) other public sources believed to be reliable; or (iv) BTG Pactual's proprietary data or data available to BTG Pactual. All other information herein is believed to be reliable as of the date on which this report was issued and has been obtained from public sources believed to be reliable. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, except with respect to information concerning Banco BTG Pactual S.A., its subsidiaries and affiliates, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the report. In all cases, investors should conduct their own investigation and analysis of such information before taking or omitting to take any action in relation to securities or markets that are analyzed in this report. BTG Pactual does not undertake that investors will obtain profits, nor will it share with investors any investment profits nor accept any liability for any investment losses. Investments involve risks and investors should exercise prudence in making their investment decisions. BTG Pactual accepts no fiduciary duties to recipients of this report and in communicating this report is not acting in a fiduciary capacity. The report should not be regarded by recipients as a substitute for the exercise of their own judgment. Opinions, estimates, and projections expressed herein constitute the current judgment of the analyst responsible for the substance of this report as of the date on which the report was issued and are therefore subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of BTG Pactual as a result of using different assumptions and criteria. Because the personal views of analysts may differ from one another, Banco BTG Pactual S.A., its subsidiaries and affiliates may have issued or may issue reports that are inconsistent with, and/or reach different conclusions from, the information presented herein. Any such opinions, estimates, and projections must not be construed as a representation that the matters referred to therein will occur. Prices and availability of financial instruments are indicative only and subject to change without notice. Research will initiate, update and cease coverage solely at the discretion of BTG Pactual Investment Bank Research Management. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing and interpreting market information. BTG Pactual is under no obligation to update or keep current the information contained herein, except when terminating coverage of the companies discussed in the report. BTG Pactual relies on information barriers to control the flow of information contained in one or more areas within BTG Pactual, into other areas, units, groups or affiliates of BTG Pactual. The compensation of the analyst who prepared this report is determined by research management and senior management (not including investment banking). Analyst compensation is not based on investment banking revenues, however, compensation may relate to the revenues of BTG Pactual Investment Bank as a whole, of which investment banking, sales and trading are a part. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Mortgage and asset-backed securities may involve a high degree of risk and may be highly volatile in response to fluctuations in interest rates and other market conditions. Past performance is not necessarily indicative of future results. If a financial instrument is denominated in a currency other than an investor's currency, a change in rates of exchange may adversely affect the value or price of or the income derived from any security or related instrument mentioned in this report, and the reader of this report assumes any currency risk. This report does not take into account the investment objectives, financial situation or particular needs of any particular investor. Investors should obtain independent financial advice based on their own particular circumstances before making an investment decision on the basis of the information contained herein. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Neither BTG Pactual nor any of its affiliates, nor any of their respective directors, employees or agents, accepts any liability for any loss or damage arising out of the use of all or any part of this report. Notwithstanding any other statement in this report, BTG Pactual UK does not seek to exclude or restrict any duty or liability that it may have to a client under the "regulatory system" in the UK (as such term is defined in the rules of the Financial Conduct Authority). Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments. There is no representation that any transaction can or could have been effected at those prices and any prices do not necessarily reflect BTG Pactual internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions, by BTG Pactual S.A., BTG Pactual US, BTG Pactual UK, BTG Pactual Chile and BTG Pactual Peru and BTG Pactual Colombia and BTG Pactual Argentina or any other source, may yield substantially different results. This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of BTG Pactual and BTG Pactual accepts no liability whatsoever for the actions of third parties in this respect. Additional information relating to the financial instruments discussed in this report is available upon request. BTG Pactual and its affiliates have in place arrangements to manage conflicts of interest that may arise between them and their respective clients and among their different clients. BTG Pactual and its affiliates are involved in a full range of financial and related services including banking, investment banking and the provision of investment services. As such, any of BTG Pactual or its affiliates may have a material interest or a conflict of interest in any services provided to clients by BTG Pactual or such affiliate. Business areas within BTG Pactual and among its affiliates operate independently of each other and restrict access by the particular individual(s) responsible for handling client affairs to certain areas of information where this is necessary in order to manage conflicts of interest or material interests. Any of BTG Pactual and its affiliates may: (a) have disclosed this report to companies that are analyzed herein and subsequently amended this report prior to publication; (b) give investment advice or provide other services to another person about or concerning any securities that are discussed in this report, which advice may not necessarily be consistent with or similar to the information in this report; (c) trade (or have traded) for its own account (or for or on behalf of clients), have either a long or short position in the securities that are discussed in this report (and may buy or sell such securities), with the securities that are discussed in this report; and/or (d) buy and sell units in a collective investment scheme where it is the trustee or operator (or an adviser) to the scheme, which units may reference securities that are discussed in this report.

United Kingdom: Where this report is disseminated in the United Kingdom by BTG Pactual UK, this report is directed by BTG Pactual UK at those who are the intended recipients of this report. This report has been classified as investment research and should not be considered a form of advertisement or financial promotion under the provisions of FSMA 2000 (Sect. 21(8)). This communication may constitute an investment recommendation under the Market Abuse Regulation 2016 ("MAR") and, as required by MAR, the investment recommendations of BTG Pactual personnel over the past 12 months can be found by clicking on <https://www.btgpactual.com/research/>. Please also consult our website for all relevant disclosures of conflicts of interests relating to instruments covered by this report. While all reasonable effort has been made to ensure that the information contained is not untrue or misleading at the time of publication, no representation is made as to its accuracy or completeness, and it should not be relied upon as such. Past performances offer no guarantee as to future performances. All opinions expressed in the present document reflect the current context and which is subject to change without notice.

EEA: Where this report is disseminated in the selected countries in the EEA by BTG Pactual PT, this report is issued by BTG Pactual PT only to, and is directed by BTG Pactual PT at, those who are the intended recipients of this report. This report has been classified as investment research and should not be considered a form of advertisement or marketing material under the provisions of Mifid II. This communication may constitute an investment recommendation under the Market Abuse Regulation 2016 ("MAR") and, as required by MAR, the investment recommendations of BTG Pactual personnel over the past 12 months can be found by clicking on <https://www.btgpactual.com/research/>. Please also consult our website for all relevant disclosures of conflicts of interests relating to instruments covered by this report. While all reasonable effort has been made to ensure that the information contained is not untrue or misleading at the time of publication, no representation is made as to its accuracy or completeness, and it should not be relied upon as such. Past performances offer no guarantee as to future performances. All opinions expressed in the present document reflect the current context and which is subject to change without notice.

Dubai: This research report does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase, any securities or investment products in the UAE (including the Dubai International Financial Centre) and accordingly should not be construed as such. Furthermore, this information is being made available on the basis that the recipient acknowledges and understands that the entities and securities to which it may relate have not been approved, licensed by or registered with the UAE Central Bank, Emirates Securities and Commodities Authority or the Dubai Financial Services Authority or any other relevant licensing authority or governmental agency in the UAE. The content of this report has not been approved by or filed with the UAE Central Bank or Dubai Financial Services Authority.

United Arab Emirates Residents: This research report, and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates and accordingly should not be construed as such. The securities are only being offered to a limited number of sophisticated investors in the UAE who (a) are willing and able to conduct an independent investigation of the risks involved in an investment in such securities, and (b) upon their specific request. The securities have not been approved by or licensed or registered with the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the UAE. This research report is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). No transaction will be concluded in the UAE and any enquiries regarding the securities should be made with BTG Pactual CTVM S.A. at +55 11 3383-2638, Avenida Brigadeiro Faria Lima, 3477, 14th floor, São Paulo, SP, Brazil, 04538-133.

Statement of Risk

Ambev. [BRABV] - AmBev's core operations are subjected to i) government impositions, ii) macroeconomic volatility (such as FX, interest rate, inflation, among others), iii) irrational competition from smaller players and iv) exogenous variables (such as weather conditions, among others) that may materially impact future operating results.

Valuation Methodology

Ambev. [BRABV] - Our TP is DCF-driven and uses a USD-denominated Ke and g of 9.3% and 3.0%.