BUDWEISER BREWING COMPANY APAC LIMITED

百 威 亞 太 控 股 有 限 公 司

Stock Code: 1876

WE DREAM BIG TO CREATE A FUTURE WITH MORE CHEERS

ANNUAL REPORT 2024


Budweiser

CONTENTS

Letter to Shareholders

Dear Shareholders,

2024 was a mixed year for Budweiser APAC. Our geographic footprint partially offset a weak industry and negative channel mix in China, with robust growth and commercial momentum in South Korea and India.

In China, our volumes were impacted by weak consumer sentiment in a soft industry, with slower traffic and less spending in on-premise channels where our footprint is more pronounced.

In South Korea, our total market share reached its highest level in at least 10 years, led by the growth of Cass. Revenue grew by double digits, while revenue per hl increased by high-single-digits, as we continued to benefit from our ongoing revenue management initiatives and a positive brand and packaging mix. Our EBITDA and EBITDA margin expanded substantially, driven by our strong commercial performance, revenue management initiatives, commodity tailwinds, and cost efficiencies.

WE DREAM BIG TO CREATE A FUTURE WITH MORE CHEERS

In India, our Premium and Super Premium portfolio grew by almost 20%, with the country cementing itself as one of Budweiser's top-four markets globally.

We are dreaming big to a future with more cheers for our consumers, our partners, and our employees. We continue to lead the industry as we work towards our Bud APAC 2025 Sustainability Goals and our ambition to achieve net zero across our value chain by 2040.

In 2024, we doubled the number of carbon neutral breweries in China, moving from three to six breweries, with the most recent additions including our Ziyang, Zhangzhou, and Jinshibai breweries. We obtained the APAC Blue Seal from the Top Employers Institute, which recognizes top employers across the APAC region. Our offices in China, India, South Korea, Japan, and Vietnam, and our headquarters in Hong Kong SAR, were also certified as top employers.

We further reduced our carbon emission intensity per hl within our operations (Scope 1 & 2) by approximately 65% against our baseline of 2017, and by approximately 32% across our value chain (Scope 1, 2, & 3). We also reduced our water usage from 2.03 hl per hl of beer produced in 2023 to 1.89 hl per hl of beer produced in 2024 across our APAC breweries, representing a 37% decrease compared to our 2017 water use efficiency ratio.

Looking forward, we believe that there are medium to long-term growth opportunities and that we are well positioned to drive value creation via our geographic footprint.

In 2025, our top priority in China is to reconnect with market share growth by leveraging our winning brand portfolio and premium route-to-market to drive the execution of our strategy, with clear initiatives adapted to current consumption trends. We have made clear portfolio choices and prioritized specific channels focusing on the potential of Budweiser, growing Core++ innovations including Zero Sugar offerings, and accelerating in-home premiumization.

In South Korea, we believe there are multiple growth drivers creating tailwinds. We will continue to invest behind Cass, expand consumer participation through innovation, and lead premiumization, which remains under-indexed compared to other developed markets.

In India, which we see as a growth engine, we remain focused on leading and growing the Premium segment with Budweiser and Budweiser Magnum, while further premiumizing the market with our Super Premium portfolio and unlocking the market potential arising from beer as the beverage of moderation.

We aim to drive organic growth, and maximize total shareholder returns.

On April 1, 2025. Jan Craps stepped down after 7 years as CEO & Co-Chair of our Group and departed AB InBev after 23 years at the AB InBev Group to pursue other opportunities. He was succeeded by Yanjun Cheng, a 29-year veteran of AB InBev Group who most recently served as AB InBev's Global Supply Operations Chief. The Board thanks Jan for his ownership, commitment, and being a champion of beer throughout his entire career.

As we continue to work towards becoming the Most Loved High-Quality Growth Leader in Beverages in APAC, we would like to extend our deepest thanks to our shareholders, teams, partners, and communities for their ongoing trust and support.

Board of Directors
Budweiser Brewing Company APAC Limited

2024 Key Figures

50+
brands

47
breweries

52
distribution centers

More than **21,000**
colleagues

Performance

6,246 million USD
revenue

-6.3%
normalized EBITDA organic growth

84,811 thousand hl
beer volumes

5.66 cents USD
proposed final dividend per share

Pan-Asian Brewing Champion

Stock Code: 1876
The year Budweiser was first brewed

Budweiser Brewing Company APAC Limited ("**Bud APAC**") is the largest beer company in Asia Pacific, with leadership positions in Premium and Super Premium beer segments. It brews, imports, markets, distributes and sells a portfolio of more than 50 beer brands, including Budweiser®, Stella Artois®, Corona®, Harbin®, Hoegaarden® and Cass®. Through its local subsidiaries, Bud APAC operates in its principal markets, including China, South Korea, India and Vietnam. Headquartered in Hong Kong SAR, China, Bud APAC operates 47 breweries and employs more than 21,000 colleagues across APAC.

Bud APAC is listed on the Hong Kong Stock Exchange under the stock code "1876" and is a constituent stock of the Hang Seng Index. The company is a subsidiary of Anheuser-Busch InBev, the public company based in Leuven, Belgium and listed on Euronext which has over 600 years of brewing heritage and an extensive global presence.

For more details, please visit our website at: http://www.budweiserapac.com.

Management Discussion and Analysis

Management Discussion and Analysis

Management Comments

To facilitate the understanding of our underlying performance, this section includes organic and normalized numbers.

The term "organic" means the financials are analyzed eliminating the impact of changes in currencies on translation of foreign operations and scope changes.

Scope changes represent the impact of acquisitions and divestitures, the start or termination of activities or the transfer of activities between segments, the exports to regions outside of APAC, curtailment gains and losses and year-over-year changes in accounting estimates and other assumptions that management does not consider part of the underlying performance of the business.

Whenever presented in this document, all performance measures (EBITDA, EBIT, profit, tax rate, EPS) are presented on a "normalized" basis, which means they are presented before non-underlying items, unless otherwise indicated. Non-underlying items are either income or expenses which do not occur regularly as part of our normal activities. Please refer to Note 7 to the consolidated financial statements for details of the items excluded. They are presented separately because they are important for the understanding of our underlying sustainable performance due to their size or nature. Normalized measures are additional measures used by management and should not replace the measures determined in accordance with IFRS as an indicator of our performance, but rather should be used in conjunction with the most directly comparable IFRS measures.

Except where otherwise stated, the commentary from revenue to profit from operations before non-underlying items in "Business Review" and "Review of Results of Operations for the year ended 31 December 2024 compared to year ended 31 December 2023" below is based on organic growth figures and 2024 results to 2023 results. The percentage change reflects the improvement (or worsening) of results for the period compared to the prior period.

Values in the figures may not add up, due to rounding.

Major Line Items in our Consolidated Performance

The table below sets out consolidated performance for the years ended 31 December 2024 and 31 December 2023 (in million USD):

	FY24	FY23	Organic growth
Total volumes (thousand hls)	**84,811**	**92,767**	**-8.8%**
Revenue	**6,246**	**6,856**	**-7.0%**
Gross profit	**3,147**	**3,453**	**-5.8%**
Gross margin	50.4%	50.4%	63 bps
Normalized EBITDA	**1,807**	**2,023**	**-6.3%**
Normalized EBITDA margin	28.9%	29.5%	21 bps
Normalized EBIT	**1,160**	**1,369**	**-10.5%**
Normalized EBIT margin	18.6%	20.0%	-74 bps
Profit attributable to equity holders of Bud APAC	726	852	
Normalized profit attributable to equity holders of Bud APAC	**778**	**917**	
EPS (cent USD)	5.51	6.45	
Normalized EPS (cent USD)	**5.90**	**6.94**	

To facilitate the understanding of our underlying performance and the analyses of organic growth, the following table provides additional information on the calculation of organic growth figures (in million USD):

Bud APAC	FY23	Scope	Currency Translation	Organic Growth	FY24	Organic Growth
Total volumes (thousand hls)	92,767	201	–	(8,157)	84,811	-8.8%
Revenue	**6,856**	**(8)**	**(128)**	**(474)**	**6,246**	**-7.0%**
Cost of sales	(3,403)	(32)	60	276	(3,099)	8.1%
Gross profit	**3,453**	**(40)**	**(68)**	**(198)**	**3,147**	**-5.8%**
Normalized EBIT	1,369	(45)	(24)	(140)	1,160	-10.5%
Normalized EBITDA	**2,023**	**(53)**	**(38)**	**(125)**	**1,807**	**-6.3%**
Normalized EBITDA margin	29.5%				28.9%	21 bps

BUSINESS REVIEW

In FY24, volumes decreased by 8.8%. Revenue decreased by 7.0%, while revenue per hl grew by 2.0%. Our normalized EBITDA decreased by 6.3%, while our normalized EBITDA margin increased by 21 bps.

- In **China**, volumes decreased by 11.8%, driven by weak consumer sentiment in a soft industry, with slower traffic and less spending in on-premise channels where our footprint is more pronounced. Revenue and revenue per hl decreased by 13.0% and 1.4% respectively.

- In **South Korea**, revenue grew by double digits, while revenue per hl increased by high-single-digits, as we continued to benefit from our ongoing revenue management initiatives and a positive brand and packaging mix. Our EBITDA and EBITDA margin expanded substantially, driven by our strong commercial performance, revenue management initiatives, commodity tailwinds, and cost efficiencies.

- In **India**, our business continued to grow and net revenue from our Premium and Super Premium portfolio grew by almost 20% in both 4Q24 and FY24.

In 4Q24, total volumes and revenue decreased by 12.7% and 11.0% respectively, impacted by our performance in China, partially offset by our strong performance in South Korea. Revenue per hl grew by 1.9%, driven by revenue management initiatives in APAC East and a favourable brand mix across Asia, partially offset by a high base and negative channel mix in China. Our normalized EBITDA decreased by 7.2%, while our normalized EBITDA margin increased by 84 bps.

We maintained a sound balance sheet, in line with our disciplined financial practices and capital allocation priorities. As of the end of FY24, our net cash position decreased by 274 million USD to 2.9 billion USD as compared to the end of FY23. The Board recommends a dividend of 750 million USD, or 5.66 cents USD per share for FY24, representing a 7% increase versus the prior year.

Management Discussion and Analysis

APAC WEST

In 4Q24, volumes decreased by 17.0%, while revenue and revenue per hl decreased by 17.0% and 0.1% respectively. Normalized EBITDA decreased by 20.4%.

In FY24, volumes decreased by 10.6%, while revenue and revenue per hl decreased by 11.4% and 0.9% respectively. Normalized EBITDA decreased by 14.0%.

China

In 4Q24, volumes decreased by 18.9%, as we proactively reduced inventory, which accounted for approximately one-third of our volume decline, and as we faced a soft industry and negative channel mix. Revenue declined by 20.1%, with revenue per hl declining by 1.4% in the quarter due to a high base and negative channel mix.

In FY24, volumes decreased by 11.8%, driven by weak consumer sentiment in a soft industry, with slower traffic and less spending in on-premise channels where our footprint is more pronounced. As a result, our total market share declined by 149 bps in FY24. Revenue and revenue per hl decreased by 13.0% and 1.4% respectively.

In this context, we are focused on the consistent execution of our strategy, with clear initiatives adapted to current consumption trends. We have made clear portfolio choices and prioritized specific channels focusing on the potential of Budweiser, growing Core++ innovations including Zero Sugar offerings, and accelerating in-home premiumization.

Our industry-leading premium portfolio and route-to-market positions us well to capture a disproportionate share of the category and profit growth in China.

Our geographic expansion strategy for the Budweiser brand continues. As of the end of the year, the distribution of Budweiser expanded from 220 cities in 2023 to 235 cities in 2024, while our Super Premium portfolio distribution covered 56 cities. In terms of channel expansion, volume and revenue contribution from the in-home channel increased as a result of our ongoing efforts to premiumize the channel as in-home consumption occasions continue to develop.

On the digitization front, BEES, our B2B wholesaler and customer engagement platform, has been expanded to more than 320 cities, representing approximately 80% of net revenue for China in the month of December 2024. With this successful scale up, we are focusing on leveraging technology to further enhance our commercial capabilities and drive value creation for all our stakeholders.

India

Our business in India continued to grow and net revenue from our Premium and Super Premium portfolio grew by almost 20% in both 4Q24 and FY24. Over the past five years, the market share of our Budweiser brand has more than doubled, with India cementing itself as one of Budweiser's top-four markets globally.

APAC EAST

In 4Q24, volumes increased by 8.5%, with revenue increasing by 7.8%. Revenue per hl decreased by 0.6% mainly due to the lapping of one-off contract incentives outside South Korea in 4Q23. Normalized EBITDA increased by 17.0%, with EBITDA margin increasing by 245 bps.

In FY24, volumes increased by 3.6%, with revenue and revenue per hl increasing by 12.7% and 8.7%, respectively. Normalized EBITDA increased by 33.2%, with EBITDA margin increasing by 472 bps.

South Korea

In 4Q24, our growth momentum accelerated with volumes increasing by high-single-digits. Revenue increased by high-single-digits as we continued to lead the category through the strength of our brand portfolio. We achieved a further total market share gain, supported by share gains in both the on-premise and in-home channels, led by Cass, HANMAC and Stella Artois.

In FY24, our total market share expanded by 349 bps, reaching its highest level in at least 10 years, led by the growth of Cass. Revenue grew by double digits, while revenue per hl increased by high-single-digits, as we continued to benefit from our ongoing revenue management initiatives and a positive brand and packaging mix. Our EBITDA and EBITDA margin expanded substantially, driven by our strong commercial performance, revenue management initiatives, commodity tailwinds, and cost efficiencies.

According to Nielsen data, our leading domestic beer brand Cass ranked #1 among all Consumer Package Goods (CPG) in the in-home channel, and we ranked #3 among all CPG companies in 2024. Cass' market share also reached an all-time high as we continued to increase consumer participation via innovations such as Cass Light "Zero Sugar", Cass 0.0, and Cass Lemon Squeeze. These innovations target distinct audiences and occasions including health and wellness. Sales of Cass Light "Zero Sugar" grew by more than 30%, becoming one of the top-three domestic beers in the in-home channel. Meanwhile, sales of Cass 0.0 grew by more than 30% as well, and sales of Cass Lemon Squeeze almost doubled.

In terms of digitization, BEES accounted for 24% of our total net revenue in December 2024 in South Korea.

Management Discussion and Analysis

REVIEW OF RESULTS OF OPERATIONS FOR THE YEAR ENDED 31 DECEMBER 2024 COMPARED TO YEAR ENDED 31 DECEMBER 2023

This section presents our results of operations on an organic basis and the related comments are based on organic numbers.

Volumes

Total volumes decreased by 8.8% in FY24, impacted by a soft industry in China that was partially offset by our strong performance in South Korea and India.

Revenue

Revenue decreased by 7.0% or 8.9% on a reported basis and revenue per hl grew by 2.0% in FY24, mainly driven by revenue management initiatives in APAC East and a favorable brand mix across Asia, partially offset by a high base and negative channel mix in China.

Cost of sales (CoS)

CoS decreased by 8.1% in FY24 or 8.9% on a reported basis, while CoS per hl increased by 0.7%, mainly driven by cost management initiatives and commodity tailwinds, offset by operational deleverage.

Selling, general and administrative expenses (SG&A)

SG&A represent our distribution expenses, sales and marketing expenses and administrative expenses. The decrease in our SG&A in FY24 was primarily due to agile commercial investment management.

Other operating income

Please refer to the table in Note 6 to the consolidated financial statements of this annual report for additional details related to our other operating income.

Profit from operations before non-recurring items (Normalized EBIT)

Our normalized EBIT decreased by 10.5% in FY24.

Profit from operations

Profit attributable to equity holders of Bud APAC decreased from 852 million USD in FY23 to 726 million USD in FY24.

Non-IFRS Financial Measures

Normalized EBITDA

Normalized EBITDA decreased by 6.3%, while our normalized EBITDA margin expanded by 21 bps, mainly impacted by our topline performance.

Normalized EBITDA is a key financial measure regularly monitored by management in managing our performance, capital and funding structure. Normalized EBITDA is calculated by excluding the following effects from profit attributable to equity holders of Bud APAC: (i) non-controlling interests; (ii) income tax expense; (iii) share of results of associates; (iv) net finance cost; (v) non-underlying items above EBIT (including non-underlying costs) and (vi) depreciation, amortization and impairment.

Normalized EBITDA and normalized EBIT are not accounting measures under IFRS and should not be considered as an alternative to profit attributable to equity holders of Bud APAC as a measure of operational performance, or an alternative to cash flow as a measure of liquidity. Normalized EBITDA and normalized EBIT do not have a standard calculation method and our definition of normalized EBITDA and normalized EBIT may not be comparable to that of other companies.

Please refer to the table in Note 5 to the consolidated financial statements of this annual report for details of the reconciliation between profit attributable to equity holders of Bud APAC and normalized EBITDA.

Non-underlying items

Non-underlying items are items that, in our management's judgment, need to be disclosed by virtue of their size or incidence in order to provide a proper understanding of our consolidated financial statements.

The non-underlying restructuring charges primarily relate to organizational alignments. These changes aim to eliminate overlapping organizations or duplicated processes, taking into account the right match of employee profiles with the new organizational requirements. These one-time expenses, as a result of the series of decisions, provide the Group with a lower cost base in addition to a stronger focus on the Group's core activities, quicker decision-making and improvements to efficiency, service and quality.

Please refer to the table in Note 7 of the consolidated financial statements of this annual report of the components of non-underlying items and their overall impact on our profit from operations in FY24 and FY23.

Income tax expense

Please refer to Note 11 to the consolidated financial statements of this annual report for components of income tax expense and their overall impact on our profit from operations in FY24 and FY23.

Management Discussion and Analysis

Liquidity and Capital Resources

General

Our primary sources of cash flow are cash flows from operating activities and bank borrowings. Our material cash requirements have included the following:

- Capital expenditures;
- Investments in companies;
- Increases in ownership of the Group's subsidiaries or companies in which it holds equity investments;
- Debt servicing of borrowings from third parties; and
- Payments of dividends.

Net current assets/liabilities

We had net current liabilities of 101 million US dollar as of 31 December 2024, which management considers is a positive aspect of our working capital management and an inherent part of our business model. Substantial effort is devoted to the efficient use of working capital, resulting in an ability to secure favorable credit terms with suppliers that are longer than the inventory and receivables cycles. We are also highly cash generative, with cash flows from operating activities of 1,134 million US dollar for the year ended 31 December 2024.

In order to fund its foreseeable financial obligations, we have sufficient access to cash flows from operating activities, available cash and cash equivalents as well as access to borrowing facilities, including cash pooling loans from AB InBev. As of 31 December 2024, we had undrawn uncommitted facilities of 575 million US dollar. Although we may borrow such amounts to meet liquidity needs, we principally rely on cash flows from operating activities to fund our continuing operations.

Cash and cash equivalents

We had consolidated cash and cash equivalents of 2,867 million US dollar and 3,141 million US dollar as at 31 December 2024 and 31 December 2023 respectively.

Cash Flows

Cash flow from operating activities

Cash flow from operating activities decreased from 1,811 million US dollar in FY23 to 1,134 million US dollar in FY24, mainly resulting from decrease in cash generated from operation. We devote substantial efforts to the efficient use of our working capital, especially those elements of working capital that we perceive as “core” (including trade receivables, inventories and trade payables). Cash generated from operations decreased by 758 million US dollar in FY24. The decrease was primarily driven by the decrease in EBITDA in FY24.

Cash flow used in investing activities

Cash flow used in investing activities was 409 million US dollar in FY24 as compared to 447 million US dollar in FY23. The decrease was mainly driven by the decrease in acquisition of property, plant and equipment and intangible assets partially offset by the increase in placement of cash pooling deposits to AB InBev.

Cash flow used in financing activities

Cash outflow from financing activities amounted to 903 million US dollar in FY24 as compared to 621 million US dollar in FY23. The 282 million US dollar increase was mainly driven by the increase in dividends paid and repayment of borrowing partially offset by the absence of purchase of treasury shares.

Please refer to the consolidated financial statements of this annual report for our statements of cash flows in FY24.

Contingent Liabilities

We are subject to various contingencies with respect to indirect tax, labor, distributors and other claims. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. To the extent that we believe these contingencies will probably be realized, a provision has been recorded in our consolidated statement of financial position.

As at 31 December 2024, we did not have any material contingent liabilities.

Management Discussion and Analysis

Indebtedness and Gearing

As at 31 December 2024, we had indebtedness primarily in the form of interest-bearing loans from banks to support our working capital needs. The table below sets out a breakdown of our overall indebtedness as at the dates indicated.

	31 December 2024 US$'million	31 December 2023 US$'million
Unsecured bank loans and other loans	98	184
Lease liabilities	123	167
Total indebtedness	**221**	**351**

The table below sets out the maturity profile of our overall indebtedness as at the dates indicated:

	31 December 2024 US$'million	31 December 2023 US$'million
Indebtedness payable within:		
Less than one year	145	246
One to two years	33	43
Two to five years	32	51
Five or more years	11	11
Total indebtedness	**221**	**351**

We were not geared as of 31 December 2024 and 31 December 2023. See Note 3.2 of the consolidated financial statements for details of our gearing ratio, being the ratio of cash net of debt to total consolidated equity.

Capital Expenditures

There were no material changes in our plans for capital expenditures and their sources of funding in FY24.

Pledges of Assets

As at 31 December 2024 and 31 December 2023, none of our assets were pledged to secure loans and banking facilities. In South Korea, collateral on property was given in favor of the excise tax authorities – see Note 28 of the consolidated financial statements of this annual report.

Key Financial Ratio

The table below sets out our key financial ratio as at the dates indicated:

	31 December 2024	31 December 2023
Cash net of debt to normalized EBITDA	**1.5x**	**1.4x**

Cash net of debt to normalized EBITDA increased from 1.4x in FY23 to 1.5x in FY24 as a result of decrease in the cash net of debt from 2,835 million US dollar as at 31 December 2023 to 2,711 million US dollar as at 31 December 2024.

Treasury Policy and Market and Other Financial Risks

Our activities expose us to a variety of financial risks: market risk (including currency risk, cash flow interest risk and commodity price risk), credit risk, and liquidity risk. We analyze each of these risks individually as well as on a combined basis, and define strategies to manage the economic impact of our performance in line with our risk management policy. The main derivative instruments we use are foreign exchange forward contracts, cross currency interest rate swaps and exchange traded commodity futures. The derivatives are part of a cash flow hedge relationship. Our financial risk management policy prohibits the use of derivative financial instruments for trading purposes, and we therefore do not hold or issue any such instruments for such purposes.

Acquisitions or Disposals, and significant investments

We did not undertake any material acquisitions or disposals or hold any significant investments during FY24.

Subsequent events

There are no material subsequent events after the reporting period.

Foreign Currency Risk

We are subject to foreign currency risk when contracts are denominated in a currency other than the functional currency of the entity. This includes borrowings, (forecasted) sales, (forecasted) purchases, royalties, dividends, licenses, management fees and interest expense/income. The Group's foreign currency risk is primarily related to Euro and US dollar purchases. We may hedge operating transactions which are reasonably expected to occur (e.g. cost of goods sold and selling, general & administrative expenses) within the forecast period determined in the financial risk management policy. Operating transactions that are considered certain to occur are hedged without any time limits. It is our policy to have the debt in the subsidiaries linked as much as possible to the functional currency of the subsidiary. To the extent this is not the case, foreign exchange risk is managed through the use of derivatives unless the cost to hedge outweighs the benefits. Interest rate decisions and currency mix of debt and cash are decided on a consolidated basis and take into consideration the holistic risk management approach. See Note 3.1.1 to the consolidated financial statements for details of our sensitivity analyses, a fuller quantitative and qualitative discussion on the foreign currency risks to which we are subject and our policies with respect to managing those risks.

Management Discussion and Analysis

Interest Rate Risk

As at 31 December 2024, 84 million US dollar, or 89% of our interest-bearing financial liabilities, excluding lease liabilities, bore interest at a variable rate. We estimated that the reasonably possible change of the market interest rates would have an immaterial impact on our profit.

Sustainability

Sustainability

Sustainability helps enable Bud APAC's purpose – Dream Big to Create a Future with More Cheers – and it unlocks long-term value.

Introduced in 2018, our 2025 Sustainability Goals aim to drive impact across our value chain in our major sustainability pillars: climate actions, water stewardship, circular packaging and smart agriculture.

In 2024, we continue to explore ways to realize our ambition to achieve net zero across our value chain by 2040.

As our business is closely tied to the natural environment and local communities, we focus on areas that matter to our business and where we are best positioned to drive impacts.

To embed sustainability principles into our operations and long-term success, we have established a robust governance framework. We have also developed a comprehensive set of internal policies and procedures that comply with relevant laws, rules, and regulations including our Code of Business Conduct, Anti-Corruption Policy and a technology-driven whistleblowing system.

Since 2023, we have enhanced our risk management framework and implemented Task Force on Climate-Related Financial Disclosures (TCFD) recommendations to assess climate-related risks and opportunities, helping us develop short-, mid- and long-term actions that protect our business from climate-related risks. In line with our long-term strategic planning, we evaluated risks and opportunities associated with various aspects, enabling us to seize the opportunities to build a sustainable business.

We have received recognitions for our sustainability efforts and positive social impacts from both local and international rating and research agencies. We have maintained our status in leading sustainability indexes across markets. Additionally, we obtained the APAC Blue Seal from the Top Employers Institute, which recognizes top employers across the APAC region. Our offices in China, India, South Korea, Japan, and Vietnam, and our headquarters in Hong Kong SAR, were also certified as top employers.

Please refer to our Sustainability Report for further details on Bud APAC's sustainability efforts and progress during the year ended 31 December 2024, which is prepared mainly in accordance with the HKEX Listing Rules Appendix C2 Environmental, Social and Governance Reporting Code.

As our business is closely tied to the natural environment and local communities, we focus on areas that matter to our business and where we are best positioned to drive impacts.

Climate Action

Our Approach

We aspire to transition towards a more sustainable, low-carbon business. We strive to enhance climate resilience through our 2025 Sustainability Goals and our ambition to achieve net-zero across our value chain by 2040. From our own operations to all participants in our value chain, we are dedicated to leveraging innovative solutions to make efficient progress. We are working to achieve our goals and ambitions through the following pathways:

- Advancing energy efficiency at the brewery level.
- Utilizing and integrating low-carbon energy sources, including installing solar panels and increasing the percentage of electricity from renewable sources.
- Empowering our value chain to implement energy-saving and carbon-reduction initiatives (Scope 3).
- Applying carbon reduction technologies such as Carbon Capture, Utilization and Storage (CCUS).
- Collaborating with suppliers and other business partners to drive decarbonization innovation.

2025 Sustainability Goal

100%
of our purchased electricity will come from renewable sources

25%
GHG emissions per hectoliter of production will be reduced across our value chain

Our Achievement

32%
reduction in carbon emission intensity per hl across our value chain (Scope 1, 2, and 3) against the baseline year 2017

65%
reduction in carbon emission intensity per hl within our own operations (Scope 1 and 2) against the baseline year 2017

Six
carbon neutral breweries

78.2%
of our electricity was sourced from renewable energy through contracts

Sustainability Approach and Highlights

Water Stewardship

Our Approach

We focus on addressing global water challenges across our communities and supply chain, recognizing the significance of water resources. Our Water Policy provides a framework for our approach to water stewardship and water use across our breweries and operational sites, including those located in high-water-stress areas within our own operations and upstream value chain. We aim to address water treatment through responsible discharge, reduce water intensity and improve water availability and quality. This policy is regularly reviewed and updated to maintain its relevance. We pursue our goals through the following pathways:

- Sourcing water from various sources across breweries and implementing tailored solutions to address water resources challenges, based on annual water risk assessment results in each community.
- Collecting, analyzing and managing water stewardship data across our operation and supply chain stages.
- Actively collaborating with local governments and institutions to improve water access in communities.
- Striving for zero liquid discharge at our production facilities.

2025 Sustainability Goal

100%
of our communities in high stress areas will have measurably improved water availability and quality

Our Achievement

Lowered water usage for beer production to
1.89 hl/hl across APAC

37%
decrease compared to the 2017 baseline

Circular Packaging

Our Approach

We continue to promote innovative packaging solutions, pioneering a more sustainable and circular future for the industry. To enhance long-term sustainability across markets, we work with suppliers, clients and consumers to collaborate in the circular use of packaging materials. Guided by the 4R principles of "Reduce, Reuse, Recycle, and Rethink", we strive to achieve our 2025 Sustainability Goals through the following pathways:

- Utilizing recyclable and reusable packaging for our products.
- Increasing the proportion of recycled content in packaging materials.
- Reducing the use of packaging materials.
- Transforming our breweries into Zero Waste facilities.

2025 Sustainability Goal

100%

of our packaging will be in returnable formats or made from majority recycled content (more than 50%)

Our Achievement

63.4%

of our packaging are in returnable formats and made from majority recycled content (more than 50%)

Smart Agriculture

Our Approach

To ensure the long-term growth and resilience of Bud APAC's business for the next century, we support preserving vital ecosystem services and securing the stable supply of raw materials and natural resources essential to our operations, such as barley, hops and water. To this end, we focus on local farmers, supporting the development of sustainable agriculture and advancing smart agriculture practices. We advance our smart agriculture approach through the following pathways:

- Enhancing farmers' skills, connectivity and financial capabilities.
- Promoting a Soil Health Framework to support our growers, improve water quality and sequester greenhouse gas emissions.
- Advancing smart agriculture initiatives to enhance the quality of locally produced goods.
- Encouraging farmers to adopt sustainable practices by offering premium pricing for their produce.

2025 Sustainability Goal

100%

of our direct farmers will be skilled, connected and financially empowered

Our Achievement

100%

of farmers we partnered with in China and India are skilled, connected and financially empowered

Sustainability Approach and Highlights

Workplace

Our Approach

We integrate safety considerations into every aspect of our operations and require contractors to adhere to the same measures. We implement safety measures across all levels and assign different roles and responsibilities within departments and breweries, aiming to provide a safe workplace for all employees. We aim to realize our ambitions through these pathways:

- Establishing the Bud APAC Safety Management System and regularly assessing the effectiveness of the system.
- Focusing on zero risk exposure, and ensuring 100% on-site inspections of critical safety equipment and zero risk taken.
- Incorporating the health and safety pillar of the Voyager Plant Optimization system into routine operations to better manage the status of both employees and contractors.
- Prioritizing a safety-first culture and mindset by regularly conducting safety workshops and awareness training sessions.

Our Achievement

100%
of full-time employees received training

47
hours of training were, on average, completed by each employee

Responsible Drinking and Community Engagement

Our Approach

We remain committed to promoting moderation through our Smart Drinking initiatives. Since 2016, we have collaborated with public health experts and launched effective initiatives and measures to fulfill this commitment. Through close cooperation with various stakeholders, investing in communities across our region, social norm marketing and educating consumers, we continuously strive to improve social norms, drinking culture and road safety. By championing responsible drinking and promoting a balanced lifestyle, we support communities in creating a future with more cheers. We anticipate achieving our smart drinking goals through these pathways:

- Implementing the Responsible Marketing and Communications Code (RMCC), the standards set for our marketing and commercial communication ensure that commercial communications are aimed only at individuals above the legal drinking age and are carried out responsibly. Bud APAC's marketers, distributors, and customers share similar responsibilities and are subject to the same legal drinking age requirements. Employees and our relevant contractors and agencies are trained periodically in matters related to the RMCC. The RMCC applies to all consumers.
- Leveraging social norms marketing to highlight the role of community involvement in driving meaningful behavioral change and reinforce our commitment to promoting moderation. We aim to improve consumption patterns by promoting social norms that produce positive outcomes.
- Continuously enhancing product labelling information to help consumers make informed choices.
- Focusing on initiatives such as road safety programs designed to help governments improve their road safety management systems.
- Expanding our portfolio of no-alcohol and lower-alcohol products to provide consumers more choices, enabling them to exercise moderation and responsible drinking.
- Innovating our brewing process with advancements that allow us to rapidly scale non-alcohol offerings with superior taste.

Our Achievement

23
smart drinking initiatives were launched across APAC

675,210
kg of limes were sold through the 'Corona Extra Lime' project in 2024

3.4
million cans and bottles of emergency drinking water donated to communities in need since 2015

24,639
hours of volunteering under various initiatives

Corporate Governance Report

Corporate Governance Report

We are committed to achieving the highest standards of corporate governance with a view to safeguarding the interests of our Shareholders.

For us, corporate governance concerns both the effectiveness and accountability of our Board. Effectiveness, and therefore the quality of leadership and direction that our Board provides, is measured by performance which is ultimately reflected in enhanced shareholder value. Accountability, including all the issues surrounding disclosure and transparency, is what provides legitimacy to our Board's actions. Shareholders elect Directors to run the Company on their behalf and the Board is accountable to the Shareholders for its actions.

Our Corporate Governance Charter was adopted by the Board and sets out governance principles in relation to our conduct with the aim of providing transparent disclosure of our governance.

The Board has reviewed the corporate governance practices of the Company based on the Corporate Governance Code. The Company complied with the code provisions and applied all the principles set out in the Corporate Governance Code (where applicable) throughout the reporting period save as disclosed below. For further information of our purpose, values and strategy, please refer to our Sustainability Report.

Corporate Governance Report

Our 10 Principles

At Bud APAC, we always dream big. It is our culture and our heritage. But more than that, it's our future. A future that everyone can celebrate and everyone can share. A future with more cheers.

The driving force behind the Group's culture is our 10 Principles which reflect the Group's purpose, values and strategy.

1. Dream big
2. Focus on superior results
3. Lead by example and take accountability
4. Attract and develop great people
5. Build brands consumers love
6. Grow with customers and communities
7. Prioritize simple and scalable solutions
8. Manage costs tightly
9. Think long-term
10. Never take shortcuts

All active and prospective Directors must live by the following Board principles:

- ensuring the Company's enduring greatness is the Board's overarching purpose;
- the Board is the guardian of the Company's culture that manifests itself in the Company's 10 Principles. The Board itself adheres to the 10 Principles;
- the Company's executives are partners of the Shareholders and the Board. They are not merely employees;
- the Company has a culture of mutual respect and trust. Directors speak up, listen and come back constructively. They are transparent, honest and candid. They hold no grudges. There is no room for politics or hidden agendas around the Board table; and
- the Board nominates successors that are as good as or better than the outgoing Directors.

During the year ended 31 December 2024, the Board was satisfied that the Company's culture is aligned with its purpose, values and strategy.

Our Corporate Governance Framework

The Company has a "one-tier" governance structure whereby the Board is the ultimate decision-making body and is responsible for the overall oversight of the Group, except for the powers reserved to the Shareholders by law, the Articles of Association or the Listing Rules.

The Board is primarily responsible for performing the corporate governance functions of the Company, including the following:

- reviewing and monitoring the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report;
- developing and updating the Company's corporate governance codes, policies and practices in line with the latest local and international law, regulations and best practices; and
- reviewing and monitoring the training and continuous professional development of the Directors and Senior Management.

The Board delegates authority and functions to the Board Committees and other management-level committees as appropriate to effectively manage and carry out the Group's daily business operations. Their key responsibilities include:

Ultimate decision-making body

Board of Directors

- Approves the Group's long-term objectives and overall strategy (as recommended by the Chief Executive Officer)
- Aligns the Company's culture with its purpose, values and strategy
- Assumes the ultimate responsibility for the oversight of the Group's businesses and activities
- Evaluates the Group's risk appetite and oversees the implementation of mitigation measures
- Considers and reviews the corporate governance and sustainability-related issues and performance each quarter or as necessary and creates respective plans of actions

Board oversight

Board Committees

Audit and Risk Committee

- Oversees financial reporting
- Oversees enterprise, financials and operational risks
- Monitors risk management and internal control systems

Remuneration Committee

- Reviews Directors and Senior Management remuneration and incentives
- Reviews and monitors remuneration policies

Nomination Committee

- Reviews changes in Board composition
- Reviews succession planning and talent management
- Reviews INED independence

Management oversight

Executive Committee

- Oversees daily operations of the Group under the Board's delegation
- Assists the Board and the Company in managing the business, operational and financial performance of the Group

Management Committees

Risk Committee

- Identifies, assesses and monitors the Group's risk profile, appetite and control regularly
- Implements risk management framework
- Facilitates risk communication and reporting

Sustainability Committee

- Oversees sustainability initiatives internally and externally
- Implements actions to achieve sustainability goals and targets
- Drives sustainability performance internally and externally with suppliers
- Oversees the Company's compliance with relevant environmental and social laws, rules, regulations and standards
- Identifies climate-related risks and opportunities with financial planning

Ethics & Compliance Committee

- Promotes the Group's compliance culture and values
- Monitors, tracks and investigates compliance with local laws, regulations and internal policies
- Designs systems and processes to promote regulatory and legal compliance

Board of Directors

Board composition

The Board has a balanced composition of Executive and Non-executive Directors. During the reporting period, the Board comprised of seven Directors as follows:

Executive Director

- Mr. Jan Craps *(Co-Chair and Chief Executive Officer)*

Non-executive Directors

- Mr. Michel Doukeris *(Co-Chair)* (Mr. John Blood and Mr. David Almeida as his alternates)
- Ms. Katherine Barrett (Mr. John Blood and Mr. David Almeida as her alternates)
- Mr. Nelson Jamel (Mr. John Blood and Mr. David Almeida as his alternates)

Independent Non-executive Directors

- Mr. Martin Cubbon
- Ms. Marjorie Mun Tak Yang
- Ms. Katherine King-suen Tsang

The following changes to the Board composition were effective as of 1 April 2025:

(1) Mr. Jan Craps ceased to be an Executive Director, Chief Executive Officer and Co-Chair of the Board with effect from 1 April 2025;

(2) Mr. Yanjun Cheng was appointed as an Executive Director, Chief Executive Officer and Co-Chair of the Board with effect from 1 April 2025.

Mr. Yanjun Cheng will hold office until the 2025 AGM pursuant to Article 83(3) of the Articles of Association, and being eligible, will offer himself for re-election at the 2025 AGM.

Corporate Governance Report

Executive Director

Mr. Jan Eli B. Craps

Chief Executive Officer and
Co-Chair of the Board of Directors
Aged 47 • Appointed on 8 May 2019 *(ceased to be an Executive Director, Chief Executive Officer and Co-Chair of the Board on 1 April 2025)*

Qualifications and education

- Bachelor's Degree in Business Engineering from KU Brussels in Brussels, Belgium
- Master's Degree in Business Engineering from KU Leuven in Leuven, Belgium

Major position held with the AB InBev Group

- AB InBev (CEO Asia Pacific Zone) *(position held until 1 April 2025)*

Other major offices

- China Europe International Business School (CEIBS) in Shanghai, China (Corporate advisory board member) *(position held until 1 April 2025)*
- Guangzhou Zhujiang Brewery Group Co., Ltd. (listed on the Shenzhen Stock Exchange with the stock code of 002461) (Director and Vice Chair) *(position held until 1 April 2025)*
- Hong Kong General Chamber of Commerce (Member of the General Committee) *(position held until 1 April 2025)*

Past experience

Mr. Craps joined AB InBev in May 2002. Prior to joining AB InBev, Mr. Craps was an associate consultant with McKinsey & Company, Belgium. He acquired a range of international experience in a number of executive positions in senior marketing, sales and logistics in France and Belgium. In February 2011, he relocated to Canada where he was appointed as Head of Sales for Canada followed by his appointment as President and CEO of Labatt Breweries of Canada in 2014. From October 2016 to December 2018, he joined the Group as the CEO of Asia Pacific South.

Mr. Yanjun Cheng

Chief Executive Officer and Co-Chair of the Board of Directors
Aged 65 • Appointed on 1 April 2025

Qualifications and education

- Bachelor's Degree in Fermentation from Qilu University of Technology in Jinan, China
- Brewing Diploma from Doemens Technikum in Munich, Germany
- EMBA Degree from the China Europe International Business School (CEIBS) in Shanghai, China
- Qualified as a senior engineer in June 1994

Major position held with the AB InBev Group

- AB InBev (CEO Asia Pacific Zone) *(with effect from 1 April 2025)*

Past experience

Mr. Cheng has over 40 years of experience in the beer and beverage industry, including 29 years as a brewmaster in the AB InBev Group. A Chinese national, Mr. Cheng has demonstrated a passion for beer throughout his career. In 1996, he held the position of Chief Brewmaster, Production and Management at Anheuser Busch. Mr. Cheng's long and distinguished career in China also included having served previously as the CEO of Harbin Group in 2005. From 2009 to 2024, he served as the Vice President Supply and Logistics for the APAC region, covering China, Korea, India, and Southeast Asia, and most recently served as AB InBev's Global Supply Operations Chief. Mr. Cheng has delivered consistent results with leadership positions across many disciplines including brewing, procurement, logistics and innovation. He also holds directorship and key positions in various subsidiaries of the Group.

Non-executive Directors

Mr. Michel Dimitrios Doukeris

Co-Chair of the Board of Directors
Chair of Nomination Committee • Member of Remuneration Committee
Aged 51 • Appointed on 22 July 2021

Qualifications and education

- Degree in Chemical Engineering from the Universidade Federal de Santa Catarina in Brazil
- Master's Degree in Marketing from Fundação Getulio Vargas in Brazil
- Post-Graduate Program in Marketing and Marketing Strategy at the Kellogg School of Management of Northwestern University in the United States
- Post-Graduate Program in Marketing and Marketing Strategy at the Wharton School of the University of Pennsylvania in the United States

Major positions held with the AB InBev Group

- AB InBev (CEO)
- Ambev (Chairman and director of the board)

Other major offices

- Ecolab, Inc. (listed on the New York Stock Exchange with the stock code of ECL) (Independent director)
- The Business Council (Member)
- Fortune CEO Initiative (Member)
- Harvard Business School CEO Gathering (Member)

Past experience

Mr. Doukeris joined Ambev in 1996 and held a number of commercial operations roles in Latin America before moving to Asia where he led AB InBev Group's China and Asia Pacific operations for seven years. In 2016, he moved to the United States to assume the position of Global Chief Sales Officer of AB InBev. Prior to his appointment as Chief Executive Officer of AB InBev in 2021, Mr. Doukeris led Anheuser-Busch and the North American business of AB InBev since January 2018.

Corporate Governance Report

Mr. Nelson Jose Jamel

Member of Audit and Risk Committee

Aged 53 • Appointed on 4 June 2020

Qualifications and education

- Bachelor's Degree and Master's Degree in Production Engineering from Universidade Federal do Rio de Janeiro

Major positions held with the AB InBev Group

- AB InBev (Global Chief People Officer)
- Ambev (Director of the board)

Past experience

Mr. Jamel was the Chief Financial Officer of Ambev from 2009 to 2015. His more than 20-year journey with the AB InBev Group has taken him from leading finance roles in Brazil to the Dominican Republic, through Western Europe and North America. Prior to his current role, he served as the Vice President of Finance and Technology for the North America Zone of AB InBev. He joined Ambev's board as an alternate director from April 2017 to May 2018 and has been re-designated as a director since May 2018.

Ms. Katherine (Katie) Barrett Beimdiek

Aged 54 • Appointed on 4 June 2020

Qualifications and education

- Bachelor's Degree in Business Administration from Saint Louis University
- Juris Doctorate from University of Arizona

Major position held with the AB InBev Group

- AB InBev (Global General Counsel)

Other major office

- Greater St. Louis, Inc. (Company representative)

Past experience

Ms. Barrett joined Anheuser-Busch in 2000 as a litigation attorney in the Legal Department. She most recently served as Vice President, United States General Counsel & Labor Relations of AB InBev, where she was responsible for overseeing all legal issues in the United States including commercial, litigation and regulatory matters and labor relations. Prior to joining AB InBev, Ms. Barrett worked in private practice at law firms in Nevada and Missouri.

Mr. John James Blood

Alternate Director to Mr. Doukeris, Ms. Barrett and Mr. Jamel

Aged 57 • Appointed as Alternate Director to Ms. Barrett on 4 June 2020 and to Mr. Doukeris and Mr. Jamel on 26 October 2022

Qualifications and education

- Bachelor of Arts from Amherst College
- Juris Doctor from University of Michigan Law School

Major position held with the AB InBev Group

- AB InBev (Global Chief Legal & Corporate Affairs Officer and Company Secretary)

Past experience

Mr. Blood joined AB InBev in 2009 as Vice President Legal, Commercial and M&A. Most recently, Mr. Blood was AB InBev's General Counsel. Prior to the latter role, he was the Zone Vice President Legal & Corporate Affairs of AB InBev in North America where he led the legal and corporate affairs agenda for the United States and Canada. Prior to joining AB InBev, Mr. Blood worked in the legal team in Diageo's North American business and also was in private practice at a New York City law firm.

Mr. David Henrique Galatro de Almeida

Alternate Director to Mr. Doukeris, Ms. Barrett and Mr. Jamel

Aged 48 • Appointed as Alternate Director to Ms. Barrett on 4 June 2020 and to Mr. Doukeris and Mr. Jamel on 26 October 2022

Qualifications and education

- Bachelor of Arts in Economics from the University of Pennsylvania

Major position held with the AB InBev Group

- AB InBev (Chief Strategy and Technology Officer)

Past experience

Mr. Almeida was Chief SAB Integration Officer of AB InBev from November 2015 to January 2018. Most recently, he served as AB InBev's Chief Strategy and Transformation Officer and before that as AB InBev's Chief Integration Officer and Chief Sales Officer ad interim having previously held the positions of Vice President, U.S. Sales and of Vice President, Finance for the North American organization of AB InBev. Prior to that, he served as InBev's head of mergers and acquisitions, where he led the combination with Anheuser-Busch in 2008 and subsequent integration activities in the U.S. Before joining the AB InBev Group in 1998, he worked at Salomon Brothers in New York as a financial analyst in the Investment Banking division.

Independent Non-executive Directors

Mr. Martin Cubbon

Chair of Audit and Risk Committee • Member of Nomination Committee

Aged 67 • Appointed on 2 July 2019

Qualifications and education

- Bachelor's Degree of Arts (Honors) in Economics from the University of Liverpool
- Chartered Accountant (ICAEW)

Other major offices

- John Swire & Sons Limited (Director) *(position held until 15 March 2024)*
- James Finlay Limited (Director) *(position held until 10 April 2024)*
- United States Cold Storage, Inc. (Non-executive director)

Past experience

Mr. Cubbon was a director of:

- Swire Pacific Limited (listed on the Stock Exchange with the stock codes of 0019 and 0087) from September 1998 to September 2017 and from November 2018 to May 2022
- Swire Properties Limited (listed on the Stock Exchange with the stock code of 1972) from March 2000 to September 2017
- Cathay Pacific Airways Limited (listed on the Stock Exchange with the stock code of 0293) from September 1998 to May 2009 and from January 2015 to September 2017
- Hong Kong Aircraft Engineering Company Limited (previously listed on the Stock Exchange with the stock code of 0044; delisted now) from August 2006 to May 2009

Mr. Cubbon was Group Finance Director of Swire Pacific Limited from September 1998 to March 2009, the Chief Executive of Swire Properties Limited from June 2009 to December 2014, and Corporate Development and Finance Director of Swire Pacific Limited from January 2015 to September 2017.

Ms. Marjorie Mun Tak Yang

Chair of Remuneration Committee • Member of Nomination Committee

Aged 72 • Appointed on 2 July 2019

Qualifications and education

- Bachelor's Degree of Science from the Massachusetts Institute of Technology
- MBA Degree from the Harvard Business School
- Justice of the Peace
- Gold Bauhinia Star

Other major offices

- Esquel Group (Chair)
- Meituan (listed on the Stock Exchange with the stock code of 3690) (Independent non-executive director)
- Seoul International Policy Advisory Council (Member)
- APEC Business Advisory Council (Appointed representative of Hong Kong)
- Advisory board of Computer Science and Artificial Intelligence Lab at the Massachusetts Institute of Technology (Co-chair)
- Steering Committee of Coolthink@JC (Chair)
- Harvard University (Advisory board member)
- Tsinghua University School of Economics and Management (Advisory board member)
- HSBC Climate Advisory Panel (Member)
- International Chamber of Commerce (Executive board member)

Past experience

Ms. Yang was a director of The Hongkong and Shanghai Banking Corporation Limited, a subsidiary of HSBC Holdings plc (listed on the Stock Exchange with the stock code of 0005), from July 2003 to April 2019 and Swire Pacific Limited (listed on the Stock Exchange with the stock codes of 0019 and 0087) from October 2002 to May 2017.

Ms. Katherine King-suen Tsang

Member of Audit and Risk Committee • Member of Remuneration Committee

Aged 67 • Appointed on 2 July 2019

Qualifications and education

- Bachelor of Commerce Degree from the University of Alberta, Canada

Other major offices

- Max Giant Capital (Founder)
- HK Acquisition Corporation (listed on the Stock Exchange with the stock code of 7841 (for SPAC Shares) and 4841 (for SPAC Warrants)) (Executive director and member of the remuneration committee) *(positions held until 30 October 2024)*
- Fidelity Emerging Markets Limited (listed on the London Stock Exchange ("**LSE**") with the stock code of FEML) (formerly known as Genesis Emerging Markets Fund Limited listed on the LSE with the stock code of GSS) (Independent non-executive director)
- Fosun International Limited (listed on the Stock Exchange with the stock code of 0656) (Independent non-executive director)
- China CITIC Bank International Limited (Independent non-executive director and Chair of Credit and Risks Committee)
- Advisory Council for China of the City of London (Member)
- Shanghai Jiao Tong University (Honorary board member)

Past experience

Ms. Tsang was the Chairperson of Greater China of Standard Chartered Bank from August 2009 to August 2014.

She previously served as an independent non-executive director of Gap Inc. (listed on the New York Stock Exchange with the stock code of GPS) from August 2010 to May 2018, an independent non-executive director of Baoshan Iron & Steel Co., Ltd. (listed on the Shanghai Stock Exchange with the stock code of 600019) from May 2006 to April 2012, a member of the World Economic Forum's Global Agenda Council on China from 2009 to 2012 and a member of Sotheby's Asia Advisory Board from November 2011 to October 2014.

Corporate Governance Report

Board effectiveness

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance and effectiveness. The Company believes that a diverse leadership team with complementary backgrounds improves the quality of decision-making and ultimately improves overall performance. The Company builds on passionate, diverse people becoming owners.

Policy and objectives

The Board has adopted a Board Diversity Policy since IPO, setting out its approach to achieve a balanced and diverse Board. In designing the Board's composition, we take into account a wide range of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives and insights that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board.

The Nomination Committee will monitor the implementation of the Board Diversity Policy by conducting a review of the Board composition, Senior Management and other people metrics at least once annually taking into account the benefits of all relevant diversity aspects and adhering to the Board Diversity Policy when making recommendations on any appointments, replacement and removal to the Board.

The Board reviewed the implementation and effectiveness of the policy for the year ended 31 December 2024.

As of 31 December 2024, the Board had three female Directors out of seven Directors, representing 42.9% of the Board. The Board will take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity. For further details, please refer to our Board Diversity Policy and Sustainability Report.

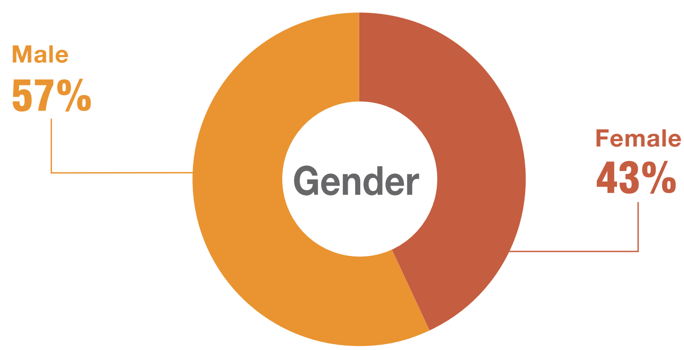
Succession planning

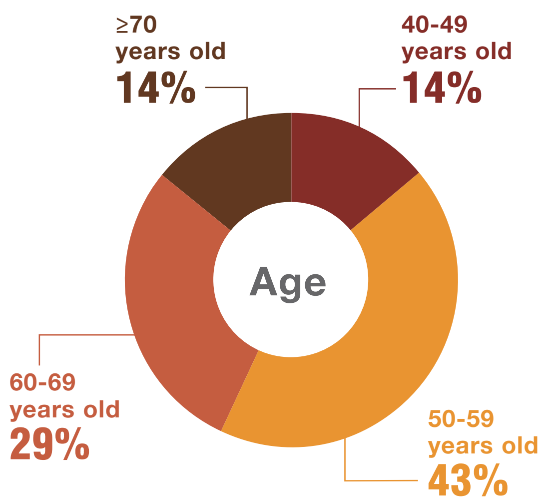
The philosophy behind our succession planning is to ensure stability and certainty in business continuity through the development of strong internal pipelines of key talent for critical leadership roles while achieving gender diversity. The Company achieves this through a globally consistent succession process that identifies these critical leadership positions within the organization and matches top talent as successors for these roles. We aim to develop, train and cultivate these successors to prepare them for their next steps.

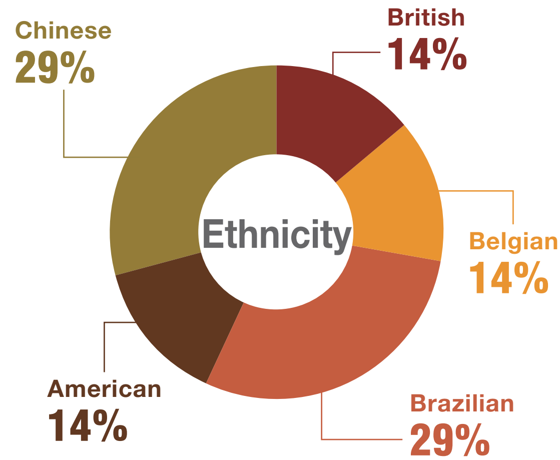
Workplace

The Company is also committed to a work environment where all colleagues feel respected and empowered to bring their authentic selves to work every day. Similar considerations are applied when recruiting and selecting Senior Management and other personnel across the Group's operations. As of 31 December 2024, 39% of our colleagues were female. For details, please refer to our Sustainability Report.

As of 31 December 2024, our Board consisted of a group of Directors with a broad range of skills, experience, background and technical knowledge who bring a range of expertise, skills, experience and insights to the governance of the Company:







Skills and experience

Industry	Experience in the food and beverage industry or the Fast-Moving Consumer Goods sector
Sustainability	Experience in, and commitment to, exceptional corporate governance standards, environmental management and social responsibility initiatives
Risk management	Experience in anticipating and identifying the key risks to the Group and monitoring the effectiveness of risk management frameworks and controls
Strategy	Experience in defining strategic objectives, assessing business plans and driving execution in large and complex organizations
Financial and risk management expertise	Understanding of a business's financial drivers and experience in implementing or overseeing financial accounting, reporting, internal audit and controls and risk management
People and culture	Experience in monitoring the Company's culture, overseeing people management and succession planning and setting remuneration frameworks
APAC and international	Experience in international and APAC economics and relations

Co-Chairs and Chief Executive Officer

The Co-Chairs are responsible for the proper and efficient functioning of the Board (including, among other things, determining the Board calendar and ensuring Directors receive complete and accurate information). The Chief Executive Officer reports directly to the Board and is entrusted with the day-to-day management of the Company.

Code provision C.2.1 of the Corporate Governance Code provides that the roles of chair and chief executive should be separate and should not be performed by the same individual. The Company is expected to comply with, but may choose to deviate from, such code provision as permitted in the Corporate Governance Code. The Company deviated from code provision C.2.1 during the reporting period because Mr. Jan Craps held the roles of both Co-Chair of the Board, alongside Mr. Michel Doukeris, and Chief Executive Officer. The Board considered that Mr. Jan Craps' appointment enhances Board efficiency. The Board believes that the balance of power and authority is adequately ensured by the operations and governance of our Board which comprises experienced and high caliber individuals, with more than one-third of them being Independent Non-executive Directors. Their respective responsibilities are clearly set out in the Corporate Governance Charter.

Joint company secretaries

During the year ended 31 December 2024, Mr. Bryan Warner (until 10 October 2024), Ms. Shirley Zhu (from 23 October 2024) and Ms. Ho Wing Tsz Wendy of Tricor Services Limited, as an external service provider, acted as the Company's joint company secretaries. Ms. Ho's primary contact at the Company was Mr. Bryan Warner and is currently Ms. Shirley Zhu.

Ms. Shirley Zhu

Vice President, Finance Planning and Analysis and Transformation
Joint Company Secretary
Appointed on 23 October 2024

Qualifications and education

- Bachelor's Degree from Shanghai Jiao Tong University
- Master's Degree from University of Illinois Urbana-Champaign
- Registered public accountant at the American Institute of Certified Public Accountants (AICPA) in the State of Illinois, the USA
- Admitted to practice law in the People's Republic of China
- Certified ASQ (American Society for Quality) Blackbelts

Past experience

Ms. Zhu previously held various senior positions at the Group between 2008 and 2024, including the position of Vice President, People Commercial, Vice President, Supply & Logistics Strategy, Transformation, Planning and Performance Management and Finance Director. Before joining the Group, Ms. Zhu worked in Ernst & Young and Capgemini, the USA.

Mr. Bryan Warner

Deputy General Counsel and Joint Company Secretary
Appointed on 19 February 2021 (until 10 October 2024)

Qualifications and education

- Juris Doctor from the New York University School of Law
- Bachelor of Arts in Diplomatic History from the University of Pennsylvania
- Admitted to New York Bar

Past experience

Mr. Warner previously held the position of Global Director, Legal Commercial and M&A from 2018 to 2019 at AB InBev in New York. Prior to that, Mr. Warner was an Associate at Cleary Gottlieb Steen & Hamilton LLP in New York between 2011 and 2017.

Ms. Ho Wing Tsz Wendy, FCG HKFCG(PE), CGP, MBA

Joint Company Secretary
Appointed on 26 October 2022

Qualifications and education

- Chartered Secretary
- Chartered Governance Professional
- Fellow of The Hong Kong Chartered Governance Institute (HKCGI) (formerly The Hong Kong Institute of Chartered Secretaries)
- Fellow of The Chartered Governance Institute (CGI) (formerly The Institute of Chartered Secretaries and Administrators)
- Master of Business Administration, The Hong Kong Polytechnic University

Other major office

- Executive Director, Corporate Services, Tricor Services Limited

Past experience

Ms. Ho has over 25 years of experience in the corporate secretarial field. Her practice focuses on business development and professional corporate services for multinational, private, listed and offshore companies.

The joint company secretaries play an important role in supporting the Board by ensuring good information flows between the Board and management and that Board policies and procedures are followed. The joint company secretaries are responsible for ensuring that Board procedures are complied with and that the Board acts in accordance with its statutory obligations under the Articles of Association. The joint company secretaries also advise the Board on all governance matters and assist the Co-Chairs in fulfilling their duties (including the logistics associated with the affairs of the Board).

During the reporting period, the joint company secretaries confirmed that they each undertook over 15 hours of professional training.

Directors' attendance at meeting and continuous professional development

The Company expects to convene at least four regular Board meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the Corporate Governance Code. During the reporting period, the Company convened four Board meetings, nine Board Committee meetings, one AGM and attended the following trainings. The attendance records of the Directors are set out below:

Directors' meeting attendance during the year ended 31 December 2024[1]
(Number of meetings attended/eligible to attend)

Name	Board[2]	Audit and Risk Committee[3]	Remuneration Committee	Nomination Committee	AGM[3]	Training[4]
Executive Director						
Mr. Jan Craps	4/4(CC)				1/1	✓
Non-executive Directors						
Mr. Michel Doukeris[5]	4/4(CC)		3/3	2/2(C)	1/1(C)	✓
Ms. Katherine Barrett	4/4				1/1	✓
Mr. Nelson Jamel[6]	4/4	4/4			1/1	✓
Independent Non-executive Directors						
Mr. Martin Cubbon	4/4	4/4		2/2	1/1	✓
Ms. Marjorie Yang	4/4		3/3(C)	2/2	1/1	✓
Ms. Katherine Tsang	4/4	4/4	3/3		1/1	✓

Notes:

(1) (C) refers to Chair of the Board, Chair of the AGM and Chair of the Board Committees and (CC) refers to Co-Chair of the Board, where applicable.

(2) This includes an annual meeting where Mr. Michel Doukeris and Mr. Jan Craps, Co-Chairs of the Board, met with all Independent Non-executive Directors only. The Board also discussed the Group's business plans and long-term directional strategy.

(3) Representatives of the independent external auditor participated in every Audit and Risk Committee meeting and the AGM in 2024.

(4) This covers (i) trainings organized by the Group, (ii) corporate events, (iii) expert briefings, seminars and conferences relevant to the business or directors' duties and (iv) sustainability, regulatory and industry-related updates.

(5) Mr. Doukeris attended a Board meeting by way of proxy.

(6) Mr. Jamel attended a Board meeting and an Audit and Risk Committee meeting by way of proxy.

Meeting agendas and materials are prepared and circulated to all Board and Board Committee members in advance of all meetings to ensure that they have sufficient time for review and that they can participate in the meetings in a meaningful and effective manner. Chairs of the Board Committees are provided sufficient time at each Board meeting to report on the discussions made at the Board Committee meetings and to make recommendations to the Board. Senior Management and functional heads are invited to present updates and/or answer relevant questions at the Board and/or Board Committee meetings in order to encourage open discussions and facilitate the decision-making process.

The Company acknowledges the importance of continuous professional development to ensure that the Directors are kept well-informed of the latest developments in the business, legal and regulatory environment. The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Regular seminars and written training materials relating to the roles, functions and duties of a director are provided to the Board from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects. The Board invited distinguished guest speakers to present an overview of the China market and recent trends.

Board evaluation

The Company conducts a regular evaluation of the performance of the Board and Board Committees. The purpose is to improve Board and Committee processes and effectiveness. The Co-Chairs of the Board oversee the process and results as required in the Company's Corporate Governance Charter. During the reporting period, the evaluation took the form of a detailed, confidential written questionnaire, which covered a broad range of topics such as board composition, meeting procedures, Board's and Board Committee's responsibilities, Board's role in risk oversight and supporting resources. The survey was supplemented by individual interviews with each Director. The survey and interview results were presented to the Board for discussion and several recommendations were made to improve further performance of the Board and Board Committees.

Appointment of Directors

At each AGM, at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third), upon recommendation of the Nomination Committee pursuant to the Terms of Reference of the Nomination Committee and the Board Diversity Policy, shall retire from office by rotation, provided that every Director shall be subject to retirement at an AGM at least once every three years. All Directors will be subject to retirement by rotation and eligible for re-election by the Shareholders at each AGM. All Directors (other than Mr. Craps, who will have ceased to be an executive Director before the 2025 AGM, and Ms. Barrett) will stand for re-election at the upcoming 2025 AGM. The biographical details of the retiring Directors will be set out in a circular to the Shareholders to assist the Shareholders in making an informed decision on their re-elections.

Each of our current Non-executive Directors is appointed for indefinite term. The term, duties and obligations of all Directors are set out in a formal letter of appointment entered into with the Company.

Directors' time and directorship commitments

Directors confirmed that they had given sufficient time and attention to the affairs of the Company and made contributions commensurate with their role and board responsibilities during the year ended 31 December 2024.

As of 31 December 2024, none of our Directors, individually, held directorships in more than five public companies (including the Company) and our Executive Director did not hold any directorship in other public companies save as disclosed in this annual report.

Disclosure of conflict of interest

Directors are required to declare their and their connected entities' direct or indirect interests, if any, in proposals or transactions to be considered by the Board at Board and Board Committee meetings and abstain from voting on relevant resolutions as appropriate in accordance with the Code of Business Conduct. Identified significant related party transactions are disclosed in Note 33 to the consolidated financial statements.

There is no particular relationship (including financial, business, family or other material or relevant relationship) between or among any members of the Board, other than the Executive Director and Non-executive Directors each being an employee of the AB InBev Group.

Board independence

Since the Listing Date, the Company has appointed three Independent Non-executive Directors in compliance with Rules 3.10 and 3.10A of the Listing Rules, with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise. The number of Independent Non-executive Directors accounts for more than one-third of the number of the Board members.

The Board and the Nomination Committee regularly review, assess and report Board independence in accordance with the Corporate Governance Charter, Terms of Reference of the Nomination Committee, Board Diversity Policy and Code of Business Conduct. The Nomination Committee reviewed and considered that the following key features or mechanisms under the Board and governance structure remained effective for the year ended 31 December 2024 in ensuring that independent views and input were provided to the Board:

Board and Committees' structure	• Since Listing, the Company has been steered by a Board comprising a majority of Non-executive Directors and INEDs. The Co-Chair and Chief Executive Officer is the only Executive Director on the Board. • The Board consists of three INEDs (43% of the Board), who are independent of and not related to each other and any members of the Senior Management. • The majority of all Board Committees are INEDs, with the Audit and Risk Committee and the Remuneration Committee being chaired by an INED.
INED's tenure	• The Terms of Reference of the Nomination Committee sets out, where an INED has served more than nine years on the Board, the Company should make relevant disclosure and appoint a new INED to the Board at the forthcoming annual general meeting.
Non-executive Directors' remuneration	• Our Non-executive Directors do not receive any director's fee or any other emoluments from the Company for acting as a Non-executive Director. • Our Independent Non-executive Directors receive compensation according to their duties (including serving as members or chair of our Board committees).
Appointment of Directors	• In assessing suitability of the candidates, the Nomination Committee will review their profiles, including their qualification and time commitment, having regard to the Board's composition, the Directors' skill matrix, the list of selection criteria approved by the Board, the Terms of Reference of the Nomination Committee and the Board Diversity Policy. • The Company may also engage independent search firm(s) to help identify potential candidates.

Annual review of Directors' commitment	• The Nomination Committee reviews annually each Director's time commitment to the Group's business • Directors' attendance records in 2024 are disclosed in the Corporate Governance Report contained in this Annual Report
Annual review of Directors' independence	• Non-executive Directors' independence is assessed upon appointment, annually and at any other time where the circumstances warrant reconsideration. Particular attention was given to assessing their independence given that they hold major positions within the AB InBev Group, the controlling shareholder of the Company, and/or are interested in the shares of the Company's Associated Corporations. Details of the Directors' interests in the Group's business are set out on pages 70 and 71 of this Annual Report. • Each INED is required to inform the Stock Exchange as soon as practicable if there is any change in his or her personal particulars that may affect his or her independence. No such notification was received during the year ended 31 December 2024.
Conflict management	• The Code of Dealing and Code of Business Conduct provide guidance to Directors and other executives of the Group on avoiding conflicts of interest and on the circumstances under which appropriate action(s) shall be taken if a conflict arises. • For the purpose of good corporate governance practice, each member of the Nomination Committee and the Board abstained from assessing his or her own independence and other matters in which he/she has a material interest.
Professional advice	• To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the Joint Company Secretaries or the in-house legal team as well as from independent professional advisers at the Company's expense.
Board evaluation	• The quality and efficiency of discussions at Board meetings are assessed during the annual evaluation of the Board's performance.

According to Rule 3.13 and Appendix D2 of the Listing Rules, the Company received written confirmations from all of the Independent Non-executive Directors regarding their independence during the reporting period, which were reviewed and assessed by the Nomination Committee and the Board. The Nomination Committee affirmed that all INEDs continued to demonstrate strong independence in judgement and were free from any business or other relationship which could interfere with their ability to discharge their duties effectively, and they therefore all remained independent. Based on these confirmations, the Company considers each of them to be independent for the purposes of the Listing Rules during such period.

Directors' securities transactions

The Company has established its own Code of Dealing regarding Directors' securities transactions on terms no less stringent than the required standard set out in the Model Code.

The Company has made specific enquiry with all Directors and all of them confirmed that they complied with the required standard set out in the Model Code and the Code of Dealing during the year ended 31 December 2024.

Financial reporting

Directors' responsibility

The Directors acknowledge their responsibility for the preparation and true and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee.

In preparing the consolidated financial statements for the year ended 31 December 2024, the Board adopted appropriate accounting policies consistently, made prudent and reasonable judgments and estimates, and ensured that the consolidated financial statements were prepared on a going concern basis and show a true and fair view of the consolidated financial position of the Group as of 31 December 2024 and of the Group's consolidated financial performance and cash flows for the year ended 31 December 2024.

Independent external auditor's responsibility

A statement by the independent external auditor of the Company, PricewaterhouseCoopers, is included in the Independent Auditor's Report on pages 97 to 101 of this Annual Report.

Independent external auditor's remuneration

The consolidated financial statements contained in this annual report have been audited by PricewaterhouseCoopers. Service fees for auditing provided by PricewaterhouseCoopers for the year ended 31 December 2024 are included in Note 9 to the consolidated financial statements.

Annual general meeting

The Company held its 2024 AGM by way of a fully electronic meeting. The online AGM was attended by our Directors, Senior Management and Shareholders. They were able to participate via a live webcast of the AGM, submit questions and cast votes in near real-time through the online platform with simultaneous translation. The online AGM allows our Shareholders who may be subject to travelling or social distancing constraints to engage with our Board and Senior Management directly and express their views amid these special circumstances.

Board Committees

Audit and Risk Committee

The Audit and Risk Committee, chaired by an Independent Non-executive Director, is comprised of three members: Mr. Martin Cubbon (Chair), Ms. Katherine Tsang and Mr. Nelson Jamel. Their biographies are set out on pages 34, 36 and 37 of this Annual Report.

Duties and responsibilities

The primary duties and responsibilities of the Audit and Risk Committee include, among other things, overseeing the financial reporting system, internal control procedures and risk management of the Company, reviewing the financial information of the Company and considering issues relating to the independent external auditor and its appointment. The Audit and Risk Committee also meets with the independent external auditor in the absence of Senior Management during each of the four meetings.

The Audit and Risk Committee works closely with the independent external auditor and management-level group functions and invites Senior Management members to present and discuss matters of interest at the meetings from time to time, such as:

- Chief Executive Officer
- Chief Financial Officer
- Chief Legal and Corporate Affairs Officer
- Chief Supply and Logistics Officer
- Vice President, Procurement & Sustainability
- Vice President, Technology and Analytics
- APAC Controller & Senior Finance Director, Treasury
- Senior Director, Internal Audit and Risk Management
- Senior Finance Director, Investor Relations

Accountability

The Audit and Risk Committee is accountable to the Board. The Chair reports to the Board at the Board meetings in which the Group's financial statements and other audit-related matters are considered.

Summary of work performed

During the year ended 31 December 2024, the Audit and Risk Committee devoted considerable time in reviewing and advising on the Group's financial performance and monitoring some of the material risks faced by the Group, such as:

- reviewed the Group's quarterly, interim and annual financial statements;
- reviewed and considered the Group's 2023 Annual Report, 2023 Sustainability Report and sustainability assurance report and 2024 Interim Report;
- considered and reviewed the key audit matters and material accounting impacts presented by the independent external auditor;
- reviewed the Group's continuing connected transactions;
- reviewed the Group's (1) internal control, internal audit and risk management updates; (2) tax updates; (3) legal, external affairs and compliance (including matters relating to whistleblowing and anti-corruption) updates; (4) data privacy, solutions, information technology and cybersecurity updates; and (5) safety, environment and quality updates;
- reviewed the Group's financial and accounting policies and practices and Listing Rules compliance; and
- reviewed the independent external auditor's appointment and annual independence confirmation.

Nomination Committee

The Nomination Committee is comprised of three members: Mr. Michel Doukeris (Chair), Ms. Marjorie Yang and Mr. Martin Cubbon. Their biographies are set out on pages 33, 36 and 37 of this Annual Report.

Duties and responsibilities

The primary duties and responsibilities of the Nomination Committee include, among other things, reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Directors and making recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors.

The Nomination Committee works closely with management-level group functions and invites Senior Management members to present and discuss matters of interest at the meetings from time to time, such as:

- Chief Executive Officer
- Chief People Officer

Accountability

The Nomination Committee is accountable to the Board. The Chair reports to the Board at the Board meetings in which the Group's people matters are considered.

Summary of work performed

During the year ended 31 December 2024, the Nomination Committee carried out the following work which include, among other things, the following:

- monitored the independence of the Independent Non-executive Directors for the purposes of the Listing Rules;
- reviewed and recommended Board, Executive Committee and Senior Management long-term succession planning;
- considered and endorsed the nomination of Directors for re-election by Shareholders at the 2024 AGM;
- considered and reviewed the extension of the appointment of Non-Executive Directors, change of joint company secretary and senior management members;
- monitored and reviewed the Group's workplace development;
- reviewed the proposal to recommend all directors for annual re-election at the AGM; and
- considered results from the Company's employee turnover and engagement review.

Nomination Criteria

The Nomination Committee will ensure that Directors joining the Board live by its 10 Principles and share the Company's dream, culture and values not only in its current interpretation, but also in its underlying vision of enduring greatness and of building the pre-eminent consumer goods company of the twenty-first century.

The Board members must have the right mix of skill and experience. Therefore, more conventional recruitment criteria for Directors such as experience, executive position, functional expertise, reputation and public visibility are also relevant. Please refer to the "Corporate Governance Report – Board effectiveness" section of this annual report for further details.

Remuneration Committee

The Remuneration Committee, chaired by an Independent Non-Executive Director, is comprised of three members: Ms. Marjorie Yang (Chair), Ms. Katherine Tsang and Mr. Michel Doukeris. Their biographies are set out on pages 33 and 37 of this Annual Report.

The Remuneration Committee's primary duties include, among other things, making recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management's remuneration, monitoring the performance of the Chief Executive Officer, the Executive Committee and Senior Management, and approving or making recommendations on individual remuneration packages of Directors and Senior Management.

Summary of work performed

Duties performed by the Remuneration Committee during the year ended 31 December 2024 include, among other things, the following:

- reviewed the remuneration report for the year ended 31 December 2024;
- reviewed the target achievement and/or remuneration structure of the Directors, Executive Committee and Senior Management for the year ended 31 December 2023 and 2024, as applicable, having taken into account their commitment and contribution to the Board, respective Board Committees and the Company in the preceding years and the prevailing market reference rates;
- reviewed Board and senior management compensation;
- recommended the grant of restricted stock units and locked-up shares under the Share-Based Compensation Plan to the Chief Executive Officer and other eligible employees of the Group in March 2024, after taking into account their achievement of targets for the preceding year and other recommendations from Senior Management pursuant to its plan rules and the Terms of Reference for the Remuneration Committee. Please refer to the "Report of the Directors – Share Award Schemes" section of this Annual Report for further details; and
- recommended the grant of restricted stock units under the New Restricted Stock Units Plan to certain Directors and other eligible employees of the Group in December 2024, after taking into account their alignment with the Group's key strategic objectives and prior achievements pursuant to its plan rules and the Terms of Reference for the Remuneration Committee. Please refer to the "Report of the Directors – Share Award Schemes" section of this Annual Report for further details.

Remuneration Policy

The Remuneration Committee recommends the level of remuneration for Directors where applicable (excluding the Non-Executive Directors), subject to approval by the Board.

The Remuneration Committee will regularly benchmark Directors' compensation against peer companies to ensure that its remuneration packages remain competitive. Remuneration is linked to the time committed to the Board and its various committees. Changes to the compensation of the Directors will be submitted to the shareholders' meeting for approval.

In addition, Board members may be granted a certain number of share options, restricted stock units or locked-up shares under share incentive schemes adopted by the Company from time to time. Such securities may be granted upon the recommendation of the Remuneration Committee and will be subject to approval by the Board.

The remuneration of the Board members is thus composed of both a fixed salary and certain securities of the Company, which makes Board compensation simple, transparent and easy for Shareholders to understand.

The Board sets and revises, from time to time, the rules and level of compensation for Directors carrying out a special mandate or sitting on one of the committees of the Board and the rules for reimbursement of Directors' business-related out-of-pocket expenses.

FY24 Remuneration

Directors' emoluments comprise payments to Directors by the Company in connection with the management of the affairs of the Company. Details of emoluments paid to each Director and the five highest paid employees in the year ended 31 December 2024 are set out in Notes 8 and 33 of the consolidated financial statements.

Senior Management

Senior Management is entrusted with day-to-day management of the Company and its subsidiaries, affiliates and joint ventures, and is responsible for the execution and management of all Board decisions.

During the reporting period, our Senior Management was comprised of the following:

Mr. Jan Eli B. Craps

Chief Executive Officer, aged 47

Mr. Craps' biography is set out in this section on page 32.

Mr. Kartikeya Sharma

BU President of India, aged 43

Mr. Sharma holds a Bachelor's Degree in Economics from the Maharaja Sayajrao University, Baroda, an Advanced Marketing Certification from the Indian Institute of Management, Lucknow and an Executive MBA alternative from the Harvard Business School, Boston. He joined the Group in 2005. He is responsible for the formulation of the strategic direction and the day-to-day management of BU India of the Group.

Mr. Ignacio Lares

Chief Financial Officer, aged 42

Mr. Lares graduated from Queen's University in Toronto with a Bachelor's Degree in Chemical Engineering and holds a Master of Engineering, Mechanical and Industrial, from the University of Toronto. Pursuant to his appointment as the Chief Financial Officer on 1 March 2021, Mr. Lares is responsible for the financial operation, financing and investment activities of the Group.

Mr. Craig Katerberg

Chief Legal and Corporate Affairs Officer, aged 43

Mr. Katerberg holds a Bachelor's Degree in Latin American History from the University of Chicago and a Juris Doctor Degree from Northwestern University Pritzker School of Law. He was a member of the Group between 2015 and 2019 and rejoined the Group in 2021. He is responsible for legal and corporate affairs of the Group.

Mr. Zhou Zhen (Luke)

Chief Sales Officer China (until 31 December 2024), aged 44

Mr. Zhou holds a Bachelor's and Master's Degree in Applied Mathematics from Peking University. He joined the Group in 2008. He is responsible for leading the total sales across seven BUs, key accounts, digital commerce and all other commercial functions.

Mr. Ben Verhaert

BU President of East Asia, aged 47

Mr. Verhaert holds a Bachelor's Degree in Management from the Catholic University of Louvain in Louvain-la-Neuve, Belgium. He joined the Group in 2017. He was assigned to his current position in 2020 and is responsible for the formulation of the strategic direction and the day-to-day management of BU East Asia of the Group.

Mr. Craps and Mr. Zhou ceased to be member of senior management on 1 April 2025 and 1 January 2025, respectively.

Mr. Yanjun Cheng and Mr. Fabio Sala became member of senior management on 1 April 2025 and 1 January 2025, respectively. Mr. Cheng's biography is set out in this section on page 32. Mr. Sala's biography is set out below:

Mr. Fabio Sala

BU President of China (from 1 January 2025), aged 47

Mr. Sala holds a Bachelor's Degree in Computer Engineering from Universidade Estadual de Campinas in Brazil and an MBA from Business School Sao Paulo in Brazil. He joined AB InBev in 2001 in Brazil as a Sales Account Manager and advanced through various senior commercial roles. He became Vice President, Commercial in 2016 and BU President in 2017 in AB InBev's operations in Europe. He is responsible for the formulation of the strategic direction and the day-to-day management of BU China of the Group.

Executive Committee

The Executive Committee, which is comprised of the Chief Executive Officer, the Chief Financial Officer and the Chief Legal and Corporate Affairs Officer, works with the Board on matters such as corporate governance, general management of the Company and the implementation of corporate strategy as defined by our Board. The Executive Committee drives the commercial and operational agenda, reflecting the strategy set out by the Board. Directors ordinarily will not give instructions to, or interfere with the activities of, Senior Management and employees engaged in the due exercise of powers granted to them by the Board. With exception to this principle, members of the Audit and Risk Committee will at all times have full and free access to the Chief Financial Officer and any other officers or employees to whom they may require access in order to carry out their responsibilities.

Management Committees

Risk Committee

The purpose of the Risk Committee is to:

(a) bring together a multi-disciplinary team to take an enterprise-level view of the risks facing the Company and to support management, the Audit and Risk Committee and the Board;

(b) synthesize and assess risks, make and implement management recommendations;

(c) assess and make recommendations to Senior Management and the Board on the risk appetite, profile and tolerance of the Group; and

(d) oversee matters concerning the Group's risk management framework, policies and systems, and bring any issues to the attention of Senior Management and the Board.

Members of the Committee include the Chief Legal & Corporate Affairs Officer, Chief Financial Officer, Vice President of Sustainability & Procurement, Vice President of Technology & Analytics, Chief Supply & Logistics Officer, Chief People Officer, the Deputy General Counsel and Joint Company Secretary and Senior Director of Internal Audit & Risk Management. The Chief Financial Officer and Chief Legal & Corporate Affairs Officer are the Co-Chairs of the Committee. Other management members and external advisers may also be invited to attend Committee meetings.

The Committee meets at least twice per year, for a formal review of risks, including a review of top risks, accompanied by any proposed mitigation plans as the case may be, and quarterly, for a review of the general risk context and environment of the Company.

Sustainability Committee

The purpose of the Sustainability Committee is to:

(a) oversee sustainability initiatives internally and externally;

(b) implement actions to achieve sustainability goals and targets;

(c) drive sustainability performance internally and externally with suppliers;

(d) oversee the Company's compliance with relevant environmental and social laws, rules, regulations and standards; and

(e) identify climate-related risks and opportunities with financial planning.

With direct oversight from Senior Management, the cross-departmental Sustainability Committee supervises the Company's overall sustainability strategies and goals. The Committee is responsible for overseeing, planning and reviewing matters related to Bud APAC's sustainability journey, and leads the Sustainability Working Group to implement sustainability initiatives.

The Committee has led the exercise of assessing Bud APAC's climate-related risks and opportunities with the guidelines established by the Task Force on Climate-related Financial Disclosures (TCFD). To examine business resilience to the physical and transition risks of climate change, the Company has undertaken a series of scenario analyses. It also conducted comprehensive internal and external workshops to identify the key climate-related risks and opportunities across our operations in the APAC region over the near-term, medium-term, and long-term horizons.

To ensure appropriate skills and competencies are available to oversee strategies designed to respond to sustainability matter, as well as climate-related risks and opportunities, the Committee comprises four members appointed by the Chief Executive Officer. Members of the Committee include the Chief Legal & Corporate Affairs Officer, Chief Financial Officer, Chief Supply & Logistics Officer and Vice President of Sustainability & Procurement. The Sustainability Working Group comprises functional heads and representatives from key departments of the Company.

In 2024, the Sustainability Committee convened four times, meeting to discuss the progress of sustainability matters and the new initiatives, and presented to the Board of Directors semi-annually. It aligned with the Risk Committee on the risk management especially for climate risks with reference to the TCFD framework.

Ethics and Compliance Committee

The purpose of the Ethics and Compliance Committee is to:

(a) formulate and update the Group's compliance policies and practices with prevailing statutory requirements, guidelines, regulations and best practice codes;

(b) exercise general management oversight on compliance with the Group's internal policies;

(c) investigate alleged cases (including whistleblowing cases) and determine disciplinary actions if the cases are substantiated; and

(d) develop and promote the Group's compliance values and culture through regular trainings, tone from the top messages and courses to raise the compliance awareness of employees and external parties.

The Committee consists of the Chief Executive Officer, Chief Financial Officer, Chief Legal & Corporate Affairs Officer, Chief People Officer, Senior Director of Internal Audit & Risk Management and Compliance Director. Please refer to the section headed "Corporate Governance Report – Business Ethics and Compliance" of this annual report and our Sustainability Report for further details.

Risk Management and Internal Control

Board's responsibility

The Board of Directors and Senior Management are responsible for establishing and maintaining adequate and effective internal control, internal audit and risk management systems, as well as reviewing their effectiveness. Internal control is the process designed to provide reasonable assurance regarding achievement of objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. Risk management is the process designed to identify potential events that may affect the Company and to manage risks within the level of exposure acceptable to the Company (including environmental, social and governance risks). Internal audit carries out independent appraisal of the effectiveness of the Company's risk management framework.

Risk Management Expertise

The Board's strong financial foundations stem from its prudent risk management philosophies. Our well-established risk management guidelines, policies and frequent review functions throughout the Group have minimized unfavorable financial and market risk exposures. The Board is equipped with highly accredited Board members who have direct, invaluable risk management experience:

- Mr. Nelson Jamel has more than 14 years of risk management experience in group risk management and risk management governance, including management of risk identification, reporting and mitigation efforts across Ambev and Anheuser-Busch Companies, LLC.

- Mr. Martin Cubbon has more than 13 years of risk management experience as the former Chair of the Risk Management Committee of Swire Pacific Limited and a former member of the Group Risk Management Committee of John Swire and Sons Limited.

- Ms. Katherine Tsang has more than 19 years of solid risk management experience. As the CEO of Standard Chartered Bank (China), she maintained a strong focus on managing credit, financial and operational risks from the end of 2004 to August 2009, and chaired the Country Operational Risks Committee from January 2005 to August 2009. Since December 2016, she has been the Chair of Credit and Risks Committee of China CITIC Bank International Limited in Hong Kong managing all types of risks, including credit, financial and operations and overseeing the Country Credit Risks Committee and Country Operational Risks Committee.

Control framework

The Company has established and operates its internal control, internal audit and risk management systems based on guidelines issued by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"). The internal control system is based upon COSO's Internal Control – Integrated Framework of 2019 and its risk management system is based on COSO's Enterprise Risk Management Framework of 2019.

To mitigate operational, financial compliance and legal compliance risks, we are organized internally as per 3 levels of controls with different scopes and focus:

1st level: Local day-to-day operations

The 1st level of control is comprised of our senior management, local management and their teams, the service centers as well as the local Internal Control teams in each of our business units across China, East Asia, India and South East Asia. These teams are responsible for identifying risks and managing the day-to-day execution of processes and controls to mitigate those risks in their local business units.

2nd level: Group-level oversight from legal, compliance and control
The 2nd level of control is comprised of our Internal Control teams as well as our Legal and Compliance team at the Group level. These teams are responsible for overseeing processes and controls from an overall group perspective.

3rd level: Independent risk management and internal audit
The 3rd level of control is comprised of our independent Risk Management and Internal Audit team. The Risk Management and Internal Audit team is responsible for reviewing the effectiveness of the Group's control systems and working with process owners to implement improvements.

The Board acknowledges that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit and Risk Committee oversees financial and business risk management and discusses the process by which management assesses and manages the Company's exposure to those risks and the steps taken to monitor and control such exposure.

The Company is committed to establishing high-level risk management, internal audit and internal control systems to safeguard the Company's interests and Shareholders' investment.

Internal control

Our internal control function is led by the Internal Control team in Finance. The internal control processes and procedures that have been established for various aspects of the business, with clearly defined scopes of responsibilities, form the foundation of Bud APAC's internal control system to ensure compliance of business operations with applicable regulations. These internal control processes are reviewed regularly by the Audit and Risk Committee and the Board.

Risk management process

The Company has established robust, comprehensive and technology-driven risk management to effectively manage and mitigate risks inherent to the business to protect the Company, the customers and the partners, as well as to meet regulatory obligations.

To support the risk management process, an annual risk assessment is performed by the 3rd level of control: our Risk Management and Internal Audit team. The Internal Audit team performs selected auditable operations of business units each year based on the annual Enterprise Risk Management (ERM) assessment result. Such assessment uses a bottom-up and top-down approach, starting bottom-up with inputs from both key internal stakeholders across verticals and business units and external stakeholders such as audit firms. Those inputs are then collated and appraised with topics being prioritized with the use of a Risk Assessment Index. An audit plan with the key risk areas identified is created following this assessment, with refinements being made based on top-down inputs from senior management in an iterative manner. Throughout this process, initially non-prioritized risks are frequently reassessed to check for eventual relevant risks that could have been overlooked.

During the following year, the Risk Management and Internal Audit team then performs reviews and issues the corresponding reports. The output of the reviews performed as part of the audit plan are action plans to mitigate risks and improve business performance. The Audit and Risk Committee reviews the internal audit reports and monitors the implementation of the related action plans.

Inside information

The Company has adopted the Disclosure of Inside Information Policy governing the procedures and internal control for the handling and dissemination of inside information, in which the utilization of confidential or inside information for securities dealing is strictly forbidden. An information disclosure working group is established to monitor and evaluate the risks of leakage of inside information, and to handle and disseminate inside information as appropriate in accordance with the information disclosure policy.

Effectiveness of internal audit, internal control and risk management systems

With the assistance of the Audit and Risk Committee, the Board conducted a review of the Group's internal audit, internal control and risk management systems during the reporting period, including financial, operational and compliance controls and was satisfied with the effectiveness and adequacy of the systems. This review included a review of the adequacy of the resources, staff qualifications and experiences, training programs and budget of the Company's accounting, internal audit and financial reporting functions as well as those relating to the Company's sustainability performance and reporting.

This was achieved primarily through:

- approving the work plan of the Risk Management and Internal Audit team;
- reviewing the findings, recommendations and follow-up actions of internal audit work;
- reviewing quarterly internal audit and risk management activity reports;
- reviewing statutory and operational compliance reports;
- reviewing controls and procedures of financial reporting and the annual financial statements; and
- reviewing the nature, scope of work and reports of the independent external auditor.

The Board is also pleased to inform the Shareholders that it has received a confirmation from Senior Management on the effectiveness and adequacy of the Group's internal audit and risk management and internal control systems during the reporting period.

Risks and uncertainties

The Company has identified the below as the principal risk areas (including material risks relating to Sustainability) that affect its business operations. Such risks are not exhaustive. There may be other risks in addition to those shown below which are not known to the Company or which may not be material now but could turn out to be material in the future. For further details, please refer to our Sustainability Report.

Risk areas	Principal risks	Our mitigating measures
Economic conditions and risks common to the beer industry	The Company's business is affected by the global economy and the typically more volatile economies of developing markets.	The Company closely reviews and monitors the commodity prices, logistics efficiency and sales and distribution of its products and developments in key markets.
	Any adverse economic developments in Asia Pacific could result in fluctuation in commodity prices and logistic costs, reduced consumption or sales prices of the Company's products, which in turn could result in lower revenue and reduced profit.	Where necessary, the Company may make commercial investments and reallocate resources to support its brands and route to market in the event of adverse economic or other developments.
	Consumption of beer and other alcoholic and non-alcoholic beverages in many of the jurisdictions in which the Company operates is closely linked to general economic condition, with levels of consumption tending to rise during periods of rising per capita income and fall during periods of declining per capita income.	

Risk areas	Principal risks	Our mitigating measures
Political and regulatory exposure	The Company's business is highly regulated in the countries in which it operates. The Company is required to comply with applicable laws, regulations and best practices and maintain various approvals, licenses and permits in order to conduct its operations in the various countries in which it does business. These approvals, licenses and permits are granted upon satisfactory compliance with, among other things, applicable laws and regulations in relation to alcohol sales and distribution, food safety, hygiene, environmental protection and fire workplace safety. Such approvals, licenses and permits are subject to termination or non-renewal. The Company's business also faces customary risks of operating in developing countries such as, among others, political instability or insurrection, external interference, financial risks and changes in government policies.	The Company's legal, compliance and corporate affairs department actively reviews and monitors its compliance with the latest applicable laws and regulatory requirements and best practices and regularly reports to the Audit and Risk Committee and the Board in order to ensure that it is operating in an ethical and legally compliant way and has all the necessary approvals licenses and permits to operate its business. The Company also ensures it has adequate internal resources to address legal and regulatory changes, as well as the changes in sustainability frameworks, political climate or economic trends in a timely fashion.
Sustainability compliance	The Company is subject to prevailing sustainability disclosure requirements and scrutiny from investors, rating agencies and other stakeholders on its sustainability performance.	The Company has engaged independent professional consultants to conduct an overall review of the Group's sustainability and climate change performance. The Company has also established three management-level committees, namely, Sustainability Committee, Risk Committee and Compliance Committee to monitor the compliance of a series of internal sustainability-related policies.

Risk areas	Principal risks	Our mitigating measures
Environmental management regarding climate change	The Company's business is closely tied to the natural environment as our beer relies on high-quality agricultural commodities, raw materials for packaging, water resources and energy. As the water stress in the regions we brew increases, the Company may be exposed to supply disruptions that could significantly impact its operations and add to the costs. Due to climate change, habitat degradation, excessive agricultural land use and the exploitation of natural resources associated with economic activity, crop yields may decrease, which may in turn affect the Company's brewing process.	The Company aims to regularly analyze and report on the material environmental risks to the Company's business in line with the recommendations of leading regulatory bodies, such as TCFD, and regularly reviews transitional risks and physical risks in relation to climate change. The Company also leverages its influence in the industry to support the enforcement and implementation of effective climate change mitigation and adaptation measures. It aims to invest in renewable energy and regularly conducts comprehensive water withdrawal and risk assessment to monitor water issues where we operate and within the supply chain, including areas where we source our agricultural commodities. The Company aims to work closely with its farmers to support sustainable farming practices through crop management, improved varieties and risk mitigation tools, whilst also exploring how agriculture can be part of the solution to reducing GHG emissions. The Company also works closely with its value chain partners on the low carbon transition via digital capacity building and carbon footprint mapping, with the aim to reduce overall GHG emissions of the Company.

Risk areas	Principal risks	Our mitigating measures
Competition and changing consumer preferences	The Company competes with both global and regional brewers and other drinks companies, and its products compete with other beverages. Brewers, as well as other players in the beverage industry, compete mainly on the basis of brand image, price, quality, distribution networks and customer service. Competition with brewers and producers of alternative beverages in the Company's various markets in Asia Pacific and an increase in the purchasing power of players in the Company's distribution channels could cause the Company to reduce pricing, increase capital investment, increase marketing and other expenditures and/or prevent the Company from increasing prices to recover higher costs, thereby causing the Company to reduce margins or lose market share.	The Company maintains strong relationships with its distributors to ensure that it has visibility over points of sale and consumer preferences. The Company continually assesses consumer needs and values with a view to identifying the key characteristics of consumers in each beer category so as to position its existing brands or to introduce new brands in order to address the characteristics of each category. The Company may also look to product innovations to adapt to changing consumer preferences. The Company continues to place a high value on R&D priorities. This includes launching new liquids, new packaging and new dispensing systems, as well as updating and enhancing existing products and packaging. The Company further continues to allocate resources to its Asia Pacific Zone Innovation and Technology Center which includes a research pilot brewery, a package lab, a central lab, regional R&D office and training centers.
Data privacy and cybersecurity	Due to the Company's increasing use of technology in its business and the rapid development of technology, the Company is exposed to cybersecurity risks, such as cyberattacks and phishing threats, which may interrupt key business operations and manufacturing. Personal data may also be collected inappropriately or illegally through digital platforms and other channels.	The Company continuously builds a holistic approach to managing and protecting data and privacy through the implementation of a variety of processes, roles and controls. The Company's Technology and Analytics team works with various functions, such as Legal, Control and Supply teams, to conduct regular cybersecurity reviews and upgrades to mitigate risks and reports to the Audit and Risk Committee. The Company also aims to put in place stringent cybersecurity and data privacy policies and procedures and provides regular trainings and seminars.

Risk areas	Principal risks	Our mitigating measures
Reputation of our brands	The Company relies on the reputation of its brands. An event, or series of events, that materially damage the reputation of one or more of the Company's brands could have an adverse effect on the value of that company, beer or other brand and subsequent revenues from that brand or business.	The Company continues to take steps to enhance its reputation, e.g., closely monitoring and taking action on parallel import activities. The Company strives to create lasting value for its business partners and stakeholders by utilizing its scale, resources and people to address the needs of communities. An example of the Company's programs to address the needs of its communities include our "Accelerator 100+ project", which pilots innovative solutions across our operations and supply chain in key markets and programs relating to smart agriculture, water stewardship, circular packaging and climate action.
Financial risk	The Company's operations are exposed to certain financial risks such as credit risk and foreign currency risks. Such risks may have an adverse effect on the Company's results of operations and financial condition.	The Company mitigates its exposure through a variety of mechanisms, including, among other things, establishing minimum counterparty credit ratings and entering into transactions only with financial institutions of investment grade rating. The Company monitors counterparty credit exposures closely and reviews any external downgrade in credit rating immediately. In respect of foreign currency risk, the Company may hedge operating transactions which are reasonably expected to occur (e.g., cost of goods sold and selling, general and administrative expenses) within the forecast period determined in our financial risk management policy. Operating transactions that are considered certain to occur are hedged from time to time as appropriate.

Business Ethics and Compliance

Code of Business Conduct

Our Code of Business Conduct, which embraces the fundamentals of our 10 Principles, sets out the ethical standards to which all directors, officers and employees are expected to adhere to. We also encourage and expect our suppliers, service providers and other business partners to act in a manner consistent with our Code of Business Conduct, and to adopt similar standards in practices, integrity and transparency in partnering and doing business with us.

Whistleblowing Policy

We actively encourage our colleagues and related third parties to report, in strict confidence and on an anonymous basis, misconduct, malpractice or irregularities in any matters related to the Company.

Our Whistleblowing Policy outlines detailed procedures regarding how we receive, retain and follow up on whistleblowing reports in conformity with applicable laws, rules and regulations.

We have a public whistleblowing hotline run by an independent third party all year round with multiple languages supported, allowing those within and outside of the Company to report, in strict confidence and on an anonymous basis, any suspected breaches of policies, including the Human Rights Policy and Responsible Sourcing Policy. Upon receipt of a report, a compliance officer will be designated to investigate the issue.

All reports received will be taken seriously. They will be promptly and thoroughly investigated by the Ethics and Compliance teams, or by other teams under their supervision, in accordance with our investigation protocols.

Whistleblowers will be notified of the status of the investigation as appropriate. All reports received will be properly logged into our case management system. The Ethics and Compliance teams will make periodic reports to the Ethics and Compliance Committee, Risk Committee, the Audit and Risk Committee and/or the Board on whistleblowing reports received.

Anti-Bribery and Corruption

We have zero-tolerance towards bribery and corruption. Our Anti-Corruption Policy states clearly that the Company's employees are strictly prohibited from, either directly or indirectly, offering, promising, authorizing or giving anything of value to any individual with the aim of improperly obtaining or retaining business or influencing business or governmental decision-making in connection with Bud APAC's commercial activities.

We endeavor to maintain a leading anti-corruption compliance program. This program is managed by our Ethics and Compliance Committee which oversees policy implementation, investigations, operational dashboards and organizational change across all regions. Our compliance officers are readily available to advise our colleagues on specific issues. Our colleagues can ask questions or raise concerns in person, via an online website or anonymously through the compliance hotline.

Code of Business Conduct and Anti-Corruption Training

We provide regular Code of Business Conduct and anti-corruption trainings to our colleagues to heighten their awareness of ethics and compliance issues, including anti-bribery, anti-corruption, anti-harassment and discrimination, conflicts of interests, antitrust and digital ethics. We endeavor to make the trainings the most effective possible, which include interactive animations that portray possible scenarios based on real-life cases. We also hold live training sessions and circulate relevant news and updates via internal communications.

Please refer to our Sustainability Report for further details on our business ethics policies and updates.

Shareholders' Rights

Convening of extraordinary general meeting by Shareholders

According to the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by depositing written requisition to the Board or the Secretary of the Company at Room 2701, 27th Floor, Hysan Place, 500 Hennessy Road, Causeway Bay, Hong Kong (Attention: Company Secretary of Budweiser Brewing Company APAC Limited), to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition.

Procedures for Shareholders to propose a person for election as a Director of the Company

The Procedures to Propose Persons for Election as Directors has been adopted by the Company and is published on the Company's website at http://www.budweiserapac.com/.

Changes to the Articles of Association

Our current Articles of Association was amended and restated on 14 May 2024, and is available for viewing on the websites of the Company and the Stock Exchange. There were no further significant changes to our Articles of Association since such amendment and restatement.

Investor Relations

The Company encourages its Shareholders to take an active interest in the Company. In support of this objective, it provides quality information, in a timely fashion, through a variety of communication tools. These include annual and interim reports, environmental, social and governance reports, the non-financial statement, financial results announcements, briefings and the section of the Company's website which is dedicated to investors.

Shareholders Engagement

In accordance with the Listing Rules, the Company adopted a Shareholders Communication Policy with effect from the Listing Date, which sets out, among other things, how shareholders can communicate their views on various matters affecting the Company and how the Company solicits and understand the views of shareholders and stakeholders. The policy was updated in March 2023 to emphasize our commitment to enhancing stakeholder engagement and communication and to require the policy to be reviewed annually to ensure its continued effectiveness. For further details of the policy, please refer to the Company's website at http://www.budweiserapac.com/.

In accordance with the Shareholders Communication Policy and our Articles of Association:

- We have published key corporate governance policies, the respective Terms of Reference for the Board Committees, the Group's press releases and announcements on the Company's website;

- We have published annual reports, interim reports and announcements in a timely manner with the Stock Exchange and on the Company's website;

- Senior Management has presented the annual, interim and quarterly results through earnings calls, webcasts, the Company's website, and face-to-face meetings in order to communicate with Shareholders, investors and analysts;

- Shareholders can choose to receive corporate communications via electronic means, with the aim to reduce resource consumption related to printing and distribution of hard copies;

- Shareholders are given opportunities to meet the Directors and Senior Management and to raise questions at our AGMs every May. Details are set out in the "Annual General Meeting" section above;

- All Shareholders are welcome at all times to give feedback to and communicate with the Directors or management through the Investor Relations team; and

- All Shareholders are entitled to receive dividends according to our dividend policy. Dividend payment shall be determined based on the Group's financial performance, future capital requirements, and general economic and business conditions, etc.

During the year ended 31 December 2024, the Company considers that the Shareholders Communication Policy was effectively implemented with the above measures in place.

Enquiries from Shareholders for the Board or the Company may be directed to the Company's Investor Relations team at IR@budweiserapac.com.

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.

Report of the Directors

Report of the Directors

The Directors present this annual report together with the audited financial statements of the Company for the year ended 31 December 2024.

Principal Businesses and Activities

The Company is an investment holding company and the principal activities of its subsidiaries are set out in Note 34 to the consolidated financial statements.

The Group is principally engaged in the brewing and distribution of beer. The Group produces, imports, markets, distributes and sells a portfolio of beer brands owned or licensed by the Company, including Budweiser, Stella Artois, Corona, Hoegaarden, Cass and Harbin. The Group also produces, markets, distributes and sells other non-beer beverages. The Group's operations are primarily located in China, South Korea, India, Vietnam and other Asia Pacific regions.

There were no significant changes in the nature of Group's activities during the reporting period.

Business Review

A review of the Group's business during the year, including a discussion of the Group's future business development, an analysis of the Group's performance using key performance indicators during the year and particulars of important events affecting the Group that have occurred since the end of the financial year are set out in the sections headed "Letter to Shareholders" and "Management Discussion and Analysis" on pages 2 to 3 and pages 8 to 18 of this Annual Report.

Details of the Group's principal risks and uncertainties that may adversely impact the Group's performance and the execution of its strategies are disclosed within the "Risk Management and Internal Control" section of the "Corporate Governance Report" on pages 54 to 61 of this Annual Report.

In addition, information of the Group's corporate governance practices, environmental policies and performance and the Group's relationship with its employees, customers, and suppliers can be found in the sections headed "Corporate Governance Report" and "Sustainability" on pages 27 to 64 and pages 20 to 25 respectively of this Annual Report.

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations and in particular, those that have a significant impact on the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and business unit from time to time. As far as the Company is aware, it complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company during the reporting period.

Financial Results

The Group's results for the reporting period are set out in the consolidated income statement on pages 102 and 103 of this Annual Report. The financial summary for the Group for the most recent five financial years is set out on page 175 of this Annual Report.

The financial position of the Group for the reporting period is set out in the consolidated statement of financial position on pages 104 and 105 of this Annual Report.

The consolidated cash flow of the Group for the reporting period is set out in the consolidated statement of cash flows on pages 107 and 108 of this Annual Report.

A discussion and analysis about the operating performance and significant elements affecting the results of operations and financial condition of the Group during the reporting period is set out in "Management Discussion and Analysis" section on pages 8 to 18 of this Annual Report.

Reserves

Details of movements in the reserves of the Company during the reporting period are set out in the consolidated statement of changes in equity on page 106 of this Annual Report and in Note 21 to the consolidated financial statements, respectively.

Dividend Policy

The Company's current dividend policy is to declare a dividend representing in aggregate at least 25% of the consolidated profit attributable to the Group's equity holders, excluding exceptional items, such as restructuring charges, gains or losses on business disposals and impairment charges, subject to applicable legal provisions relating to distributable profit.

Final dividends are approved at the annual general meeting. The Board may pay an interim dividend in accordance with Cayman Islands law. Any dividends will be paid on the dates communicated by the Board.

Final Dividend

The Board resolved to recommend a final dividend of 5.66 cents US dollar per Share for the year ended 31 December 2024 with an aggregate amount of approximately 750 million US dollars to Shareholders, subject to the approval by the Shareholders at the forthcoming AGM. Shareholders registered under the principal register of members in the Cayman Islands will automatically receive their dividends in US dollars while Shareholders registered under the Hong Kong branch register of members will automatically receive their dividends in Hong Kong dollars.

Treasury Shares

The Company did not have any Treasury Shares (within the meaning of the Listing Rules) as of 31 December 2024.

The purchase of Shares by a trustee for the settlement of share awards under the Share Award Schemes are referred to as "treasury shares" in the Company's annual financial statements and accounted as treasury shares under applicable accounting standards but do not constitute Treasury Shares under the Listing Rules.

Share Capital

Details of movements in the share capital of the Company during the reporting period are set out in Note 21 to the consolidated financial statements.

Principal Subsidiaries

Details of the Company's principal subsidiaries are set out in Note 34 to the consolidated financial statements.

Report of the Directors

Distributable Reserves

Distributable reserves of the Company as at 31 December 2024, calculated under the laws of the Cayman Islands, amounted to 44,064 million US dollars, of which 750 million US dollars have been proposed as the final dividend for the year ended 31 December 2024.

Bank Borrowings and Other Borrowings

Details of bank borrowings and other borrowings of the Company and its subsidiaries as of 31 December 2024 are set out in Note 22 to the consolidated financial statements.

Tax Relief

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities. Shareholders are advised to consult an expert on the tax implications of purchasing, holding, disposing of, dealing in or exercising of any rights in relation to the Company's securities.

Donations

During the reporting period, the Company and its subsidiaries made charitable donations of approximately 207.6 thousand US dollars.

Major Customers and Suppliers

During the reporting period, purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases.

During the reporting period, the Group's five largest customers accounted for less than 30% of the Group's total revenue.

Property, Plant and Equipment

Details of changes in property, plant and equipment of the Company during the reporting period are set out in Note 12 to the consolidated financial statements.

Directors

The Directors during the reporting period were:

Executive Director

Mr. Jan Craps *(Co-Chair of the Board)*

Non-executive Directors

Mr. Michel Doukeris *(Co-Chair of the Board)* (Mr. John Blood and Mr. David Almeida as his alternates)
Ms. Katherine Barrett (Mr. John Blood and Mr. David Almeida as her alternates)
Mr. Nelson Jamel (Mr. John Blood and Mr. David Almeida as his alternates)

Independent Non-executive Directors

Mr. Martin Cubbon
Ms. Marjorie Mun Tak Yang
Ms. Katherine King-suen Tsang

The following changes to the Board composition were effective as of 1 April 2025:

(1) Mr. Jan Craps ceased to be an Executive Director, Chief Executive Officer and Co-Chair of the Board with effect from 1 April 2025; and

(2) Mr. Yanjun Cheng was appointed as an Executive Director, Chief Executive Officer and Co-Chair of the Board with effect from 1 April 2025.

Details of the Directors are set out in the section headed "Corporate Governance Report" on pages 31 to 37 of this Annual Report.

Directors' Material Interests in Transactions, Arrangements and Contracts of Significance

There were no transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which the Directors or their connected entities had a material interest, whether directly or indirectly, as at the end of the year or at any time during the reporting period.

Service Contracts

None of the Directors who will be standing for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the relevant employer within one year without payment of compensation (other than statutory compensation).

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the reporting period.

Directors' Interests in Competing Businesses

Save for (i) the director or management positions held by certain Directors in AB InBev and Ambev as disclosed in the section headed "Corporate Governance Report" of this Annual Report, and (ii) the interests of certain Directors in the shares of AB InBev and Ambev as set out in the section headed "Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" below, the Directors confirmed that other than the business of the Group, none of the Directors holds any interest in business which directly or indirectly competes or is likely to compete with the business of the Group.

Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As of 31 December 2024, the interests and short positions of the Directors and Chief Executive of the Company as of such date in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

(i) Interest in the shares and underlying shares of the Company

Long Position in the shares and underlying shares of the Company

Name of Director or Chief Executive Officer	Nature of Interest	Number of Shares	Number of Shares underlying unvested and conditional options, RSUs and locked-up shares	Total Interests in Shares	Approximate percentage of the issued share capital of the Company (%)
Mr. Jan Craps	Beneficial Owner	380,088	31,893,186(1)	32,273,274	0.24
Mr. Martin Cubbon	Beneficial Owner	Nil	448,338(2)	448,338	0.00
Ms. Marjorie Yang	Beneficial Owner	Nil	359,245(3)	359,245	0.00
Ms. Katherine Tsang	Beneficial Owner	Nil	359,245(4)	359,245	0.00

Notes:

(1) Shares that may be delivered upon the exercise of 15,289,898 options, the vesting of 15,574,623 RSUs and the release of 1,028,665 locked-up shares.

(2) Shares that may be delivered upon the vesting of 448,338 RSUs.

(3) Shares that may be delivered upon the vesting of 359,245 RSUs.

(4) Shares that may be delivered upon the vesting of 359,245 RSUs.

(ii) Interest in the shares of Associated Corporations

Long Position in the shares and underlying shares of AB InBev (Associated Corporation)

Name of Director or Chief Executive Officer	Nature of Interest	Number of ordinary shares of AB InBev	Number of shares underlying unvested and conditional options and RSUs of AB InBev	Total Interests in shares of AB InBev	Approximate percentage of the issued share capital of AB InBev (%)
Mr. Jan Craps	Beneficial Owner	50,973	603,762[1]	654,735	0.03

Note:

Shares that may be delivered upon the exercise of 603,762 options of AB InBev.

Long Position in the shares and underlying shares of Ambev (Associated Corporation)

Name of Director or Chief Executive Officer	Nature of interest	Number of common shares of Ambev	Number of shares underlying unvested and conditional options and RSUs of Ambev	Total Interests in shares of Ambev	Approximate percentage of the issued share capital of Ambev (%)
Mr. Jan Craps	Beneficial Owner	365,009	261,104[1]	626,113	0.00

Note:

(1) Shares that may be issued upon the exercise of 261,104 options of Ambev.

The SFC has granted the Non-executive Directors a partial exemption from strict compliance with Part XV (other than Divisions 5, 11 and 12) of the SFO in respect of the duty to disclose their interests in the "associated corporations" (as defined in the SFO) of the Company, namely AB InBev and Ambev. In addition, the Stock Exchange has granted the Company a waiver from strict compliance with the requirement to disclose their interests in AB InBev and Ambev in the annual and interim reports of the Company under Paragraph 13 of Appendix D2 of the Listing Rules. See the section headed "Waivers from strict compliance with the Listing Rules and exemptions from strict compliance with the Companies (WUMP) Ordinance and the SFO" of the Prospectus together with the announcements of the Company dated 4 June 2020 and 22 July 2021. Each of the Non-executive Directors as of 31 December 2024 held less than 1% of the issued shares in AB InBev and Ambev as of 31 December 2024 according to the notifications made on the Stock Exchange's website for corporations exempted under section 309 of the SFO and information available to the Company.

Save as disclosed above, so far as the Directors are aware, as of 31 December 2024, none of the Directors or Chief Executive and their respective associates had any interest or short positions in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short positions in accordance with such provisions of the SFO); (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or (iii) which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Interests of Substantial Shareholders

So far as the Directors are aware, as of 31 December 2024, the following persons (other than the Directors and chief executive) had interest or short positions in the shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required, pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company:

No.	Name of Shareholder	Capacity	Number of Shares held or interested in	Approximate percentage of the issued share capital of the Company (%)
1.	AB InBev Brewing Company (APAC) Limited[1]	Beneficial owner	11,550,938,000	87.22
2.	AB InBev Brewing Company Holdings (APAC) Limited[1]	Interest of a controlled corporation	11,550,938,000	87.22
3.	AB InBev America Holdings (APAC) Limited[1]	Interest of a controlled corporation	11,550,938,000	87.22
4.	AB InBev America Holdings Limited[1]	Interest of a controlled corporation	11,550,938,000	87.22
5.	Anheuser-Busch America Investments, LLC[1]	Interest of a controlled corporation	11,550,938,000	87.22
6.	Anheuser-Busch Worldwide Investments, Inc.[1]	Interest of a controlled corporation	11,550,938,000	87.22
7.	Anheuser-Busch Latin LLC (previously known as Anheuser-Busch Latin Inc.)[1]	Interest of a controlled corporation	11,550,938,000	87.22
8.	Anheuser-Busch International, LLC[1]	Interest of a controlled corporation	11,550,938,000	87.22
9.	Anheuser-Busch Americas Holdings LLC[1]	Interest of a controlled corporation	11,550,938,000	87.22
10.	Anheuser-Busch Companies, LLC[1]	Interest of a controlled corporation	11,550,938,000	87.22
11.	Anheuser-Busch InBev Worldwide, Inc.[1]	Interest of a controlled corporation	11,550,938,000	87.22
12.	Anheuser-Busch InBev USA, LLC[1]	Interest of a controlled corporation	11,550,938,000	87.22
13.	Anheuser-Busch North American Holding LLC[1]	Interest of a controlled corporation	11,550,938,000	87.22
14.	InBev International Inc.[1]	Interest of a controlled corporation	11,550,938,000	87.22
15.	Anheuser-Busch InBev Limited (previously known as ABI Southern Holdings Limited)[1]	Interest of a controlled corporation	11,550,938,000	87.22
16.	AB InBev Holdings Limited[1]	Interest of a controlled corporation	11,550,938,000	87.22
17.	ABI SAB Group Holding Limited[1]	Interest of a controlled corporation	11,550,938,000	87.22
18.	ABI UK Holding 2 Limited[1]	Interest of a controlled corporation	11,550,938,000	87.22

No.	Name of Shareholder	Capacity	Number of Shares held or interested in	Approximate percentage of the issued share capital of the Company (%)
19.	ABI UK Holding 1 Limited[(1)]	Interest of a controlled corporation	11,550,938,000	87.22
20.	AB InBev UK Finance Company Limited[(1)]	Interest of a controlled corporation	11,550,938,000	87.22
21.	Anheuser-Busch Europe Ltd[(1)]	Interest of a controlled corporation	11,550,938,000	87.22
22.	Ambrew S.à.R.L.[(1)]	Interest of a controlled corporation	11,550,938,000	87.22
23.	AB InBev Nederland Holding B.V.[(1)]	Interest of a controlled corporation	11,550,938,000	87.22
24.	Interbrew International B.V.[(1)]	Interest of a controlled corporation	11,550,938,000	87.22
25.	AB InBev Investment Holding Company Limited[(1)]	Interest of a controlled corporation	11,550,938,000	87.22
26.	AB InBev[(1)(2)(a)(b)(c)(3)]	Interest of a controlled corporation	11,550,938,000	87.22
27.	Stichting Anheuser-Busch InBev (the "**Stichting**")[(2)(a)(b)(c)]	Interest of a controlled corporation	11,550,938,000	87.22
28.	EPS Participations S.à.R.L. ("**EPS Participations**")[(2)(a)(c)]	Interest of a controlled corporation	11,550,938,000	87.22
29.	Eugénie Patri Sébastien S.A. ("**EPS**")[(2)(a)(c)]	Interest of a controlled corporation	11,550,938,000	87.22
30.	BRC S.à.R.L. ("**BRC**")[(2)(a)(c)(3)]	Interest of a controlled corporation	11,550,938,000	87.22
31.	S-BR Global[(3)]	Interest of a controlled corporation	11,550,938,000	87.22
32.	Santa Erika[(3)]	Interest of a controlled corporation	11,550,938,000	87.22
33.	Inpar Investment Fund[(3)]	Interest of a controlled corporation	11,550,938,000	87.22
34.	Stichting Enable[(3)]	Interest of a controlled corporation	11,550,938,000	87.22
35.	Inpar VOF[(3)]	Interest of a controlled corporation	11,550,938,000	87.22
36.	Jorge Paulo Lemann[(3)]	Interest of a controlled corporation	11,550,938,000	87.22
37.	Olia 2 AG[(3)]	Interest of a controlled corporation	11,550,938,000	87.22
38.	BR Global GP[(3)]	Interest of a controlled corporation	11,550,938,000	87.22
39.	BR Global SCS[(3)]	Interest of a controlled corporation	11,550,938,000	87.22

Notes:

(1) AB InBev Intermediate Holding Companies

AB InBev owns 100% of the issued share capital of Ambrew S.à.R.L., which is incorporated under the laws of Luxembourg, which owns 100% of the issued share capital of Anheuser-Busch Europe Ltd., which is incorporated under the laws of the UK. Anheuser-Busch Europe Ltd. owns 100% of the issued share capital of AB InBev UK Finance Company Limited, which is incorporated under the laws of the UK.

AB InBev and Ambrew S.à.R.L. own 99.99% and 0.01%, respectively, of the issued and outstanding equity interests in InBev Belgium BV, an entity organized under the laws of Belgium.

AB InBev and InBev Belgium BV own, respectively, 67.62% and 32.38% of the issued and outstanding equity interests in AB InBev Nederland Holding B.V., an entity organized under the laws of the Netherlands. AB InBev, AB InBev UK Finance Company Limited, InBev Belgium BV and AB InBev Nederland Holding B.V. own, respectively, 26.51%, 9.33%, 4.46% and 59.70% of the issued share capital in ABI UK Holding 1 Limited, which is incorporated under the laws of the UK. ABI UK Holding 1 Limited indirectly owns 100% of the issued share capital of InBev International Inc., a Delaware corporation, through a chain of wholly-owned subsidiaries (i.e. ABI UK Holding 2 Limited, ABI SAB Group Holding Limited, AB InBev Holdings Limited and Anheuser-Busch InBev Limited (previously known as ABI Southern Holdings Limited), which are all incorporated under the laws of the UK).

InBev International Inc. owns 100% of the issued share capital of Anheuser-Busch North American Holding LLC, a Delaware LLC. Anheuser-Busch North American Holding LLC indirectly owns 100% of the issued share capital of Anheuser-Busch Companies, LLC, a Delaware limited liability company, through a chain of wholly-owned subsidiaries (i.e. Anheuser-Busch InBev USA, LLC and Anheuser-Busch InBev Worldwide, Inc., which are both incorporated under the laws of Delaware).

Anheuser-Busch InBev Limited (previously known as ABI Southern Holdings Limited), Anheuser-Busch InBev Worldwide, Inc. and Anheuser-Busch Companies, LLC own, in the aggregate, 100% of the issued share capital in Anheuser-Busch Americas Holdings LLC, which is incorporated under the laws of Delaware. Its share capital held by Anheuser-Busch InBev Limited (previously known as ABI Southern Holdings Limited), Anheuser-Busch InBev Worldwide, Inc. and Anheuser–Busch Companies, LLC represent, in each case respectively, approximately 21.65%, approximately 27.5%, and approximately 50.85% of the total voting power of all classes of issued and outstanding membership interests entitled to vote and approximately 24.29%, approximately 36.5%, and approximately 39.21% of the total value of all issued and outstanding classes of the membership interests of Anheuser-Busch Americas Holdings LLC. Anheuser-Busch Companies, LLC owns 100% of the issued share capital of Anheuser-Busch LLC which owns 100% of the issued share capital of Anheuser-Busch North LLC. Anheuser-Busch North LLC owns 100% of the issued share capital of Anheuser-Busch Commercial Strategy Holdings, LLC.

Anheuser-Busch Americas Holdings LLC, Anheuser-Busch North LLC and Anheuser-Busch Commercial Strategy Holdings, LLC own, in the aggregate, 100% of the issued share capital of Anheuser-Busch America Investments, LLC holding, respectively, approximately 61.5%, 11.4% and 27.1%.

(2) (a) The 2023 Shareholders' Agreement

BRC, EPS and EPS Participations are companies incorporated under Luxembourg law. As per (i) transparency declarations made by shareholders who are compelled to disclose their shareholdings pursuant to the Belgian law of 2 May 2007 on the notification of significant shareholdings and the articles of association of AB InBev, (ii) notifications made by such shareholders to AB InBev on a voluntary basis prior to 31 December 2024 for the purpose of updating the above information, (iii) notifications received by AB InBev in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, and (iv) information included in public filings of AB InBev with the US Securities and Exchange Commission, such entities held respectively on 31 December 2024 28,097,078, 99,999, and 67,291,593 ordinary shares of AB InBev, representing respectively 1.42%, 0.01% and 3.41% of the voting rights attached to AB InBev's outstanding shares (excluding the treasury shares held by AB InBev and its subsidiaries on 31 December 2024).

The Stichting is an entity incorporated under Dutch law. As per the most recent transparency declarations made pursuant to article 6 of the Belgian law of 2 May 2007 on 2 October 2024, it holds 663,074,832 ordinary shares of AB InBev, representing 33.57% of the voting rights attached to AB InBev's outstanding shares (excluding the treasury shares held by AB InBev and its subsidiaries on 31 December 2024).

According to a shareholders' agreement entered into among the Stichting, EPS, EPS Participations S.à.R.L., BRC and Rayvax Société d'Investissements SA ("**Rayvax**") (a company incorporated under Belgian law which held 50,000 ordinary shares of AB InBev as at 31 December 2024) and amended from time to time and for the last time on 27 April 2023 (the "**2023 Shareholders' Agreement**"), BRC and EPS/EPS Participations jointly and equally exercise control over the Stichting and the shares held by the Stichting. Pursuant to the 2023 Shareholders' Agreement, the Stichting's board of directors has the right to propose to AB InBev's shareholders' meeting eight candidates for appointment as AB InBev's directors, among which each of, on the one hand, BRC and, on the other hand, EPS and EPS Participations will have the right to nominate four candidates.

The 2023 Shareholders' Agreement also requires EPS, EPS Participations, BRC and Rayvax, as well as any other holder of certificates issued by the Stichting, to vote their AB InBev shares in the same manner as the shares held by the Stichting.

(b) The Fonds Voting Agreement

The Stichting also entered into a voting agreement with Fonds Baillet Latour SPRL (now renamed Fonds Baillet Latour SC) and Fonds Voorzitter Verhelst SC. As per the latest transparency declarations made to AB InBev on 2 October 2024 pursuant to the Belgian law of 2 May 2007, such entities hold 5,485,415 and 6,997,665 ordinary shares of AB InBev, representing 0.28% and 0.35% of the voting rights attached to AB InBev's outstanding shares (excluding the treasury shares held by AB InBev and its subsidiaries on 31 December 2024), respectively (the "**Fonds Voting Agreement**").

Under the Fonds Voting Agreement, consensus is required for all items that are submitted to the approval of any of shareholders' meetings of AB InBev. If the parties fail to reach a consensus, each of Fonds Baillet Latour SC and Fonds Voorzitter Verhelst SC will vote their AB InBev shares in the same manner as the Stichting.

Accordingly, the Stichting controls the voting rights attached to the shares of AB InBev held by Fonds Baillet Latour SC and Fonds Voorzitter Verhelst SC.

(c) Total number of voting rights controlled by the Stichting and related parties

As per (i) transparency declarations made by shareholders who are compelled to disclose their shareholdings pursuant to the Belgian law of 2 May 2007 and the articles of association of AB InBev, (ii) notifications made by such shareholders to AB InBev on a voluntary basis prior to 31 December 2024 for the purpose of updating the above information, (iii) notifications received by AB InBev in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, and (iv) information included in public filings of AB InBev with the US Securities and Exchange Commission and taking into account the ordinary shares of AB InBev held by Fonds Baillet Latour SC, Fonds Voorzitter Verhelst SC and Rayvax, EPS, EPS Participations, Olia 2 AG, BRC, and the Stichting, those entities controlled in aggregate 39.05% of the voting rights attached to AB InBev's outstanding shares on 31 December 2024 (excluding the treasury shares held by AB InBev and its subsidiaries on 31 December 2024).

(3) BRC is controlled indirectly by MM. Jorge Paulo Lemann, Carlos Alberto da Veiga Sicupira and Max Van Hoegaerden Herrmann Telles and directly by S-BR Global and BR Global Investments SCS, that in their turn directly hold respectively a 79.09% interest and a 15.47% interest in BRC. Max Van Hoegaerden Herrmann Telles indirectly owns a 24.73% interest in S-BR Global through a chain of wholly-owned subsidiaries (i.e. MCHTCO and Santa Paciencia). Carlos Alberto da Veiga Sicupira indirectly owns a 19.93% interest in S-BR Global through a chain of wholly-owned subsidiaries (i.e. FS Holdings, CCCHHS Holding Ltd. and Santa Heloisa). Jorge Paulo Lemann indirectly owns a 55.34% interest in S-BR Global through a chain of wholly-owned subsidiaries (i.e. Inpar VOF, Stichting Enable, Inpar Investment Fund and Santa Erika). BR Global SCS is controlled by BR Global GP in which each of Jorge Paulo Lemann, Carlos Alberto da Veiga Sicupira and Max Van Hoegaerden Herrmann Telles indirectly holds (respectively through Santa Erika, Santa Heloisa and Santa Paciencia), a 33.33% interest.

Furthermore, Jorge Paulo Lemann also indirectly holds a 4% interest in BRC through Santa Erika and a 0.013% interest in AB InBev through a chain of wholly owned subsidiaries (Olia 2 and Olia 2 AG); Carlos Alberto da Veiga Sicupira indirectly holds a 1.44% interest in BRC through Santa Heloisa.

On the basis of the latest shareholding information received by AB InBev, the ultimate control of BRC is jointly exercised by Jorge Paulo Lemann, Carlos Alberto da Veiga Sicupira and Max Van Hoegaerden Herrmann Telles. In spite of such disclosure, Max Van Hoegaerden Herrmann Telles and Carlos Alberto da Veiga Sicupira do not have an interest to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Debenture Issued

The Company did not issue any debentures during the reporting period.

Directors' Rights to Acquire Shares or Debentures

Save as otherwise disclosed in this annual report, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the reporting period.

Equity-Linked Agreement

Save as disclosed in this annual report, the Company did not enter into any equity-linked agreement during the reporting period.

Report of the Directors

Permitted Indemnity Provision

Pursuant to our Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duty in their offices. Such permitted indemnity provision has been in force during the reporting period.

The Company has maintained appropriate liability insurance for its Directors and Senior Management. The permitted indemnity provisions are set out in such liability insurance.

Sufficiency of Public Float

The Stock Exchange has granted the Company a waiver from the minimum public float requirement under Rule 8.08(1) of the Listing Rules such that the minimum public float may be such percentage of shares to be held by the public immediately after the completion of the Listing as increased from the issuance of additional shares to public shareholders as a result of the exercise of the over-allotment option.

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a public float of no less than approximately 12.61% of the issued shares as at the date of this Annual Report.

Purchase, Sale or Redemption of the Company's Listed Securities

The Shares were listed on the Main Board of the Stock Exchange on the Listing Date.

During the reporting period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares).

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

Employees

The table below sets out the number of our employees as of 31 December 2024 broken down by geographic location:

	As of 31 December 2024
China	18,401
South Korea	1,857
India	1,329
Vietnam	271
Others	72
Total	**21,930**

Many of our employees in South Korea, India and China are represented by employee unions, with a variety of collective bargaining agreements in place. Generally, we consider the relationship between the Group and the employee unions to be respectful. During the reporting period, the Group was not involved in any labor disputes which had a material adverse effect on the Group's business.

Remuneration

Remuneration Policies

Our compensation system has been designed and approved to motivate high performance. Our goal is to deliver competitive, market-leading compensation benchmarked to fixed mid-market local salaries. We offer various types of compensation, such as salaries, allowances, benefits-in-kind, performance-related bonuses, share-based payments, pensions and other social insurance benefits.

Our Directors' remuneration is determined based on their roles and duties with reference to the Company's remuneration policy and the prevailing market conditions, subject to the approval of the Shareholders' general meetings. Our Non-executive Directors do not receive any director's fee or any other emoluments from the Company for acting as a Non-executive Director. Our Independent Non-executive Directors receive compensation according to their duties (including serving as members or chair of our Board committees). In compliance with the Corporate Governance Code and the Terms of Reference for the Remuneration Committee, the Remuneration Committee was set up for reviewing the emolument policy and structure for all remuneration of the Directors and Senior Management, having regard to the Group's operating results, individual performance of the Directors and Senior Management and comparable market practices.

Details of Directors' remuneration and the five highest paid individuals of the Company for the reporting period are set out in Notes 8 and 33 to the consolidated financial statements, respectively.

Annual Long-Term Incentives

Executives receive their variable performance-related compensation (bonus) in cash but are encouraged to invest some or all of its value in company shares (i.e. through Locked-up Shares). Executives who invest in Locked-up Shares also receive matching shares which are delivered in the form of RSUs.

Performance targets

The effective payout of variable performance-related compensation (bonus) is directly correlated with performance; i.e., linked to and subject to the achievement of total company, business unit and individual targets, all of which are based on performance metrics. Total company, business unit and individual targets for Senior Management may evolve over time and are generally based on a combination of financial (such as EBITDA, net revenue, capex, resource allocation and net debt ratios) and non-financial (such as brand development, operations and innovation, sustainability, compliance/ethics and corporate reputation) key performance metrics.

The targets, quantitative and qualitative benchmarks and the relative weight attributed to each of them, are set and assessed by the Board based on a pre-determined performance matrix upon the recommendation of the Remuneration Committee which is chaired by an Independent Non-executive Director. Such targets, benchmarks and relative weighting are set and assessed (a) by the Board, for Senior Management and (b) by Senior Management and line managers, as the case may be, for other executives. Any Director interested in such targets, benchmarks and relative weighting abstains from any vote by the Board or any committee in relation to these matters.

Long-term Incentives

Subject to management's assessment of the executive's performance and future potential, members of our Executive Committee and Senior Management may be eligible for an annual long-term incentive paid out in share options or RSUs. Any grant of annual long-term incentives to members of the Executive Committee and Senior Management is subject to Board approval, upon recommendation of the Remuneration Committee. Grants to executives of a certain seniority will primarily take the form of RSUs, including a portion that may have performance-related vesting conditions.

Grants of RSUs as part of long-term incentives are consistent with the Company's remuneration policy, including:

(i) an annual long-term incentive paid out in RSUs, depending on management's assessment of the executive's performance and future potential; and

(ii) certain exceptional long-term incentives for executives that may be granted from time to time for executives:

  (1) who have made a significant contribution to the success of the Company; or

  (2) who have made a significant contribution in relation to acquisitions and/or the achievement of integration benefits; or

  (3) to incentivize and retain senior leaders who are considered to be instrumental in achieving the Company's ambitious short or long term growth agenda. The annual long-term incentive that members of the Executive Committee and Senior Management may be eligible for is paid out in Share Options or RSUs, but grants to executives of a certain seniority will primarily take the form of RSUs, including a portion that may have performance-related vesting conditions. Any grant of annual long-term incentives to members of the Executive Committee and Senior Management is subject to Board approval, upon recommendation of the Remuneration Committee.

RSUs may have the following features:

- a grant value determined on the basis of the market price or an average market price of the Share at the time of grant;

- vesting up to a five-year period;

- for certain portion of RSUs, the number of Shares to which such RSUs shall entitle their holders shall depend on a performance test measuring (on a percentile basis) AB InBev's three- to five-year Total Shareholders' Return (**TSR**) relative to the TSR realized for that period by a representative sample of listed companies belonging to the consumer goods sector. The number of Shares to which such RSUs entitle their holders is subject to a hurdle and cap; and

- in the event the executive leaves the Company before the vesting date, specific forfeiture rules will apply.

The long-term incentives grants for executives of a certain seniority will primarily take the form of RSUs. The Board may set shorter or longer periods for specific grants or introduce performance tests. RSUs which are subject to performance tests will entitle their holders to a number of Shares based on the percentile level at which AB InBev's three- to five-year total shareholders' return stands as compared to a representative sample of listed companies.

The Board may set shorter or longer vesting periods for specific grants of RSUs or introduce the aforementioned performance tests.

Share Award Schemes

We are strong advocates for awarding employees by way of annual and long-term share-based incentive plans.

We adopted four Share Award Schemes on 9 September 2019, namely the Discretionary Long-Term Incentive Plan (the "**LTI Plan**"), the Discretionary Restricted Stock Units Plan (the "**RSU Plan**"), the Share-Based Compensation Plan (the "**SBC Plan**") and the People Bet Plan (the "**PB Plan**"). We further adopted the New Restricted Stock Units Plan (the "**New RSU Plan**", and together with the LTI Plan, RSU Plan, the SBC Plan and the PB Plan, the "**Share Award Schemes**") on 25 November 2020. The Share Award Schemes were amended and approved by the Shareholders on 8 May 2023.

Our Share Award Schemes ensure alignment with Shareholders' interests by strongly encouraging executive ownership of our Shares and enable us to attract and retain the best talent within the APAC territories.

To facilitate the administration of the Share Award Schemes, an aggregate of 23,000,000 Shares were issued to the Company's trustee of the Share Award Schemes on the Listing Date. As of 31 December 2024, 50,286,546 Shares were held in trust. Such Shares are held by the trustee on trust for the purpose of satisfying the awards granted under the respective Share Award Schemes.

During the reporting period, the Remuneration Committee approved (i) the Company's grant of locked-up Shares and RSUs to certain eligible directors and employees of the Group on 1 March 2024 pursuant to the terms of the SBC Plan ("**SBC Grants**") and (ii) the Company's grant of RSUs to certain eligible directors and employees of the Group on 11 December 2024 pursuant to the terms of the New RSU Plan ("**New RSU Grants**"):

- In respect of the SBC Grants, the grants are not subject to any performance target or a clawback mechanism, as the Remuneration Committee considers that:

  (1) attaching performance targets to the locked-up Shares and RSUs were not necessary, because the locked-up Shares and RSUs were granted to the grantees based on their election to receive their annual bonus in the Company's Shares instead of cash. The annual bonuses were themselves subject to certain performance targets which have been satisfied by the grantees already;

  (2) a clawback mechanism was not necessary as the SBC Plan already ensures accountability of the grantees through a malus adjustment provision, whereby all unvested equity grants of a grantee automatically lapse and become null and void upon finding by the Company's global Ethics and Compliance Committee that such Grantee has committed a violation of law or the Company's Code of Business Conduct. The locked-up Shares and RSUs are subject to a vesting period of between three and five years, during which they remain subject to the malus adjustment provisions. In the event of serious misconduct by a grantee after the locked-up Shares and RSUs granted to him or her have vested, the Company may ensure accountability by adjusting other components of such grantee's remuneration package; and

  (3) the grants align with the purpose of the SBC Plan, which is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company; such grants were made in lieu of the cash bonuses that would have otherwise been paid by the Company to the grantees and they are more effective in aligning grantees' interests with the Company than cash bonuses (which lose their incentivizing effect as soon as they are paid).

- In respect of the New RSU Grants, the grants are not subject to a clawback mechanism and the vesting of a part of the RSUs are conditional upon the achievement of objective performance conditions (which are based on a combination of financial metrics and non-financial metrics and that are set and assessed by the Board from time to time and further subject to terms and conditions relating to any termination of employment or service prior to the date of vesting) as determined by the Board, as the Remuneration Committee considers that:

  (1) granting RSUs to the grantees is market competitive, consistent with the Company's customary practice and aligns with the purpose of the New RSU Plan; the grants of RSUs (which form part of the compensation package for the relevant grantees) align with the purpose the New RSU Plan, which is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to receive equity interests in the Company; and

  (2) a clawback mechanism was not necessary as the New RSU Plan already ensures accountability of grantees through a malus adjustment provision, whereby all grants of a grantee automatically lapse and become null and void upon finding by the Company's global Ethics and Compliance Committee that such grantee has committed a violation of law or the Company's Code of Business Conduct.

Summary of the Share Award Schemes

1. The LTI Plan

(a) Participants of the LTI Plan

Share options under the LTI Plan may be offered to such eligible employees and directors of the Group as the Remuneration Committee shall select in its sole discretion, on and subject to the terms of the LTI Plan and the Listing Rules.

(b) Maximum entitlement of each participant under the LTI Plan

The maximum entitlement of each participant under the LTI Plan shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force.

(c) Period within which the option may be exercised by the grantee under the LTI Plan

A share option is exercisable, subject to certain restrictions contained in the LTI Plan and the terms on which the share option is granted, at any time during the applicable share option period which may be determined by the Board.

(d) Vesting period of a share option granted under the LTI Plan

At the time of granting a share option, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations in relation thereto, including the vesting period and/or the performance targets to be achieved, additional to those expressly set forth in the LTI Plan as the Board may in its absolute discretion determine.

(e) Amount payable, if any, on application or acceptance of the share option and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the LTI Plan

There is no amount payable on application or acceptance of the share option and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

(f) Basis of determining the exercise price of options granted under the LTI Plan

The exercise price of a share option is determined by the Board and shall not be less than the highest of:

(i) the closing price of the Company's Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant share option;

(ii) an amount equivalent to the average closing price of the Company's Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant share option; and

(iii) the nominal value of the Company's Shares.

(g) Remaining life of the LTI Plan

Unless terminated earlier by the Company, the LTI Plan will be valid and effective for a term of 10 years from 8 May 2023.

See the Circular for further details of the LTI Plan.

2. The RSU Plan

(a) Participants of the RSU Plan

The Board of Directors may, at its discretion, grant RSUs pursuant to the RSU Plan to any employee and/or director of the Group who the Board of Directors considers, in its absolute discretion, have contributed or will contribute to the Group.

(b) Maximum entitlement of each participant under the RSU Plan

The maximum entitlement of each participant under the RSU Plan shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force.

(c) Period within which the vested RSU may be traded by the grantee under the RSU Plan

An RSU, once vested, can be traded, subject to certain restrictions contained in the RSU Plan and the terms on which the RSU is granted, at any time during the applicable period which may be determined by the Board.

(d) Vesting period of the RSU granted under the RSU Plan

At the time of granting an RSU, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations in relation thereto, including the vesting period and/or the performance targets to be achieved, additional to those expressly set forth in the RSU Plan as the Board may in its absolute discretion determine.

(e) Amount payable, if any, on application or acceptance of the RSU and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the RSU Plan

There is no amount payable on application or acceptance of the RSU and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

(f) Basis of determining the purchase price under the RSU Plan

The purchase price of an RSU is determined by the Board and shall not be less than the highest of:

(i) the closing price of the Company's Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant RSU;

(ii) an amount equivalent to the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant RSU; and

(iii) the nominal value of the Company's Shares.

(g) The remaining life of the RSU Plan

Unless terminated earlier by the Company, the RSU Plan will be valid and effective for a term of 10 years from 8 May 2023.

See the Circular for further details of the RSU Plan.

3. The PB Plan

The PB Plan offers the opportunity to acquire locked-up Shares and the grant of "matching" RSUs to eligible employees of the Company.

(a) Participants of the PB Plan

The Board of Directors may, at its discretion, grant RSUs and locked-up shares pursuant to the PB Plan to any employee of the Group who the Board of Directors considers, in its absolute discretion, have contributed or will contribute to the Group.

(b) Maximum entitlement of each participant under the PB Plan

The maximum entitlement of each participant under the PB Plan shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force.

(c) Period within which the vested RSU and released shares may be traded by the grantee under the PB Plan

Any vested RSU and released Shares can be traded, subject to certain restrictions contained in the PB Plan and the terms on which it is granted, at any time during the applicable period which may be determined by the Board.

(d) Vesting period of the RSU and locked-up share granted under the PB Plan

At the time of granting an RSU or locked-up Share, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations in relation thereto, including the vesting period and/or the performance targets to be achieved, additional to those expressly set forth in the PB Plan as the Board may in its absolute discretion determine.

(e) Amount payable, if any, on application or acceptance of the RSU or locked-up share and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the PB Plan

There is no amount payable on application or acceptance of the RSU or locked-up Share and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

(f) Basis of determining the purchase price under the PB Plan

The purchase price of an RSU or locked-up Share is determined by the Board and shall not be less than the highest of:

(i) the closing price of the Company's Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant RSU or locked-up Share;

(ii) an amount equivalent to the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant RSU or locked-up Share; and

(iii) the nominal value of the Company's Shares.

(g) The remaining life of the PB Plan

Unless terminated earlier by the Company, the PB Plan will be valid and effective for a term of 10 years from 8 May 2023.

See the Circular for further details of the PB Plan.

4. The SBC Plan

An offer under the SBC Plan enables employees and directors of the Group to make an election between receiving their bonuses (if any) in the form of cash, locked-up Shares or a mixture of cash and locked-up Shares. The SBC Plan participants who opt for locked-up Shares or a mixture of cash and locked-up Shares will purchase the Shares at a discount, which is paid in the form of RSUs (rounded down to the nearest share). As an additional reward, such SBC Plan participants will receive from the Company additional "matching" RSUs (rounded down to the nearest share).

(a) Participants of the SBC Plan

The Board of Directors may, at its discretion, grant RSUs and locked-up Shares pursuant to the SBC Plan to any employee and/or director of the Group who the Board of Directors considers, in its absolute discretion, have contributed or will contribute to the Group.

(b) Maximum entitlement of each participant under the SBC Plan

The maximum entitlement of each participant under the SBC Plan shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force.

(c) Period within which the vested RSU and released shares may be traded by the grantee under the SBC Plan

Any vested RSU and released Shares can be traded, subject to certain restrictions contained in the PB Plan and the terms on which it is granted, at any time during the applicable period which may be determined by the Board.

(d) Vesting period of the RSU and locked-up share granted under the SBC Plan

At the time of granting an RSU or locked-up Share, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations in relation thereto, including the vesting period and/or the performance targets to be achieved, additional to those expressly set forth in the SBC Plan as the Board may in its absolute discretion determine.

(e) Amount payable, if any, on application or acceptance of the RSU or locked-up Share and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the SBC Plan

There is no amount payable on application or acceptance of the RSU or locked-up share and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

(f) Basis of determining the purchase price under the SBC Plan

The purchase price of an RSU or locked-up Share is determined by the Board and shall not be less than the highest of:

(i) the closing price of the Company's Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant RSU or locked-up Share;

(ii) an amount equivalent to the average closing price of the Company's Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant RSU or locked-up Share; and

(iii) the nominal value of the Company's Shares.

(g) The remaining life of the SBC Plan

Unless terminated earlier by the Company, the SBC Plan will be valid and effective for a term of 10 years from 8 May 2023.

See the Circular for further details of the SBC Plan.

5. The New RSU Plan

(a) Participants of the New RSU Plan

The Board of Directors may, at its discretion, grant RSUs pursuant to the New RSU Plan to any employee and/or director of the Group who the Board of Directors considers, in its absolute discretion, have contributed or will contribute to the Group.

(b) Maximum entitlement of each participant under the New RSU Plan

The maximum entitlement of each participant under the New RSU Plan shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force.

(c) Period within which the vested RSU may be traded by the grantee under the New RSU Plan

An RSU, once vested, can be traded, subject to certain restrictions contained in the New RSU Plan and the terms on which the RSU is granted, at any time during the applicable period which may be determined by the Board.

(d) Vesting period of the RSU granted under the New RSU Plan

At the time of granting an RSU, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations in relation thereto, including the vesting period and/or the performance targets to be achieved, additional to those expressly set forth in the New RSU Plan as the Board may in its absolute discretion determine.

(e) Amount payable, if any, on application or acceptance of the RSU and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the RSU Plan

There is no amount payable on application or acceptance of the RSU and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

(f) Basis of determining the purchase price under the New RSU Plan

The purchase price of an RSU is determined by the Board and shall not be less than the highest of:

(i) the closing price of the Company's Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant RSU;

(ii) an amount equivalent to the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant RSU; and

(iii) the nominal value of the Company's Shares.

(g) The remaining life of the New RSU Plan

Unless terminated earlier by the Company, the New RSU Plan will be valid and effective for a term of 10 years from 8 May 2023.

See the Circular for further details of the New RSU Plan.

Mandate Limit

The maximum aggregate number of Shares with respect to which any awards may be granted pursuant to the LTI Plan, RSU Plan, New RSU Plan, PB Plan and SBC Plan ("**Scheme Mandate Limit**") is 10% of the total number of issued Shares of the Company on the date the Company was listed or as at the date of approval of the renewed limit, which is 1,324,339,700 as at 8 May 2023. In compliance with the amended Chapter 17, the Scheme Mandate Limit may be renewed (i) every three years subject to prior Shareholders' approval; or (ii) within a three-year period with the approval of the Shareholders in general meeting but with the relevant persons specified in the Listing Rules abstaining from voting on the relevant resolution, and in cash case, in accordance with the requirements of the Listing Rules.

Details of the share awards granted and outstanding during the year ended 31 December 2024

Please refer to the section headed "Annual long-term incentives – Performance targets" for details on the performance targets attached to the share awards granted.

Details of options granted and outstanding under the LTI Plan

		During the year ended 31 December 2024				
Grantees	**No. of options outstanding as of 1 January 2024**	**No. of options granted**	**No. of options lapsed**	**No. of options cancelled or adjusted[4]**	**No. of options exercised**	**No. of options outstanding as of 31 December 2024**
Mr. Jan Craps	15,289,898[1]	–	–	–	–	15,289,898
Five highest paid individuals[2]	31,226,484[1]	–	–	–	–	31,226,484
Other eligible employees	24,013,056[1]	–	–	982,847[3]	–	23,030,209[1]

Notes:

(1) Granted on 4 December 2019 at the exercise price of HK$28.34 per Share, 25 March 2020 at the exercise price of HK$21.70 per Share and 18 May 2020 at the exercise price of HK$23.20 per Share, as applicable. The outstanding options will vest on the 3rd and/or 5th anniversaries of the respective date of grant. The outstanding options will expire on the 10th anniversary of the respectively grant date.

(2) The five highest paid individuals for the year ended 31 December 2024 includes Mr. Jan Craps.

(3) These options of the exercise price of HK$28.34 per Share and HK$23.20 per Share were cancelled.

(4) Due to an update in internal record-keeping mechanics and procedures with respect to options under the LTI Plan, certain adjustments have been made to the recorded number of options held by employees of the Company. For the avoidance of doubt, this does not affect the number of options as disclosed in the 2023 Annual Report.

Details of RSUs[1] granted and outstanding under the RSU Plan, New RSU Plan, SBC Plan and PB Plan

Grantees	Plan[3]	No. of RSUs outstanding as of 1 January 2024	Grant date	Vesting date	Closing price of the Share immediately before the grant date (HK$)	Fair value at the grant date (US$ million)	No. of RSUs granted	No. of RSUs lapsed	No. of RSUs Forfeited or adjusted[16]	No. of RSUs vested	Weighted average closing price of the Shares immediately before the vesting date (HK$)	No. of RSUs outstanding as of 31 December 2024
Mr. Jan Craps	RSU Plan	7,462,588[6]	20 June 2024	See notes (1) and (4)	9.12	0.28	350,063	–	–	–	–	7,812,651
	New RSU Plan	4,370,603[7]	13 December 2024	See note (4)	9.12	5.32	13,696	–	6,090	(199,476)	9.12	4,190,913[11]
	SBC Plan	2,295,620[8]	1 March 2024	1 March 2027	12.68	1.43	1,275,439[14]	–	–	–	–	3,571,059
Mr. Martin Cubbon	New RSU Plan	279,858[7]	11 December 2024	See note (5)	7.56	0.16	168,480	–	–	–	–	448,338
Ms. Marjorie Yang	New RSU Plan	224,245[7]	11 December 2024	See note (5)	7.56	0.13	135,000	–	–	–	–	359,245
Ms. Katherine Tsang	New RSU Plan	224,245[7]	11 December 2024	See note (5)	7.56	0.13	135,000	–	–	–	–	359,245
Sub-total		**14,857,159**					**2,077,678**		**6,090**	**(199,476)**		**16,741,451**
Five highest paid individuals[2]	RSU Plan	12,482,938[6]	20 June 2024	See notes (1) and (4)	9.12	0.74	580,481	–	(108,292)	(1,236,156)	–	11,718,971[10]
	New RSU Plan	12,161,679[7]	11 December 2024	See note (5)	7.56	13.87	2,610,372	–	(31,775)	(499,619)	7.56	14,274,962[11]
			13 December 2024	See notes (1) and (4)	7.77	See note (17)	34,305					
	SBC Plan	4,394,041[8]	1 March 2024	1 March 2027	12.68	3.30	2,506,158[15]	–	(93,799)	–	12.68	6,806,729[12]
			20 June 2024	See notes (1) and (4)	9.12	See note (17)	329					
Sub-total		**29,038,658**					**5,731,645**		**(233,866)**	**(1,735,775)**		**32,800,662**
Other eligible employees	RSU Plan	7,816,321[6]	20 June 2024	See notes (1) and (4)	9.12	0.03	367,444	–	18,045	(1,702,163)	–	6,499,647[10]
	New RSU Plan	41,729,472[7]	11 December 2024	See note (5)	7.56	35.55	27,770,850	–	(1,455,072)	(3,773,935)	7.56	64,535,465[11]
			13 December 2024	See notes (1) and (4)	7.77	See note (17)	264,150					
	SBC Plan	11,834,392[8]	1 March 2024	1 March 2027	12.68	9.30	6,273,236[16]	–	(79,393)	(43,344)	12.68	17,993,058[12]
			20 June 2024	See notes (1) and (4)	9.12	See note (17)	8,167					
	PB Plan	736,985[9]	20 June 2024	See notes (1) and (4)	9.12	See note (17)	11,844	–	(122,303)	–	–	626,526[13]
Sub-total		**62,117,170**					**34,695,691**		**(1,638,723)**	**(5,519,442)**		**89,654,696**

Notes:

(1) Including dividends granted in the form of additional RSUs. RSUs entitle their holder to a dividend equivalent, which represents the gross dividend paid by the Company on the Shares underlying the RSUs. The dividend is granted in the form of additional RSUs with the same vesting conditions, including the same vesting date, and governed by the same terms and conditions as the underlying RSUs.

(2) The five highest paid individuals for the year ended 31 December 2024 includes Mr. Jan Craps.

(3) The purchase price of all RSUs granted under the RSU Plan, New RSU Plan, SBC Plan and PB Plan is nil.

(4) The outstanding RSU dividends will vest on the 3rd and/or 5th anniversaries of the respective grant date of the underlying RSUs.

(5) The RSUs granted will vest on the 3rd anniversary of the respective grant date.

(6) Granted on 9 December 2019, 25 March 2020, and/or 18 May 2020, as applicable. The outstanding RSUs will vest on the 3rd and/or 5th anniversaries of the grant date.

(7) Granted on 14 December 2020, 1 March 2021, 13 December 2021, 14 December 2022, 11 December 2023 and/or 14 December 2023, as applicable. The outstanding RSUs will vest on the 3rd and/or 5th anniversaries of the respective grant date.

(8) Granted on 2 March 2020, 24 June 2020, 1 March 2021, 23 June 2021, 1 March 2022, 22 June 2022, 6 March 2023 and/or 21 June 2023, as applicable. The outstanding RSUs will vest on the 3rd and/or 5th anniversaries of the respective grant date.

(9) Granted on 2 March 2020, 24 June 2020, 23 June 2021, 1 March 2022 and/or 22 June 2022, as applicable. The outstanding RSUs will vest on the 5th anniversary of the grant date.

(10) Granted on 9 December 2019, 25 March 2020, and/or 18 May 2020, as applicable. The outstanding RSUs will vest on the 3rd and/or 5th anniversaries of the respective grant date.

(11) Granted on 14 December 2020, 1 March 2021, 13 December 2021, 14 December 2022, 11 December 2023, 14 December 2023, and/or December 11, 2024, as applicable. The outstanding RSUs will vest on the 3rd and/or 5th anniversaries of the respective grant date.

(12) Granted on 2 March 2020, 24 June 2020, 1 March 2021, 23 June 2021, 1 March 2022, 22 June 2022, 6 March 2023, 21 June 2023, March 1, 2024, and/or June 20, 2024, as applicable. The outstanding RSUs will vest on the 3rd and/or 5th anniversaries of the respective grant date.

(13) Granted on 2 March 2020, 24 June 2020, 23 June 2021, 1 March 2022, 22 June 2022, 21 June 2023, and/or June 20, 2024 as applicable. The outstanding RSUs will vest on the 5th anniversary of the grant date.

(14) These matching RSUs were granted with respect to 478,720 locked-up shares which were purchased by Mr. Jan Craps in accordance with the SBC Plan on March 1, 2024.

(15) These matching RSUs were granted with respect to 873,851 locked-up shares which were purchased in accordance with the SBC Plan on March 1, 2024.

(16) These matching RSUs were granted with respect to 2,888,160 locked-up shares which were purchased in accordance with the SBC Plan on March 1, 2024.

(17) There is no separate fair value attributable to the RSU dividends granted under the relevant Share Award Scheme as it has been included in the fair value of the underlying RSUs as at the grant date of such underlying RSUs.

(18) Due to an update in internal record-keeping mechanics and procedures with respect to employee share awards, certain adjustments and forfeitures have been made to the recorded number of share award interests held by employees of the Company. For the avoidance of doubt, this does not affect the number of RSUs granted as disclosed in the 2023 Annual Report.

Please refer to Note 24 to the consolidated financial statements of this annual report for further details.

The total number of share awards available for grant under the LTI Plan, RSU Plan, New RSU Plan, PB Plan and SBC Plan was 1,177,215,984 Shares, representing 8.89% of the issued share capital (excluding treasury shares) of the Company as at 1 January 2024, was 1,146,460,821 Shares, representing approximately 8.66% of the issued share capital (excluding treasury shares) of the Company as at 31 December 2024, and is 177,878,879[1], representing 1.34% of the issued share capital (excluding treasury shares) of the Company as at the date of this Annual Report.

The total number of Shares that may be issued upon the exercise or vesting of all outstanding share awards already granted under the LTI Plan, RSU Plan, New RSU Plan, PB Plan and SBC Plan is 177,878,879 Shares, representing 1.34% of the issued share capital (excluding treasury shares) of the Company as at 31 December 2024. The number of Shares that may be issued in respect of options and awards granted under the LTI Plan, RSU Plan, New RSU Plan, PB Plan and SBC Plan during the twelve months ended 31 December 2024 is 30,755,163. The dilutive effect of such is 0.23%, being the number of Shares that may be issued divided by the weighted average number of Shares (excluding treasury shares) for the same period.

Non-Competition Undertaking

The Directors consider that there is clear and adequate delineation between the business of the Group and the AB InBev Group as the Group has different geographical and market focuses.

On 12 September 2019, the Company entered into the Deed of Non-competition with AB InBev which safeguards the independence of the respective businesses of the Group and the AB InBev Group. Under the Deed of Non-competition, AB InBev agreed that, except for certain excluded business, with effect from the Listing Date, it will not engage in businesses relating to the manufacture, import, sale and/or distribution of beer (both alcoholic and non-alcoholic), cider and alcoholic malt-based beverages in the APAC Territories and will also cause its subsidiaries (other than our Group) not to engage in such businesses in the APAC Territories, except for limited exceptions.

Under the Deed of Non-competition, we also agreed that, except for certain excluded business, with effect from the Listing Date, the Group will not engage in businesses relating to the manufacture, import, sale and/or distribution of beer (both alcoholic and non-alcoholic), cider and other alcoholic malt-based beverages outside of the APAC Territories and will also cause its subsidiaries not to engage in such businesses outside of the APAC Territories, except for limited exceptions.

AB InBev has provided the Company with a written confirmation in respect of compliance by the AB InBev Group with the obligations and undertakings under the Deed of Non-Competition during the reporting period and its consent to the inclusion of such confirmation in this annual report.

The Independent Non-executive Directors have reviewed the Deed of Non-competition and the confirmation provided by AB InBev, and confirmed their view that AB InBev has complied with the terms of the Deed of Non-Competition during the reporting period.

During the reporting period, the Directors (including the Independent Non-executive Directors) did not make any decisions in relation to whether to exercise or terminate an option for purchase and take up or waive any new business opportunity.

Independent External Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers will retire and a resolution for their re-appointment as independent external auditor of the Company will be proposed at the forthcoming AGM.

Connected Transactions

During the reporting period, the Group has entered into certain transactions with members of AB InBev Group. AB InBev is the Company's controlling shareholder, and members of the AB InBev Group are the Company's connected persons. Accordingly, transactions entered into between members of the AB InBev Group and the Group constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Summary of the Non-Exempt Continuing Connected Transactions

During the year ended 31 December 2024, the following non-exempt continuing connected transactions occurred between the Group and the AB InBev Group:

	Transaction	Date and term of the agreement	Transaction value for 2024 in US dollar	Annual cap for 2024 in US dollar
(1)	Licenses granted to the Group to import the AB InBev Group's products for sale under the Importation Framework Agreement	Entered into on 2 July 2019, as amended on 12 September 2019 and 29 September 2023, effective on the Listing Date for a 25-year term	35 million	N/A[(1)]
(2)	Licences granted to the AB InBev Group to import the Group's and the AB InBev Group's products for sale under the Importation Framework Agreement	Entered into on 2 July 2019, as amended on 12 September 2019 and 29 September 2023, effective on the Listing Date for a 25-year term	55 million	130 million
(3)	Licenses granted to the Group to manufacture the AB InBev Group's products for sale under the Production Framework Agreement	Entered into on 2 July 2019, as amended on 12 September 2019 and 29 September 2023, effective on the Listing Date for a 25-year term	84 million	N/A[(1)]
(4)	Deposits in the cash pooling arrangements of the AB InBev Group under the Cash Pooling Framework Agreement	Entered into on 2 July 2019 as amended on 12 September 2019, effective on the Listing Date for a term of eight years, renewable automatically for successive eight-year terms	1.95 billion (highest daily amount of deposits, including interest accrued)	3.00 billion (maximum daily caps on the amount of deposits, including interest accrued)
(5)	Strategic services provided to the Group under the Strategic Services Framework Agreement	Entered into on 2 July 2019, effective on the Listing Date for a 10-year term	20 million	38 million
(6)	Procurement services provided to the Group under the Procurement Services Framework Agreement	Entered into on 2 July 2019, effective on the Listing Date for a 10-year term	41 million	75 million
(7)	Administrative services provided to the Group under the General Services Framework Agreement	Entered into on 2 July 2019, effective on the Listing Date, and renewed on 30 September 2022 for a three-year term	Included in the transaction value of strategic services provided to the Group	Included under the annual cap for strategic services provided to the Group

Note:

(1) The Stock Exchange has granted the Company a waiver under Rule 14A.105 of the Listing Rules from strict compliance with the annual cap requirements.

The key terms of the non-exempt continuing connected transaction are set out below.

(1) Licenses granted to the Group to import, sell, distribute, advertise and promote AB InBev Products for sale in the APAC Territories

Under the Importation Framework Agreement, AB InBev will procure members of the AB InBev Group as licensors to grant, subject to limited exceptions, the relevant members of the Group: (i) exclusive licenses to import for sale, sell and distribute and (ii) non-exclusive licenses to advertise and promote AB InBev Products in the APAC Territories.

Pricing policy

The import price (being the AB InBev Product's cost per unit of volume imported into the APAC Territories) will be determined among the respective parties from time to time on an arm's length basis.

When an AB InBev Product is first introduced to a new territory under the Importation Framework Agreement or if an existing license is renewed, AB InBev and the Company will agree the import price of such product. The import price for each product will be agreed by AB InBev and the Company based on (a) production cost of the imported product and (b) a mark-up, covering: (i) an allocation of certain indirect costs (including logistics cost, overhead cost, depreciation, amortization and other costs as AB InBev and the Company may deem relevant), (ii) distribution royalty component determined using the pricing policies set out for royalty under the Licenses to Manufacture (see below) and (iii) an exporter margin set by reference to a transfer pricing benchmark report, or by reference to a historical import agreement entered into between AB InBev and a third party considering such other factors as AB InBev and the Company may deem relevant in the end-market.

(2) Licenses granted to the AB InBev Group to import, sell, distribute, advertise and promote Group Products and AB InBev Products for sale outside of the APAC Territories

Under the Importation Framework Agreement, the Company will procure members of the Group as licensors to grant, subject to limited exceptions, the relevant members of the AB InBev Group: (i) exclusive licenses to import for sale, sell and distribute and (ii) non-exclusive licenses to advertise and promote the Group's products and the AB InBev Products outside of the APAC Territories.

Pricing Policy

The import price (being the AB InBev Product's or the Group's product's cost per unit of volume imported for sale outside of the APAC Territories) will be determined among the respective parties from time to time on an arm's length basis.

When an AB InBev Products or a Group product is first introduced to a new territory under the Licenses to Import or if an existing license is renewed, AB InBev and the Company will agree the import price of such product. The import price for each product will be agreed by AB InBev and the Company based on (a) production cost of the imported product and (b) a mark-up, covering (i) an allocation of certain indirect costs (including logistics cost, overhead cost, depreciation, amortization and other costs as AB InBev and the Company may deem relevant), (ii) distribution royalty component determined using the pricing policies set out for royalty under the licenses to manufacture, and (iii) an exporter margin set by reference to a transfer pricing benchmark report, or by reference to a historical import agreement entered into between AB InBev and a third party considering such other factors as AB InBev and the Company may deem relevant in the end-market.

(3) Licenses granted to the Group to manufacture, sell, distribute, advertise and promote AB InBev Products for sale in the APAC Territories and for sale to the ABI Group for its sale outside of the APAC Territories

Under the Production Framework Agreement, AB InBev will procure members of the AB InBev Group as licensors to grant, subject to limited exceptions, the relevant members of the Group: (i) exclusive licenses to manufacture AB InBev Products in consumer-ready form for sale in the APAC Territories; (ii) non-exclusive licenses to manufacture AB InBev Products in consumer-ready form for sale to the AB InBev Group for its sale and distribution outside of the APAC Territories and (iii) non-exclusive licenses to advertise and promote AB InBev Products in the APAC Territories.

Pricing policy

The license royalty will be determined among the respective parties from time to time on an arm's length basis. The Company and AB InBev will periodically (and in any event not less than once every five years) retain an accounting or tax advisor to produce a benchmark transfer pricing report on global pricing and royalties in the applicable product markets to determine the appropriate market rate royalty bands for products positioned in each relevant market with respect to the royalty under the licenses to manufacture.

When an AB InBev Product is first introduced to a new territory under the Production Framework Agreement or if an existing license is renewed, AB InBev and the Company will agree the royalty of such product. The license royalty will be assessed as a percentage of net sales. AB InBev and the Company will agree the royalty to each AB InBev Product based on the benchmark transfer pricing report with reference to (i) the positioning of the relevant AB InBev Product in the end-market, (ii) comparable royalties charged by the AB InBev Group to current or recently former third-parties, (iii) the duration such product has been present in the relevant market and the product introduction strategy, and (iv) such other factors as AB InBev and the Company may deem relevant.

(4) Deposits made by the Group in the AB InBev Group's cash pooling accounts

Under the Cash Pooling Framework Agreement, the Company participates in the AB InBev Group's physical and notional cash pooling arrangements (the "**Cash Pooling Arrangements**"), under which funds from different participants are consolidated into the AB InBev Group's cash pool accounts with the London branch of J.P. Morgan Chase Bank N.A. (the "**Pooling Agent**"). Participants may make deposits or draw overdrafts from the cash pool (which also allows participants access to an overdraft facility) and Group members and AB InBev Group members are treated the same under the arrangements.

There are two forms of cash pooling in place: physical and notional. The physical Cash Pooling Arrangement consolidates cash from the physical pool participants' bank accounts on a regular basis into a centralized cash pool account. The notional Cash Pooling Arrangement notionally consolidates the cash balance from the notional cash pool participants' own bank accounts and does not transfer the bank balance to a centralized cash pool account.

As certain members of the Group participate in the AB InBev Group's notional cash pooling with the Pooling Agent or in the physical cash pooling with Cobrew NV/SA, a wholly-owned subsidiary of the AB InBev Group, as cash pool header, or receive current account services from Cobrew NV/SA, such financial assistance constitutes a continuing connected transaction with the AB InBev Group.

Pricing policy for deposits

In respect of the notional cash pool, the deposit interest rates offered by the Pooling Agent will be the base rate of the Pooling Agent for overnight cash positions. Such base rate will be calculated by reference to (i) the prevailing overnight market rates and (ii) the competitive rates driven by the Pooling Agent's ability to deploy cash in daily currency markets.

In respect of the physical cash pool, the deposit interest rates offered by Cobrew NV/SA will be set with reference to the deposit interest rates offered by the Pooling Agent or by other third party financial institution providing cash pooling services to Cobrew NV/SA.

The terms of the deposits offered to the Group by the Pooling Agent or Cobrew NV/SA in respect of the notional and physical cash pool will at all times reflect the terms offered by the Pooling Agent or by other third party financial institution to the AB InBev Group for deposits (without any additional charges) and will be on arm's length basis.

(5) Strategic services provided by the AB InBev Group to the Group

Under the Strategic Services Framework Agreement, AB InBev will procure members of the AB InBev Group to provide strategic advice and support services in relation to (i) management support, (ii) marketing, (iii) supply, (iv) human resources, (v) finance, (vi) legal and corporate affairs, and (vii) innovation and R&D, to the Group.

Pricing Policy

The payment terms will be determined among the respective parties from time to time on an arm's length basis. The costs incurred by the AB InBev Group to deliver the strategic services (except for certain innovation and R&D services) will be centralized and mapped onto cost and functional centers, which will be on-charged to the service recipients. Where services directly benefit a particular service recipient, the costs will be directly charged to such service recipient. Where services benefit a number of service recipients (some of which are subsidiaries of the Group and others are other subsidiaries of AB InBev), the costs will be allocated based on specific direct cost drivers, or indirect allocation keys, which reasonably reflect the service recipients' economic benefit from such services. AB InBev and the Company will agree the direct and indirect allocation keys intended to reflect the benefit received by each subsidiary of the Company from such strategic service.

The allocated costs will be subject to a mark-up determined on an arm's length basis in accordance with accepted methods of transfer pricing, such as comparable uncontrolled price transfer pricing method, in accordance with a benchmark transfer pricing report prepared by an accounting or tax advisor.

For technical value engineering projects provided under innovation and R&D services, the fee charged will be calculated based on a percentage of savings generated by the technological innovations made available to the service recipient. The fee during the reporting period was based on 50% of savings generated by such technological innovations.

The mark-up or fee payable may be reviewed periodically and adjusted, including retrospectively, to the extent an adjustment is necessary to ensure that the payments are on an arm's length basis as mutually agreed by the parties.

(6) Procurement services provided by the AB InBev Group to the Group

Under the Procurement Services Framework Agreement, AB InBev will procure members of the AB InBev Group to provide procurement services to members of the Group.

Pricing policy

The payment terms will be determined among the respective parties from time to time on an arm's length basis. The fee charged to provide the procurement services will be calculated based on a percentage of realized and demonstrated annual cost savings capped by a percentage of the service recipient's direct and indirect annual spend for products and services in respect of which the service recipient receives procurement services. Realized and demonstrated annual cost savings is composed of variable industrial cost savings, indirect savings (cost savings or increase, cost avoidance, value creation), and variable logistic costs savings.

The fee during the reporting period was based on 50% of realized and demonstrated annual cost savings capped by 5% of the service recipient's annual strategic spend categories.

The cost savings and the cap may be reviewed periodically and adjusted, including retrospectively, to the extent necessary to ensure the payments are on an arm's length basis as mutually agreed by the parties.

(7) Administrative services provided by the AB InBev Group to the Group

Under the General Services Framework Agreement, AB InBev will procure members of the AB InBev Group to provide IT services, outsourcing services and other administrative services, to members of the Group.

Pricing policy

The payment terms will be determined among the respective parties from time to time on an arm's length basis in accordance to the pricing policy for strategic services provided by the AB InBev Group to the Group above in item (5).

With a view to maximizing production capacity and utilization rate of its breweries and generating more revenue and profit, the Company may enter into other connected transactions with the AB InBev Group, provided that the Group will continue to prioritize demands from its markets in the APAC region and determine pricing on an arm's length basis in compliance with Chapter 14A of the Listing Rules.

For further details of the non-exempt continuing connected transactions, please refer to the section headed "Connected Transactions – Non-exempt Continuing Connected Transactions" of the Prospectus and Note 30 to the consolidated financial statements.

Save as disclosed above, none of other related-party transactions set out in Note 30 to the consolidated financial statements constitute connected transactions or continuing connected transactions that are required to be disclosed under the Listing Rules. Save as disclosed in this annual report, the Company has no connected transactions which are required to be disclosed under Chapter 14A of the Listing Rules during the reporting period. The Company confirms that it has complied with the requirements of Chapter 14A of the Listing Rules in relation to all connected transactions and continuing connected transactions to which the Company was a party during the reporting period.

Confirmation from the Independent Non-executive Directors

Our Independent Non-executive Directors reviewed the above continuing connected transactions and confirmed that, during the reporting period, these transactions:

(1) were entered into in the ordinary and usual course of business of the Group;

(2) were on normal commercial terms;

(3) were in accordance with the terms of the relevant agreements, which are in the interest of the Group and our Shareholders as a whole, and fair and reasonable; and

(4) did not exceed the annual cap amounts (where applicable).

Confirmation from the independent external auditor

The independent external auditor of the Company has been engaged to report on the non-exempt continuing connected transactions of the Company in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified assurance report containing their conclusions in respect of the continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules:

(1) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Directors;

(2) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(3) with respect to the aggregate amount of each of the non-exempt continuing connected transactions, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

The Company has also provided a copy of the external auditor's assurance report to the Stock Exchange.

By order of the Board
Budweiser Brewing Company APAC Limited

Michel Doukeris	Jan Craps
Co-Chair	*Co-Chair*

Independent Auditor's Report

羅兵咸永道

To the Shareholders of Budweiser Brewing Company APAC Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Budweiser Brewing Company APAC Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 102 to 174, comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("**IESBA Code**"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarized as follows:

- Accounting for Asia Pacific West trade incentives; and
- Impairment assessment of goodwill and indefinite lived intangible assets in China and Korea.

Key Audit Matter	How our audit addressed the Key Audit Matter
Accounting for Asia Pacific West trade incentives	
Refer to Notes 2.22.1, 4 and 5 to the consolidated financial statements. The Group has a large number of revenue contracts with customers in Asia Pacific West which include trade incentives in the form of volume rebates, discounts, and promotion and marketing incentives. The recognition of trade incentives is determined with reference to the terms of the customer contract. Management is required to use judgment in assessing the nature of the trade incentives and whether the payments made to customers are in exchange for distinct goods or services determines the respective accounting treatment and classification in the consolidated financial statements. We considered this is a key audit matter because judgement is involved in the assessment and requires significant auditor effort in performing the audit.	Our procedures in relation to the accounting for Asia Pacific West trade incentives included: • Assessing the appropriateness of the Group's revenue recognition policy, including the recognition of trade incentives, in accordance with IFRS Accounting Standards; • Obtaining an understanding of the design and implementation of key internal controls that address the risk of material misstatement in revenue recognition, including the assessment of trade incentives, and for selected countries, testing the operating effectiveness of these internal controls; • Checking, for a sample of transactions, the application of management's revenue recognition policy and whether trade incentives were appropriately classified by agreeing to input data, such as underlying contracts; • Testing the accuracy and completeness of trade incentive related liabilities by confirming a sample of customer balances directly with customers or alternatively testing to supporting documentation; • Testing, on sample basis, the subsequent settlement of trade incentive related liabilities; • Performing analytical review procedures to identify whether any unusual trends were present; and • Testing the appropriateness of manual journal entries and adjustments associated with revenue recognition and trade incentives on a sample basis. Based on the work performed, we found the accounting for the Group's Asia Pacific West trade incentives to be supportable based on the available evidence.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill and indefinite lived intangible assets in China and Korea	
Refer to Notes 2.4, 2.7, 2.13, 4, 13 and 14 to the consolidated financial statements. The Group has goodwill and intangible assets with an indefinite useful life of US$7,217 million as at 31 December 2024, which represents 49% of the Group's total assets as of that date, mainly represented by the Group's China and Korea operations. An annual impairment assessment is conducted by management in accordance with IAS 36. Management has determined the recoverable amounts of the cash-generating units based on value in use calculations using discounted cash flow models derived from the Group's latest approved strategic plan. Management completed their annual impairment assessment in the fourth quarter of 2024 and concluded no impairment charge was necessary. This is a key audit matter because of the quantum of the goodwill and indefinite lived intangible assets and the judgment required by management in developing the key assumptions used in the valuation estimates of the recoverable amount of related cash-generating units. The key assumptions include the expected revenue growth, operating margins, the discount rates and terminal growth rates.	Our procedures in relation to the impairment assessment of goodwill and indefinite lived intangible assets included: • Assessing the appropriateness of the impairment testing methodology in accordance with IAS 36; • Testing the mathematical accuracy of the discounted cash flow model; • Reconciling input data in the discounted cash flow models to supporting evidence, such as approved plans; • Assessing the discount rates used, based on our knowledge of the industry, with the involvement of our in-house valuation experts; • Assessing the key assumptions used by management by comparing these to historical results and external data, such as expected inflation rates and external market growth expectations; • Performing sensitivity analysis on the key assumptions, and assessing the potential impact of reasonably possible downside changes in key assumptions; and • Considering whether the key assumptions have been appropriately disclosed in the consolidated financial statements. Based on the work performed, we found management's impairment assessment of goodwill and indefinite lived intangible assets to be supportable based on the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Audit and Risk Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit and Risk Committee are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Risk Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James Noel Crockford.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 February 2025

Consolidated Income Statement

For the Year Ended 31 December 2024

	Notes	2024 US$'million	2023 US$'million
Revenue	5	**6,246**	**6,856**
Cost of sales		(3,099)	(3,403)
Gross profit		**3,147**	**3,453**
Distribution expenses		(496)	(520)
Sales and marketing expenses		(1,129)	(1,201)
Administrative expenses		(477)	(470)
Other operating income	6	115	107
Profit from operations before non-underlying items		**1,160**	**1,369**
Non-underlying items	7	(62)	(80)
Profit from operations		**1,098**	**1,289**
Finance cost	10	(35)	(52)
Finance income	10	66	62
Net finance income		**31**	**10**
Share of results of associates	16	31	28
Profit before tax		**1,160**	**1,327**
Income tax expense	11	(410)	(447)
Profit for the year		**750**	**880**
Profit for the year attributable to:			
Equity holders of Bud APAC		726	852
Non-controlling interests		24	28
Earnings per share from profit attributable to the equity holders of Bud APAC:			
Basic earnings per share (cent USD)	32	5.51	6.45
Diluted earnings per share (cent USD)	32	5.46	6.42

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2024

	2024 US$'million	2023 US$'million
Profit for the year	**750**	**880**
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss:		
Re-measurement of post-employment benefits	3	(6)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(703)	(299)
Gains on cash flow hedges	6	19
Other comprehensive loss, net of tax	**(694)**	**(286)**
Total comprehensive income	**56**	**594**
Total comprehensive income of the year attributable to:		
Equity holders of Bud APAC	33	567
Non-controlling interests	23	27

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 US$'million	2023 US$'million
ASSETS			
Non-current assets			
Property, plant and equipment	12	2,585	2,986
Goodwill	13	5,945	6,435
Intangible assets	14	1,456	1,572
Land use rights	15	199	210
Investment in associates	16	504	481
Deferred tax assets	17	198	231
Trade and other receivables	19	46	49
Other non-current assets		13	11
Total non-current assets		**10,946**	**11,975**
Current assets			
Inventories	18	376	444
Trade and other receivables	19	496	609
Derivatives		29	23
Cash pooling deposits to AB InBev		48	25
Cash and cash equivalents	20	2,867	3,141
Other current assets		16	17
Total current assets		**3,832**	**4,259**
Total assets		**14,778**	**16,234**
EQUITY AND LIABILITIES			
Equity			
Issued capital	21	–	–
Share premium	21	43,591	43,591
Capital reserve	21	(36,232)	(36,225)
Treasury shares	21	(80)	(95)
Other reserves	21	(1,793)	(1,157)
Retained earnings		4,698	4,671
Equity attributable to equity holders of Bud APAC		**10,184**	**10,785**
Non-controlling interests	29	56	65
Total equity		**10,240**	**10,850**

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 US$'million	2023 US$'million
Non-current liabilities			
Interest-bearing loans and borrowings	22	68	94
Deferred tax liabilities	17	375	421
Trade and other payables	26	13	18
Provisions	25	65	96
Income tax payable		24	43
Employee benefits	23	57	61
Other non-current liabilities		3	2
Total non-current liabilities		**605**	**735**
Current liabilities			
Interest-bearing loans and borrowings	22	136	237
Trade and other payables	26	2,228	2,638
Payables with AB InBev	26	91	104
Consigned packaging and contract liabilities	26	1,306	1,456
Derivatives		3	10
Provisions	25	9	71
Income tax payable		160	133
Total current liabilities		**3,933**	**4,649**
Total equity and liabilities		**14,778**	**16,234**

The consolidated financial statements on pages 102 to 174 were approved by the Board of Directors on 25 February 2025 and were signed on its behalf

Jan Craps
Director

Nelson Jamel
Director

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2024

	Attributable to equity holders of Bud APAC								
US$'million	Issued capital	Share premium	Capital reserve	Treasury shares	Other reserves	Retained earnings[1]	Total	Non-controlling interests	Total equity
1 January 2023	**–**	**43,591**	**(36,213)**	**(6)**	**(930)**	**4,322**	**10,764**	**69**	**10,833**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**852**	**852**	**28**	**880**
Other comprehensive (loss)/income									
Exchange differences on translation of foreign operations	–	–	–	–	(298)	–	(298)	(1)	(299)
Other	–	–	–	–	13	–	13	–	13
Total comprehensive income	**–**	**–**	**–**	**–**	**(285)**	**852**	**567**	**27**	**594**
Treasury shares	–	–	–	(89)	14	–	(75)	–	(75)
Share-based payments	–	–	(12)	–	44	1	33	–	33
Dividends	–	–	–	–	–	(500)	(500)	(31)	(531)
Other movement	–	–	–	–	–	(4)	(4)	–	(4)
31 December 2023	**–**	**43,591**	**(36,225)**	**(95)**	**(1,157)**	**4,671**	**10,785**	**65**	**10,850**
1 January 2024	**–**	**43,591**	**(36,225)**	**(95)**	**(1,157)**	**4,671**	**10,785**	**65**	**10,850**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**726**	**726**	**24**	**750**
Other comprehensive (loss)/income									
Exchange differences on translation of foreign operations	–	–	–	–	(702)	–	(702)	(1)	(703)
Other	–	–	–	–	9	–	9	–	9
Total comprehensive income	**–**	**–**	**–**	**–**	**(693)**	**726**	**33**	**23**	**56**
Treasury shares	–	–	–	15	–	–	15	–	15
Share-based payments	–	–	(7)	–	57	(1)	49	–	49
Dividends	–	–	–	–	–	(698)	(698)	(32)	(730)
31 December 2024	**–**	**43,591**	**(36,232)**	**(80)**	**(1,793)**	**4,698**	**10,184**	**56**	**10,240**

(1) Included in retained earnings are legal statutory reserves in the People's Republic of China ("**PRC**") of 270 million US dollar as of 31 December 2024 and 263 million US dollar as of 31 December 2023. Under the relevant PRC laws and regulations, PRC companies are required to allocate 10% of the company's net profit to a fund, until such a fund reaches 50% of the companies registered capital. The statutory reserve fund can be utilized upon approval by the relevant authorities, to offset against accumulated losses or increase registered capital of the company, provided that such fund is maintained at a minimum of 25% of the companies registered capital.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2024

	Notes	2024 US$'million	2023 US$'million
OPERATING ACTIVITIES			
Profit for the year		**750**	**880**
Depreciation, amortization and impairment	12,14,15	647	654
Impairment losses on receivables, inventories and other assets		35	11
(Decrease)/increase in provisions and employee benefits		(4)	93
Net finance income	10	(31)	(10)
Net gain on disposal of property, plant and equipment and intangible assets	6	(43)	(39)
Equity-settled share-based payment expenses	8	70	61
Income tax expense	11	410	447
Other non-cash items included in profit		(16)	6
Share of results of associates	16	(31)	(28)
Cash flow from operating activities before changes in working capital and use of provisions		**1,787**	**2,075**
Decrease/(increase) in trade and other receivables		76	(76)
Decrease in inventories		25	23
(Decrease)/increase in trade and other payables		(335)	237
Decrease in provisions and pensions		(99)	(47)
Cash generated from operations		**1,454**	**2,212**
Interest paid		(23)	(28)
Interest received		60	59
Dividends received		11	11
Income tax paid		(368)	(443)
CASH FLOW FROM OPERATING ACTIVITIES		**1,134**	**1,811**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(379)	(498)
Proceeds from sale of property, plant and equipment and intangible assets		11	21
Acquisition of subsidiaries, net of cash acquired		(24)	(8)
Proceeds from/(acquisition of) investment		6	(3)
(Placement of)/proceeds from cash pooling deposits to AB InBev		(23)	41
CASH FLOW USED IN INVESTING ACTIVITIES		**(409)**	**(447)**

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2024

	Notes	2024 US$'million	2023 US$'million
FINANCING ACTIVITIES			
Dividends paid to equity holders of Bud APAC	21	(698)	(500)
Dividends paid to non-controlling interest holders		(32)	(29)
Repayments of borrowings	22	(131)	–
Proceeds from borrowings	22	47	84
Payments on purchase of treasury shares		–	(85)
Payments of lease liabilities	22	(61)	(56)
Cash net finance cost other than interest		(20)	(28)
Other financing cash flows		(8)	(7)
CASH FLOW USED IN FINANCING ACTIVITIES		**(903)**	**(621)**
Net (decrease)/increase in cash and cash equivalents		**(178)**	**743**
Cash and cash equivalents less bank overdrafts at beginning of the year	20	3,141	2,458
Effect of exchange rate fluctuations		(96)	(60)
Cash and cash equivalents less bank overdrafts at end of the year	20	2,867	3,141

The accompanying notes are an integral part of the consolidated financial statements.

1. General information and Basis of presentation

1.1 General information

Budweiser Brewing Company APAC Limited (the "**Company**" or "**Bud APAC**") was incorporated in the Cayman Islands on 10 April 2019 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681 Grand Cayman, KY1-1111, Cayman Islands. The Company's shares were listed on The Stock Exchange of Hong Kong Limited on 30 September 2019.

The Company is an investment holding company. The Company and its subsidiaries (together, the "**Group**") are principally engaged in the brewing and distribution of beer in the Asia Pacific region.

The immediate parent company of the Group is AB InBev Brewing Company (APAC) Limited which is a private company incorporated in the United Kingdom.

The ultimate parent company of the Group is Anheuser-Busch InBev SA/NV (referred to as "**AB InBev**"), which is a publicly traded company (Euronext: ABI) incorporated in Belgium and based in Leuven, Belgium, with secondary listings on the Mexico (MEXBOL: ANB) and South Africa (JSE: ANH) stock exchanges and with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD).

1.2 Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards ("**IFRSs**") issued by the International Accounting Standards Board and the IFRS Interpretations Committee ("**IFRIC**") interpretations applicable to companies reporting under IFRS which are mandatory for the financial periods beginning on 1 January 2024 and the disclosure requirements of the Hong Kong Company Ordinance. The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated.

As further explained in Note 3.1.5, and in line with many other Fast Moving Consumer Goods companies, the Group intentionally maintains a net current liabilities position as part of its business model despite strong operating cash flows. Therefore, the group's net current liabilities position is not indicative of any going concern issues, and the consolidated financial statements have been prepared on a going concern basis.

2. Summary of material accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

A number of amendments to standards became mandatory for the first time for the financial year beginning on 1 January 2024 and have not been listed in these consolidated financial statements as they either do not apply or are immaterial to the Group's consolidated financial statements.

The IASB made amendments to IAS 12 Income taxes in May 2023 that (a) provide a temporary exception from accounting for deferred taxes arising from legislation enacted to implement the OECD's Pillar Two model rules, and (b) introduce additional disclosure requirements. The Group is within the scope of the OECD Pillar Two model rules as Pillar Two legislation has been enacted in the jurisdictions where the Group operates, and comes into effect from 1 January 2024. The Group applied the exception from accounting for deferred taxes arising from legislation enacted. Based on the assessment and analysis made, the Group concluded the impact as immaterial.

2.1 Functional and presentation currency

Unless otherwise specified, all financial information included in these financial statements has been stated in US dollar ("**USD**") and has been rounded to the nearest million (presentation currency). The financial information of all reporting units included in the consolidated financial statements are measured using the currency of the primary environment in which the reporting units operate (functional currency).

2.2 Principles of consolidation

Subsidiaries are those entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights are taken into account. Control is presumed to exist where the Group owns, directly or indirectly, more than one half of the voting rights (which does not always equate to economic ownership), unless it can be demonstrated that such ownership does not constitute control. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Associates are undertakings in which the Group has significant influence over the financial and operating policies, but which it does not control. This is generally evidenced by ownership of between 20% and 50% of the voting rights. Associates are accounted for by the equity method of accounting, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations on behalf of the associate.

The financial information of the Group's subsidiaries and associates are prepared for the same reporting year as the parent company, using consistent accounting policies. In exceptional cases when the financial information of the subsidiaries and associates are prepared as of a different date from that of the Group, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the Group's financial statements. In such cases, the difference between the end of the reporting period of these associates from the Group's reporting period is no more than three months.

Transactions with non-controlling interests are treated as transactions with equity owners of the Company. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity where there is no loss of control.

All intercompany transactions, balances and unrealized gains and losses on transactions between group companies have been eliminated. Unrealized gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.3 Foreign currency translation

2.3.1 Foreign currency transactions

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing on the date of the reporting. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to US dollar at foreign exchange rates prevailing at the dates the fair value was determined.

2.3.2 Translation of the results and financial position of foreign operations

Assets and liabilities of foreign operations are translated to US dollar at foreign exchange rates prevailing at the reporting date. Income statements of foreign operations are translated to US dollar at exchange rates for the year approximating the foreign exchange rates prevailing at the dates of the transactions. The components of shareholders' equity are translated at historical rates. Exchange differences arising from the translation of shareholders' equity to US dollar at year-end exchange rates are taken to other comprehensive income (translation reserves).

2.3.3 Exchange rates

The most important exchange rates that have been used in preparing the financial statements are:

	Closing rate		Average rate	
1 US dollar equals:	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Chinese yuan ("**CNY**")	7.2993425	7.1048801	7.1844333	7.063811
South Korean won ("**KRW**")	1474.053598	1,296.528653	1355.258823	1,309.1230551
Indian rupee ("**INR**")	85.189574	83.170388	83.498776	82.542584

2.4 Intangible assets

2.4.1 Brands

If part of the consideration paid in a business combination relates to trademarks, trade names, formulas, recipes or technological expertise, these intangible assets are considered as a group of complementary assets that is referred to as a brand for which one fair value is determined. Expenditure on internally generated brands is expensed as incurred.

2.4.2 Commercial intangibles

A supply right is the right for the Group to supply a customer specified products in a certain territory and the commitment by the customer to purchase from the Group. A distribution right is the right to sell specified products in a certain territory. Acquired supply rights are measured initially at cost, or fair value when obtained through a business combination. Amortization related to supply and distribution rights is included within sales and marketing expenses.

2.4.3 Software

Purchased software is measured at cost less accumulated amortization. Expenditure on internally developed software is capitalized when the expenditure qualifies as development activities; otherwise, it is recognized in the consolidated income statement when incurred. Amortization related to software is included in cost of sales, distribution expenses, sales and marketing expenses or administrative expenses based on the activity the software supports.

2.4.4 Other intangible assets

Other intangible assets acquired by the Group are recognized at cost less accumulated amortization and impairment losses. These are initially recognized at the present value of the future payments and subsequently measured at cost less accumulated amortization and impairment losses.

2.4.5 Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

2.4.6 Amortization

Intangible assets with a finite life are amortized using the straight-line method over their estimated useful lives. Commercial intangibles, which comprise of licenses, brewing, supply and distribution rights and other intangible assets, are amortized over the years in which the rights exist. Brands are considered to have an indefinite life unless plans exist to discontinue the brand. Discontinuance of a brand can be either through sale or termination of marketing support. When the Group purchases distribution rights for its own products the life of these rights is considered indefinite, unless the Group has a plan to discontinue the related brand or distribution. Software and capitalized development costs related to technology are amortized generally over 3 to 10 years.

On average, the amortization periods of intangible assets with finite useful lives are as follows:

Commercial intangibles (Licenses, brewing, supply and distribution rights)	5 to 14 years or the unexpired term of the rights
Software and capitalized development cost	3 to 10 years
Other intangible assets	5 to 20 years

Brands are deemed intangible assets with indefinite useful lives and, therefore, are not amortized but tested for impairment on an annual basis (refer to accounting policy 2.13).

2.4.7 Gains and losses on sale

Net gains and losses on sale of intangible assets are presented in the consolidated income statement as other operating income/(expenses). Net gains and losses are recognized in the consolidated income statement when control has been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the intangible assets.

2.5 Land use rights

Land use rights represent payments to third parties to acquire leasehold land interests. These payments are stated at cost and are depreciated over the unexpired lease term. The lease term includes the renewal period if the lease can be renewed by the Group without significant cost.

2.6 Business combinations

The Group applies the acquisition method of accounting to account for acquisitions of businesses. The cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred and equity instruments issued. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date. The excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable net assets acquired is recorded as goodwill.

The allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions requiring management judgment.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

2.7 Goodwill

Goodwill is determined as the excess of the consideration paid over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, jointly controlled entity or associate recognized at the date of acquisition. All business combinations are accounted for by applying the acquisition method.

In conformity with IFRS 3 Business Combinations, goodwill is stated at cost and not amortized but tested for impairment on an annual basis and whenever there is an indicator that the cash-generating unit to which goodwill has been allocated, may be impaired (refer to accounting policy 2.13). Goodwill is expressed in the currency of the subsidiary to which it relates and is translated to US dollars using the year-end exchange rate. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in associates.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized exceeds the cost of the business combination such excess is recognized immediately in the consolidated income statement as required by IFRS 3 *Business Combinations*.

2.8 Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses (refer to accounting policy 2.13). Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (e.g. non-refundable tax and transport cost). The cost of a self-constructed asset is determined using the same principles as for an acquired asset. The depreciation methods, residual value, as well as the useful lives are reassessed and adjusted if appropriate, annually.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets.

2.8.1 Subsequent expenditure

The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are expensed as incurred.

2.8.2 Depreciation

The depreciable amount is the cost of an asset less its residual value. Residual values, if not insignificant, are reassessed annually. Depreciation is calculated from the date the asset is available for use, using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives are defined in terms of the asset's expected utility to the Group and can vary from one geographical area to another. On average the estimated useful lives are as follows:

Industrial buildings – other real estate properties	20 – 50 years
Production plant and equipment:	
Production equipment	10 – 15 years
Storage, packaging and handling equipment	5 – 7 years
Returnable packaging:	
Kegs	2 – 10 years
Crates	2 – 10 years
Bottles	2 – 5 years
Point of sale furniture and equipment	5 years
Vehicles	5 years
Information processing equipment	3 – 5 years

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Freehold land is not depreciated as it is deemed to have an indefinite life.

2.8.3 Gains and losses on sale

Net gains and losses on sale of items of property, plant and equipment are presented in the consolidated income statement as other operating income/(expenses). Net gains and losses are recognized in the consolidated income statement when the control has been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the property, plant and equipment.

2.9 Leases

2.9.1 The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of a contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, and payments for these leases are presented in cash flow from operating activities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate specific to the country, term and currency of the contract. In addition, the Group considers its recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating the incremental borrowing rates.

Lease payments include fixed payments, less any lease incentives, variable lease payments that depend on an index or a rate known at the commencement date, and purchase options or extension option payments if the Group is reasonably certain to exercise these options. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and right-of-use asset and are recognized as an expense in the consolidated income statement in the year in which the event or condition that triggers those payments occurs.

A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of exercise of a renewal and/or purchase option. The corresponding adjustment is made to the related right-of-use asset.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated starting at the commencement date over the shorter period of useful life of the underlying asset and lease term.

The lease liability is presented in the 'Interest-bearing loans and borrowings' line and the right-of-use assets are presented in the 'Property, plant and equipment' or 'Land use rights' lines in the consolidated statement of financial position. In addition, the principal portion of the lease payments is presented within financing activities and the interest component is presented within operating activities in the consolidated statement of cash flows.

2.9.2 The Group as lessor

Leases where the Group transfers substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Leases of assets under which all the risks and rewards of ownership are substantially retained by the Group are classified as operating leases. Rental income is recognized in the consolidated income statement within other operating income on a straight-line basis over the term of the lease.

2.10 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The weighted average method is used in assigning the cost of inventories.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labor, other direct cost and an allocation of fixed and variable overhead based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated completion and selling costs.

Inventories are written down on a case-by-case basis if the anticipated net realizable value declines below the carrying amount of the inventories. The calculation of the net realizable value takes into consideration specific characteristics of each inventory category, such as expiration date, remaining shelf life, slow-moving indicators, amongst others.

2.11 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and generally due for settlement within 30 days. Trade receivables are recognized initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognized at the amount adjusted for the time value of money. The Group holds trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest rate method.

Trade and other receivables are carried at amortized cost less impairment losses. To determine the appropriate amount to provide for expected credit losses, factors such as significant financial difficulties of the debtor, probability that the debtor will default, enter into bankruptcy or financial reorganization, or delinquency in payments are considered. Other receivables are initially recognized at fair value and subsequently measured at amortized cost. Any impairment losses and foreign exchange results are directly recognized in profit or loss.

2.12 Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash. They are stated at face value, which approximates their fair value. In the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

Cash and cash equivalents include cash balances in a notional cash pool managed by AB InBev as part of a centralized treasury management system. Since the Group has legal rights to these balances they are included in the Group's cash and cash equivalents.

Certain cash and cash equivalents are managed as part of a global treasury management function by AB InBev and the Group does not exercise operational control over the cash and cash equivalents in the physical cash pool with AB InBev entities. The balances generated from the Group that are physically pooled into AB InBev entities that are outside the Group are recognized as a receivable or payable between the Group and the AB InBev counterparty for the purpose of the financial statements.

2.13 Impairment for non-financial assets

The carrying amounts of property, plant and equipment, goodwill and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is an indicator of impairment, the asset's recoverable amount is estimated. In addition, goodwill, intangible assets that are not yet available for use and intangibles with an indefinite useful life are tested for impairment annually at the cash-generating unit level (that is a country or group of countries managed as a group below a reporting region). An impairment loss is recognized whenever the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated income statement.

2.13.1 Calculation of recoverable amount

The recoverable amount of non-financial assets is determined as the higher of their fair value less costs to sell and value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The recoverable amount of the cash-generating units to which the goodwill and the intangible assets with indefinite useful life belong is based on discounted future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses recognized in respect of cash-generating units firstly reduce allocated goodwill and then the carrying amounts of the other assets in the unit on a pro rata basis.

2.13.2 Reversal of impairment losses

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.14 Provisions

Provisions are recognized when (i) the Group has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.14.1 Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Costs relating to the ongoing activities of the Group are not provided for. The provision includes the benefit commitments in connection with early retirement and redundancy schemes.

2.14.2 Disputes and litigations

A provision for disputes and litigation is recognized when it is more likely than not that the Group will be required to make future payments as a result of past events, such items may include but are not limited to several claims, suits and actions relating to antitrust laws, violations of distribution and license agreements, environmental matters, employment related disputes, claims from tax authorities related to indirect taxes, and alcohol industry litigation matters.

2.15 Employee benefits

2.15.1 Post-employment benefits

Post-employment benefits include pensions, post-employment life insurance and post-employment medical benefits. The Group operates a number of defined benefit and defined contribution plans, the assets of which are generally held in separate trustee-managed funds. The pension plans are generally funded by payments from employees and the Group, and for defined benefit plans, taking account of the recommendations of independent actuaries. The Group maintains funded and unfunded pension plans.

a. Defined contribution plans

Contributions to defined contribution plans are recognized as an expense in the consolidated income statement when incurred. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

b. Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. For defined benefit plans, the pension expenses are assessed separately for each plan using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement. Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans at least every three years. The amounts charged to the consolidated income statement include current service cost, net interest cost (income), past service costs and the effect of any curtailments or settlements. Past service costs are recognized at the earlier of when the amendment/curtailment occurs or when the Group recognizes related restructuring or termination costs. The pension obligations recognized in the consolidated statement of financial position are measured at the present value of the estimated future cash outflows using interest rates based on high quality corporate bond yields, which have terms to maturity approximating the terms of the related liability, less the fair value of any plan assets. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest) are recognized in full in the year in which they occur in the consolidated statement of comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent years.

Where the calculated amount of a defined benefit liability is negative (an asset), the Group recognizes such pension asset to the extent that economic benefits are available to the Group either from refunds or reductions in future contributions.

2.15.2 Other post-employment obligations

Some Group companies provide post-employment medical benefits to their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans.

2.15.3 Termination benefits

Termination benefits are recognized as an expense at the earlier when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date and when the Group recognizes costs for a restructuring.

2.15.4 Bonuses

Bonuses received by Group employees and management are based on pre-defined Group and individual target achievement. The estimated amount of the bonus is recognized as an expense in the year the bonus is earned. To the extent that bonuses are settled in shares of the Group, they are accounted for as share-based payments.

2.16 Share-based payments

Different share and share option programs allow Group management and members of the Board to acquire shares of the Company. The share and share option programs are administered by the Employee Share Award Trust and Management Share Award Trust which are consolidated in accordance with the principles in note 2.2.

The fair value of the share options is estimated at grant date, using a binomial Hull model, modified to reflect the IFRS 2 requirement that assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option. The fair value of the options granted is expensed over the vesting period based on the expected number of options that will vest. When the options are exercised, equity is increased by the amount of the proceeds received.

Shares issued by the Employee Share Award Trust and Management Share Award Trust to employees for no cash consideration vest immediately on grant date. On this date, the market value of the shares issued is recognised as an employee benefits expense, with a corresponding increase in share-based payment reserves in equity.

The fair value of restricted stock units granted to employees for nil consideration is measured at grant date and recognised as an expense over the vesting period with a corresponding increase in share-based payment reserves in equity.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

The Group's eligible employees continue to participate in AB InBev's share-based incentive plans. The consolidated financial statements include allocations of the cost recorded at AB InBev based on the number of the Group's employees participating in each scheme. The corresponding contribution from AB InBev is recognized in the retained earnings in equity.

2.17 Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortized cost with any difference between the initial amount and the maturity amount being recognized in the consolidated income statement (in accretion expense) over the expected life of the instrument on an effective interest rate basis.

2.18 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.19 Consigned packaging

Consigned packaging represents deposits paid by the Group's customers for use of the Group's returnable packaging which are assets controlled by the Group. A liability is recognized in respect of the deposits received from the Group's customers at fair value. The liability is derecognized upon return or derecognition of the packaging asset based on contractual terms with the customers and is recognized in other operating income in the consolidated income statement.

2.20 Contract liabilities

Contract liabilities primarily relate to advance consideration received from customers relating to the sale of beer and are derecognized when the Group has fulfilled the obligation under the contract to deliver the beer. Contract liabilities also include refund liabilities (refer to accounting policy 2.22.1).

2.21 Income tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the consolidated income statement except to the extent that it relates to items recognized directly in equity, in which case the tax effect is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years.

In accordance with IAS12 Income Taxes, deferred taxes are provided using the balance sheet liability method. This means that, for all taxable and deductible differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated statement of financial position a deferred tax liability or asset is recognized. Under this method a provision for deferred taxes is also made for differences between the fair values of assets and liabilities acquired in a business combination and their tax base. IAS 12 prescribes that no deferred taxes are recognized i) on initial recognition of goodwill, ii) at the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit and iii) on differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and to the extent that the Group is able to control the timing of the reversal. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using currently or substantively enacted tax rates.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

The Group recognizes deferred tax assets, including assets arising from losses carried forward, to the extent that future probable taxable profit will be available against which the deferred tax asset can be utilized. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Group presents income tax provisions in income tax liabilities.

2.22 Income recognition

2.22.1 Goods sold

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when performance obligations are satisfied, meaning when the Group transfers control of a product to a customer.

Specifically, revenue recognition follows the following five-step approach:

- Identification of the contracts with a customer
- Identification of the performance obligations in the contracts
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contracts
- Revenue recognition when performance obligations are satisfied

Revenue from the sale of goods is measured at the amount that reflects the best estimate of the consideration expected to be received in exchange for those goods. Contracts can include significant variable elements, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses and penalties. Such trade incentives are treated as variable consideration. If the consideration includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer. Variable consideration is only included in the transaction price if it is highly probable that the amount of revenue recognized would not be subject to significant future reversals when the uncertainty is resolved. A refund liability is recognized for expected volume rebates payable to customers in relation to sales made until the end of the reporting period. Accumulated experience is used to estimate and provide for the refund liabilities, using the expected value method.

Trade incentive payments to customers in exchange for distinct goods or services are accounted for as promotion and marketing incentives and classified as selling and distribution expenses in the consolidated income statement.

2.22.2 Finance income

Finance income comprises of interest received or receivable on funds invested, dividend income, foreign exchange gains, losses on currency hedging instruments offsetting currency gains, gains on hedging instruments that are not part of a hedge accounting relationship and gains on financial assets measured at fair value through profit or loss ("**FVPL**") as well as any gains from hedge ineffectiveness (refer to accounting policy 2.27).

2.23 Government grants

A government grant is recognized in the consolidated statement of financial position initially as deferred income when there is reasonable assurance that it will be received and that the Group will comply with the conditions attached to it. Grants that compensate the Group for expenses incurred are recognized as other operating income/(expenses) in the consolidated income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the acquisition of an asset are presented by deducting them from the acquisition cost of the related asset.

2.24 Finance cost

Finance cost comprises interest payable on borrowings, calculated using the effective interest rate method, foreign exchange losses, gains on currency hedging instruments offsetting currency losses, results on interest rate hedging instruments, losses on hedging instruments that are not part of a hedge accounting relationship, losses on financial assets classified as trading, impairment losses on financial assets as well as any losses from hedge ineffectiveness (refer to accounting policy 2.27).

All interest costs incurred in connection with borrowings or financial transactions are expensed as incurred as part of finance cost. Any difference between the initial amount and the maturity amount of interest-bearing loans and borrowings, such as transaction costs and fair value adjustments, are recognized in the consolidated income statement (in accretion expense) over the expected life of the instrument on an effective interest rate basis (refer to accounting policy 2.17). The interest expense component of lease payments is also recognized in the consolidated income statement (in accretion expense) using the effective interest rate method.

2.25 Research and development, advertising, and promotional costs and systems development costs

Research, advertising, and promotional costs are expensed in the year in which these costs are incurred. Development costs and systems development costs are expensed in the year in which these costs are incurred if they do not meet the criteria for capitalization (refer to accounting policy 2.4).

2.26 Purchasing, receiving and warehousing costs

Purchasing and receiving costs are included in the cost of sales in the consolidated income statement, as well as the costs of storing and moving raw materials and packaging materials. The costs of storing finished products at the brewery as well as costs incurred for subsequent storage in distribution centers are included within distribution expenses in the consolidated income statement.

2.27 Financial Instruments and hedge accounting

The Group uses derivative financial instruments to mitigate the transactional impact of foreign currencies, interest rates, and commodity prices on the Group's performance. The Group's financial risk management policy prohibits the use of derivative financial instruments for trading purposes and the Group does therefore not hold or issue any such instruments for such purposes.

2.27.1 Classification and measurement

Except for certain trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial asset.

Debt financial instruments are subsequently measured at amortized cost or FVPL. The classification is based on two criteria: the objective of the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the "**SPPI criterion**").

The classification and measurement of the Group's financial assets is as follows:

- *Debt instruments at amortized cost*, comprise investments in debt securities where the contractual cash flows are solely payments of principal and interest and the Group's business model is to collect contractual cash flows. Interest income, foreign exchange gains and losses and any impairment charges for such instruments are recognized in profit or loss.

- *Financial assets and liabilities at FVPL*, comprise derivative instruments which the Group had not irrevocably elected, at initial recognition or transition, to classify at fair value through other comprehensive income ("**FVOCI**"). This category also includes debt instruments which do not meet the cash flow or the business model tests.

2.27.2 Impairment of financial assets

For other financial assets, the expected credit loss ("**ECL**") is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

2.27.3 Hedge accounting

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates, interest rates and commodity prices.

At the inception of the hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. Hedge effectiveness is measured at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between hedged item and hedging instrument.

For the different types of hedges in place, the Group generally enters into hedge relationships where the critical terms of the hedging instrument match exactly the terms of the hedged item. Therefore, the hedge ratio is typically 1:1. The Group performs a qualitative assessment of effectiveness. In circumstances where the terms of the hedged item no longer exactly match the critical terms of the hedging instrument, the Group uses a hypothetical derivative method to assess effectiveness. Possible sources of ineffectiveness are changes in the timing of the forecasted transaction, changes in the quantity of the hedged item or changes in the credit risk of either parties to the derivative contract.

2.27.4 Cash flow hedge accounting

Cash flow hedge accounting is applied when a derivative hedges the variability in cash flows of a highly probable forecasted transaction, foreign currency risk of a firm commitment or a recognized asset or liability (such as a variable interest rate instrument).

When the hedged forecasted transaction or firm commitment subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserves is included directly in the initial carrying amount of the non-financial item when it is recognized.

For all other hedged transactions, the amount accumulated in the hedging reserves is reclassified to profit or loss in the same period during which the hedged item affects profit or loss (e.g. when the variable interest expense is recognized).

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss (at that point) remains in equity and is reclassified to profit or loss when the hedged transaction occurs. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognized in other comprehensive income is reclassified to profit or loss immediately.

Any ineffectiveness is recognized immediately in profit or loss.

2.27.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a currently legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.28 Segment reporting

Operating segments are components of the Group’s business activities about which separate financial information is available that is evaluated regularly by management.

The Group has two operating segments: Asia Pacific East (primarily South Korea, Japan and New Zealand) and Asia Pacific West (China, India, Vietnam and exports). The Group’s operating segment reporting format is geographical because the Group’s risks and rates of return are affected predominantly by the fact that the Group operates in different geographical areas. The Group’s management structure and internal reporting system to the Board of Directors is set up accordingly. Additionally, management assessed additional factors such as management’s views on the optimal number of reporting segments, as well as management’s view on the optimal balance between practical and more granular information.

2.29 Non-underlying items

Non-underlying items are those that in management's judgment need to be disclosed separately by virtue of their size or incidence. Such items are disclosed on the face of the consolidated income statement or separately disclosed in the notes to the consolidated financial statements. Transactions which may give rise to non-underlying items are principally claims and provisions for disputes and other exposures falling outside of the ordinary course of business, restructuring and integration activities, impairments and gains or losses on the disposal of businesses. The impact of income tax on the non-underlying items is calculated country-by-country and is included in non-underlying taxes (Refer to Note 7 Non-Underlying items).

2.30 Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity instruments, for example as the result of a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Bud APAC as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Bud APAC.

2.31 Summary of material accounting policies of the Company

In the Company's balance sheet, investments in subsidiaries are carried at cost less any impairment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest risk and commodity risk), credit risk and liquidity risk. The Group analyzes each of these risks individually as well as on a consolidated basis, and defines strategies to manage the economic impact on the Group's performance in line with its financial risk management policy. The main derivative instruments used are foreign exchange forward contracts, cross currency interest rate swaps and exchange traded commodity futures. The derivatives are part of a cash flow hedge relationship.

3.1.1 Foreign currency risk

The Group is subject to foreign currency risk when contracts are denominated in a currency other than the functional currency of the entity. This includes borrowings, (forecasted) sales, (forecasted) purchases, royalties, dividends, licenses, management fees and interest expense/income. The Group's foreign currency risk is primarily related to Euro and US dollar purchases.

Foreign exchange risk on operating activities

The Group may hedge operating transactions which are reasonably expected to occur (e.g. cost of goods sold and selling, general & administrative expenses) within the forecast period determined in the financial risk management policy. Operating transactions that are considered certain to occur are hedged without any time limits.

Foreign exchange risk on foreign currency denominated debt

It is the Group's policy to have the debt in the subsidiaries linked as much as possible to the functional currency of the subsidiary. To the extent this is not the case, foreign exchange risk is managed through the use of derivatives unless the cost to hedge outweighs the benefits. Interest rate decisions and currency mix of debt and cash are decided on a consolidated basis and take into consideration the holistic risk management approach.

Currency sensitivity analysis

The Group uses a sensitivity analysis to estimate the impact in its consolidated income statement and other comprehensive income of a strengthening or weakening of the US dollar against the other group currencies. In case the open positions remain unchanged and with all other variables held constant, a 10% strengthening or weakening of the US dollar against other currencies could lead to an estimated decrease/increase on the consolidated profit before tax of approximately 11 million US dollar over the next 12 months (31 December 2023: 7 million US dollar).

3.1.2 Interest rate risk

84 million US dollar or 89% as of 31 December 2024 and 145 million US dollar or 80% as of 31 December 2023 of the Group's interest-bearing financial liabilities, excluding lease liabilities, bears interest at a variable rate. The Group estimated that the reasonably possible change of the market interest rates would have an immaterial impact on the Group's profit in 2024 and 2023.

3.1.3 Commodity price risk

The commodity markets have experienced and are expected to continue to experience price fluctuations. The Group therefore uses both fixed price purchasing contracts and commodity derivatives to minimize the exposure to commodity price volatility. The Group has exposure to the following commodities: aluminum, corn and plastics. Most of the Group's hedging activities as at 31 December 2024 and 31 December 2023 relate to the hedging of aluminum.

Commodity price sensitivity analysis

The impact of changes in the commodity prices would have caused an immaterial impact on the Group's profit in 2024 and 2023 as most of the company's exposure is hedged using derivative contracts and designated in hedge accounting in accordance with IFRS 9 rules.

The tables below show the estimated impact that changes in the price of the aluminum, for which the Group held derivative exposures as at 31 December 2024 and 31 December 2023, would have on the equity reserves.

		2024 Pre-tax Impact on equity	
US$'million	Volatility of prices in %	Prices Increase	Prices Decrease
Aluminum	20.10%	49	(49)

US$'million	Volatility of prices in %	2023 Pre-tax Impact on equity Prices Increase	Prices Decrease
Aluminum	19.68%	49	(49)

Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2024 and 250 days at 31 December 2023 respectively.

3.1.4 Credit risk

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to the Group in relation to lending, hedging, settlement and other financial activities. The Group has a credit policy in place and the exposure to counterparty credit risk is monitored.

The Group mitigates its exposure through a variety of mechanisms. It has established minimum counterparty credit ratings and enters into transactions only with financial institutions of investment grade rating. The Group monitors counterparty credit exposures closely and reviews any external downgrade in credit rating immediately. To mitigate pre-settlement risk, counterparty minimum credit standards become more stringent with increases in the duration of the derivatives. To minimize the concentration of counterparty credit risk, the Group enters into derivative transactions with different financial institutions.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure of the Group. The carrying amount is presented net of the impairment losses recognized. There was no significant concentration of credit risk with any single counterparty as of 31 December 2024 and 31 December 2023 and no single customer represented more than 10% of the Group's total revenue in 2024 and 2023.

Impairment losses on trade receivables of 12 million US dollar and 5 million US dollar were recognized for the years ended 31 December 2024 and 2023 respectively.

3.1.5 Liquidity risk

The Group's primary sources of cash flow are cash flows from operating activities and bank borrowings. The Group's material cash requirements have included the following:

- Capital expenditures;
- Investments in companies;
- Increases in ownership of the Group's subsidiaries or companies in which it holds equity investments;
- Debt servicing of borrowings from third parties; and
- Payments of dividends.

The Group had net current liabilities of 101 million US dollar as of 31 December 2024, which management considers is a positive aspect of the Group's working capital management and an inherent part of the Group's business model. Substantial effort is devoted to the efficient use of working capital, resulting in an ability to secure favorable credit terms with suppliers that are longer than the inventory and receivables cycles. The Group is also highly cash generative, with cash flows from operating activities of 1,134 million US dollar for the year ended 31 December 2024.

In order to fund its foreseeable financial obligations, the Group has sufficient access to cash flows from operating activities, available cash and cash equivalents as well as access to borrowing facilities, including cash pooling loans from AB InBev. As of 31 December 2024, the Group had undrawn uncommitted facilities of 575 million US dollar. Although the Group may borrow such amounts to meet its liquidity needs, the Group principally relies on cash flows from operating activities to fund the Group's continuing operations.

The following are the nominal contractual maturities of financial liabilities including interest payments and derivative financial assets and liabilities:

	As of 31 December 2024						
US$'million	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities							
Unsecured bank loans and other loans	94	98	98	–	–	–	–
Lease liabilities	110	123	47	33	20	12	11
Trade and other payables (1)	2,648	2,642	2,625	8	9	–	–
	2,852	2,863	2,770	41	29	12	11
Derivative financial assets/(liabilities)	26	26	26	–	–	–	–

	As of 31 December 2023						
US$'million	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities							
Unsecured bank loans and other loans	182	184	184	–	–	–	–
Lease liabilities	149	167	62	43	27	24	11
Trade and other payables (1)	3,120	3,125	3,101	7	8	9	–
	3,451	3,476	3,347	50	35	33	11
Derivative financial assets/(liabilities)	13	13	13	–	–	–	–

(1) Comprises of trade and other payables, payables with AB InBev and consigned packaging.

3.2 Capital management

The Group continuously optimizes its capital structure to maximize shareholder value while keeping the financial flexibility to execute the strategic projects. The Group's capital structure policy and framework aims to optimize shareholder value through cash flow distribution to the Group from its subsidiaries, while maintaining an investment-grade rating and minimizing investments with returns below the Group's weighted average cost of capital.

Cash net of debt is defined as cash and cash equivalents and cash pooling deposits to AB InBev minus non-current and current interest-bearing loans and borrowings, bank overdrafts and cash pooling loans from AB InBev. Cash net of debt is a financial performance indicator that is used by the Group's management to highlight changes in the Group's overall liquidity position.

The following table provides a reconciliation of the Group's cash net of debt:

	2024 US$'million	2023 US$'million
Cash and cash equivalents	**2,867**	**3,141**
Cash pooling deposits to AB InBev	**48**	**25**
Non-current interest-bearing loans and borrowings	(68)	(94)
Current interest-bearing loans and borrowings	(136)	(237)
Interest-bearing loans and borrowings	**(204)**	**(331)**
Cash net of debt	**2,711**	**2,835**

The Group is not geared as of 31 December 2024 and 2023. The ratio of cash net of debt to total consolidated equity was as follows:

	2024 US$'million	2023 US$'million
Cash net of debt	(2,711)	(2,835)
Total equity	10,240	10,850
Total capital	7,529	8,015
Gearing ratio	**-36.0%**	**-35.4%**

3.3 Fair value measurement

A number of the Group's accounting policies and notes require fair value measurement for both financial and non-financial items.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2: inputs are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: fair value measurements incorporate significant inputs that are based on unobservable market data.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group applies fair value measurement to the instruments listed below.

3.3.1 Derivatives

The fair value of exchange traded derivatives (e.g. exchange traded foreign currency futures) is determined by reference to the official prices published by the respective exchanges (e.g. the New York Board of Trade). The fair value of over-the-counter derivatives is determined by commonly used valuation techniques.

3.3.2 Non-derivative financial liabilities

The fair value of non-derivative financial liabilities is generally determined using unobservable inputs and therefore fall into level 3. In these circumstances, the valuation technique used is discounted cash flow, whereby the projected cash flows are discounted using a risk adjusted rate. This includes the contingent consideration in respect of the acquisition of Blue Girl Beer (Guangzhou) Company Limited which was completed in 2019. Refer to Note 26 Trade and other payables, payables with AB InBev, consigned packaging and contract liabilities for further details.

The Group had the following financial assets/(liabilities) measured at fair value:

	2024 US$'million	2023 US$'million
Financial assets		
Level 1	9	9
Level 2	23	14
Level 3	–	8
	32	**31**
Financial liabilities		
Level 2	(3)	(9)
Level 3	(20)	(25)
	(23)	**(34)**

The carrying amounts of the floating and fixed rate interest-bearing financial liabilities, including lease liabilities, cash pooling loans from AB InBev and all trade and other receivables and payables, including derivatives financial instruments, as recognized in the consolidated statement of financial position are a reasonable approximation of the fair values.

4. Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or, if the revision affects both current and future periods, in the period of the revision and future periods.

Although each of its material accounting policies reflects judgments, assessments or estimates, the Group believes that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to its business operations and the understanding of its results.

Impairment of goodwill and indefinite lived intangible assets

Goodwill impairment testing relies on a number of critical judgments, estimates and assumptions. Goodwill, which accounted for approximately 40% of the Group's total assets as of 31 December 2024 and 40% as of 31 December 2023 is tested for impairment at the cash generating unit level. The Group tests at least annually whether goodwill and indefinite life intangible assets have suffered any impairment by calculating the recoverable amount of the cash generating unit and comparing this to its carrying value.

The Group's impairment testing methodology is in accordance with IAS 36, in which fair value less cost to sell and value in use approaches are taken into consideration. This consists of applying a discounted free cash flow approach based on valuation models for the cash-generating units showing a high invested capital to EBITDA multiple, and valuation multiples for the other cash-generating units.

The fair value less costs to sell valuation requires judgment around the selection of comparable market participants and their sales multiples. The value in use calculations primarily use cash flow projections. There are a number of assumptions and estimates involved for the preparation of cash flow projections and the estimated terminal value. Key assumptions include the expected growth in revenues and operating margin, the discount rates and the terminal growth rates.

Management prepared the financial projections reflecting actual and prior year performance and market development expectations. Judgment is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

Refer to Notes 13 Goodwill and 14 Intangible assets for further information on the goodwill and indefinite lives intangible assets exposure and estimates applied.

Determination of indefinite useful lives for certain intangible assets

Intangible assets with indefinite useful lives are primarily brands acquired through business combinations. Management has determined that brands have indefinite useful lives as these consist of nationally or internationally prominent brands which have existed for several decades or longer and which are well established in their markets. These markets have been stable or growing. The Group has legal rights to the brands which can be enforced for an indefinite period.

Refer to Note 14 Intangible assets for further information on indefinite lives intangible assets.

Contingencies

The preparation of the Group's financial statements requires management to make estimates and assumptions regarding contingencies, which affect the valuation of assets and liabilities at the date of the consolidated financial statements and the revenue and expenses during the reported year.

The Group discloses material contingent liabilities unless the possibility of any loss arising is considered remote, and material contingent assets where the inflow of economic benefits is probable.

A provision is recorded for a loss contingency when it is probable that a future event will confirm that a liability has been incurred at the date of the consolidated financial statements, and the amount of the loss can be reasonably estimated. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur, and typically those events will occur over a number of years in the future.

The Group has no material unprovided contingencies for which, in the opinion of management and its legal counsel, the risk of loss is possible but not probable.

Income tax position

The Group is subject to income tax in numerous jurisdictions. Significant judgment is required in determining the Group's provision for income tax.

Some subsidiaries within the Group are involved in tax audits and local enquiries usually in relation to prior years. Investigations and negotiations with local tax authorities are ongoing in various jurisdictions at the date of the consolidated statement of financial position and, by their nature, these can take considerable time to conclude. In assessing the amount of any income tax or indirect tax provisions to be recognized in the consolidated financial statements, estimation is made of the expected successful settlement of these matters. Estimates of interest and penalties on tax liabilities are also recorded.

Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year such determination is made.

Refer to Notes 11 Income tax expense and 17 Deferred tax assets and liabilities for further information on income tax including exposures.

Trade incentives

The Group has a large number of customer contracts with distributors and retailers across various revenue channels. These contracts can include significant trade incentives, in the form of volume rebates, discounts, and promotion and marketing expenses, which are recognized according to the relevant terms in the contracts.

Management is required to use judgment in assessing the nature of trade incentives and whether the payments made to customers are in exchange for distinct goods and services, which determines their classification in the consolidated income statement and statement of financial position. Revenue from sales is recognized based on the price specified in the contract, net of the estimated refund liabilities, while trade incentive payments to customers in exchange for distinct goods or services are accounted for as promotion and marketing incentives and classified as selling and distribution expenses in the consolidated income statement.

5. Segment information

Segment information is presented by geographical segments, consistent with the information available to and regularly evaluated by the chief operating decision maker.

The Group operates its business through two geographic regions: Asia Pacific East (primarily South Korea, Japan and New Zealand) and Asia Pacific West (China, India, Vietnam and exports), which are the Group's two reportable segments for financial reporting purposes. Regional and operating management is responsible for managing performance, underlying risks and effectiveness of operations. Management uses performance indicators such as Normalized EBITDA as measures of segment performance and to make decisions regarding allocation of resources.

All figures in the tables below are stated in million US dollar, except volumes (thousand hectoliters) and Normalized EBITDA margin (in %).

For the years ended 31 December 2024 and 2023

	Asia Pacific					
	East		West		Total	
	2024	2023	2024	2023	2024	2023
Volumes (unaudited)	**11,960**	**11,539**	**72,851**	**81,228**	**84,811**	**92,767**
Revenue[(1)]	**1,352**	**1,243**	**4,894**	**5,613**	**6,246**	**6,856**
Normalized EBITDA	**406**	**323**	**1,401**	**1,700**	**1,807**	**2,023**
Normalized EBITDA margin %	30.0%	26.0%	28.6%	30.3%	28.9%	29.5%
Depreciation, amortization and impairment					(647)	(654)
Normalized profit from operations (Normalized EBIT)					**1,160**	**1,369**
Non-underlying items (Note 7)					(62)	(80)
Profit from operations (EBIT)					**1,098**	**1,289**
Net finance income					31	10
Share of results of associates					31	28
Income tax expense					(410)	(447)
Profit for the year					**750**	**880**
Segment assets (non-current)	4,288	4,882	6,658	7,093	10,946	11,975
Gross capex	40	35	339	463	379	498

(1) Revenue represents sales of beer products recognized at a point of time.

Normalized EBITDA is a key financial measure regularly monitored by management in managing the Group's performance, capital and funding structure. Normalized EBITDA is calculated by excluding the following effects from profit attributable to equity holders of Bud APAC: (i) non-controlling interests; (ii) income tax expense; (iii) share of results of associates; (iv) net finance cost; (v) non-underlying items above EBIT (including non-underlying costs) and (vi) depreciation, amortization and impairment.

Normalized EBITDA and normalized EBIT are not accounting measures under IFRS and should not be considered as an alternative to profit attributable to equity holders of Bud APAC as a measure of operational performance, or an alternative to cash flow as a measure of liquidity. Normalized EBITDA and normalized EBIT do not have a standard calculation method and the Group's definition of normalized EBITDA and normalized EBIT may not be comparable to that of other companies.

The reconciliation between profit attributable to equity holders of Bud APAC and normalized EBITDA is as follows:

	2024 US$'million	2023 US$'million
Profit attributable to equity holders of Bud APAC	**726**	**852**
Non-controlling interests	24	28
Profit for the year	**750**	**880**
Income tax expense (excluding non-underlying)	420	462
Share of results of associates	(31)	(28)
Net finance income	(31)	(10)
Non-underlying income tax benefit	(10)	(15)
Non-underlying items above EBIT	62	80
Normalized EBIT	**1,160**	**1,369**
Depreciation, amortization and impairment	647	654
Normalized EBITDA	**1,807**	**2,023**

6. Other operating income

	2024 US$'million	2023 US$'million
Grants and incentives	55	59
Net gain on disposal of property, plant and equipment and intangible assets	43	39
Other operating income	17	9
Other operating income	**115**	**107**

Grants and incentives primarily related to various grants and incentives given by local governments, based on the Group's operations and developments in those regions.

Net gain on disposal of property, plant and equipment and intangible assets includes net gain of 0.2 million US dollar and 4 million US dollar from the sale of properties for the years ended 31 December 2024 and 2023 respectively.

7. Non-underlying items

The non-underlying items included in the consolidated income statement are as follows:

	2024 US$'million	2023 US$'million
Claims	–	(66)
Restructuring	(37)	(14)
Historical assets and provisions write-off	(21)	–
Others	(4)	–
Impact on profit from operations	**(62)**	**(80)**
Non-underlying income tax benefit	10	15
Net impact on profit	**(52)**	**(65)**

During the year ended 31 December 2023, Oriental Brewery Co., Ltd. in South Korea, received a tax audit claim related to customs duties covering transactions from 2018. Under South Korean Law, an assessment must be pre-paid prior to appealing an assessment. A relevant provision was included in the non-underlying items, and the tax assessment was paid in January 2024. Oriental Brewery Co., Ltd has appealed.

The non-underlying restructuring charges primarily relate to organizational alignments. These changes aim to eliminate overlapping organizations or duplicated processes, taking into account the right match of employee profiles with the new organizational requirements. These one-time expenses, as a result of a series of decisions, provide the Group with a lower cost base in addition to a stronger focus on the Group's core activities, quicker decision-making and improvements to efficiency, service and quality.

The non-underlying items for historical assets and provisions refers to write-off of historical assets in India, net of provisions.

Refer to Note 11 for further information on non-underlying income tax.

8. Employee benefit expenses, including directors' emoluments

	2024 US$'million	2023 US$'million
Wages and salaries	(516)	(549)
Social security contributions	(101)	(104)
Other personnel cost	(87)	(79)
Pension expense for defined benefit plans	(15)	(11)
Share-based payment expenses	(70)	(61)
Contributions to defined contribution plans	(4)	(3)
Payroll and related benefits	**(793)**	**(807)**

Five highest paid individuals

Of the five individuals with the highest emoluments, one individual was a director for the years ended 31 December 2024 and 2023. Their emoluments are disclosed in Note 33 Benefits and Interests of Directors. The aggregate of the emoluments in respect of the other four individuals with the highest emoluments for the years ended 31 December 2024 and 2023 are as follows:

	2024 US$'thousand	2023 US$'thousand
Salaries and other emoluments	4,361	3,601
Discretionary bonuses	1,864	2,190
Share-based payments	3,315	10,758
Retirement scheme contributions	121	119
	9,661	**16,668**

The emoluments of the four individuals for the years ended 31 December 2024 and 2023 are within the following bands:

	2024	2023
16.0 – 16.5 million HK dollar	1	–
16.5 – 17.0 million HK dollar	1	–
20.5 – 21.0 million HK dollar	1	–
21.5 – 22.0 million HK dollar	1	–
26.0 – 26.5 million HK dollar	–	1
28.0 – 28.5 million HK dollar	–	1
29.5 – 30.0 million HK dollar	–	1
46.0 – 46.5 million HK dollar	–	1

Four highest paid individuals above are members of the Company's key management personnel and the remaining eight key management received emoluments between HK$698 thousand to HK$15,648 thousand for the year ended 31 December 2024.

Four highest paid individuals above are members of the Company's key management personnel and the remaining eight members of key management personnel received emoluments between HK$666 thousand to HK$14,674 thousand for the year ended 31 December 2023.

9. Auditors' remuneration

	2024 US$'thousand	2023 US$'thousand
Audit services		
– PricewaterhouseCoopers	(3,375)	(2,983)
– Other auditor	(85)	(121)
	(3,460)	**(3,104)**

10. Finance cost and income

Finance cost included in the consolidated income statement are as follows:

	2024 US$'million	2023 US$'million
Interest expense	(16)	(20)
Accretion expense	(11)	(12)
Net gains/(losses) on hedging instruments	–	(14)
Other financial costs, including bank fees	(8)	(6)
Finance cost	**(35)**	**(52)**

Finance income included in the consolidated income statement is as follows:

	2024 US$'million	2023 US$'million
Interest income	60	60
Net foreign exchange gains	6	2
Finance income	**66**	**62**

No interest income was recognized on impaired financial assets.

The interest income stems from the following financial assets:

	2024 US$'million	2023 US$'million
Cash and cash equivalents	60	60

11. Income tax expense

Income taxes recognized in the consolidated income statement are as follows:

	2024 US$'million	2023 US$'million
Current year	(402)	(429)
Overprovided/(underprovided) in prior years	8	(23)
Current tax expense	**(394)**	**(452)**
Deferred tax (charge)/credit	**(16)**	**5**
Total income tax expense	**(410)**	**(447)**

The reconciliation of the effective tax rate with the aggregated weighted nominal tax rate is summarized as follows:

	2024 US$'million	2023 US$'million
Profit before tax	1,160	1,327
Deduct: share of results of associates	(31)	(28)
Profit before tax and before share of results of associates	**1,129**	**1,299**
Adjustments on taxable basis		
Expenses not deductible for tax purposes	155	223
Other non-taxable income	(42)	(92)
	1,242	**1,430**
Aggregated weighted nominal tax rate	23.8%	25.2%
Tax at aggregated weighted nominal tax rate	(296)	(360)
Adjustments on tax expense		
Utilization of tax losses not previously recognized	–	1
Write-down of deferred tax assets on tax losses and current year losses for which no deferred tax asset is recognized	(81)	(35)
Overprovided/(underprovided) in prior years	8	(23)
Withholding taxes	(65)	(66)
Other tax adjustments	24	36
	(410)	**(447)**
Effective tax rate	**36.3%**	**34.4%**
Normalized effective tax rate	**35.3%**	**33.5%**

The Group's income tax expense included 1 million US dollar and 4 million US dollar in respect of Hong Kong profits tax for the years ended 31 December 2024 and 2023 respectively.

Normalized effective tax rate is not an accounting measure under IFRS and should not be considered as an alternative to the effective tax rate. Normalized effective tax rate method does not have a standard calculation method and the Group's definition of normalized effective tax rate may not be comparable to other companies.

12. Property, plant and equipment

Property, plant and equipment comprises owned and leased assets, as follows:

	2024 US$'million	2023 US$'million
Property, plant and equipment owned	2,479	2,842
Property, plant and equipment leased (right-of-use assets)	106	144
Total property, plant and equipment	**2,585**	**2,986**

Property, plant and equipment owned by the Group is detailed as follows:

	2024			
	Land and buildings US$'million	Plant and equipment, fixtures and fittings US$'million	Under construction US$'million	Total US$'million
Acquisition cost				
Balance as of 1 January 2024	**1,899**	**4,837**	**69**	**6,805**
Effect of movements in foreign exchange	(83)	(182)	(2)	(267)
Acquisitions	1	204	109	314
Acquisitions through business combinations	10	6	–	16
Disposals through sale and derecognition	–	(327)	–	(327)
Transfer from/(to) other asset categories and other movements	17	93	(122)	(12)
Balance as of 31 December 2024	**1,844**	**4,631**	**54**	**6,529**
Depreciation and impairment losses				
Balance as of 1 January 2024	**(701)**	**(3,262)**	**–**	**(3,963)**
Effect of movements in foreign exchange	28	120	–	148
Depreciation	(82)	(448)	–	(530)
Disposals through sale and derecognition	–	280	–	280
Transfer from other asset categories and other movements	1	14	–	15
Balance as of 31 December 2024	**(754)**	**(3,296)**	**–**	**(4,050)**
Carrying amount as of 31 December 2024	**1,090**	**1,335**	**54**	**2,479**

	2023			
	Land and buildings US$'million	Plant and equipment, fixtures and fittings US$'million	Under construction US$'million	Total US$'million
Acquisition cost				
Balance as of 1 January 2023	**1,927**	**4,750**	**106**	**6,783**
Effect of movements in foreign exchange	(54)	(135)	(1)	(190)
Acquisitions	1	292	147	440
Disposals through sale and derecognition	(3)	(217)	–	(220)
Transfer from/(to) other asset categories and other movements	28	147	(183)	(8)
Balance as of 31 December 2023	**1,899**	**4,837**	**69**	**6,805**
Depreciation and impairment losses				
Balance as of 1 January 2023	**(642)**	**(3,082)**	**–**	**(3,724)**
Effect of movements in foreign exchange	19	90	–	109
Depreciation	(80)	(458)	–	(538)
Disposals through sale and derecognition	2	180	–	182
Transfer from other asset categories and other movements	–	8	–	8
Balance as of 31 December 2023	**(701)**	**(3,262)**	**–**	**(3,963)**
Carrying amount as of 31 December 2023	**1,198**	**1,575**	**69**	**2,842**

As of 31 December 2024 and 31 December 2023, there is no property, plant and equipment subject to restrictions on title, other than described in Note 28.

Out of the total 2024 capital expenditures approximately 38% (2023: 37%) was used to improve the Group's breweries and production facilities while 45% (2023: 51%) was used for logistics and commercial investments and 17% (2023: 12%) was used for improving administrative capabilities and purchase of hardware and software.

Right-of-use assets

The Group leases warehouses, factory facilities, other commercial buildings and equipment. Property, plant and equipment leased by the Group (right-of-use assets) is detailed as follows:

	2024 US$'million	2023 US$'million
Net carrying amount as of 31 December	106	144
Depreciation for the year ended 31 December	(61)	(61)

Additions to right-of-use assets were 29 million US dollar and 84 million US dollar for the year ended and 31 December 2024 and 31 December 2023 respectively. The expense related to short-term leases and variable lease payments that are not included in the measurement of the lease liabilities is not significant.

Depreciation is included in the following line items in the consolidated income statement:

	2024 US$'million	2023 US$'million
Cost of sales	484	494
Distribution expenses	41	41
Sales and marketing expenses	36	35
Administrative expenses	30	29
Depreciation	**591**	**599**

13. Goodwill

	2024 US$'million	2023 US$'million
Balance as of 1 January	**6,435**	**6,624**
Effect of movements in foreign exchange	(490)	(189)
Balance as of 31 December	**5,945**	**6,435**

The carrying amount of goodwill by cash-generating unit is as follows:

	2024 US$'million	2023 US$'million
South Korea	2,988	3,397
China	2,948	3,028
Other countries	9	10
Total carrying amount of goodwill	**5,945**	**6,435**

Impairment testing

The Group completed its annual impairment test for goodwill and concluded that no impairment charge was warranted. The results of the impairment tests indicate that the excess of the recoverable amounts over the carrying amounts for the largest cash generating units, China and Korea, was not less than 30%.

The Group cannot predict whether an event that triggers impairment will occur, when it will occur or how it will affect the value of the asset reported. The Group believes that all of its estimates are reasonable: they are consistent with the Group's internal reporting and reflect management's best estimates. However, inherent uncertainties exist that management may not be able to control. If the Group's current assumptions and estimates, including projected revenue growth rates, competitive and consumer trends, weighted average cost of capital, terminal growth rates, and other market factors, are not met, or if valuation factors outside of the company's control change unfavorably, the estimated fair value of goodwill could be adversely affected, leading to a potential impairment in the future.

The Group performed its annual goodwill impairment test at cash-generating unit level, which is the lowest level at which goodwill is monitored for internal management purposes.

Key assumptions

The value in use discounted cash flow is based on a ten-year cash flow model. The Group uses a 10-year rather than a 5-year model as this accords with the Group's long term planning and business acquisition valuation methodology. The key judgments, estimates and assumptions used in the value in use discounted cash flow calculations are generally as follows:

- Cash flows are based on the Group's 10-year plan as approved by key management. The plan is prepared per cash-generating unit and is based on external sources in respect of macro-economic assumptions, industry trends, inflation and foreign exchange rates, past experience and identified initiatives to determine key assumption such as market share, revenue, variable and fixed cost, capital expenditure and working capital assumptions;

- In order to calculate the terminal value, the company extrapolated the cash flows after the first 10-year plan using expected annual long-term GDP growth rates based on external sources. The company considered sensitivities on these metrics and corroborated the calculations by market multiples;

- Projections are discounted at the cash-generating unit's weighted average cost of capital (WACC), considering sensitivities on this metric.

The pre-tax WACC used in the impairment models was between 7.2% and 10.2% (31 December 2023: 6.7% and 9.7%) and the terminal growth rate used was between 1.6% and 3.0% (31 December 2023: 1.5% and 2.9%).

During its valuation, the Group ran sensitivity analysis for key assumptions including the weighted average cost of capital and the terminal growth rate. In the sensitivity analysis performed by management during the annual impairment testing in 2024, an adverse change of 1% in WACC or terminal growth rate would not cause a cash-generating unit's carrying amount to exceed its recoverable amount. While a change in the estimates used could have a material impact on the calculation of the value in use and trigger an impairment charge, the Group, based on the sensitivity analysis performed is not aware of any reasonably possible change in a key assumption used that would cause a cash-generating unit's carrying amount to exceed its recoverable amount.

Although the Group believes that its judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or market or macro-economic conditions.

14. Intangible assets

	2024				
	Brands US$'million	Commercial intangibles US$'million	Software US$'million	Other US$'million	Total US$'million
Acquisition cost					
Balance as of 1 January 2024	**1,390**	**86**	**443**	**52**	**1,971**
Effect of movements in foreign exchange	(118)	(2)	(17)	(4)	(141)
Acquisitions and expenditures	–	–	8	57	65
Disposals through sales and derecognition	–	–	(34)	(1)	(35)
Transfer from/(to) other asset categories and other movements[1]	–	–	29	(54)	(25)
Balance as of 31 December 2024	**1,272**	**84**	**429**	**50**	**1,835**
Amortization and impairment losses					
Balance as of 1 January 2024	**–**	**(85)**	**(288)**	**(26)**	**(399)**
Effect of movements in foreign exchange	–	2	10	1	13
Amortization	–	(1)	(46)	(3)	(50)
Disposals through sales and derecognition	–	–	33	1	34
Transfer from/(to) other asset categories and other movements[1]	–	–	22	1	23
Balance as of 31 December 2024	**–**	**(84)**	**(269)**	**(26)**	**(379)**
Carrying value as of 31 December 2024	**1,272**	**–**	**160**	**24**	**1,456**

	2023				
	Brands US$'million	Commercial intangibles US$'million	Software US$'million	Other US$'million	Total US$'million
Acquisition cost					
Balance as of 1 January 2023	**1,429**	**88**	**409**	**62**	**1,988**
Effect of movements in foreign exchange	(39)	(2)	(10)	(1)	(52)
Acquisitions and expenditures	–	–	1	57	58
Disposals through sales and derecognition	–	–	(29)	–	(29)
Transfer from/(to) other asset categories and other movements(1)	–	–	72	(66)	6
Balance as of 31 December 2023	**1,390**	**86**	**443**	**52**	**1,971**
Amortization and impairment losses					
Balance as of 1 January 2023	**–**	**(82)**	**(285)**	**(16)**	**(383)**
Effect of movements in foreign exchange	–	2	7	1	10
Amortization	–	(5)	(39)	(5)	(49)
Disposals through sales and derecognition	–	–	29	–	29
Transfer from/(to) other asset categories and other movements(1)	–	–	–	(6)	(6)
Balance as of 31 December 2023	**–**	**(85)**	**(288)**	**(26)**	**(399)**
Carrying value as of 31 December 2023	**1,390**	**1**	**155**	**26**	**1,572**

(1) The transfer from/(to) other asset categories and other movements mainly relates to transfers between account categories and measurement period adjustments.

Included in intangible assets are 1,272 million US dollar and 1,390 million US dollar of assets with an indefinite useful life and 184 million US dollar and 182 million US dollar with a finite life as of 31 December 2024 and 31 December 2023 respectively.

Intangible assets with indefinite useful lives are comprised primarily of brands and certain distribution rights that the Group purchase for its own products and are tested for impairment annually or whenever a triggering event has occurred.

The carrying amount of intangible assets with indefinite useful lives by country is as follows:

	2024 US$'million	2023 US$'million
South Korea	766	871
China	383	393
India	101	103
Other countries	22	23
Total carrying amount of intangible assets with indefinite useful lives	**1,272**	**1,390**

Intangible assets with indefinite useful lives have been tested for impairment together with goodwill using the methodology and assumptions as disclosed in Note 13 Goodwill. Based on the assumptions described in that note, the Group concluded that no impairment charge is warranted. While a change in the estimates used could have a material impact on the calculation of the value in use and trigger an impairment charge, the Group is not aware of any reasonably possible change in a key assumption used that would cause a cash-generating unit's carrying amount to exceed its recoverable amount.

Amortization is included in the following line items in the consolidated income statement:

	2024 US$'million	2023 US$'million
Cost of sales	3	2
Sales and marketing expenses	11	9
Administrative expenses	36	38
Amortization	**50**	**49**

15. Land use rights

The Group acquired the right to use land in China and Vietnam. The net carrying amount of the right-of-use assets was 199 million US dollar and 210 million US dollar as of 31 December 2024 and 31 December 2023 respectively.

Land use rights are as follows:

	2024 US$'million	2023 US$'million
Net carrying amount as of 31 December	199	210
Depreciation for the year ended 31 December	(6)	(6)

16. Investment in associates

The Group has an investment in Guangzhou Zhujiang Brewery Joint-Stock Co, Ltd., incorporated in the PRC.

% of economic interest as of	2024	2023
Guangzhou Zhujiang Brewery Joint-Stock Co. Ltd.	29.99%	29.99%

	2024 US$'million	2023 US$'million
Balance as of 1 January	**481**	**464**
Effect of movements in foreign exchange	3	–
Dividend received	(11)	(11)
Share of results of associates	31	28
Balance as of 31 December	**504**	**481**

17. Deferred tax assets and liabilities

The amount of deferred tax assets and liabilities by type of temporary differences are as follows:

	2024		
	Assets US$'million	Liabilities US$'million	Net US$'million
Property, plant and equipment	52	(83)	(31)
Intangible assets	3	(319)	(316)
Inventories	13	–	13
Trade and other receivables	7	–	7
Provisions	17	–	17
Trade and other payables and contract liabilities	150	–	150
Employee benefits	12	–	12
Derivatives	–	(3)	(3)
Withholding taxes	–	(61)	(61)
Other items	34	–	34
Loss carried forwards	1	–	1
Gross deferred tax assets/(liabilities)	**289**	**(466)**	**(177)**
Netting by taxable entity	**(91)**	**91**	**–**
Net deferred tax assets/(liabilities)	**198**	**(375)**	**(177)**

	2023 Assets US$'million	2023 Liabilities US$'million	2023 Net US$'million
Property, plant and equipment	51	(84)	(33)
Intangible assets	2	(357)	(355)
Inventories	13	–	13
Trade and other receivables	5	–	5
Provisions	12	–	12
Trade and other payables and contract liabilities	193	–	193
Employee benefits	13	–	13
Derivatives	–	(2)	(2)
Withholding taxes	–	(61)	(61)
Other items	21	–	21
Loss carried forwards	4	–	4
Gross deferred tax assets/(liabilities)	**314**	**(504)**	**(190)**
Netting by taxable entity	**(83)**	**83**	**–**
Net deferred tax assets/(liabilities)	**231**	**(421)**	**(190)**

The change in net deferred taxes recorded in the consolidated statement of financial position are as follows:

	2024 US$'million	2023 US$'million
Balance as of 1 January	**(190)**	**(194)**
Recognized in profit or loss	(16)	5
Recognized in other comprehensive income	(3)	(2)
Other movements and effect of changes in foreign exchange rates	32	1
Balance as of 31 December	**(177)**	**(190)**

A large proportion of the temporary differences are related to the fair value adjustments on intangible assets with indefinite useful lives acquired through business combinations. The realization of such temporary differences is unlikely to occur within 12 months.

Tax losses carried forward and deductible temporary differences on which no deferred tax asset is recognized amounted to 654 million US dollar in 2024 and 599 million US dollar in 2023. As of 31 December 2024, 309 million US dollar of these tax losses and deductible temporary differences do not have an expiration date, 85 million US dollar, 36 million US dollar and 31 million US dollar expire within one, two and three years respectively, while 194 million US dollar have an expiration date of more than three years. Deferred tax assets have not been recognized on these items because it is not probable that future taxable profits will be available against which these tax losses and deductible temporary differences can be utilized and the Group has no tax planning strategy currently in place to utilize these tax losses and deductible temporary differences.

18. Inventories

	2024 US$'million	2023 US$'million
Raw materials and consumables	144	185
Work in progress	70	83
Finished goods	162	176
Inventories	**376**	**444**

The cost of inventories recognized as an expense in cost of sales amounted to 3,099 million US dollar and 3,403 million US dollar at 31 December 2024 and 2023 respectively.

Impairment losses recognized on inventories amounted to 23 million US dollar and 6 million US dollar for the years ended 31 December 2024 and 2023 respectively.

19. Trade and other receivables

Non-current trade and other receivables

	2024 US$'million	2023 US$'million
Cash deposits for guarantees	38	41
Trade and other receivables	8	8
Non-current trade and other receivables	**46**	**49**

For the nature of cash deposits for guarantees refer to Note 28 Collateral and contractual commitments.

Current trade and other receivables

	2024 US$'million	2023 US$'million
Trade receivables and accrued income	346	419
Trade receivables with AB InBev	14	8
Indirect tax receivable	83	102
Prepayment	40	72
Other receivables	13	8
Current trade and other receivables	**496**	**609**

The carrying amount of trade and other receivables is a good approximation of their fair value as the impact of discounting is not significant.

Trade receivables and trade receivables with AB InBev are due on average less than 90 days from the date of invoicing. There is limited credit risk as the Group does not have significant uncollected amounts. The Group's exposures to credit, currency and interest rate risks are disclosed in Note 3.1 Financial risk factors.

As of 31 December 2024 and 31 December 2023, the aging analysis of current trade receivables and trade receivables with AB InBev, based on due date, is as follows:

	2024 US$'million	2023 US$'million
Not past due	**319**	**391**
Past due as of reporting date:		
Less than 30 days	14	15
Between 30 and 59 days	3	8
Between 60 and 89 days	6	5
More than 90 days	18	8
Net carrying amount of trade receivables and trade receivables with AB InBev	**360**	**427**

20. Cash and cash equivalents

	2024 US$'million	2023 US$'million
Short-term bank deposits	115	172
Cash and bank accounts	2,752	2,969
Cash and cash equivalents	**2,867**	**3,141**

The Group does not have restricted cash.

21. Changes in equity

Issued capital

	Fully Paid Issued Capital	
	Million Shares	US$'thousand
At 31 December 2024 and 2023[(1)]	13,243	132

(1) The Company has appointed a trustee to assist with the administration and vesting of the Share Award Schemes (refer to Note 24) who held 50,286,546 shares in trust, reserved for the future vesting of Share Award Schemes, as at 31 December 2024 and 59,352,545 shares as at 31 December 2023. As the Company has the power to govern the financial and operating policies of the trust and can derive benefits from the contributions of the eligible persons who are awarded with the shares by the schemes, the directors of the Company consider that it is appropriate to consolidate the trust.

As at 31 December 2024 and 2023, the total authorized share capital of Bud APAC is 180,000 US dollar of which the total un-issued capital is 47,566 US dollar.

Share premium

The share premium of the Company arises from the difference between the par value of shares issued and the fair value of the consideration received. The par value of the share is 0.00001 US dollar.

The application of the share premium account is governed by Section 34(2) of the Companies Law (2013 Revision) of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to Shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of the business.

Capital reserve

Capital reserve arises from the capital contributions from AB InBev prior to the initial public offerings.

Treasury shares

The treasury shares held by the company are reported in equity in treasury shares.

Dividends

On 25 February 2025, a dividend of 5.66 cents US dollar per share or approximately 750 million US dollar was recommended by the Board of Directors. The proposed dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company. The dividend payable will be recognized in the consolidated financial statements on the date that the dividend is declared.

On 14 May 2024, a final dividend of US dollar 5.29 cents per share (equivalent to HK dollar 41.28 cents per share) was approved by the shareholders at the annual general meeting of the Company. This final dividend was paid out on 20 June 2024. The total dividend payment attributable to equity holders of Bud APAC for the 2023 fiscal year of approximately 698 million US dollar was recognized during the year ended 31 December 2024 in the consolidated financial statements.

Other reserves

Other reserves comprise translation reserves, share-based payment reserves, hedging reserves and post-employment benefits.

The translation reserves comprise all foreign currency exchange differences arising from the translation of the financial statements of foreign operations.

The share-based payment reserves arise from the Company's Share Award Schemes (Note 24).

The hedging reserves comprise the effective portion of the cumulative net change in the fair value of cash flow hedges to the extent that the hedged risk has not yet impacted profit or loss.

The changes in the other reserves are as follows:

	2024			
	Translation reserves US$'million	Share-based payment reserves US$'million	Other US$'million	Total US$'million
Balance as of 1 January 2024	**(1,324)**	**150**	**17**	**(1,157)**
Other comprehensive (loss)/income				
Exchange differences on translation of foreign operations	(702)	–	–	(702)
Gains on cash flow hedges	–	–	6	6
Re-measurement of post-employment benefits	–	–	3	3
Other comprehensive (loss)/income	**(702)**	**–**	**9**	**(693)**
Treasury shares	–	–	–	–
Share-based payments	–	57	–	57
Balance as of 31 December 2024	**(2,026)**	**207**	**26**	**(1,793)**

	2023			
	Translation reserves US$'million	Share-based payment reserves US$'million	Other US$'million	Total US$'million
Balance as of 1 January 2023	**(1,026)**	**92**	**4**	**(930)**
Other comprehensive (loss)/income				
Exchange differences on translation of foreign operations	(298)	–	–	(298)
Gains on cash flow hedges	–	–	19	19
Re-measurement of post-employment benefits	–	–	(6)	(6)
Other comprehensive (loss)/income	**(298)**	**–**	**13**	**(285)**
Treasury shares	–	14	–	14
Share-based payments	–	44	–	44
Balance as of 31 December 2023	**(1,324)**	**150**	**17**	**(1,157)**

22. Interest-bearing loans and borrowings

This note provides information about the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign exposure currency risk – refer to Note 3.1.

Non-current liabilities

	2024 US$'million	2023 US$'million
Lease liabilities	68	94
Non-current interest-bearing loans and borrowings	**68**	**94**

Current liabilities

	2024 US$'million	2023 US$'million
Unsecured bank loans and other loans	94	182
Lease liabilities	42	55
Current interest-bearing loans and borrowings	**136**	**237**

The current and non-current interest-bearing loans and borrowings amounted to 204 million US dollar as of 31 December 2024 and 331 million US dollar as of 31 December 2023.

The Group was in compliance with all its debt covenants as of 31 December 2024 and 31 December 2023.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows from financing activities.

	2024		
	Long-term debt, net of current portion US$'million	Short-term debt and current portion of long-term debt US$'million	Total US$'million
Balance as of 1 January 2024	**94**	**237**	**331**
Proceeds from borrowings	–	47	47
Payments on borrowings	–	(131)	(131)
Payments of lease liabilities	–	(61)	(61)
Capitalization of lease	23	6	29
Foreign exchange effects	(5)	(6)	(11)
Current portion of long-term debt	(44)	44	–
Balance as of 31 December 2024	**68**	**136**	**204**

	2023		
	Long-term debt, net of current portion US$'million	Short-term debt and current portion of long-term debt US$'million	Total US$'million
Balance as of 1 January 2023	**77**	**147**	**224**
Proceeds from borrowings	–	84	84
Payments of lease liabilities	–	(56)	(56)
Capitalization of lease	83	1	84
Foreign exchange effects	(2)	(3)	(5)
Current portion of long-term debt	(64)	64	–
Balance as of 31 December 2023	**94**	**237**	**331**

23. Employee benefits

The Group sponsors various post-employment benefit plans, which include both defined contribution plans, defined benefit plans, and other post-employment benefits. In accordance with IAS 19 Employee Benefits, post-employment benefit plans are classified as either defined contribution plans or defined benefit plans.

Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension funds or insurance contracts. Once the contributions have been paid, the Group has no further payment obligation. The regular contributions constitute an expense for the year in which they are due. Contributions paid into defined contribution plans for the Group amounted to 4 million US dollar and 3 million US dollar for the years ended 31 December 2024 and 2023 respectively. During the years ended 31 December 2024 and 2023, no forfeited contributions were utilised by the Group to reduce its contributions.

Defined benefit plans

The Group contributed to defined benefit plans and other long-term employee benefit for South Korea and China. South Korea plans are partially funded. When plans are funded, the assets are held in legally separate funds set up in accordance with applicable legal requirements and common practice in the country. The most recent actuarial valuations of the present value of the defined benefit obligations were carried out in January 2025 by WTW, independent qualified professional valuers. The latest IAS 19 actuarial valuations indicate that the funding level of defined benefit plans for South Korea was 103.9% (2023: 98.9%) of the accrued liabilities on an ongoing basis.

The net pension liability amounts to 42 million US dollar and 49 million US dollar as at 31 December 2024 and as at 31 December 2023 respectively. In 2024, the fair value of the defined benefit obligations decreased by 12 million US dollar.

The main actuarial assumptions used were as follows:

	2024	2023
Discount rate	3.24%	2.96%
Future salary increases	3.40%	3.53%
Price inflation	2.00%	2.00%

The company's net liability for post-employment and long-term employee benefit plans comprises the following as at 31 December 2024 and 2023:

	2024 US$'million	2023 US$'million
Fair value of plan assets	80	86
Present value of funded obligations	(77)	(87)
Present value of net obligations for funded plans	**3**	**(1)**
Present value of unfunded obligations	(45)	(48)
Net pension liability	**(42)**	**(49)**
Other long-term employee benefits	(12)	(12)
Total employee benefits	**(54)**	**(61)**

The expense recognized in the consolidated income statement with regards to defined benefit plans amounted to 15 million US dollar and 11 million US dollar for the years ended 31 December 2024 and 2023 respectively.

24. Share-based payments

Different share and share option programs allow the Group's management to receive or acquire shares of Bud APAC and AB InBev.

The Company has five Share Award Schemes namely:

Discretionary Long-Term Incentive Stock Option Plan

Under the discretionary long-term incentive stock option plan, certain employees are eligible for an annual grant to be paid out in Bud APAC stock options (or, in the future, similar share-based instruments), depending on management's assessment of the employee's performance and future potential. There were no grants under the scheme for the years ended 31 December 2024 and 31 December 2023.

Discretionary Restricted Stock Units Plan

The discretionary restricted stock units plan allows for the offer of restricted stock units (the "**RSUs**") to certain eligible employees in certain specific circumstances, at the discretion of the Board, e.g. as a special retention incentive. The RSUs vest after three to five years and in the event that an employee's service is terminated before the vesting date, special forfeiture rules apply. There were no grants under the scheme for the years ended 31 December 2024 and 31 December 2023.

Share-Based Compensation Plan

The share-based compensation plan allows for certain eligible employees to invest some or all of their variable compensation in Bud APAC shares (Voluntary Shares). As an additional reward, eligible employees who invest in Voluntary Shares also receive a company shares match of 1.5 matching RSUs for each Voluntary Share invested up to a limited total percentage of each eligible employee's variable compensation. During the year ended 31 December 2024, the Company issued 8.8 million of matching RSUs in relation to bonuses granted to eligible employees. These matching RSUs are valued at the share price at the day of grant representing a fair value of 14 million US dollar and cliff vest between three and five years (2023: at the day of grant representing a fair value of 13 million US dollar and cliff vest between three and five years).

People Bet Plan

The people bet plan allows for certain eligible employees to purchase Bud APAC shares at a discount which is aimed at providing a long-term retention incentive for high-potential eligible employees of the Company, who are at a mid-manager level. The voluntary investment in Company shares leads to the grant of an amount of matching RSUs which vest after three years. In the event that an eligible employee's service is terminated before the vesting date, special forfeiture rules apply. No RSUs were granted for the year ended 31 December 2024 and 2023 under this program.

New Restricted Stock Units Plan

In November 2020, the Company set up a new RSU plan which allows for the offer of RSUs to certain directors and eligible employees in certain specific circumstances, at the discretion of the Board, e.g. as a long term incentive. The vesting period of the RSUs is in principle between 3 and 5 years without a performance test and in the event of termination of service before the vesting date, forfeiture rules apply. The Board may set shorter or longer periods for specific grants or introduce performance tests similar to other programs in the Company.

In 2023, some RSU grants include a performance test. These RSUs cliff vest between 3 and 5 years. Upon vesting, the number of shares to which the holders thereof shall be entitled shall depend on a performance test measuring (on a percentile basis) the company's 3 to 5 year Total Shareholder Return ("**TSR**") relative to the TSR realized for that period by a representative sample of listed companies belonging to the consumer goods sector. The number of shares to which such units entitle their holders is subject to a hurdle and cap.

During the year ended 31 December 2024, 30.8 million RSUs with an estimated fair value of 30 million US dollar were granted under this program to a selected number of employees (2023: 29.8 million RSUs with an estimated fair value of 50 million US dollar).

RSUs entitle their holders to a dividend equivalent, which represents an amount roughly equivalent to the gross dividend paid by the Company on the shares underlying the RSUs. The dividend is granted in the form of additional RSUs with the same vesting conditions, including the same vesting date, and governed by the same terms and conditions as the underlying RSUs. During the year ended 31 December 2024, the Company issued 1.3 million dividend equivalent RSUs (2023: 0.3 million dividend equivalent RSUs).

All of the Group's shared-based payment plans are equity-settled.

Share-based payment transactions resulted in a total expense of 70 million US dollar and 61 million US dollar for the years ended 31 December 2024 and 2023 respectively.

The total number of outstanding options developed as follows:

	2024	2023
Number of options		
Options outstanding at 1 January	**55,239,540**	**56,927,104**
Options forfeited during the year	(982,847)	(1,687,564)
Options outstanding at 31 December	**54,256,693**	**55,239,540**

The weighted average remaining contractual life of the outstanding options is 5.23 years (2023: 6.23 years).

The weighted average exercise price of the options is as follows:

	2024 HK$	2023 HK$
Options outstanding at 1 January	22.87	22.90
Options forfeited during the year	23.20	23.85
Options outstanding at 31 December	22.86	22.87
Exercisable at 31 December	25.78	23.20

Out of the 54.3 million (2023: 55.2 million) outstanding options, 13.5 million (2023: 6.7 million) are vested as at 31 December 2024.

The total number of outstanding RSUs developed as follows:

	2024	2023
Number of RSUs		
RSUs outstanding at 1 January	**91,884,176**	**67,632,158**
RSUs issued during the year	40,865,816	34,260,672
RSUs vested during the year	(7,255,217)	(6,483,663)
RSUs forfeited during the year	(1,872,589)	(3,524,991)
RSUs outstanding at 31 December	**123,622,186**	**91,884,176**

25. Provisions

	2024		
	Restructuring US$'million	Disputes and others US$'million	Total US$'million
Balance as of 1 January 2024	**15**	**152**	**167**
Effect of changes in foreign exchange rates	–	(4)	(4)
Provisions made	20	4	24
Provisions used	(26)	(59)	(85)
Provisions reversed	–	(28)	(28)
Balance as of 31 December 2024	**9**	**65**	**74**

	2023		
	Restructuring US$'million	Disputes and others US$'million	Total US$'million
Balance as of 1 January 2023	**13**	**98**	**111**
Effect of changes in foreign exchange rates	–	(2)	(2)
Provisions made	13	70	83
Provisions used	(11)	(12)	(23)
Provisions reversed	–	(1)	(1)
Other movements	–	(1)	(1)
Balance as of 31 December 2023	**15**	**152**	**167**

The restructuring provisions are primarily explained by the organizational alignments, refer to Note 7 Non-underlying items. Provisions for disputes mainly relate to various disputed taxes other than income taxes, including a customs tax claim in South Korea (refer to Note 7 Non-underlying items) and claims from former employees.

The provisions are expected to be settled within the following time windows for 31 December 2024:

	Due within one year US$'million	Due after one year US$'million	Total US$'million
Restructuring	**3**	**6**	**9**
Indirect taxes	–	29	29
Labor	1	30	31
Other disputes	5	–	5
Disputes and others	**6**	**59**	**65**
Total provisions	**9**	**65**	**74**

26. Trade and other payables, payables with AB InBev, consigned packaging and contract liabilities

Non-current trade and other payables

	2024 US$'million	2023 US$'million
Contingent consideration on acquisitions	13	18
Non-current trade and other payables	**13**	**18**

Current trade and other payables

	2024 US$'million	2023 US$'million
Trade payables and accrued expenses	1,633	1,997
Payroll and social security payables	110	118
Indirect taxes payable	301	335
Contingent consideration on acquisitions	7	7
Other payables	177	181
Current trade and other payables	**2,228**	**2,638**

Current payables with AB InBev

	2024 US$'million	2023 US$'million
Payables with AB InBev	**91**	**104**

The Group pays the outstanding balances to the creditors according to the credit terms. Trade payables and payables with AB InBev are on average due within 120 days from the invoice date. As of 31 December 2024 and 31 December 2023, trade payables and payables with AB InBev were 1,724 million US dollar and 2,101 million US dollar respectively.

As of 31 December 2024 and 31 December 2023, the aging analysis of current trade payables and payable with AB InBev, based on due date, is as follows:

	2024 US$'million	2023 US$'million
Not past due	**1,592**	**1,908**
Past due as of reporting date:		
Less than 30 days	68	147
Between 30 and 89 days	19	15
More than 90 days	45	31
Net carrying amount of trade payables and payables with AB InBev	**1,724**	**2,101**

The contingent consideration, mainly related to the acquisition of 65% of Blue Girl Beer (Guangzhou) Company Limited in 2019, were 20 million US dollar and 25 million US dollar as at 31 December 2024 and 2023 respectively.

Consigned packaging and contract liabilities

	2024 US$'million	2023 US$'million
Consigned packaging	316	360
Contract liabilities	990	1,096
Consigned packaging and contract liabilities	**1,306**	**1,456**

Consigned packaging represents deposits paid by the Group's customers for use of the Group's returnable packaging which are assets controlled by the Group.

The majority of the contract liabilities balance at the beginning of the period was recognized in revenue for the year ended 31 December 2023 or has been recognized in revenue during the year ended 31 December 2024.

27. Financial instrument by categories

Set out below is an overview of financial assets and financial liabilities held by the Group as of each year:

	2024 US$'million	2023 US$'million
Financial assets at amortized cost		
Trade and other receivables, excluding non-financial assets	419	515
Cash pooling deposits to AB InBev	48	25
Cash and cash equivalents	2,867	3,141
	3,334	**3,681**
Financial assets at fair value through profit or loss		
Derivatives	29	23
	3,363	**3,704**
Financial liabilities at fair value through profit or loss		
Contingent consideration on acquisitions	20	25
Derivatives	3	10
	23	**35**

All other financial liabilities are recorded at amortized cost.

28. Collateral and contractual commitments

	2024 US$'million	2023 US$'million
Collateral given for own liabilities	108	120
Contractual commitments to purchase property, plant and equipment and intangible assets	17	116
Other commitments	2	–
	127	**236**

The collateral given for own liabilities of 108 million US dollar as of 31 December 2024 and 120 million US dollar as of 31 December 2023 includes South Korea's collateral on property in favor of the excise tax authorities. The Group has entered into commitments to purchase property, plant and equipment and intangible assets for an amount of 17 million US dollar as of 31 December 2024 (2023: 116 million US dollar).

29. Non-controlling interests

The Group's non-controlling interests was 56 million US dollar as at 31 December 2024 (2023: 65 million US dollar) and principally relates to the non-controlling shareholders of Blue Girl Beer (Guangzhou) Company Limited ("**Blue Girl**"). As at 31 December 2024, Blue Girl had net assets of 513 million US dollar, (after acquisition fair value adjustments and before intragroup eliminations) (2023: 479 million US dollar).

30. Related parties

Transactions with directors and executive board management members (key management personnel)

In addition to short-term employee benefits (primarily salaries) the Group's management members are entitled to post-employment benefits. In particular, members of management participate in the pension plan of their respective country, refer to Note 23 Employee Benefits. Key management personnel are also eligible for Bud APAC and AB InBev share options and/or RSUs (refer to Note 24 Share-based Payments). Total management compensation included in the consolidated income statement are as follows:

	2024 US$'thousand	2023 US$'thousand
Short-term employee benefits	9,584	8,856
Retirement scheme contributions	47	46
Share-based payments	25,192	20,142
	34,823	**29,044**

Transactions with other AB InBev entities

An overview of related party transactions with other AB InBev entities is as follows:

	2024 US$'million	2023 US$'million
Purchases of finished goods from AB InBev	35	41
Sales of finished goods to AB InBev	55	52
Service fees, procurement fees and royalties	146	147
Other transactions with AB InBev	11	11
Derivative hedge loss/(gain) from AB InBev	18	(21)

The majority of the transactions in the table above are continuing connected transactions, in respect of which the Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules.

An overview of related party balances with other AB InBev entities is as follows:

	2024 US$'million	2023 US$'million
Trade receivables with AB InBev	14	8
Cash pooling deposits to AB InBev	48	25
Derivative financial assets	23	14
Payables with AB InBev	(91)	(104)
Derivative financial liabilities	(3)	(9)

Transactions with associates

Significant interest in an associate is shown in Note 16 Investment in associates. The Group did not have transactions with associates during the years ended 31 December 2024 and 2023, except for the dividend distribution from an associate to the Group as described in Note 16 Investment in Associates.

31. Subsequent events

There are no material subsequent events after the reporting period.

32. Earnings per share

The calculation of basic and diluted earnings per share are computed in the tables below.

	2024	2023
Profit attributable to equity holders of Bud APAC (Million US Dollar)	726	852
Weighted average number of ordinary shares in issue	13,187,234,556	13,207,847,971
Basic earnings per share (cent USD)	**5.51**	**6.45**

	2024	2023
Profit attributable to equity holders of Bud APAC (Million US Dollar)	726	852
Weighted average number of ordinary shares (diluted)	13,291,113,697	13,271,574,761
Diluted earnings per share (cent USD)	**5.46**	**6.42**

The calculation of normalized basic and diluted earnings per share are computed in the tables below.

	2024	2023
Normalized profit attributable to equity holders of Bud APAC (Million US Dollar)	778	917
Weighted average number of ordinary shares in issue	13,187,234,556	13,207,847,971
Normalized basic earnings per share (cent USD)	**5.90**	**6.94**

	2024	2023
Normalized profit attributable to equity holders of Bud APAC (Million US Dollar)	778	917
Weighted average number of ordinary shares (diluted)	13,291,113,697	13,271,574,761
Normalized diluted earnings per share (cent USD)	**5.85**	**6.91**

The reconciliation of basic and diluted earnings per share to normalized basic and diluted earnings per share are shown in the tables below.

	2024	2023
Basic earnings per share	**5.51**	**6.45**
Non-underlying items, before tax	0.47	0.60
Non-underlying taxes	(0.08)	(0.11)
Normalized basic earnings per share	**5.90**	**6.94**

	2024	2023
Diluted earnings per share	**5.46**	**6.42**
Non-underlying items, before tax	0.47	0.60
Non-underlying taxes	(0.08)	(0.11)
Normalized diluted earnings per share	**5.85**	**6.91**

The difference between the weighted average number of ordinary shares in issue and the diluted weighted average number of ordinary shares in issue is attributable solely to the effect of share options and restricted stock units.

33. Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and Hong Kong Listing Rules)

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

a. Directors' emoluments

Remuneration is paid to the Executive Director, Non-executive Directors and Independent Non-executive Directors as set out below:

	2024						
	Directors' Fees US$' thousand	Salaries, allowance and benefit in kind US$' thousand	Discretionary bonuses US$' thousand	Retirement scheme contributions US$' thousand	Sub-total US$' thousand	Share-based payments US$' thousand	Total US$' thousand
Executive Directors							
Jan Craps	–	1,706	1,203	–	2,909	1,415	4,324
Non-executive Directors							
Michel Doukeris	–	–	–	–	–	–	–
Katherine Barrett	–	–	–	–	–	–	–
Nelson Jamel	–	–	–	–	–	–	–
Independent Non-executive Directors							
Martin Cubbon	114	–	–	–	114	–	114
Marjorie Mun Tak Yang	89	–	–	–	89	–	89
Katherine King-suen Tsang	89	–	–	–	89	–	89

	2023						
	Directors' Fees US$' thousand	Salaries, allowance and benefit in kind US$' thousand	Discretionary bonuses US$' thousand	Retirement scheme contributions US$' thousand	Sub-total US$' thousand	Share-based payments[1] US$' thousand	Total US$' thousand
Executive Director							
Jan Craps	–	1,364	1,503	–	2,867	2,348	5,215
Non-executive Directors							
Michel Doukeris	–	–	–	–	–	–	–
Katherine Barrett	–	–	–	–	–	–	–
Nelson Jamel	–	–	–	–	–	–	–
Independent Non-executive Directors							
Martin Cubbon	109	–	–	–	109	–	109
Marjorie Mun Tak Yang	85	–	–	–	85	–	85
Katherine King-suen Tsang	85	–	–	–	85	–	85

1 Share based payments in the tables above are calculated on the share options and restricted stock units that have vested in the year by taking the difference between the market price of the shares on the day of vesting and the price paid by the directors to exercise the share options or restricted stock units. The IFRS 2 charge for share options and restricted stock units is included in the total charge disclosed in Note 24.

The Non-executive Directors received nil emoluments during the years ended 31 December 2024 and 2023 respectively.

b. Directors' retirement benefits

During the years ended 31 December 2024 and 2023, no retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Group.

c. Directors' termination benefits

No payment was made to directors as compensation for early termination of the appointment during the years ended 31 December 2024 and 2023.

d. Consideration provided to third parties for making available directors' services

No payment was made to third parties for making available directors' services during the years ended 31 December 2024 and 2023.

e. Information about loans, quasi-loans and other dealings in favor of directors, their controlled bodies corporate by and connected entities with such directors

There are no other loans, quasi-loans and other dealings in favor of directors, their controlled bodies corporate and connected entities with such directors during the years ended 31 December 2024 and 2023.

34. Subsidiaries

The table below lists the principal subsidiaries of the Group as at 31 December 2024 and 31 December 2023:

Name	Country of incorporation	Date of incorporation	Issued and fully paid share capital/registered capital (million, except for shares)	Effective interest held by Bud APAC as of 31 December 2024	31 December 2023	Date of this report	Principal activities and place of operation
Anheuser-Busch InBev (China) Sales Co., Ltd.(1)	PRC	26 April 2005	CNY50/CNY50	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev (Wuhan) Brewery Co., Ltd.(2)	PRC	26 January 1995	CNY978/USD117	97.06%	97.06%	97.06%	Operating company PRC
Anheuser-Busch InBev (Foshan) Brewery Co., Ltd.(1)	PRC	9 March 2007	CNY1,105/USD160	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev Harbin Brewery Co., Ltd.(1)	PRC	9 October 1995	CNY1,001/CNY1,001	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev (Tangshan) Brewery Co., Ltd.(1)	PRC	13 November 2002	CNY760/CNY930	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev Sedrin Brewery Co., Ltd.(1)	PRC	5 February 2002	CNY1,110/CNY1,110	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev Sedrin (Zhangzhou) Brewery Co., Ltd.(1)	PRC	13 December 2010	CNY282/USD43	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev (Taizhou) Brewery Co., Ltd.(1)	PRC	5 July 2004	CNY227/CNY227	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev Sedrin (Nanchang) Brewery Co., Ltd.(2)	PRC	29 August 1994	CNY248/USD35	100%	100%	100%	Operating company PRC
Siping Ginsber Draft Beer Co., Ltd.(1)	PRC	17 November 2011	CNY482/CNY482	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev (Nantong) Brewery Co., Ltd.(3)	PRC	24 August 2011	CNY200/CNY200	100%	100%	100%	Operating company PRC

Name	Country of incorporation	Date of incorporation	Issued and fully paid share capital/registered capital (million, except for shares)	Effective interest held by Bud APAC as of 31 December 2024	2023	Date of this report	Principal activities and place of operation
Anheuser-Busch InBev (Sichuan) Brewery Co., Ltd.[1]	PRC	23 July 2010	CNY230/CNY230	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev (Henan) Brewery Co., Ltd.[1]	PRC	11 May 2011	CNY168/CNY302	100%	100%	100%	Operating company PRC
InBev Jinlongquan (Hubei) Brewery Co., Ltd.[2]	PRC	20 December 1995	CNY498/USD60	60%	60%	60%	Operating company PRC
Anheuser-Busch InBev (Suqian) Brewery Co., Ltd.[1]	PRC	30 December 2011	CNY200/CNY200	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev Southeast Sales Co., Ltd.[1]	PRC	23 September 2019	CNY100/CNY100	100%	100%	100%	Operating company PRC
Anheuser-Busch InBev (Wenzhou) Brewery Co., Ltd.[1]	PRC	4 November 2015	CNY717/USD100	100%	100%	100%	Operating company PRC
Blue Girl Beer (Guangzhou) Co., Ltd.[2]	PRC	23 August 2011	CNY88/CNY88	65%	65%	65%	Operating company PRC
Crown Beers India Private Limited	India	22 January 2007	INR14,111.7	100%	100%	100%	Operating company India
Anheuser-Busch InBev India Limited	India	18 November 1988	INR10,164.3	99.83%	99.80%	99.83%	Operating company India
Oriental Brewery Co., Ltd	South Korea	22 May 1952	KRW20,000	100%	100%	100%	Operating company South Korea
Anheuser-Busch InBev Vietnam Brewery Company Limited	Vietnam	29 June 2012	USD 271.8	100%	100%	100%	Operating company Vietnam

(1) These companies were established in the PRC in the form of wholly foreign owned enterprise.

(2) These companies were established in the PRC in the form of sino-foreign equity joint venture enterprise.

(3) This company was established in the PRC in the form of investment solely by legal corporation or controlled by a natural person.

(4) The English names of certain subsidiaries referred herein represent the Directors' best effort at translating the Chinese names of the companies as no English names have been registered.

35. Company Statement of Financial Position and Reserves

The table below shows the statement of financial position of the Company, Budweiser Brewing Company APAC Limited, on a standalone basis.

Company Statement of Financial Position

	2024 US$'million	2023 US$'million
ASSETS		
Non-current assets		
Property, plant and equipment	6	9
Intangible assets	12	12
Investment in subsidiaries	43,923	44,638
Total non-current assets	**43,941**	**44,659**
Current assets		
Other receivables with related parties	34	15
Other receivables	1	1
Cash and cash equivalents	230	175
Total current assets	**265**	**191**
Total assets	**44,206**	**44,850**
EQUITY AND LIABILITIES		
Equity		
Issued capital	–	–
Share premium	43,591	43,591
Treasury shares	(80)	(95)
Retained earnings and other reserves	681	1,335
Total equity	**44,192**	**44,831**

	2024 US$'million	2023 US$'million
Non-current liabilities		
Interest-bearing loans and borrowings	2	3
Total non-current liabilities	**2**	**3**
Current liabilities		
Interest-bearing loans and borrowings	2	3
Other payables	10	6
Other payables with related parties	–	7
Total current liabilities	**12**	**16**
Total equity and liabilities	**44,206**	**44,850**

The Company's financial statements were approved by the Board of Directors on 25 February 2025 and were signed on its behalf.

Jan Craps
Director

Nelson Jamel
Director

The table below shows the movement in reserves of the Company, Budweiser Brewing Company APAC Limited, on a standalone basis.

Movement in Reserves

	Retained earnings and other reserves US$'million
1 January 2023	**597**
Profit for the year	1,179
Treasury shares	14
Share-based payments	45
Dividends	(500)
31 December 2023	**1,335**
Profit from operations	881
Share-based payments	57
Adjustment in value of investment in subsidiaries	(894)
Dividends	(698)
31 December 2024	**681**

Five-Year Financial Summary

Results

	2020 US$'million	2021 US$'million	2022 US$'million	2023 US$'million	2024 US$'million
Revenue	5,588	6,788	6,478	6,856	6,246
Profit before tax	908	1,413	1,283	1,327	1,160
Income tax expense	(371)	(432)	(334)	(447)	(410)
Profit for the year	537	981	949	880	750
Profit for the year attributable to:					
Equity holders of Budweiser APAC	514	950	913	852	726
Non-controlling interest	23	31	36	28	24
	537	981	949	880	750

Assets and liabilities

	2020 US$'million	2021 US$'million	2022 US$'million	2023 US$'million	2024 US$'million
Total assets	16,189	16,625	15,996	16,234	14,778
Total liabilities	(5,446)	(5,542)	(5,163)	(5,384)	(4,538)
Total equity	10,743	11,083	10,833	10,850	10,240
Equity attributable to equity holders of Budweiser APAC	10,685	11,013	10,764	10,785	10,184
Non-controlling interests	58	70	69	65	56
Total equity	10,743	11,083	10,833	10,850	10,240

Corporate Information

Budweiser Brewing Company APAC Limited
Incorporated in the Cayman Islands with limited liability

Board of Directors

Executive Director

Jan Craps *(Co-Chair of the Board)*[1]
Yanjun Cheng *(Co-Chair of the Board)*[2]

Non-executive Directors

Michel Doukeris *(Co-Chair of the Board)* (Mr. John Blood and Mr. David Almeida as his alternates)
Katherine Barrett (Mr. John Blood and Mr. David Almeida as her alternates)
Nelson Jamel (Mr. John Blood and Mr. David Almeida as his alternates)

Independent Non-executive Directors

Martin Cubbon
Marjorie Mun Tak Yang
Katherine King-suen Tsang

Audit and Risk Committee

Martin Cubbon *(Chair)*
Katherine King-suen Tsang
Nelson Jamel

Nomination Committee

Michel Doukeris *(Chair)*
Marjorie Mun Tak Yang
Martin Cubbon

Remuneration Committee

Marjorie Mun Tak Yang *(Chair)*
Katherine King-suen Tsang
Michel Doukeris

Authorized Representatives

Ho Wing Tsz Wendy (FCG, HKFCG(PE))
Yanjun Cheng (from 1 April 2025)
Jan Craps (from 10 October 2024 until 1 April 2025)
Bryan Warner (until 10 October 2024)

Joint Company Secretaries

Ho Wing Tsz Wendy (FCG, HKFCG(PE))
Shirley Zhu (from 23 October 2024)
Bryan Warner (until 10 October 2024)

Registered Office

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

Room 2701
27th Floor Hysan Place
500 Hennessy Road
Causeway Bay
Hong Kong

Cayman Islands Principal Share Registrar and Transfer Agent

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Auditor and Reporting Accountant

PricewaterhouseCoopers
Certified Public Accountants and
Registered PIE Auditor

Stock Code

1876

Website

www.budweiserapac.com

Notes:
(1) Ceased to be an Executive Director, Chief Executive Officer and Co-Chair of the Board and Authorized Representative of the Company with effect from 1 April 2025.
(2) Appointed as an Executive Director, Chief Executive Officer, Co-Chair of the Board and Authorized Representative of the Company with effect from 1 April 2025.

Definitions

"4Q23"	the three months ended 31 December 2023
"4Q24"	the three months ended 31 December 2024
"AB InBev"	Anheuser-Busch InBev SA/NV (Euronext: ABI; NYSE: BUD; MEXBOL: ANB; JSE: ANH), a company incorporated for an unlimited duration under the laws of Belgium and the controlling shareholder of the Company
"AB InBev Group"	AB InBev and its subsidiaries (excluding the Group)
"AB InBev Products"	products offered for sale under brands that are owned or acquired by or licensed to the AB InBev Group
"AGM"	annual general meeting of the Company
"Ambev"	Ambev S.A., a Brazilian company listed on the New York Stock Exchange (NYSE: ABEV) and on the São Paulo Stock Exchange (BVMF: ABEV3), and successor of Companhia de Bebidas das Américas – Ambev and a non-wholly owned subsidiary of AB InBev
"APAC Territories"	(1) Australia; (2) Bangladesh; (3) Bhutan; (4) Brunei Darussalam; (5) Burma (Myanmar); (6) Cambodia; (7) China (including Hong Kong, Macau and Taiwan); (8) Cook Islands; (9) Federated States of Micronesia; (10) Fiji; (11) India; (12) Indonesia; (13) Japan; (14) Kiribati; (15) Laos; (16) Malaysia; (17) Maldives; (18) Marshall Islands; (19) Mongolia; (20) Nauru; (21) Nepal; (22) New Caledonia; (23) New Zealand; (24) Niue; (25) Palau; (26) Papua New Guinea; (27) Philippines; (28) Republic of Korea (South Korea); (29) Samoa; (30) Singapore; (31) Solomon Islands; (32) Sri Lanka; (33) Thailand; (34) Timor Leste (35) Tonga; (36) Tuvalu; (37) Vanuatu; (38) Vietnam; and (39) Wallis and Futuna
"Articles" or "Articles of Association"	the articles of association of the Company (as amended from time to time), conditionally adopted on 9 September 2019 and which became effective upon Listing and was amended and restated on 14 May 2024
"Asia Pacific East" or "APAC East"	one of the Group's two operating and reporting segments, comprising primarily South Korea, Japan and New Zealand
"Asia Pacific West" or "APAC West"	one of the Group's two operating and reporting segments, comprising China, India, Vietnam and exports
"Board" or "Board of Directors"	the board of directors of the Company
"business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
"CNY"	Chinese yuan, the lawful currency of the PRC
"Circular"	The circular of the Company dated 14 April 2023

Definitions

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time
"Company" or "Bud APAC"	Budweiser Brewing Company APAC Limited, a company incorporated under the laws of the Cayman Islands with limited liability on 10 April 2019
"controlling shareholder"	has the meaning given to it in the Listing Rules and, unless the context requires otherwise, refers to AB InBev
"Corporate Governance Code"	Appendix C1 to the Listing Rules, as amended or supplemented from time to time
"COSO"	Committee of Sponsoring Organizations of the Treadway Commission
"Deed of Non-competition"	the deed of non-competition dated 12 September 2019 entered into between the Company and AB InBev to limit possible future competition between the parties with effect from the Listing Date
"Director(s)"	the director(s) of the Company
"EUR" or "Euro"	euros, the lawful currency of the European Union
"FY" or "financial year"	financial year ended or ending 31 December
"FY23"	the financial year ended 31 December 2023
"FY24" or "reporting period"	the financial year ended 31 December 2024
"Group," "we," "our" or "us"	the Company and its subsidiaries
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"INED"	Independent Non-executive Director
"KRW"	South Korean won, the lawful currency of South Korea
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	30 September 2019, being the date on which the Shares were first listed and from which dealings in the Shares were permitted to take place on the Main Board of the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, as amended or supplemented from time to time
"New RSU Grants"	the Company's grant of RSUs to certain eligible directors and employees of the Group on 11 December 2023 pursuant to the terms of the New RSU Plan
"normalized"	performance measures (EBITDA and EBIT) before non-recurring items
"PRC" or "China"	the People's Republic of China
"Prospectus"	the Company's prospectus dated 18 September 2019
"RSUs"	restricted stock units, being contingent rights to receive from the Shares which are granted by the Company pursuant to the Share Award Schemes
"SBC Grants"	the Company's grant of locked-up Shares and RSUs to certain eligible directors and employees of the Group on 6 March 2023 pursuant to the terms of the SBC Plan
"Scheme Mandate Limit"	the maximum aggregate number of shares with respect to which share options may be granted pursuant to the LTI Plan, RSU Plan, New RSU Plan, PB Plan and SBC Plan
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Senior Management"	senior management of the Group
"Share Award Schemes"	the amended Discretionary Restricted Stock Units Plan, the Share-Based Compensation Plan, the People Bet Plan, the Discretionary Long-Term Incentive Plan and the New Restricted Stock Units Plan, as amended and approved by the Shareholders on 8 May 2023 for the grant of, among others, share options, RSUs and Locked-up Shares to eligible participants
"Shareholder(s)"	holder(s) of Shares
"Shares"	ordinary shares in the share capital of the Company with a nominal value of USD0.00001 each

Definitions

"South Korea"	the Republic of Korea
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TCFD"	Task Force on Climate-related Financial Disclosures
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US Securities Act"	the United States Securities Act of 1933, as amended
"USD" or "US dollars"	dollars, the lawful currency of the US

In this annual report, unless the context otherwise requires, the terms "associate", "close associate", "connected person", "core connected person", "connected transaction", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules.

Certain amounts and percentage figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

This glossary contains explanations of certain terms used in this annual report in connection with the Group and its business. The terminologies and their meanings may not correspond to standard industry meanings or usage of those terms.

"BU"	business unit
"GHG"	greenhouse gas
"hl"	hectoliter
"kl"	kiloliter

BUDWEISER BREWING COMPANY APAC LIMITED
百威亞太控股有限公司