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Budweiser Brewing Company APAC Limited
百威亞太控股有限公司

(A company incorporated in the Cayman Islands with limited liability)
(Stock Code: 1876)

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020,
FINAL DIVIDEND RECOMMENDATION
AND
THE FOURTH QUARTER 2020 FINANCIAL INFORMATION

The board of directors (the “**Board**”) of Budweiser Brewing Company APAC Limited (“**Budweiser APAC**” or the “**Company**”, together with its subsidiaries, the “**Group**”) announces the results of the Group for the year ended 31 December 2020 as attached to this announcement.

The Board recommends that the Company increases the final dividend per share to the shareholders from 2.63 cents USD in 2019 to 2.83 cents USD in 2020.

Subject to the approval of the shareholders at the forthcoming 2021 annual general meeting and subject to further announcement(s) in respect to the book closure date, record date and payment date, the proposed 2020 final dividend is expected to be distributed to shareholders on or before 30 June 2021.

The proposed 2020 final dividend is in line with the Company’s dividend policy to declare a dividend representing in aggregate at least 25% of the consolidated profit attributable to our 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.

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. The final dividend paid in Hong Kong dollars will be calculated with reference to the exchange rate of US dollars against Hong Kong dollars on the date of the annual general meeting of the Company (to be further announced) on which such dividends will be proposed to the shareholders of the Company for approval.

By Order of the Board
Budweiser Brewing Company APAC Limited
Bryan Warner
Joint Company Secretary

Hong Kong, 25 February 2021

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Jan Craps as Co-Chair and Executive Director, Mr. Carlos Brito as Co-Chair and Non-executive Director, Ms. Katherine Barrett (Mr. John Blood as her alternate) and Mr. Nelson Jamel (Mr. David Almeida as his alternate) as Non-executive Directors, and Mr. Martin Cubbon, Ms. Mun Tak Marjorie Yang and Ms. Katherine King-suen Tsang as Independent Non-executive Directors.



Budweiser APAC Reports FY2020 Results

KEY FIGURES TO DATE¹

- **Volume:** Total volumes decreased by 12.1% in full year 2020 (FY20). In the fourth quarter of 2020 (4Q20), our volumes decreased by 2.6% as growth in China was offset by the continued impact from the COVID-19 pandemic in South Korea and India
- **Revenue:** Revenue declined by 12.4%, resulting in a 14.6% decline on a reported basis after including currency impacts and scope changes, with revenue per hl declining by 0.3% in FY20. In 4Q20, revenue declined by 1.6% while revenue per hl grew by 1.1%, driven by revenue per hl growth across our key markets, partially offset by country mix
- **Cost of Sales (CoS):** CoS decreased by 10.1%, resulting in a 12.3% decline on a reported basis after including currency impacts and scope changes, but increased by 2.3% on a per hl basis in FY20. In 4Q20, CoS decreased by 2.5% and remained stable on a per hl basis
- **Normalized EBITDA²:** Normalized EBITDA decreased by 23.7% with a lower normalized EBITDA margin of 28.3% in FY20. In 4Q20, normalized EBITDA decreased by 3.6% with a normalized EBITDA margin of 23.8%, mainly driven by a higher comparable of Other Operating Income (OOI) in the fourth quarter of 2019 (4Q19) in APAC West, partially offset by the double-digit normalized EBITDA growth in APAC East
- **Normalized Effective Tax Rate (ETR):** Normalized ETR was 39.0% in FY20 compared to 32.3% in full year 2019 (FY19), primarily driven by the impact of dividend withholding taxes and country mix. ETR on a reported basis was 41.9%, which included additional tax expenses related to prior years in South Korea as reported in the first quarter of 2020 (1Q20)
- **Normalized Profit:** Normalized profit attributable to equity holders of Budweiser APAC was 557 million USD in FY20 compared to 994 million USD in FY19. It was 15 million USD in 4Q20 compared to 37 million USD in 4Q19
- **Earnings per share (EPS):** Adjusted EPS³ was 4.21 cents USD in FY20 versus 7.52 cents USD in FY19. Basic and diluted EPS was 3.89 cents USD in FY20 compared to 7.50 cents USD in FY19
- **Dividend:** Our recommended dividend per share increased from 2.63 cents USD in 2019 to 2.83 cents USD in 2020, given our strong track record in cash generation and the recent momentum of our business, while we continue to invest in our growth initiatives. This is also supported by our robust balance sheet and net cash position of approximately 1.3 billion USD at the end of 2020

¹ Unless otherwise stated, the growth rates presented in this document are based on organic growth figures and refer to audited FY20 and unaudited 4Q20 versus the same period of last year. Please refer to Annex 1 for unaudited 4Q20 financial information, and Annex 2 for further information on the calculation of organic growth figures. Please also refer to the end of this press release for important notes and disclaimers.

² 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 Budweiser APAC: (i) non-controlling interests; (ii) income tax expense; (iii) share of results of associates; (iv) net finance cost; (v) non-recurring net finance cost; (vi) non-recurring items above EBIT (including non-recurring costs) and (vii) depreciation, amortization and impairment. Please refer to the "Reconciliation between profit attributable to equity holders and normalized EBITDA" section of this press release for further information.

³ Adjusted basic earnings per share (Adjusted EPS) calculation uses the normalized profit attributable to equity holders of Budweiser APAC divided by the weighted average number of shares outstanding as of 31 December 2020 deducting the shares held in trust held by a trustee (13,220,488,139 shares).



Figure 1. Consolidated performance (million USD)

| | FY20 | FY19 | Organic growth ⁴ |
|---------------------------------------------------------------------------|---------------|---------------|-----------------------------|
| Total volumes (thousand hls) | 81,115 | 93,168 | -12.1% |
| Revenue | 5,588 | 6,546 | -12.4% |
| Gross profit | 2,907 | 3,488 | -14.4% |
| Gross margin | 52.0% | 53.3% | -124 bps |
| Normalized EBITDA | 1,584 | 2,121 | -23.7% |
| Normalized EBITDA margin | 28.3% | 32.4% | -427 bps |
| Normalized EBIT | 937 | 1,466 | -34.1% |
| Normalized EBIT margin | 16.8% | 22.4% | -570 bps |
| Profit attributable to equity holders of Budweiser APAC | 514 | 898 | |
| Normalized profit attributable to equity holders of Budweiser APAC | 557 | 994 | |
| EPS (cent USD) | 3.89 | 7.50 | |
| Adjusted EPS (cent USD) | 4.21 | 7.52 | |

MANAGEMENT COMMENTS

In 2020, the COVID-19 pandemic had a significant impact on the health, economy and many other aspects of our communities. Health and safety of our colleagues continue to be our top priority. We are extremely proud of our colleagues who have been embracing challenges with resilience and agility. We also extend our deepest gratitude to healthcare and other essential workers who have been keeping us safe and those in the science field who have been working to develop vaccines in record time.

Our top-line performance during the year was highly sensitive to COVID-19 related restrictions on our sales channels, especially the premium on-premise channel where we have a strong position in our key markets:

- In **China**, with the exception of losses in February through April 2020 mainly due to the COVID-19 impact on the on-premise channel, our full year volumes, revenues and market share grew year-on-year. As a result of effective commercial actions, we delivered our highest summer volumes ever during May through August 2020, and finished 4Q20 with a volume growth and a market share gain, despite channel inventory reduction due to a later Chinese New Year (CNY) in 2021. Our Premium and Super Premium portfolio followed a similar trend throughout the year and grew by mid-single digits in 4Q20.
- In **South Korea**, our business suffered during each of the three significant waves of the COVID-19 pandemic. We estimate that the majority of our FY20 volume loss was due to industry decline, and our FY20 market share loss was mainly driven by the channel mix shift during the COVID-19 pandemic, as we have a strong leadership position in the declining on-premise channel. We have adapted our commercial actions and invested in our innovations across different price segments and styles (e.g., Hoegaarden Green Grape variant, Cass 0.0, Filgood 7) to accelerate our business recovery. As a result, in the growing in-home channel, we grew volumes by mid-single digits and market share in FY20 according to Nielsen. In the on-premise channel, while we estimate that we lost market share in FY20, our market share improved throughout the year with a market share gain in 4Q20 driven by the increasing momentum of Cass.
- In **India**, although the impact of the COVID-19 pandemic was significant in FY20, our volumes improved consistently quarter-over-quarter after the second quarter of 2020 (2Q20). Budweiser became our biggest brand for the first time in India. We have also activated additional strategic initiatives to fuel the growth of Corona, Hoegaarden and the Super Premium segment. The launch of Hoegaarden 0.0, in addition to our already-available Budweiser 0.0, led to strong growth of our non-alcohol portfolio in FY20.

⁴ Unless otherwise stated, the growth rates presented in this document are based on organic growth figures and refer to audited FY20 and unaudited 4Q20 versus the same period of last year. Please refer to Annex 1 for unaudited 4Q20 financial information, and Annex 2 for further information on the calculation of organic growth figures. Please also refer to the end of this press release for important notes and disclaimers.



Amid a difficult year of 2020, we remain committed to our capital allocation priorities: firstly, invest in organic growth initiatives; secondly, pursue strategic inorganic opportunities; and thirdly, dividend to our shareholders. We maintained a strong balance sheet with additional efficiencies identified in our working capital and capital expenditures. Our net cash position⁵ increased by 387 million USD as compared to the end of 2019, to approximately 1.3 billion USD at the end of 2020. As such, our recommended dividend per share increased from 2.63 cents USD in 2019 to 2.83 cents USD in 2020.

Our commitment to Environment, Social and Governance (ESG) matters is stronger than ever. During the COVID-19 pandemic, we looked for ways to contribute to the communities where we operate, including various support and donations, such as personal protective equipment and emergency drinking water. Meanwhile, we have made significant progress on our long-term commitments, such as 2025 Sustainability Goals⁶, Community Engagement programs⁷, Diversity and Inclusion initiatives, across our key markets. We are dedicated in building a company, with sustainable long-term growth, that positively impacts our communities.

In FY20, although we faced extraordinary challenges related to the COVID-19 pandemic, our colleagues rose against adversity and supported the communities where we operate across Asia Pacific. We are excited about our business prosperity in China as reinforced by the increasing momentum since April 2020 and our strong CNY campaign in 2021. In South Korea, amid various waves of COVID-19 outbreaks, we grew volumes and market share in the growing in-home channel in FY20 according to Nielsen and identified additional efficiencies to minimize the top-line impact on our profitability. We are confident in our commercial plans, supported by a strong innovation pipeline, to recover and grow our business in South Korea. In India, we continue to create value by accelerating the premiumization trend and growing the non-alcohol segment. Our pan-Asian platform remains robust through the COVID-19 pandemic, and we are investing in our strategic priorities and commercial plans to fuel our future growth across Asia Pacific.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

During the turbulent and uncertain times in 2020, we have remained focused on delivering ESG goals, which are essential for our sustainable long-term growth. Our 2025 Sustainability Goals, which are aligned with the United Nation Sustainable Development Goals, deliver a clear strategy and measurable, positive impact on the environment and the communities where we operate. More than ever, we are taking an active role and investing in our communities to build a sustainable future together through our ESG initiatives, which are an integral part of our business every day.

- **Climate Action:** Climate change could have a long-term material impact on the communities where we live and work. We are building climate resilience by committing to transition our operations to 100% renewable electricity and reduce our greenhouse gas (GHG) emissions by 25% across our value chain by 2025, as compared to our baseline year of 2017. Recently in China, we have contracted to purchase 100% renewable electricity for our Ziyang brewery, the first in the Chinese beer industry to accomplish this important milestone and set the benchmark for future facilities to follow. In addition, we have deployed more than 200 alternative energy vehicles, such as liquefied natural gas trucks, electric trucks, and hydrogen fuel cell vehicle trucks with cutting-edge technology to reduce carbon emissions. By the end of 2020, we had 10% reduction across our value chain in Scope 1, 2 and 3 GHG emissions as compared to 2017. As a recognition of our efforts, we were awarded the title of “Green Logistics Innovation Leading Enterprise of the Year 2020” by the China Federation of Logistics and Purchasing.

⁵ Our net cash position was calculated based on Cash and Cash Equivalents net of Bank Overdrafts on 31 December 2019 and 2020, respectively.

⁶ Please visit our website at <https://budweiserapac.com/en/Sustainability.html> for additional information about our 2025 Sustainability Goals.

⁷ Please visit our website at <https://budweiserapac.com/en/community-engagement.html> for additional information about our Community Engagement programs.



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- **Water Stewardship:** Water is a critical resource for the economic, social and environmental well-being of our communities, as well as an indispensable ingredient in all of our products. As a leading brewer in Asia Pacific, we are committed to improving water quality and quantity in the communities where we operate. Our goal is that 100% of the communities in high stress areas where we operate will have measurably improved water availability and quality by 2025. In India, for example, where we have identified areas of high levels of water stress, we have been working with local stakeholders including International Crop Research Institute for the Semi-arid Tropics (ICRISAT), Let's Endorse, the Ground Water Board, to address water availability challenges in 13 villages close to our operations. We are also actively involved in building water storage structures (e.g., check dams, well water recharge infrastructure, rainwater harvesting structures) and promoting climate friendly agriculture through water and soil conservation initiatives. Since the implementation of these programs, we have created approximately 10 million hl of groundwater recharge at high-risk watershed sites in India. Meanwhile, inside our facilities across the Asia Pacific region, we reduced water usage per hl beer volumes to 2.47 hl/hl by the end of 2020, which was a 17% reduction since our baseline year of 2017.
- **Circular Packaging:** As the world faces increasing resource scarcity, we believe that taking a circular approach to packaging and improving the materials we use will advance the long-term sustainability of our business and of the communities where we operate. We are committed to having 100% of our products in packaging that is returnable or made from majority recycled content by 2025. In FY20, 53.3% of our volume was in returnable packaging and 46.3% of our packaging was made from recycled content. We continue to follow our strategy of "Reduce, Reuse, Recycle and Rethink" to drive impactful changes in this area. In South Korea, for example, Cass became the first in the industry to use 100% recycled paper for box packages. In addition, we reduced the use of plastic shrink film in the packaging of Cass canned beer, which eliminated nearly 100 tons of plastic use annually.
- **Smart Agriculture:** High-quality agricultural crops from thriving communities and healthy ecosystems are essential for brewing our beers. Our goal is that 100% of our direct farmers will be skilled, connected and financially empowered⁸ by 2025. In FY20, 92% of our direct farmers were skilled, 100% of them connected and 83% of them financially empowered. We take a "farmer-centric" approach to smart agriculture and focus on increasing farmers' resilience and reducing production volatility through improved breeding and crop management practices. During the COVID-19 pandemic, our Agricultural Development team in India worked closely with local farmers to support them through the pandemic and improve the quality of their barley. These partnerships resulted in a successful harvest of over 4,000 tons of high-quality malting barley, all of which we purchased to brew our high-quality beers. When our communities thrive, we thrive.
- **Responsible Drinking:** We believe that every experience with beer should be positive. We are committed to meaningfully reducing the harmful use of alcohol. Amid the COVID-19 pandemic, we continued prioritizing the annual Responsible Drinking campaigns across our key markets (either physically or virtually), through long-standing partnerships with local public transportation authorities to promote road safety and prevent drunk driving. As a result of these efforts, we received the "Road Safety Innovation" award from China Ministry of Public Security and "The Best Corporate Social Responsibility Enterprise of the Year" award from Southern Weekly in China.
- **Diversity & Inclusion (D&I):** Our greatest strength is our people, and we are measured by the quality and diversity of our teams. We believe diversity leads to better decision-making and better results. In 2020, we launched a D&I Council that is co-chaired by our Chief Executive Officer and Chief People Officer, with representatives from different functions and business units. This council provides a centralized platform to champion D&I initiatives throughout our company, while providing practical training and knowledge sharing sessions to our colleagues. Although the percentage of female colleagues in our overall workforce decreased slightly to 39% as of the end of 2020, female representation in our leadership team⁹ increased to 25%. Moreover, in our 2020 employee engagement survey conducted by Willis Tower Watson, we scored 17 points higher than the average of global Fast-Moving Consumer Goods (FMCG) companies on the D&I index. The 2020 Human Resources Technology Conference & Exposition in China recognized our efforts by naming us among the "Best Human Resources Solutions".

⁸ In the context of our Smart Agriculture goal, "skilled" is measured by the number of our direct farmers who have access to good barley varieties and technical training, "connected" is measured by the number of our direct farmers with whom we are regularly in touch to share insights and information on crop management, pricing, and health and safety of their farms, and "financially empowered" is measured by the number of our direct farmers to whom we provide assistance in growing their business and access to the financial tools they need.

⁹ Refers to the top four leadership levels in our company



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- **Governance:** The corporate governance rules established by the Budweiser APAC Board support our business ambitions while stipulating that our company should be responsibly managed and properly controlled. Without limiting vision or hampering swift action, the rules establish a framework of best practices, a way of thinking, and ways of working within and around our company that provides clarity and commands adherence to the highest standards of business integrity and ethics. With our rigorous system of controls and an experienced Board, we are committed to achieving the highest standards of corporate governance and safeguarding the interests of our shareholders, colleagues, consumers and the communities where we operate.



BUSINESS REVIEW

APAC WEST

In FY20, our revenue in the APAC West region declined by 13.3%, resulting in a 14.5% decline on a reported basis after including currency impacts and scope changes. The organic revenue decline was driven by a volume decline of 12.4% and a revenue per hl decline of 1.0%. Normalized EBITDA declined by 24.8% in FY20.

In 4Q20, revenue grew by 0.2% driven by a 1.0% increase in revenue per hl, partially offset by a volume decline of 0.8%. Normalized EBITDA declined 7.7%, mainly driven by a challenging comparable of Other Operating Income (OOI) in 4Q19.

China

In FY20, our revenue in China declined by 11.0% driven by a volume decline of 10.0% and revenue per hl decline of 1.1%. Normalized EBITDA declined by 20.1%. Our results during February through April 2020, when COVID-19 related restrictions were the toughest on the premium on-premise channel, represented over 100% of the decline in our FY20 volumes, revenues and normalized EBITDA.

In 4Q20, we delivered volume growth of 0.9% despite channel inventory reduction due to a later CNY in 2021. Our revenue grew by 1.3% and revenue per hl grew by 0.4%, driven by continued premiumization partially offset by the negative impact from channel inventory reduction. Normalized EBITDA declined by 6.9%, driven by higher commercial investments in 4Q20 and a challenging comparable of OOI in 4Q19.

While we lost substantial market share between February and April 2020 mainly due to the COVID-19 impact on the on-premise channel, we recovered swiftly through our effective commercial actions and resource allocation. We consistently gained market share in each subsequent quarter, especially in 4Q20 with an estimated market share gain of 140 bps. As a result, we significantly reduced the FY20 market share loss to 55 bps.

We continued to invest in our commercial strategies: **Premiumization**, **Commercial Expansion** and **Digital Transformation**, to accelerate business recovery and seed future growth opportunities:

- **Premiumization:** Our Premium portfolio, led by Budweiser, grew by mid-single digits in 4Q20. Leveraging our partnership with Lionel Messi, we launched customized social media contents and creative trade activations for the Chinese fans to celebrate his record-breaking goal scoring moment with Budweiser. Our Premium variant of Harbin, Harbin 1900, also had a strong quarter as we celebrated the 120-year heritage of this oldest beer brand in China.

Our Super Premium portfolio showed a strong performance in 4Q20. We estimate that Corona remained the #1 Super Premium beer brand by value and Hoegaarden the #1 Wheat beer brand in FY20. Blue Girl continued its strong momentum and grew by double digits in FY20. We strengthened our brands by creating memorable experiences for our consumers, such as Corona Sunset Festival, Hoegaarden Mid-Autumn Festival and Stella Artois Christmas Gala. In addition, our Craft portfolio grew by high single digits in FY20, with an accelerated, strong double-digit growth in 4Q20.

In adjacencies, we are piloting various innovations, such as Mike's Hard Lemonade, to set the stage for further premiumization.

- **Commercial Expansion:** In the important in-home channel, we grew market share in 4Q20 and FY20 according to Nielsen. Our customized trade programs, such as consumer loyalty program and cross-category promotions, continued to drive strong performance especially in key accounts. In e-commerce, we continued our double-digit volume growth and gained market share, leading the beer category with more than twice the market share of the next brewer, in FY20 according to Nielsen. We have been leveraging this channel to increase visibility of our brands and launch innovation products.



- **Digital Transformation:** As a consumer-focused, insights-driven company, we strive to understand the values, lifestyles and preferences of consumers today and predict how they may evolve in the future. More than ever, we are investing in data and technology to expand our competitive advantage in the fast-growing digital space. BUD SPACE, our omni-channel digital consumer loyalty program, has been one of our strategic initiatives to build even stronger connections directly with consumers and fuel our top-line growth. In 2020, the number of repeated users of BUD SPACE increased month-over-month and reached 13 million Budweiser consumers by the end of the year. DraftLine, our in-house marketing agency, analyzed consumer sentiment and identified consumer trends in each market, to develop effective brand messages and deliver them to specific audiences. This analysis has enabled us to be more agile, relevant and cost-effective with our marketing campaigns, even with the fluid market conditions as a result of the COVID-19 pandemic.

India

Although the impact of the COVID-19 pandemic was significant in FY20, our volumes improved consistently quarter-over-quarter after 2Q20. In 4Q20, several states reversed the COVID-19 Cess¹⁰, while restrictions on the on-premise channel were also being eased.

Amid the challenging environment, we estimate that Budweiser continued to grow market share in FY20 and became our biggest brand for the first time in India. We have also activated additional strategic initiatives to fuel the growth of Corona, Hoegaarden and the Super Premium segment. The launch of Hoegaarden 0.0, in addition to our already-available Budweiser 0.0, led to strong growth of our non-alcohol portfolio in FY20.

APAC EAST

In FY20, our revenue in the APAC East region declined by 9.0%, resulting in a 15.2% decline on a reported basis after including currency impacts and scope changes. The organic revenue decline was driven by a volume decline of 10.5%, partially offset by revenue per hl growth of 1.7%. Normalized EBITDA declined by 19.3%.

In 4Q20, revenue declined by 7.6%, driven by a volume decline of 11.6%, partially offset by a revenue per hl growth of 4.4% mainly driven by favorable channel mix in South Korea. Normalized EBITDA grew by 11.7% as a result of additional cost efficiencies to minimize the top-line impact on our profitability, coupled with a favorable comparable in 4Q19.

South Korea

In 4Q20, South Korea experienced the most serious wave of the COVID-19 outbreak, which resulted in the toughest restrictions implemented to date. As a result, industry declined by double digits.

We estimate that our total market share declined by approximately 220 bps in FY20, more than half of which was driven by channel mix shift mainly resulting from the COVID-19 pandemic. We have adapted our commercial actions and invested in our innovations. As a result, in the growing in-home channel, we grew market share year-over-year in FY20 according to Nielsen. In the on-premise channel, while we estimate that we lost market share in FY20, our market share improved throughout the year with a market share gain in 4Q20 driven by the increasing momentum of Cass.

In 4Q20, our Cass campaigns with EXO-SC, members from an influential K-pop¹¹ band, elevated Cass' energetic and innovative brand image among young adults above the legal drinking age. We also launched Cass 0.0 in the in-home channel, including e-commerce, so consumers can experience our non-alcohol innovation on more occasions. In February 2021, we rolled out a national launch of HANMAC, our classic lager innovation made with 100% high-quality domestic rice, following successful pilot results in 2020. We are confident in our commercial plans and innovations for Cass and our Core portfolio overall, to capture future growth opportunities.

We continued to lead the Premium segment and grow market share in FY20 according to our estimates. In the growing Happoshu¹² segment, we estimate that we grew volumes and market share once again in 4Q20 and FY20. We continue to leverage our full portfolio to address consumer needs on different occasions across our sales channels.

¹⁰ Temporary additional taxes imposed by some states in India during the COVID-19 pandemic

¹¹ Korean popular music

¹² Low-malt beverages in South Korea



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OUTLOOK

In China, there were sporadic local COVID-19 outbreaks in the north and northeast regions in December 2020 and January 2021. As precautionary measures, people were encouraged to stay in the city of their residence instead of traveling back to their hometowns for CNY as they traditionally do. This change of CNY travel trend accelerated our business in the coastal regions where many migrant professionals and workers reside, while putting pressure on our business in certain north and northeast cities that are the hometowns where people spent their CNY holidays in prior years. We adapted our commercial investments swiftly and delivered a successful CNY campaign as a solid start of the year. Our volumes to date in 2021 are in line with our expectations with healthy brand mix given our more premium portfolio in the coastal regions.

In South Korea, we are cautiously optimistic on the recovery of the overall economy and industry, as the number of daily new cases of COVID-19 trended downward and restrictions were eased in February 2021 as compared to December 2020. We have put in place strong commercial plans, supported by the national launch of HANMAC and continued innovation with Cass, to accelerate the recovery of the industry and our business in South Korea.

Although the COVID-19 pandemic continues to present uncertainties in 2021, we believe that our strong foundation, deliberate strategic focus and effective commercial actions will drive continued improvement of our business across markets in Asia Pacific this year.



BUDWEISER APAC CONSOLIDATED FINANCIAL INFORMATION

The financial information of the Group has been reviewed by the Audit Committee of the Company, approved by the Board and agreed by the Group's external auditor, PricewaterhouseCoopers, to the amounts set out in the audited financial statements.

CONSOLIDATED INCOME STATEMENT

| | <i>Notes</i> | 2020 | 2019 |
|------------------------------------------------------------------------------------------------------|--------------|---------------------|---------------------|
| | | <i>US\$'million</i> | <i>US\$'million</i> |
| Revenue | 3 | 5,588 | 6,546 |
| Cost of sales | | (2,681) | (3,058) |
| Gross profit | | 2,907 | 3,488 |
| Distribution expenses | | (458) | (519) |
| Sales and marketing expenses | | (1,278) | (1,358) |
| Administrative expenses | | (399) | (382) |
| Other operating income | 4 | 165 | 237 |
| Profit from operations before non-recurring items | | 937 | 1,466 |
| Non-recurring items | 5 | (28) | (98) |
| Profit from operations | | 909 | 1,368 |
| Finance cost | | (45) | (39) |
| Non-recurring finance cost | 5 | – | (8) |
| Finance income | | 21 | 23 |
| Net finance cost | | (24) | (24) |
| Share of results of associates | | 23 | 23 |
| Profit before tax | | 908 | 1,367 |
| Income tax expense | 6 | (371) | (459) |
| Profit for the year | | 537 | 908 |
| Profit for the year attributable to: | | | |
| Equity holders of Budweiser APAC | | 514 | 898 |
| Non-controlling interests | | 23 | 10 |
| Earnings per share from profit attributable to the ordinary equity holders of Budweiser APAC: | | | |
| Basic earnings per share (cent USD) | 7 | 3.89 | 7.50 |
| Diluted earnings per share (cent USD) | 7 | 3.89 | 7.50 |



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 2020 | 2019 |
|-----------------------------------------------------------------------|---------------------|---------------------|
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Profit for the year | 537 | 908 |
| Other comprehensive income/(loss): | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | |
| <u>Re-measurement of post-employment benefits</u> | 1 | 2 |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | |
| Exchange differences on translation of foreign operations | 623 | (227) |
| Gains/(losses) on cash flow hedges | 11 | (4) |
| Other comprehensive income/(loss), net of tax | 635 | (229) |
| Total comprehensive income | 1,172 | 679 |
| Total comprehensive income of the year attributable to: | | |
| Equity holders of Budweiser APAC | 1,147 | 665 |
| Non-controlling interests | 25 | 14 |



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | 2020 <i>US\$'million</i> | 2019 <i>US\$'million</i> |
|----------------------------------------------------------------|-------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 3,716 | 3,638 |
| Goodwill | | 7,350 | 6,921 |
| Intangible assets | | 1,775 | 1,708 |
| Land use rights | | 256 | 247 |
| Investment in associates | | 433 | 418 |
| Deferred tax assets | | 273 | 215 |
| Trade and other receivables | | 54 | 53 |
| Total non-current assets | | 13,857 | 13,200 |
| Current assets | | | |
| Inventories | | 434 | 438 |
| Trade and other receivables | 8 | 534 | 652 |
| Derivatives | | 38 | 14 |
| Cash pooling deposits to AB InBev | | 14 | 40 |
| Cash and cash equivalents | | 1,281 | 952 |
| Other current assets | | 31 | 12 |
| Total current assets | | 2,332 | 2,108 |
| Total assets | | 16,189 | 15,308 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Issued capital | | — | — |
| Share premium | | 43,591 | 43,591 |
| Capital reserve | | (36,213) | (36,213) |
| Other reserves | | 103 | (556) |
| Retained earnings | | 3,204 | 3,014 |
| Equity attributable to equity holders of Budweiser APAC | | 10,685 | 9,836 |
| Non-controlling interests | | 58 | 48 |
| Total equity | | 10,743 | 9,884 |
| Non-current liabilities | | | |
| Interest-bearing loans and borrowings | | 37 | 28 |
| Deferred tax liabilities | | 481 | 484 |
| Trade and other payables | | 28 | 135 |
| Provisions | | 131 | 136 |
| Income tax payable | | 105 | 110 |
| Other non-current liabilities | | 27 | 38 |
| Total non-current liabilities | | 809 | 931 |
| Current liabilities | | | |
| Bank overdrafts | | 17 | 75 |
| Cash pooling loans from AB InBev | | 34 | 50 |
| Interest-bearing loans and borrowings | | 147 | 160 |
| Trade and other payables | 9 | 2,655 | 2,594 |
| Payables with AB InBev | 9 | 142 | 222 |
| Consigned packaging and contract liabilities | 9 | 1,449 | 1,260 |
| Derivatives | | 20 | 10 |
| Provisions | | 17 | 13 |
| Income tax payable | | 156 | 109 |
| Total current liabilities | | 4,637 | 4,493 |
| Total equity and liabilities | | 16,189 | 15,308 |



NOTES TO CONSOLIDATED FINANCIAL INFORMATION

1. General Information

The Company 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 (the "Stock Exchange") on 30 September 2019.

The Company is an investment holding company. The Group is 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) 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).

The announcement has been presented in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in the announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

The financial information relating to the year ended 31 December 2020 included in this announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements.

The Company's auditor has reported on the financial statements of the Group for the year ended 31 December 2020. The auditor's report is unqualified and does not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.



2. Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board and the IFRS Interpretations Committee interpretations applicable to companies reporting under IFRS which are mandatory for the financial periods beginning on 1 January 2020 and the disclosure requirements of the Hong Kong Company Ordinance. A number of new or amended standards became applicable for the current reporting period. These standards did not have any impact on the Group’s accounting policies and did not require retrospective adjustments. The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated.

To prepare for the initial public offering (the “Listing”) on the Main Board of the Stock Exchange, the Company became the holding company of the Group via a reorganization which was completed on 30 September 2019. The reorganization steps included the transfer at fair market value of the subsidiaries of China, South Korea, India, Vietnam, Japan and New Zealand primarily in exchange for the issue of shares to or settlement of loans with AB InBev. AB InBev provided the funds to the Company through loan contributions to enable it to complete the reorganization. The entire proceeds from the Listing of 5,749 million US dollar were used to immediately repay loans due to AB InBev subsidiaries. The reorganization was a recapitalization of a single business on the basis that prior to Listing the businesses were managed as a single business and the legal structure was reorganized to reflect this.

The Group had not historically formed a separate legal Group before the completion of the reorganization. Up to the date of the Listing, the financial information was prepared on a combined basis. A single uniform set of accounting policies was adopted by the combined entity. Therefore, the combined Group recognized the assets, liabilities and equity of the combining entities at the carrying amounts in the consolidated financial statements of the controlling party, AB InBev, prior to the common control reorganization. The 2019 consolidated income statement includes the results of each of the combined entities from the earliest date presented. Intercompany transactions, balances and unrealized gains/losses on transactions between Group companies are eliminated on combination.

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.

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

A number of new standards, amendment to standards and new interpretations became mandatory for the first time for the financial year beginning on 1 January 2020 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.

New and amendments to IFRSs in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



3. Segment information

Segment information is presented by geographical segments, consistent with the information that is available and evaluated regularly 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 elsewhere in Asia Pacific), which are the Group's two reportable segments for financial reporting purposes. Regional and operating Group 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 volume (thousand hectoliter) and Normalized EBITDA margin (in %).

For the years ended 31 December 2020 and 2019

| | Asia Pacific | | | | | |
|------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | East | | West | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Volume (unaudited) | 10,744 | 12,691 | 70,371 | 80,477 | 81,115 | 93,168 |
| Revenue¹³ | 1,162 | 1,370 | 4,426 | 5,176 | 5,588 | 6,546 |
| Normalized EBITDA | 339 | 446 | 1,245 | 1,675 | 1,584 | 2,121 |
| Normalized EBITDA margin % | 29.2% | 32.6% | 28.1% | 32.4% | 28.3% | 32.4% |
| Depreciation, amortization and impairment | | | | | (647) | (655) |
| Normalized profit from operations (Normalized EBIT) | | | | | 937 | 1,466 |
| Non-recurring items (Note 5) | | | | | (28) | (98) |
| Profit from operations (EBIT) | | | | | 909 | 1,368 |
| Net finance cost | | | | | (24) | (24) |
| Share of results of associates | | | | | 23 | 23 |
| Income tax expense | | | | | (371) | (459) |
| Profit for the year | | | | | 537 | 908 |
| Segment assets (non-current) | 5,829 | 5,522 | 8,028 | 7,678 | 13,857 | 13,200 |
| Gross capex | 31 | 71 | 477 | 527 | 508 | 598 |

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 Budweiser APAC: (i) non-controlling interests; (ii) income tax expense; (iii) share of results of associates; (iv) net finance cost; (v) non-recurring net finance cost; (vi) non-recurring items above EBIT (including non-recurring costs) and (vii) 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 Budweiser 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.

¹³ Revenue represents sales of beer products recognized at a point of time.



The reconciliation between profit attributable to equity holders of Budweiser APAC and normalized EBITDA is as follows:

| | 2020 | 2019 |
|----------------------------------------------------------------|---------------------|---------------------|
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Profit attributable to equity holders of Budweiser APAC | 514 | 898 |
| Non-controlling interests | 23 | 10 |
| Profit for the year | 537 | 908 |
| Income tax expense (excluding non-recurring) | 356 | 469 |
| Share of results of associates | (23) | (23) |
| Net finance cost (including non-recurring finance cost) | 24 | 24 |
| Non-recurring income tax expense/(benefit) | 15 | (10) |
| Non-recurring items above EBIT | 28 | 98 |
| Normalized EBIT | 937 | 1,466 |
| Depreciation and amortization | 647 | 655 |
| Normalized EBITDA | 1,584 | 2,121 |

4. Other operating income

| | 2020 | 2019 |
|-----------------------------------------------------------------------------|---------------------|---------------------|
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Grants and incentives | 84 | 87 |
| Net gain on disposal of property, plant and equipment and intangible assets | 46 | 105 |
| Other operating income | 35 | 45 |
| Other operating income | 165 | 237 |

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 2 million US dollar and 45 million US dollar from the sale of properties for the years ended 31 December 2020 and 2019, respectively.



5. Non-recurring items

The non-recurring items included in the consolidated income statement are as follows:

| | 2020 | 2019 |
|-------------------------------------------------|---------------------|---------------------|
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Costs arising from COVID-19 response activities | (7) | – |
| Costs associated with the Listing | 3 | (67) |
| Restructuring | (26) | (24) |
| Acquisition and integration costs | 2 | (7) |
| Impact on profit from operations | (28) | (98) |
| Non-recurring finance cost | – | (8) |
| Non-recurring income tax (expense)/benefit | (15) | 10 |
| Net impact on profit | (43) | (96) |

Non-recurring items for the year ended 31 December 2020 included costs of 7 million US dollar that were costs related to personal protection equipment for our colleagues, charitable donations and other costs incurred as a direct consequence of the COVID-19 pandemic.

The Group incurred costs associated with the Listing for the year ended 31 December 2019, of which 67 million US dollar was reported as non-recurring items and 61 million US dollar was capitalized. The credit for the year ended 31 December 2020 represents excess accruals for listing costs released during the year.

The non-recurring 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.

The finance cost of loans with AB InBev of 17 million US dollar for 2019 was included in non-recurring finance cost. These loans were settled prior to or upon Listing.

Refer to Note 6 for further information on income tax.

6. Income tax expense

Income taxes recognized in the consolidated income statement are as follows:

| | 2020 | 2019 |
|------------------------------------|---------------------|---------------------|
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Current year | (386) | (360) |
| Underprovided in prior years | (45) | (20) |
| Current tax expense | (431) | (380) |
| Deferred tax income/(expense) | 60 | (79) |
| Total income tax expense | (371) | (459) |
| Effective tax rate (ETR) | 41.9% | 34.2% |
| Normalized ETR¹⁴ | 39.0% | 32.3% |

¹⁴ Normalized ETR refers to ETR adjusted for non-recurring items.



The Group's income tax expense included 2 million US dollar in respect of Hong Kong profits tax for the years ended 31 December 2020 and 2019.

During the year, two of the Group's subsidiaries were subject to tax audits and investigation by the local tax authorities. Oriental Brewery Co., Ltd. in South Korea, received a tax audit covering all taxable items of the subsidiary from 2014 through 2018. Investigation by the local tax authority was completed by the end of the reporting period and the resulting assessment was included in the income tax expense for the year ended 31 December 2020. Anheuser-Busch InBev China Co., Ltd. in China received an investigation on transfer pricing of transactions from 2010 through 2019. The investigation is on-going at the end of the reporting period and a relevant provision was included in the income tax expense for the year ended 31 December 2020.

Normalized ETR was 39.0% for the year ended 31 December 2020 compared to 32.3% for the year ended 31 December 2019, primarily driven by the impact of dividend withholding taxes and country mix as a result of the COVID-19 pandemic.

Normalized ETR is not an accounting measure under IFRS and should not be considered as an alternative to the ETR. Normalized ETR method does not have a standard calculation method and the Group's definition of normalized ETR may not be comparable to other companies.

7. Earnings per share

The calculation of basic and diluted earnings per share are computed in the tables below.

| | 2020 | 2019 |
|-----------------------------------------------------------------------------|----------------|----------------|
| Profit attributable to equity holders of Budweiser APAC (Million US Dollar) | 514 | 898 |
| Weighted average number of ordinary shares in issue | 13,220,488,139 | 11,971,094,492 |
| Basic earnings per share (cent USD) | 3.89 | 7.50 |
| | 2020 | 2019 |
| Profit attributable to equity holders of Budweiser APAC (Million US Dollar) | 514 | 898 |
| Weighted average number of ordinary shares in issue | 13,220,488,139 | 11,971,094,492 |
| Effect of share options and restricted stock units | 5,157,495 | – |
| Weighted average number of ordinary shares (diluted) | 13,225,645,634 | 11,971,094,492 |
| Diluted earnings per share (cent USD) | 3.89 | 7.50 |

For the calculation of the weighted average number of ordinary shares in issued for the year ended 31 December 2019, the shares issued as part of the reorganization for the Listing were adjusted retrospectively on the basis that the new structure had been in issue throughout the year ended 31 December 2019.

The calculation of adjusted basic and diluted earnings per share are computed in the tables below.

| | 2020 | 2019 |
|----------------------------------------------------------------------------------------|----------------|----------------|
| Normalized profit attributable to equity holders of Budweiser APAC (Million US Dollar) | 557 | 994 |
| Adjusted weighted average number of ordinary shares in issue | 13,220,488,139 | 13,220,397,000 |
| Adjusted basic earnings per share (cent USD) | 4.21 | 7.52 |



| | 2020 | 2019 |
|----------------------------------------------------------------------------------------|----------------|----------------|
| Normalized profit attributable to equity holders of Budweiser APAC (Million US Dollar) | 557 | 994 |
| Adjusted weighted average number of ordinary shares in issue | 13,220,488,139 | 13,220,397,000 |
| Effect of share options and restricted stock units | 5,157,495 | – |
| Adjusted weighted average number of ordinary shares (diluted) | 13,225,645,634 | 13,220,397,000 |
| Adjusted diluted earnings per share (cent USD) | 4.21 | 7.52 |

Adjusted weighted average number of shares in issue for the year ended 31 December 2019 and adjusted basic and diluted earnings per share for the year ended 31 December 2019 were calculated on the assumption that the shares issued by the Company for the Listing existed throughout the year ended 31 December 2019.

The reconciliation of basic and diluted earnings per share to adjusted basic and diluted earnings per share are shown in the tables below.

| | 2020 | 2019 |
|-----------------------------------------------------|-------------|-------------|
| Basic earnings per share | 3.89 | 7.50 |
| Non-recurring items, before tax | 0.21 | 0.82 |
| Non-recurring finance cost, before tax | – | 0.07 |
| Non-recurring taxes | 0.11 | (0.08) |
| Adjusted weighted average number of shares in issue | – | (0.79) |
| Adjusted basic earnings per share | 4.21 | 7.52 |

| | 2020 | 2019 |
|-----------------------------------------------------|-------------|-------------|
| Diluted earnings per share | 3.89 | 7.50 |
| Non-recurring items, before tax | 0.21 | 0.82 |
| Non-recurring finance cost, before tax | – | 0.07 |
| Non-recurring taxes | 0.11 | (0.08) |
| Adjusted weighted average number of shares in issue | – | (0.79) |
| Adjusted diluted earnings per share | 4.21 | 7.52 |



8. Trade and other receivables

| | 2020 | 2019 |
|--------------------------------------------|---------------------|---------------------|
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Trade receivables and accrued income | 355 | 412 |
| Trade receivables with AB InBev | 12 | 37 |
| Indirect tax receivable | 110 | 116 |
| Prepaid expenses | 48 | 48 |
| Other receivables | 9 | 39 |
| Current trade and other receivables | 534 | 652 |

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. Impairment losses on trade receivables of 4 million US dollar and 1 million US dollar were recognized for the years ended 31 December 2020 and 2019 respectively. The impairment loss recognized in the year ended 31 December 2020 reflects an increase in the Group's estimate of credit losses from defaulting customers as a result of the COVID-19 pandemic.

As of 31 December 2020 and 31 December 2019, the aging analysis of current trade receivables and trade receivables with AB InBev, based on due date, is as follows:

| | 2020 | 2019 |
|-------------------------------------------------------------------------------------|---------------------|---------------------|
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Not past due | 333 | 429 |
| Past due as of reporting date: | | |
| Less than 30 days | 22 | 13 |
| Between 30 and 59 days | 3 | 3 |
| Between 60 and 89 days | 4 | 4 |
| More than 90 days | 5 | – |
| Net carrying amount of trade receivables and trade receivables with AB InBev | 367 | 449 |

9. Trade and other payables, payables with AB InBev, consigned packaging and contract liabilities

| | 2020 | 2019 |
|-------------------------------------------------------|---------------------|---------------------|
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Trade payables and accrued expenses | 1,970 | 1,930 |
| Payroll and social security payables | 109 | 89 |
| Indirect taxes payable | 324 | 328 |
| Contingent and deferred consideration on acquisitions | 114 | 110 |
| Other payables | 138 | 137 |
| Current trade and other payables | 2,655 | 2,594 |
| | 2020 | 2019 |
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Payables with AB InBev | 142 | 222 |



The Group pays the outstanding balances to the creditors according to the credit terms. Trade payables and payables to AB InBev are on average due within 120 days from the invoice date. As of 31 December 2020 and 31 December 2019 trade payables and payables to AB InBev were 2,112 million US dollar and 2,152 million US dollar respectively.

As of 31 December 2020 and 31 December 2019, the aging analysis of current trade payables and payable with AB InBev, based on due date, is as follows:

| | 2020 | 2019 |
|-------------------------------------------------------------------------|---------------------|---------------------|
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Not past due | 1,963 | 1,940 |
| Past due as of reporting date: | | |
| Less than 30 days | 70 | 74 |
| Between 30 and 89 days | 8 | 9 |
| More than 90 days | 71 | 129 |
| Net carrying amount of trade payables and payables with AB InBev | 2,112 | 2,152 |
| | 2020 | 2019 |
| | <i>US\$'million</i> | <i>US\$'million</i> |
| Consigned packaging | 356 | 380 |
| Contract liabilities | 1,093 | 880 |
| Consigned packaging and contract liabilities | 1,449 | 1,260 |

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 as revenue for the year ended 31 December 2019 or has been recognized as revenue during the year ended 31 December 2020.

10. Dividends

On 24 February 2021, a dividend of 2.83 cents US dollar per share or approximately 375 million US dollar was recommended by the Board. This represents 67% of the normalized profit attributable to equity holders of Budweiser APAC for the year ended 31 December 2020. The proposed dividend is subject to the approval of the Shareholders at the forthcoming AGM of the Company. The dividend paid will be recognized in the consolidated financial statements on the date that the dividend is declared.

On 26 February 2020, a dividend of 2.63 cents US dollar per share or approximately 348 million US dollar, which represented 35% of the normalized profit attributable to equity holder of Budweiser APAC for the year ended 31 December 2019, was recommended by the Board and approved by the shareholders at the AGM of the Company on 15 May 2020. This final dividend was paid on 24 June 2020.



CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our shareholders. The Company has complied with the Code Provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the year ended on 31 December 2020, save for code provision A.2.1 which provides that the roles of chair and chief executive should be separate and should not be performed by the same individual, as disclosed in further detail in the Corporate Governance Report in the Company's 2019 Annual Report.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2020, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

FURTHER INFORMATION

To facilitate the understanding of Budweiser APAC's underlying performance, the analyses of growth, including all comments in this press release, unless otherwise indicated, are based on organic growth and normalized numbers. In other words, 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, curtailment gains and losses and year over year changes in accounting estimates and other assumptions that management does not consider as 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-recurring items, unless otherwise indicated. Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of Budweiser APAC. They are presented separately because they are important for the understanding of the underlying sustainable performance of Budweiser APAC 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 Budweiser APAC's performance.

In particular, normalized EBITDA, normalized EBIT and normalized effective tax rate are not accounting measures under IFRS accounting. Normalized EBITDA and normalized EBIT should not be considered as an alternative to profit attributable to equity holders as a measure of operational performance, or an alternative to cash flow as a measure of liquidity. Normalized effective tax rate should not be considered as an alternative to the effective tax rate. Normalized EBITDA, normalized EBIT and normalized effective tax rate do not have a standard calculation method and the Group's definition may not be comparable to that of other companies.

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



Legal Disclaimer

This release contains “forward-looking statements”. These statements are based on the current expectations and views of future events and developments of the management of Budweiser APAC and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements include statements typically containing words or phrases such as “will likely result”, “are expected to”, “will continue”, “is anticipated”, “anticipate”, “estimate”, “project”, “may”, “might”, “could”, “believe”, “expect”, “plan”, “potential”, “we aim”, “our goal”, “our vision”, “we intend” or similar expressions that are forward-looking statements. All statements other than statements of historical facts are forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect the current views of the management of Budweiser APAC, are subject to numerous risks and uncertainties about Budweiser APAC and are dependent on many factors, some of which are outside of Budweiser APAC’s control. There are important factors, risks and uncertainties that could cause actual outcomes and results to be materially different, including but not limited to, the effects of the COVID-19 pandemic and uncertainties about its impact and duration, and the risks and uncertainties relating to Budweiser APAC as described in the prospectus of Budweiser APAC’ dated 18 September 2019, 2019 Annual Report, and any other documents that Budweiser APAC has made public. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

The forward-looking statements should be read in conjunction with the other cautionary statements that are included elsewhere, including Budweiser APAC’s prospectus dated 18 September 2019, 2019 Annual Report, and any other documents that Budweiser APAC has made public. Any forward-looking statements made in this communication are qualified in their entirety by these cautionary statements and there can be no assurance that the actual results or developments anticipated by Budweiser APAC will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Budweiser APAC or its business or operations. Except as required by law, Budweiser APAC undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

4Q19 and 4Q20 financial data set out in Annex 1 of this press release and the calculation of organic growth figures set out in Annex 2 of this press release are unaudited and prepared based on the Group’s internal records and management accounts and have not been reviewed or audited by independent auditors. Shareholders and potential investors are advised not to place undue reliance on the unaudited results.

The FY20 financial data set out in this press release have been extracted from the Group’s audited consolidated financial statements for the year ended 31 December 2020, which have been audited by our auditors, PricewaterhouseCoopers in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the IFRS Interpretations Committee interpretations and resulted in an unqualified audit opinion.



Budweiser Brewing Company APAC Limited
百威亞太控股有限公司

Press Release

Hong Kong / 25 February 2021 / 7.00am HKT

CONFERENCE CALL

Thursday, 25 February 2021

11:30a.m. Hong Kong Time

Please refer to dial-in details on our website at <http://budweiserapac.com/en/Events.html>

About Budweiser Brewing Company APAC Limited

Budweiser Brewing Company APAC Limited is the largest beer company in Asia Pacific. It is also leading the premium and super premium beer segments in Asia. The company brews, imports, markets, distributes and sells a portfolio of more than 50 beer brands, which it owns or has licensed, including Budweiser®, Stella Artois®, Corona®, Hoegaarden®, Cass® and Harbin®. Its principal markets are China, South Korea, India and Vietnam. Budweiser Brewing Company APAC Limited is listed on the Hong Kong Stock Exchange and is a subsidiary of Anheuser-Busch InBev SA/NV. It is incorporated under the laws of the Cayman Islands with limited liability. Visit our website at: <http://www.budweiserapac.com>.



ANNEX 1 – UNAUDITED 4Q20 FINANCIAL INFORMATION

The information below is prepared based on the Group's internal records and management accounts to provide additional information on our fourth quarter of 2019 (4Q19) and 2020 (4Q20) financial data. These data have not been reviewed or audited by independent auditors. Shareholders and potential investors are advised not to place undue reliance on the unaudited results.

Consolidated performance (million USD)

| | 4Q20 | 4Q19 | Organic growth |
|---------------------------------------------------------------------------|---------------|---------------|----------------|
| Total volumes (thousand hls) | 14,844 | 15,414 | -2.6% |
| Revenue | 1,190 | 1,202 | -1.6% |
| Gross profit | 586 | 594 | -0.7% |
| Gross margin | 49.2% | 49.4% | 47 bps |
| Normalized EBITDA | 283 | 270 | -3.6% |
| Normalized EBITDA margin | 23.8% | 22.5% | -47 bps |
| Normalized EBIT | 111 | 111 | -14.0% |
| Normalized EBIT margin | 9.3% | 9.2% | -129 bps |
| Profit attributable to equity holders of Budweiser APAC | 13 | 45 | |
| Normalized profit attributable to equity holders of Budweiser APAC | 15 | 37 | |



ANNEX 2 – UNAUDITED CALCULATION OF ORGANIC GROWTH FIGURES

The information below is prepared based on the Group's internal records and management accounts to provide additional information on the calculation of organic growth figures included in the press release. This calculation has not been reviewed or audited by independent auditors. Shareholders and potential investors are advised not to place undue reliance on the unaudited results.

To facilitate the understanding of Budweiser APAC's underlying performance, the analyses of growth, including all comments in this press release, unless otherwise indicated, are based on organic growth and normalized numbers. In other words, 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, curtailment gains and losses and year over year changes in accounting estimates and other assumptions that management does not consider as part of the underlying performance of the business.

| Budweiser APAC | FY19 | Scope | Currency Translation | Organic Growth | FY20 | Organic Growth |
|------------------------------|--------------|-------------|----------------------|----------------|--------------|----------------|
| Total volumes (thousand hls) | 93,168 | (865) | – | (11,188) | 81,115 | -12.1% |
| Revenue | 6,546 | (87) | (66) | (805) | 5,588 | -12.4% |
| Cost of sales | (3,058) | 42 | 32 | 303 | (2,681) | 10.1% |
| Gross profit | 3,488 | (45) | (34) | (502) | 2,907 | -14.4% |
| Normalized EBIT | 1,466 | (8) | (12) | (509) | 937 | -34.1% |
| Normalized EBITDA | 2,121 | (8) | (20) | (509) | 1,584 | -23.7% |
| Normalized EBITDA margin | 32.4% | | | | 28.3% | -427 bps |

| Budweiser APAC | 4Q19 | Scope | Currency Translation | Organic Growth | 4Q20 | Organic Growth |
|------------------------------|--------------|-------------|----------------------|----------------|--------------|----------------|
| Total volumes (thousand hls) | 15,414 | (166) | – | (404) | 14,844 | -2.6% |
| Revenue | 1,202 | (45) | 52 | (19) | 1,190 | -1.6% |
| Cost of sales | (608) | 10 | (21) | 15 | (604) | 2.5% |
| Gross profit | 594 | (35) | 31 | (4) | 586 | -0.7% |
| Normalized EBIT | 111 | 2 | 15 | (17) | 111 | -14.0% |
| Normalized EBITDA | 270 | 2 | 21 | (10) | 283 | -3.6% |
| Normalized EBITDA margin | 22.5% | | | | 23.8% | -47 bps |