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**SECURITIES AND EXCHANGE COMMISSION****Washington, D.C. 20549**

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**FORM 6-K**

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of the  
Securities Exchange Act of 1934

**For the month of August, 2019****Commission File Number 1565025**

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**AMBEV S.A.**

(Exact name of registrant as specified in its charter)

**AMBEV S.A.**

(Translation of Registrant's name into English)

**Rua Dr. Renato Paes de Barros, 1017 - 3rd Floor****04530-000 São Paulo, SP****Federative Republic of Brazil**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

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**Ambev S.A.**  
**Interim consolidated**  
**financial statements at**  
**June 30, 2019**  
**and report on review**

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## **Report on review of interim consolidated financial statements**

To the Board of Directors and Stockholders  
Ambev S.A.

### **Introduction**

We have reviewed the accompanying interim consolidated balance sheet of Ambev S.A. and its subsidiaries as at June 30, 2019 and the related consolidated statements of income and comprehensive income for the quarter and six-month period then ended, and the consolidated statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting, of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements referred to above do not present fairly, in all material respects, the financial position of Ambev S.A. and its subsidiaries as at June 30, 2019, and the consolidated financial performance for the quarter and six-month period then ended and the consolidated cash flows for the six-month period then ended, in accordance with CPC 21 and IAS 34.



Ambev S.A.

## **Other matters**

### **Audit and review of prior year information**

The interim consolidated financial statements referred to above includes accounting information corresponding to the consolidated balance sheet at December 31, 2018, and the related consolidated statement of income and comprehensive income for the quarter and six month periods ended June 30, 2018, and the consolidated changes in equity and cash flow for the six month period ended June 30, 2018. These information were previously restated as a result of the matters described in Note 3.

The consolidated statement of income and comprehensive income for the quarter and six month periods ended June 30, 2018, and the consolidated changes in equity and cash flow for the six month period ended June 30, 2018 were reviewed and the consolidated balance sheet at December 31, 2018 was audited by other independent auditors, who have issued unqualified review report and unqualified audit opinion, both dated May 6, 2019.

São Paulo, August 5, 2019

PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

Alessandro Marchesino de Oliveira  
CRC 1SP265450/O-8

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## INTERIM CONSOLIDATED FINANCIAL STATEMENTS - AMBEV S.A.

**Interim Consolidated Balance Sheets****As at June 30, 2019 and December 31, 2018**

(Expressed in thousands of Brazilian Reais)

Assets	Note	06/30/2019	12/31/2018 <sup>(i)</sup> (restated)	01/01/2018 <sup>(i)</sup> (restated)
Cash and cash equivalents	5	14,233,403	11,463,498	10,354,527
Investment securities	6	14,038	13,391	11,883
Derivative financial instruments	20	162,305	220,032	350,036
Trade receivable		4,103,118	4,879,256	4,944,831
Inventories	7	6,197,565	5,401,793	4,318,973
Income tax and social contributions recoverable		523,383	1,285,424	2,770,376
Other recoverable taxes		1,019,173	863,290	600,165
Other assets		1,103,052	1,202,921	1,367,282
<b>Current assets</b>		<b>27,356,037</b>	<b>25,329,605</b>	<b>24,718,073</b>
Investment securities	6	157,612	147,341	121,956
Derivative financial instruments	20	-	34,900	35,188
Income tax and social contributions recoverable		3,807,040	3,834,413	2,312,664
Other recoverable taxes		570,505	539,795	225,036
Deferred tax assets	8	3,110,474	2,064,742	2,310,906
Other assets		1,610,265	1,687,419	1,964,424
Employee benefits		64,173	64,285	58,443
Investments in joint ventures		252,978	257,135	237,961
Property, plant and equipment	9	21,416,968	21,638,008	20,705,145
Intangible		5,881,138	5,840,598	4,674,704
Goodwill	10	34,511,789	34,276,176	31,401,874
<b>Non-current assets</b>		<b>71,382,942</b>	<b>70,384,812</b>	<b>64,048,301</b>
<b>Total assets</b>		<b>98,738,979</b>	<b>95,714,417</b>	<b>88,766,374</b>

(i) 2018 restated to reflect the impact of adoption of IFRS 16 under the full retrospective application (Note 3).

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



**Interim Consolidated Balance Sheets (continued)**

As at June 30, 2019 and December 31, 2018

(Expressed in thousands of Brazilian Reais)

Equity and liabilities	Note	06/30/2019	12/31/2018 <sup>(i)</sup> (restated)	01/01/2018 <sup>(i)</sup> (restated)
Trade payables		12,477,675	14,050,045	11,853,928
Derivative financial instruments	20	419,018	679,298	215,090
Interest-bearing loans and borrowings	11	2,563,965	1,941,221	1,699,358
Bank overdrafts	5	37,861	-	1,792
Wages and salaries		1,071,641	851,619	1,047,182
Dividends and interest on shareholders' equity payable		896,878	806,981	1,778,633
Income tax and social contribution payable		1,416,817	1,558,589	1,668,407
Taxes and contributions payable		2,283,714	3,781,622	3,825,440
Put option granted on subsidiary and other liabilities		1,330,677	1,366,589	6,807,925
Provisions	12	142,744	172,997	168,957
<b>Current liabilities</b>		<b>22,640,990</b>	<b>25,208,961</b>	<b>29,066,712</b>
Trade payables		80,863	126,142	175,054
Derivative financial instruments	20	269	2,450	2,434
Interest-bearing loans and borrowings	11	2,334,348	2,162,442	2,831,189
Deferred tax liabilities	8	2,475,956	2,424,567	2,329,229
Income tax and social contribution payable		2,117,695	2,227,795	2,418,027
Taxes and contributions payable		674,945	675,564	771,619
Put option granted on subsidiary and other liabilities		2,677,716	2,661,799	429,102
Provisions	12	466,958	426,227	512,580
Employee benefits		2,340,463	2,343,662	2,310,685
<b>Non-current liabilities</b>		<b>13,169,213</b>	<b>13,050,648</b>	<b>11,779,919</b>
<b>Total liabilities</b>		<b>35,810,203</b>	<b>38,259,609</b>	<b>40,846,631</b>
<b>Equity</b>	13			
Issued capital		57,800,996	57,710,202	57,614,140
Reserves		70,153,036	70,122,561	63,298,135
Carrying value adjustments		(72,301,085)	(71,584,756)	(74,966,573)
Retained earnings		5,972,243	-	-
<b>Equity attributable to equity holders of Ambev</b>		<b>61,625,190</b>	<b>56,248,007</b>	<b>45,945,702</b>
Non-controlling interests		1,303,586	1,206,801	1,974,041
<b>Total Equity</b>		<b>62,928,776</b>	<b>57,454,808</b>	<b>47,919,743</b>
<b>Total equity and liabilities</b>		<b>98,738,979</b>	<b>95,714,417</b>	<b>88,766,374</b>

(i) 2018 restated to reflect the impact of adoption of IFRS 16 under the full retrospective application (Note 3).

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

**Interim Consolidated Income Statements**  
**For the six and three-month period ended June 30, 2019 and 2018**  
(Expressed in thousands of Brazilian Reais)

	Note	Six-month period ended:		Three-month period ended:	
		06/30/2019	06/30/2018 <sup>(i)</sup> (restated)	06/30/2019	06/30/2018 <sup>(i)</sup> (restated)
Net sales	15	24,785,259	23,149,764	12,145,133	11,509,545
Cost of sales		(10,069,002)	(8,838,240)	(4,961,301)	(4,382,306)
<b>Gross profit</b>		<b>14,716,257</b>	<b>14,311,524</b>	<b>7,183,832</b>	<b>7,127,239</b>
Distribution expenses		(3,276,890)	(3,167,105)	(1,650,168)	(1,570,982)
Sales and marketing expenses		(2,836,231)	(3,036,526)	(1,434,950)	(1,571,145)
Administrative expenses		(1,368,922)	(1,152,836)	(707,400)	(581,644)
Other operating income/(expenses), net	16	422,020	499,088	190,767	241,528
Exceptional items		(52,322)	29,695	(33,902)	38,127
<b>Income from operations</b>		<b>7,603,912</b>	<b>7,483,840</b>	<b>3,548,179</b>	<b>3,683,123</b>
Finance cost	17	(1,777,101)	(2,174,759)	(817,340)	(1,199,996)
Finance income	17	537,596	473,585	249,903	98,044
<b>Net finance cost</b>		<b>(1,239,505)</b>	<b>(1,701,174)</b>	<b>(567,437)</b>	<b>(1,101,952)</b>
Share of result of joint ventures		(2,867)	3,172	(731)	2,555
<b>Income before income tax</b>		<b>6,361,540</b>	<b>5,785,838</b>	<b>2,980,011</b>	<b>2,583,726</b>
Income tax expense	18	(996,571)	(787,205)	(364,110)	(172,679)
<b>Net income</b>		<b>5,364,969</b>	<b>4,998,633</b>	<b>2,615,901</b>	<b>2,411,047</b>
Attributable to:					
Equity holders of Ambev		5,182,583	4,809,957	2,520,733	2,304,038
Non-controlling interests		182,386	188,676	95,168	107,009
Basic earnings per share – common - R\$		0.3296	0.3061	0.1603	0.1466
Diluted earnings per share – common - R\$		0.3267	0.3036	0.1589	0.1454

(i) 2018 restated to reflect the impact of adoption of IFRS 16 under the full retrospective application (Note 3).

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

## Interim Consolidated Statements of Comprehensive Income For the six and three-month period ended June 30, 2019 and 2018

(Expressed in thousands of Brazilian Reais)

	Six-month period ended:		Three-month period ended:	
	06/30/2019	06/30/2018 <sup>(i)</sup> (restated)	06/30/2019	06/30/2018 <sup>(i)</sup> (restated)
<b>Net income</b>	<b>5,364,969</b>	<b>4,998,633</b>	<b>2,615,901</b>	<b>2,411,047</b>
<b>Items that will not be recycled to profit or loss:</b>				
Full recognition of actuarial gains/(losses)	3,673	(7,706)	266	(4,517)
<b>Items that may be recycled subsequently to profit or loss:</b>				
Exchange differences on translation of foreign operations (gains/(losses))				
Investment hedge in foreign operations	-	(129,127)	-	(129,127)
Investment hedge - put option granted on subsidiary	37,186	(92,298)	42,867	(149,688)
Gains/losses on translation of other foreign operations	(448,355)	2,736,246	(255,545)	3,186,126
<b>Gains/losses on translation of foreign operations</b>	<b>(411,169)</b>	<b>2,514,821</b>	<b>(212,678)</b>	<b>2,907,311</b>
<b>Cash flow hedge - gains/(losses)</b>				
Recognized in Equity (Hedge reserve)	286,967	1,176,381	(135,746)	1,133,373
Removed from Equity (Hedge reserve) and included in profit or loss	(624,391)	(362,185)	(187,356)	(262,254)
<b>Total cash flow hedge</b>	<b>(337,424)</b>	<b>814,196</b>	<b>(323,102)</b>	<b>871,119</b>
<b>Other comprehensive (loss)/income</b>	<b>(744,920)</b>	<b>3,321,311</b>	<b>(535,514)</b>	<b>3,773,913</b>
<b>Total comprehensive income</b>	<b>4,620,049</b>	<b>8,319,944</b>	<b>2,080,387</b>	<b>6,184,960</b>
<b>Attributable to:</b>				
Equity holders of Ambev	4,469,302	7,975,806	2,018,082	5,921,134
Non-controlling interest	150,747	344,138	62,305	263,826

(i) 2018 restated to reflect the impact of adoption of IFRS 16 under the full retrospective application (Note 3).

The accompanying notes are an integral part of these interim consolidated financial statements. The consolidated statements of comprehensive income are presented net of income tax. The income tax effects of these items are disclosed in Note 8 - *Deferred income tax and social contribution*.

## Interim Consolidated Statements of Changes in Equity

For the six-month period ended June 30, 2019

(Expressed in thousands of Brazilian Reais)

	Attributable to equity holders of Ambev						Non-controlling interests	Total equity
	Capital	Capital reserves	Net income reserves	Retained earnings	Carrying value adjustments	Total		
<b>At December 31, 2018</b>	<b>57,710,202</b>	<b>54,781,194</b>	<b>15,434,093</b>	-	<b>(71,584,866)</b>	<b>56,340,623</b>	<b>1,206,801</b>	<b>57,547,424</b>
Impact of the adoption of IFRS 16 (i)	-	-	(92,726)	-	110	(92,616)	-	(92,616)
<b>At January 1, 2019 (i) (restated)</b>	<b>57,710,202</b>	<b>54,781,194</b>	<b>15,341,367</b>	-	<b>(71,584,756)</b>	<b>56,248,007</b>	<b>1,206,801</b>	<b>57,454,808</b>
Net Income	-	-	-	5,182,583	-	5,182,583	182,386	5,364,969
<i>Comprehensive income:</i>								
Gains/(losses) on translation of foreign operations	-	-	-	-	(379,332)	(379,332)	(31,837)	(411,169)
Cash flow hedges	-	-	-	-	(337,503)	(337,503)	79	(337,424)
Actuarial gains/(losses)	-	-	-	-	3,554	3,554	119	3,673
<b>Total comprehensive income</b>	-	-	-	<b>5,182,583</b>	<b>(713,281)</b>	<b>4,469,302</b>	<b>150,747</b>	<b>4,620,049</b>
Capital increase (Note 13)	90,794	(87,070)	-	-	-	3,724	-	3,724
Effect of application of IAS 29 (hyperinflation) (ii)	-	-	-	789,660	-	789,660	(1,550)	788,110
Gains/(losses) of controlling interest's share	-	-	-	-	(247)	(247)	107,059	106,812
Tax on fictitious dividends	-	-	-	-	(2,801)	(2,801)	-	(2,801)
Dividends distributed	-	-	-	-	-	-	(159,471)	(159,471)
Purchase of shares and result on treasury shares	-	(866)	-	-	-	(866)	-	(866)
Share-based payments	-	118,411	-	-	-	118,411	-	118,411
<b>At June 30, 2019</b>	<b>57,800,996</b>	<b>54,811,669</b>	<b>15,341,367</b>	<b>5,972,243</b>	<b>(72,301,085)</b>	<b>61,625,190</b>	<b>1,303,586</b>	<b>62,928,776</b>

(i) As described in Note 3 - *Summary of significant account police.*

(ii) As described in Note 1 (b) *Application of inflation accounting and Financial Reporting in Hyperinflationary Economies.*

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

**Interim Consolidated Statements of Changes in Equity (continued)****For the six-month period ended June 30, 2018**

(Expressed in thousands of Brazilian Reais)

	Attributable to equity holders of Ambev					Total	Non-controlling interests	Total equity
	Capital	Capital reserves	Net income reserves	Retained earnings	Carrying value adjustments			
<b>At December 31, 2017</b>	<b>57,614,140</b>	<b>54,700,909</b>	<b>8,660,235</b>	-	<b>(74,966,470)</b>	<b>46,008,814</b>	<b>1,974,041</b>	<b>47,982,855</b>
Impact of the adoption of IFRS 15 (i)	-	-	-	(355,383)	-	(355,383)	-	(355,383)
Impact of the adoption of IFRS 16 (ii)	-	-	(63,009)	-	(103)	(63,112)	-	(63,112)
<b>At January 1, 2018 (restated) (ii)</b>	<b>57,614,140</b>	<b>54,700,909</b>	<b>8,597,226</b>	<b>(355,383)</b>	<b>(74,966,573)</b>	<b>45,590,319</b>	<b>1,974,041</b>	<b>47,564,360</b>
Net Income	-	-	-	4,809,957	-	4,809,957	188,676	4,998,633
<i>Comprehensive income:</i>								
Gains/(losses) on translation of foreign operations	-	-	-	-	2,358,677	2,358,677	156,144	2,514,821
Cash flow hedges	-	-	-	-	814,239	814,239	(43)	814,196
Actuarial gain/(losses)	-	-	-	-	(7,067)	(7,067)	(639)	(7,706)
<b>Total comprehensive income</b>	-	-	-	<b>4,809,957</b>	<b>3,165,849</b>	<b>7,975,806</b>	<b>344,138</b>	<b>8,319,944</b>
Capital increase	96,062	(89,876)	-	-	-	6,186	-	6,186
Gains/(losses) of controlling interest's share (iii)	-	-	-	-	1,043,874	1,043,874	(1,084,694)	(40,820)
Tax on fictitious dividends	-	-	-	-	(13,451)	(13,451)	-	(13,451)
Dividends distributed	-	-	-	(2,514,943)	-	(2,514,943)	(54,697)	(2,569,640)
Acquired shares and result on treasury shares	-	6,219	-	-	-	6,219	-	6,219
Share-based payment	-	79,753	-	-	-	79,753	-	79,753
Prescribed/(complement) dividends	-	-	-	(50)	-	(50)	-	(50)
<b>At June 30, 2018 (restated) (ii)</b>	<b>57,710,202</b>	<b>54,697,005</b>	<b>8,597,226</b>	<b>1,939,581</b>	<b>(70,770,301)</b>	<b>52,173,713</b>	<b>1,178,788</b>	<b>53,352,501</b>

(i) As described in Note 3 - *Summary of significant account police.*

(ii) 2018 restated to reflect the impact of adoption of IFRS 16 under the full retrospective application (Note 3).

(iii) As described in Note 1 - *Corporate information.*

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

**Interim Consolidated Cash Flow Statements**  
**For the six -month period ended June 30, 2019 and 2018**  
(Expressed in thousands of Brazilian Reais)

	Note	Six-month period ended:	
		06/30/2019	06/30/2018 <sup>(ii)</sup> (restated)
Net income		5,364,969	4,998,633
Depreciation, amortization and impairment		2,155,656	2,007,789
Impairment losses on receivables and inventories		57,855	74,001
Additions/(reversals) in provisions and employee benefits		82,485	71,252
Net finance cost	17	1,239,505	1,701,174
Losses/(gain) on sale of property, plant and equipment and intangible assets		(33,791)	20,921
Equity-settled share-based payment expense	19	118,812	80,133
Income tax expense	18	996,571	787,205
Share of result of joint ventures		2,867	(3,172)
Other non-cash items included in the profit		(662,859)	(519,220)
<b>Cash flow from operating activities before changes in working capital and use of provisions</b>		<b>9,322,070</b>	<b>9,218,716</b>
(Increase)/decrease in trade and other receivables		481,005	(200,388)
(Increase)/decrease in inventories		(832,147)	(589,874)
Increase/(decrease) in trade and other payables		(1,996,035)	(2,078,950)
<b>Cash generated from operations</b>		<b>6,974,893</b>	<b>6,349,504</b>
Interest paid		(194,691)	(375,214)
Interest received		249,772	245,410
Dividends received		1,701	601
Income tax paid		(1,837,456)	(2,064,664)
<b>Cash flow from operating activities</b>		<b>5,194,219</b>	<b>4,155,637</b>
Proceeds from sale of property, plant and equipment and intangible assets		40,687	35,152
Proceeds from sale of subsidiaries operations		202,907	-
Acquisition of property, plant and equipment and intangible assets		(1,441,812)	(1,277,755)
Acquisition of subsidiaries, net of cash acquired		(74,830)	(102,762)
Acquisition of other investments		-	(5,000)
Investment in short term debt securities and net proceeds/(acquisition) of debt securities		(4,444)	(4,456)
Net proceeds/(acquisition) of other assets		-	(29,281)
<b>Cash flow from investing activities</b>		<b>(1,277,492)</b>	<b>(1,384,102)</b>
Capital increase		3,724	6,186
Proceeds/(repurchase) of treasury shares		(2,752)	(2,370)
Acquisition of non-controlling interest		(361)	(3,060,517)
Proceeds from borrowings		871,212	3,463,329
Repayment of borrowings		(194,230)	(1,508,468)
Cash net of finance costs other than interests		(1,016,949)	(303,176)
Payment of lease liabilities		(258,310)	(292,384)
Dividends and Interest on shareholder's equity paid		(63,404)	(1,146,322)
<b>Cash flow from financing activities</b>		<b>(661,070)</b>	<b>(2,843,722)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,255,657</b>	<b>(72,187)</b>
<b>Cash and cash equivalents less bank overdrafts at beginning of year <sup>(i)</sup></b>		<b>11,463,498</b>	<b>10,352,735</b>
<b>Effect of exchange rate fluctuations</b>		<b>(523,613)</b>	<b>338,196</b>
<b>Cash and cash equivalents less bank overdrafts at end of year <sup>(i)</sup></b>		<b>14,195,542</b>	<b>10,618,744</b>

(i) Net of bank overdrafts.

(ii) 2018 restated to reflect the impact of adoption of IFRS 16 under the full retrospective application (Note 3).

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



**Notes to the interim consolidated financial statements:**

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24.	Related parties



## 1. CORPORATE INFORMATION

### (a) Description of business

Ambev S.A. (referred to as the “Company” or “Ambev”), headquartered in São Paulo, Brazil, either directly or through participation in other companies, produces and sells beer, draft beer, soft drinks, other non-alcoholic beverages, malt and food in general, as well as advertising its own and third-party products, selling promotional and advertising materials and direct or indirect exploitation of bars, restaurants, snack bars and other establishments.

The Company’s shares and ADR’s (American Depositary Receipts) are listed on the B3 S.A.- Brasil, Bolsa, Balcão as “ABEV3” and on the New York Stock Exchange (NYSE) as “ABEV”.

The Company’s direct controlling shareholders are Interbrew International B.V. (“IIBV”), AmBrew S.A. (“Ambrew”), both subsidiaries of Anheuser-Busch InBev N.V. (“AB InBev”) and Fundação Antonio e Helena Zerrenner Instituição Nacional de Beneficência (“Fundação Zerrenner”).

The interim financial statements were approved by the Board of Directors on July 24, 2019.

### (b) Major corporate events in 2019 and 2018:

#### **Application of inflation accounting and financial reporting in hyperinflationary economies**

In June 2018, the Argentinean peso underwent a severe devaluation resulting in cumulative inflation for three years exceeding 100%, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 Financial Reporting in Hyperinflationary Economies as of 1 January 2018 (the beginning of the reporting period which the hyperinflation have been considered).

Under IAS 29, the non-monetary assets and liabilities, the equity and the income statement of subsidiaries operating in hyperinflationary economies are restated for changes in the general purchasing power of the local currency applying a general price index.

The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy, whether they are based on a historical cost approach or a current cost approach, must be stated in terms of the measuring unit current at the end of the reporting period and conversion into Brazilian Real at the period closing exchange rate.

Consequently, the Company has applied hyperinflation accounting for its Argentinean subsidiaries in these consolidated interim financial statements, applying the IAS 29 rules as follows:

- hyperinflation accounting was applied as of 1 January 2018 (under paragraph 4 of IAS 29, the standard applies to the financial statements of any entity from the beginning of the reporting period in which it identifies the existence of hyperinflation);
- non-monetary assets and liabilities stated at historical cost (e.g. property plant and equipment, intangible assets, goodwill, etc.) and equity were restated using an inflation index. The hyperinflation impacts resulting from changes in the general purchasing power until 31 December 2017 were reported in retained earnings and the impacts of changes in the general purchasing power from 1 January 2018 are reported through the income statement on a dedicated account for hyperinflation monetary adjustments in the finance line (see also Note 17 - Finance cost and income). Under paragraph 3 of IAS 29, there is no general price index, but judgement may be exercised when restatement of financial statements becomes necessary. As a result, the index used was based on Resolution 539/18 issued by Argentine Federation of Professional Boards on Economic Sciences: i) from January 1st, 2017 onwards the national IPC (national consumer price index) and; ii) to December 31, 2016 the IPIM (wholesale price index).
- the income statement is adjusted at the end of each reporting period using the change in the general price index and is converted at the closing exchange rate of each period (rather than the year to date average rate for non-hyperinflationary economies), thereby restating the year to date income statement account both for the inflation index and currency conversion;
- the prior year's income statement and the first and second quarter of 2018 and balance sheet of the Argentinean subsidiaries were not restated. Under paragraph 42 (b) of IAS 21, when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts will be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

#### **Exchange contracts for future financial flows - Equity Swap**

On May 15, 2018 Ambev's Board of Directors approved the execution, by the Company or its subsidiaries, of equity swap contracts through financial institutions to be defined by the Company's management, having as their underlying asset shares issued by the Company or American Depositary Receipts (ADR's), without losses on the liquidation, within the regulatory term, of the contracts still in force. The settlement of the approved equity swap contracts will occur within a maximum period of 18 months from approval, such contracts may result in exposure up to 80 million common shares (of which all or part may be through ADR's), with a limit value up to R\$1.8 billion.

On December 20, 2018, the Board of Directors of Ambev approved the conclusion of new equity swap contracts, without prejudice to the liquidation, within the regulatory term, of the equity swap contracts still in force. The settlement of the new approved equity swap contracts will occur within a maximum period of 18 months from approval, and such contracts may result in exposure up to 80 million common shares (of which all or part may be through ADRs), with a limit value up to R\$1.5 billion.

On May 15, 2019, the Board of Directors of Ambev approved the conclusion of new equity swap contracts, without prejudice to the liquidation, within the regulatory term, of the equity swap contracts still in force. The settlement of the new approved equity swap contracts will occur within a maximum period of 18 months from approval, and such contracts may result in exposure up to 80 million common shares (of which all or part may be through ADRs), with a limit value up to R\$1.5 billion, in addition to contracts already executed in the context of the approvals of May 15, 2018 and December 20, 2018, and which have not yet been settled on the date of approval, may result in an exposure up to 137,394,353 common shares (all or part of which may be through ADRs).

### **Addendum to the Agreement with PepsiCo**

The long-term agreement with PepsiCo, under which the Company has the exclusive right to bottle, sell and distribute certain brands on PepsiCo's portfolio of soft drinks in Brazil, including Pepsi Cola, Gatorade, H2OH! and Lipton Ice Tea, was amended in October 2018 to reflect certain changes in the trade agreement between the parties. The new terms of the agreement were approved by CADE in December 2018 and became effective as of January 1, 2019. The agreement will be in force until December 31, 2027.

### **Sale of subsidiary**

On June 8, 2018 the Company concluded the sale of all shares of the subsidiary Barbados Bottling Co. Limited, active in the soft drink segment, by the amount of US\$53 million, corresponding to R\$179 million. As a result of this transaction the Company recorded a gain of US\$22 million, corresponding to R\$75 million on the transaction date and to R\$79 million in December 31, 2018, in the income statement as an exceptional item.

### **Perpetual licensing agreement with Quilmes**

In September 2017, Quilmes, a subsidiary of Ambev, entered into an agreement whereby AB InBev would grant a perpetual license to Quilmes in Argentina for Budweiser and other North American brands upon the recovery of the distribution rights by AB InBev from the Chilean company Compañía Cervecerías Unidas S.A. - CCU. The agreement also foresaw the transfer of the brewery of Cerveceria Argentina Sociedad Anonima Isenbeck by AB InBev to Quilmes and the transfer of some Argentinean brands (Norte, Iguana and Baltica) and related business assets along with US\$50 million by Quilmes to CCU. The transaction was closed on May 2, 2018, following approval, on April 27, 2018, by the Argentinean antitrust authority (Comisión Nacional de Defensa de la Competencia) of the main transaction documents and verification of other usual conditions closing. The Company recorded a gain of 306 million Argentinean pesos, corresponding to R\$50 million on the transaction date and to R\$30 million as at December 31, 2018 in the income statement as a result of the application of the accounting practice for the exchange of assets involving transactions under common control as an exceptional item.

## Renegotiation of shareholders agreement from Tenedora

On December 1st, 2017, Ambev informed its shareholders and the general market that E. León Jimenes, S.A. (“ELJ”), partner of Ambev in Tenedora, S.A. (“Tenedora”), which holds almost all shares of Cervecería Nacional Dominicana, S.A (“CND”), would exercise partially, as provided for in the shareholders’ agreement of Tenedora, a put option with relation to approximately 30% of the capital stock by Tenedora. As a result, the Company will pay to ELJ the amount of USD 926.5 million and would be the holder of approximately 85% of Tenedora, and ELJ will remain with 15% interest of CND. Considering the strategic importance of alliance with the ELJ, the Board of Directors of Ambev approved a change to the date of the call option term from 2019 to 2022. The transaction was subject to certain conditions precedent that was concluded on January 18, 2018.

## 2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared using the accounting basis of going concern and are being presented in accordance with IAS 34 - Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”).

The information does not meet all disclosure requirements for the presentation of full annual financial statements and thus should be read in conjunction with the consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) for the year ended December 31, 2018. To avoid duplication of disclosures which are included in the annual financial statements, the following notes were not subject to full filling:

- (a) Summary of significant accounting policies (Note 3);
- (b) Exceptional items (Note 8);
- (c) Payroll and related benefits (Note 9);
- (d) Additional information on operating expenses by nature (Note 10);
- (e) Goodwill (Note 14);

- (f) Intangible (Note 15);
- (g) Investment securities (Note 16);
- (h) Trade receivables (Note 19);
- (i) Changes in equity (Note 21);
- (j) Interest-bearing loans and borrowings (Note 22);
- (k) Employee benefits (Note 23);
- (l) Trade payables (Note 25);
- (m) Contingent liabilities (Note 29);
- (n) Group Companies (Note 32);
- (o) Insurance (Note 33)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

There were no significant changes in accounting policies and calculation methods used for the financial statements as of June 30, in relation to those presented in the financial statements for the years ended December 31, 2018, except for the policy described below:

**IFRS 16 Leases** (effective from annual periods beginning on or after January 1<sup>st</sup>, 2019) replaces the current lease accounting requirements and introduces significant changes in the accounting, this change removes the distinction between operating and finance leases under IAS 17 Leases and related interpretations, and requires a lessee to be recognized as right-of-use asset and a liability classified according to the contract period.

Having adopted the standard as of January 1, 2019, the Company has adopted the retrospectively presentation for the consolidated financial statements. The impact to the financial statements is demonstrated below:

- Recognition of right of use assets and lease liabilities in the balance sheet, initially measured at the present value of future lease payments;
- Recognition of depreciation expenses of right of use assets in the income statement;
- Recognition of interest expenses in the financial result on the lease liabilities in the income statement; and
- Segregation of the payment of the leases by a principal portion presented within the financing activities and an interest component presented within the operational activities in the cash flows.

The new lease definitions have been applied to all identified contracts in effect on the date of adoption of the standard. IFRS 16 determines that the contract contains a lease if it transmits to the lessee the right to control the use of the identified asset for a period of time by exchange of counter payments.

The Company carried out an inventory of the contracts, evaluating whether or not they contain a lease in accordance with IFRS 16. This analysis identified impacts mainly related to the leasing operations of real estate from third parties, trucks, cars, forklifts and servers.

Short-term (12 months or less) and low value (USD 5,000 or less) leases were not subject to this analysis, as permitted by the standard. For these contracts, the Company will continue to recognize a lease expense on a straight-line basis.

When measuring lease liabilities, the Company discounted lease payments using incremental borrowing rates at January 1st, 2019. The weighted average rate applied is 12.6%.

The Company has adopted the retrospectively presentation for the consolidated financial statements. The tables below summarize the impacts on the adoption of the standard in the balance sheet, income statement, statement of comprehensive income and statement of cash flows:

Consolidated Balance Sheets	12/31/2018			01/01/2018		
	Originally Submitted	IFRS 16	Restated	Originally Submitted	IFRS 16	Restated
<b>Assets</b>						
<b>Current assets</b>	<b>25,329,605</b>	<b>-</b>	<b>25,329,605</b>	<b>24,718,073</b>	<b>-</b>	<b>24,718,073</b>
Deferred tax assets	2,017,475	47,267	2,064,742	2,279,339	31,567	2,310,906
Investments in joint ventures	257,135	-	257,135	237,961	-	237,961
Property, plant and equipment	20,096,996	1,541,012	21,638,008	18,822,327	1,882,818	20,705,145
Other non-current assets	46,424,927	-	46,424,927	40,794,289	-	40,794,289
<b>Non-current assets</b>	<b>68,796,533</b>	<b>1,588,279</b>	<b>70,384,812</b>	<b>62,133,916</b>	<b>1,914,385</b>	<b>64,048,301</b>
<b>Total assets</b>	<b>94,126,138</b>	<b>1,588,279</b>	<b>95,714,417</b>	<b>86,851,989</b>	<b>1,914,385</b>	<b>88,766,374</b>
<b>Equity and liabilities</b>						
Interest-bearing loans and borrowings	1,560,630	380,591	1,941,221	1,321,122	378,236	1,699,358
Other current liabilities	23,267,740	-	23,267,740	27,367,354	-	27,367,354
<b>Current liabilities</b>	<b>24,828,370</b>	<b>380,591</b>	<b>25,208,961</b>	<b>28,688,476</b>	<b>378,236</b>	<b>29,066,712</b>
Interest-bearing loans and borrowings	862,138	1,300,304	2,162,442	1,231,928	1,599,261	2,831,189
Other non-current liabilities	10,888,206	-	10,888,206	8,948,730	-	8,948,730
<b>Non-current liabilities</b>	<b>11,750,344</b>	<b>1,300,304</b>	<b>13,050,648</b>	<b>10,180,658</b>	<b>1,599,261</b>	<b>11,779,919</b>
<b>Total liabilities</b>	<b>36,578,714</b>	<b>1,680,895</b>	<b>38,259,609</b>	<b>38,869,134</b>	<b>1,977,497</b>	<b>40,846,631</b>
<b>Equity</b>						
Issued capital	57,710,202	-	57,710,202	57,614,140	-	57,614,140
Reserves	70,215,287	(92,726)	70,122,561	63,361,144	(63,009)	63,298,135
Carrying value adjustments	(71,584,866)	110	(71,584,756)	(74,966,470)	(103)	(74,966,573)
<b>Equity attributable to equity holders of Ambev</b>	<b>56,340,623</b>	<b>(92,616)</b>	<b>56,248,007</b>	<b>46,008,814</b>	<b>(63,112)</b>	<b>45,945,702</b>
Non-controlling interests	1,206,801	-	1,206,801	1,974,041	-	1,974,041
<b>Total Equity</b>	<b>57,547,424</b>	<b>(92,616)</b>	<b>57,454,808</b>	<b>47,982,855</b>	<b>(63,112)</b>	<b>47,919,743</b>
<b>Total equity and liabilities</b>	<b>94,126,138</b>	<b>1,588,279</b>	<b>95,714,417</b>	<b>86,851,989</b>	<b>1,914,385</b>	<b>88,766,374</b>

Consolidated Income Statements	Six-month period ended:			Three-month period ended:		
	06/30/2018			06/30/2018		
	Originally Submitted	IFRS16	Restated	Originally Submitted	IFRS16	Restated
Cost of sales	(8,847,981)	9,741	(8,838,240)	(4,387,233)	4,927	(4,382,306)
<b>Gross profit</b>	<b>(8,847,981)</b>	<b>9,741</b>	<b>(8,838,240)</b>	<b>(4,387,233)</b>	<b>4,927</b>	<b>(4,382,306)</b>
Distribution expenses	(3,215,285)	48,180	(3,167,105)	(1,591,467)	20,485	(1,570,982)
Sales and marketing expenses	(3,048,978)	12,452	(3,036,526)	(1,577,508)	6,363	(1,571,145)
Administrative expenses	(1,154,903)	2,067	(1,152,836)	(582,760)	1,116	(581,644)
<b>Income from operations</b>	<b>(16,267,147)</b>	<b>72,440</b>	<b>(16,194,707)</b>	<b>(8,138,968)</b>	<b>32,891</b>	<b>(8,106,077)</b>
Finance cost	(2,066,946)	(107,813)	(2,174,759)	(1,147,112)	(52,884)	(1,199,996)
<b>Net finance cost</b>	<b>(2,066,946)</b>	<b>(107,813)</b>	<b>(2,174,759)</b>	<b>(1,147,112)</b>	<b>(52,884)</b>	<b>(1,199,996)</b>
Share of result of joint ventures	3,172	-	3,172	2,555	-	2,555
<b>Income before income tax</b>	<b>(18,330,921)</b>	<b>(35,373)</b>	<b>(18,366,294)</b>	<b>(9,283,525)</b>	<b>(19,993)</b>	<b>(9,303,518)</b>
Income tax expense	(799,421)	12,216	(787,205)	(179,558)	6,879	(172,679)
<b>Net income</b>	<b>5,021,790</b>	<b>(23,157)</b>	<b>4,998,633</b>	<b>2,424,161</b>	<b>(13,114)</b>	<b>2,411,047</b>
Attributable to:						
Equity holders of Ambev	4,833,114	(23,157)	4,809,957	2,317,152	(13,114)	2,304,038
Non-controlling interests	188,676	-	188,676	107,009	-	107,009
Basic earnings per share – common - R\$	0.3075	(0.0015)	0.3061	0.1474	(0.0008)	0.1466
Diluted earnings per share – common - R\$	0.3050	(0.0015)	0.3036	0.1462	(0.0008)	0.1454
Consolidated Statements of Comprehensive Income	Six-month period ended:			Three-month period ended:		
	06/30/2018			06/30/2018		
	Originally Submitted	IFRS 16	Restated	Originally Submitted	IFRS 16	Restated
<b>Net income</b>	<b>5,021,790</b>	<b>(23,157)</b>	<b>4,998,633</b>	<b>2,424,161</b>	<b>(13,114)</b>	<b>2,411,047</b>
<b>Total comprehensive income</b>	<b>8,343,872</b>	<b>(23,928)</b>	<b>8,319,944</b>	<b>6,198,926</b>	<b>(13,966)</b>	<b>6,184,960</b>
Attributable to:						
Equity holders of Ambev	7,999,734	(23,928)	7,975,806	5,935,019	(13,885)	5,921,134
Non-controlling interest	344,138	-	344,138	263,826	-	263,826

Consolidated Cash Flow Statements	Six-month period ended:			Three-month period ended:		
	Originally Submitted	IFRS 16	Restated	Originally Submitted	IFRS 16	Restated
			06/30/2018			06/30/2018
Net income	5,021,790	(23,157)	4,998,633	2,424,161	(13,114)	2,411,047
Depreciation, amortization and impairment	1,792,309	215,480	2,007,789	923,214	106,795	1,030,009
Net finance cost	1,593,361	107,813	1,701,174	1,049,068	52,884	1,101,952
Income tax expense	799,421	(12,216)	787,205	179,558	(6,879)	172,679
Share of result of joint ventures	(3,172)	-	(3,172)	(2,555)	-	(2,555)
<b>Cash flow from operating activities before changes in working capital and use of provisions</b>	<b>9,203,709</b>	<b>287,920</b>	<b>9,491,629</b>	<b>4,573,446</b>	<b>139,686</b>	<b>4,713,132</b>
<b>Cash generated from operations</b>	<b>6,061,584</b>	<b>287,920</b>	<b>6,349,504</b>	<b>3,518,683</b>	<b>139,686</b>	<b>3,658,369</b>
<b>Cash flow from operating activities</b>	<b>3,867,717</b>	<b>287,920</b>	<b>4,155,637</b>	<b>3,075,422</b>	<b>139,686</b>	<b>3,215,108</b>
Payment of lease liabilities	(4,464)	(287,920)	(292,384)	(2,250)	(139,686)	(141,936)
<b>Cash flow from financing activities</b>	<b>(2,555,802)</b>	<b>(287,920)</b>	<b>(2,843,722)</b>	<b>(3,077,360)</b>	<b>(139,686)</b>	<b>(3,217,046)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(72,187)</b>	<b>-</b>	<b>(72,187)</b>	<b>2,172,300</b>	<b>-</b>	<b>2,172,300</b>

#### (a) Basis of preparation and measurement

The interim financial statements are presented in thousands of Brazilian Real (“R\$”), unless otherwise indicated, rounded to the nearest thousand indicated. Depending on the applicable IFRS requirement, the measurement basis used in preparing the interim financial statements is historical cost, net realizable value, fair value or recoverable amount.

#### (b) Recently issued IFRS

There were no new standards for the period ended June 30, 2019, for the preparation of these interim financial statements.

#### Other Standards, Interpretations and Amendments to Standards

The other amendments to standards effective for annual periods beginning after 1 January 2019, have not been listed previously because they were either inapplicable or immaterial to Ambev’s consolidated financial statements.

#### 4. USE OF ESTIMATES AND JUDGMENTS

The preparation of interim financial statements in conformity with IFRS requires Management to make judgments, estimates and assumptions that affect the application of accounting practices and the reported amounts of assets and liabilities, income and expenses. The estimates and judgments are based on past experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for decision making regarding the judgments about carrying amounts of assets and liabilities that are not readily evident from other sources. Actual results may differ from these estimates.



The estimates and assumptions are reviewed on a regular basis. Changes in accounting estimates may affect the period in which they are realized, or future periods.

Although each of its significant accounting policies reflects judgments, assessments or estimates, the Company believes that the following accounting practices reflect the most critical judgments, estimates and assumptions that are important to its business operations and the understanding of its results:

- (i) predecessor accounting;
- (ii) business combinations;
- (iii) impairment;
- (iv) provisions;
- (v) share-based payments;
- (vi) employee benefits;
- (vii) current and deferred tax;
- (viii) joint arrangements;
- (ix) measurement of financial instruments, including derivatives;
- (x) inflation accounting and financial reporting in hyperinflationary economies; and
- (xi) leasing operations

The fair values of acquired identifiable intangibles of indefinite useful life are based on an assessment of future cash flows. Impairment analyses of goodwill and intangible assets with an indefinite life are performed at least annually and whenever a triggering event occurs, in order to determine whether the carrying value exceeds the recoverable amount.

The Company uses its judgment to select a variety of methods including the net fair value of expenses approach and option valuation models and makes assumptions about the fair value of financial instruments that are mainly based on market conditions existing at each balance sheet date.

Actuarial assumptions are established to anticipate future events and are used in calculating pension and other long-term employee benefit expense and liability. These factors include assumptions with respect to interest rates, rates of increase in health care costs, rates of future compensation increases, turnover rates, and life expectancy.

The Company is subject to income tax in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. Some subsidiaries within the Company are involved in tax audits usually in relation to prior years. These audits are ongoing in various jurisdictions at the balance sheet date and, by their nature, these can take considerable time until its conclusion.

As described in Note 1 (b) *Application of inflation accounting and financial reporting in hyperinflationary economies*, under paragraph 3 of IAS 29, there are no a general price index, but allow to be executed judgement when restatement of financial statements becomes necessary. That way, the index used was based in Resolution 539/18 issued by Argentine Federation of Professional Boards on Economic Sciences: i) from January 1st, 2017 onwards the national IPC (national consumer price index); ii) to December 31, 2016 the IPIM (wholesale price index).

## 5. CASH AND CASH EQUIVALENTS

	<b>06/30/2019</b>	<b>12/31/2018</b>
Cash	174,053	594,995
Current bank accounts	5,005,346	4,875,673
Short term bank deposits <sup>(i)</sup>	9,054,004	5,992,830
<b>Cash and cash equivalents</b>	<b>14,233,403</b>	<b>11,463,498</b>
Bank overdrafts	(37,861)	-
<b>Cash and cash equivalents less bank overdraft</b>	<b>14,195,542</b>	<b>11,463,498</b>

(i) The balance refers mostly to Bank Deposit Certificates - CDB, high liquidity, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Current account balances included guarantee deposits in the amount of R\$323 million as at June 30, 2019 (R\$356 million on December 31, 2018) held by the subsidiary of Cuba, which are not freely transferable to the parent company for reasons of exchange restrictions.

## 6. INVESTMENTS SECURITIES

	<b>06/30/2019</b>	<b>12/31/2018</b>
Financial asset at fair value through profit or loss-held for trading	14,038	13,391
<b>Current investments securities</b>	<b>14,038</b>	<b>13,391</b>
Debt held-to-maturity <sup>(i)</sup>	157,612	147,341
<b>Non-current investments securities</b>	<b>157,612</b>	<b>147,341</b>
<b>Total</b>	<b>171,650</b>	<b>160,732</b>

(i) The balance refers substantially to Bank Deposit Certificates - CDB linked to tax incentives and don't have an immediate convertibility in a known amount of cash.

## 7. INVENTORIES

	<b>06/30/2019</b>	<b>12/31/2018</b>
Finished goods	2,499,253	1,687,954
Work in progress	451,641	339,459
Raw material	2,391,194	2,517,305
Consumables	108,053	106,989
Spare parts and other	614,325	597,030
Prepayments	248,311	304,442
Impairment losses	(115,212)	(151,386)
	<b>6,197,565</b>	<b>5,401,793</b>

Write-offs/losses on inventories recognized in the income statement amounted to R\$41,041 in the period ended on June 30, 2019 (R\$38,683 in the period ended on June 30, 2018).

## 8. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

Deferred taxes for income tax and social contribution taxes are calculated on temporary differences between the tax bases of these taxes and the accounting calculation of the Company, among which, tax losses. The rates of these taxes in Brazil, which are expected at the realization of deferred taxes, are 25% for income tax and 9% for social contribution. For the other regions, with operational activity, expected rates, are as follow:

Central America and the Caribbean	from 23% to 31%
Latin America - South <sup>(i)</sup>	from 14% to 30%
Canada	26%

(i) Amendments to Argentine tax legislation approved on December 29, 2017 affected the Company beginning in October 2018 and reduced the income tax rate in the first two years from 35% to 30% and, as a after, to 25%.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit is probable, which may be offset against temporary differences recorded currently, with a special emphasis on tax losses.

The amount of deferred income tax and social contribution by type of temporary difference is detailed as follows:

	06/30/2019			12/31/2018 (restated)		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Investment securities	9,940	-	9,940	10,010	-	10,010
Intangible	-	(1,062,028)	(1,062,028)	-	(1,031,160)	(1,031,160)
Employee benefits	685,408	-	685,408	614,842	-	614,842
Trade payables	1,944,747	(253,585)	1,691,162	1,807,744	(271,922)	1,535,822
Trade receivable	53,478	(1,617)	51,861	41,245	(2,274)	38,971
Derivatives	26,881	(156,920)	(130,039)	18,711	(304,178)	(285,467)
Interest-Bearing Loans and Borrowings	-	(93,227)	(93,227)	2,480	(78,480)	(76,000)
Inventories	342,708	(88,421)	254,287	266,732	(44,769)	221,963
Property, plant and equipment	112,083	(1,514,384)	(1,402,301)	109,643	(1,386,445)	(1,276,802)
Withholding tax over undistributed profits and royalties	-	(970,517)	(970,517)	-	(863,832)	(863,832)
Investments in joint ventures	-	(421,589)	(421,589)	-	(421,589)	(421,589)
Interest on shareholders' equity	755,981	-	755,981	-	-	-
Loss carryforwards	909,864	-	909,864	791,001	-	791,001
Provisions	358,653	(11,754)	346,899	363,122	(23,981)	339,141
Complement of income tax of foreign subsidiaries due in Brazil	-	(85,517)	(85,517)	-	-	-
Impact of the adoption of IFRS 16 (leasing operations)	54,831	-	54,831	47,267	-	47,267
Other items	56,268	(16,765)	39,503	50,568	(54,560)	(3,992)
<b>Gross deferred tax assets / (liabilities)</b>	<b>5,310,842</b>	<b>(4,676,324)</b>	<b>634,518</b>	<b>4,123,365</b>	<b>(4,483,190)</b>	<b>(359,825)</b>
Netting by taxable entity	(2,200,368)	2,200,368	-	(2,058,623)	2,058,623	-
<b>Net deferred tax assets / (liabilities)</b>	<b>3,110,474</b>	<b>(2,475,956)</b>	<b>634,518</b>	<b>2,064,742</b>	<b>(2,424,567)</b>	<b>(359,825)</b>

The Company only offsets the balances of deferred income tax and social contribution assets against liabilities when they are within the same entity, same nature and are expected to be realized in the same period.

At June 30, 2019 the assets and liabilities deferred taxes related to combined tax losses had an expected utilization/settlement by temporary differences as follows:

Deferred taxes not related to tax losses	06/30/2019		Total
	to be realized until 12 months	to be realized after 12 months	
Investment securities	-	9,940	9,940
Intangible	(1,160)	(1,060,868)	(1,062,028)
Employee benefits	87,899	597,509	685,408
Trade payables	(199,768)	1,890,930	1,691,162
Trade receivable	42,826	9,035	51,861
Derivatives	(130,039)	-	(130,039)
Interest-bearing loans and borrowings	(67,766)	(25,461)	(93,227)
Inventories	273,994	(19,707)	254,287
Property, plant and equipment	(107,806)	(1,294,495)	(1,402,301)
Withholding tax over undistributed profits and royalties	(101,560)	(868,957)	(970,517)
Investments in joint ventures	-	(421,589)	(421,589)
Interest on shareholders' equity	755,981	-	755,981
Provisions	164,109	182,790	346,899
Complement of income tax of foreign subsidiaries due in Brazil	(85,517)	-	(85,517)
Impact of the adoption of IFRS 16 (leasing operations)	-	54,831	54,831
Other items	1,704	37,799	39,503
<b>Total</b>	<b>632,897</b>	<b>(908,243)</b>	<b>(275,346)</b>

The majority of tax losses and negative social contribution bases on which deferred income tax and social contribution were calculated do not have a limitation period. Its use is based on the projection of the future existence of taxable profits, according to the reality of the past years and to the projections of the Company's business in the economies where it is located, in compliance, therefore, with the applicable fiscal and accounting rules.

Deferred tax related to tax losses	06/30/2019
2019	365,973
2020	79,705
2021	50,427
2022	25,238
2023	40,392
2024 to 2026	270,048
2027 to 2029 <sup>(i)</sup>	78,081
<b>Total</b>	<b>909,864</b>

(i) There is no expectation of realization that exceeds the term of 10 years.

At June 30, 2019, deferred tax assets in the amount of R\$617,892 (R\$624,272 in December 31, 2018) related to tax losses that were not recorded as the realization was not probable.

The major part of the tax losses do not have carryforward limit for utilization and the tax losses carried forward in relation to the credit were equivalent to R\$2,471,493 on June 30, 2019 (R\$2,496,838 in December 31, 2018).

The net change in deferred income tax and social contribution is detailed as follows:

<b>At December 31, 2018 (restated)</b>	<b>(359,825)</b>
Full recognition of actuarial gains/(losses)	2,710
Investment hedge - put option of a subsidiary interest	(19,157)
Cash flow hedge - gains/(losses)	171,389
Gains/(losses) on translation of other foreign operations	239,192
<b>Recognized in other comprehensive income</b>	<b>394,134</b>
<b>Recognized in income statement</b>	<b>790,138</b>
<b>Changes directly in balance sheet</b>	<b>(189,929)</b>
Recognized in deferred tax	(191,383)
Effect of application of IAS 29 (hyperinflation)	(191,383)
Recognized in other group of balance sheet	1,454
<b>At June 30, 2019</b>	<b>634,518</b>

## 9. PROPERTY, PLANT AND EQUIPMENT

	06/30/2019					12/31/2018 (restated)	
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Assets of right of use	Total	Total
<b>Acquisition cost</b>							
<b>Balance at end of previous year</b>	<b>10,375,533</b>	<b>28,075,659</b>	<b>5,690,374</b>	<b>1,422,048</b>	<b>2,394,070</b>	<b>47,957,684</b>	<b>42,144,416</b>
Effect of movements in foreign exchange	(120,810)	(464,500)	(130,002)	(13,047)	3,547	(724,812)	(13,170)
Effect of application of IAS 29 (hyperinflation)	165,290	625,967	199,230	22,168	-	1,012,655	3,589,040
Impact of the adoption of IFRS 16 (leasing operations)	-	-	-	-	395,239	395,239	70,078
Acquisition through exchange transaction of shareholdings	-	-	-	-	-	-	218,411
Acquisition through business combinations	209	14	2,064	5,687	-	7,974	-
Acquisitions	166	239,758	27,252	1,166,434	-	1,433,610	3,520,513
Disposals and write-off	(12,001)	(262,047)	(50,368)	-	-	(324,416)	(1,416,610)
Transfer to other asset categories	160,403	675,303	269,513	(1,266,152)	47,229	(113,704)	(162,939)
Others	(1)	-	-	15	-	14	7,945
<b>Balance at end</b>	<b>10,568,789</b>	<b>28,890,154</b>	<b>6,008,063</b>	<b>1,337,153</b>	<b>2,840,085</b>	<b>49,644,244</b>	<b>47,957,684</b>
<b>Depreciation and Impairment</b>							
<b>Balance at end of previous year</b>	<b>(3,031,365)</b>	<b>(18,246,620)</b>	<b>(4,185,211)</b>	-	<b>(856,480)</b>	<b>(26,319,676)</b>	<b>(21,439,271)</b>
Effect of movements in foreign exchange	16,948	266,746	97,835	-	(1,079)	380,450	(130,695)
Effect of application of IAS 29 (hyperinflation)	(28,271)	(357,213)	(159,467)	-	-	(544,951)	(1,908,732)
Write-off through exchange transaction of shareholdings	-	-	-	-	-	-	(20,518)
Depreciation	(170,741)	(1,271,749)	(326,647)	-	(223,042)	(1,992,179)	(3,965,671)
Impairment losses	-	(57,035)	(1,469)	-	-	(58,504)	(179,982)
Disposals and write-off	1,385	263,484	46,711	-	-	311,580	1,351,814
Transfer to other asset categories	(693)	5,791	(1,140)	-	(11,992)	(8,034)	(30,670)
Others	-	4,038	-	-	-	4,038	4,049
<b>Balance at end</b>	<b>(3,212,737)</b>	<b>(19,392,558)</b>	<b>(4,529,388)</b>	-	<b>(1,092,593)</b>	<b>(28,227,276)</b>	<b>(26,319,676)</b>
<b>Carrying amount:</b>							
<b>December 31, 2018</b>	<b>7,344,168</b>	<b>9,829,039</b>	<b>1,505,163</b>	<b>1,422,048</b>	<b>1,537,590</b>	<b>21,638,008</b>	<b>21,638,008</b>
<b>June 30, 2019</b>	<b>7,356,052</b>	<b>9,497,596</b>	<b>1,478,675</b>	<b>1,337,153</b>	<b>1,747,492</b>	<b>21,416,968</b>	

Capitalized interests and fixed assets provided as security are not material.

Effective from annual periods beginning on or after January 1<sup>st</sup>, 2019, IFRS 16 replaces the existing lease accounting requirements and represents a significant change in the accounting and reporting of leases that were previously classified as operating leases, with more assets and liabilities to be reported on the balance sheet and a different recognition of lease costs and related interpretations, and requires a lessee to recognize a right-of-use asset and a lease liability at lease commencement date Note 3.

## 10. GOODWILL

	<u>06/30/2019</u>	<u>12/31/2018</u>
<b>Balance at end of previous year</b>	<b>34,276,176</b>	<b>31,401,874</b>
Effect of movements in foreign exchange	(172,576)	1,224,804
Effect of application of IAS 29 (hyperinflation)	381,740	1,686,487
Acquisition, Addition, (Write-off) and disposal through business combinations <sup>(i)</sup>	26,449	(36,989)
<b>Balance at the end of period</b>	<b>34,511,789</b>	<b>34,276,176</b>

The carrying amount of goodwill was allocated to the different cash-generating units as follows:

	<b>Functional currency</b>	<u>06/30/2019</u>	<u>12/31/2018</u>
Brazil	BRL	17,694,842	17,668,393
Goodwill		102,937,475	102,911,026
Non-controlling transactions <sup>(i)</sup>		(85,242,633)	(85,242,633)
<b>CAC:</b>			
Dominican Republic	DOP	3,439,675	3,510,138
Cuba <sup>(ii)</sup>	USD	1,932	1,952
Panama	PAB	1,331,483	1,346,288
<b>Latin America - South:</b>			
Argentina	ARS	2,100,092	1,950,744
Bolivia	BOB	1,355,533	1,370,601
Chile	CLP	49,308	48,695
Paraguay	PYG	829,085	873,147
Uruguay	UYU	161,543	177,417
Canada	CAD	7,548,296	7,328,801
		<b>34,511,789</b>	<b>34,276,176</b>

(i) It refers to the exchange of shareholdings operation occurred in 2013 as a result of the adoption of the predecessor basis of accounting.

(ii) The functional currency of Cuba, the Cuban convertible peso (CUC), has fixed parity with the dollar (USD) at balance sheet date.

## 11. INTEREST-BEARING LOANS AND BORROWINGS

	06/30/2019	12/31/2018 (restated)
Secured bank loans	2,137,595	1,404,852
Unsecured bank loans	623	86,572
Other unsecured loans	40,091	39,163
Leasing	385,656	410,634
<b>Current liabilities</b>	<b>2,563,965</b>	<b>1,941,221</b>
Secured bank loans	398,921	434,709
Unsecured bank loans	207,962	212,283
Debentures and unsecured bond issues	105,643	104,675
Other unsecured loans	94,686	99,048
Leasing	1,527,136	1,311,727
<b>Non-current liabilities</b>	<b>2,334,348</b>	<b>2,162,442</b>

Additional information regarding the exposure of the Company to the risks of interest rate and foreign currency changes are disclosed in Note 20 – *Financial instruments and risks*.

### Contractual clauses (covenants)

As at June 30, 2019, the Company's loans had equal rights to payment without subordination clauses. Except for the credit lines due to FINAME contracted by the Company with Banco Nacional de Desenvolvimento Econômico e Social – BNDES (“BNDES”), where collateral was provided on assets acquired with the credit granted, which served as collateral; other loans and financing contracted by the Company predicted only guarantees as personal collateral or were unsecured. Most loan contracts contained financial covenants including: financial covenants, including limitation on new indebtedness; going-concern; maintenance, in use or in good condition for the business, of the Company's assets; restrictions on acquisitions, mergers, sale or disposal of its assets; disclosure of financial statements under Brazilian GAAP and IFRS; and/or no prohibition related to new real guarantees for loans contracted, except if: (i) expressly authorized under the loan agreement; or (ii) new loans contracted from financial institutions linked to the Brazilian government - including the BNDES or foreign governments; - or foreign governments, multilateral financial institutions (eg World Bank) or located in jurisdictions in which the Company operates.

As at June 30, 2019, the Company was in compliance with all its contractual obligations for its loans and financing.

## 12. PROVISIONS

### (a) Provision changes

	Balance as of December 31, 2018	Effect of changes in foreign exchange rates	Additions	Provisions used and reversed	Balance as of June 30, 2019
<b>Provision for disputes and litigations</b>					
Taxes on sales	137,841	(11)	1,849	(12,255)	127,424
Income tax	169,289	(371)	38,767	(37,626)	170,059
Labor	118,167	(1,472)	81,672	(69,928)	128,439
Civil	54,916	(962)	11,543	(9,010)	56,487
Others	110,283	(3,121)	34,593	(24,846)	116,909
<b>Total of provision for disputes and litigations</b>	<b>590,496</b>	<b>(5,937)</b>	<b>168,424</b>	<b>(153,665)</b>	<b>599,318</b>
<b>Restructuring</b>	8,728	299	-	1,357	10,384
<b>Total provisions</b>	<b>599,224</b>	<b>(5,638)</b>	<b>168,424</b>	<b>(152,308)</b>	<b>609,702</b>

### (b) Disbursement expectative

	Balance as of June 30, 2019	1 year or less	1-2 years	2-5 years	Over 5 years
<b>Provision for disputes and litigations</b>					
Taxes on sales	127,424	32,907	87,462	1,649	5,406
Income tax	170,059	34,769	110,408	24,882	-
Labor	128,439	31,531	42,808	30,937	23,163
Civil	56,487	11,912	36,263	4,326	3,986
Others	116,909	22,843	24,474	66,602	2,990
<b>Total of provision for disputes and litigations</b>	<b>599,318</b>	<b>133,962</b>	<b>301,415</b>	<b>128,396</b>	<b>35,545</b>
<b>Restructuring</b>	10,384	8,782	-	1,602	-
<b>Total provisions</b>	<b>609,702</b>	<b>142,744</b>	<b>301,415</b>	<b>129,998</b>	<b>35,545</b>

The expected settlement of provisions was based on management's best estimate at the interim balance sheet date.

### (c) Main lawsuits with probable likelihood of loss:

#### (c.1) Income and Sales taxes

In Brazil, the Company and its subsidiaries are involved in several administrative and judicial proceedings related to Income tax, ICMS, IPI, PIS and COFINS taxes. Such proceedings include, among others, tax offsets, credits and judicial injunctions exempting tax payment.



**(c.2) Labor**

The Company and its subsidiaries are involved in labor proceedings with former employees, including from service providers. The main issues involve overtime and related effects and respective charges.

**(c.3) Civil**

The Company is involved in civil lawsuits with probable likelihood of loss. The most relevant portion of these lawsuits refers to former distributors, mainly in Brazil, which are mostly claiming damages resulting from the termination of their contracts.

The processes with possible probabilities are disclosed in Note 22 - *Contingent liability*.

**13. CHANGES IN EQUITY****(a) Capital stock**

	06/30/2019		06/30/2018	
	Thousands of common shares	Thousands of Real	Thousands of common shares	Thousands of Real
Beginning balance as per statutory books	15,722,147	57,710,202	15,717,615	57,614,140
Share issued	5,376	90,794	4,532	96,062
	<b>15,727,523</b>	<b>57,800,996</b>	<b>15,722,147</b>	<b>57,710,202</b>

**(b) Capital reserves**

	Capital Reserves				
	Treasury shares	Share Premium	Others capital reserves	Share-based Payments	Total
<b>At December 31, 2018</b>	<b>(882,734)</b>	<b>53,662,811</b>	<b>700,898</b>	<b>1,300,219</b>	<b>54,781,194</b>
Capital Increase	(952)	-	-	(86,118)	(87,070)
Purchase of shares and result on treasury shares	(866)	-	-	-	(866)
Share-based payments	-	-	-	118,411	118,411
<b>At June 30, 2019</b>	<b>(884,552)</b>	<b>53,662,811</b>	<b>700,898</b>	<b>1,332,512</b>	<b>54,811,669</b>

	Capital Reserves				
	Treasury shares	Share Premium	Others capital reserves	Share-based Payments	Total
<b>At December 31, 2017</b>	<b>(894,994)</b>	<b>53,662,811</b>	<b>700,898</b>	<b>1,232,194</b>	<b>54,700,909</b>
Capital Increase	-	-	-	(89,876)	(89,876)
Purchase of shares and result on treasury shares	6,219	-	-	-	6,219
Share-based payments	-	-	-	79,753	79,753
<b>At June 30, 2018</b>	<b>(888,775)</b>	<b>53,662,811</b>	<b>700,898</b>	<b>1,222,071</b>	<b>54,697,005</b>

**(b.1) Purchase of shares and result of treasury shares**

The treasury shares comprise own issued shares reacquired by the Company and the result on treasury shares that refers to gains and losses related to share-based payments transactions and others.

Follows the changes of treasury shares:

	Purchase /realization shares		Result on Treasure Shares	Total Treasure Shares
	Thousands shares	Thousands Brazilian Real	Thousands shares	Thousands Brazilian Real
At December 31, 2018	1,028	(20,841)	(861,893)	(882,734)
Changes during the year	(717)	15,241	(17,059)	(1,818)
At June 30, 2019	311	(5,600)	(878,952)	(884,552)

  

	Purchase /realization shares		Result on Treasure Shares	Total Treasure Shares
	Thousands shares	Thousands Brazilian Real	Thousands shares	Thousands Brazilian Real
At December 31, 2017	7,394	(139,665)	(755,329)	(894,994)
Changes during the year	(4,734)	84,764	(78,545)	6,219
At June 30, 2018	2,660	(54,901)	(833,874)	(888,775)

**(b.2) Share premium**

The share premium refers to the difference between the subscription price that the shareholders paid for the shares and their nominal value. Since this is a capital reserve, it can only be used to increase capital, offset losses, redemptions, reimbursement or repurchase shares.

**(b.3) Share-based payment**

Different share-based payment programs and stock purchase option plans allow the senior management from Ambev economic group acquire shares of the Company.

The share-based payment reserve recorded a charge of R\$118,812 at June 30, 2019 (R\$80,133 at June 30, 2018) (Note 19 – *Share-based payments*).

**(c) Net income reserves**

	Net income reserves			
	Investments reserve	Statutory reserve	Fiscal incentive	Total
At December 31, 2018	6,710,053	4,456	8,719,584	15,434,093
Impact of the adoption of IFRS 16 <sup>(i)</sup>	(92,726)	-	-	(92,726)
At January 1, 2019 (restated)	6,617,327	4,456	8,719,584	15,341,367
At June 30, 2019	6,617,327	4,456	8,719,584	15,341,367

## Net income reserves

	Investments reserve	Statutory reserve	Fiscal incentive	Total
At December 31, 2017	1,267,721	4,456	7,388,058	8,660,235
Impact of the adoption of IFRS 16 <sup>(i)</sup>	(63,009)	-	-	(63,009)
At January 1, 2018 (restated)	1,204,712	4,456	7,388,058	8,597,226
At June 30, 2018 (restated)	1,204,712	4,456	7,388,058	8,597,226

(i) 2018 restated to reflect the impact of adoption of IFRS 16 under the full retrospective application.

**(c.1) Investments reserve**

From net income after deductions, the aim will be up to 60% (sixty per cent) investment reserve to support future investments.

**(c.2) Statutory reserve**

From net income, 5% will be applied before any other allocation, to the statutory reserve, which cannot exceed 20% of capital stock. The Company is not required to supplement the statutory reserve in the year when the balance of this reserve, plus the amount of capital reserves, exceeds 30% of the capital stock.

**(c.3) Tax incentives**

The Company has tax incentives framed in certain state and federal industrial development programs in the form of financing, deferred payment of taxes or partial reductions of the amount due. These programs aim to promote the expansion of employment generation, regional decentralization, complement and diversify the industrial base of the states. In these states, the grace periods, enjoyment and reductions are permitted under the tax law.

The portion of income for the period related to tax incentives, which will be allocated to the profit reserve at the end of the fiscal year on December 31, 2019 and therefore not being used as a basis for dividend distribution, was composed of:

	06/30/2019	06/30/2018
ICMS (Brazilian State value added)	925,859	851,833
Income tax	156,417	101,090
	<b>1,082,276</b>	<b>952,923</b>

**(c.4) Interest on shareholders' equity / Dividends**

Brazilian companies are permitted to distribute interest attributed to shareholders' equity calculated based on the long-term interest rate (TJLP), such interest being tax-deductible, in accordance with the applicable law and, when distributed, may be considered part of the minimum mandatory dividends.

As determined by its by-laws, the Company is required to distribute to its shareholders, as a minimum mandatory dividend in respect of each fiscal year ending on December 31, an amount not less than 40% of its net income determined under Brazilian law, as adjusted in accordance with applicable law, unless payment of such amount would be incompatible with Ambev's financial situation. The minimum mandatory dividend includes amounts paid as interest on shareholders' equity.

There was no payment of dividends or interest on shareholders' equity in the six-month period ended June 30, 2019.

*Events during six-month period ended June 30, 2018:*

<b>Event</b>	<b>Approval</b>	<b>Type</b>	<b>Date of payment</b>	<b>Year</b>	<b>Type of share</b>	<b>Amount per share</b>	<b>Total amount</b>
Board of Directors Meeting	05/15/2018	Dividends	07/30/2018	2018	ON	0.1600	2,514,943
							<b>2,514,943</b>

**(d) Carrying value adjustments**

	Carrying value adjustments							Total
	Translation reserves	Cash flow hedge	Actuarial gains/(losses)	Options granted on subsidiary	Gains/(losses) of non-controlling interest's share	Business combination	Accounting adjustments for transactions between shareholders	
<b>At December 31, 2018</b>	<b>4,089,111</b>	<b>777,123</b>	<b>(1,116,114)</b>	<b>(120,083)</b>	<b>19,558</b>	<b>156,091</b>	<b>(75,390,552)</b>	<b>(71,584,866)</b>
Impact of the adoption of IFRS 16 <sup>(i)</sup>	110	-	-	-	-	-	-	110
<b>At January 1, 2019 (restated)</b>	<b>4,089,221</b>	<b>777,123</b>	<b>(1,116,114)</b>	<b>(120,083)</b>	<b>19,558</b>	<b>156,091</b>	<b>(75,390,552)</b>	<b>(71,584,756)</b>
<i>Comprehensive income:</i>								
Gains/(losses) on translation of foreign operations	(379,332)	-	-	-	-	-	-	(379,332)
Cash flow hedges	-	(337,503)	-	-	-	-	-	(337,503)
Actuarial gains/(losses)	-	-	3,554	-	-	-	-	3,554
<b>Total Comprehensive income</b>	<b>(379,332)</b>	<b>(337,503)</b>	<b>3,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(713,281)</b>
Gains/(losses) of controlling interest's share <sup>(ii)</sup>	-	-	-	-	(247)	-	-	(247)
Tax on fictitious dividends	-	-	-	-	(2,801)	-	-	(2,801)
<b>At June 30, 2019</b>	<b>3,709,889</b>	<b>439,620</b>	<b>(1,112,560)</b>	<b>(120,083)</b>	<b>16,510</b>	<b>156,091</b>	<b>(75,390,552)</b>	<b>(72,301,085)</b>

	Carrying value adjustments							Total
	Translation reserves	Cash flow hedge	Actuarial gains/(losses)	Options granted on subsidiary	Gains/(losses) of non-controlling interest's share	Business combination	Accounting adjustments for transactions between shareholders	
<b>At December 31, 2017</b>	<b>1,639,099</b>	<b>368,806</b>	<b>(1,144,468)</b>	<b>(2,771,248)</b>	<b>2,099,921</b>	<b>156,091</b>	<b>(75,314,671)</b>	<b>(74,966,470)</b>
Impact of the adoption of IFRS 16 <sup>(i)</sup>	(103)	-	-	-	-	-	-	(103)
<b>At January 1, 2018 (restated)</b>	<b>1,638,996</b>	<b>368,806</b>	<b>(1,144,468)</b>	<b>(2,771,248)</b>	<b>2,099,921</b>	<b>156,091</b>	<b>(75,314,671)</b>	<b>(74,966,573)</b>
<i>Comprehensive income:</i>								
Gains/(losses) on translation of foreign operations	2,358,677	-	-	-	-	-	-	2,358,677
Cash flow hedges	-	814,239	-	-	-	-	-	814,239
Actuarial gains/(losses)	-	-	(7,067)	-	-	-	-	(7,067)
<b>Total Comprehensive income</b>	<b>2,358,677</b>	<b>814,239</b>	<b>(7,067)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,165,849</b>
Gains/(losses) of controlling interest's share <sup>(ii)</sup>	460,105	787	3,540	2,651,165	(2,071,723)	-	-	1,043,874
Tax on fictitious dividends	-	-	-	-	(13,451)	-	-	(13,451)
<b>At June 30, 2018 (restated)</b>	<b>4,457,778</b>	<b>1,183,832</b>	<b>(1,147,995)</b>	<b>(120,083)</b>	<b>14,747</b>	<b>156,091</b>	<b>(75,314,671)</b>	<b>(70,770,301)</b>

(i) Balances of 2018 restated to reflect the impact of adopting IFRS 16 under full retrospective application.

(ii) Of this amount, R\$1,035,218 refers to renegotiation of shareholders agreement from Tenedora, as described in Note 1 (b).

**(d.1) Translation reserves**

The translation reserves comprise all foreign currency exchange differences arising from the translation of the interim financial statements with functional currency different from the Real.

The translation reserves also comprise the portion of the gain or loss on the foreign currency liabilities and on the derivative financial instruments determined to be effective net investment hedges.

**(d.2) Cash flow hedge reserves**

The hedging reserves comprise the effective portion of the cumulative net change in the fair value of cash flow hedges to the extent the hedged risk has not yet impacted profit or loss (For additional information, see Note 20 – *Financial instruments and risks*).

**(d.3) Actuarial gains and losses**

The actuarial gains and losses include expectations with regards to future pension plan obligations. Consequently, the results of actuarial gains and losses are recognized on timely basis considering best estimate obtained by Management. Accordingly, the Company recognizes on a monthly basis the results of these estimated actuarial gains and losses based on the expectations presented in the independent actuarial report.

**(d.4) Options granted on subsidiary**

As part of the agreement to acquire the shares of Tenedora, an option to sell (“put”) was issued by Ambev in favor of ELJ and an option to purchase (“call”) was issued from ELJ in favor of Ambev, which may result in an acquisition by Ambev of the remaining shares of Tenedora, for a value based on EBITDA, discounted of net debt, from operations, being put exercisable at any time. As disclosed in Note 1 (b) *Renegotiation of shareholders agreement from Tenedora*, on January 18, 2018, ELJ partially exercised its put option related to approximately 30% of capital stock by Tenedora. Due to the partial exercise of the put option, the Company became the owner of approximately 85% of Tenedora. Additionally, it was approved to change the call option term from 2019 to 2022.

On June 30, 2019 the put option held by ELJ was valued at R\$2,484,894 (R\$2,449,334 on December 31, 2018) and the liability categorized as “Level 3”, as the Note 20 (b) and in accordance with the IFRS 3. No value has been assigned to the call option held by the Company. The fair value of this consideration deferred was calculated by using standard valuation techniques (present value of the principal amount and future interest rates, discounted by the market rate). The criteria used are based on market information and from reliable sources and the fair value is revaluated on an annual basis.

As part of the agreement to acquire the shares of Sucos do Bem, a put option and a call option on minority shareholders' participation determined by gross revenue of its products and exercisable until 2020 has been granted, with a few exceptions. On June 30, 2019 the put option was valued at R\$138,898 (R\$136,034 on December 31, 2018).

The reconciliation of changes in these options is presented in Note 20 – *Financial instruments and risks*.

#### **(d.5) Accounting for acquisition of non-controlling interests**

Transactions with non-controlling interests of the same business, even when performed at arm's length terms, that present valid economic grounds and reflect normal market conditions, will be consolidated by the applicable accounting standards as occurred within the same accounting entity.

As determined by IFRS 10, any difference between the amount paid (fair value) for the acquisition of non-controlling interests and are related to carrying amount of such non-controlling interest shall be recognized directly in controlling shareholders' equity. The acquisition of non-controlling interest related to Old Ambev, the above mentioned adjustment was recognized in the carrying value adjustments when applicable, due to the adoption of the predecessor basis of accounting.

## 14. SEGMENT REPORTING

(a) Reportable segments – six-month period ended in:

	Brazil		CAC <sup>(i)</sup>		Latin America - South <sup>(ii)</sup>		Canada		Consolidated	
	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)
Net sales	13,490,542	12,003,153	3,147,906	2,527,251	4,810,121	5,480,037	3,336,690	3,139,323	24,785,259	23,149,764
Cost of sales	(5,666,986)	(4,539,971)	(1,364,189)	(1,059,923)	(1,839,647)	(2,110,400)	(1,198,180)	(1,127,946)	(10,069,002)	(8,838,240)
<b>Gross profit</b>	<b>7,823,556</b>	<b>7,463,182</b>	<b>1,783,717</b>	<b>1,467,328</b>	<b>2,970,474</b>	<b>3,369,637</b>	<b>2,138,510</b>	<b>2,011,377</b>	<b>14,716,257</b>	<b>14,311,524</b>
Distribution expenses	(1,811,909)	(1,760,422)	(313,056)	(270,806)	(526,027)	(555,137)	(625,898)	(580,740)	(3,276,890)	(3,167,105)
Sales and marketing expenses	(1,548,354)	(1,656,205)	(254,496)	(273,733)	(555,492)	(631,204)	(477,889)	(475,384)	(2,836,231)	(3,036,526)
Administrative expenses	(828,504)	(646,340)	(137,240)	(145,870)	(234,903)	(226,564)	(168,275)	(134,062)	(1,368,922)	(1,152,836)
Other operating income/(expenses)	413,442	532,137	56,200	15,350	(27,287)	(36,830)	(20,335)	(11,569)	422,020	499,088
Exceptional items	(21,831)	(8,407)	(3,025)	73,703	(27,466)	(35,601)	-	-	(52,322)	29,695
<b>Income from operations (EBIT)</b>	<b>4,026,400</b>	<b>3,923,945</b>	<b>1,132,100</b>	<b>865,972</b>	<b>1,599,299</b>	<b>1,884,301</b>	<b>846,113</b>	<b>809,622</b>	<b>7,603,912</b>	<b>7,483,840</b>
Net finance cost	(873,313)	(838,833)	(48,998)	(26,434)	(630,184)	(770,973)	312,990	(64,934)	(1,239,505)	(1,701,174)
Share of result of joint ventures	(1,893)	(3,693)	(1,781)	6,131	-	-	807	734	(2,867)	3,172
<b>Income before income tax</b>	<b>3,151,194</b>	<b>3,081,419</b>	<b>1,081,321</b>	<b>845,669</b>	<b>969,115</b>	<b>1,113,328</b>	<b>1,159,910</b>	<b>745,422</b>	<b>6,361,540</b>	<b>5,785,838</b>
Income tax expense	64,073	95,974	(332,538)	(185,563)	(415,943)	(421,379)	(312,163)	(276,237)	(996,571)	(787,205)
<b>Net income</b>	<b>3,215,267</b>	<b>3,177,393</b>	<b>748,783</b>	<b>660,106</b>	<b>553,172</b>	<b>691,949</b>	<b>847,747</b>	<b>469,185</b>	<b>5,364,969</b>	<b>4,998,633</b>
<b>Normalized EBITDA <sup>(iii)</sup></b>	<b>5,334,990</b>	<b>5,243,620</b>	<b>1,389,225</b>	<b>997,031</b>	<b>2,113,010</b>	<b>2,281,167</b>	<b>974,665</b>	<b>938,797</b>	<b>9,811,890</b>	<b>9,460,615</b>
Exceptional items	(21,831)	(8,407)	(3,025)	73,703	(27,466)	(35,601)	-	-	(52,322)	29,695
Depreciation, amortization and impairment	(1,286,759)	(1,311,268)	(254,100)	(204,762)	(486,245)	(361,265)	(128,552)	(129,175)	(2,155,656)	(2,006,470)
Net finance costs	(873,313)	(838,833)	(48,998)	(26,434)	(630,184)	(770,973)	312,990	(64,934)	(1,239,505)	(1,701,174)
Share of result of joint ventures	(1,893)	(3,693)	(1,781)	6,131	-	-	807	734	(2,867)	3,172
Income tax expense	64,073	95,974	(332,538)	(185,563)	(415,943)	(421,379)	(312,163)	(276,237)	(996,571)	(787,205)
<b>Net income</b>	<b>3,215,267</b>	<b>3,177,393</b>	<b>748,783</b>	<b>660,106</b>	<b>553,172</b>	<b>691,949</b>	<b>847,747</b>	<b>469,185</b>	<b>5,364,969</b>	<b>4,998,633</b>
<b>Normalized EBITDA margin in %</b>	<b>39.5%</b>	<b>43.7%</b>	<b>44.1%</b>	<b>39.5%</b>	<b>43.9%</b>	<b>41.6%</b>	<b>29.2%</b>	<b>29.9%</b>	<b>39.6%</b>	<b>40.9%</b>
Acquisition of property, plant and equipment	836,910	713,168	258,886	173,140	266,662	324,423	79,354	67,096	1,441,812	1,277,827



(continued)

	Brazil		CAC <sup>(i)</sup>		Latin America - South <sup>(ii)</sup>		Canada		Consolidated	
	06/30/2019	12/31/2018 (restated)	06/30/2019	12/31/2018 (restated)	06/30/2019	12/31/2018 (restated)	06/30/2019	12/31/2018 (restated)	06/30/2019	12/31/2018 (restated)
Segment assets	40,527,896	41,478,586	10,964,987	11,270,219	14,214,677	14,472,056	12,019,922	11,065,962	77,727,482	78,286,823
Intersegment elimination									(1,562,806)	(2,246,449)
Non-segmented assets									22,574,303	19,674,043
<b>Total assets</b>									<b>98,738,979</b>	<b>95,714,417</b>
Segment liabilities	15,314,450	18,252,112	3,239,986	3,420,931	3,193,103	4,484,598	4,255,964	3,584,762	26,003,503	29,742,403
Intersegment elimination									(1,562,781)	(2,246,443)
Non-segmented liabilities									74,298,257	68,218,457
<b>Total liabilities</b>									<b>98,738,979</b>	<b>95,714,417</b>

(i) CAC: includes operations in El Salvador, Guatemala, Nicaragua, Dominican Republic, Saint Vincent, Dominica, Antigua, Cuba, Barbados, Panama, Puerto Rico and Costa Rica.

(ii) Latin America – South: includes operations in Argentina, Bolivia, Chile, Paraguay and Uruguay.

(iii) Normalized EBITDA is calculated excluding of the net income the following effects: (i) Income tax expense, (ii) Share of results of joint ventures (iii) Net finance result, (iv) Exceptional items, and (v) Depreciation, amortization and impairment of property, plant and equipment.

## (b) Reportable segments – three-month periods ended in:

	Brazil		CAC <sup>(i)</sup>		Latin America - South <sup>(ii)</sup>		Canada		Consolidated	
	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)
Net sales	6,276,170	5,822,721	1,685,781	1,377,529	2,139,957	2,388,502	2,043,225	1,920,793	12,145,133	11,509,545
Cost of sales	(2,609,402)	(2,193,092)	(720,860)	(571,753)	(886,037)	(943,159)	(745,002)	(674,302)	(4,961,301)	(4,382,306)
<b>Gross profit</b>	<b>3,666,768</b>	<b>3,629,629</b>	<b>964,921</b>	<b>805,776</b>	<b>1,253,920</b>	<b>1,445,343</b>	<b>1,298,223</b>	<b>1,246,491</b>	<b>7,183,832</b>	<b>7,127,239</b>
Distribution expenses	(864,266)	(842,493)	(165,179)	(140,245)	(253,201)	(256,200)	(367,522)	(332,044)	(1,650,168)	(1,570,982)
Sales and marketing expenses	(781,048)	(872,948)	(116,177)	(142,587)	(271,917)	(305,751)	(265,808)	(249,859)	(1,434,950)	(1,571,145)
Administrative expenses	(446,206)	(319,410)	(66,380)	(89,044)	(114,545)	(104,534)	(80,269)	(68,656)	(707,400)	(581,644)
Other operating income/(expenses)	180,052	258,952	51,500	11,126	(27,325)	(23,453)	(13,460)	(5,097)	190,767	241,528
Exceptional items	(14,408)	(6,729)	(415)	74,308	(19,079)	(29,452)	-	-	(33,902)	38,127
<b>Income from operations (EBIT)</b>	<b>1,740,892</b>	<b>1,847,001</b>	<b>668,270</b>	<b>519,334</b>	<b>567,853</b>	<b>725,953</b>	<b>571,164</b>	<b>590,835</b>	<b>3,548,179</b>	<b>3,683,123</b>
Net finance cost	(550,463)	(571,846)	(32,346)	(7,088)	(323,714)	(485,575)	339,086	(37,443)	(567,437)	(1,101,952)
Share of result of joint ventures	(959)	(2,076)	(291)	4,224	-	-	519	407	(731)	2,555
<b>Income before income tax</b>	<b>1,189,470</b>	<b>1,273,079</b>	<b>635,633</b>	<b>516,470</b>	<b>244,139</b>	<b>240,378</b>	<b>910,769</b>	<b>553,799</b>	<b>2,980,011</b>	<b>2,583,726</b>
Income tax expense	133,874	245,389	(167,734)	(96,023)	(132,971)	(135,610)	(197,279)	(186,435)	(364,110)	(172,679)
<b>Net income</b>	<b>1,323,344</b>	<b>1,518,468</b>	<b>467,899</b>	<b>420,447</b>	<b>111,168</b>	<b>104,768</b>	<b>713,490</b>	<b>367,364</b>	<b>2,615,901</b>	<b>2,411,047</b>
<b>Normalized EBITDA <sup>(iii)</sup></b>	<b>2,393,182</b>	<b>2,521,621</b>	<b>811,112</b>	<b>550,235</b>	<b>841,291</b>	<b>944,992</b>	<b>645,654</b>	<b>656,838</b>	<b>4,691,239</b>	<b>4,673,686</b>
Exceptional items	(14,408)	(6,729)	(415)	74,308	(19,079)	(29,452)	-	-	(33,902)	38,127
Depreciation, amortization and impairment	(637,882)	(667,891)	(142,427)	(105,209)	(254,359)	(189,587)	(74,490)	(66,003)	(1,109,158)	(1,028,690)
Net finance costs	(550,463)	(571,846)	(32,346)	(7,088)	(323,714)	(485,575)	339,086	(37,443)	(567,437)	(1,101,952)
Share of result of joint ventures	(959)	(2,076)	(291)	4,224	-	-	519	407	(731)	2,555
Income tax expense	133,874	245,389	(167,734)	(96,023)	(132,971)	(135,610)	(197,279)	(186,435)	(364,110)	(172,679)
<b>Net income</b>	<b>1,323,344</b>	<b>1,518,468</b>	<b>467,899</b>	<b>420,447</b>	<b>111,168</b>	<b>104,768</b>	<b>713,490</b>	<b>367,364</b>	<b>2,615,901</b>	<b>2,411,047</b>
<b>Normalized EBITDA margin in %</b>	<b>38.1%</b>	<b>43.3%</b>	<b>48.1%</b>	<b>39.9%</b>	<b>39.3%</b>	<b>39.6%</b>	<b>31.6%</b>	<b>34.2%</b>	<b>38.6%</b>	<b>40.6%</b>

(i) Latin America – North: includes operations in Brazil and CAC (El Salvador, Guatemala, Nicaragua, Dominican Republic, Saint Vincent, Dominica, Antigua, Cuba, Barbados, Panama, Puerto Rico and Costa Rica).

(ii) Latin America – South: includes operations in Argentina, Bolivia, Chile, Paraguay and Uruguay.

(iii) Normalized EBITDA is calculated excluding of the net income the following effects: (i) Income tax expense, (ii) Share of results of joint ventures (iii) Net finance result, (iv) Exceptional items, and (v) Depreciation, amortization and impairment of property, plant and equipment.

## (c) Additional information – by Business unit:

	Six-month period ended:						Three-month period ended:					
	Brazil						Brazil					
	Beer		Soft drink and Non-alcoholic and non-carbonated		Total		Beer		Soft drink and Non-alcoholic and non-carbonated		Total	
06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)	
Net sales	11,429,326	10,280,171	2,061,216	1,722,982	13,490,542	12,003,153	5,296,505	4,964,583	979,665	858,138	6,276,170	5,822,721
Cost of sales	(4,704,597)	(3,683,875)	(962,389)	(856,096)	(5,666,986)	(4,539,971)	(2,206,364)	(1,803,316)	(403,038)	(389,776)	(2,609,402)	(2,193,092)
<b>Gross profit</b>	<b>6,724,729</b>	<b>6,596,296</b>	<b>1,098,827</b>	<b>866,886</b>	<b>7,823,556</b>	<b>7,463,182</b>	<b>3,090,141</b>	<b>3,161,267</b>	<b>576,627</b>	<b>468,362</b>	<b>3,666,768</b>	<b>3,629,629</b>
Distribution expenses	(1,484,371)	(1,438,648)	(327,538)	(321,774)	(1,811,909)	(1,760,422)	(706,243)	(689,530)	(158,023)	(152,963)	(864,266)	(842,493)
Sales and marketing expenses	(1,359,571)	(1,548,219)	(188,783)	(107,986)	(1,548,354)	(1,656,205)	(663,368)	(808,289)	(117,680)	(64,659)	(781,048)	(872,948)
Administrative expenses	(711,588)	(548,901)	(116,916)	(97,439)	(828,504)	(646,340)	(383,262)	(271,858)	(62,944)	(47,552)	(446,206)	(319,410)
Other operating income/(expenses)	270,226	413,132	143,216	119,005	413,442	532,137	94,662	196,493	85,390	62,459	180,052	258,952
Exceptional items	(21,831)	(7,055)	-	(1,352)	(21,831)	(8,407)	(15,542)	(5,674)	1,134	(1,055)	(14,408)	(6,729)
<b>Income from operations (EBIT)</b>	<b>3,417,594</b>	<b>3,466,605</b>	<b>608,806</b>	<b>457,340</b>	<b>4,026,400</b>	<b>3,923,945</b>	<b>1,416,388</b>	<b>1,582,409</b>	<b>324,504</b>	<b>264,592</b>	<b>1,740,892</b>	<b>1,847,001</b>
Net finance cost	(859,461)	(825,640)	(13,852)	(13,193)	(873,313)	(838,833)	(542,962)	(565,413)	(7,501)	(6,433)	(550,463)	(571,846)
Share of result of joint ventures	(1,893)	(3,693)	-	-	(1,893)	(3,693)	(959)	(2,076)	-	-	(959)	(2,076)
<b>Income before income tax</b>	<b>2,556,240</b>	<b>2,637,272</b>	<b>594,954</b>	<b>444,147</b>	<b>3,151,194</b>	<b>3,081,419</b>	<b>872,467</b>	<b>1,014,920</b>	<b>317,003</b>	<b>258,159</b>	<b>1,189,470</b>	<b>1,273,079</b>
Income tax expense	64,073	95,974	-	-	64,073	95,974	133,874	245,389	-	-	133,874	245,389
<b>Net income</b>	<b>2,620,313</b>	<b>2,733,246</b>	<b>594,954</b>	<b>444,147</b>	<b>3,215,267</b>	<b>3,177,393</b>	<b>1,006,341</b>	<b>1,260,309</b>	<b>317,003</b>	<b>258,159</b>	<b>1,323,344</b>	<b>1,518,468</b>
<b>Normalized EBITDA<sup>(i)</sup></b>	<b>4,561,901</b>	<b>4,614,483</b>	<b>773,089</b>	<b>629,137</b>	<b>5,334,990</b>	<b>5,243,620</b>	<b>1,983,746</b>	<b>2,168,221</b>	<b>409,436</b>	<b>353,400</b>	<b>2,393,182</b>	<b>2,521,621</b>
Exceptional items	(21,831)	(7,055)	-	(1,352)	(21,831)	(8,407)	(15,542)	(5,674)	1,134	(1,055)	(14,408)	(6,729)
Depreciation, amortization and impairment	(1,122,476)	(1,140,823)	(164,283)	(170,445)	(1,286,759)	(1,311,268)	(551,816)	(580,138)	(86,066)	(87,753)	(637,882)	(667,891)
Net finance costs	(859,461)	(825,640)	(13,852)	(13,193)	(873,313)	(838,833)	(542,962)	(565,413)	(7,501)	(6,433)	(550,463)	(571,846)
Share of result of joint ventures	(1,893)	(3,693)	-	-	(1,893)	(3,693)	(959)	(2,076)	-	-	(959)	(2,076)
Income tax expense	64,073	95,974	-	-	64,073	95,974	133,874	245,389	-	-	133,874	245,389
<b>Net income</b>	<b>2,620,313</b>	<b>2,733,246</b>	<b>594,954</b>	<b>444,147</b>	<b>3,215,267</b>	<b>3,177,393</b>	<b>1,006,341</b>	<b>1,260,309</b>	<b>317,003</b>	<b>258,159</b>	<b>1,323,344</b>	<b>1,518,468</b>
<b>Normalized EBITDA margin in %</b>	<b>39.9%</b>	<b>44.9%</b>	<b>37.5%</b>	<b>36.5%</b>	<b>39.5%</b>	<b>43.7%</b>	<b>37.5%</b>	<b>43.7%</b>	<b>41.8%</b>	<b>41.2%</b>	<b>38.1%</b>	<b>43.3%</b>

(i) Normalized EBITDA is calculated excluding of the net income the following effects: (i) Income tax expense, (ii) Share of results of joint ventures, (iii) Net finance result, (iv) Exceptional items, and (v) Depreciation, amortization and impairment of property, plant and equipment.

**15. NET SALES**

Reconciliation between gross sales and net sales:

	<b>Six-month period ended:</b>		<b>Three-month period ended:</b>	
	<b>06/30/2019</b>	<b>06/30/2018</b>	<b>06/30/2019</b>	<b>06/30/2018</b>
Gross sales and/or services	36,392,191	34,381,919	17,622,376	16,927,204
Excise duty	(7,819,976)	(7,402,946)	(3,722,569)	(3,670,481)
Discounts	(3,786,956)	(3,829,209)	(1,754,674)	(1,747,178)
	<b>24,785,259</b>	<b>23,149,764</b>	<b>12,145,133</b>	<b>11,509,545</b>

Services provided by distributors, such as the promotion of our brands and logistics services, are considered as expenses when separately identifiable.

**16. OTHER OPERATING INCOME / (EXPENSES)**

	<b>Six-month period ended:</b>		<b>Three-month period ended:</b>	
	<b>06/30/2019</b>	<b>06/30/2018</b>	<b>06/30/2019</b>	<b>06/30/2018</b>
Government grants/NPV of long term fiscal incentives	395,198	408,901	191,101	214,092
(Additions)/Reversals to provisions	(8,344)	(15,757)	(11,104)	(9,117)
Gains/(losses) on disposal of property, plant and equipment, intangible assets and operation in associates	12,829	(20,921)	10,161	1,007
Other operating income/(expenses), net	22,337	126,865	609	35,546
	<b>422,020</b>	<b>499,088</b>	<b>190,767</b>	<b>241,528</b>

Government grants are not recognized until there is reasonable assurance that the Company will meet related conditions and that the grants will be received. Government grants are systematically recognized in income during the periods in which the Company recognizes as expenses the related costs that the grants are intended to offset.

## 17. FINANCE COST AND INCOME

### (a) Finance costs

	Six-month period ended:		Three-month period ended:	
	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)
Interest expense	(774,230)	(750,603)	(382,933)	(347,587)
Capitalized borrowings	-	118	-	98
Net Interest on pension plans	(50,521)	(50,381)	(25,429)	(25,899)
Losses on hedging instruments	(398,649)	(494,750)	(203,720)	(231,649)
Interest on provision for disputes and litigations	(23,805)	(46,533)	(7,439)	(17,396)
Exchange variation	(129,994)	(482,523)	(4,434)	(386,361)
Interest and foreign exchange rate on loans	(30,605)	(9,470)	(8,921)	(124)
Financial instruments at fair value through profit or loss	(2,133)	(2,844)	(2,133)	(2,844)
Tax on financial transactions	(72,650)	(195,878)	(18,717)	(104,702)
Bank guarantee expenses	(69,470)	(62,873)	(41,142)	(38,313)
Other financial results	(126,027)	(79,022)	(23,455)	(45,219)
	<b>(1,678,084)</b>	<b>(2,174,759)</b>	<b>(718,323)</b>	<b>(1,199,996)</b>
Non-recurring finance cost	(99,017)	-	(99,017)	-
	<b>(1,777,101)</b>	<b>(2,174,759)</b>	<b>(817,340)</b>	<b>(1,199,996)</b>

The exceptional net finance cost refers to the realization of the exchange variation of loans settled with related parties, historically recognized in shareholders' equity, in the amount of R\$99,017 in June 30, 2019.

Interest expenses are presented net of the effect of interest rate derivative financial instruments which mitigate Ambev's interest rate risk (Note 20 – *Financial instruments and risks*). The interest expenses were as follows:

	Six-month period ended:		Three-month period ended:	
	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)
Financial instruments measured at amortized cost	(264,225)	(278,286)	(137,032)	(133,849)
Financial instruments at fair value through profit or loss	(510,005)	(472,317)	(245,901)	(213,738)
	<b>(774,230)</b>	<b>(750,603)</b>	<b>(382,933)</b>	<b>(347,587)</b>

### (b) Finance income

	Six-month period ended:		Three-month period ended:	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Interest income	290,924	196,915	155,654	93,648
Gains on derivative	-	80,642	-	-
Financial instruments at fair value through profit or loss	36,676	189,151	266	389
Other financial results	25,421	6,877	6,120	4,007
	<b>353,021</b>	<b>473,585</b>	<b>162,040</b>	<b>98,044</b>
Effect of application of IAS 29 (hyperinflation)	184,575	-	87,863	-
	<b>537,596</b>	<b>473,585</b>	<b>249,903</b>	<b>98,044</b>

Interest income arose from the following financial assets:

	Six-month period ended:		Three-month period ended:	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Cash and cash equivalents	202,267	110,141	106,135	50,631
Investment securities held for trading	4,133	10,449	-	6,194
Other receivables	84,524	76,325	49,519	36,823
	<b>290,924</b>	<b>196,915</b>	<b>155,654</b>	<b>93,648</b>

## 18. INCOME TAX AND SOCIAL CONTRIBUTION

Income taxes reported in the income statement were as follows:

	Six-month period ended:		Three-month period ended:	
	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)
<b>Income tax expense - current</b>	<b>(1,786,709)</b>	<b>(1,391,350)</b>	<b>(807,524)</b>	<b>(663,297)</b>
Deferred tax expense on temporary differences	671,275	389,665	326,124	216,249
Deferred tax over taxes losses carryforwards movements in the current period	118,863	214,480	117,290	274,369
<b>Total deferred tax (expense)/income</b>	<b>790,138</b>	<b>604,145</b>	<b>443,414</b>	<b>490,618</b>
<b>Total income tax expenses</b>	<b>(996,571)</b>	<b>(787,205)</b>	<b>(364,110)</b>	<b>(172,679)</b>

The reconciliation from the weighted nominal to the effective tax rate is summarized as follows:

	Six-month period ended:		Three-month period ended:	
	06/30/2019	06/30/2018 (restated)	06/30/2019	06/30/2018 (restated)
<b>Profit before tax</b>	<b>6,361,540</b>	<b>5,785,838</b>	<b>2,980,011</b>	<b>2,583,726</b>
<b>Adjustment on taxable basis</b>				
Others non-taxable income	(129,365)	(53,443)	(62,387)	24,807
Government grants related to sales taxes	(925,859)	(851,833)	(438,673)	(438,099)
Share of result of joint ventures	2,867	(3,172)	731	(2,555)
Non-deductible expenses	128,410	99,689	60,420	35,147
Complement of income tax of foreign subsidiaries due in Brazil	251,522	52,685	128,854	24,833
Results of intercompany transactions	(260,073)	(367,091)	(317,354)	(250,846)
	<b>5,429,042</b>	<b>4,662,673</b>	<b>2,351,602</b>	<b>1,977,013</b>
Aggregated weighted nominal tax rate	29.22%	29.63%	28.75%	28.69%
<b>Taxes payable – nominal rate</b>	<b>(1,586,628)</b>	<b>(1,381,356)</b>	<b>(676,044)</b>	<b>(567,203)</b>
<b>Adjustment on tax expense</b>				
Income tax Incentives	156,417	101,090	114,717	47,630
Deductible interest on shareholders' equity	755,981	725,266	386,945	425,611
Tax savings from goodwill amortization	41,817	36,547	19,365	18,273
Withholding income tax	(233,797)	(207,096)	(168,688)	(154,136)
Recognition / write-off of deferred charges on tax losses	(47,571)	18,989	(17,339)	47,155
Effect of application of IAS 29 (hyperinflation)	(38,203)	-	(19,957)	-
Others with reduced taxation	(44,587)	(80,645)	(3,109)	9,991
<b>Income tax and social contribution expense</b>	<b>(996,571)</b>	<b>(787,205)</b>	<b>(364,110)</b>	<b>(172,679)</b>
<b>Effective tax rate</b>	<b>15.67%</b>	<b>13.61%</b>	<b>12.22%</b>	<b>6.68%</b>

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The main events that impacted the effective tax rate in the period were:

- Government subsidy on sales taxes: Related to regional incentives and local production, that, when reinvested, are not taxed for income tax and social contribution purposes, which explains the impact on the effective tax rate. The amount above is impacted by the fluctuation in volume, price and eventual variation on state VAT (ICMS).
- Complement of income tax of foreign subsidiaries due in Brazil: shows the result of the calculation of universal taxation of profits, according to the regulations of Law 12.973/14.
- Results of intercompany transactions: reflects the reality of the taxation in countries in which some subsidiaries with whom intercompany operations are made, are located.
- Deductible interest on shareholders' equity: under Brazilian law, companies have an option to remunerate their shareholders through payment of interest on capital ("IOC"), which is deductible for income tax purposes.

## 19. SHARE-BASED PAYMENTS

There are different stock-option and share-based payment programs which allow the employees and senior management from the Company and its subsidiaries to acquire (through of exercise of the stock option) or receive shares of the Company. For all stock option programs, the fair value of the shares is estimated at the options grant date, using the "Hull Binomial" pricing model, adjusted 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.

This current model of stock option, ruled by the Stock Option Plan of the Company ("Stock Option Plan"), includes two types of grants: (I) Grant 1- the beneficiary can be allocated 30%, 40%, 60%, 70% or 100% of the amount related to the profit share the beneficiary received in the year, to the immediate exercise of options, thus acquiring the corresponding shares of the Company, which transfer to third parties or the Company will only be allowed after the five-year period counted from the date of exercise of the options; and (II) Grant 2 - the beneficiary may exercise the options after a five-year grace period, for a period of five years.

In addition, the Company has implemented a share-based payment plan ("Share-Based Plan") under which certain employees and members of the management of the Company or its subsidiaries are eligible to receive shares of the Company including in the form of ADR's. The shares that are subject to the Share-Based Plan are designated as "restricted shares".

Additionally, as a mean of a creating a long term incentive (wealth incentive) for certain senior employees and members of management considered as having “high potential,” the Company grants, under the Share-Based Plan, shares to be delivered in the future divided in two separate lots – Lot A and Lot B, which will be delivered to the participants of the relevant program, subject to maturation periods of five and ten years, respectively.

The weighted average fair value of the options and assumptions used in applying the Company’s option pricing model of 2019 and 2018 grants was as follows:

<i>In R\$, except when otherwise indicated</i>	<b>06/30/2019 (i)</b>	<b>12/31/2018 (i)</b>
Fair value of options granted	5.37	5.62
Share price	18.13	18.04
Exercise price	18.13	18.04
Expected volatility	26.1%	26.2%
Vesting year	5	5
Expected dividends	5%	5%
Risk-free interest rate	9.1% (ii)	9.6% (ii)

(i) Information based on weighted average plans granted, except for the expected dividends and risk-free interest rate.

(ii) The percentages include the grants of stock options and ADR’s during the period, in which the risk-free interest rate of ADR’s are calculated in U.S. dollar.

The total number of outstanding options developed were as follows:

<i>Thousand options</i>	<b>06/30/2019</b>	<b>12/31/2018</b>
Options outstanding at January 1 <sup>st</sup>	<b>141,328</b>	<b>135,221</b>
Options issued during the period	1,408	19,899
Options exercised during the period	(1,457)	(9,988)
Options forfeited during the period	(10,389)	(3,804)
<b>Options outstanding at ended period</b>	<b>130,890</b>	<b>141,328</b>

The range of exercise prices of the outstanding options was between R\$0.001 (R\$0.001 on December 31, 2018) and R\$33.43 (R\$27.43 on December 31, 2018) and the weighted average remaining contractual life was approximately 5.85 years (6.27 years on December 31, 2018).

Of the 130,890 thousand outstanding options (141,328 thousand on December 31, 2018), 43,201 thousand options were vested on June 30, 2019 (55,538 thousands on December 31, 2018).



The weighted average exercise price of the options is as follows:

<i>In R\$ per share</i>	<b>06/30/2019</b>	<b>12/31/2018</b>
Options outstanding at January 1 <sup>st</sup>	16.16	15.27
Options issued during the period	18.13	18.04
Options forfeited during the period	20.27	18.55
Options exercised during the period	7.66	7.47
Options outstanding at ended period	18.22	16.16
Options exercisable at ended period	17.57	2.25

For the options exercised during the period ended June 30, 2019, the weighted average share price on the exercise date was R\$17.40 (R\$21.83 as of December 31, 2018).

To settle the exercised stock options, the Company may use treasury shares. The current limit of authorized capital is considered sufficient to meet all stock option plans if the issue of new shares is required to meet the grants awarded in the programs.

During the period, the Company did not grant deferred stocks under the stock option plan (as at December 2018, 426 thousand deferred stocks had been granted related to the exercise of stock options granted in the previous years, and such shares were valued based on the share price of the trading session immediately prior to the stock option grant, representing a fair value of R\$7,518).

During the period, the Company granted 3,815 thousand (13,055 thousand as at December 31, 2018) restricted shares under the Share-Based Plan, which are valued based on the share price of the trading session immediately prior to the grant of shares, representing a fair value of approximately R\$58,773 on June 30, 2019 (R\$239,109 as of December 31, 2018). Such restricted share units are subject to a grace period of five years counted from the date of the grant.

The total number of shares purchased or granted, as the case may be, under the Stock Option Plan and Share-Based Plan by employees, the delivery of which will be performed in the future under certain conditions (deferred stock and restricted shares), is demonstrated below:

<i>Thousand deferred shares</i>	<b>06/30/2019</b>	<b>12/31/2018</b>
Deferred shares outstanding at January 1 <sup>st</sup>	<b>12,308</b>	<b>16,300</b>
New deferred shares during the period	-	426
Deferred shares granted during the period	(4,067)	(3,429)
Deferred shares forfeited during the period	(338)	(989)
<b>Deferred shares outstanding at ended period</b>	<b>7,903</b>	<b>12,308</b>

<i>Thousand restricted shares</i>	06/30/2019	12/31/2018
Restricted shares outstanding at January 1st	12,656	-
New restricted shares during the period	3,815	13,055
Restricted shares granted during the period	-	(296)
Restricted shares forfeited during the period	(292)	(103)
<b>Restricted shares outstanding at ended period</b>	<b>16,179</b>	<b>12,656</b>

Additionally, certain employees and managers of the Company received options to acquire AB Inbev shares, the compensation cost of which is recognized in the income statement against equity.

The transactions with share-based payments described above generated an expense of R\$129,633 (R\$82,59 on June 30, 2018), recorded as administrative expenses.

## 20. FINANCIAL INSTRUMENTS AND RISKS

### Risk factors

The Company is exposed to foreign currency, interest rate, commodity price, liquidity and credit risk in the ordinary course of business. The Company analyzes each of these risks both individually and as a whole to define strategies to manage the economic impact on Company's performance consistent with its Financial Risk Management Policy.

The Company's use of derivatives strictly follows the Financial Risk Management Policy approved by the Board of Directors. The purpose of the policy is to provide guidelines for the management of financial risks inherent to the capital markets in which Ambev carries out its operations. The policy comprises four main aspects: (i) capital structure, financing and liquidity, (ii) transactional risks related to the business, (iii) financial statements translation risks and (iv) credit risks of financial counterparties.

The policy establishes that all the financial assets and liabilities in each country where Ambev operates must be denominated in their respective local currencies. The policy also sets forth the procedures and controls needed for identifying, measuring and minimizing market risks, such as variations in foreign exchange rates, interest rates and commodities (mainly aluminum, wheat, corn and sugar) that may affect Ambev's revenues, costs and/or investment amounts. The policy states that all the known risks (e.g. foreign currency and interest) shall be hedged by contracting derivative financial instruments. Existing risks not yet recorded (e.g. future contracts for the purchase of raw material or property, plant and equipment) are mitigated using projections for the period necessary for the Company to adapt to the new cost scenario, which may vary from ten to fourteen months, also through the use of derivative financial instruments. Most of the translation risks are not hedged. Any exception to the policy must be approved by the Board of Directors.

## Derivative financial Instruments

Derivative financial instruments authorized by the Financial Risk Management Policy are futures contracts traded on exchanges, full deliverable forwards, non-deliverable forwards, swaps and options. At June 30, 2019, the Company and its subsidiaries had no target forward, swaps with currency verification or any other derivative operations representing a risk level above the nominal value of their contracts. The derivative operations are managed on a consolidated basis and are classified by strategies according to their purposes, as follows:

i) Cash flow hedge derivative instruments – The highly probable forecast transactions contracted in order to minimize the Company's exposure to fluctuations of exchange rates and prices of raw materials, investments, equipment and services to be procured, protected by cash flow hedges that shall occur at various different dates during the next fourteen months. Gains and losses classified as hedging reserve in equity are recognized in the income statement in the period or periods when the forecast and hedged transaction affects the income statement.

ii) Fair value hedge derivative instruments – operations contracted with the purpose of mitigating the Company's net indebtedness against foreign exchange and interest rate risk. Cash net positions and foreign currency debts are continually assessed for identification of new exposures.

The results of these operations, measured according to their fair value, are recognized in financial results.

iii) Net investment hedge derivative instruments – transactions entered into in order to minimize exposure of the exchange differences arising from conversion of net investment in the Company's subsidiaries located abroad for translation account balance. The effective portion of the hedge is allocated to equity and the ineffectiveness portion is recorded directly in financial results.

The following tables summarize the exposure of the Company that were identified and protected in accordance with the Company's Risk Policy. The following denominations have been applied:

Operational Hedge: Refers to the exposures arising from the core business of Ambev, such as: purchase of inputs, purchase of fixed assets and service contracts linked to foreign currency, which is protected through the use of derivatives.

Financial Hedge: Refers to the exposures arising from cash and financing activities, such as: foreign currency cash and foreign currency debt, which is protected through the use of derivatives.

Investment hedge abroad: Refers mainly to exposures arising from cash hold in foreign currency in foreign subsidiaries whose functional currency is different from the consolidation currency.

Investment hedge - Put option granted on subsidiary: As detailed in Note 13 (d.4) the Company constituted a liability related to acquisition of Non-controlling interest in the Dominican Republic operations. This financial instrument is denominated in Dominican Pesos and is recorded in a Company which functional currency is the Real. The Company assigned this financial instrument as a hedging instrument for part of its net assets located in the Dominican Republic, in such manner the hedge result can be recorded in other comprehensive income of the group, following the result of the hedged item.

## Transactions protected by derivative financial instruments in accordance with the Financial Risk Management Policy

Exposure	Risk	Notional	06/30/2019		Six-month period ended: 06/30/2019			Three-month period ended: 06/30/2019			
			Fair Value		Gain / (Losses)			Gain / (Losses)			
			Assets	Liability	Finance Result	Operational Result	Equity	Finance Result	Operational Result	Equity	
<b>Cost</b>		<b>(10,542,389)</b>	<b>10,358,443</b>	<b>110,979</b>	<b>(354,270)</b>	<b>(424,210)</b>	<b>660,524</b>	<b>70,879</b>	<b>(236,750)</b>	<b>275,373</b>	<b>(221,741)</b>
	Commodity	(2,397,179)	2,213,233	22,369	(208,683)	(20,543)	(65,986)	(18,136)	(9,766)	(51,328)	(76,811)
	American Dollar	(7,893,256)	7,893,256	53,223	(143,527)	(401,294)	759,515	126,405	(226,427)	340,935	(131,565)
	Euro	(76,439)	76,439	-	(2,036)	(1,426)	(2,701)	(6,279)	(457)	(1,062)	(618)
	Mexican Pesos	(175,515)	175,515	35,387	(24)	(947)	(30,304)	(31,111)	(100)	(13,172)	(12,747)
<b>Fixed Assets</b>		<b>(835,006)</b>	<b>835,006</b>	<b>6,481</b>	<b>(46,574)</b>	<b>(119,996)</b>	<b>1,769</b>	<b>41,863</b>	<b>(61,586)</b>	<b>(50,747)</b>	<b>(32,916)</b>
	American Dollar	(835,006)	835,006	6,481	(46,574)	(119,996)	1,769	41,863	(61,586)	(50,747)	(32,916)
<b>Expenses</b>		<b>(233,349)</b>	<b>233,349</b>	<b>983</b>	<b>(11,700)</b>	<b>(35,414)</b>	<b>564</b>	<b>12,249</b>	<b>(18,177)</b>	<b>(561)</b>	<b>(9,715)</b>
	American Dollar	(233,349)	233,349	983	(11,700)	(35,416)	722	12,355	(18,177)	(561)	(9,715)
	Rupee	-	-	-	-	2	(158)	(106)	-	-	-
<b>Cash</b>		<b>(15,000)</b>	<b>15,000</b>	<b>-</b>	<b>(3)</b>	<b>(62)</b>	<b>-</b>	<b>-</b>	<b>(61)</b>	<b>-</b>	<b>-</b>
	Interest rate	(15,000)	15,000	-	(3)	(62)	-	-	(61)	-	-
<b>Debts</b>		<b>(933,331)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,306</b>	<b>-</b>	<b>-</b>	<b>4,682</b>	<b>-</b>	<b>-</b>
	American Dollar	(641,790)	-	-	-	-	-	-	-	-	-
	Interest rate	(291,541)	-	-	-	5,306	-	-	4,682	-	-
<b>Equity Instrument</b>		<b>(1,673,812)</b>	<b>1,028,944</b>	<b>43,862</b>	<b>(6,740)</b>	<b>195,610</b>	<b>-</b>	<b>-</b>	<b>116,554</b>	<b>-</b>	<b>-</b>
	Stock exchange prices	(1,673,812)	1,028,944	43,862	(6,740)	195,610	-	-	116,554	-	-
<b>Foreign Investments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,487)</b>	<b>28,487</b>	<b>-</b>	<b>(28,487)</b>	<b>28,487</b>
	American Dollar	-	-	-	-	-	(28,487)	28,487	-	(28,487)	28,487
<b>June 30, 2019</b>		<b>(14,232,887)</b>	<b>12,470,742</b>	<b>162,305</b>	<b>(419,287)</b>	<b>(378,766)</b>	<b>634,370</b>	<b>153,478</b>	<b>(195,338)</b>	<b>195,578</b>	<b>(235,885)</b>

Exposure	Risk	Notional	12/31/2018		Six-month period ended: 06/30/2018			Three-month period ended: 06/30/2018			
			Fair Value		Gain / (Losses)			Gain / (Losses)			
			Assets	Liability	Finance Result	Operational Result	Equity	Finance Result	Operational Result	Equity	
<b>Cost</b>		<b>(11,793,199)</b>	<b>11,607,208</b>	<b>184,487</b>	<b>(394,167)</b>	<b>(208,638)</b>	<b>374,931</b>	<b>1,604,447</b>	<b>58,902</b>	<b>261,693</b>	<b>1,575,126</b>
	Commodity	(2,597,049)	2,411,058	14,900	(270,592)	(41,535)	73,461	(22,203)	(27,185)	54,772	96,283
	American Dollar	(8,774,281)	8,774,281	128,429	(119,917)	(169,667)	274,617	1,565,724	84,284	194,280	1,418,391
	Euro	(152,373)	152,373	2,234	(1,020)	(1,222)	3,601	274	(815)	2,219	(4,622)
	Mexican Pesos	(269,496)	269,496	38,924	(2,638)	3,786	23,252	60,652	2,618	10,422	65,074
<b>Fixed Assets</b>		<b>(890,029)</b>	<b>890,029</b>	<b>23,701</b>	<b>(29,318)</b>	<b>25,945</b>	-	-	<b>27,479</b>	-	-
	American Dollar	(890,029)	890,029	23,701	(29,126)	20,611	-	-	22,625	-	-
	Euro	-	-	-	(192)	5,334	-	-	4,854	-	-
<b>Expenses</b>		<b>(314,001)</b>	<b>314,001</b>	<b>11,403</b>	<b>(14,150)</b>	<b>(3,670)</b>	<b>12,256</b>	<b>4,871</b>	<b>(3,150)</b>	<b>9,868</b>	<b>4,707</b>
	American Dollar	(311,812)	311,812	11,362	(14,150)	(3,906)	12,694	5,224	(3,304)	10,139	5,058
	Rupee	(2,189)	2,189	41	-	236	(438)	(353)	154	(271)	(351)
<b>Cash</b>		<b>(15,000)</b>	<b>15,000</b>	<b>359</b>	<b>-</b>	<b>(328,435)</b>	<b>-</b>	<b>-</b>	<b>(303,547)</b>	<b>-</b>	<b>-</b>
	American Dollar	-	-	265	-	(328,656)	-	-	(303,768)	-	-
	Interest rate	(15,000)	15,000	94	-	221	-	-	221	-	-
<b>Debts</b>		<b>(1,010,581)</b>	<b>338,219</b>	<b>34,900</b>	<b>(1,127)</b>	<b>198,815</b>	<b>-</b>	<b>-</b>	<b>170,405</b>	<b>-</b>	<b>-</b>
	American Dollar	(672,362)	-	-	-	188,954	-	-	171,080	-	-
	Interest rate	(338,219)	338,219	34,900	(1,127)	9,861	-	-	(675)	-	-
<b>Equity Instrument</b>		<b>(1,535,355)</b>	<b>1,108,416</b>	<b>82</b>	<b>(242,986)</b>	<b>(213,539)</b>	<b>-</b>	<b>-</b>	<b>(283,645)</b>	<b>-</b>	<b>-</b>
	American Dollar	(1,535,355)	1,108,416	82	(242,986)	(213,539)	-	-	(283,645)	-	-
<b>Total</b>		<b>(15,558,165)</b>	<b>14,272,873</b>	<b>254,932</b>	<b>(681,748)</b>	<b>(529,522)</b>	<b>387,187</b>	<b>1,609,318</b>	<b>(333,556)</b>	<b>271,561</b>	<b>1,579,833</b>

## I. Market risk

### a.1) Foreign currency risk

The Company is exposed to foreign currency risk on borrowings, investments, purchases, dividends and/or interest expense and income whenever they are denominated in a currency other than the functional currency of the subsidiary. The main derivatives financial instruments used to manage foreign currency risk are futures contracts, swaps, options, non-deliverable forwards and full deliverable forwards.

### a.2) Commodity Risk

A significant portion of the Company's inputs comprises commodities, which historically have experienced substantial price fluctuations. The Company therefore uses both fixed price purchasing contracts and derivative financial instruments to minimize its exposure to commodity price volatility. The Company has important exposures to the following commodities: aluminum, sugar, wheat and corn. These derivative financial instruments have been designated as cash-flow hedges.

### a.3) Interest rate risk

The Company applies a dynamic interest rate hedging approach whereby the target mix between fixed and floating rate debts is reviewed periodically. The purpose of the Company's policy is to achieve an optimal balance between cost of funding and volatility of financial results, taking into account market conditions as well as the Company's overall business strategy and this strategy is reviewed periodically.

The table below demonstrates the Company's exposure related to debts, before and after interest rates hedging strategy.

	<b>06/30/2019</b>			
	<b>Pre - Hedge</b>		<b>Post - Hedge</b>	
	<b>Interest rate</b>	<b>Amount</b>	<b>Interest rate</b>	<b>Amount</b>
Brazilian Real	10.0%	2,115,507	10.0%	2,115,508
Working capital in Argentinean peso	64.8%	37,861	64.8%	37,861
Dominican Peso	9.7%	207,806	9.7%	207,806
American Dollar	3.6%	16,662	3.6%	16,662
Guatemala's Quetzal	7.8%	11,400	7.8%	11,400
Canadian Dollar	3.5%	139,438	3.5%	139,438
Others	7.8%	75,907	7.8%	75,906
<b>Interest rate pre-set</b>		<b>2,604,581</b>		<b>2,604,581</b>
Brazilian Real	9.4%	169,921	9.4%	169,921
American Dollar	3.4%	625,128	3.4%	625,128
Canadian Dollar	2.6%	1,536,544	2.6%	1,536,544
<b>Interest rate post fixed</b>		<b>2,331,593</b>		<b>2,331,593</b>

	12/31/2018 (restated)			
	Pre - Hedge		Post - Hedge	
	Interest rate	Amount	Interest rate	Amount
Brazilian Real	9.7%	2,034,555	10.1%	1,756,179
Dominican Peso	9.4%	217,450	9.4%	217,450
American Dollar	4.4%	42,392	4.4%	42,392
Guatemala's Quetzal	7.8%	11,460	7.8%	11,460
Canadian Dollar	3.5%	145,513	3.5%	145,513
Other Latin American Currencies	10.2%	32,092	10.2%	32,092
<b>Interest rate pre-set</b>		<b>2,483,462</b>		<b>2,205,086</b>
Brazilian Real	9.1%	237,658	6.8%	516,034
American Dollar	3.6%	629,973	3.6%	629,973
Canadian Dollar	2.8%	752,570	2.8%	752,570
<b>Interest rate post fixed</b>		<b>1,620,201</b>		<b>1,898,577</b>

### Sensitivity analysis

The Company mitigates risks arising from non-derivative financial assets and liabilities substantially, through derivative financial instruments. In this context, the Company has identified the main risk factors that may generate losses from these derivative financial instruments and has developed a sensitivity analysis based on three scenarios, which may impact the Company's future results and/or cash flow, as described below:

1 – Probable scenario: Management expectations of deterioration in each transaction's main risk factor. To measure the possible effects on the results of derivative transactions, the Company uses parametric Value at Risk – VaR. is a statistical measure developed through estimates of standard deviation and correlation between the returns of several risk factors. This model results in the loss limit expected for an asset over a certain time period and confidence interval. Under this methodology, we used the potential exposure of each financial instrument, a range of 95% and horizon of 21 days after June 30, 2019 for the calculation, which are presented in the module.

2 – Adverse scenario: 25% deterioration in each transaction's main risk factor as compared to the level observed on June 30, 2019.

3 – Remote scenario: 50% deterioration in each transaction's main risk factor as compared to the level observed on June 30, 2019.



Transaction	Risk	Fair Value	Probable scenario	Adverse scenario	Remote scenario
Commodities hedge	Decrease on commodities price	(186,314)	(254,485)	(739,622)	(1,292,931)
Input purchase		186,314	259,061	785,609	1,384,903
Foreign exchange hedge	Foreign currency decrease	(56,977)	(598,604)	(2,093,279)	(4,129,582)
Input purchase		56,977	598,604	2,093,279	4,129,582
<b>Costs effects</b>		-	<b>4,576</b>	<b>45,987</b>	<b>91,972</b>
Foreign exchange hedge	Foreign currency decrease	(40,093)	(49,093)	(248,844)	(457,596)
Capex Purchase		40,093	49,093	248,844	457,596
<b>Fixed assets effects</b>		-	-	-	-
Foreign exchange hedge	Foreign currency decrease	(10,717)	(13,263)	(69,054)	(127,391)
Expenses		10,717	13,263	69,054	127,391
<b>Expenses effects</b>		-	-	-	-
Interest Hedge	Decrease in interest rate	(3)	(363)	(662)	(784)
Interest revenue		3	363	662	784
<b>Cash effects</b>		-	-	-	-
Cash	Foreign currency decrease	-	76,430	160,448	320,895
Interest expenses	Increase in interest rate	-	1,548	15,217	28,633
<b>Debt effects</b>		-	<b>77,978</b>	<b>175,665</b>	<b>349,528</b>
Equity Instrument Hedge	Stock exchange price decrease	37,122	(32,251)	(220,114)	(477,350)
Expenses		(37,122)	44,639	381,331	799,784
<b>Equity effects</b>		-	<b>12,388</b>	<b>161,217</b>	<b>322,434</b>
		-	<b>94,942</b>	<b>382,869</b>	<b>763,934</b>

As at June 30, 2019 the notional and fair value amounts per instrument and maturity were as follows:

Exposure	Risk	Notional Value					Total
		2019	2020	2021	2022	>2022	
<b>Cost</b>		<b>8,353,913</b>	<b>2,004,530</b>	-	-	-	<b>10,358,443</b>
	Commodity	1,218,857	994,376	-	-	-	2,213,233
	American Dollar	6,957,503	935,753	-	-	-	7,893,256
	Euro	66,795	9,644	-	-	-	76,439
	Mexican Peso	110,758	64,757	-	-	-	175,515
<b>Fixed asset</b>		<b>728,539</b>	<b>106,467</b>	-	-	-	<b>835,006</b>
	American Dollar	728,539	106,467	-	-	-	835,006
<b>Expenses</b>		<b>204,202</b>	<b>29,147</b>	-	-	-	<b>233,349</b>
	American Dollar	204,202	29,147	-	-	-	233,349
<b>Cash</b>		<b>15,000</b>	-	-	-	-	<b>15,000</b>
	Interest rate	15,000	-	-	-	-	15,000
<b>Equity Instrument</b>		<b>477,563</b>	<b>551,381</b>	-	-	-	<b>1,028,944</b>
	Stock prices	477,563	551,381	-	-	-	1,028,944
		<b>9,779,217</b>	<b>2,691,525</b>	-	-	-	<b>12,470,742</b>

Exposure	Risk	Fair Value					Total
		2019	2020	2021	2022	>2022	
<b>Cost</b>		<b>(211,168)</b>	<b>(32,123)</b>	-	-	-	<b>(243,291)</b>
	Commodity	(155,480)	(30,834)	-	-	-	(186,314)
	American Dollar	(87,174)	(3,130)	-	-	-	(90,304)
	Euro	(1,812)	(224)	-	-	-	(2,036)
	Mexican Peso	33,298	2,065	-	-	-	35,363
<b>Fixed asset</b>		<b>(42,406)</b>	<b>2,313</b>	-	-	-	<b>(40,093)</b>
	American Dollar	(42,406)	2,313	-	-	-	(40,093)
<b>Expenses</b>		<b>(10,459)</b>	<b>(258)</b>	-	-	-	<b>(10,717)</b>
	American Dollar	(10,459)	(258)	-	-	-	(10,717)
<b>Cash</b>		<b>(3)</b>	-	-	-	-	<b>(3)</b>
	Interest rate	(3)	-	-	-	-	(3)
<b>Equity Instrument</b>		<b>33,547</b>	<b>3,575</b>	-	-	-	<b>37,122</b>
	Stock prices	33,547	3,575	-	-	-	37,122
		<b>(230,489)</b>	<b>(26,493)</b>	-	-	-	<b>(256,982)</b>

## II. Credit Risk

### *Concentration of credit risk on trade receivables*

A substantial part of the Company's sales are made to distributors, supermarkets and retailers, within a broad distribution network. Credit risk is reduced because of the widespread number of customers and control procedures used to monitor risk. Historically, the Company has not experienced significant losses on receivables from customers.

### *Concentration of credit risk on counterpart*

In order to minimize the credit risk of its investments, the Company has adopted procedures for the allocation of cash and investments, taking into consideration limits and credit analysis of financial institutions, avoiding credit concentration, i.e., the credit risk is monitored and minimized to the extent that negotiations are carried out only with a select group of highly rated counterparties.

The selection process of financial institutions authorized to operate as the Company's counterparty is set forth in our Credit Risk Policy. This Credit Risk Policy establishes maximum limits of exposure to each counterparty based on the risk rating and on each counterparty's capitalization.

In order to minimize the risk of credit with its counterparties on significant derivative transactions, the Company has adopted bilateral "trigger" clauses. According to these clauses, where the fair value of an operation exceeds a percentage of its notional value (generally between 10% and 15%), the debtor settles the difference in favor of the creditor.

As of June 30, 2019, the Company held its main short-term investments with the following financial institutions: Banco do Brasil, Bradesco, Bank Mendes Gans, BNP Paribas, Caixa Econômica Federal, Citibank, Itaú, JP Morgan Chase, Santander, ScotiaBank and Toronto Dominion Bank. The Company had derivative agreements with the following financial institutions: Banco Bisa, Banco Galicia, BBVA, Barclays, BNB, BNP Paribas, Bradesco, Citibank, Deutsche Bank, Itaú, Goldman Sachs, JP Morgan Chase, Macquarie, Merrill Lynch, Morgan Stanley, Santander, Standard Bank, ScotiaBank and TD Securities.

The carrying amount of cash and cash equivalents, investment securities, trade receivables excluding prepaid expenses, recoverable taxes and derivative financial instruments are disclosed net of provisions for impairment and represents the maximum exposure of credit risks at June 30, 2019. There was no concentration of credit risk with any counterparties as at June 30, 2019.

### **III. Liquidity Risk**

The Company believes that cash flows from operating activities, cash and cash equivalents and short-term investments, together with the derivative financial instruments and access to loan facilities are sufficient to finance capital expenditures, financial liabilities and dividend payments in the future.

### **IV. Equity price risk**

Through the equity swap transactions approved on May 15<sup>th</sup>, 2018, December 20<sup>th</sup>, 2018 and May 15<sup>th</sup>, 2019 by Ambev's Board of Directors (see Note 1 - *Corporate information*), the Company, or its subsidiaries, will receive the price variation related to its shares traded on the stock exchange or ADRs, neutralizing the possible effects of stock-price variation in view of the share-based payment of the Company. As these derivative instruments are not characterized as hedge accounting they were not therefore designated to any hedge.

At June 30, 2019, an exposure equivalent to R\$1.6 billion (R\$1.5 billion as of December 31, 2018) in AmBev's shares (or ADR's) was partially hedged, resulting in a gain in income statement of R\$195,610 (R\$213,539 as of June 30, 2018).

### **V. Capital management**

Ambev is continuously optimizing its capital structure, aiming to maximize shareholder value while keeping the desired financial flexibility to execute the strategic projects. Besides the statutory minimum equity funding requirements that apply to the Company's subsidiaries in different countries, Ambev is not subject to any externally imposed capital requirements. When analyzing its capital structure, the Company uses the same debt ratings and capital classifications as applied in the Company's interim financial statements.

## Financial instruments

### (a) Financial instruments categories

Management of the financial instruments held by the Company is effected through operational strategies and internal controls to assure liquidity, profitability and transaction security. Financial instruments transactions are regularly reviewed for the effectiveness of the risk exposure that management intends to cover (foreign exchange, interest rate, etc.).

The table below shows all financial instruments recognized in the interim financial statements, segregated by category:

	<b>06/30/2019</b>			
	<b>Fair value through other comprehensive income</b>	<b>Amortized cost</b>	<b>Fair value through profit or loss</b>	<b>Total</b>
<b>Financial assets</b>				
Cash and cash equivalents	6,096,067	8,137,336	-	14,233,403
Trade receivables excluding prepaid expenses	-	6,001,584	-	6,001,584
Investment securities	-	157,612	14,038	171,650
Financial instruments derivatives	-	-	43,862	43,862
Derivatives hedge	-	-	118,443	118,443
<b>Total</b>	<b>6,096,067</b>	<b>14,296,532</b>	<b>176,343</b>	<b>20,568,942</b>
<b>Financial liabilities</b>				
Trade payables and put option granted on subsidiary and other liabilities	-	13,877,017	2,689,914	16,566,931
Financial instruments derivatives	-	-	6,743	6,743
Derivatives hedge	-	-	412,544	412,544
Interest-bearing loans and borrowings	-	4,898,313	-	4,898,313
<b>Total</b>	<b>-</b>	<b>18,775,330</b>	<b>3,109,201</b>	<b>21,884,531</b>
				<b>12/31/2018 (restated)</b>
	<b>Fair value through other comprehensive income</b>	<b>Amortized cost</b>	<b>Fair value through profit or loss</b>	<b>Total</b>
<b>Financial assets</b>				
Cash and cash equivalents	3,778,394	7,685,104	-	11,463,498
Trade receivables excluding prepaid expenses	-	6,874,253	-	6,874,253
Investment securities	-	147,341	13,391	160,732
Financial instruments derivatives	-	-	34,068	34,068
Derivatives hedge	-	-	220,864	220,864
<b>Total</b>	<b>3,778,394</b>	<b>14,706,698</b>	<b>268,323</b>	<b>18,753,415</b>
<b>Financial liabilities</b>				
Trade payables and put option granted on subsidiary and other liabilities	-	15,535,632	2,669,561	18,205,193
Financial instruments derivatives	-	-	243,359	243,359
Derivatives hedge	-	-	438,389	438,389
Interest-bearing loans and borrowings	-	4,103,663	-	4,103,663
<b>Total</b>	<b>-</b>	<b>19,639,295</b>	<b>3,351,309</b>	<b>22,990,604</b>

**(b) Classification of financial instruments by type of fair value measurement**

IFRS 13 defines fair value as 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.

Also pursuant to IFRS 13, financial instruments measured at fair value shall be classified within the following categories:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date valuation;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – unobservable inputs for the asset or liability.

	06/30/2019				12/31/2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Financial asset at fair value through other comprehensive income	6,096,067	-	-	6,096,067	3,778,394	-	-	3,778,394
Financial asset at fair value through profit or loss	14,038	-	-	14,038	13,391	-	-	13,391
Derivatives assets at fair value through profit or loss	-	43,862	-	43,862	95	33,973	-	34,068
Derivatives - operational hedge	21,775	96,668	-	118,443	1,622	219,242	-	220,864
	<b>6,131,880</b>	<b>140,530</b>	<b>-</b>	<b>6,272,410</b>	<b>3,793,502</b>	<b>253,215</b>	<b>-</b>	<b>4,046,717</b>
<b>Financial liabilities</b>								
Financial liabilities at fair value through profit and loss <sup>(i)</sup>	-	-	2,689,914	2,689,914	-	-	2,669,561	2,669,561
Derivatives liabilities at fair value through profit or loss	3	6,740	-	6,743	511	242,848	-	243,359
Derivatives - operational hedge	2,592	409,952	-	412,544	36,583	401,806	-	438,389
	<b>2,595</b>	<b>416,692</b>	<b>2,689,914</b>	<b>3,109,201</b>	<b>37,094</b>	<b>644,654</b>	<b>2,669,561</b>	<b>3,351,309</b>

(i) Refers to the put option granted on subsidiary as described in Note 13 d(4).

**Reconciliation of changes in the categorization of Level 3**

<b>Financial liabilities at December 31, 2018</b>	<b>2,669,561</b>
Acquisition of investments	(24,088)
Total gains and losses in the period	44,441
Losses/(gains) recognized in net income	95,503
Losses/(gains) recognized in equity	(51,062)
<b>Financial liabilities at June 30, 2019 <sup>(i)</sup></b>	<b>2,689,914</b>

(i) The liability was recorded under "Trade payables and put option granted on subsidiary and other liabilities" on the balance sheet.

**(c) Fair value of financial liabilities measured at amortized cost**

The Company's liabilities, interest-bearing loans and borrowings, trade payables excluding tax payables, are recorded at amortized cost according to the effective rate method, plus indexation and foreign exchange gains/losses, based on closing indices for each exercise.

The financial instruments recorded at amortized cost are similar to the fair value and are not material for disclosure.

**Calculation of fair value of derivatives**

The Company measures derivative financial instruments by calculating their present value, through the use of market curves that impact the instrument on the computation dates. In the case of swaps, both the asset and the liability positions are estimated independently and brought to present value, where the difference between the result of the asset and liability amount generates the swaps market value. For the traded derivative financial instruments, the fair value is calculated according to the adjusted exchange-listed price.

**Margins given in guarantee**

In order to comply with the guarantee requirements of the derivative exchanges and/or counterparties in certain operations with derivative financial instruments, as at June 30, 2019 the Company held R\$716,705 in highly liquid financial investments or in cash, classified as cash and cash equivalents and investment securities (R\$653,751 on December 31, 2018).

**Offsetting of financial assets and liabilities**

For financial assets and liabilities subject to settlement agreements by the net or similar agreements, each agreement between the Company and the counterparty allows this type of settlement when both parties make this option. In the absence of such election, the assets and liabilities will be settled by their amounts, but each party will have the option to settle on net, in case of default by the counterparty.

**21. COLLATERAL AND CONTRACTUAL COMMITMENTS WITH SUPPLIERS, ADVANCES FROM CUSTOMERS AND OTHER**

	<u>06/30/2019</u>	<u>12/31/2018</u>
Collateral given for own liabilities	716,705	653,751
Other commitments	1,175,291	1,338,866
	<u>1,891,996</u>	<u>1,992,617</u>
Commitments with suppliers	14,821,916	12,078,641
	<u>14,821,916</u>	<u>12,078,641</u>

The collateral provided for liabilities totaled approximately R\$1,891,996 on June 30, 2019 (R\$1,992,617 on December 31, 2018), including R\$599,893 (R\$574,726 on December 31, 2018) of cash guarantees. The deposits in cash used as guarantees are presented as part of other assets. To meet the guarantees required by derivative exchanges and/or counterparties contracted in certain derivative financial instrument transactions, Ambev maintained on June 30, 2019, R\$716,705 (R\$653,751 on December 31, 2018) in highly liquid financial investments or in cash, classified as cash and cash equivalents and investment securities (Note 20 – *Financial instruments and risks*).

Most of the balance relates to commitments with suppliers of packaging.

Future contractual commitments on June 30, 2019 and December 31, 2018 were as follows:

	<u>06/30/2019</u>	<u>12/31/2018</u>
Less than 1 year	5,421,063	4,826,987
Between 1 and 2 years	4,203,036	2,932,420
More than 2 years	5,197,817	4,319,234
	<u>14,821,916</u>	<u>12,078,641</u>

## 22. CONTINGENT LIABILITY

The Company has contingent liabilities related to lawsuits arising from its normal course of business. Due to their nature, such legal proceedings involve certain uncertainties including, but not limited to, court and tribunals rulings, negotiations between affected parties and governmental actions, and as a consequence the Company's management cannot estimate the likely timing of resolution of these matters at this stage.

Contingent liabilities with a probable outcome are fully recorded as liabilities (Note 12 – *Provisions*).

Additionally, the Company has lawsuits related to tax, civil and labor for which the likelihood of loss is classified as possible by management, and for which there are no provisions, as the composition and estimates of amounts as follows:

	<u>06/30/2019</u>	<u>12/31/2018</u>
IRPJ and CSLL	39,366,740	37,867,374
ICMS and IPI	22,678,890	23,891,369
PIS and COFINS	2,553,438	4,386,342
Labor	384,255	353,425
Civil	4,535,491	4,385,657
Others	1,070,574	1,171,252
	<u>70,589,388</u>	<u>72,055,419</u>

### Principal lawsuits with a likelihood of possible loss:

Except for monetary inflation and the cases described below, there was no relevant changes in the main cases with possible chances of loss when compared to the period ending on December 31, 2018.

## **Brazilian Federal Taxes**

### *Profits earned abroad*

Since 2005, certain subsidiaries of Ambev received assessments from the Brazilian Federal Tax Authorities relating to profits of its foreign subsidiaries. The cases are being challenged at both the administrative and judicial levels of the courts.

The administrative proceedings have partially favorable decisions, which are still subject to review by the administrative court. On the other hand, in the judicial level the Company has favorable injunctions, in order to suspend the enforceability of the tax credit, and a favorable first level decision still subject to review by the second level judicial court.

In June 2019, Ambev management estimates an exposure with possible chances of loss of approximately R\$7.4 billion (R\$7.7 billion at December 31, 2018) and approximately R\$46.6 million for which we have recorded a provision (R\$45.8 million at December 31, 2018).

### *Disallowance of taxes paid abroad*

Since 2014, Ambev has been receiving tax assessments from the Brazilian Federal Tax Authorities related to the disallowance of deductions associated with alleged unproven taxes paid abroad to its foreign subsidiaries, and has been filing defenses. The cases are being challenged at the administrative level and they are still waiting final decisions.

In September, 2017, Ambev decided to include part of those tax assessments in the Brazilian Federal Tax Regularization Program of the Provisional Measure n° 783.

As at June 30, 2019, Ambev management estimates the exposure of approximately R\$10.1 billion (R\$9.5 billion as of December 31, 2018) as possible loss.

### *Presumed Profit*

In April 2016, Arosuco (subsidiary of Ambev) received a tax assessment regarding the use of the “Presumed Profit” Method for the calculation of income tax and the social contribution on net profit method instead of Real Profit method. In September, 2017, Arosuco received an unfavorable first level administrative decision and filed an Appeal. In January 2019, the Lower Administrative Court rendered a favorable decision to Arosuco. The tax authorities filed a Special Appeal to the Administrative Upper House.

In March 2019, Ambev received a new tax assessment regarding the same subject and filed a defense.

Arosuco management estimates the amount of possible losses in relation to this assessment in June 2019 are approximately R\$1.2 billion (R\$645.1 million as at December 31, 2018).



## **PIS and COFINS**

### *PIS/COFINS over bonus products*

Since 2015, Ambev has received tax assessments issued by the Brazilian federal tax authorities relating to amounts allegedly due under the Integration Programme/Social Security Financing Levy (PIS/COFINS) over bonus products granted to its customers. These cases are now being challenged at the administrative and judicial Courts. In January 2019, Ambev had favorable decisions in three administrative cases at the Lower Administrative Court. The tax authorities filed a special appeal only in one of the cases, while the other two were definitively canceled. Ambev also had partial favorable decisions from the first-level administrative court. Ambev management estimates the possible losses related to these assessments to be approximately R\$2.3 billion (R\$4.0 billion as at December 31, 2018), classified as a possible loss.

## **ICMS and IPI**

### *Manaus Free Trade Zone – IPI*

Goods manufactured within the Manaus Free Trade Zone for remittance elsewhere in Brazil are exempt from IPI excise Tax ("IPI"). Ambev's subsidiaries have been registering IPI excise tax presumed credits upon the acquisition of exempted goods manufactured therein. Since 2009, Ambev has been receiving a number of tax assessments from the Brazilian Federal Tax Authorities relating to the disallowance of such presumed IPI excise tax credits and other IPI excise tax credits. In addition, the Company has also received tax assessments from the Brazilian Federal Tax Authorities charging federal taxes allegedly unduly offset with the disallowed presumed IPI excise tax credits which are under discussion in these proceedings.

In April, 2019, the Federal Supreme Court ("STF") concluded the judgment of Extraordinary Appeal No. 592.891/SP, with binding effects, deciding on the right of taxpayers registering IPI excise tax presumed credits on acquisitions of raw materials and exempted inputs originated from the Manaus Free Trade Zone. As a result of this decision, the Company reclassified part of the amounts related to the cases as remote loss, maintaining as a possible losses only issued related to other additional discussions not submitted to the analysis of the STF.

As at June 30, 2019, Ambev management estimates exposure of approximately R\$2.6 billion (R\$3.8 billion at December 31, 2018), classified as a possible loss.

## Contingent assets

In accordance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*, the contingent assets not be recognized in consolidated financial statements, except when realization of income is virtually certain.

The Company and its subsidiaries are demanding the refund of the PIS and COFINS paid including the ICMS and/or ICMS-ST in their taxable basis for the period from 1990 onwards. For the period until 2009, as well as for the period in which the special regime for cold drinks was in place – i.e. from January 2009 to April 2015 (article 58-J of Law 10,833, of 2003, also known as REFRI) – the amounts involved in the refund requests are still being calculated. For the period after the termination of the special regime for cold drinks and the introduction of Law 13,097, of 2015, the Company estimates that the contingent asset related to the matter is R\$ 2 billion.

## 23. NON-CASH ITEMS

	Six-month period ended:		Three-month period ended:	
	06/30/2019	12/31/2018	06/30/2019	06/30/2018
Cash financing cost other than interests	(1,929)	(71,627)	98	2,382
Fair value of options granted on subsidiary	33,900	132,960	(2,133)	3,555
Sale of subsidiary	-	179,470	-	179,470
Exchange transaction of shareholdings	-	(59,074)	-	(59,074)
Effect of application of IAS 29 (hyperinflation)	11,041	-	(34,580)	-
Acquisition of investment payable	20,000	-	-	-
Others	-	-	-	(114)

## 24. RELATED PARTIES

### Policies and practices regarding the realization of transactions with related parties

The Company adopts corporate governance practices recommended and/or required by the applicable law.

Under the Company's by-laws, the Board of Directors is responsible for approving any transaction or agreements between the Company and/or any of its subsidiaries (except those fully subsidiaries), directors and/or shareholders (including shareholders, direct or indirect shareholders of the Company). The Antitrust Compliance and Related Parties Committee of the Company is required to advise the Board of Directors of the Company in matters related to transactions with related parties.

Management is prohibited from interfering in any transaction in which conflict exists, even in theory, with the Company interests. It is also not permitted to interfere in decisions of any other management member, requiring documentation in the minutes of meeting of the Board any decision to abstain from the specific deliberation.

The Company's guidelines with related parties follow reasonable or commutative terms, similar to those prevailing in the market or under which the Company would contract similar transactions with third parties. These are clearly disclosed in the financial statements as formalized in written contracts.

### Transactions with management members:

In addition to short-term benefits (primarily salaries), the management members are entitled to participate in the Stock Option Plan (Note 19 – *Share-based payments*).

Total expenses related to the Company's management members were as follows:

	Six-month period ended:		Three-month period ended:	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Short-term benefits <sup>(i)</sup>	10,110	10,712	4,371	5,593
Share-based payments <sup>(ii)</sup>	21,581	14,534	12,062	4,663
<b>Total key management remuneration</b>	<b>31,691</b>	<b>25,246</b>	<b>16,433</b>	<b>10,256</b>

(i) These correspond substantially to management's salaries and profit sharing (including performance bonuses).

(ii) These correspond to the compensation cost of stock options and restricted stocks granted to management. These amounts exclude remuneration paid to members of the Fiscal Council.

Excluding the above mentioned plan (Note 19 – *Share-based payments*), the Company no longer has any type of transaction with the Management members or pending balances receivable or payable in its balance sheet.

### Transactions with the Company's shareholders:

#### a) Medical, dental and other benefits

The Fundação Antonio e Helena Zerrenner Instituição Nacional de Beneficência ("Fundação Zerrenner") is one of Ambev's shareholders, and at June 30, 2019 held 10.20% of its total share capital. Fundação Zerrenner is also an independent legal entity whose main goal is to provide Ambev's employees, both active and retirees, with health care and dental assistance, technical and superior education courses, facilities for assisting elderly people, through direct initiatives or through financial assistance agreements with other entities. On June 30, 2019 and December 31, 2018, actuarial responsibilities related to the benefits provided directly by Fundação Zerrenner were fully funded by plan assets, held for that purpose, which significantly exceeded the liabilities at these dates. Ambev recognizes the assets (prepaid expenses) of this plan to the extent of amounts from economic benefit available to the Company, arising from reimbursements or future contributions reduction.

The expenses incurred by Fundação Zerrenner in providing these benefits totaled R\$130,247 (R\$143,799 on June 30, 2018), of which R\$114,660 and R\$15,587 related to active employees and retirees respectively (R\$124,312 and R\$19,487 on June 30, 2018 related to active employees and retirees respectively).

*b) Leasing*

Ambev, through its subsidiary BSA (labeling), has an asset leasing agreement with Fundação Zerrenner, for R\$85,028 maturing on May 31, 2020 that can be extended for a further year.

*c) Leasing – Ambev head office*

Ambev has a leasing agreement of two commercial sets with Fundação Zerrenner in the annual amount of R\$3,255, maturing on January, 2020.

*d) Licensing agreement*

The Company maintains a licensing agreement with Anheuser-Busch, Inc., to produce, bottle, sell and distribute Budweiser products in Brazil, Canada and Argentina, and sale and distribution agreements for Budweiser products in Guatemala, in Dominican Republic, in Paraguay, in El Salvador, in Nicaragua, in Uruguay, in Chile, in Panama, in Costa Rica e in Puerto Rico. In addition, the Company produces and distributes Stella Artois products under license to ABI in Brazil and Canada and, by means of a license granted to ABI, it also distributes Brahma's product in the United States and several countries such as the United Kingdom, Spain, Sweden, Finland and Greece. The amount recorded was R\$945 (R\$1,020 at June 30, 2018) and R\$221,748 (R\$205,270 at June 30, 2018) as licensing income and expense, respectively.

Ambev has licensing agreements with the Group Modelo, subsidiaries of ABI, for to import, promote and sell products Corona (*Corona Extra, Corona Light, Coronita, Pacifico and Negra Modelo*) in countries of the Latin America and the Canada.

**Transactions with related parties**

Current	06/30/2019			
	Trade receivables (i)	Other Trade receivables (i)	Trade payables (i)	Other Trade payables (i)
AB InBev	11,989	-	(27,117)	-
AB Services	8,624	-	(1,765)	-
AB USA	48,978	6,148	(246,558)	-
Bavaria	66,432	-	(64,245)	-
Cerveceria Modelo	144,145	-	(617,871)	-
Inbev	3,923	57,873	(28,350)	-
ITW International	-	-	(212,715)	(93,212)
Panama Holding	27,116	-	(1,364)	-
Others	17,762	715	(169,855)	-
	<b>328,969</b>	<b>64,736</b>	<b>(1,369,840)</b>	<b>(93,212)</b>

(i) The amount represents the marketing operations (purchase and sale) and the reimbursement between the companies of the group.

Current	12/31/2018			
	Trade receivables (i)	Other Trade receivables (i)	Trade payables (i)	Other Trade payables (i)
AB InBev	16,381	-	(19,670)	-
AB Procurement	1,071	-	(28)	-
AB Services	43,728	-	(1,687)	-
AB USA	27,827	3,847	(265,206)	-
Cervecería Modelo	135,111	-	(583,806)	-
Inbev	601	45,575	(14,280)	-
ITW International	-	-	(248,942)	(66,452)
Panamá Holding	41,085	-	(15,821)	-
Others	28,645	538	(126,443)	-
	<b>294,449</b>	<b>49,960</b>	<b>(1,275,883)</b>	<b>(66,452)</b>

(i) The amount represents the marketing operations (purchase and sale) and the reimbursement between the companies of the group.

The tables below represents the transactions with related parties recognized in the income statement:

Company	Six-month period ended: 06/30/2019			
	Buying / Service fees / Rentals	Sales	Royalties	Net Finance Cost
AB USA	(228,228)	20,995	(173,966)	-
AB Package	(37,640)	-	-	-
Cervecería Modelo	(580,865)	192	(33,428)	-
Inbev	(80,156)	-	-	-
ITW International	-	-	-	(30,605)
Others	(103,847)	221	(13,409)	-
	<b>(1,030,736)</b>	<b>21,408</b>	<b>(220,803)</b>	<b>(30,605)</b>

Company	Three-month period ended: 06/30/2019			
	Buying / Service fees / Rentals	Sales	Royalties	Net Finance Cost
AB USA	(115,483)	13,291	(99,541)	-
AB Package	(22,174)	-	-	-
Cervecería Modelo	(294,695)	77	(24,036)	-
Inbev	(56,734)	-	-	-
ITW International	-	-	-	(8,921)
Others	(59,607)	111	(5,546)	-
	<b>(548,693)</b>	<b>13,479</b>	<b>(129,123)</b>	<b>(8,921)</b>

Company	Six-month period ended: 06/30/2018			
	Buying / Service fees / Rentals	Sales	Royalties	Net Finance Cost
AB Procurement	-	17,037	-	-
AB USA	(146,842)	25,606	(157,093)	-
Ambev Peru	-	319	-	-
Cervecería Modelo	(523,072)	56	(26,838)	-
Inbev	(41,033)	-	-	-
Others	(50,342)	7,169	(20,322)	(8,072)
	<b>(761,289)</b>	<b>50,187</b>	<b>(204,253)</b>	<b>(8,072)</b>

Company	Three-month period ended: 06/30/2018			
	Buying / Service fees / Rentals	Sales	Royalties	Net Finance Cost
AB Procurement	-	12,628	-	-
AB USA	(98,456)	14,968	(95,050)	-
Ambev Peru	-	314	-	-
Cervecería Modelo	(351,499)	34	(19,808)	-
Inbev	(21,855)	-	-	-
Others	(29,860)	5,112	(7,562)	1,274
	<b>(501,670)</b>	<b>33,056</b>	<b>(122,420)</b>	<b>1,274</b>

Denomination used in the tables above:

AB InBev Procurement GmbH ("AB Procurement")  
Anheuser-Busch InBev N.V. ("AB InBev")  
Anheuser-Busch Inbev Services LLC ("AB Services")  
Anheuser-Busch Inbev USA LLC ("AB USA")  
Anheuser-Busch Packaging Group Inc. ("AB Package")  
Bavaria S.A. ("Bavaria")  
Cervecería Modelo de Mexico S. de R.L. de C.V. ("Cervecería Modelo")  
Cerveceria Nacional - Panamá ("Panama Holding")  
Compañía Cervecera Ambev Peru S.A.C. ("Ambev Peru")  
Inbev Belgium N.V. ("Inbev")  
Interbrew International B.V. ("ITW International")

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 05, 2019

AMBEV S.A.

By: /s/ Fernando Mommensohn Tennenbaum  
Fernando Mommensohn Tennenbaum  
Chief Financial and Investor Relations Officer

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