

Trading update

For the nine months ended 30 September 2023

Business environment

The operating environment continues to be challenging, with currency volatility and shortages, coupled with hyperinflation impacting our business and customers. Despite these challenges, the business continues to demonstrate resilience on the back of solid fundamentals and a proven strategy, which we evaluate regularly to ensure that it is fit for purpose.

Business performance

For the nine months ended 30 September 2023, cigarette sales volumes declined by 7% compared to the same period in prior year. This was attributed to the impact of the challenging operating environment on consumer disposable incomes.

Despite the volume decline, the Company recorded a 120% growth in net turnover (723% in historical terms) as a result of strategic pricing decisions during the period under review.

Outlook

British American Tobacco is on a transformational journey anchored on our purpose which is to build 'A Better Tomorrow™', by reducing the health impact of our business through offering a greater choice of enjoyable and **less risky products. With sustainability at the front and centre of everything we do, this transformation is underpinned by our Environment, Social and Governance (ESG) priorities and we look forward to working with various stakeholders to achieve this.

Looking ahead, we are confident that our continued investment in the simplification of our business model, our growing consumer-centric brand portfolio and winning culture, will enable us to deliver sustained shareholder value, and contribute to the socio-economic growth and development of the country.

By order of the Board

A handwritten signature in black ink, appearing to read 'Lovemore T. Manatsa'.

Lovemore T. Manatsa

Chairman

18 October 2023