Interim Chief Financial Officer's Overview:

Investment Case

We are steadfast in our commitment to deliver sustainable shareholder value by growing our New Categories and delivering value from combustibles, ensuring we maximise cash generation to fund our progressive dividend and sustainable share buy-backs.

Javed Iqbal
Interim Chief Financial Officer

50m
Consumers of our Smokeless products by 2030 ambition

>50%
Group revenue ambition from Smokeless products by 2035

>£50bn
Total free cash flow before dividends expected to be generated between 2024 and 2030 (inclusive)

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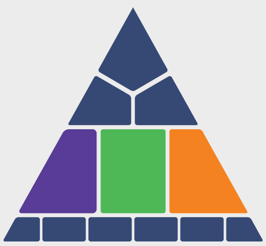
Responding through our strategy

Key to strategic pillars:
- Quality Growth
- Sustainable Future
- Dynamic Business



Transformation Driving Quality Growth

Our corporate purpose is to build A Better Tomorrow™ by reducing the health impact of our business. To accelerate the next phase of our transformation, we are committed to Building a Smokeless World. We will deploy our global multi-category portfolio to actively encourage adult smokers – who would otherwise continue to smoke – to Switch to Better[*†] nicotine products, and continue to seek long-term opportunities Beyond Nicotine in Wellbeing and Stimulation, realising the multi-stakeholder benefits of A Better Tomorrow™.

Our commitment is demonstrated by our ambition to become a predominantly smokeless business, with over 50% of our revenue from Smokeless products by 2035. Revenue growth in the global nicotine industry is accelerating through the development of New Categories.

We continue to make progress towards our target of 50 million adult consumers of our Smokeless products by 2030, adding another 4.7 million in 2025 to a total of 34.1 million.

Prioritising where and which products to focus on within the largest profit pools guides our resource allocation decisions. Our New Categories business continues to deliver profitable growth, on a category contribution basis, and we expect to further enhance profitability in the coming years.

We strive to continue to profitably and responsibly manage our transition away from combustibles, generating funds to further invest in our transformation and deliver sustainable profit growth and cash flow over the long-term.

In order to achieve this, our refined strategic pillars will act as our executional compass, and we will measure performance using KPIs to track our journey.

Notes:
* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.
† Products sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Continuing our Track Record of Delivery

We are confident in our growth outlook, and have a proven track record of performance.

Over the last 10 years, we have delivered an average of 7% adjusted diluted EPS growth (at constant rates) and a 5% dividend CAGR and are confident in sustainably delivering our medium-term targets of 3-5% revenue growth and 5-8% adjusted diluted EPS growth on a constant currency, adjusted for Canada basis from 2026.

We have an active capital allocation framework to deliver long-term value for shareholders.

3-5%
Expected medium-term Group revenue growth

5-8%
Adjusted diluted EPS* growth (on a constant currency basis) over the medium-term

This includes:

- **a progressive dividend.** We have grown dividends for over a quarter of a century and remain committed to further, consistent dividend growth, rewarding our shareholders through all economic cycles.
- **operating within our target leverage corridor of 2.0-2.5x adjusted net debt to adjusted EBITDA*.** This is driven by the Group's cash generation. We have delivered at least 100% operating cash conversion annually and returned, since 2020, a total of £33.9 billion to shareholders. We expect to deliver in excess of £50 billion of free cash flow before dividends between 2024 and 2030 (inclusive).
- **sustainable share buy-back programmes to enhance shareholder returns.** Since 2024, we have returned £1.8 billion through our sustainable share buy-back programme with a further £1.3 billion committed for 2026.
- **considering potential bolt-on M&A opportunities to accelerate our transformation.**

+ For more details on the **five key drivers of our financial algorithm**, see **page 20**

Note:
* As adjusted for Canada – adjusts for the performance of the Canadian business (excluding New Categories).

Building a Sustainable Future for Our Stakeholders

Building a Sustainable Future is about seeking to actively migrate smokers – who would otherwise continue to smoke – away from cigarettes and to smokeless alternatives sustainably, responsibly and with integrity.

BAT's vision is to Build a Smokeless World. As we transition to A Better Tomorrow™, we are committed to doing so responsibly – by reducing our reliance on natural resources, managing our environmental impact and respecting human rights across our business operations and supply chain. Through these actions, we are enhancing business resilience and positioning BAT for enduring success in a rapidly evolving landscape. At the same time, we strive to create meaningful impact in the communities where we operate and empower our people to drive positive change. Our sustainability strategy is anchored in four interconnected impact areas - Climate, Nature, Circularity, and Communities - beyond Tobacco Harm Reduction. By focusing on these impact areas, we aim to mitigate risks, strengthen resilience, and create positive value across our value chain. As our 2025 targets reach maturity, we have set four clear targets under each strategic pillar to guide our efforts through 2030 and beyond. These targets, informed by our Double Materiality Assessment^, enable us to proactively manage sustainability impacts, regulatory changes, and evolving stakeholder expectations. Action plans are already underway, and we are committed to tracking and transparently sharing our progress as our transformation continues. Our achievements to date, including significant reductions in GHG emissions, water use and waste, and value chain collaboration demonstrate our commitment to deliver.

As we continue working towards reducing the health impact of our products and further embedding sustainability in our business, we seek to drive growth, create shared value and build a stronger, more resilient BAT.

Dynamic Business Making Active Choices for the Future

Our multi-category portfolio benefits from decades of consumer insights that have driven our No. 1 global revenue position in combustibles.

In addition, leveraging the benefits of our expertise in science and R&D, our manufacturing, distribution and marketing has enabled us to build three global New Category brands, Vuse, glo and Velo, delivering over £3 billion of annual revenue.

Our long-standing experience operating within complex regulatory, legal and fiscal frameworks provides us with a compelling competitive advantage to transform within the wider tobacco industry over the long-term. With our Corporate and Regulatory Affairs function we are driving a more proactive, science-led engagement with all stakeholders.

We will continue to increase investment in new capabilities, including enhancing our innovation pipeline, leading responsible New Category development and further leveraging our broad digital enablers. Our transformation will also be accelerated by a culture of inclusivity and collaboration, supported by senior talent recruitment from a diverse range of industries. Together with our Chief People Officer, we are focused on developing a skills-enabled and performance-driven organisation.

We continuously monitor and assess our capital allocation framework to:

- unlock shareholder value through investing in the right opportunities;
- optimise the return on our investments;
- maximise our cash generation;
- reduce our leverage; and
- generate sustainable cash returns for our shareholders.

Note:
^ Although financial materiality has been considered in the development of our Double Materiality Assessment (DMA), our DMA and any conclusions in this document as to the materiality or significance of sustainability matters do not imply that all topics discussed therein are financially material to our business taken as a whole, and such topics may not significantly alter the total mix of information available about our securities.

Interim Chief Financial Officer's Overview: Continued

Our performance

Our strategy is designed to maximise sustainable shareholder returns.

We are in a strong position to continue to deliver sustainable returns as demonstrated by our financial performance in 2025, together with 2.0% dividend growth and a £1.3 billion share buy-back programme in 2026.

Our key financial focus areas are:

- fuelling our transformation as we maximise value from combustibles, using our scale and efficiencies to release cash;
- deploying capital in a disciplined and targeted manner. This means investing in the largest New Category profit pools and maintaining a laser focus on return on investment;
- strengthening our financial position by reducing debt, providing us with greater financial resilience; and
- a balanced capital allocation approach – prioritising our transformation while continuing to deleverage, deliver a progressive dividend, maintain a sustainable share buy-back programme and explore bolt-on acquisitions.

2025 financial performance summary

In 2025, revenue was down 1.0% to £25,610 million, partly due to a translational foreign exchange headwind of 3.1%.

At constant rates of exchange, revenue was up 2.1% driven by the continued growth of New Categories, which grew revenue by 7.0%.

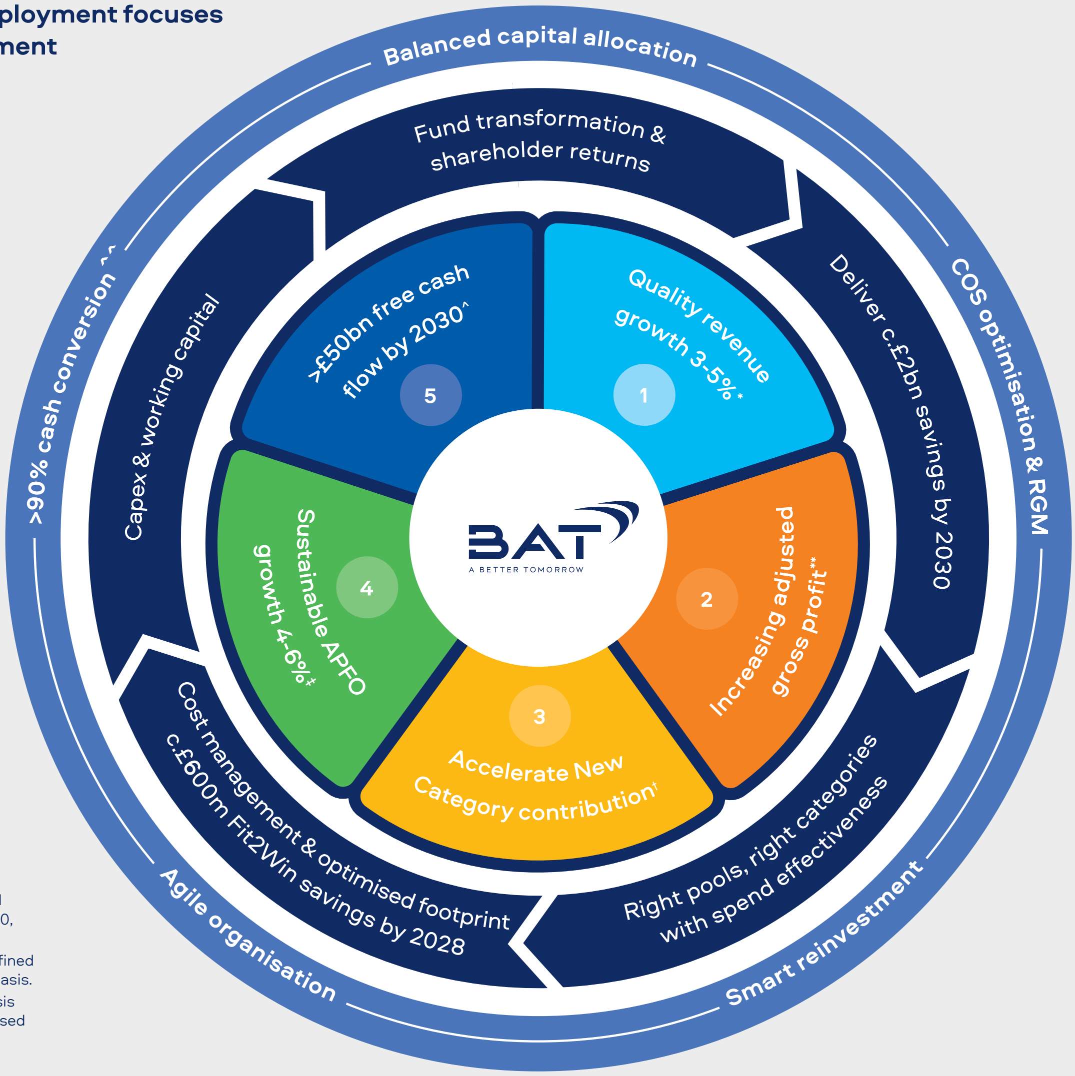
Profit from operations was £9,997 million, against £2,736 million in 2024, despite a translational foreign exchange headwind of 3.1%.

Our financial results have been impacted by a number of events that impacted profit from operations in the current and comparator period. In 2024, the Group recorded a provision (and associated charge) in respect of the Canadian litigation settlement (see page 319) of £6.2 billion. In 2025, following a change to the forecasted Canadian combustibles performance, this provision was reduced, with a net credit of £708 million recognised in the year, partly offset by an impairment to goodwill in Canada of £184 million.

In 2025, we announced the Fit2Win programme, a structured time-bound review of processes and ways of working that will generate efficiencies of c.£600 million by 2028 and facilitate faster, more agile decision-making.

Our strategy is expected to deliver shareholder value creation as:

- **Combustibles fuel our transformation**
- **Targeted capital deployment focuses on return on investment**



Notes:
* On a constant rate basis.
** Adjusted gross profit, as adjusted for Canada as defined on page 380, on a constant rate basis.
† New Category contribution as defined on page 380, on a constant rate basis.
‡ On an adjusted, constant rate basis as adjusted for Canada, as discussed on page 377.
^ Free cash flow before dividends as defined on page 389.
^^ Operating cash conversion, as defined on page 388.

We expect associated one-off costs of around £600 million (including non-cash items of £100 million). As a one-off time bound programme and to aid comparison of performance, c.£500 million will be treated as adjusting items within adjusted profit from operations. Having commenced in 2025, the programme is expected to complete in 2027.

Also in 2025, the Group incurred charges in respect of the Group's operations in Cuba of £235 million (2024: £74 million) as those assets were classified as held-for-sale at 31 December 2025.

In 2024, a charge of £449 million was recognised in respect of an excise assessment in Romania which was partially reversed in 2025 (credit of £15 million). Finally, 2024 was also negatively impacted by an impairment charge of £646 million in respect of Camel Snus and a charge of £75 million related to the Group's head office in London.

Excluding these items, on a constant currency basis, and adjusting for the performance of Canada, adjusted profit from operations* was up 2.3%, as New Categories further grew profitability by 77.1% (at the category contribution level) building on the momentum shown in 2024.

On a reported basis, basic EPS was 351.0p compared to 136.7p in 2024, with diluted EPS up 157% to 349.1p in 2025 (2024: 136.0p). This was mainly due to the impacts to profit from operations described earlier.

Furthermore, both years included a gain recognised as the Group monetised a portion of the investment in its Indian associate ITC (2025: £0.9 billion; 2024: £1.4 billion), while 2024 also included a credit of £0.6 billion related to debt refinancing.

Excluding the adjusting items (discussed on pages 50 to 53), Canada and the effect of translational foreign exchange, adjusted diluted earnings per share*, at constant rates, increased by 3.4% to 365.0p.

We remain highly cash generative. This allows us to balance investment in the future while rewarding shareholders with a further increase in dividends (up 2.0% to 245.04p) and a £1.3 billion share buy-back in 2026, while targeting our leverage range of 2.0-2.5x adjusted net debt to adjusted EBITDA* – reaching 2.48x in 2025, or 2.55x (2024: 2.75x) when adjusted for Canada.

Partnering for Success and Facing the Future with Confidence

In 2025, we entered into a strategic partnership with Accenture – an example of our digital transformation in action. This partnership gives us access to Accenture's technology ecosystem, AI solutions and its strategic collaboration with technology companies.

These capabilities will help us to further simplify our processes, accelerate our speed to market, upskill talent and reduce costs over the medium to long-term, utilising Accenture's global delivery network to complement our existing shared service centre hub locations. Please refer to note 5 in the Notes on the Accounts.

Our track record of delivering robust financial performance and consistent cash generation demonstrates how we navigate the near-term macro-economic uncertainties, underpinned by geographic diversity and a portfolio of international brands.

Our priorities to deliver the algorithm are built around five key drivers:

1 Quality revenue growth

We aim to maximise the value from combustibles while driving growth in our New Categories through innovation and premiumisation. Excluding the impact of currency:

- Our combustibles revenue was up 1.0% as pricing remained a driver of value, with Group price/mix (including excise duty drawback in the U.S.) of +9.1% in 2025 (compared to +7.4% in 2024). This more than offset lower combustibles volume (down 8.1% in 2025), negatively impacted by the continued decline in the U.S. where volume was 7.7% lower.
- New Categories revenue was up 7.0% in 2025 as increases in Modern Oral and a stable performance in HP more than offset a decline in Vapour.

2 Increase our adjusted gross profit*

We aim to continually increase our adjusted gross profit*, as defined on page 380. Total adjusted gross profit*, on a constant currency basis, grew by £576 million, an increase of 3.4% in 2025. Adjusted gross profit* from our combustibles portfolio, through pricing and efficiencies, has remained resilient, up 2.5% in 2025.

The main driver of growth has been New Categories with an increase of 11.0% in adjusted gross profit, driven by higher volume of Modern Oral, revenue growth management programmes and cost optimisation.

3 Accelerate New Category contribution

We will continue to invest in our transformation. We will focus on the right opportunities in the key growth areas - evaluating opportunities to maximise returns, freeing up resources for growth and incremental profit. In 2025, we have further increased New Category contribution by £193 million (at constant rates), with New Category contribution margin at 12.0%, up from 7.3% in 2024.

4 Driving Adjusted Profit from Operations* growth

Adjusted profit from operations*, on a constant currency basis, was up 2.3% in 2025. We committed to deliver cost savings of over £1.2 billion in the three years to 2025 and have delivered £1.2 billion, in line with expectations. We continue to target an additional £2 billion from 2026 to 2030.

As discussed above, in 2025, we initiated our Fit2Win programme which we expect to deliver around £600 million of additional savings by the end of 2028. Fit2Win will simplify the way we work, with increased agility and embedding digital decision making.

In 2025, we delivered savings of £327 million. This offset the impact of inflation on product costs of 5.8% (or £315 million), mainly due to higher tobacco leaf prices (impacted by adverse weather conditions) and manufacturing costs (labour and utilities).

5 Sustainable Adjusted Diluted EPS* growth 5-8%

We aim to grow our adjusted diluted EPS* in a sustainable manner, over the medium-term.

This is driven by:

- the continued operational* delivery of the Group;
- reducing our net finance costs through lower borrowings as we continue to improve our leverage ratio towards our target range of 2.0-2.5x adjusted net debt to adjusted EBITDA* by end 2026; and
- delivering against our tax strategy as described on page 53.

The Group continues to be highly cash generative, with our operating cash conversion, as defined on page 388, ahead of our 90% target for a number of years. In 2025, we again delivered ahead of expectations at 100%.

We aim to generate over £50 billion of free cash flow before dividends between 2024 and 2030, and have delivered £11.9 billion to date.

We have a long track record of rewarding our shareholders, with over 25 years of dividend growth in sterling terms. Since 2020, we have returned £33.9 billion to shareholders, including a cumulative £1.8 billion share buy-back programme 2024-2025, with a further £1.3 billion share buy-back programme announced for 2026, itself an element of our growth in adjusted diluted EPS*, at constant rates.

Note:

* From 1 January 2025, the Board assesses the performance of the Group by reviewing adjusted profit from operations, adjusted gross profit and adjusted EBITDA including an adjustment in respect of Canada's operational performance. This new measure is discussed on page 377, is included in the remuneration targets of management and presents the economic delivery from the AME region in a manner comparable to that of the other regions in the Group. The adjustment in respect of Canada is based upon the profit after interest and tax from all sources, excluding New Categories, in Canada..