

Transforming & Winning

CAGNY Conference 2026

Tadeu Marroco – Chief Executive | **David Waterfield** – President, Reynolds American



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All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors. It is believed that the expectations reflected in this presentation are reasonable, but they may be affected by a wide range of variables that could cause actual results and performance to differ materially from those currently anticipated.

In particular, among other statements: (i) certain statements in Tadeu Marroco's section (slides 4-6, 8, 10, 13-15, 21, 23 and 24); and (ii) certain statements in David Waterfield's section (slides 27-28, 30, 32-34, 36, 38, 42 and 43).

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of increased competition from illicit trade and illegal products; changes or differences in domestic or international economic or political conditions; the impact of adverse domestic or international legislation and regulation of tobacco, New Categories and other regulation; the impact of supply chain disruptions; adverse litigation and external investigations and dispute outcomes and the effect of such outcomes on the Group's financial condition; the impact of significant increases or structural changes in tobacco, nicotine and New Categories related taxes; the inability to develop, commercialise and deliver the Group's New Categories strategy; adverse decisions by domestic or international regulatory bodies, including disputed taxes, interest and penalties; the impact of serious injury, illness or death in the workplace and those who work with the business; the ability to maintain credit ratings and to fund the business under the current capital structure; translational and transactional foreign exchange rate exposure; direct and indirect adverse impacts associated with climate change (both physical and transition); the ability to deliver a viable circular business model in response to global demand, combined with increasing regulatory, stakeholder and consumer pressure; and the Group's ability to defend against Cyber & Digital actions that result in loss of confidentiality, availability or integrity of systems and data.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and BAT undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

The 2025 Annual Report on Form 20-F and current reports on Form 6-K, which may include other factors, are filed with the U.S. Securities and Exchange Commission ("SEC"). A review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under the heading "Key Information – Risk Factors" in the 2025 Annual Report on Form 20-F of BAT, which may be obtained free of charge at the SEC's website, <http://www.sec.gov> and the British American Tobacco website, www.bat.com.

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Important Information



Additional Information

All financial statements and financial information provided by or with respect to the U.S. or Reynolds American Inc. ("Reynolds") are initially prepared on the basis of U.S. GAAP and constitute the primary financial statements or financial records of the U.S. business/Reynolds. This financial information is then converted to International Financial Reporting Standards as issued by the IASB for the purpose of consolidation within the results of the BAT Group. To the extent any such financial information provided in this presentation relates to the U.S. or Reynolds it is provided as an explanation of, or supplement to, Reynolds' primary U.S. GAAP based financial statements and information.

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.

No Profit or Earnings Per Share Forecasts

No statement in this presentation is intended to be a profit forecast and no statement in this presentation should be interpreted to mean that earnings per share of BAT for the current or future financial years would necessarily match or exceed the historical published earnings per share of BAT.

Audience

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Presentation of Financial Information

To supplement the presentation of the Group's results of operations and financial condition in accordance with IFRS, the Group also presents several non-GAAP measures used by management to monitor the Group's performance: New Category contribution, New Category contribution margin, the ratio of adjusted net debt to adjusted EBITDA, adjusted profit from operations, New Category revenue, adjusted gross profit, adjusted gross margin and adjusted diluted earnings per share (EPS). The Group's management regularly reviews these measures used to assess and present the financial performance of the Group and, as relevant, its geographic segments. Although the Group does not believe that these measures are a substitute for IFRS measures, the Group does believe such results excluding the impact of adjusting items and currency fluctuations that may significantly affect the user's understanding of the Group's performance when compared across periods provide additional useful information to investors regarding the underlying performance of the business on a comparable basis.

Certain of these non-GAAP measures are presented on an "adjusted" basis, i.e., before the impact of adjusting items. Adjusting items are identified in accordance with the Group's accounting policies. They represent certain items of income and expense which the Group considers distinctive based on their size, nature or incidence and which individually or, if of a similar type, in aggregate, are relevant to an understanding of the Group's underlying financial performance.

Certain of these measures are also presented on an "adjusted for Canada" basis, reflecting the removal of 100% of adjusted profit from operations of our Canadian business, excluding New Categories from both 2024 and 2025 results, to remove the distorting effect of the Canadian results as from the date all of the Group's outstanding tobacco litigation in Canada is settled, annual payments based on a percentage (initially 85%, reducing over time) of the Group's net income after taxes, based on amounts generated in Canada from all sources, excluding New Categories, will be paid out by the Group until the aggregate settlement amount is paid. Due to the initial uncertain nature of the timing of the implementation of the settlement on the Group's 2025 results, for the purposes of 2025 versus 2024 this charge is 100% of the profit after interest and tax from all sources in Canada, excluding New Categories. From 2026, this charge will be 85% of the profit after interest and tax from all sources in Canada, excluding New Categories, reducing over time.

This presentation also presents results on a "constant currency" basis, i.e., in the prior year's exchange rates, removing the potentially distorting effect of translational foreign exchange on the Group's results. The Group does not adjust for normal transactional gains or losses in profit from operations which are generated by exchange rate movements.

Unless otherwise stated, absolute financials are presented at constant rates of exchange, growth in financial metrics is presented at constant rates of exchange and share data is presented versus full prior year.



BAT is transforming and winning



Delivering sustainable value to shareholders

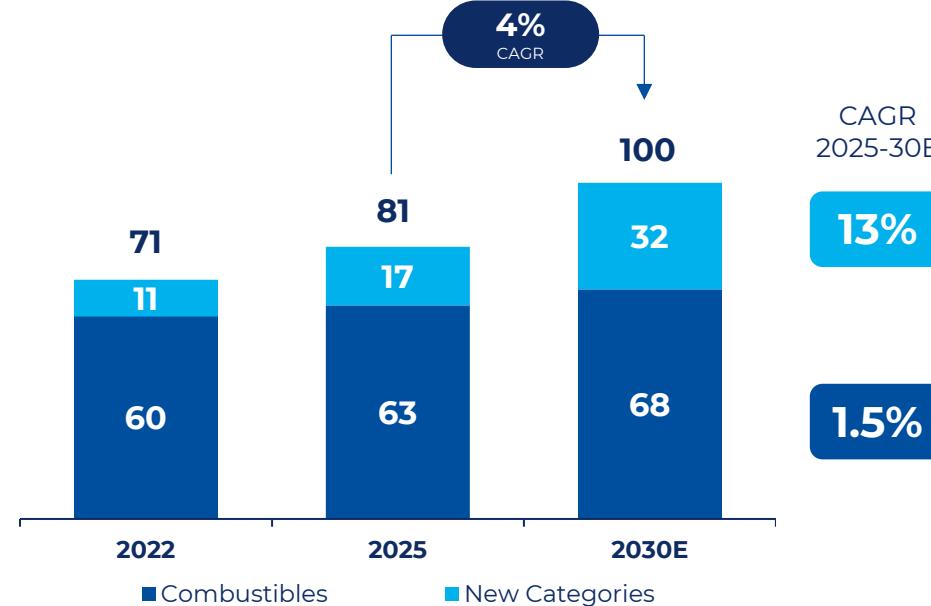
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Growing global nicotine industry value driven by New Categories



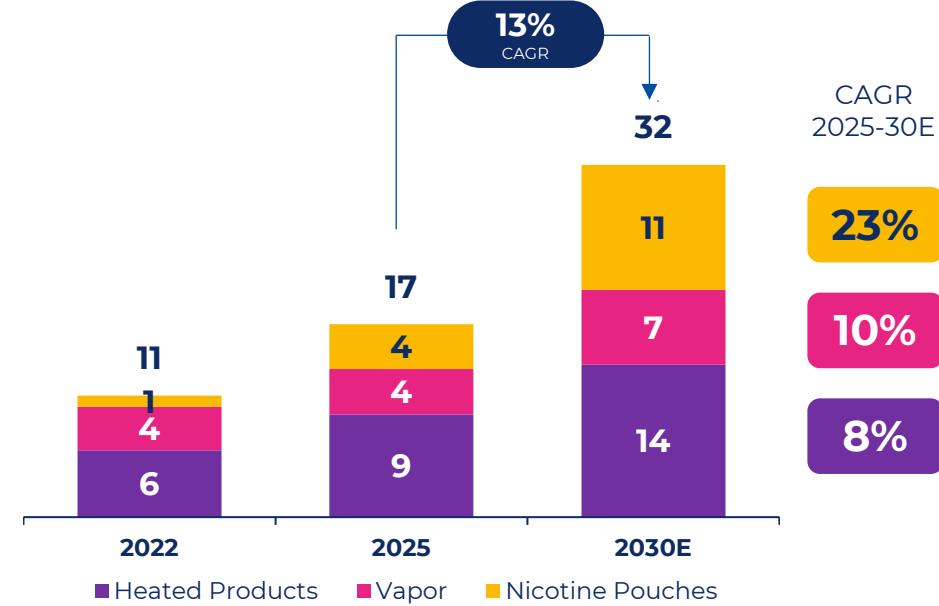
Nicotine industry revenue

£bn



New Category industry revenue

£bn



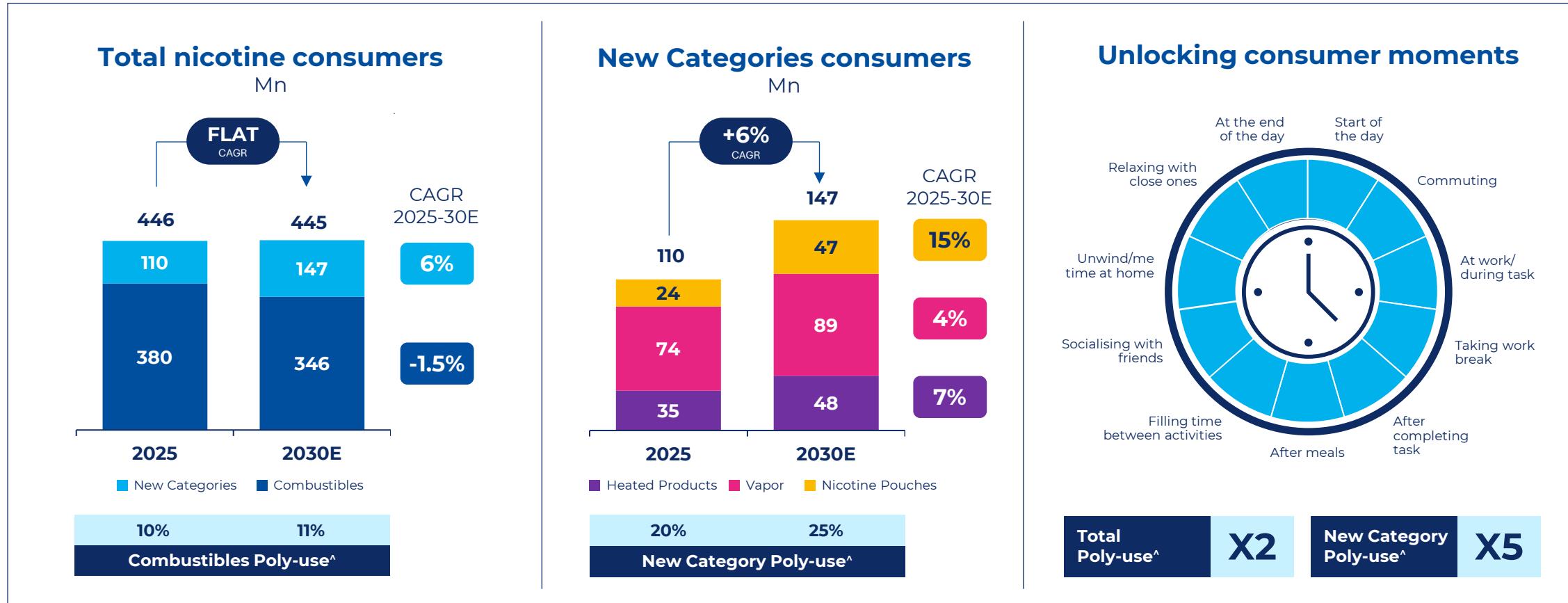
Nicotine Pouches are the fastest growing New Category

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5

See Appendix A2 for share definitions and sources and Appendix A6. Source: Internal estimates. Includes legal categories. 2030 Vapor revenue estimate excludes large Rechargeable Closed Systems (above 10k puffs) and Open Systems. 2030 Vapor estimates assume 30% effective enforcement against U.S. illicit with those volumes moving to the legal marketplace.

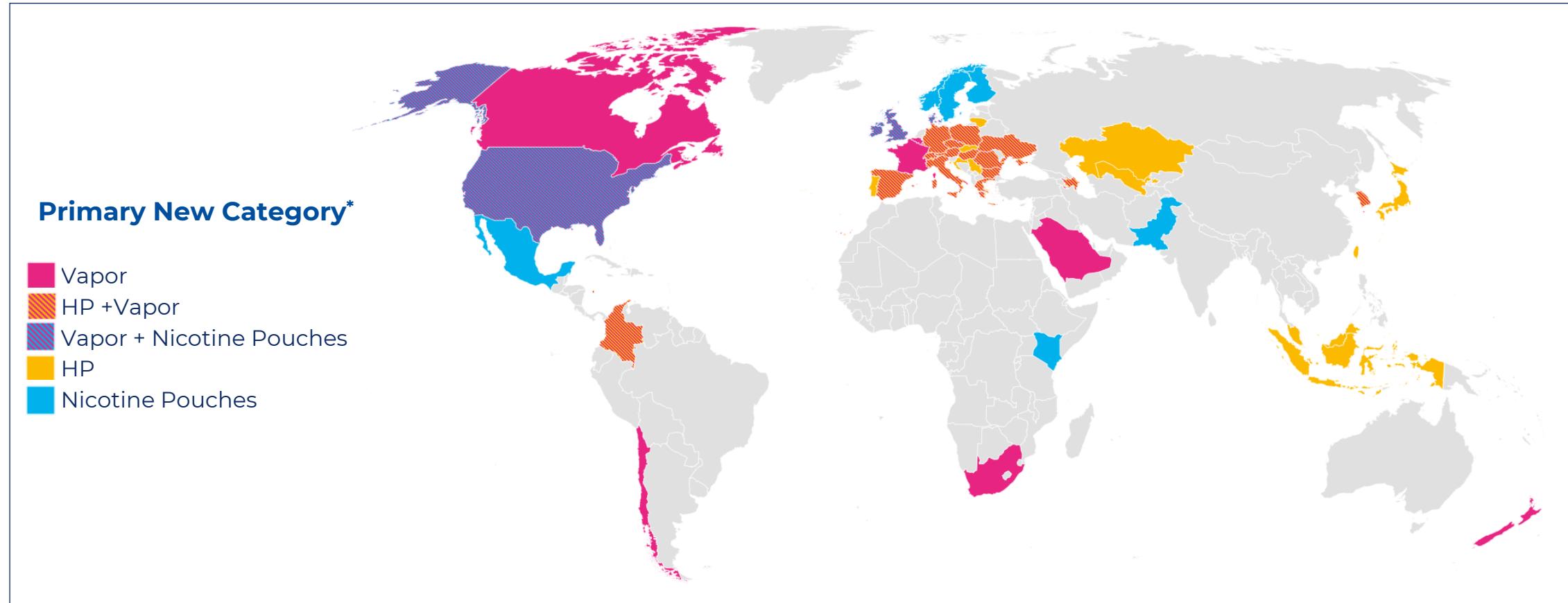
As adult smokers switch to lower-risk* products



Supported by increasing consumer moments and Total Poly-use

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Well-positioned for growth with our global multi-category strategy

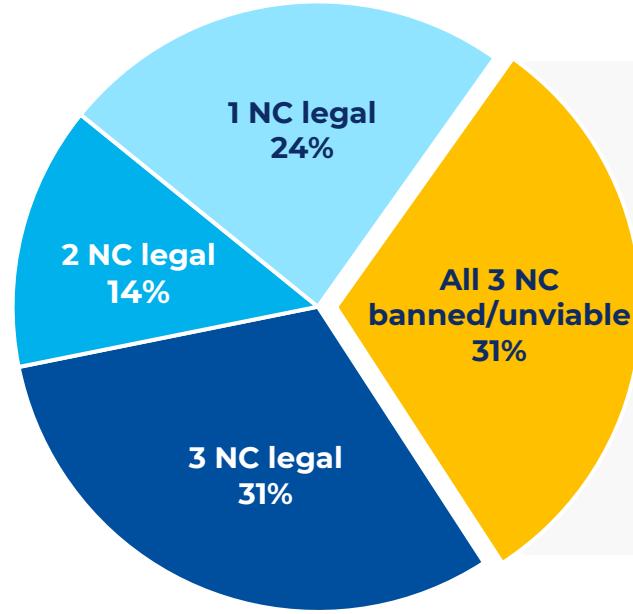


Maximizing our ability to switch smokers** and create value

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With significant white space opportunity

Current NC availability*



Weighted by total combustibles volume

Largest** combustibles markets currently inaccessible for NC

	Industry volume (sticks bn)	BAT combustibles volume share	BAT market position
Turkey	159	23%	#3
India [^]	136	74%^ ^{^^}	#1
Vietnam	81	24%	#2
Brazil	75	70%	#1
Bangladesh	64	81%	#1

Top 5 account for **C.95%** of inaccessible NC market volume

Driven by future potential regulatory unlock

BAT has leading global positions across all categories



VELO



#1
Volume share since Q4'25

Fastest growing brand in the U.S; leading the category in Europe

vuse



#1
Value share

Crafting premium with Vuse Ultra in Rechargeable Closed Systems

glo



#2
Volume share

Growing in premium with distinctive glo Hilo offer

Combustibles



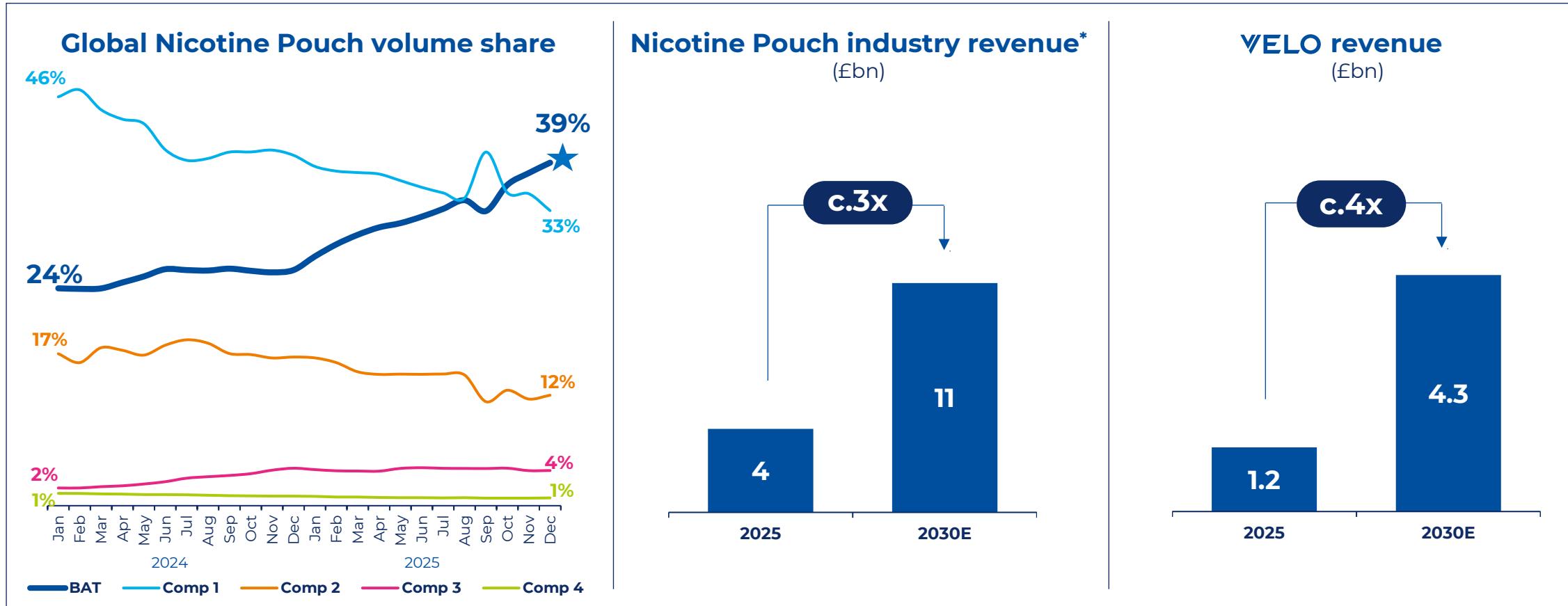
#1
Combustibles revenue

Portfolio of powerful brands at scale

Proven brand building and marketing at scale

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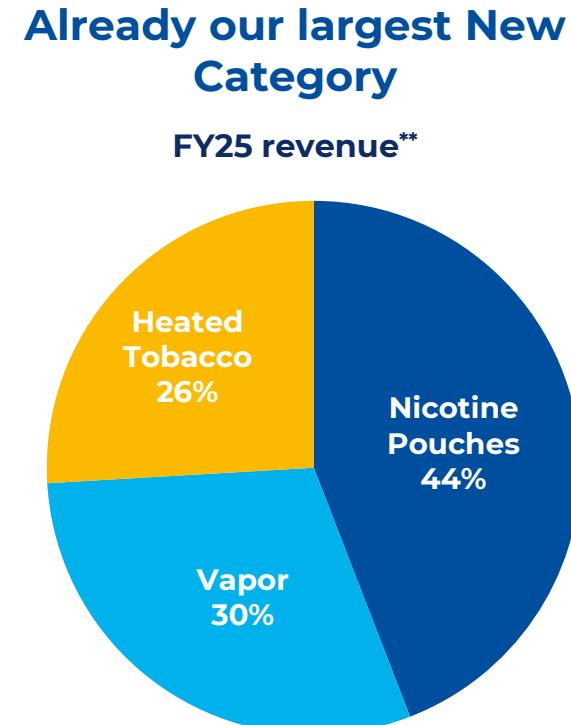
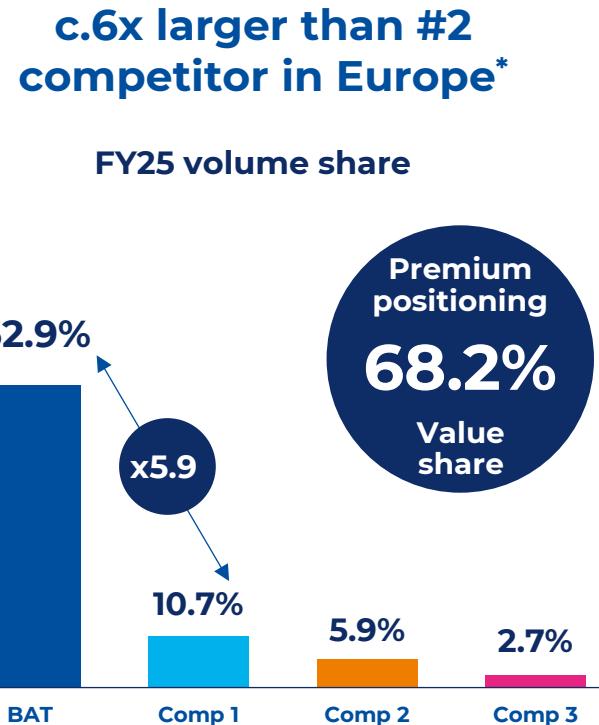
Velo has achieved global category leadership



The fastest growing brand in the fastest growing New Category

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Velo is driving our transformation in Europe



Highly profitable

Gross profit*** vs combustibles

c.3X

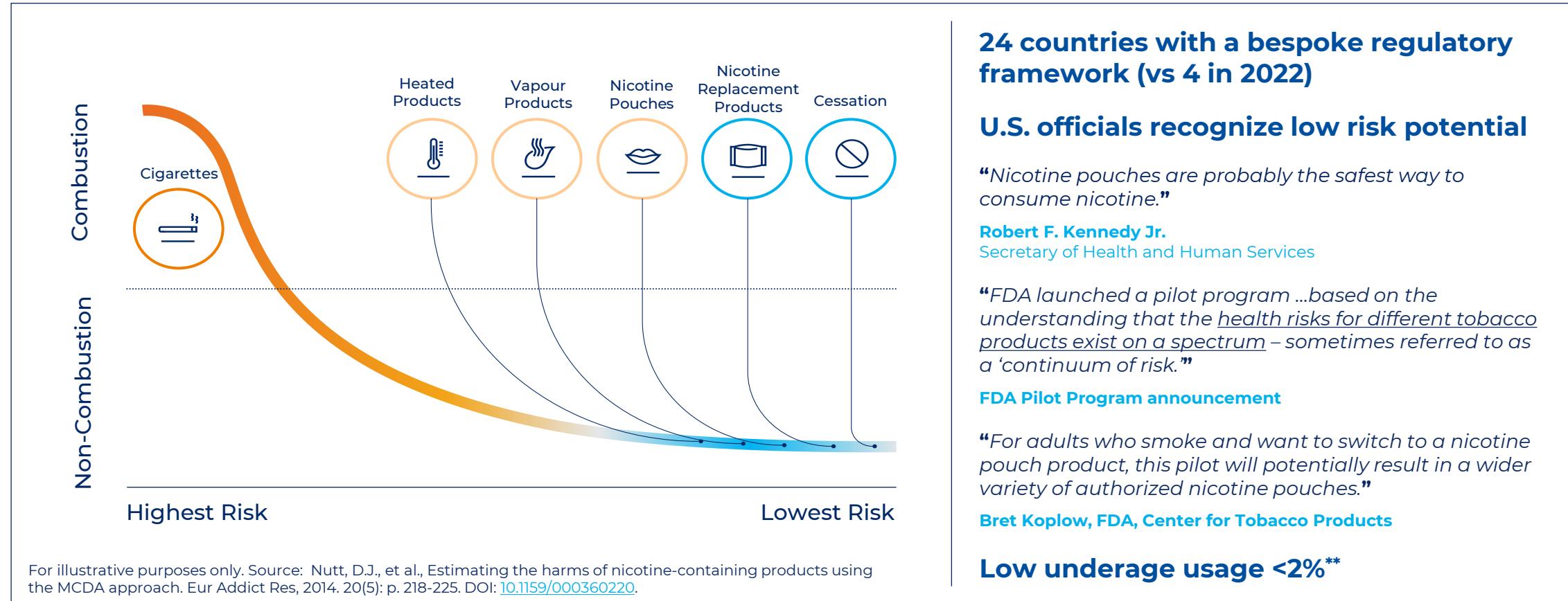
Category contribution margin^

c.40%

Delivered c.30% volume and revenue CAGR^^ and highly profitable

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Nicotine Pouches are the lowest risk* New Category



Increasingly recognised by Governments and regulators

Premium “Vapor Done Right” is a significant, untapped segment for further value creation



Industry



- Largest NC consumer pool
- c.£7bn white space opportunity in the U.S.
- Further white space opportunity globally with appropriate regulation and enforcement

£4bn*
2025
Revenue

V'USE

Our largest New Category

£1.5bn

FY25
Revenue

Ultra.

by V'USE

- Establishing a premium segment
- Connectivity with **MYV'USE** app
- Gaining value share in launch markets
- Further targeted roll-outs planned in 2026



DEVICE
c.200%
avg. price index
vs leading
competitor**

PODS
c.125%
Price index vs
market WAP**

Effective regulation & enforcement key to unlocking category potential

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Industry

£9bn*
2025
Revenue

- Largest NC by revenue
- Growing high-single digit annually
- c.70% value in premium

glo
Establishing premium
positioning in HP
£0.9bn
FY25
Revenue

gloHILO

- Breakthrough premium platform
- Connectivity with **myglo** app
- Distinctive first to market features
- Strong start with fast premium segment penetration in key markets
- Further market roll-outs planned in 2026



Fastest ramp-up	EasyView™ Screen
New Dual-Heating tech	EasySwitch™ Pen
Customized heating modes	No cleaning required
New TurboStart™ technology	

Encouraging results with our breakthrough innovation, glo Hilo

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Industry

£63bn*
2025
Revenue

- Mid-term volume decline 3-4%
- Mid-term revenue growth 1-2%
- c.1 billion adult smokers globally

 **COMBUSTIBLES**

Resilient delivery

£20bn

**FY25
Revenue**

Portfolio of global & local heritage brands



- Balanced, strong portfolio of brands across all price points
- Targeted investment & execution with RGM**
- Continued focus on efficiencies
- Integrated, global supply chain to optimize agility

Driving value supported by efficiencies

Our transformation is enabled by six core capabilities



1

Deep cross-
category insights

2

World-class science
and stewardship

3

Unique R&D
ecosystem

4

Global distribution and
retail reach

5

Front-footed approach
to shape the regulatory
landscape

6

Digital
excellence

Creating an increasingly effective competitive advantage

1. Deep cross-category insights

Actionable Insights on Consumer Moments	Better Foresights	Product Needs Mapping	Digital Step Change	AI for Speed and Efficiency
<p>Consumer Moments</p> 	<p>CPG Macro Trends</p> <p>Tech and Trends</p>  <p>Priority Innovation Spaces</p>	<p>Product Space Mapping</p> <p>ICY FRUIT FRUITY FRESH TROPICAL FUSION SIMPLE & TANGY MELLOW MIX MINTY COOLING TOBACCO-LIKE</p> <p>Flavor insights</p> <p>Rich & familiar Refreshing flavors</p>	<p>Digital Track</p>  <p>Advanced AI Models For</p>  <p>T5 For Each NC Digital Dashboard</p> 	<p>AI Applications</p>  <p>AI Led Knowledge Mgt.</p> <p>Synthetic Segments</p> <p>AI Led Fast Mix Testing</p> <p>AI Analyst Smart Assistant</p>

Driving faster decisions and improved capital efficiency

2. World-class science and stewardship

Rigorous scientific research and evidence-based learning

BAT's Global Science Network by capability



BAT Science by numbers

1,750
Scientists, Researchers & Engineers (as of 2024)

77
Nationalities (as of 2024)

>270
THR Publications
2008 – Present

9,483
Granted patents
2012 – 2024

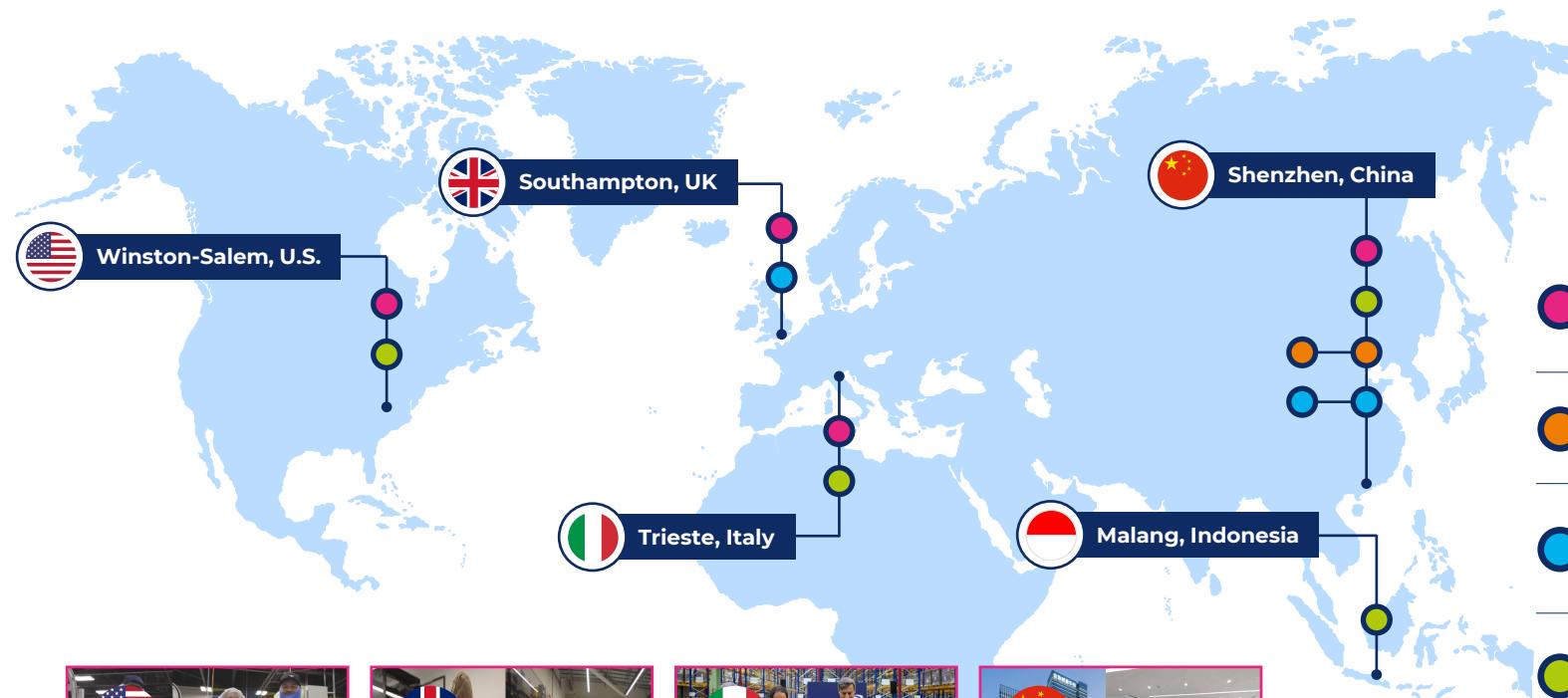
Extensive scientific substantiation supports our products as reduced-risk*

	HEATED PRODUCTS glo	VAPOR Vuse	NICOTINE POUCHES VELO
Emissions vs Cigarette ^	-90% to -95% ^	> -99%	> -99%
Toxicity vs Cigarette ^	-94%	-97%	-99%
Exposure vs Smoking ~	glo -74.0% Quit -83.0% glo exposure slightly higher than quitting	Vuse -77.7% Quit -78.2% Vuse exposure comparable to quitting	VELO -79.7% Quit -77.7% Velo exposure comparable to quitting

Scientifically substantiated products supporting THR^{^^^}

*See Appendix A7. ^Toxicity reductions are averaged reductions from individual Genotoxicity | Cytotoxicity | Cell Stress assays: (i) glo = -98% | -90% | -95% ; (ii) Vuse = > -99% | -95% | >-98%; Velo = > -99% | -99% | >-98%. ~For the avoidance of doubt, this does not imply that switching completely to BAT's Smokeless products is equivalent to quitting smoking in reducing a smoker's overall risk profile. ^Comparisons with smoke from a standard reference cigarette (approximately 9mg of tar) for the average of the 9 harmful and potentially harmful constituents independently identified and prioritised for reduction in cigarette smoke. ^^Based on glo and glo Hyper. ^{^^^}Tobacco Harm Reduction.

3. Unique R&D ecosystem



Fully Upgraded Infrastructure



4 Innovation Centers

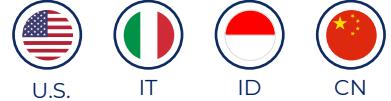


Strategic Partners
+50 Development partners



Open Innovation
Partners

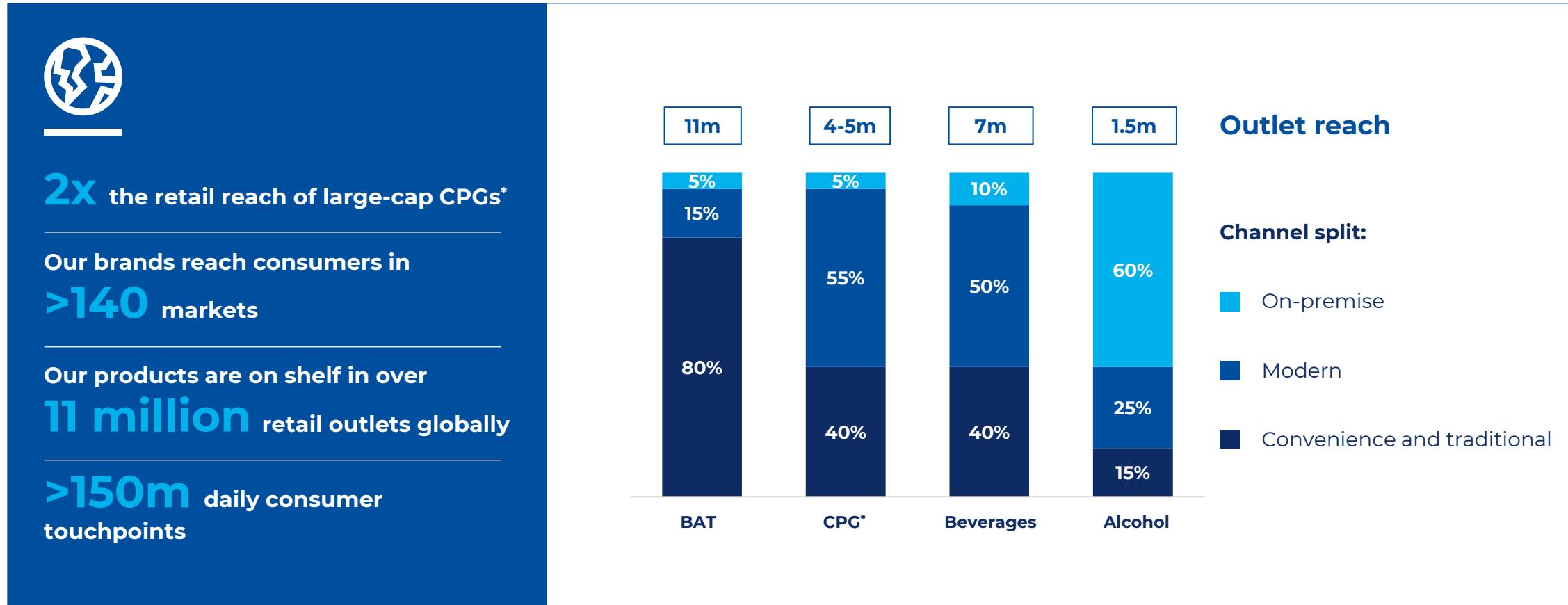
4 First Mover
Manufacturing Sites



- **Global access** to multiple levers
- **Proximity to** network in **Asia**

Delivering a stronger innovation pipeline at speed

4. Global distribution and retail footprint



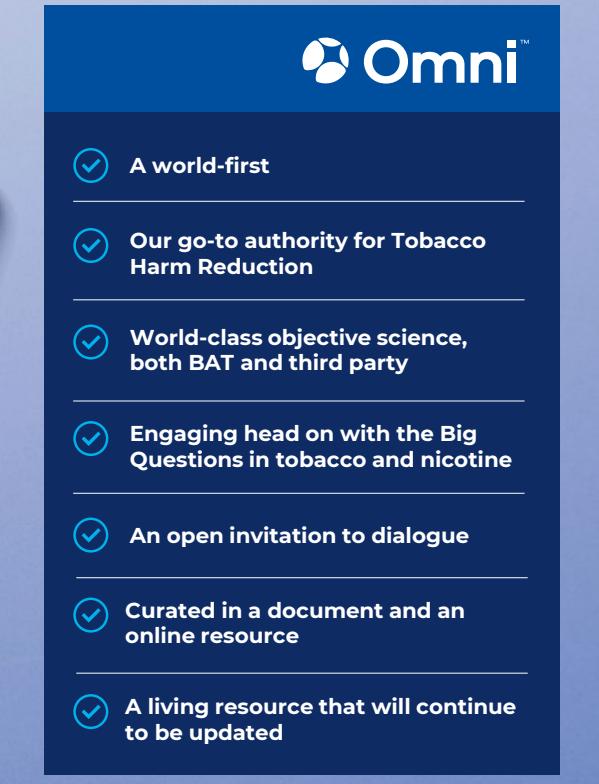
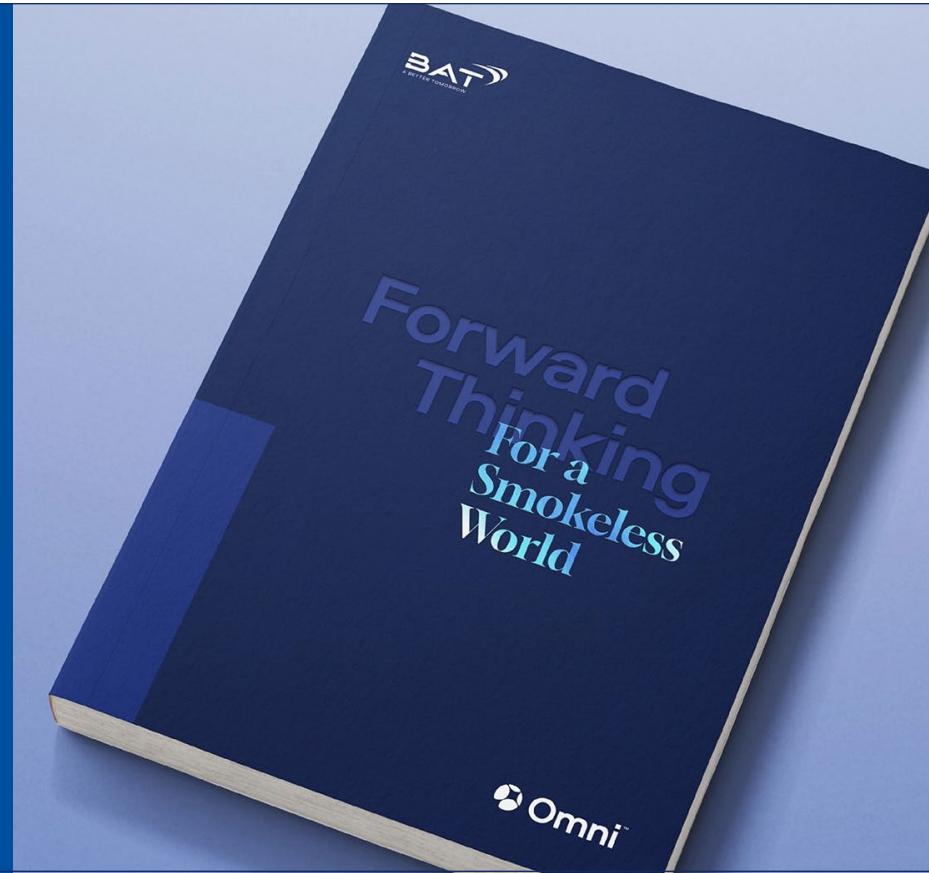
>2x more daily consumer touchpoints vs other CPGs*

5. Front-footed approach to shaping regulatory landscape



Pragmatic and forward looking regulatory engagement

- Focus on opening new markets and improving regulatory landscape
 - 24 countries with positive Nicotine Pouches framework
 - U.S. FDA positive progress
- Encourage enforcement
- Shape frameworks where New Categories are present
- New Omni Product Vigilance report launched 12 Feb 2026



Decades of expertise operating in complex regulatory environments

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6. Enhanced digital capabilities and strategic partnerships



Connected Consumer Experience

Superior consumer experience via a connected device enabled by interactive app with in-built UAP*



AI Powered Insights & Foresights

Deeper consumer insights via Gen AI based synthetic 'segments' & advanced data analytics via AI agents



Excellence in Commercial Execution

Digital B2B technologies leveraging AI capabilities such as image recognition and age verification



Embedding AI

Company-wide AI training and strategic co-development of advanced tools with key partners



Driving deeper consumer insights, agility and effectiveness

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(Video – Delivering breakthrough premium innovations)

3-5%
Revenue growth*

4-6%
**Adjusted profit from
operations growth****

5-8%
Adjusted diluted EPS growth**

1. Growing revenue sustainably

- 1-2% combustibles growth*
- Double-digit New Category growth*

2. Improving profitability

- Driven by both combustibles and New Categories
- Targeted investment in premium New Categories Quality Growth
- Step up in efficiencies:
 - £2bn productivity savings (2026-2030)
 - c.£600m annualised Fit2Win benefits (by 2028)

3. Delivering strong financial and cash returns

- EPS supported by share buy-back and reduced net finance costs over time
- Continued strong cash generation of >£50bn (2024-2030)
- Progressive dividend +2.0% and £1.3bn share buyback announced for 2026
- Target leverage 2.0-2.5x[^] by end 2026

£34bn cash returned to shareholders since 2020

Transforming & Winning in the U.S.

David Waterfield

President, Reynolds American



U.S. market opportunity overview



U.S. market is the cornerstone of BAT strategy



U.S. is the largest growing nicotine revenue pool globally*



Over 60M adult U.S. consumers using nicotine products



Multi-category portfolio positioned to deliver value growth



Combustibles portfolio back to sustainable value growth



Velo fastest growing brand in fastest growing category



Illegal vapor disposables enforcement increases; Vuse back to growth



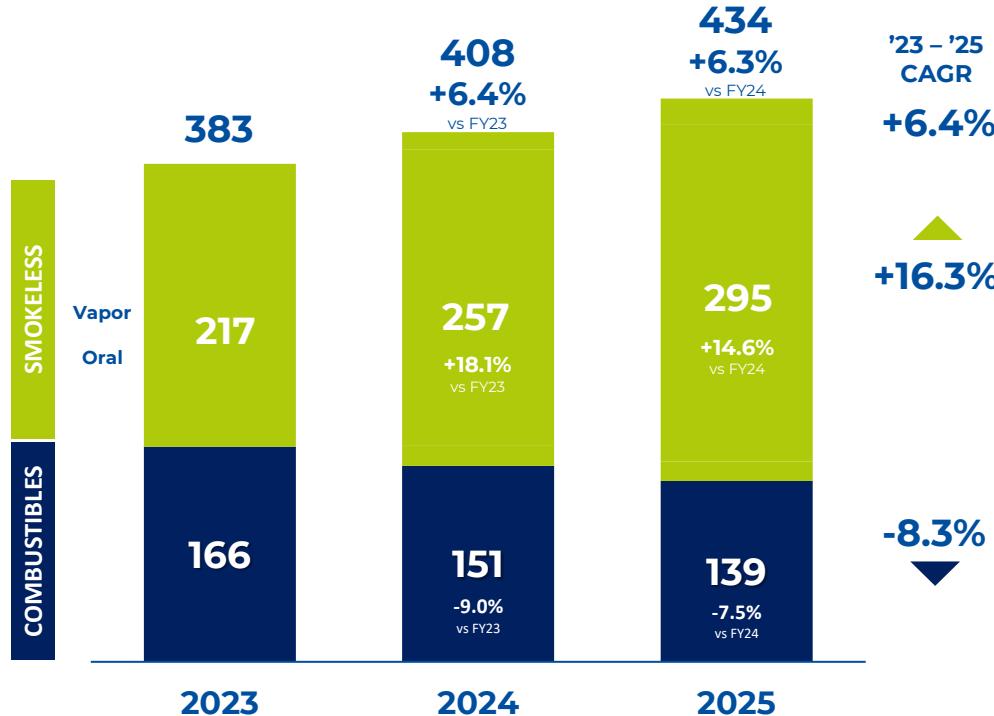
Proven capabilities and talent behind business strategy

*Source: Nicotine pool outside China. Based on internal estimates | Total adult nicotine consumers based on Q3'25 Consumer Track (Kantar Research). Ownership and rights to use the brand(s) included may vary by jurisdiction. In certain territories, the brand(s) may be owned, licensed, or otherwise controlled by third parties unaffiliated with BAT.

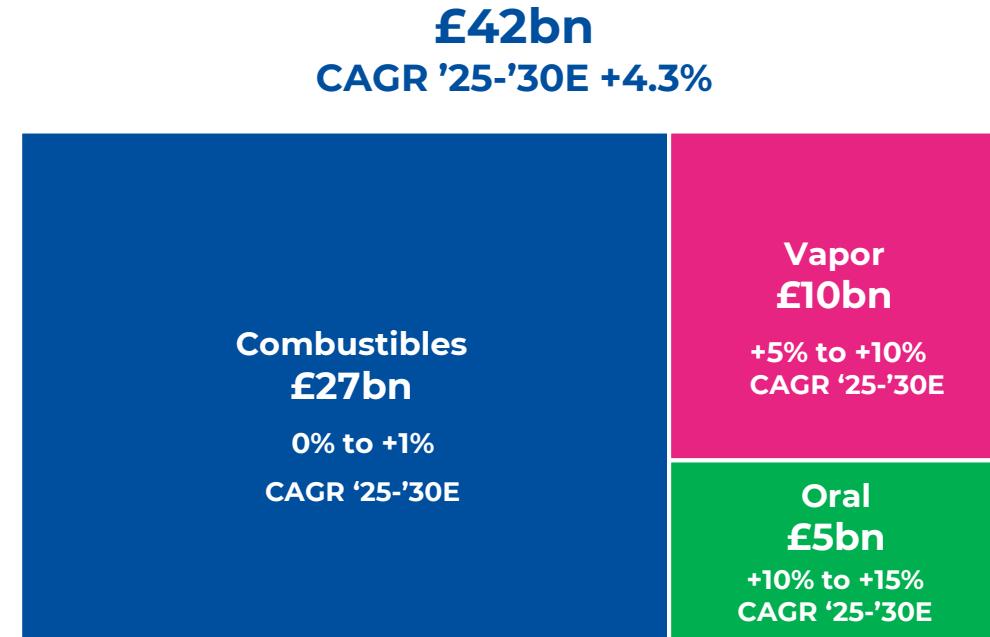
U.S. nicotine market in growth



Total U.S. nicotine industry volumes*



2025 U.S. estimated nicotine revenue pool



One-third of the global nicotine value pool in growth

Driven by New Categories

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BAT in pole position to win in the biggest nicotine revenue pool globally*

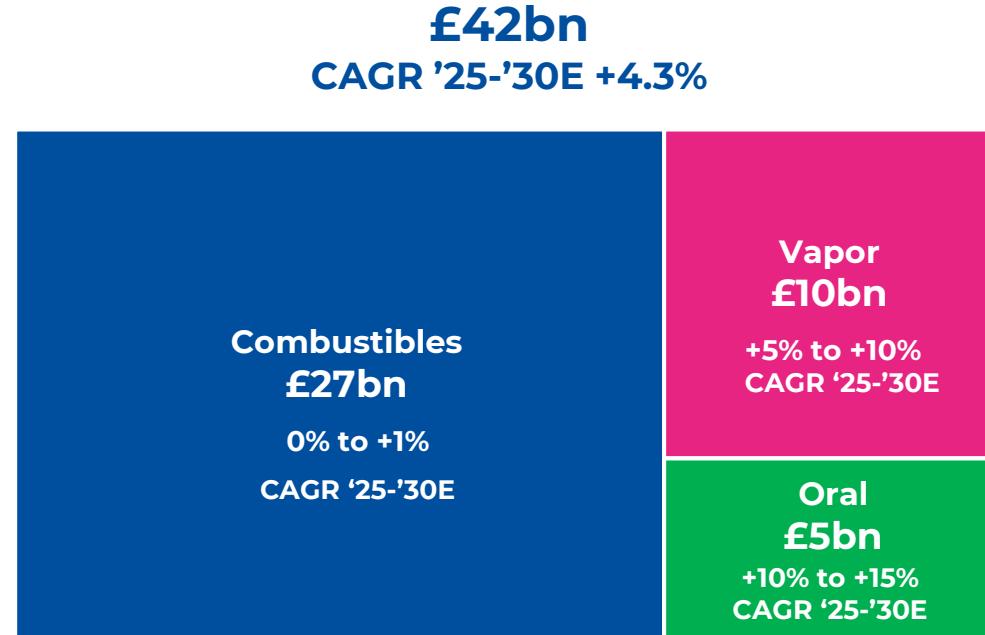


BAT core capabilities to win in the U.S.



Integrated capabilities to leverage & scale in the U.S.

2025 U.S. estimated nicotine revenue pool



One-third of the global nicotine value pool in growth

Leveraging a unique combination of U.S. and global capabilities

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Significantly investing in our U.S. capabilities



BAT core capabilities to win in the U.S.



Velo Plus Case Study



From M&A to 24% volume share in 18 months

25 SKUs
157K Stores Selling
93% Weighted Distribution
5m Active Consumers
24% Volume Share Dec'25

Velo Plus success evidence of Reynolds execution strength

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Reynolds American is the cornerstone of growth for the BAT Group



Reynolds American is investing in the U.S. economy by building next-generation capabilities and creating thousands of new jobs to support our growth.

£2.5bn
Investment Committed
by 2030*

2,000+
New American Jobs*
(direct & indirect)

Committed to invest in the long-term growth opportunity

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Established multi-category portfolio for growth



U.S. Adult Nicotine Consumer (ANC) Trends

U.S. Nicotine Consumers
Interacting or Migrated
to New Categories*

65%
+19ppts vs 2022



U.S. Combustibles
Poly-user
Consumers*

53%
+7ppts vs 2022

Reynolds Multi-Category Portfolio Trends

32.3%
+106bps
Dec'25 vs Dec'24

Reynolds Portfolio
Total Nicotine Share
Full Year 2025

8.9%
+302bps
Dec'25 vs Dec'24

Vapor & Oral
Reynolds Portfolio
Total Nicotine Share
Full Year 2025

Reynolds Total ANCs

#1 in U.S.

21.5m

+1.6m vs FY24

Reynolds Smokeless ANCs

#1 in U.S.

17.3m

+1.8m vs FY24

Reynolds New Categories ANCs

#1 in U.S.

11.2m

+2.7m vs FY24

Leading positions across U.S. nicotine

Source: Consumer Track (Kantar) Oct-Nov 2025 data | Total Nicotine Share estimates based on RSD (Circana) excludes illicit disposables and Open Systems untracked channels. Ownership and rights to use the brand(s) included may vary by jurisdiction. In certain territories, the brand(s) may be owned, licensed, or otherwise controlled by third parties unaffiliated with BAT. *See Appendix A3. See Appendix A2 for share definitions and sources.

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Established multi-category portfolio for growth



U.S. Adult Nicotine Consumer (ANC) Trends

U.S. Nicotine Consumers
Interacting or Migrated
to New Categories*

65%
+19ppts vs 2022

U.S. Combustibles
Poly-user
Consumers*

53%
+7ppts vs 2022



Reynolds Multi-Category Portfolio Trends

32.3%
+106bps
Dec'25 vs Dec'24

Reynolds Portfolio
Total Nicotine Share
Full Year 2025

8.9%
+302bps
Dec'25 vs Dec'24

Vapor & Oral
Reynolds Portfolio
Total Nicotine Share
Full Year 2025

✓ Combustibles Re-energized

Growing share of premium

Growing share of value



✓ Vuse Back to Growth

Leadership in 37 states

Growing 2ppts value share



✓ Nicotine Pouches Acceleration

Fastest growing brand

2nd largest brand



Best positioned for future industry growth

Source: Consumer Track (Kantar) Oct-Nov 2025 data | Total Nicotine Share estimates based on RSD (Circana) excludes illicit disposables and untracked channels. Ownership and rights to use the brand(s) included may vary by jurisdiction. In certain territories, the brand(s) may be owned, licensed, or otherwise controlled by third parties unaffiliated with BAT. *See Appendix A3. See Appendix A2 for share definitions and sources.

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Strong performance on combustibles strategy



2025 U.S. estimated nicotine revenue pool £42bn



Combustibles will remain a sizeable value pool

2025 U.S. combustibles performance		
FY25 vs FY24	Volume share	Value share
Total U.S. combustibles	-10bps	+30bps
Excl. deep discount	+70bps	+60bps
Share of AWAP*	+20bps	+50bps
	H1 '25 vs H1 '24	H2 '25 vs H2 '24
Combustibles revenue^	+3.8%	+5.3%
Category contribution^^	+4.8%	+6.0%



Driving sustainable value to fund our transformation

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The U.S. New Categories opportunity

The opportunity today

2025 U.S. developing segments revenue pool estimates

£15bn



c.40m dynamic adult consumer base



c.65% consumer interaction / migration

Reasons to believe



Effective & efficient regulatory process



Effective enforcement



Vuse leadership in U.S.* & globally



Nicotine Pouch innovation to replicate rest of the world success

The size of the prize by 2030

U.S. developing segments revenue pool estimates projected to grow in value

£20bn – £25bn



Significant share of revenue pool by 2030



Brands



Capabilities



Scale

Additional £5-10bn industry value by 2030

Source: Internal estimates; Vapor includes tracked & estimated untracked channels. *Value share leader in legal U.S. Vapor. See Appendix A2 for share definitions and sources.

U.S. Vapor market begins to formalize in 2025



Increased Federal Enforcement Actions



"The Department of Justice today conducted a nationwide operation to **remove illicit vaping products that are being strategically distributed and sold at retailers across the country**. These illegal and unregulated products **are not safe**."

Attorney General Pam Bondi

Pictured outside Midwest Distribution after federal agents raided it

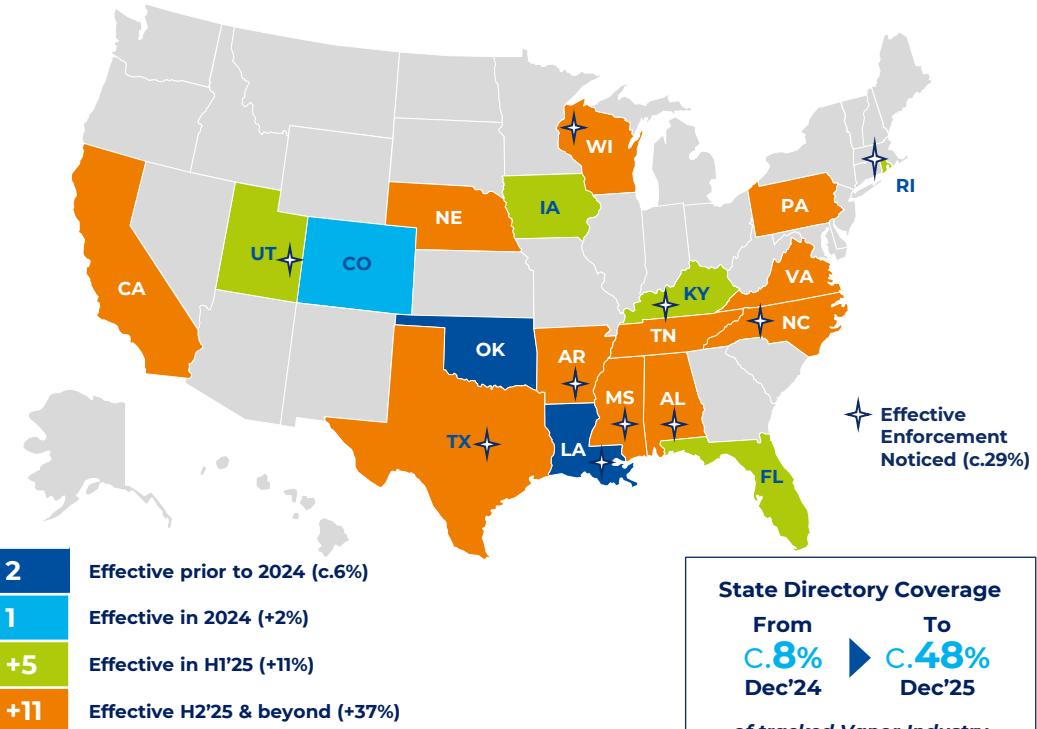
\$86.5mn
worth of illegal vapes



4.7mn
units of illegal vapes



Increased State Directory/Enforcement Footprint



Increased Federal and State regulatory and enforcement actions

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Vuse: The market leading Vapor brand



Leadership in U.S.*

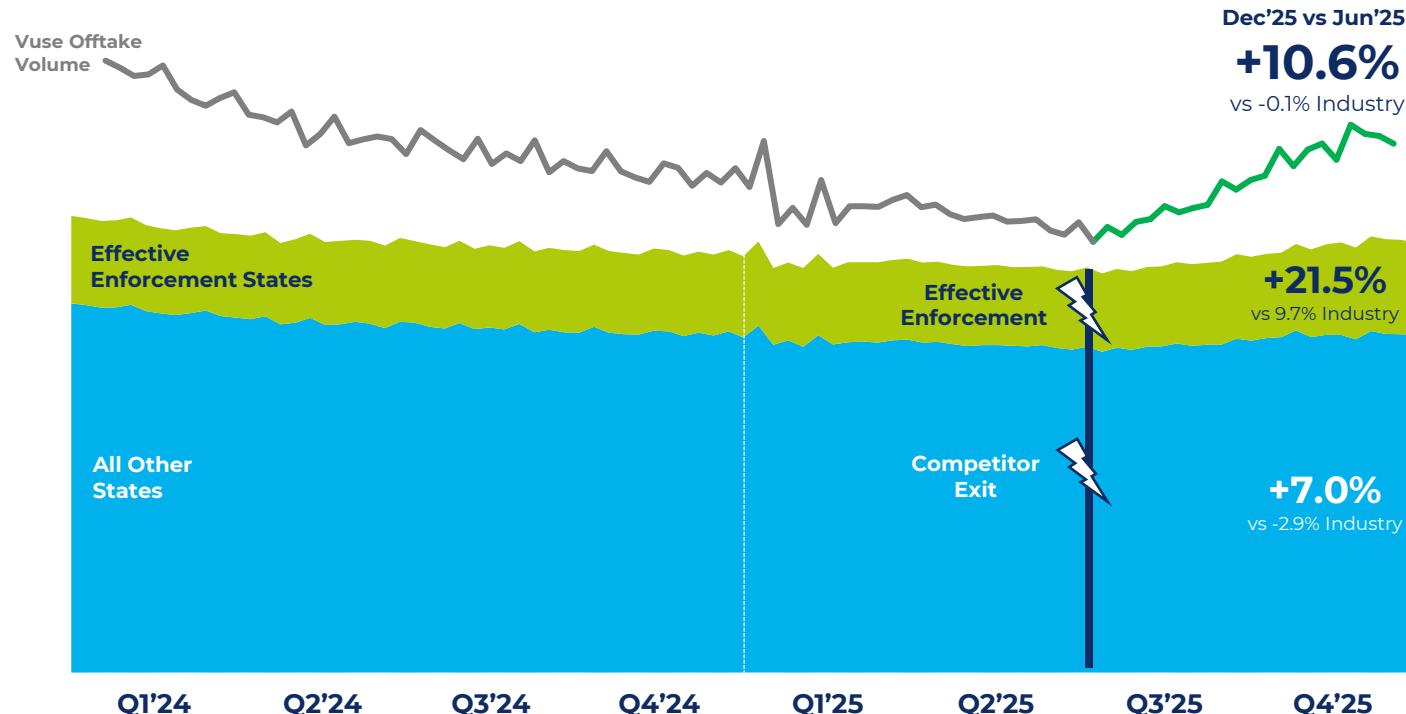
2025 Value Share

51.7%

+200bps vs 2024



Best positioned to win through disruption**



See Appendix A2 for share definitions and sources. *Legal tracked channels. **Effective Enforcement States include Louisiana, Rhode Island, Utah, North Carolina, Kentucky, Alabama, Texas, Wisconsin, Arkansas, Mississippi (c.29% of Vapor legal industry).

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Actively protecting our rights



FDA/DOJ Joint Task Force Actions Against Illegal Vapor

FDA NEWS RELEASE

FDA and CBP Seize Nearly \$34 Million Worth of Illegal E-Cigarettes During Joint Operation



Washington Examiner

Marty Makary outlines FDA crackdown on illegal foreign vape products in warning to China: 'Going to take this seriously'

FDA U.S. FOOD & DRUG ADMINISTRATION

FDA NEWS RELEASE

HHS, CBP Seize \$86.5 Million Worth of Illegal E-Cigarettes in Largest-Ever Operation

Other Actions

International Trade Commission (ITC)



Patent infringement

Initial ruling/general exclusion order favorable (Aug. 29, 2025)

Full Commission final determination expected (Mar. 2026)

60-day Presidential review (Q2 2026)

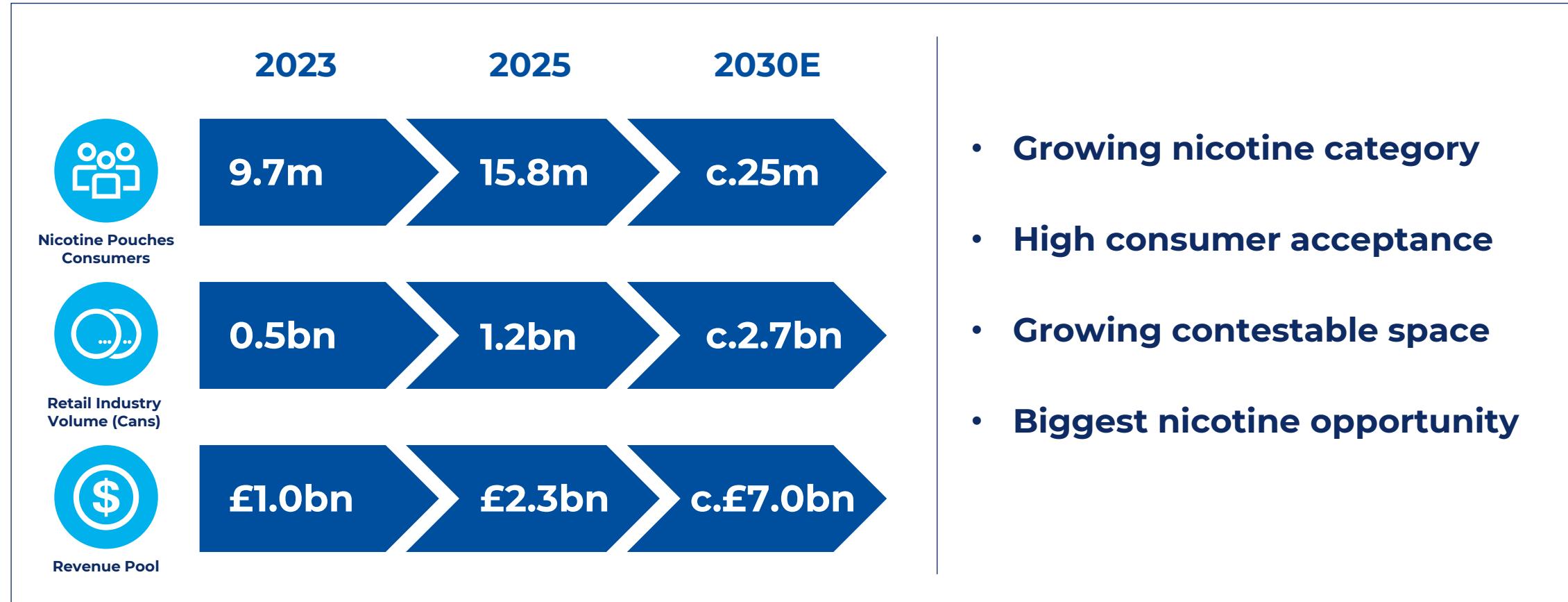
FDA Empowered to Fund Enforcement

- New law provided additional >\$200 million towards enforcement activities
- Expanded FDA authority to destroy counterfeit tobacco products
- Import authority strengthened by adding “tobacco products” to items FDA can refuse at borders
- FDA mandated to educate retailers on how to determine which ENDS* products are legal for sale
- Semi-annual reports required from FDA to Congress

Advocating for a level playing field

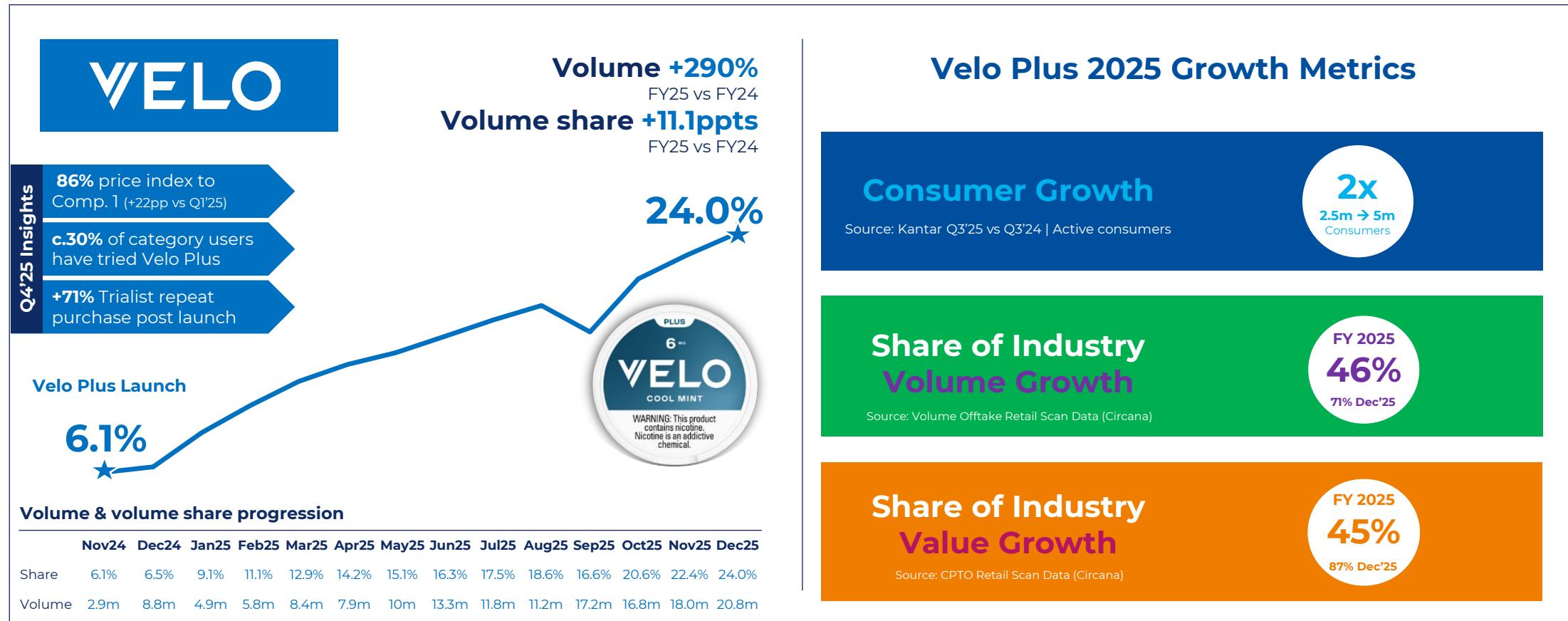
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U.S. Nicotine Pouches are the fastest growing category



Industry revenue expected to triple by 2030

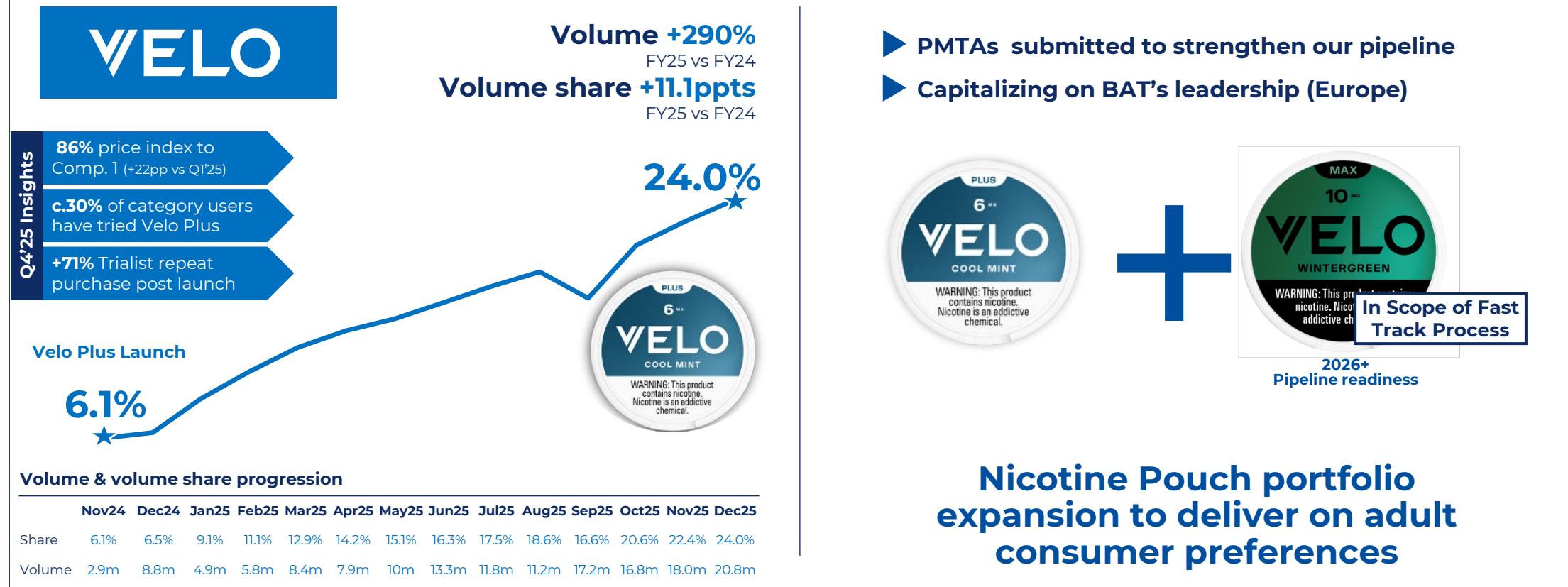
Velo Plus is the fastest growing brand in the Nicotine Pouches category



Velo is the #2 Nicotine Pouch brand nationally

Velo brand volume share of Modern Oral. Source: Circana Retail scan data weekly volume share. Volume shipments to Retail based on MSAI on cans basis. See Appendix A2 for share definitions and sources.

Velo Plus is the fastest growing brand in the Nicotine Pouches category



Velo Max in scope, subject to FDA approval

Source: Circana Retail scan data weekly volume share. Volume shipments to Retail based on MSAi on cans basis. See Appendix A2 for share definitions and sources.

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Role of category



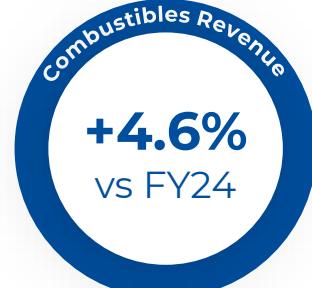
Deliver sustainable value

Create incremental value

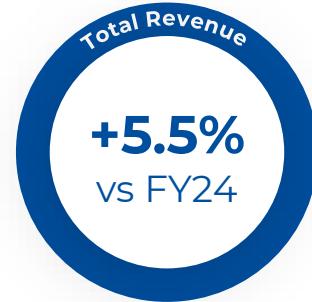
Create incremental value

(Leverage Disposables Enforcement)

2025 U.S. Financial Delivery*



REYNOLDS



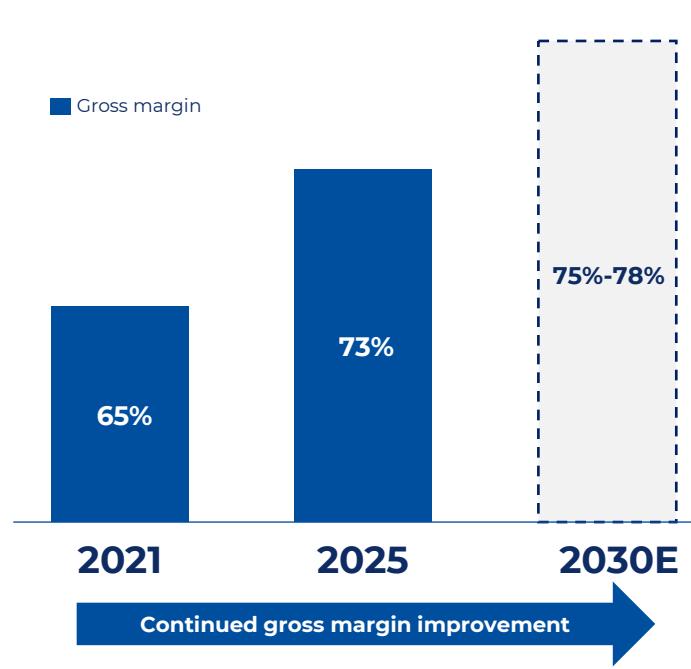
Supporting BAT's financial delivery

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Role of category



U.S. Portfolio Gross Margin Evolution



A proven and sustainable margin expansion engine

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Reynolds American best positioned to win in the U.S.



Integrated Capabilities



Winning Brands



New Categories Opportunity

2030 U.S. developing segments revenue pool estimates

£20bn – £25bn



Significant share of revenue pool by 2030



The cornerstone of BAT's sustainable financial delivery

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September 29 – 30, 2026
Winston-Salem, NC

Capital Markets Day

Please join us for lunch



Have you downloaded the new BAT Investor Relations App?

Available now to download for free to access live share prices, presentations, news, webcasts, create your own watchlist and download content for offline use.

<https://myirapp.com/bat/>



Appendix



Unless otherwise stated, absolute financials are presented at constant rates of exchange, growth in financial metrics is presented at constant rates of exchange and share data is presented versus full prior year.

A1: Non-GAAP financial measures

Adjusting (Adj.)

Adjusting items represent certain items which the Group considers distinctive based upon their size, nature or incidence.

Adjusted for Canada: Certain of these measures are also presented on an "adjusted for Canada" basis, reflecting the removal of 100% of adjusted profit from operations of our Canadian business, excluding New Categories from both 2024 and 2025 results, to remove the distorting effect of the Canadian results as from the date all of the Group's outstanding tobacco litigation in Canada is settled, annual payments based on a percentage (initially 85%, reducing over time) of the Group's net income after taxes, based on amounts generated in Canada from all sources, excluding New Categories, will be paid out by the Group until the aggregate settlement amount is paid. Due to the initial uncertain nature of the timing of the implementation of the settlement on the Group's 2025 results, for the purposes of 2025 versus 2024, this charge is 100% of the profit after interest and tax from all sources in Canada, excluding New Categories. From 2026, this charge will be 85% of the profit after interest and tax from all sources in Canada, excluding New Categories, reducing over time.

Constant currency

Constant currency – measures are calculated based on the prior year's exchange rate, removing the potentially distorting effect of translational foreign exchange on the Group's results. The Group does not adjust for normal transactional gains or losses in profit from operations which are generated by exchange rate movements.

Definitions:

-Adj. diluted earnings per share (EPS): Earnings per share before the impact of adjusting items, after adjustments to the number of shares outstanding for the impact of share option schemes whether they would be dilutive or not under statutory measures, presented at the prior year's rate of exchange.

-Adj. gross margin: Adjusted gross profit as a proportion of revenue. Adjusted gross margin for FY25 is presented at constant rates, and for FY24 at FY24 rates. Adjusted gross margin for HY25 is presented at constant rates, and for HY24 at HY24 rates.

-Adj. gross profit: Profit from operations before the impact of adjusting items and translational foreign exchange, and before all non production/attributable distribution costs and presented excluding the inorganic performance of certain businesses bought or sold in the period.

-Adj. profit from operations: Profit from operations before the impact of adjusting items.

-Category contribution: Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories.

-Contribution margin: New Category contribution as a percentage of New Category revenue on an adjusted, organic basis. Category contribution for FY25 is presented at constant rates, and for FY24 at FY24 rates. Category contribution for HY25 is presented at constant rates, and for HY24 at HY24 rates.

-Free cash flow: Net cash generated from operating activities before the impact of trading loans provided to a third party and after dividends paid to non-controlling interests, net interest paid and net capital expenditure.

-New Category return on investment (ROI): Calculated as marketing investments and research & development costs as a % of New Category contribution.

-New Category revenue: Revenue before the impact of adjusting items and translational foreign exchange, having allocated revenue directly attributable to New Categories, on a constant rate basis.

-Operating Cash Conversion: Net cash generated from operating activities before the impact of adjusting items and dividends from associates and excluding trading loans to third parties, pension short fall funding, taxes paid and net capital expenditure, as a proportion of adjusted profit from operations.

-Ratio of adjusted net debt to adjusted EBITDA (Leverage): Net debt, excluding the impact of the revaluation of Reynolds American Inc. acquired debt arising as part of the purchase price allocation process, as a proportion of profit for the year (earnings) before net finance costs (interest)/income, taxation on ordinary activities, depreciation, amortisation, impairment costs, the Group's share of post-tax results of associates and joint ventures, translational foreign exchange and other adjusting items.

A2: Share metrics

FY25 growth vs FY24, unless otherwise stated. Volume share: The estimated number of units bought by consumers of a specific brand or combination of brands, as a proportion of the total estimated units bought by consumers in the industry, category or other sub-categorisation. Sub-categories include, but are not limited to, the total nicotine category, Nicotine Pouches, Vapor, Traditional Oral or cigarettes. Corporate volume share is the share held by BAT Group. Except when referencing particular markets, volume share is based on our top markets.

Value share: The estimated retail value of units bought by consumers of a particular brand or combination of brands, as a proportion of the total estimated retail value of units bought by consumers in the industry, category or other sub-categorisation in discussion.

Our Top markets are defined by estimated industry revenue in their relevant category. **Top Vapor markets:** U.S. – Circana Non-Syndicated RSD, Canada – Scan Data, the UK – NielsenIQ, France – Logista RA, Germany – NielsenIQ, Poland – NielsenIQ, Spain – Logista RA. These seven markets account for c.80% of global closed systems consumable revenue in 2024. **Top HP markets:** Japan – CVS-BC, South Korea – CVS, Italy – NielsenIQ, Germany – NielsenIQ, Poland – NielsenIQ, Romania – NielsenIQ, the Czech Republic – NielsenIQ, Portugal – Logista RA, Spain – Logista RA. These ten markets account for c.80% of total industry HP revenue in 2024. **Top Nicotine Pouch markets:** U.S. – Circana Non-Syndicated RSD, Sweden – NielsenIQ, Denmark – NielsenIQ, Norway – NielsenIQ, Switzerland – IMS, the UK – NielsenIQ, Poland – NielsenIQ. These seven markets account for c.90% of total industry Nicotine Pouch revenue in 2024. **Top Cigarette markets:** U.S. – Circana Non-Syndicated RSD, Germany – NielsenIQ, Japan – CVS, Romania – NielsenIQ, Brazil – Scantech, Mexico – NielsenIQ, Pakistan – Access Retail. These seven markets account for c.60% of cigarette industry revenue in 2024. Market share is used by management to assess the relative performance of the Group against the performance of its main competitors.

A3: Poly-usage

-Combustibles Poly-use – refers to the use by an adult* consumer of both combustibles products and potentially reduced-risk tobacco and nicotine products which for many smokers is part of a transitional period where those consumers move towards a complete switch to potentially reduced-risk† products by reducing the consumption of combustible tobacco products and replacing them with one or more potentially reduced-risk products.

-New Categories Poly-use – refers to the consumption of two or more potentially reduced-risk tobacco or nicotine product categories by adult* consumers who do not consume any Combustibles products.

-Total Poly-use – total number of adult* consumers consuming two or more tobacco and/or nicotine products, which may or may not include combustibles products.

* As defined by the relevant local law but shall in no circumstance refer to any person under the age of 18; and shall in no circumstance refer to any person under the age of 21 in the U.S.

*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.

A4: Consumers of Smokeless products

The number of adult consumers of smokeless products is defined as the estimated number of Legal Age (minimum 18 years) consumers of the Group's smokeless products - which does not necessarily mean these users are solus consumers of these products. In markets where regular consumer tracking is in place, this estimate is obtained from adult consumer tracking studies conducted by third parties (including Kantar). In markets where regular consumer tracking is not in place, the number of consumers of smokeless products is derived from volume sales of consumables and devices in such markets, using consumption patterns obtained from other similar markets with adult consumer tracking (utilising studies conducted by third parties, including Kantar). The number of consumers is adjusted for those identified (as part of the consumer tracking studies undertaken) as using more than one BAT brand.

The number of consumers of smokeless products is used by management to assess the number of adult consumers regularly using the Group's New Categories products as the increase in smokeless products is a key pillar of the Group's Sustainability ambition and is integral to the sustainability of our business.

A5: Smokeless Products

Refers to non-combustibles, including Vapor products, Heated Products, Nicotine Pouches, and Traditional Oral.

A6: Industry Estimates

Internal estimates for revenue and consumer numbers, based on our Top 50 markets unless otherwise stated.

A7: Reduced risk profile of our Smokeless products

*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.

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