New Category Acceleration Drives Profitability Forward to 2024

Preliminary Results 2022

Jack Bowles – Chief Executive | Tadeu Marroco – Finance and Transformation Director
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Important Information

Forward-looking Statements (continued)

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All financial statements and financial information provided by or with respect to the US 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 US 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 US or Reynolds it is provided as an explanation of, or supplement to, Reynolds' primary U.S. GAAP based financial statements and information.

Our vapour product Vuse (including Alto, Solo, Ciro and Vibe), and certain oral products including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the US, are subject to the Food and Drug Administration ("FDA") regulation and no reduced-risk claims will be made to these products without agency clearance.

Although financial materiality has been considered in the development of our Double Materiality Assessment ("DMA"), our DMA and any related conclusions as to the materiality of sustainability or ESG 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.

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We are Delivering on Our Three Priorities

- A Step Change in New Categories
- Combustible Value Growth
- Simplify the Company
We are Well on Track to Achieve 50m Consumers of Non-Combustible Products by 2030

Consumers of Non-Combustible products*

2018: 8
2019: 10.5
2020: 13.5
2021: 18.3
2022: 22.5m

30% 2018-2022 CAGR

Source: Company data. * See Appendix A6.
...and £5bn New Category Revenue by 2025


Non-Combustible % of Group Revenue

14.8%  
+2.4 ppts*

2018-2022 NC Revenue CAGR

33%

2018 2019 2020 2021 2022

<table>
<thead>
<tr>
<th>Year</th>
<th>NC Revenue CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>917</td>
</tr>
<tr>
<td>2019</td>
<td>1,255</td>
</tr>
<tr>
<td>2020</td>
<td>1,443</td>
</tr>
<tr>
<td>2021</td>
<td>2,054</td>
</tr>
<tr>
<td>2022</td>
<td>2,894</td>
</tr>
</tbody>
</table>
We Have Built Two, Billion Pound Global Brands*

Vuse #1
Global value share**

Glo Outpacing
category growth^

Velo #1 in 15 markets
in Europe^^

*Vuse and glo FY22 revenue. **Vapour value share across Top 5 markets: US, Canada, UK, France, Germany. T5 represent 88% of Vapour industry revenue (rechargeables and disposables). See Appendix A3. ^ Volume growth across Top 9 THP markets: Japan, South Korea, Russia, Italy, Hungary, Greece, Ukraine, Poland and Czech Republic. Top 9 represent 80% of THP industry revenue. ^^Volume share of Modern Oral category. See Appendix A3. See Vuse and Velo advertisement footnotes in Appendix A11.
... and We are Embedding ESG Across Our Brands

- Improving packaging recyclability
- Reducing carbon
- Device take-back scheme
- Optimising product design for circularity
- Reducing plastic
- Supported by science

See Appendix A5.
We are Accelerating our ESG Agenda across the Business

**E**
- Renewable energy use\* \(33\%\)  
- Operations sites AWS certified** \(36\%\)

**S**
- Female representation in management roles*** \(41\%\)
- Identified child labour incidents resolved^ \(100\%\)

**G**
- Chief Sustainability Officer appointed \(1st\)
- SoBC training & Compliance sign-off completed ^^^ \(100\%\)

\* Renewable energy target restated from 30% by 2025 to 50% by 2030. See Appendix A5. ** Alliance for Water Stewardship. *** See Appendix A8. ^ Reported as resolved by end of growing season. ^\# In our tobacco supply chain (incl. directly contracted farmers and those of our strategic third-party suppliers, representing over 80% of the tobacco purchased by volume in 2020). ^^ Standards of Business Conduct employee sign-off. ^ A rating and award is not a recommendation to buy, sell or hold securities. A rating and award may be subject to withdrawal or revision at any time. Each rating and award should be evaluated separately of any other rating. The methodologies of any rating or award presented here may not be the same as those of other ratings, awards or methodologies that may be used by our stakeholders and may emphasize different aspects of ESG practices and performance, and thus, may not be representative of our ESG performance in all respects.

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**2022 highlights**

**Targets**

- 50% by 2030^  
- 100% by 2025

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**Continued External Recognition~**

- Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

- CDP A List 2022 CLIMATE

- Bloomberg Gender Equality Index Member

- Low-Carbon Transition Plan SBTI Approved Commitments

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~ Science Based Targets

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We are Transforming at Speed in Our Established Markets

| Non-Combustible products revenue % FY22* |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| SWE             | JPN             | UK              | POL             | NOR             |
| 74%             | 52%             | 46%             | 43%             | 41%             |
| FRA             | DEN             | ITA             | US              | CAN             |
| 41%             | 40%             | 38%             | 17%             | 15%             |

**~20%**

* Revenue from Non-Combustible products as a % of total revenue in each respective market. **Reflects Group's Europe region %.
... Driving Strong Improvement in Category Contribution

New Category Contribution (£bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Contribution (£bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-1.1</td>
</tr>
<tr>
<td>2021</td>
<td>-1.0</td>
</tr>
<tr>
<td>2022</td>
<td>-0.4</td>
</tr>
</tbody>
</table>

New Category Profitability Now Expected in 2024

*Improvement versus FY20 at constant rates at category contribution level: Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories. See Appendix A2.

While investing >£2bn in 2022

+£0.7bn*
Combustible Value Growth Continues to Fuel our Transformation

Revenue Growth*

2.7% CAGR (2018-22)

Group Adjusted Profit From Operations Growth**

5.2% CAGR (2018-22)

Value Share Growth***

+20bps p.a. (2018-22)

SKU Rationalisation

-26% SKUs (vs 2018)

* On a constant rate basis. See Appendix A2. See Appendix A3. ** On an adjusted constant rate basis. See Appendices A1 & A2. *** Cigarette value share. See Appendix A3. For details on FY22 combustibles performance, please see later performance sections in this deck including slides 29, 30 and 31.
... Alongside £1.9bn Annualised Savings Achieved through Simplification

Significantly Outperforming Our Initial £1bn Target
...Driving Strong Cash Delivery

Free Cash Flow pre dividends*

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>£6.5bn</td>
</tr>
<tr>
<td>2020</td>
<td>£7.3bn</td>
</tr>
<tr>
<td>2021</td>
<td>£7.5bn</td>
</tr>
<tr>
<td>2022</td>
<td>£8.0bn</td>
</tr>
</tbody>
</table>

£7.3bn of market cap returned through dividends to shareholders

£6.5bn

4 consecutive years of at least 100% Operating Cash Conversion**

* Free Cash Flow before payment of dividends at current rates. See Appendices A1 & A7.  ** See Appendix A8.
We Continue to Attract New Capabilities to Accelerate Our Transformation

3,000+ new capability hires since 2019
47% Female*

Senior hire turnover* below market norm**
Market Norm (within 2yrs of hire): 35% - 40%

33% Hires in 2015-2016
26% Hires in 2019-2020

Recognised with External Accreditations

* See Appendix A9. ** Source: LinkedIn survey.
With Continued Strong Momentum in 2022

Step Change in New Categories

- +37% Revenue growth
- £0.6bn Contribution improvement

Combustible Value Growth

- +4.6% Combustibles Price/Mix
- Flat Cigarette Value Share

Simplify the Company

- £1.9bn Annualised Quantum savings 2020-22
- £8.0bn Free Cash Flow

* Constant rate growth. See Appendix A2. ** Reduction versus FY21 at constant rates at category contribution level. Profit from the sales of brands after deduction of directly attributable costs (including R&D, marketing) and before allocation of overheads. See Appendix A2. *** See Appendix A4. ^ See Appendix A3. ^^ Free Cash Flow before payment of dividends at current rates. See Appendices A1 & A7.
2022 Delivering on Guidance

Finance and Transformation Director – Tadeu Marroco
In 2022, We Continued to Transform and Deliver...

Transforming our business

Delivering robust financial results

Successfully navigating the macro-environment
2022 Reported Results Impacted by One-off Items*

- Results presented on a reported current rate basis.

- Group Revenue: +7.7% 

- Group Operating Margin: -170 bps

- Profit from Operations: +2.8%

- Diluted EPS: -1.3%

Reported results most significantly impacted by impairment of Russian and Belarusian assets, restructuring charges and other litigation.

* Results presented on a reported current rate basis.
Adjusted Results Demonstrate Our Resilience

- **Group Revenue**: +2.3%
- **Combustibles Price/Mix**: +4.6%
- **Cigarette & THP Value Share**: Flat
- **Free Cash Flow**: £8.0bn
- **New Category Revenue**: +37%
- **Adjusted Operating Margin**: +150 bps
- **Adjusted Profit from Operations**: +4.3%
- **Adjusted Diluted EPS**: +5.8%

Our Multi-Category Strategy is Working…
>25% Revenue Growth* Across All Three New Category Brands

- Revenue* up +44%
- Volume up +14%
- Category Share** 35.9%

- Revenue* up +27%
- Volume up +26%
- Category Share** 19.4%

- Revenue* up +46%
- Volume up +22%
- Category Share** 30.4%
Vuse Extending Global Leadership**

- Vapour revenue up 44%, ahead of 14% volume growth
- Vuse extends US leadership; leading in 35 states with total Vapour value share of 40.9%, up 8.4 ppts
- Continued value share leadership of closed systems*** in key markets**
- Continued progress on driving profitability with positive contribution^ in 3 of 5 key markets
- Continued strong geo-expansion driven by Vuse Go

* Revenue growth at constant rates. See Appendix A2. ** Vapour value share across Top 5 markets: US - Marlin, Canada - Scan Data, UK - Nielsen, France - Strator, Germany - Nielsen. See Appendix A3. T5 represent 88% of Vapour industry revenue (rechargeables and disposables). *** Value share of closed systems (excluding disposables) across Top 5 markets. See Appendix A3. ^ Category contribution level: Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories.
Modern Disposable Segment Accelerating Total Vapour Category Growth

Vapour Industry Value*

- Total Vapour +30%
- Modern Disposables +158%
- Rechargeable Closed System +4%

Vuse Go
- Positioned with premium pricing
- Very limited cannibalisation
- Already #2 value share in the UK, FRA, GER, SA
- Take-Back scheme for devices
- Youth Access Prevention controls

Vuse Go Available in 24 Markets with Accelerated Geo-Expansion Planned for 2023

* Retail industry trend across Top 5 markets: US, Canada, UK, France, Germany. Top 5 represent 88% of Vapour industry revenue (rechargeables and disposables). Poly-Usage defined in Appendix A10.
glo Continues to Make Category Share Gains

- glo revenue up **27%*** with sequential growth accelerating in H2
- glo consumables outpacing industry volume growth **1.7** times
- glo pricing increased while maintaining volume share of THP category
- Excluding Russia, our share of Top 8 markets (representing c. **82%** of total THP volumes) reached **18.7%**, up **1.1 ppts**
- glo Hyper X2 available in **21** markets globally

*Revenue growth at constant rates. See Appendix A2. **Share of THP volume. Japan - CVS-BC, South Korea - CVS, Italy - Nielsen, Hungary - NDN, Greece - Nielsen, Ukraine - Nielsen, Poland - Nielsen, Russia - IMS, Czech Republic - Nielsen. Across Top 9 THP markets Japan, South Korea, Russia, Italy, Hungary, Greece, Ukraine, Poland and Czech Republic. Top 9 represent 82% of THP industry revenue. See Appendix A3.
glo Hyper X2 is Delivering Positive Early Results in Japan

- Already reached 1 million device sales
- Added c.400k+ new consumers
- Building positive sentiment driven by design, style, usability and colours
- Further price laddering with New Lucky Strike consumables range launched in Nov’22
- Velo city pilot delivering positive early results

Expanding our Multi-Category Offering in the Established THP Market
Velo’s European Leadership* Continues; now Unlocking Emerging Markets

- Modern Oral revenue up 46%** ahead of volume growth of 22%
- Velo’s European volume share leadership in Modern Oral stable at 69%*
- Velo remains volume share leader in 15 Modern Oral markets in Europe
- In the US, we have submitted a PMTA for a new Velo product
- Unlocking significant opportunity in Emerging Markets

* Volume share leadership FY22 based on 4 of Top 5 Modern Oral markets globally, which are in Europe. ** Revenue growth at constant rates. See Appendix A2. *** Volume share growth of Modern Oral category based on 4 of Top 5 Modern Oral markets globally, which are in Europe. Sweden · Nielsen, Denmark · Nielsen, Norway · Nielsen, Switzerland · Scan Data (excl. SPAR, Top CC & Alligro). See Appendix A3.
Pakistan is Already our Third Largest Velo Market*

Further Pilots in 2023: Japan, South Africa, Kenya and More

* In terms of volume. ** At constant rates. See Appendix A2.
And we are Exploring Opportunities Beyond Nicotine...

Connecting our ecosystem to amplify the sum of the parts

Building an Ecosystem of Capabilities

* M&A in 2022 refers to a non-controlling minority stake in Sanity Group and an investment in Charlotte's Web.
## Combustibles Delivered a Resilient Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Combustibles Value Share*</td>
<td></td>
</tr>
<tr>
<td>-20bps Combustibles Volume Share*</td>
<td></td>
</tr>
<tr>
<td>+10bps US Value Share*</td>
<td></td>
</tr>
<tr>
<td>-5.2% Combustibles Volume</td>
<td></td>
</tr>
<tr>
<td>+4.6% Combustibles Price/Mix**</td>
<td></td>
</tr>
<tr>
<td>-0.6% Combustibles Revenue***</td>
<td></td>
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</tbody>
</table>

Financials growth FY22 versus FY21: *Share growth versus FY21. Cigarette share. See Appendix A3. Source: Company data. ** See Appendix A4. *** On a constant rate basis. See Appendix A2. The BAT Group does not own all brands featured in this presentation in all markets, e.g. BAT is the owner of Camel and Natural American Spirit in the US only.
## All Four Regions Contributing to Results

<table>
<thead>
<tr>
<th>FY2022</th>
<th>Revenue*</th>
<th>New Category Revenue*</th>
<th>Combustible Value Share**</th>
<th>Adjusted Profit from Operations*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>+7.0%</td>
<td>+42.7%</td>
<td>-10bps</td>
<td>+7.5%</td>
</tr>
<tr>
<td>APME</td>
<td>+7.7%</td>
<td>+10.1%</td>
<td>+10bps</td>
<td>+3.0%</td>
</tr>
<tr>
<td>AmSSA</td>
<td>+4.7%</td>
<td>+47.5%</td>
<td>-60bps</td>
<td>+4.3%</td>
</tr>
<tr>
<td>US</td>
<td>-2.8%</td>
<td>+51.6%</td>
<td>+10bps</td>
<td>+3.5%</td>
</tr>
<tr>
<td>Group</td>
<td>+2.3%</td>
<td>+37.0%</td>
<td>Flat</td>
<td>+4.3%</td>
</tr>
</tbody>
</table>

US: Excellent Vuse Performance Offset by Macro Headwinds in Combustibles

• Total Nicotine value share 37.2% up 40bps**
• Vuse value share leadership at 41%***
  • Leader in 35 states
  • 46% revenue growth*
  • Strong category contribution growth
• Macro-economic weakness driving accelerated downtrading in the combustible industry in 2022
• Combustible value share growth up 10bps
• Activated commercial plans:
  • Price laddering across all brands^^
  • Targeted investment
  • Through Revenue Growth Mgmt (RGM)
• Continued strength of Lucky Strike

US: 2023 Performance Expected to be H2 Weighted

**Strong Macro-Economic Headwinds in 2022**

- **Record high inflation**: 8% (Avg. 2022) 
  9.1% (Peak June 22)
  
  Source: Oxford Economics

- **Interest rate hikes**: 7 times (Since Feb 22) 
  +4.25% (By Dec 22)
  
  Source: Consensus

- **Falling real disposable income**: -6.9% (Nov YTD 22)
  
  Source: Oxford Economics

- **Record low consumer sentiment**: 71 (Dec 21) 
  50 (Jun 22) 
  57 (Nov 22)
  
  Source: Prevedere

**Early Signs of Recovery for 2023**

- **Gas prices stabilising**: +30% (Avg. 2022 vs. avg. 2021)
  -2% (Dec 22 vs. Dec 21)
  
  Source: U.S. Energy Information Administration

- **Low/Stable unemployment**: -1.7 pps (2022 vs. 2021) 
  -0.4 ppts (Dec 22 vs. Dec 21)
  
  Source: U.S. Bureau of Labor Statistics

- **Wage growth**: +6.3% (12mo moving avg.) 
  +0.8 ppts (Dec 22 vs. Dec 21)
  
  Source: Federal Reserve Bank of Atlanta

- **Stable elasticities**: 0.39 (2019 Pre-COVID) 
  0.41 (2022)
  
  Source: Oxford Economics
Strong Group Operating Margin Expansion: Successfully Offsetting Increasing Inflation

+1.5 pts

2021 Adjusted Operating Margin: 43.4
Price/mix* and Operational Efficiencies (Rest of Business): 1.2
Incremental New Categories: 0.8
Transactional FX: (0.6)
2022 Adjusted Operating Margin**: 44.9

+150 bps Margin Improvement**

* See Appendix A4. ** On an adjusted current rate basis. See Appendix A1.
...While Building a Commercially Sustainable New Category Business

On Track to Deliver New Category Profitability in 2024*

- Scale benefits
  - Reduced Cost of Goods
    - £578m Improvement in New Category contribution*
  - Pricing, Lower Trade Margins** & Data Analytics
    - Powered by RGM & MSE***

2022 Key profit drivers

- c.60%
- c.40%

* Improvement FY22 versus FY21 at constant rates and profitability at category contribution level: Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories. See Appendix A2. ** References to trade margins are to recommended trade margins based on recommended resale prices. *** RGM: Revenue Growth Management. MSE: Marketing Spend Effectiveness.
Quantum Delivered £1.9bn Annualised Savings 2020-2022 with £629m Delivered in 2022 Alone

Quantum 1
- New global design principles
- Simpler processes
- Larger DRBUs
- Centres of Excellence

Quantum 2
- Digitally-enabled Fit-for-Future commercial capabilities
  - End Market Operating Model
  - Revenue Growth Management
  - Marketing Spend Effectiveness

Quantum 3
- Leaner HQ
- Leveraging GBS
- Simpler processes

Transforming our Ways of Working to Create a More Agile Organisation
EPS* Growth up 5.8% at Top End of MSF Guidance

* Adjusted diluted EPS at constant rates. See Appendices A1 & A2.
Continued Strong Operating Cash Conversion

Strong Operating Cash Conversion*

- FY20: 103%
- FY21: 104%
- FY22: 100%

Driven by continued focus on cash delivery

Leverage Reduced to 2.9x

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted net debt / adjusted EBITDA**</td>
<td>3.26</td>
<td>2.99</td>
<td>2.89</td>
</tr>
</tbody>
</table>

- £1.8bn: Hybrid Bond**
- £3.0bn: Bi-laterals
- £5.7bn: Existing RCF: 1 & 5 year term; No financial covenants

Short Term Bond Maturity Profile

<table>
<thead>
<tr>
<th></th>
<th>£ in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due’23</td>
<td>2.5</td>
</tr>
<tr>
<td>Due’24</td>
<td>4.2</td>
</tr>
<tr>
<td>Due’25</td>
<td>4.4</td>
</tr>
</tbody>
</table>

- 9.9 yr
- 97:3
- 71:12:13:4

Average Maturity
- Fixed: Floating^ US$:£:€:Other

Continue to Reduce Leverage within the 2-3x Corridor***

* See Appendices A1 & A8. ** FY21 hybrid issuance at Current FX. *** Adjusted net debt to adjusted EBITDA at current rates. See Appendix A1. ^ On a net debt basis.

37
2022 Saw an Unprecedented Global Interest Rate Environment

Policy rate forecasts
%

Fed funds target rate
ECB deposit rate
Bank of England Bank Rate

Forecast

4.0% BAT average cost of debt

Source: Oxford Economics/Haver Analytics
We are Maintaining an Active Capital Allocation Framework for 2023

Growing Dividend

Leverage within 2-3X**

Bolt-On M&A

Share Buybacks

Cash Flow

Investing in our Transformation

Litigation/ Fiscal/Regulatory outcomes

Free Cash Flow*


+6% Dividend Growth and Further Deleverage
FY 2023 Group Guidance

3-5%
Organic Revenue Growth* (Excluding Russia/Belarus)**

Mid Single Figure
Adjusted Diluted EPS Growth***

Continued Deleverage
Within c.2-3X Adjusted Net Debt/Adjusted EBITDA^ range

2023 performance reflects expectations of:

• Incremental New Category investment
• Rising interest costs
• H2’23 weighted US performance
• c.2% transactional FX headwind
• 2023 transfer of businesses in Russia and Belarus

* On a constant rate basis. See Appendix A2. ** Excluded from both FY21 and FY22. *** Adjusted Diluted EPS on a constant rate basis. See Appendices A1 & A2. ^ Adjusted net debt to adjusted EBITDA at current rates. See Appendix A1.
## 2022 Continued Delivery in a Challenging Macro-Environment

### Transforming our business

**Revenue growth** +37%  
**Contribution improvement** £0.6bn

### Delivering robust financial results

**Revenue growth** +2.3%  
**Adjusted diluted EPS growth** +5.8%

### Successfully navigating the macro environment

**Annualised Quantum savings 2020-22** £1.9bn  
**Adjusted Operating Margin** +150bps

---

* Constant rate growth. See Appendix A2.  ** Improvement versus FY21 at constant rates at category contribution level. Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories. See Appendix A2.  *** Adjusted Diluted EPS on a constant rate basis. See Appendices A1 & A2.  ^ On an adjusted current rate basis. See Appendix A1.
Taking BAT Strategy to the Next Level

Chief Executive – Jack Bowles
New Categories are Accelerating

We are delivering...

**Strong momentum in New Categories**
- 33% revenue CAGR last 4 years
- Losses reduced by c.£600m in 2022*
- Inflection point in model

**Increasing investment**
- >£2bn New Category investment 2022
- Increased investment expected in 2023

... and getting fit for growth

**Strategic review**
- Simplified regional structure
- New market archetypes
- c.30 expected market exits

**Smarter investment**
- Strategic resource re-allocation
- Globally developed, locally deployed

On Track to Reach New Category Profitability a Year Early

* Reduction versus FY21 at constant rates at category contribution level: Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories. See Appendix A2.
Nicotine Industry Revenue Growth Forecast at +3.5% CAGR

Total Nicotine Industry Revenue (Bn)*

- **Combustibles + Traditional Oral**
- **New Categories**

With c.75% Industry Growth from New Categories

Source: Future data is estimated based on KANTAR Incidence Study & BAT Internal estimates (excl. India, China, Russia & Vapour open systems). * Nicotine industry incudes Combustibles, Traditional Oral and New Categories.

130m New Category Consumers By 2025
Driven by Growing Interaction with New Categories

% of daily smokers interacting with New Categories

Differing by New Category Market Maturity

Source: KANTAR Incidence Study and Consumer Survey across Top 42 markets at industry level. * New Category established markets where New Categories represent >25% of total nicotine consumers at industry level.
...and Supported by NC Shift across Demographics

Increased New Category Usage by Age Cohort in Established NC Markets (%)

Adult nicotine consumers

<table>
<thead>
<tr>
<th>Age Cohort</th>
<th>Min legal age-30</th>
<th>30-45</th>
<th>45+</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMC Solus***</td>
<td>15%</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Dual (FMC / NC)</td>
<td>85</td>
<td>86</td>
<td>89</td>
</tr>
<tr>
<td>NC Solus</td>
<td>16%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>2019</td>
<td>78</td>
<td>82</td>
<td>86</td>
</tr>
<tr>
<td>2020</td>
<td>73</td>
<td>77</td>
<td>83</td>
</tr>
<tr>
<td>2021</td>
<td>27%</td>
<td>23%</td>
<td>17%</td>
</tr>
<tr>
<td>2022</td>
<td>22%</td>
<td>18%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Across Top markets*

<table>
<thead>
<tr>
<th>Age Cohort</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMC Solus***</td>
<td>55%</td>
<td>46%</td>
<td>28%</td>
<td>17%</td>
</tr>
<tr>
<td>Dual (FMC / NC)</td>
<td>52%</td>
<td>54%</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td>NC Solus</td>
<td>45%</td>
<td>53%</td>
<td>37%</td>
<td>23%</td>
</tr>
</tbody>
</table>

NC Established Markets**

<table>
<thead>
<tr>
<th>NC &gt; 25% of Nic</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMC Solus***</td>
<td>55%</td>
<td>46%</td>
<td>28%</td>
<td>17%</td>
</tr>
<tr>
<td>Dual (FMC / NC)</td>
<td>55%</td>
<td>57%</td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td>NC Solus (40%)</td>
<td>62%</td>
<td>59%</td>
<td>48%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Source: KANTAR Incidence Study and Consumer Survey across Top 42 markets at industry level. * Top 42 markets at industry level. ** New Category established markets where New Categories represent >25% of total nicotine consumers at industry level. *** Factory Made Cigarette. ¥ Dual refers to a transitional period for FMC consumers towards a complete switch to New Category products during which period such FMC consumers reduce cigarette consumption and choose to add to it a consumption of one or more New Category nicotine products.

c.70% of Adult Nicotine Consumers Under 30 use New Categories in Established Markets
New Category Poly-Usage* is Increasing Fast

A Multi-Category Strategy is Key to Driving Sustainable Growth

Source: KANTAR Incidence Study and Consumer Survey across Top 42 markets at industry level. All numbers are for 2nd half (exit) of the year. ** CAGR 2019-2022. * See Appendix A10.
We are Taking BAT Strategy to the Next Level

Fit For Growth

Optimal Regional & DRBU Realignment*
- From 4 to 3 Regions
- From 16 to 12 DRBUs
- Management board changes
- Drive speed, focus & agility

Guide Strategic Choices and Resource Allocation
- 6 market archetypes
- New operating model
- Clear investment prioritisation
- Differentiated category focus

Comprehensive Market Review
- c.30 Expected market exits
- >20 bn stick reduction
- Reduce complexity
- Resource reallocation

Globally Developed, Locally Deployed

* Subject to applicable information and consultation requirements in some jurisdictions.
Leading to an Optimal Regional & DRBU Realignment

<table>
<thead>
<tr>
<th>Pre Quantum</th>
<th>Quantum 1-3</th>
<th>Fit for Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global 4 Regions</td>
<td>Global 4 Regions</td>
<td>Global 3 Regions</td>
</tr>
<tr>
<td>28 DRBUs</td>
<td>16 DRBUs</td>
<td>12 DRBUs</td>
</tr>
</tbody>
</table>

With c.30 Expected Market Exits, and >20bn Fewer Cigarettes
Guiding Strategic Choices & Resource Allocation Through Market Archetypes

Market Archetype

1. Combustibles Value Growth & Prepare for NC
   - 2% of New Categories Contribution to Revenue* (2022)

2. Drive Combustibles Value & Grow NC
   - 7%

3. Drive NC & Protect Combustibles Value
   - 34%

4. Drive NC & Maximise Value from Combustibles
   - 32%

5. Simplify & Extract Value from Combustibles
   - 5%

6. Multi-category Growth
   - 17%

Drivers of Total Nicotine Revenue Growth* (2020-22 CAGR)

- Combustibles Contribution
- New Categories Contribution

Dynamic Market Archetype Model

Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive. Our products as sold in the US, 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 FDA clearance. * by archetype.
Getting Fit for High Quality Sustainable Growth

- New Operating Model for Product and Marketing
- Accelerated Shared Service Delivery
- Further Process Simplification
- Highly Efficient & Effective DRBU & End Markets

Globally Developed, Locally Deployed
We are building A Better Tomorrow™

From Cigarettes

Declining Volume Growing Value

To Multi-Category CPG Nicotine & Beyond*

Growing Volume & Value

50 million consumers of Non-Combustible™ products by 2030

£5bn New Category Revenue 2025 & Profitability by 2024***

Carbon neutral operations Scope 1&2 by 2030*

Net zero value chain emissions by 2050*

<1% waste from direct operations to landfill by 2025^
Full Year 2022: Q&A

Jack Bowles – Chief Executive | Tadeu Marroco – Finance and Transformation Director
## Group Results excluding – Russia/Belarus – FY22

<table>
<thead>
<tr>
<th></th>
<th>Group excluding Russia/Belarus FY22</th>
<th>Group excluding Russia/Belarus FY21</th>
<th>Growth excluding Russia/Belarus FY22 v FY21</th>
<th>Total Group Growth FY22 v FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volume</strong></td>
<td><strong>581bn</strong></td>
<td><strong>608bn</strong></td>
<td><strong>-4.5%</strong></td>
<td><strong>-4.2%</strong></td>
</tr>
<tr>
<td>FMC &amp; THP</td>
<td>(£ Millions)</td>
<td>(£ Millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td><strong>25,460</strong></td>
<td><strong>25,011</strong></td>
<td><strong>+1.8%</strong></td>
<td><strong>+2.3%</strong></td>
</tr>
<tr>
<td>(£ Millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NC Revenue</strong></td>
<td><strong>2,675</strong></td>
<td><strong>1,957</strong></td>
<td><strong>+36.7%</strong></td>
<td><strong>+37.0%</strong></td>
</tr>
<tr>
<td><strong>APFO</strong></td>
<td><strong>11,350</strong></td>
<td><strong>11,011</strong></td>
<td><strong>+3.1%</strong></td>
<td><strong>+4.3%</strong></td>
</tr>
<tr>
<td><strong>Consumers of Non-Combustible products</strong></td>
<td><strong>21.0</strong></td>
<td><strong>17.1</strong></td>
<td><strong>+23%</strong></td>
<td><strong>+23%</strong></td>
</tr>
<tr>
<td>(Millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* On a constant rate basis. See Appendix A2. ** On an adjusted constant rate basis. See Appendices A1 & A2. *** See Appendix A6.
**Vuse value share across Top 5 Markets**

**Continued closed system momentum across Key Vapour Markets**
(88% of Industry Revenue (rechargeables and disposables))

<table>
<thead>
<tr>
<th>Country</th>
<th>1Q22 Disposables</th>
<th>2Q22 Disposables</th>
<th>3Q22 Disposables</th>
<th>4Q22 Disposables</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>45.2%</td>
<td>45.4%</td>
<td>45.6%</td>
<td>45.8%</td>
</tr>
<tr>
<td>Canada</td>
<td>88.0%</td>
<td>91.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>37.6%</td>
<td>36.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>86.7%</td>
<td>81.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>62.0%</td>
<td>65.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Disposables Industry Value Share**
- **US**: 21.6% YTD
- **Canada**: Disposables immaterial
- **UK**: 10.7% YTD
- **France**: 42.8% YTD
- **Germany**: 49.1% YTD

**Vuse share of Total Vapour Category**
- **US**: 72.9% YTD
- **Canada**: 34.1% YTD
- **UK**: 36.6% YTD
- **France**: 67.6% YTD
- **Germany**: 14.3% YTD

*Top 5 markets: US, Canada, UK, France, Germany. Source: **BAT value share of total Vapour – monthly average of quarter share FY22. BAT value share of closed systems excluding disposables – monthly average of quarter share FY. US - Marlin, Canada - Scan Data, UK - Nielsen, France - Strator, Germany - Nielsen. See Appendix A3.*
**glo share of Cigarettes + THP across Key Markets**

* Top 9 THP markets: Japan, South Korea, Russia, Italy, Hungary, Greece, Ukraine, Poland and Czech Republic. ** Share of Cigarette + THP nicotine volume - monthly average of quarter share to FY22. Japan - CVS-BC, South Korea - CVS, Italy - Nielsen, Hungary - NDN, Greece - Nielsen, Ukraine - Nielsen, Poland - Nielsen, Russia - IMS, Czech Republic - Nielsen. See Appendix A3. Category share of THP volume year to date average FY22. T9 represent 80% of THP industry revenue.

**glo volume share across key markets**  
(80% of THP Industry Revenue)

<table>
<thead>
<tr>
<th>Country</th>
<th>Category Share YTD</th>
<th>1Q22</th>
<th>2Q22</th>
<th>3Q22</th>
<th>4Q22</th>
<th>Quarterly Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan</strong></td>
<td>+0.6 ppts YTD</td>
<td>7.5%</td>
<td>7.5%</td>
<td></td>
<td></td>
<td><strong>20.1%</strong></td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td>+0.8 ppts YTD</td>
<td>2.8%</td>
<td></td>
<td>2.5%</td>
<td></td>
<td><strong>14.5%</strong></td>
</tr>
<tr>
<td><strong>South Korea</strong></td>
<td>+0.6 ppts YTD</td>
<td>2.1%</td>
<td></td>
<td>2.1%</td>
<td></td>
<td><strong>11.7%</strong></td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>+2.2 ppts YTD</td>
<td>3.3%</td>
<td></td>
<td>3.8%</td>
<td></td>
<td><strong>31.2%</strong></td>
</tr>
<tr>
<td><strong>Czech Rep</strong></td>
<td>+1.3 ppts YTD</td>
<td>1.6%</td>
<td></td>
<td>2.5%</td>
<td></td>
<td><strong>14.4%</strong></td>
</tr>
</tbody>
</table>

*Quarterly average*
**Velo: Continued International leadership**

**Velo Volume Share Across Key Markets**
(80% of Industry Revenue)

<table>
<thead>
<tr>
<th>Country</th>
<th>1Q22</th>
<th>2Q22</th>
<th>3Q22</th>
<th>4Q22</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>7.2%</td>
<td>1.6%</td>
<td>4.9%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Sweden</td>
<td>58.9%</td>
<td>9.6%</td>
<td>57.6%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Norway</td>
<td>63.3%</td>
<td>20.1%</td>
<td>63.5%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Denmark</td>
<td>93.8%</td>
<td>87.2%</td>
<td>91.4%</td>
<td>86.1%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>92.1%</td>
<td>60.1%</td>
<td>66.1%</td>
<td>93.6%</td>
</tr>
</tbody>
</table>

**Quarterly average share of Modern Oral**

**Share of Total Oral**

**Volume Share Leader in 15 European markets**

*Top 4 of 5 Modern Oral markets: Sweden, Denmark, Norway and Switzerland.** Velo is volume share leader in 4 of the international top 5 (i.e. excluding the US). Volume share of Modern Oral category and volume share of total oral category – monthly average of quarter share FY22. US - Marlin, Sweden - Nielsen, Denmark - Nielsen, Norway - Nielsen, Switzerland - Scan Data (excl. SPAR, Top CC & Alligro). See Appendix A3. *** See Appendix A3.
## Top BAT Market Volume Share Movements* (1)

<table>
<thead>
<tr>
<th>Market</th>
<th>SOM FY22 (%)</th>
<th>Movement (ppt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>39.9</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>84.5</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Belgium</td>
<td>24.9</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Brazil</td>
<td>71.9</td>
<td>(2.0)</td>
</tr>
<tr>
<td>Canada</td>
<td>46.3</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Chile</td>
<td>96.4</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Colombia</td>
<td>57.1</td>
<td>1.6</td>
</tr>
<tr>
<td>Czech</td>
<td>21.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Denmark</td>
<td>68.4</td>
<td>0.6</td>
</tr>
<tr>
<td>France</td>
<td>14.9</td>
<td>0.1</td>
</tr>
<tr>
<td>Germany</td>
<td>21.1</td>
<td>(0.2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market</th>
<th>SOM FY22 (%)</th>
<th>Movement (ppt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>12.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Hungary</td>
<td>24.1</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Italy</td>
<td>17.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Japan</td>
<td>20.1</td>
<td>0.0</td>
</tr>
<tr>
<td>KSA</td>
<td>27.7</td>
<td>0.4</td>
</tr>
<tr>
<td>Malaysia</td>
<td>51.6</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Mexico</td>
<td>36.0</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Netherlands</td>
<td>19.8</td>
<td>(0.5)</td>
</tr>
<tr>
<td>New Zealand</td>
<td>61.7</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Pakistan</td>
<td>78.4</td>
<td>0.8</td>
</tr>
<tr>
<td>Poland</td>
<td>25.1</td>
<td>0.7</td>
</tr>
</tbody>
</table>

* Cigarette + THP share.
## Top BAT Market Volume Share Movements* (2)

<table>
<thead>
<tr>
<th>Market</th>
<th>SOM FY22 (%)</th>
<th>Movement (ppt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>50.4</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Russia</td>
<td>23.6</td>
<td>0.1</td>
</tr>
<tr>
<td>South Africa</td>
<td>65.8</td>
<td>(0.2)</td>
</tr>
<tr>
<td>South Korea</td>
<td>12.0</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Spain</td>
<td>10.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>32.8</td>
<td>(0.4)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market</th>
<th>SOM FY22 (%)</th>
<th>Movement (ppt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taiwan</td>
<td>11.4</td>
<td>0.1</td>
</tr>
<tr>
<td>UK</td>
<td>8.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Ukraine</td>
<td>26.7</td>
<td>0.2</td>
</tr>
<tr>
<td>USA</td>
<td>34.1</td>
<td>(0.3)</td>
</tr>
</tbody>
</table>

* Cigarette + THP share.
Appendix

A1: Adjusting (Adj.)
Adjusting items represent certain items which the Group considers distinctive based upon their size, nature or incidence.

A2: 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.

A3: Share metrics
Volume share: The number of units bought by consumers of a specific brand or combination of brands, as a proportion of the total units bought by consumers in the industry, category or other sub-categorisation. Sub categories include, but are not limited to, the total nicotine category, modern oral, vapour, traditional oral or cigarette. Corporate volume share is the share held by BAT Group/Reynolds (US region). Except when referencing particular markets, volume share is based on our key markets (representing over 80% of the Group’s cigarette volume).
Value share: The retail value of units bought by consumers of a particular brand or combination of brands, as a proportion of the total retail value of units bought by consumers in the industry, category or other sub-categorisation in discussion.
Total nicotine share: The retail sales volume/Value of the nicotine product sold as a proportion of total specified nicotine product volume/Value in that market. In the US covers: Combustibles, vapour and total oral.

A4: Price/Mix
Price mix is a term used by management and investors to explain the movement in revenue between periods. Revenue is affected by the volume (how many units are sold) and the value (how much is each unit sold for). Price mix is used to explain the value component of the sales as the Group sells each unit for a value (price) but may also achieve a movement in revenue due to the relative proportions of higher value volume sold compared to lower volume sold (mix).

A5: Environmental Targets
Targets cover: climate change, water and waste, sustainable agriculture. Full details are available from the latest ESG Report British American Tobacco - Sustainability reporting (bat.com)

A6: Consumers of Non-Combustible Products
The number of consumers of Non-Combustible products is defined as the estimated number of Legal Age (minimum 18 years) consumers of the Group’s Non-Combustible 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 Non-Combustible 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 - referred to as “poly users”.
The number of consumers of Non-Combustible products is used by management to assess the number of consumers using the Group's New Categories products as the increase in Non-Combustible products is a key pillar of the Group's ESG ambition and is integral to the sustainability of our business.
The Group's management believes that this measure is useful to investors given the Group's ESG ambition and alignment to the sustainability of the business with respect to the Non-Combustibles portfolio.

A7: 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.

A8: 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.

A9: Employee Definitions:
Female representation in Management: Management grade employees at grade 34 or above, as well as global graduates.
Senior hire turnover: Grade 37 and above.
Senior Management: An employee who is either a direct report of a Management Board member or a direct report of a Management Board's direct report.

A10: Poly-usage
Refers to an adult consumer using more than one type of New Category product.

A11: Vuse/Velo advertisement disclaimers (slides 7 and 21)
Vuse Go: Disposable up to 500 puffs base don laboratory testing of newly manufactured product and may vary depending on individuals' usage behaviour. This product contains nicotine and is addictive. Comparison based on an assessment of smoke from a Vuse Vype #1 vaping brand: Based on Vype/Vuse estimated value share from RRP in measured retail for vapour (i.e. total vapour category value in retail sales) in the US, CAN, FRA, UK, GER as of Dec 2021. These 5 markets cover an estimated 77% of global vapour closed systems revenue, calculated in July 2021. 18+ only. This product contains nicotine and is addictive. Read wallet in pack.
Velo: This product contains nicotine, which is a highly addictive substance.