Resilient performance, renewed energy, full-year guidance on track

Interim Results 2023

Tadeu Marroco – Chief Executive | Javed Iqbal – Interim Finance Director
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In particular, among other statements: (i) certain statements in Tadeu Marroco's section (slides 12-14, 17, 18 and 20-22); (ii) certain statements in Javed Iqbal's section (slides 24, 26, 27-29, 30, 33, and 37-40).

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 competition from illicit trade; the impact of adverse domestic or international legislation and regulation; the inability to develop, commercialise and deliver the Group's New Categories strategy; adverse litigation 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; translational and transactional foreign exchange rate exposure; changes or differences in domestic or international economic or political conditions; the ability to maintain credit ratings and to fund the business under the current capital structure; the impact of serious injury, illness or death in the workplace; adverse decisions by domestic or international regulatory bodies; changes in the market position, businesses, financial condition, results of operations or prospects of the Group; direct or indirect adverse impacts associated with Climate Change and the move towards a Circular Economy; and Cyber Security caused by the heightened cyber-threat landscape, the increased digital interactions with consumers and changes to regulation.

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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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Resilient H1 performance, on track for Full Year

<table>
<thead>
<tr>
<th></th>
<th>Group Revenue</th>
<th>New Category Revenue</th>
<th>Profit from Operations / Operating Margin</th>
<th>Earnings per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+4.4%</td>
<td>+29.0%</td>
<td>+61.4% (±5,935m)</td>
<td>+118%</td>
</tr>
<tr>
<td></td>
<td>£13,441m</td>
<td>£1,656m</td>
<td>+15.6% (44.2%)</td>
<td>176.0p</td>
</tr>
<tr>
<td>Adjusted Constant Currency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+2.6%*</td>
<td>+26.6%*</td>
<td>+3.6%** (±5,850m)</td>
<td>+5.3%**</td>
</tr>
<tr>
<td></td>
<td>£13,201m</td>
<td>£1,625m</td>
<td>+0.4% (44.3%)</td>
<td>176.3p</td>
</tr>
</tbody>
</table>

Delivering in a challenging environment

Financials growth versus H1'22 Source: Company data. * On a constant rate basis. See Appendix A2. ** On an adjusted constant rate basis. See Appendices A1 & A2. *** On a constant rate, organic basis. See Appendices A2 & A7.
As we continue to transform rapidly

>30% Non-Combustibles revenue in 23 markets

Reaching >30% Non-Combustibles revenue in 23 markets

*Number of markets with over 30% Non-Combustibles revenue as a percentage of total market revenue in H1'19 - H1'23, respectively.

16.6% Non-Combustibles as a % of Group revenue in H1'23
With Non-Combustibles revenue significantly higher in many markets

Our Non-Combustible products revenue % H1’23*

* Revenue from Non-Combustible products as a % of total revenue in each respective market.
10 weeks as Chief Executive Executive
Interim Results 2023

Tadeu Marroco – Chief Executive
Refreshed Management team: aligned, focused, energised

Delivering Growth

Tadeu Marroco
Chief Executive

Chief Operating Officer
Johan Vandermeulen

Director, Legal Affairs & General Counsel
Jerome Abelman

Finance Director (Interim)
Javed Iqbal

Director, Talent, Culture & Inclusion
Recruitment underway

Director, Research & Science
James Murphy

President & CEO, Reynolds American
David Waterfield

Director, APMEA
Michael Dijanosic

Director, AME
Fred Monteiro

Director, Business Development*
James Barrett

Director, Corporate & Regulatory Affairs*
Paul McCrory

Marketing Director, Combustibles & New Categories
Luciano Comin

Enabling Growth

Chief Strategy & Growth Officer*
Kingsley Wheaton

Director, Recruitment underway
Javed Iqbal

Chief Executive
Building a culture that inspires and motivates

* Appointed with effect from 1 September 2023.
Reinforcing the power of our winning culture

Seeing first-hand how our colleagues around the world are shaping an inclusive culture

Passionate teams and seamless operation at the Reynolds Operation Centre

Tour of the Warsaw Global Business Services Hub. RGM* in action and simplification of supply chain operations

Market visits, showcasing our multi-category execution in action

“Belief in our BAT future was clearly demonstrated by everyone.”

* Revenue Growth Management.
We need to evolve to accelerate our transformation

Our unique set of strengths ...

- Deep cross-category consumer insights
- Proven multi-category strategy
- Leading brands
- Global footprint
- Established U.S. multi-category business
- Strong cash driving sustainable dividend
My immediate areas of focus are...

**1. Sharpen execution**

1. Drive profitability in New Categories
2. Consistent U.S. Combustibles value growth
3. Significantly strengthen THP
4. Lead responsible New Category development
5. Enhance financial flexibility

**Collaborative and inclusive culture**
1. Sharpening execution: Disciplined application of Market Archetypes

1. Combustibles Value Growth & Prepare for NC*
2. Drive Combustibles Value & Grow NC
3. Drive NC & Protect Combustibles Value
4. Drive NC & Maximise Combustibles Value
5. Simplify & Extract Value from Combustibles
6. Multi-Category Growth

Fewer, larger, more targeted priorities

* Prepare for New Categories subject to local regulatory frameworks.
Improving delivery in key markets

<table>
<thead>
<tr>
<th>Bangladesh</th>
<th>Combustibles</th>
<th>New Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market share</td>
<td>Combustibles value +130bps to 88.3%</td>
<td>New Category regulatory uncertainty</td>
</tr>
<tr>
<td>Revenue*</td>
<td>Combustibles +16%</td>
<td>Engaging with Regulators</td>
</tr>
<tr>
<td>Gross Margin*</td>
<td>Combustibles +6%</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Poland</th>
<th>Combustibles</th>
<th>New Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>glo share**</td>
<td>Combustibles value +1.3ppt to 32.5%</td>
<td>New Category +44%</td>
</tr>
<tr>
<td>Revenue*</td>
<td>Combustibles +100%</td>
<td>New Category &gt;100%</td>
</tr>
<tr>
<td>Gross Margin*</td>
<td>Combustibles +6%</td>
<td>-</td>
</tr>
</tbody>
</table>

We will replicate this sharper execution across our footprint

2. Continuing to improve New Category profitability

New Category contribution (£bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>H1’23</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-1.1</td>
<td>-1.0</td>
<td>-0.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

+£1.1bn*

On track to deliver New Category profitability* in 2024

*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 Appendices A1 & A2.
Vapour profitability** a key driver of our performance

Vapour Gross Margin* % progression

- FY19: 40%
- FY20: 32%
- FY21: 40%
- FY22: 49%
- 1H23: 58%

Building sustainable multi-category profit and returns

HT’23 Gross Margins

- 68% THP*
- 72% Modern Oral
- 68% Combustibles

* Consumables. ** 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 Appendices A1 & A2.
3. Driving consistent U.S. Combustibles value growth

Sharpening our execution through data-driven commercial plans
Delivering early signs of U.S. Combustibles recovery

Activating focused plans to drive consistent value...

... implementing carefully and thoroughly will take time

<table>
<thead>
<tr>
<th></th>
<th>YTD'23 v H1'22</th>
<th>YTD'23 v H2'22</th>
<th>May'23 v Jan'23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total U.S. Combustibles</strong></td>
<td>-40 bps</td>
<td>-10 bps</td>
<td>+60 bps</td>
</tr>
<tr>
<td><strong>Premium brands</strong></td>
<td>-10 bps</td>
<td>+10 bps</td>
<td>+100 bps</td>
</tr>
</tbody>
</table>

To deliver consistent Combustibles value growth

<table>
<thead>
<tr>
<th></th>
<th>YTD'23 v H1'22</th>
<th>YTD'23 v H2'22</th>
<th>May'23 v Jan'23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value share</strong></td>
<td>-90 bps</td>
<td>-50 bps</td>
<td>-10 bps</td>
</tr>
<tr>
<td><strong>Total U.S. Combustibles</strong></td>
<td>-90 bps</td>
<td>-60 bps</td>
<td>-10 bps</td>
</tr>
<tr>
<td><strong>Premium brands</strong></td>
<td>-90 bps</td>
<td>-60 bps</td>
<td>-10 bps</td>
</tr>
</tbody>
</table>

* Share growth of Combustibles. See Appendix A3. Comparing YTD share with average share from prior periods and comparing month to month share growth from Jan’23 to May’23. Source: Marlin and Company data.
4. Significantly strengthening THP

GLOBAL DEVICE DEVELOPMENT CENTRE
Opened Sep. 2022 – Shenzhen, China

GLOBAL INNOVATION CENTRE
Opens Dec. 2023 – Southampton, UK

INNOVATION HUB
Opened Jun. 2023 – Trieste, Italy

glo Hyper X2 Air is a first step in our enhanced innovation pipeline over the next 18 months

Rapidly developing our capabilities

Enhances Hyper offering
Ultra slim card-like shape
Our lightest device ever, 25% lighter than X2
Same X2 functionalities
Improved COGS
Accelerating innovation cadence across New Categories

**ACTIVE PORTFOLIO MANAGEMENT**

**DEFINE**
- Set consumer*-driven innovation direction

**DISCOVERY**
- Rapid cycles of innovation (technologies and products)

**DEVELOP**
- Accelerated scale-up and launch readiness

**DEPLOY**
- Mass production & and product optimisation

* See Appendix A10.

Enhanced product lifecycle management
5. Lead responsible New Category development

Science & Innovation Driven

- Multi-Category portfolio
- Research-driven product development
- Evidence-based

Proactive Engagement

- Regulatory foresights and engagement
- Advocate for optimal regulatory and fiscal frameworks
- Promote enforcement

Proactive, science-driven approach to external affairs

* 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 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.
6. Enhancing financial flexibility

Increasing agility in the near term...

- Accelerate investment in transformation
- Drive consistent combustibles value
- Navigate regulatory developments
  - Delivering annual guidance

...To drive long-term value creation

P&L

- Sustainable multi-category growth
- Growing financial returns
- Supportive regulatory environments
  - Evolving medium-term growth algorithm

Capital

- Focus on cash flow delivery
- Reduce debt to middle of target range*
- Optimise capital allocation
  - Attractive dividend

- Enhance balance sheet flexibility
- Lower cost of funding over the long term
- Enable sustainable shareholder returns
  - Attractive dividends and share buybacks

*2-3x Adjusted net debt to adjusted EBITDA at current rates. See Appendix A9.
Rewarding shareholders with a growing dividend

Allocation of free cash flow*

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends</th>
<th>Share buy-back</th>
<th>De-leverage &amp; other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>4.6</td>
<td>1.9</td>
<td>-</td>
</tr>
<tr>
<td>2020</td>
<td>4.7</td>
<td>2.6</td>
<td>-</td>
</tr>
<tr>
<td>2021</td>
<td>4.9</td>
<td>2.6</td>
<td>-</td>
</tr>
<tr>
<td>2022</td>
<td>4.9</td>
<td>2.0</td>
<td>-</td>
</tr>
</tbody>
</table>

£8.0bn

Making good progress towards middle of 2-3x adj. net debt to adj. EBITDA**

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted net debt to adjusted EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3.51</td>
</tr>
<tr>
<td>2020</td>
<td>3.26</td>
</tr>
<tr>
<td>2021</td>
<td>2.99</td>
</tr>
<tr>
<td>2022</td>
<td>2.89</td>
</tr>
</tbody>
</table>

£21bn cash returned to shareholders

C. £40bn cumulative free cash flow over next 5 years

H1 results – Confident in FY23 guidance

Interim Results 2023

Javed Iqbal – Interim Finance Director
Javed Iqbal – Values and focus

27+ years career at BAT

• Diverse roles and locations
  • Director, Digital and Information
  • Area Director, Middle East, South Asia and North Africa
  • CEO Pakistan
  • Finance Director
  • Commercial Finance

My focus areas and working style

• Proud of my/BAT values and heritage
  • Respect and empowerment

• Sharpen resource allocation
  • Digital tools (MSE*, RGM), Digital Hubs, Global Business Services
  • Digitally connected organisation

• Focus on cash generation

* Marketing Spend Effectiveness.
Adjusted results demonstrate continued delivery

**Organic Group Revenue***

- **H1’22**: 12.5
- **H1’23**: 12.8
- **Growth**: +2.8%
- **5 yr CAGR***: +4.2%

**Adjusted Operating Profit**

- **H1’22**: 5.6
- **H1’23**: 5.8
- **Growth**: +3.6%
- **5 yr CAGR***: +4.6%

**Adjusted Diluted EPS**

- **H1’22**: 167.4
- **H1’23**: 176.3
- **Growth**: +5.3%
- **5 yr CAGR***: +6.2%

**Key performance drivers**

- **New Category revenue***
  - +26.6%
- **Combustibles volume**
  - –5.8%
- **Cigarette price/mix^**
  - +6.0%
- **+£201m New Category contribution improvement^^**
- **+40bps Group margin expansion**
- **+1.7% EPS kickers**:
  - ITC, share count partially offset by higher net finance costs

* Source: Company data.  
** On an adjusted constant rate basis. See Appendices A1 & A2.  
*** On a constant rate basis. See Appendix A2.  
^ See Appendix A4.  
^^ 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 Appendices A1 & A2.
Delivering strong New Category revenue momentum

33% 2019-2023 New Category revenue CAGR

<table>
<thead>
<tr>
<th>New Category revenue* (£m)</th>
<th>12 months to Jun 2019</th>
<th>12 months to Jun 2020</th>
<th>12 months to Jun 2021</th>
<th>12 months to Jun 2022</th>
<th>12 months to Jun 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,049</td>
<td>1,335</td>
<td>1,698</td>
<td>2,454</td>
<td>3,267</td>
</tr>
</tbody>
</table>

27% HI’23 NC revenue growth

Confident in delivering £5bn New Category revenue in 2025

Source: Company data. * Rolling 12 months trading New Category revenue to June each year.
Clear Vapour leadership with Vuse**

Vapour revenue up 36%*

- **Vuse extends U.S. leadership**
  - Value share 46.7%, +5.7 ppts
  - Leading in 36 states

- **Continued progress driving profitability**
  - Positive contribution 3 of 5 key markets

- **Vuse Go now available in 46 markets**
  - Unlocking emerging markets, incl.: Peru, Paraguay, Colombia

- **Approaching growing modern disposables segment in a responsible way**

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**Revenue growth at constant rates. See Appendix A2.** **Vapour value share across Top 5 markets: U.S. - Marlin, Canada - Scan Data, UK – Nielsen IQ, France - Strator, Germany – Nielsen IQ. See Appendix A3. T5 represent c.80% of global Vapour industry revenue in tracked channels (rechargeable closed systems and disposables).** **In tracked channels.** **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 Appendices A1 & A2.**

+240 bps
Value share HY23 vs FY22

Vuse value share of total Vapour in key markets**
Activating commercial plans with glo

-110bps
Volume share
HY23 vs FY22

16.5%
19.6%
18.2%

2.4%
3.8%
4.0%

H1'21**
H1'22
H1'23

glo share of THP

glo share of Combustibles+THP

glo volume share in key THP markets***

• Activating commercial plans in highly competitive markets in Japan and Italy
• Continued good momentum in key AME THP markets, including:
  • Poland and Czech Republic
• Enhancing our innovation cadence
  • Investing in new capabilities
  • glo Hyper X2 Air launched in 9 markets
  • Further roll-outs planned in H2
• Expanded geo footprint to 33 markets

* Revenue growth at constant rates. See Appendix A2. ** Historical data presented on a top 9 markets basis as reported in 2021. *** Share of Combustibles + THP volume. Across top 12 THP markets: Japan - CVS-BC, South Korea - CVS, Italy – Nielsen IQ, Greece – Nielsen IQ, Hungary - NDN, Kazakhstan – Nielsen IQ, Ukraine - Nielsen IQ, Poland – Nielsen IQ, Switzerland – IMS, Romania – Nielsen IQ, Malaysia - IPSOS, Czech Republic – Nielsen IQ. Top 12 markets (excl. Russia) by industry volume were adjusted in 2023, with more established THP markets Kazakhstan, Romania, Switzerland and Malaysia introduced and Russia removed in advance of the planned exit this year. As a result, H722 share has been rebased. The Top 12 account for c.70% of total industry THP volume in 2022. See Appendix A3.
Velo continues to drive total oral share growth

Modern Oral (MO) revenue up 42%*

- Velo remains clear AME volume share leader**
  - Velo is the largest oral nicotine pouch brand in Sweden^

- Unlocking EM opportunities
  - Continued growth in Pakistan
  - Increasing consumers and average daily consumption
  - Gross margin fast approaching combustibles
  - National roll-out ahead of plan in Kenya

- Expanded geo footprint to 29 markets

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* Revenue growth at constant rates. See Appendix A2. ** Volume share leadership H1'23 based on 4 of Top 5 Modern Oral markets globally, which are in Europe. *** Volume share growth of total oral category in top 5 markets: Sweden – Nielsen IQ, Denmark – Nielsen IQ, Norway – Nielsen IQ, Switzerland - Scan Data (excl. SPAR, Top CC & Alligro), U.S. - Marlin. See Appendix A3. Top 5 represent c.85% of total industry Modern oral revenue. ^ source: Kantar New Category Tracker.
Combustibles: Our global footprint offsets U.S.

Combustibles revenue** growth by region and globally

- AME: 5.0%
- APMEA: 9.1%
- U.S.: -7.4%
- Group: 0.2%

- YTD Volume share* +10bps
- YTD Value share* -40bps
- Combustible revenue** +0.2%
- Price/Mix*** +6.0%
- Outside the U.S., strong brands and sharp execution driving growth
  - Rest of world volume share* +20bps
  - Rest of world value share* -10bps
- U.S. commercial plans driving volume share stabilisation in 2023

Financials growth H1’23 versus H1’22. * Share growth YTD versus FY22. Combustibles share. See Appendix A3. Source: Company data. ** On a constant rate basis. See Appendix A2. *** See Appendix A4. 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 U.S. only.
Strong performances in AME and APMEA

<table>
<thead>
<tr>
<th>HY2023</th>
<th>Revenue*</th>
<th>Organic Revenue**</th>
<th>New Category Revenue*</th>
<th>Organic New Category Revenue**</th>
<th>Adjusted Profit from Operations***</th>
<th>Organic APFO^</th>
</tr>
</thead>
<tbody>
<tr>
<td>AME</td>
<td>+9.1%</td>
<td>+10.3%</td>
<td>+35.9%</td>
<td>+40.0%</td>
<td>+7.8%</td>
<td>+4.4%</td>
</tr>
<tr>
<td>APMEGA</td>
<td>+9.8%</td>
<td>+9.8%</td>
<td>+15.0%</td>
<td>+15.0%</td>
<td>+9.3%</td>
<td>+9.3%</td>
</tr>
<tr>
<td>U.S.</td>
<td>-5.4%</td>
<td>-5.4%</td>
<td>+21.7%</td>
<td>+21.7%</td>
<td>-0.2%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Group</td>
<td>+2.6%</td>
<td>+2.8%</td>
<td>+26.6%</td>
<td>+27.9%</td>
<td>+3.6%</td>
<td>+2.7%</td>
</tr>
</tbody>
</table>

Financials growth H1'23 versus H1'22. * On a constant rate basis. See Appendix A2. ** On a constant rate, organic basis. See Appendices A2 & A7. *** On an adjusted, constant rate basis. See Appendices A1 & A2. ^ On an adjusted, constant rate, organic basis. See Appendices A1, A2 & A7.
U.S. combustibles industry impacted by continued macro-economic pressures

**H1’23 drivers of industry volume decline**

| Component                  | Impact  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Secular</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Elasticities</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Consumer macro impacts</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Poly-usage**</td>
<td>-1.2%</td>
</tr>
</tbody>
</table>

-8.4%*

**H1’23 BAT volume*** and drivers

| Component                  | Impact  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BAT volume decline H1’23</td>
<td>-8.4%</td>
</tr>
<tr>
<td>California flavour ban</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Share performance</td>
<td>-11.7%</td>
</tr>
<tr>
<td>BAT adjusted volume decline</td>
<td>-12.4%</td>
</tr>
<tr>
<td>SAP roll-out inventory reduction</td>
<td>-0.7%</td>
</tr>
<tr>
<td>BAT volume decline H1’23</td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Marlin * Sales to retail and Company data. ** See Appendix A8. *** Sales to wholesale estimates based on company data. *Adjusted for inventory movements.
U.S. commercial plans driving combustibles stabilisation; Continued strong Vuse performance

 BAT volume share of premium stabilising

- Our commercial plans are starting to work
  - Growing premium share
  - Newport and Natural American Spirit – key drivers
  - Strong performance from Lucky Strike
    - now >3% national share

- Vuse revenue\(^*\) up +23%
  - Vuse value share leadership\(^**\) at 47%
  - Leader in 36 states\(^**\)

- Adj. operating margin\(^***\) expansion +280bps
  - Increasing Vuse profitability
  - Efficiency saving initiatives

California: Still adjusting across all categories post-flavour ban

California BAT Combustibles
45% volume exposure

>85%*
Total volume retention vs pre-ban

Outstanding Vuse performance
60% volume exposure

100%
Total volume retention vs pre-ban

Multi-category portfolio and agile commercial response driving consumer retention

Source: Company data. *Adjusting for a 13% pre-ban rate of decline, our underlying retention rate in California as a result of the flavour ban.
Good margin expansion: Successfully offsetting increasing NC investment and inflation

Improvement in Traditional business and New Categories contributing to Operating Margin performance in HY23 partly offset by transactional FX

* On an adjusted current rate basis. See Appendix A1.
Solid EPS growth of +5.3%*

+5.3% Adjusted diluted EPS* growth

167.4
6.8
-2.7
2.2
-0.2
0.0
2.8
176.3
5.3
181.6

HY 2022 Current Rate
Adjusted Profit from Operations
Net Finance Costs (incl hybrid)
Associates
Tax
Non Controlling Interest
Diluted number of shares
HY23 Constant Rate
FX Impact
HY 2023 Current Rate

* Adjusted diluted EPS at constant rates. See Appendices A1 & A2.
Continued strong cash generation driving leverage reduction

### Strong Operating Cash Conversion*

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1'19</td>
<td>66%</td>
</tr>
<tr>
<td>H1'20</td>
<td>73%</td>
</tr>
<tr>
<td>H1'21</td>
<td>67%</td>
</tr>
<tr>
<td>H1'22</td>
<td>77%</td>
</tr>
<tr>
<td>H1'23</td>
<td>72%</td>
</tr>
</tbody>
</table>

Cash flow weighted to H2, as normal

### Strengthening our balance sheet alongside a manageable maturity profile

Making good progress towards middle of 2-3x adj. net debt / adj. EBITDA corridor***

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>3.51x</td>
</tr>
<tr>
<td>FY20</td>
<td>3.26x</td>
</tr>
<tr>
<td>FY21</td>
<td>2.99x</td>
</tr>
<tr>
<td>FY22</td>
<td>2.89x</td>
</tr>
</tbody>
</table>

---

* See Appendices A1 & A6 ** H1'20 normalised for U.S. excise deferral. Reported 65%. *** Adjusted net debt to adjusted EBITDA at current rates. See Appendix A9.
Dynamic and flexible approach to capital allocation

Committed to sustainably returning cash to shareholders

Growing Dividend
Leverage middle 2-3x**
Bolt-On M&A
Share Buy-Backs

Free Cash Flow*

Investing in our Transformation
Litigation/ Fiscal/Regulatory outcomes

C.£40bn
5 Year Cumulative Free Cash Flow***

* Free cash flow before dividends. See Appendices A1 & A5.
** Adjusted net debt to adjusted EBITDA at current rates. See Appendix A9.
***Ambition over the next 5 years. Pre-dividend payments. See Appendices A1 & A5.
On track to deliver full-year 2023 guidance

**3-5%**

Organic Revenue Growth*
(Excluding Russia/Belarus)**

- Continued strong New Category revenue growth*
- Organic performance expected to be H2 weighted
  - U.S. commercial plans driving early signs of stabilisation
  - U.S. SAP-related inventory phasing in H1’22
- >80% realised combustibles pricing in H1

**Mid Single Figure**
EPS Growth***

- Timing of Russia/Belarus exit
- H2 weighted New Category investment
- Increased net finance costs to c.£1.9bn
- 2% transactional FX headwind on Adj. Profit from Operations

* On a constant rate, organic basis. See Appendices A2 & A7. ** Excluded from both FY22 and FY23. *** Adjusted Diluted EPS on a constant rate basis. See Appendices A1 & A2.
Resilient H1 performance, on track for FY23 guidance

Building on strong foundations...

- We have the right strategy
- Resilient financial performance, while continuing to transform
- Strong New Category profitability progress led by Vuse
- We will continue to reward shareholders through strong, consistent cash returns
- Energised management team with much to do, excited about opportunities ahead

With more to do...

- Fixing areas of under-performance through sharpened execution
  - Drive consistent U.S. combustibles delivery
  - Strengthen THP
- Making active investment choices to enhance our capabilities and accelerate our transformation
- Evaluating all options to optimise capital allocation
- Developing a collaborative and inclusive culture

Confident in delivering long-term multi-stakeholder value
Half Year 2023: Q&A

Tadeu Marroco – Chief Executive | Javed Iqbal – Interim Finance Director
<table>
<thead>
<tr>
<th></th>
<th>Group excluding Russia/Belarus H1’23</th>
<th>Group excluding Russia/Belarus H1’22</th>
<th>Growth excluding Russia/Belarus H1’23 v H1’22</th>
<th>Total Group Growth H1’23 v H1’22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volume</strong> FMC &amp; THP</td>
<td>278.5bn</td>
<td>290.5bn</td>
<td>-4.1%</td>
<td>-5.2%</td>
</tr>
<tr>
<td>(£ Millions)</td>
<td>(£ Millions)</td>
<td>(£ Millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong>*</td>
<td>12,845</td>
<td>12,500</td>
<td>+2.8%</td>
<td>+2.6%</td>
</tr>
<tr>
<td><strong>NC Revenue</strong>*</td>
<td>1,565</td>
<td>1,223</td>
<td>+27.9%</td>
<td>+26.6%</td>
</tr>
<tr>
<td><strong>APFO</strong>**</td>
<td>5,702</td>
<td>5,552</td>
<td>+2.7%</td>
<td>+3.6%</td>
</tr>
<tr>
<td><strong>Consumers of Non-Combustible products</strong>*</td>
<td>22.2</td>
<td>19.0</td>
<td>+17%</td>
<td>+18%</td>
</tr>
</tbody>
</table>

* On a constant rate basis. See Appendix A2. ** Adjusted Profit from operations on an adjusted constant rate basis. See Appendices A1 & A2. *** See Appendix A10.
## Appendix: Our category market shares in key markets*

<table>
<thead>
<tr>
<th>Country</th>
<th>value share of Total Vapour</th>
<th>value share of Combustibles+THP</th>
<th>volume share of THP</th>
<th>volume share of Total Oral</th>
<th>volume share of Modern Oral</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1'23 YTD value share</td>
<td>Change vs. FY22 ppts</td>
<td>H1'23 YTD volume share</td>
<td>Change vs. FY22 ppts</td>
<td>Change vs. FY22 ppts</td>
</tr>
<tr>
<td>U.S.</td>
<td>46.7%</td>
<td>+5.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>94.4%</td>
<td>+4.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.K</td>
<td>8.8%</td>
<td>-1.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>38.2%</td>
<td>-0.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>22.5%</td>
<td>+1.7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Japan</th>
<th>South Korea</th>
<th>Italy</th>
<th>Greece</th>
<th>Hungary</th>
<th>U.S</th>
<th>Sweden</th>
<th>Denmark</th>
<th>Norway</th>
<th>Switzerland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.3%</td>
<td>2.2%</td>
<td>2.6%</td>
<td>2.9%</td>
<td>4.9%</td>
<td>1.3%</td>
<td>13.7%</td>
<td>87.2%</td>
<td>23.1%</td>
<td>65.4%</td>
</tr>
<tr>
<td></td>
<td>-0.1</td>
<td>+0.2</td>
<td>-</td>
<td>+0.2</td>
<td>+0.8%</td>
<td>-0.2</td>
<td>+2.7</td>
<td>+0.5</td>
<td>+1.6</td>
<td>+2.1</td>
</tr>
<tr>
<td></td>
<td>18.4%</td>
<td>11.3%</td>
<td>12.3%</td>
<td>11.7%</td>
<td>14.3%</td>
<td>-1.7</td>
<td>56.5%</td>
<td>91.5%</td>
<td>63.5%</td>
<td>88.5%</td>
</tr>
<tr>
<td></td>
<td>-1.7</td>
<td>-0.3</td>
<td>-2.2</td>
<td>-1.6</td>
<td>-0.1</td>
<td></td>
<td>-1.5</td>
<td>-0.7</td>
<td>-0.6</td>
<td>-4.7</td>
</tr>
</tbody>
</table>

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
Year to date basis through May '23
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 (U.S. 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.

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 value volume sold (mix).

A5: 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.

A6: 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.

A7 Organic
To supplement the Group’s results presented in accordance with International Financial Reporting Standards (IFRS), the Group’s Management Board, as the chief operating decision maker, reviews certain of its results, including revenue and adjusted profit from operations, at constant rates of exchange, prior to the impact of businesses sold or held-for-sale. Although the Group does not believe that these measures are a substitute for IFRS measures, the Group does believe that such results excluding the impact of businesses sold or to be held-for-sale provide additional useful information to investors regarding the underlying performance of the business on a comparable basis and in the case of the expected sale of the Group’s businesses in Russia and Belarus, the impact these businesses have on revenue and profit from operations. Accordingly, the organic financial measures appearing in this document should be read in conjunction with the Group’s results as reported under IFRS.

A8: Poly-usage
Refers to a transitional period for smokers towards complete switching to potentially reduced nicotine products during which period such smokers reduce cigarette consumption and choose to consume one or more New Category nicotine products.

A9: Adjusted net debt to adjusted EBITDA
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), tax, depreciation, amortisation, impairment, associates and adjusting items.

A10: 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.