Strong Brands Driving New Category Acceleration

Barclays Consumer Conference 2021

Jack Bowles – Chief Executive
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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 to differ materially from those currently anticipated.

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; and changes in the market position, businesses, financial condition, results of operations or prospects of the Group.

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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.
Important Information

Forward-looking Statements (continued)
Additional information concerning these and other factors can be found in BAT’s filings with the U.S. Securities and Exchange Commission (“SEC”), including the Annual Report on Form 20-F and Current Reports on Form 6-K, which may be obtained free of charge at the SEC’s website, http://www.sec.gov, and BAT’s Annual Reports, which may be obtained free of charge from the British American Tobacco website www.bat.com.

Additional 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.

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.

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Our Established Multi-Category Strategy is Working

✔ New Category revenue\(^1\) +50%; share gains in all three categories\(^2\)

✔ 16.1m Non-Combustible consumers, our highest growth +2.6m\(^3\)

✔ Each New Category grew share ≥280bps in top markets\(^2\)

✔ Volume growth of ≥70% in all three New Categories

✔ Brand power scores\(^4\) up across all three New Categories

**Vuse now No.1 Global Vapour brand\(^5\)**

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1 Growth at constant rates versus H1 ’20. See Appendix A2. 2 Value share gains in Vapour, and Volume share gains in THP and Modern Oral. For more information on our top markets, see Appendix A8. 3 Consumers of Non-Combustible products definition: See Appendix A4. +2.6m is BAT’s highest ever Non-Combustible product consumer acquisition in a half year. 4 Brand power scores source: New Categories Track, KANTAR Brand Equity Modelling. 5 Source: 15 Measured Channels Total Vapour Value Share weighted by Total Vapour Offtake Value. US Marlin, Canada Scan, UK Nielsen, France Stator & Germany Nielsen. 6 Revenue Growth Management tool.
Strong H1 2021 results

- **+50%** New Category Revenue*
- **+4.3%** Combustibles Price/Mix**
- **+10 bps** Cigarette & THP Value Share^*
- **+5.4%** Adjusted Profit* from Operations
- **+8.1%** Group Revenue*
- **+1.5%** Combustibles BAT Volumes
- **+20 bps** Cigarette & THP Volume Share^*
- **+6.1%** Adjusted Diluted EPS*

Revenue** up +59%

Value share: 32%
+610bps

Consumers^ +0.9m

Revenue** up +38%

Volume share: 17%
+320bps

Consumers^ +1.2m

Revenue** up +63%

Volume share: 40%
+280bps

Consumers^ +0.7m

*To read the Velo advertisement disclaimer in full, please see Appendix A7. **Revenue growth at constant rates vs H1 '20. See Appendix A2. Market share moves in our top markets versus FY 2020. For more information on these markets, see Appendix A8. Vuse brand represents c.90% of HY21 vapour revenue. Continue to migrate remaining Vype brands during 2021. Velo brand represents over 50% of HY21 Modern Oral markets. Continue to migrate remaining EPOK, LYFT brands during 2021. Share definitions see Appendix A3. ^Consumer numbers growth versus FY20. Source: Company data. See Appendix A6. Target market for acquisition is existing adult smokers/nicotine users. Category totals sum to 2.8m, rather than 2.6m due to growth in poly-usage across Non-Combustible products of 0.2m in H1, up to 1.9m.
We are Digitalising the Whole Business at Speed
Transforming our relationships with consumers via digital

12.1m
Contactable
Adult New Category Consumers

+142%
vs 1H20
Increase in social media followers*

# 1
across T5**
Branded search traffic for Vuse

Driving value through digital

+58%
vs 1H20
Strategic*** own e-comm revenue

>75%
of Group revenue covered by Revenue Growth Management (RGM)

>75%of New Category investment covered by Marketing Spend Effectiveness (MSE)

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* Across age-restricted social media
** Top 5 vapour markets: US, Canada, UK, France, Germany. T5 represent c.75% of Vapour industry revenue (closed-systems). Vuse brand represents c.90% of HY21 vapour revenue. Continue to migrate remaining brands during 2021. Data source: Similar Web.
*** Strategic revenue relates to the revenue from the Group's strategic brands.
We are Rapidly Transforming the Business and Building A Better Tomorrow™

Transforming the business rapidly:
• 12% of Group revenue now in Non-Combustibles\(^1\)
• Further opportunities Beyond Nicotine

ESG is at the core of our strategy:
• 3rd highest ESG-rated in FTSE100 (Refinitiv)

Quest enabling the Enterprise of the Future:
• Quantum delivering 12 months ahead of plan
2021 is a Pivotal Year

Accelerating New Category revenue growth

Reducing New Category impact on margin

Reducing leverage to c.3x Adj. Net Debt/Adj. EBITDA*

On Track for Full Year Guidance:
>5% Revenue Growth* | Mid-Single Figure EPS Growth**

* Adjusted net debt to adjusted EBITDA at current rates. See Appendix A1.
** On a constant rate basis. See Appendix A2.
*** Adjusted Diluted EPS on a constant rate basis. See Appendix A1 & A2
Delivering Our Purpose is Transforming BAT

From

Cigarettes
Declining Volume
Growing Value

To

Multi-category CPG Nicotine & Beyond*
Growing Volume & Value

Creating value for all our stakeholders

50 million consumers of Non-Combustible** products by 2030
£5bn New Category revenue by 2025
Carbon neutral by 2030***
Eliminate unnecessary single-use plastic & all plastic packaging recyclable^ by 2025***

* Beyond refers to Wellbeing & Stimulation Beyond Nicotine. ** Consumers of Non-Combustible products definition. See Appendix A6. *** Environmental targets, carbon neutral is scope 1 & 2. See Appendix A5.
^ Reusable, recyclable or compostable.
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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.
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

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: Velo advertisement disclaimer (slide 7)
This product is not risk-free and contains nicotine, an addictive substance. Comparison based on an assessment of smoke from a scientific standard reference cigarette (approx. 9mg tar) and components released during use of a Velo pouch, in terms of the average of the nine harmful components the WHO recommends to reduce in cigarette smoke. 18+ only (or higher, depending on jurisdiction). This product contains nicotine and is addictive.

A8: Top New Category markets
Vapour value share across Top 5 vapour markets: US, Canada, UK, France, Germany. T5 represent c.75% of Vapour industry revenue (closed-system). Glo volume share across Top 9 markets: Japan, South Korea, Russia, Italy, Germany, Romania, Ukraine, Poland and Czech Republic. T9 represent c.90% of THP industry revenue. Modern Oral Volume share across Top 5 markets: US, Sweden, Denmark, Norway, Switzerland and now excludes Germany. T5 represent c.82% Modern Oral industry revenue.