

British American Tobacco p.l.c.
 Incorporated in England and Wales
 (Registration number: 03407696)
 Short name: BATS
 Share code: BTI
 ISIN number: GB0002875804
 ("British American Tobacco p.l.c." or "the Company")

9 February 2023 – PRESS RELEASE / PRELIMINARY RESULTS

BRITISH AMERICAN TOBACCO p.l.c.

YEAR ENDED 31 DECEMBER 2022

New Category Acceleration Drives Profitability Forward To 2024



Jack Bowles, Chief Executive:

"We continue to accelerate our A Better Tomorrow™ transformation at speed.

"Driven by our strong New Category momentum, (with revenue approaching £3bn), we are confident in our £5bn revenue target by 2025, and now expect New Category profitability in 2024, one year ahead of plan.

"Our New Category business delivered strong volume, revenue and market share growth and has become a significant contributor to the Group's financial delivery. In 2022, we invested more than £2bn in New Categories to drive long-term sustainable growth, while making excellent progress in reducing operating losses by 62%.

"While reported results were impacted by a number of one-off charges, we achieved a 150 bps improvement in adjusted operating margin at current rates and another year of 100% operating cash conversion demonstrating our ability to successfully navigate an increasingly challenging macro-economic environment. This enabled us to return £6.9bn to shareholders in 2022. I am proud of our people and their focus on delivery of our three strategic priorities, demonstrating once again the strength and resilience of our business.

"Looking forward, while we expect the macro-economic environment to remain challenging, we will continue to deliver and further accelerate our transformation. We will leverage our well-established multi-category brand portfolio, our new regional structure to enable even greater collaboration and accelerated decision-making and our new market archetype model to guide our strategic choices and resource allocation to further enhance returns.

"I am confident in BAT's ability to deliver long-term sustainable value for shareholders."

PERFORMANCE HIGHLIGHTS	REPORTED		ADJUSTED		
	Current rates	Vs 2021 (current)	Current Rates	Vs 2021 (current)	Vs 2021 (constant)
Cigarette and THP volume share		-10 bps			
Cigarette and THP value share		flat			
Non-Combustibles consumers ¹	22.5m	+4.2m			
Revenue (£m)	£27,655m	+7.7%	£27,655m	+7.7%	+2.3%
Revenue from New Categories (£m)	£2,894m	+40.9%	£2,894m	+40.9%	+37.0%
Profit from operations (£m)	£10,523m	+2.8%	£12,408m	+11.3%	+4.3%
Category contribution - New Categories (£m) [^]			£-366m	-61.6%	-60.7%
Operating margin (%)	38.1%	-170 bps	+44.9%	+150 bps	+90 bps
Diluted EPS (pence)	291.9p	-1.3%	371.4p	+12.9%	+5.8%
Net cash generated from operating activities (£m)	£10,394m	+7.0%			
Adjusted cash generated from operations (£m)			£7,889m	+7.4%	+3.9%
Cash conversion (%)	98.8%	+390 bps	+100.0%	-360 bps	
Borrowings ² (£m)	£43,139m	+8.8%			
Adjusted Net Debt (£m)			£38,131m	+7.3%	+0.5%
Dividend per share (pence)	230.9p	+6.0%			

The use of non-GAAP measures, including adjusting items and constant currencies, are further discussed from page **Error! Bookmark not defined.**, with reconciliation from the most comparable IFRS measure provided.

Note – 1. Internal estimate. 2. Includes lease liabilities. [^]This is an improvement in New Categories contribution as losses reduced by 61.6% (or 60.7% at constant rates of exchange).

Faster Transformation

- New Category profitability expected in 2024, one year ahead of target
- Non-Combustible product* consumers up 4.2m to 22.5m
- Non-Combustibles now 14.8% of revenue up 2.4 ppts from 2021
- New Categories revenue up 37.0% to £2,813m** with growth in:
 - Vapour (+43.8%**), THP (+26.7%**), Modern Oral (+45.6%**)
- New Category contribution losses reduced by £578m**, an improvement of 60.7%**
- Double Materiality Assessment completed
- Scope 1 & 2 Greenhouse Gas emissions down 15% vs. 2021
- Achieved target of 30% renewable energy use 3 years early
- CDP "A" for Climate Change; DJSI World Sustainability Index

Strong FY Results

- Revenue up 2.3%** driven by New Category growth and pricing
- Combustible revenue underpinned by price/mix of +4.6%
- Global Cigarette value share flat, US value share up 10 bps
- Delivered £1.9bn annualised Quantum savings, well ahead of original £1bn target, with £629m in 2022
- Adjusted profit from operations up 4.3%** absorbing a negative transactional FX impact of 1.5%
- Adjusted operating margin up 90 bps**
- Adjusted diluted EPS up 5.8%**
- Operating cash flow conversion of 100%
- Adjusted net debt/Adjusted EBITDA 2.89x
- 6.0% dividend growth

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive. ** at constant rates of exchange.

2023 OUTLOOK:

- Global tobacco industry volume expected to be down c.2%.
- 3-5% organic constant currency revenue growth, reported growth impacted by timing of the transfer of the Russian and Belarusian businesses expected to close in 2023.
- Strong New Category revenue growth with further improvement in category contribution alongside incremental investment.
- Mid-single figure constant currency adjusted EPS growth, including a c.2% transactional FX headwind, with growth H2 weighted.
- Translational foreign exchange is expected to be broadly neutral on full year adjusted EPS growth.
- Operating cash flow conversion in excess of 90%.

Jack Bowles, Chief Executive Statement

Transforming at speed

"In 2022, the business demonstrated once again that we are transforming BAT while delivering strong results.

"At the core of our strategy is our corporate purpose to build A Better Tomorrow™. This means offering a greater choice of enjoyable and less risky products*† for our consumers.

"Our results show that our strategy is working. We have strong, global New Category brands, targeted geographic expansion plans and an unwavering commitment to innovation that ensures we are delivering for the consumer. We now have 22.5 million consumers of non-combustible products and revenue from these products account for c.15% of Group revenue.

"Our people have always been one of our greatest strengths and this year that has never been more evident. Their focus and resolve in the face of global economic upheaval has ensured excellent progress against our three strategic priorities to deliver:

- a step change in New Categories performance;
- value from combustibles; and
- business simplification.

"Following a comprehensive strategic review, we have taken the decision to further simplify the Group, reducing the number of regions and business units¹. At the same time, our new operating model, centred around market archetypes, will enable us to prioritise our investments smartly and focus our activities and resource allocation to maximise returns. In addition, we expect to sell at least 20bn fewer cigarettes after completion of our phased exits of around 30 markets, further advancing our A Better Tomorrow™ purpose.

"I am also pleased to confirm that we are in advanced discussions with a joint management-distributor consortium with a view to completing the transfer of our Russian and Belarusian businesses in 2023.

"In the Wellbeing and Stimulation space, we have made good progress in 2022, through our venturing unit, Btomorrow Ventures. In addition, in the cannabis space, we complemented our investment in Organigram with a non-controlling minority stake in Sanity Group and an investment in Charlotte's Web. Together, these investments represent further steps in our exploration beyond tobacco and nicotine.

"With ESG being central to our strategy, further embedding our commitment to sustainability, we appointed our first Chief Sustainability Officer. In 2022, we were one of the first companies globally to implement a comprehensive Double Materiality Assessment, well ahead of regulatory requirements, providing insights to guide the business through 2023 and beyond.

"With the external environment becoming ever more complex, I am confident that BAT's proven resilience and performance will ensure we will capitalise on emerging opportunities as we continue to deliver value for stakeholders now and in the future."

Tadeu Marroco, Finance & Transformation Director's Statement

Continued delivery in a challenging macro-environment:

"Our 2022 full-year performance demonstrates that we are delivering and transforming at speed, driven by our multi-category portfolio of global brands. Having invested significantly, New Categories are now a meaningful contributor to Group results, delivering a strong £578 million improvement in profitability as New Category losses reduced by 61% at constant rates.

"Our consumer-centric, multi-category approach is driving continued momentum in our New Categories, underpinned by our exciting pipeline of innovations and further geographic expansion, with our products now available in 60 countries globally, and around 90 category-market combinations. Our increasing scale is driving operating leverage, while further automation is reducing the cost of goods sold. In addition, our growing brand equity has enabled us to increase pricing on both devices and consumables in key markets. This strong momentum has enabled us to bring forward our New Category profitability target by one year to 2024.

"In combustibles, our targeted portfolio of brands across price tiers delivered a robust performance across APME, AmSSA and Europe driven by resilient volumes and strong pricing, partly offset by mainly geographic mix and the disposal of our Iranian business in August 2021. In the U.S., industry volumes were impacted by normalisation of consumption patterns post COVID-19 and growing macro-economic pressures in the second half of 2022. In addition, our volumes reflect the partial unwind of prior year inventory movements. Our combustibles value share in the U.S. grew by 10 bps, together with an excellent Vuse performance and a translational FX tailwind driving profit from operations up 11.5%. Adjusted profit from operations was up 3.5%, excluding higher adjusting items and translational FX.

"Group reported profit from operations was up 2.8%, with reported operating margin down 170 bps and reported diluted EPS down 1.3%. Our reported results were affected by a number of adjusting items including charges (£612 million) in respect of Russia and Belarus (described on page **Error! Bookmark not defined.**), a charge (£450 million) related to the investigation in respect of alleged historical breaches of sanctions (described on page **Error! Bookmark not defined.**) and other restructuring charges (£771 million) largely related to Project Quantum. These were more than offset by a translational foreign exchange tailwind and a net credit in Brazil (£460 million) in relation of historical VAT on social contributions.

"We are successfully navigating the challenging external environment, delivering 150 bps adjusted operating margin growth, while absorbing a 1.5% impact from transactional foreign exchange. This was driven by our increased agility and resilience, in addition to £1.9 billion annualised savings from Project Quantum, delivering well ahead of our original target of £1bn annualised savings by the end of 2022. Adjusted profit from operations increased 11.3% (or 4.3% at constant currency) with adjusted diluted EPS up 12.9%, or 5.8% at constant currency, delivering at the top end of our mid-single digit guidance.

"Our business is highly cash generative; we achieved another year of excellent operating cash conversion, delivering 100%, well ahead of our 90% guidance and we expect as a Group to generate c.£40 billion of free cash flow before dividends over the next five years.

"The Board reviews our capital allocation priorities taking into account the macro-economic environment and potential regulatory and litigation outcomes. At this time, the Board has decided to take a pragmatic approach. Given our incremental investment plans in 2023 to further accelerate our transformation, and in light of the uncertain macro environment, higher interest rates, outstanding litigation and regulatory matters, the Board has decided to prioritise strengthening the balance sheet. This will provide greater business resilience while continuing to support future financial agility, as we aim to reduce leverage more quickly towards the middle of our target 2-3x corridor. In line with our progressive dividend policy, the dividend will increase by 6.0% to 230.9p.

"We strongly believe that share buy-backs have an important role to play within our capital allocation framework, and we will continue to keep it under review as we progress through the year.

"Liquidity remains strong with average debt maturity close to 10 years, and a fixed debt-profile of over 95%. Our medium-term rating target remains Baa1/BBB+, with a current rating of Baa2 (stable outlook)/BBB+ (negative outlook)**.

"We are in our "Faster Transformation" phase, driven by our well-established consumer-centric, multi-category strategy, strong portfolio of global brands and our resilient, highly cash generative business. This will enable us to further invest in and accelerate the transformation of our business, as we continue to build A Better Tomorrow™."

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

** A credit rating is not a recommendation to buy, sell or hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating.

† Our vapour product Vuse (including Alto, Solo, Ciro and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance. 1. Subject to applicable information and consultation requirements in some jurisdictions.

Other Information

DIVIDENDS

The Board has declared an interim dividend of 230.9p per ordinary share of 25p, for the year ended 31 December 2022, payable in four equal quarterly instalments of 57.72p per ordinary share in May 2023, August 2023, November 2023 and February 2024. This represents an increase of 6.0% on 2021 (2021: 217.8p per share), and a payout ratio, on 2022 adjusted diluted earnings per share, of 62.2%.

The quarterly dividends will be paid to shareholders registered on either the UK main register or the South Africa branch register and to holders of American Depositary Shares (ADSs), each on the applicable record dates set out under the heading 'Key Dates' below.

General dividend information

Under IFRS, the dividend is recognised in the year that it is approved by shareholders or, if declared as an interim dividend by directors, in the period that it is paid.

The cash flow, prepared in accordance with IFRS, reflects the total cash paid in the period, amounting to £4,915 million (2021: £4,904 million).

Dividends declared:	2022		2021	
	Pence per share	USD per ADS	Pence per share	USD per ADS
Quarterly Payment 1 (paid May 2022)	54.45	0.6804340	53.90	0.7576180
Quarterly Payment 2 (paid August 2022)	54.45	0.6555230	53.90	0.7345300
Quarterly Payment 3 (paid November 2022)	54.45	0.6355400	53.90	0.7217210
Quarterly Payment 4 (paid February 2023)	54.45	0.6691900	53.90	0.7298860
	217.80	2.6406870	215.60	2.9437550

Holders of ADSs

For holders of ADSs listed on the New York Stock Exchange (NYSE), the record dates and payment dates are set out below. The equivalent quarterly dividends receivable by holders of ADSs in U.S. dollars will be calculated based on the exchange rate on the applicable payment date. A fee of US\$0.005 per ADS will be charged by Citibank, N.A. in its capacity as depositary bank for the BAT American Depositary Receipt (ADR) programme in respect of each quarterly dividend payment.

South Africa Branch Register

In accordance with the JSE Limited (JSE) Listing Requirements, the finalisation information relating to shareholders registered on the South Africa branch register (comprising the amount of the dividend in South African rand, the exchange rate and the associated conversion date) will be published on the dates stated below, together with South Africa dividends tax information.

The quarterly dividends are regarded as 'foreign dividends' for the purposes of the South Africa Dividends Tax. For the purposes of South Africa Dividends Tax reporting, the source of income for the payment of the quarterly dividends is the United Kingdom.

Key dates

In compliance with the requirements of the London Stock Exchange (LSE), the NYSE and Strate, the electronic settlement and custody system used by the JSE, the following salient dates for the quarterly dividends payments are applicable. All dates are 2023, unless otherwise stated.

Event	Payment No. 1	Payment No. 2	Payment No. 3	Payment No. 4
Preliminary announcement (includes declaration data required for JSE purposes)		09 February		
Publication of finalisation information (JSE)	13 March	04 July	18 September	12 December
No removal requests permitted (in either direction) between the UK main register and the South Africa branch register	13 March– 27 March	04 July - 17 July	18 September– 02 October	12 December– 27 December
Last Day to Trade (LDT) cum-dividend (JSE)	20 March	11 July	26 September	19 December
Shares commence trading ex-dividend (JSE)	22 March	12 July	27 September	20 December
No transfers permitted between the UK main register and the South Africa branch register	22 March– 27 March	12 July– 17 July	27 September– 02 October	20 December– 27 December
No shares may be dematerialised or rematerialised on the South Africa branch register	22 March– 27 March	12 July– 17 July	27 September– 02 October	20 December– 27 December
Shares commence trading ex-dividend (LSE)	23 March	13 July	28 September	21 December
Shares commence trading ex-dividend (NYSE)	23 March	13 July	28 September	21 December
Record date (JSE, LSE and NYSE)	24 March	14 July	29 September	22 December
Last date for receipt of Dividend Reinvestment Plan (DRIP) elections (LSE)	11 April	28 July	13 October	11 January 2024
Payment date (LSE and JSE)	03 May	18 August	03 November	01 February 2024
ADS payment date (NYSE)	08 May	23 August	08 November	06 February 2024

Note:

(1) The dates set out above may be subject to any changes to public holidays arising and changes or revisions to the LSE, JSE and NYSE timetables. Any confirmed changes to the dates will be announced.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the Directors of the Company. It is only a summary of the information contained in the full Preliminary Announcement – Year Ended 31 December 2022 (the “Results Announcement”) and does not contain full or complete details. Any investment decisions should be based on consideration of the full Results Announcement available via the JSE at <https://senspdf.jse.co.za/documents/2023/JSE/ISSE/BTI/BATFY22.pdf> and on the Company’s website at www.bat.com. Copies of the full Results Announcement may also be obtained during normal business hours from the Company’s registered office and the Company’s representative office in South Africa. Contact details are set out below.

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR 2023*

Wednesday 19 April

Annual General Meeting at 11.30 am

Details of the venue and business to be proposed at the meeting will be set out in the Notice of AGM, which will be made available to all shareholders and published on www.bat.com.

The format for the 2023 AGM will be contingent on applicable UK Government health and safety restrictions in place at that time.

Thursday 27 July

Half-Year Report

* Indicated dates are subject to change

CORPORATE INFORMATION

Premium listing

London Stock Exchange (Share Code: BATS; ISIN: GB0002875804)

Computershare Investor Services PLC

The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, UK

tel: 0800 408 0094; +44 370 889 3159

Share dealing tel: 0370 703 0084 (UK only)

Your account: www.computershare.com/uk/investor/bri

Share dealing: www.computershare.com/dealing/uk

Web-based enquiries: www.investorcentre.co.uk/contactus

Secondary listing

JSE (Share Code: BTI)

Shares are traded in electronic form only and transactions settled electronically through Strate.

Computershare Investor Services Proprietary Limited

Private Bag X9000, Saxonwold 2132, South Africa

tel: 0861 100 634; +27 11 870 8216

email enquiries: web.queries@computershare.co.za

Sponsor for the purpose of the JSE

UBS South Africa (Pty) Ltd

American Depositary Receipts (ADRs)

NYSE (Symbol: BTI; CUSIP Number: 110448107)

BAT's shares are listed on the NYSE in the form of American Depositary Shares (ADSs) and these are evidenced by American Depositary Receipts (ADRs), each one of which represents one ordinary share of British American Tobacco p.l.c. Citibank, N.A. is the depositary bank for the sponsored ADR programme.

Citibank Shareholder Services

PO Box 43077, Providence, Rhode Island 02940-3077, USA

tel: +1 888 985 2055 (toll-free) or +1 781 575 4555

email enquiries: citibank@shareholders-online.com

website: www.citi.com/dr

Publications

British American Tobacco Publications

Unit 80, London Industrial Park, Roding Road, London E6 6LS, UK

tel: +44 20 7511 7797

e-mail enquiries: bat@team365.co.uk or the Company's Representative office in South Africa using the contact details shown below.

British American Tobacco p.l.c.

Registered office

Globe House, 4 Temple Place, London, WC2R 2PG, UK

tel: +44 20 7845 1000;

British American Tobacco p.l.c. is a public limited company which is listed on the London Stock Exchange, New York Stock Exchange and the JSE Limited in South Africa. British American Tobacco p.l.c. is incorporated in England and Wales (No. 3407696) and domiciled in the UK.

British American Tobacco p.l.c.
Representative office in South Africa

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No 3 Dock Road, V&A Waterfront, Cape Town 8000
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tel: +27 21 003 6712

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MEDIA:

BAT Media Centre	+44 (0)20 7845 2888
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Live webcast of FY22 Results Presentation at 09.30am GMT on 9 February 2023

Jack Bowles, Chief Executive, and Tadeu Marroco, Finance and Transformation Director, will host a presentation of the results followed by a Q&A session. We appreciate it is a busy reporting day, so we will be hosting our full-year results presentation as a virtual event. The presentation will be webcast live from 9.30am GMT, in listen-only mode on <http://www.bat.com>.

If you wish to ask a question, please join the call using the telephone numbers below, quoting "BAT" when prompted by the operator.

United Kingdom (toll): +44 (0) 33 0551 0200

SA (toll free): 0 800 980 512

United Kingdom (toll free): 0808 109 0700

U.S. (toll free): 866 580 3963

A video playback of the presentation will be available online and via our BAT IR app, alongside the slides and script for the results presentation.

A full transcript will be available 24 hours after the event .

FORWARD-LOOKING STATEMENTS AND OTHER MATTERS

This announcement contains certain forward-looking statements, including "forward-looking" statements made within the meaning of the U.S. Private Securities Litigation Reform Act of 1995.

In particular, these forward-looking statements include, among other statements, statements regarding the Group's future financial performance, planned product launches and future regulatory developments and business objectives (including with respect to sustainability and other environmental, social and governance matters), as well as: (i) certain statements in the New Categories Acceleration Drives Profitability Forward To 2024 section and in the Chief Executive Statement (pages 1 to **Error! Bookmark not defined.**); (ii) certain statements in the Finance and Transformation Director's Statement (page 3); (iii) certain statements in the Group Operating Review (page **Error! Bookmark not defined.**); (iv) certain statements in the Category Performance Review (pages **Error! Bookmark not defined.** to **Error! Bookmark not defined.**); (v) certain statements in the Regional Review section (pages **Error! Bookmark not defined.** to **Error! Bookmark not defined.**); (vi) certain statements in the Other Financial Information section (pages **Error! Bookmark not defined.** to **Error! Bookmark not defined.**); (vii) certain statements in the Other Information section (pages **Error! Bookmark not defined.** to **Error! Bookmark not defined.**); (viii) certain statements in the Notes to the Financial Statements section (pages **Error! Bookmark not defined.** to **Error! Bookmark not defined.**), including the Liquidity and Contingent Liabilities and Financial Commitments sections; and (ix) certain statements in the Other Information section (pages **Error! Bookmark not defined.** to 5), including the Non-GAAP Measures sections and under the heading "Dividends".

These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook," "target" and similar expressions. These include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business

circumstances occurring from time to time in the countries and markets in which the British American Tobacco Group (the "Group") operates, including the projected future financial and operating impacts of the COVID-19 pandemic.

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 announcement 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. 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; and direct and indirect adverse impacts associated with Climate Change and the move towards a Circular Economy.

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 headings "Cautionary statement", "Group Principal Risks" and "Group Risk Factors" in the 2021 Annual Report and Accounts and Form 20-F of British American Tobacco p.l.c. (BAT). 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.

No statement in this announcement is intended to be a profit forecast and no statement in this communication 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. 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 announcement 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.

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

Our Vapour product Vuse (including Alto, Solo, Ciro and Vibe), and certain products including Velo, Grizzly, Kodiak, Camel Snus and Granit, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without Agency clearance.

9 February 2023

Sponsor: Merrill Lynch South Africa (Pty) Ltd t/a BofA Securities