TRADING UPDATE FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

British American Tobacco Zimbabwe (Holdings) Limited (BAT Zimbabwe, the Company), provides the following Trading Update:

Business Environment

The Company's external operating environment remained dynamic yet relatively stable, supported by steady inflation levels and exchange rate stability resulting from the ongoing Monetary Policy interventions. Despite this, the operating landscape continued to face challenges including liquidity constraints, elevated borrowing costs, and persistent power outages that affected industrial productivity. Notwithstanding these challenges, BAT Zimbabwe remains resilient on the back of its solid Business Strategy which is aimed at delivering long-term, sustained value for all stakeholders.

Financial Performance

Performance highlights for the nine months ended 30 September 2025 are as follows:

- Sales volumes declined by 7% to 593Mn sticks and consequently, cigarette revenue dropped by 22% to US$21Mn compared to the same period in prior year due to subdued consumer spending and a challenging macroeconomic environment as well as a shift in pricing strategy from ZWG to US$.

- Operating costs decreased to US$10Mn representing a 66% decline vs the same period in prior year, reflecting lower foreign exchange losses, reduced inflationary impacts, and implementation of various cost management measures.

- Profit before tax improved from a loss of US3Mn to a profit of US$11Mn showing a 491% year-on-year increase, primarily reflecting reduced foreign exchange losses and impacts of inflationary adjustments.

Strategic Actions

In response to the prevailing economic challenges, the Company implemented a range of targeted strategic initiatives aimed at reinforcing business resilience and delivering sustained value:

- **Volume delivery:** Enhanced volume delivery through distribution effectiveness, continued trader engagements and perfomance focused trade programs.

- **Route to Consumer:** Enhanced focus on route to consumer initiatives to create efficiency and effectiveness in market coverage.

- **Smart Cost Management:** Ongoing business simplification initiatives have yielded a 66% reduction in operating expenses over the reporting period.

Outlook

Looking ahead, the Company remains focused on reinforcing the strength and sustainability of the business by:

- **Driving volume recovery:** Through increased focus on the value segment and enhanced product availability across all markets and channels.

- **Enhancing operational efficiency:** Continuing to optimise supply chain processes and reduce our cost to serve, to protect profitability.

- **Stakeholder engagements:** Continued transparent engagement with policy makers to contribute to an evidence-based and progressive regulatory environment, ensuring a supportive operating environment.

We are confident that the actions underway will position the business to deliver sustained long-term value for all stakeholders.

By Order of the Board

Lovemore T. Manatsa
Chairman
13 November 2025