

Audited Special Purpose Financial Results
For the year ended 31 December 2024



Financial Highlights
Summary (ZWG)

Table with 4 columns: Item, Audited 2024 ZWG, Year on year, and Unaudited 2023 Restated\* ZWG. Rows include Revenue, Monetary loss on hyperinflationary adjustment, Operating (loss)/profit, (Loss)/Profit before income tax, (Loss)/Profit attributable to shareholders, Total assets, Basic earnings per share (ZWG), Diluted earnings per share (ZWG), and Headline earnings per share (ZWG).

\*The comparative balances were previously reported in ZWL. The numbers were restated by converting to ZWG for special purpose reporting. For details regarding the change in presentation currency, refer to Note 2.4.

Chairman's Report
On behalf of the Board, Management, and employees, I am pleased to present BAT Zimbabwe's Special Purpose Financial Results for the year ended December 31, 2024. The Business delivered a resilient performance during the period under review, and its fundamentals remain solid.

Operating environment and business overview
In 2024, the Business navigated a challenging operating environment, largely driven by the negative effects of commodity prices shocks, policy uncertainty, supply chain bottlenecks, and, hard currency shortages. Despite these challenges, the Business successfully transitioned from the Zimbabwe Dollar (ZWL) to the Zimbabwe Gold (ZWG), and subsequently to the United States Dollar (USD), demonstrating resilience in the face of economic headwinds whilst driving business continuity. During the period in review, we simplified our Route to Consumer (RTC) model and thus leveraging excellence in commercial execution to drive revenue growth and partially cushion profitability from the impact of commodity prices volatility. Further, we transitioned from solely trading in the local currency to a multi-currency approach, reducing supply chain pressures and contributing towards delivering sustainable shareholder value.

Blocked funds
The Reserve Bank of Zimbabwe (RBZ) approved and registered the Company's blocked funds amounting to USD16.3 million. This is in respect of outstanding amounts consistent with the blocked funds guidelines provided in the Exchange Control Directive RU28 dated 21 February 2019, Exchange Control Circular No. 8 of 24 July 2019. In 2021, The Treasury assumed the liability from RBZ

in relation to the blocked funds. The Treasury is currently working on the appropriate instruments to facilitate settlement of the registered blocked funds which were listed as approved blocked funds under Annex 1 of the Finance Act(no. 7) of 2021 (gazetted on 21 December 2021).

Contributions to the Government Treasury
BAT Zimbabwe continues to contribute to the economic development of the country through payment of various taxes to the Government treasury including; Excise Duty, Corporate Tax, Value Added Tax (VAT), Custom Duties, Pay As You Earn (PAYE) and Withholding Tax. The Company's contribution to the Zimbabwe Revenue Authority (ZIMRA) in 2024 decreased by 2% compared to prior year, predominantly due to unpredictable regulatory changes that impacted business

Sustainability front and center
The BAT Group has refined its Sustainability Strategy and is seeking to take a leading role in tackling some of the biggest global sustainability challenges. The Strategy is underpinned by five impact areas, namely, Tobacco Harm Reduction, Climate, Nature, Circularity and Communities. The Strategy aims to do this by responsibly building A Smokeless World as well as reducing its use of natural resources and maintain climate goals as it transitions to A Better Tomorrow™. BAT Zimbabwe is aligned to the refined Group Sustainability Strategy which has been adapted to local realities and is striving to create a meaningful impact in the communities in which we operate.

At our factory, our sustainability efforts are guided by both short-term and long-term strategies focused on improving energy efficiency and reducing environmental impact. We leverage

Integrated Work Systems (IWS) tools, such as daily direction setting, to prioritise and address operational losses. These efforts are essential for driving immediate improvements in our operations and ensuring continuous optimisation. In terms of energy management, we have implemented various initiatives to improve energy efficiency, reduce power consumption, and reduce emissions.
On the talent front, we continue to champion diversity and inclusion with key initiatives such as driving the increased representation of women and Persons with Disabilities (PWDs) across the business, as well as the introduction of an Apprenticeship Programme. Through the Apprenticeship Programme we aim to bridge the skills gap between tertiary education and practical industry needs, creating workplace-ready future leaders.

The Business is tracking at pace and has already scored a number of milestones including receiving Core certification by the Alliance for Water Stewardship (AWS) for our efforts in driving Good Water Governance (GWG) in our catchment area, maintaining our zero-waste to landfill status, increasing representation of women and PWDs across the Business, successfully implementing skills training initiatives for adult graduates, as well as supporting the health and safety of all our employees.

Reflective of the above, the Board of Directors believes that BAT Zimbabwe is in a strong position to continue delivering sustained value for shareholders.

Board resignations and appointments
Company Secretary
Ms. Phyllis Farah Chenjera resigned from the position of Company Secretary effective 1 March 2024. She was reassigned to a new role within BAT Zimbabwe. The Board subsequently appointed Ms. Mirirai Apolonia Washaya as Acting Company Secretary effective 28 March 2024. She resigned from this role effective 1 March 2025, to pursue interests outside of the BAT Group.

The Board of Directors thank Phyllis and Mirirai for their contribution to the success of the Business and wish them all the best in their future endeavours

In light of these changes, the Board is pleased to announce the appointment of Mr. Takudzwa Mashanda as Company Secretary effective 1 March 2025. Prior to joining the Company, he was Legal and Investment Counsel at Masawara Group Holding, and practiced with two leading corporate and commercial law firms in Zimbabwe being; Dube Manikai Hwacha Law Chambers and BeraMasamba Legal Practitioners, where he specialised in corporate law.

Alternate Non-Executive Director
The Board of Directors is pleased to announce the appointment of Mr. Crispin Ouma Achola effective 1 May 2025 as an Alternate Director to Mr. Philemon Kipkemoi who is currently serving as a Non-Executive Director on the Board. Crispin is the Cluster Director for BAT East & Southern Africa Markets (ESA) based in Nairobi, Kenya. Prior to rejoining BAT in 2021, Crispin worked for Kimberly-Clarke Corporation where he held the position of General Manager West, East & Central Africa (WECA) and Managing Director Nigeria. Prior to this, Crispin had worked with BAT from 1999 to 2017, during which time he held various senior roles, including Managing Director Mozambique, Cluster General Manager Mozambique, Zambia, Zimbabwe and Malawi and Managing Director Sudan. The Board welcomes Cris to the Board and looks forward to his contribution.

Dividends
As disclosed in Note 2.2, the Group changed its functional currency during the period. This resulted in hyperinflation-related accounting adjustments, including a monetary loss, which impacted reported profit. These adjustments are non-cash in nature and do not reflect a material change in the Group's underlying USD performance.

Reflective of our commitment to deliver sustained value for shareholders, the Board of Directors has recommended a final dividend of USD 0.20 per share for 2024. The dividend, subject to shareholder approval, will be payable net of Withholding Tax to shareholders on the register as at the close of business on 25 July 2025.

Looking ahead
BAT Zimbabwe's Board and the Leadership Team remain focused and confident in the Company's ability to deliver long-term, sustained shareholder value, in line with our purpose to create A Better Tomorrow™. We remain optimistic of a positive future on the back of demonstrated solid fundamentals, a proven business strategy, an innovative product portfolio as well as the right people to accelerate the transformation of our business.

Lastly, I extend my gratitude and appreciation to my fellow Directors of the Board, the Leadership Team, employees, strategic partners, shareholders, and all other stakeholders for their contributions to our resilient performance in 2024.

Signature of Lovemore T Manatsa
Lovemore T Manatsa
Chairman
23 June 2025

DANGER: SMOKING IS HARMFUL TO HEALTH
15mgs Tar 1.2mgs Nicotine. As per Government Agreed Method



NOT FOR SALE TO PERSONS UNDER THE AGE OF 18

Directors: L. T. Manatsa (Chairman), F. C. Chikosi (Non-Executive Director), R. P. Kupara (Non-Executive Director), E. I. Manikai (Non-Executive Director), P. Kipkemoi (Non-Executive Director), K. Gitonga (Managing Director), L. Irungu (Finance Director), C. O. Achola (Alternate Director)

# Audited Special Purpose Financial Results

For the year ended 31 December 2024



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	AUDITED	UNAUDITED
		31 Dec 2024	31 Dec 2023
		ZWG	Restated* ZWG
Revenue	3	939 603 047	1 218 514 433
Cost of sales		(270 187 017)	(187 481 301)
Gross profit		669 416 030	1 031 033 132
Selling and marketing costs	4	(81 193 130)	(94 499 187)
Administrative expenses		(98 648 700)	(90 951 803)
Loss of Impairment on trade receivables		(3 063 157)	(2 617 819)
Share-based payment liability		(6 372)	(4 694)
Other income	5.1	32 460 693	4 563 402
Other (losses)	5.2	(101 289 627)	(117 946 302)
Monetary (loss) on hyperinflation adjustment		(440 406 066)	(401 029 179)
Operating profit		(22 730 329)	328 547 550
Net Finance (Cost)/ Income		(80 130 772)	38 004 307
Profit before income tax		(102 861 101)	366 551 857
Income tax expense	6	(80 543 915)	(132 435 749)
(Loss)/Profit for the year		(183 405 016)	234 116 108
Foreign exchange impacting translation of comparatives to functional and presentation currency		231 636 088	(166 885 500)
Total comprehensive income for the period		48 231 072	67 230 608
Attributable to:			
Owners of the parent		(183 405 016)	234 116 108
Total comprehensive income for the year		48 231 072	67 230 608
Basic earnings per share (ZWG)	7	(8.89)	11.35
Diluted earnings per share (ZWG)	7	(8.89)	11.35
Headline earnings per share (ZWG)	7	(10.41)	11.35

\*The comparative balances were previously reported in ZWL. The numbers were restated by converting to ZWG for special purpose reporting. For details regarding the change in presentation currency, refer Note 2.4.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	AUDITED	UNAUDITED	UNAUDITED
		31-Dec-24	31-Dec-23	31-Dec-22
ASSETS		ZWG	Restated* ZWG	Restated* ZWG
Non-current assets				
Property, plant and equipment	8	122 293 227	91 003 297	155 404 802
Intangible assets		-	-	3 462
Investment property		921 548	626 320	1 185 183
Financial assets at fair value through profit or loss		2 598 668	920 040	255 058
Deferred tax asset	9	33 214 099	6 866 529	-
		159 027 542	99 416 186	156 848 505
Current assets				
Inventories	13	178 402 461	111 732 625	163 078 826
Trade and other receivables	10	89 702 909	155 428 108	118 483 337
Prepayments**		142 623 466	58 619 965	262 829 862
Current income tax asset		32 951 505	14 667 735	-
Cash and cash equivalents		54 983 040	209 590 849	162 108 313
		498 663 381	550 039 282	706 500 338
Total assets		657 690 923	649 455 468	863 348 843
EQUITY AND LIABILITIES				
Equity attributable to the owners of the parent				
Share Capital		42 764 068	42 764 068	42 764 068
Non distributable reserve		2 347 525	1 458 731	2 759 988
Retained earnings		442 638 999	413 634 858	377 800 941
Total equity		487 750 592	457 857 657	423 324 997
Non-Current Liabilities				
Deferred income tax liabilities		-	-	32 985 240
Current Liabilities				
Trade and other payables	11	142 378 962	165 987 328	363 286 573
Staff benefits liability	12	27 532 906	25 588 395	36 129 912
Share based payment liability		28 463	22 088	190 576
Current tax liability		-	-	7 431 547
Total liabilities		169 940 330	191 597 811	440 023 848
Total equity and liabilities		657 690 923	649 455 468	863 348 845

\*\*The prepayments have been separately presented in the current year to comply with the requirement to present separately each material class of similar items.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	ATTRIBUTABLE TO OWNERS OF THE PARENT			
	Share capital ZWG	1 <sup>st</sup> Non-distributable reserves ZWG	Retained earnings ZWG	Total ZWG
Balance as at 1 January 2023-Restated* (Unaudited)	42 764 068	2 759 988	377 800 941	423 324 997
Profit for the year	-	-	234 116 108	234 116 108
Dividends	-	-	(32 697 948)	(32 697 948)
Foreign exchange impacting translation of comparatives to functional and presentation currency	-	(1 301 257)	(165 584 243)	(166 885 500)
Balance as at 31 December 2023-Restated* (Unaudited)	42 764 068	1 458 731	413 634 858	457 857 657
Balance at 1 January 2024	42 764 068	1 458 731	413 634 858	457 857 657
(Loss) for the year	-	-	(183 405 016)	(183 405 016)
Dividends	-	-	(18 338 137)	(18 338 137)
Foreign exchange impacting translation of comparatives to functional and presentation currency	-	888 794	230 747 294	231 636 088
Balance as at 31 December 2024 (Audited)	42 764 068	2 347 525	442 638 999	487 750 592

<sup>1</sup> Non-distributable reserve  
This reserve arose as a result of the change in the Company's functional currency from the Zimbabwe dollar to the United States dollar in 2009. It represents the residual equity that existed as at 1 February 2009 the date of the changeover.

\*The comparative balances were previously reported in ZWL. The numbers were restated by converting to ZWG for special purpose reporting. For details regarding the change in presentation currency, refer Note 2.4.

## CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	AUDITED	UNAUDITED
		31-Dec-24	31-Dec-23
		ZWG	Restated* ZWG
Cash flows from operating activities			
Cash generated from operations	14	299 008 897	679 441 003
Income tax paid		(139 349 138)	(172 221 209)
Net cash generated from operating activities		159 659 759	507 219 794
Cash flows from investing activities			
Purchase of property plant and equipment		(7 390 361)	(11 831 061)
Proceeds from sale of assets		10 514 179	2 719 147
Interest received		-	1 171 025
Dividends received from investments		-	7 331
Net cash generated/(used) in investing activities		3 123 818	7 933 558
Cashflows from financing activities			
Dividends paid to owners of the parent		(11 660 501)	(5 759 894)
Net cash used in financing activities		(11 660 501)	(5 759 894)
Net increase in cash and cash equivalents		151 123 076	493 526 342
Effect of movement in exchange rates on cash held		(80 135 858)	37 142 793
Effect of inflation on cash and cash equivalents		(225 595 027)	(483 186 599)
Cash and cash equivalents at the beginning of the year		209 590 849	162 108 313
Cash and cash equivalents at end of the year		54 983 040	209 590 849

\*The comparative balances were previously reported in ZWL. The numbers were restated by converting to ZWG for special purpose reporting. For details regarding the change in presentation currency, refer Note 2.4.

## NOTES TO THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. GENERAL INFORMATION

British American Tobacco Zimbabwe (Holdings) Limited (the Company) and its subsidiaries (together the Group) manufactures, distributes and sells cigarettes through a network of independent retailers, wholesalers and distributors. BAT Zimbabwe has a cigarette manufacturing plant in Zimbabwe and sells cigarettes to the Zimbabwean market, and exports cut rag to various jurisdictions outside Zimbabwe.

The Group is a limited liability company incorporated and domiciled in Zimbabwe. The address of its registered office is Number 1 Manchester Road, Southerton, Harare, Zimbabwe. The Group has its primary listing on the Zimbabwe Stock Exchange.



NOTES TO THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

SPECIAL PURPOSE FINANCIAL STATEMENTS

The Reserve Bank of Zimbabwe (RBZ) through the Monetary Policy Statement (MPS) issued on 6 February 2025 mandated all entities to adopt a common presentation currency, ZWG, for reporting purposes, with effect from the pronouncement date, including for the 2024 audited Financial Statements. BAT Zimbabwe's functional and presentation currency is USD, however to comply with the MPS the Group has published these special purpose Financial Statements.

The principal accounting policies applied in the preparation of these special purpose Financial Statements are set out below.

2.1 Basis of preparation

The financial results have been prepared as special purpose in line with Regulatory Note SECZ070325 issued by the Securities and Exchange Commission of Zimbabwe, they have been prepared under the assumption that BAT Zimbabwe operates on a going concern basis. These Financial Statements are based on the statutory records that are maintained under the historical cost and are a direct translation of the primary statements included in the general-purpose consolidated Financial Statements which are in USD. The exchange rate used to convert is the spot rate as at 31 December 2024 of USD1: ZWG25.80. Selected material notes have been included in these special purpose Financial Statements to align with the notes from the general-purpose press release statement.

The special purpose financial results have not been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and therefore reading the special purpose Financial Statements and the Auditor's Report thereon, is not a substitute for reading the audited general purpose consolidated Financial Statements and the auditor's report thereon. The USD Financial Statements comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The general purpose consolidated Financial Statements of the Group were approved by the Directors on 23 June 2025 and a qualified audit opinion was issued on the same day. The qualification was in respect of non-compliance with International Accounting Standard 21, The Effects of Changes in Foreign Exchange Rates in the current and prior years, and IAS 8, Accounting policies, Changes in Accounting Estimates and Errors in respect of the accounting for foreign creditors registered as blocked funds as described in note 15. These are available for inspection at the Company's registered office.

The Group changed its functional currency from ZWG to USD on 1 August 2024. Refer to note 2.4 for the detail on the functional currency assessment that the Group performed.

These Financial Statements were authorised for issue by the Group's Board of Directors on 23 June 2025.

2.2 Change in Functional currency

Following the enactment of Statutory Instrument (SI) 185 of 2020 on 24 July 2020, the Group operations witnessed a gradual increase in the use of foreign currency across the business. Subsequently, in June 2022, the government entrenched the multi-currency system into law until 31 December 2025 through Statutory Instrument 118A of 2022. Moreover, on 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030, assuring businesses regarding the continuity of the multi-currency system. This has since been confirmed through Finance Act No. 13 of 2023.

As a result of these developments, the Group re-evaluated its functional currency in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates).

In assessing functional currency for the Companies, the following factors were considered:

- (i) the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled),
- (ii) the currency which influences labour, material, and other costs of providing goods and services,
- (iii) the currency in which funds from financing activities are generated, and
- (iv) the currency in which receipts from operating activities are usually retained.

Based on the above factors, the businesses concluded that there has been a change in the functional currency from Zimbabwe Gold (ZWG) to United States Dollars (USD) with effect from 1 August 2024. Consequently thereto, the Group also changed its presentation currency to (USD).

However, the Reserve Bank of Zimbabwe (RBZ) through the Monetary Policy Statement (MPS) issued on 6 February 2025 mandated all entities to adopt a common presentation currency, ZWG, for reporting purposes, with effect from the pronouncement date, including for the 2024 audited Financial Statements. The Group then adopted (ZWG) as its presentation currency from (USD), to comply the Group has published special purpose Financial Statements separately.

2.3 Introduction of a new currency, the Zimbabwe Gold (ZWG)

With effect from 5 April 2024, the Reserve Bank of Zimbabwe introduced a new currency called Zimbabwe Gold (ZWG). The implementation of the new currency was in such a way that all current Zimbabwe dollar balances were then converted into the new currency. The swap rate was guided by the closing interbank exchange rate and the price of gold as at 5 April 2024. The swap rate was used to make legitimate conversions of all ZWL deposits in the banking sector; all ZWL loans and advances made by the sector; all outstanding auction allotments; all export surrender obligations; all prices of goods and services in ZWL; and any other ZWL denominated obligations. As a result of these developments, the Group re-evaluated its functional currency in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) and concluded that its functional currency remained Zimbabwe Gold (ZWG) as at the date of the introduction of the new currency.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Introduction of a new currency, the Zimbabwe Gold (ZWG) (continued)

Exchange rates used on functional currency migration to ZWG

For the period to 5 April 2024, the Group applied the Willing Buyer Willing Seller rate, as published by the Reserve Bank of Zimbabwe. After the introduction of the ZWG and a refined Willing Buyer Willing Seller foreign currency auction, the Group then adopted the Reserve Bank interbank rate from 8 April 2024 onwards.

The following exchange rates were used to convert the inflation adjusted transactions and balances to ZWG for the respective periods as at 5 April 2024.

Table with 2 columns: Period ending, Exchange rate (ZWL translated to ZWG). Rows: 31 December 2023, 5 April 2024.

2.4 Conversion process to ZWG functional currency

Determination of Hyperinflation numbers for the period to 5 April 2024 and prior years comparatives.

IAS 29 mandates that Financial Statements in hyperinflationary economies should be presented in the currency's current measuring unit as at the balance sheet date, with corresponding figures from previous periods adjusted similar. Previously, the Group used conversion factors from the CPI prepared by ZIMSTAT until 31 January 2023. On 31 March 2023, the government introduced a new inflation rate measurement method, leading ZIMSTAT to stop reporting ZWL inflation and CPI figures, in favor of blended CPI figures. This change posed a challenge as the Group relied on ZWL CPI for reporting hyperinflated historical figures.

To address this, the Group applied guidance issued by the Institute of Chartered Accountants Zimbabwe (ICAZ) that complied with IFRS in determining hyperinflation indices. They established a strong correlation between the movement in the Total Consumption Poverty Line (TCPL) and the officially published CPI from January 2019 to January 2022. Consequently, the Group estimated CPI by adjusting the last published CPI based on the monthly movement of the TCPL from February to 31 December 2023.

Determination of hyperinflation numbers for the period to 5 April 2024 and prior years comparatives.

The conversion factors used to restate the financial information as of 31 December 2023 are as follows;

Table with 3 columns: Dates, CPI, Adjustment Factor. Rows: 5 April 2024, 31 December 2023.

Conversion of ZWG numbers to \$USD functional currency

The Group transitioned its reporting currency from ZWG to USD, following the restatement of its historical Financial Statements in line with IAS 29, "Financial Reporting in Hyperinflationary Economies" as described above. According to IAS 21, "The Effects of Changes in Foreign Exchange Rates", entities operating in hyperinflationary economies must translate their previously reported inflation-adjusted financial statement using the exchange rate at the last reporting date when changing their functional currency.

Exchange rates used on the conversion of prior year balances.

IAS 21 requires determining the functional currency based on the economic environment. Due to the difference in exchange rates used to restate comparative, a "foreign exchange impact of translating to functional currency" arises through other comprehensive income.

The Group applied the interbank rate, as published by the Reserve Bank of Zimbabwe, as its spot rate as follows:

Table with 2 columns: Period Ending, Exchange Rate. Rows: 31 July 2024, 31 December 2023, 31 December 2022.

Cautionary note on use of financial information

The Directors advise users to exercise caution when analysing the financial results due to the impacts on the financial performance of the fluctuations and disparities in exchange rates and rapid inflation. These disparities impact the reliability of the financial information, as the current year's performance comprises a mix of inflation-adjusted data and USD transactions, while comparisons with previous years are based on inflation adjusted data translated using closing exchange rates. Whilst the conversion of the inflation-adjusted ZWL figures into USD was mathematically accurate, the resultant financial information may not accurately reflect the underlying business performance.

2.5 Foreign currency translation

Foreign exchange gains and losses that relate to foreign currency denominated transactions and balances are presented in the profit or loss within "other gains/ losses".

# Audited Special Purpose Financial Results

For the year ended 31 December 2024



NOTES TO THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

3 SEGMENT INFORMATION

The Group is currently organised into business units for management purposes. The Group has 2 operating segments which management uses to monitor performance and therefore decision making and these are:

Period ended 31 December 2024	Leaf and Cut-rag		Total
	Cigarettes	Tobacco	
	ZWG	ZWG	ZWG
External revenue	1 306 337 224	8 107 889	1 314 445 113
Tobacco duties	(374 842 066)	-	(374 842 066)
Net revenue	931 495 158	8 107 889	939 603 047
Profit before interest taxation depreciation and amortisation	(87 945 980)	737 081	(87 208 899)
Depreciation	(15 652 202)	-	(15 652 202)
Interest	-	-	-
Profit before income tax	(103 598 182)	737 081	(102 861 101)
Total assets	655 595 034	2 095 889	657 690 923
Total liabilities	169 940 331	-	169 940 331
2023-Restated	Cigarettes	Leaf and Cut-rag Tobacco	Total
	ZWG	ZWG	ZWG
External revenue	1 757 076 788	26 739 001	1 783 815 789
Tobacco duties	(565 301 356)	-	(565 301 356)
Net revenue	1 191 775 432	26 739 001	1 218 514 433
Profit before interest taxation depreciation and amortisation	329 078 766	2 430 819	331 509 585
Depreciation	(2 962 035)	-	(2 962 035)
Interest	38 004 307	-	38 004 307
Profit before income tax	364 121 038	2 430 819	366 551 857
Total assets	648 623 997	831 471	649 455 468
Total liabilities	191 597 812	-	191 597 812

\*The comparative balances were previously reported in ZWL. The numbers were restated by converting to ZWG for special purpose reporting. For details regarding the change in presentation currency, refer Note 2.4.

4 SELLING AND MARKETING COSTS

Brand Specific expenses	1 215 416	13 375 207
Marketing overheads	35 511 489	23 948 245
Route to market overheads	44 466 225	57 175 735
	81 193 130	94 499 187

5 OTHER INCOME/ (LOSSES)

Other income		
Group recharges	-	324 660
Dividend received from investments	-	7 331
Rental income	347 708	1 292 380
Profit on sale of property, plant and equipment	31 360 011	2 719 147
Sundry income	752 974	219 884
	32 460 693	4 563 402

5.2 Other (losses)

Financial assets at fair value through profit or loss	(583 452)	785 234
Exchange (losses)	(100 706 175)	(118 731 536)
	(101 289 627)	(117 946 302)

6 INCOME TAX

The major components of income tax are included below:		
Current income tax on profit for the year	106 891 484	156 736 092
Deferred taxation (credit)/loss	(26 347 569)	(24 300 343)
	80 543 915	132 435 749

7

EARNINGS PER SHARE

Basic and diluted  
(loss)/Profit attributable to equity holders  
Weighted average number of ordinary shares in issue  
Basic and diluted earnings per share

Headline Earnings

Profit attributable to equity holders  
Profit on sale of property, plant and equipment  
Headline Earnings  
Headline earnings per share

\*The comparative balances were previously reported in ZWL. The numbers were restated by converting to ZWG for special purpose reporting. For details regarding the change in presentation currency, refer Note 2.4.

8

PROPERTY, PLANT AND EQUIPMENT

Opening net book amount  
Additions  
Disposals  
Depreciation charge  
Foreign exchange impacting translation of comparatives to functional and presentation currency

Closing net book amount

Cost  
Accumulated depreciation

Net book amount

9

DEFERRED TAX

The deferred tax liability is made up of:  
Property, plant and equipment-accelerated depreciation  
Provisions  
Allowance for credit losses  
Marketable securities-fair value  
Inventory write downs  
Unrealised exchange differences  
Inventory  
Prepayment

The gross movement on deferred tax account is as follows:

At 1 January	(6 866 529)	32 985 240
Credit to the statement of comprehensive income	(26 347 570)	(24 300 343)
Foreign exchange impacting translation of comparatives to functional and presentation currency	-	(15 551 426)
	(33 214 099)	(6 866 529)

\*The comparative balances were previously reported in ZWL. The numbers were restated by converting to ZWG for special purpose reporting. For details regarding the change in presentation currency, refer Note 2.4.

10

TRADE AND OTHER RECEIVABLES

Trade receivables  
Provision for impairment of trade debtors

Trade receivables- net

Other receivables\*\*  
Receivables from related parties

\*\*Other receivables comprise of smaller independent distributors

AUDITED	UNAUDITED
31 Dec 2024	31 Dec 2023
ZWG	Restated* ZWG
(183 405 016)	234 116 108
20 633 517	20 633 517
(8.89)	11.35
(183 405 016)	234 116 108
(31 360 011)	-
(214 765 027)	234 116 108
(10.41)	11.35

AUDITED	UNAUDITED
31 Dec 2024	31 Dec 2023
ZWG	Restated* ZWG
91 003 297	155 404 802
7 390 361	11 831 061
-	(2 507)
(15 610 630)	(2 961 946)
39 510 199	(73 268 113)
122 293 227	91 003 297
251 526 547	140 986 966
(129 233 320)	(49 983 669)
122 293 227	91 003 297
18 512 430	19 073 352
(7 089 723)	(5 570 836)
(907 565)	(333 046)
28 348	9 201
-	(12 874)
(43 757 589)	(30 673 283)
-	7 065 990
-	3 574 967
(33 214 099)	(6 866 529)

AUDITED	UNAUDITED
31 Dec 2024	31 Dec 2023
ZWG	Restated* ZWG
87 179 258	154 730 996
(3 524 525)	(1 293 384)
83 654 733	153 437 612
582 491	1 159 035
5 465 685	831 461
89 702 909	155 428 108



NOTES TO THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

	AUDITED		UNAUDITED	
	2024		2023	
	ZWG		Restated*	ZWG
11	TRADE AND OTHER PAYABLES			
	Trade payables		2 576 654	
	Amounts due to related parties		60 177 142	
	Social security and other taxes		18 130 240	
	Accrued expenses		30 405 747	
	External Dividends		1 423 641	
	Other payables***		53 273 904	
	142 378 962		165 987 328	

\*\*\*Other payables comprise of payroll related creditors, staff claims, and sundry creditors.

12	STAFF BENEFIT LIABILITY		
	At 1 January	25 588 395	36 129 912
	Utilised during the year	(25 588 395)	(19 095 879)
	Foreign exchange impacting translation of comparatives to functional and presentation currency	-	(17 034 033)
	Charge to statement of comprehensive income	27 532 906	25 588 395
	At 31 December	27 532 906	25 588 395
13	INVENTORIES		
	Raw materials	105 040 981	94 755 799
	Finished goods	61 116 817	13 936 666
	Consumables	12 244 663	3 040 160
		178 402 461	111 732 625

During the year 2024, ZWG 141 194 357 (2023: ZWG 55 996 840) inventory was consumed.

\*The comparative balances were previously reported in ZWL. The numbers were restated by converting to ZWG for special purpose reporting. For details regarding the change in presentation currency, refer Note 2.4.

	AUDITED		UNAUDITED	
	2024		2023	
	ZWG		Restated*	ZWG
14	CASH GENERATED FROM OPERATIONS			
	Profit before income tax		366 551 857	
	Adjustment for:		(102 861 101)	
	- Depreciation		2 962 035	
	- (Profit) on sale of property, plant and equipment		(2 719 147)	
	- Fair value loss/(gains) on financial assets at fair value through profit or loss		(785 234)	
	- Other non-cash items		5 447 954	
	- Finance Cost / (Income)		(38 004 307)	
	- Impairment loss on trade receivables		2 617 819	
	- Monetary loss on hyperinflation adjustment		401 029 180	
	Changes in working capital:		(25 539 955)	
	- (Increase) in Inventories		(216 721 063)	
	- Decrease/ (Increase) in trade and other receivables		204 209 884	
	-(Increase)/Decrease in Prepayments		(26 021 899)	
	- Increase/(Decrease) in trade and other payables		6 492 516	
	- Increase in Provisions for other liabilities and charges		(78 637)	
	- Increase/(Decrease) in share-based payment provision		6 372	
	Cash generated from operations		299 008 897	
	299 008 897		679 441 003	

15 GOING CONCERN

The Group has recognised a net loss after tax of ZWG 183 405 016 for the year ended 31 December 2024 against a net profit after tax of ZWG 234 116 108 (Restated) in the previous year. The total current assets exceeded current liabilities by ZWG 328 723 062. In Prior year, current assets exceeded current liabilities by ZWG 358 441 471 (Restated) .

The Reserve Bank of Zimbabwe (RBZ) approved and registered the Group's blocked funds amounting to USD16.3 million in respect of outstanding dividends and goods consistent with the blocked funds guidelines provided in the Exchange Control Directive RU28 dated 21 February 2019 and Exchange Control Circular No. 8 of 24 July 2019. In 2021, The Treasury assumed the liability from RBZ in relation to the blocked funds. The Treasury is currently working on the appropriate instruments to facilitate settlement of the registered blocked funds which were listed as approved blocked funds under Annex 1 of the Finance Act(no. 7) of 2021 (gazetted on 21 December 2021). Following the currency change on 5 April 2024 from ZWL to ZWG, the outstanding blocked funds were converted to ZWG at a rate of ZWG1: ZWL 2 499. On 1 August 2024 the functional currency was changed from ZWG to USD and the outstanding blocked funds were converted to USD at a rate of USD1 : ZWG 13.79.

The Directors believe that the Treasury will honour its commitment to settle the Group's outstanding foreign liabilities at a rate of ZWL: USD1 registered as "blocked funds". In the event that Treasury will not honour its commitment, the majority shareholder, British American Tobacco International Holdings (UK) Limited, has further confirmed that it is the present intention to provide continuing financial support which also indicated that it will not demand repayment of amounts owed by the Group until such a time that it is restored to solvency. The ultimate parent company, British American Tobacco plc will offer financial support to BAT Zimbabwe since the majority of the foreign outstanding obligations are owed to related companies within the BAT Group.

The Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future and is expected to continue to generate profits.

The consolidated Financial Statements have been prepared on a going concern basis, which assumes that the Group will be able to settle all its outstanding obligations.

16 SUBSEQUENT EVENTS

The Reserve Bank of Zimbabwe through the Monetary Policy Statement (MPS) issued on 6 February 2025 mandated all entities to adopt a common presentation currency, ZWG, for reporting purposes, with effect from the pronouncement date, including for the 2024 audited Financial Statements. These special purpose Financial Statements are meant to comply with this pronouncement.

17 AUDITOR'S STATEMENT

These special purpose Financial Statements have been prepared, with the objective of satisfying the Securities and Exchange Commission of Zimbabwe Notice SECZ070325. They have not been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and therefore reading the special purpose Financial Statements and the Auditor's Report thereon, is not a substitute for reading the audited general purpose consolidated Financial Statements and the Auditor's Report thereon.

The general purpose consolidated Financial Statements of the Group, which comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) were approved by the Directors on 23 June 2025 and a qualified audit opinion was issued on the same day. The qualification was in respect of non-compliance with International accounting Standard 21, The Effects of Changes in Foreign Exchange Rates in the current and prior years, and IAS 8, Accounting policies, Changes in Accounting Estimates and Errors in respect of the accounting for foreign creditors registered as blocked funds as described in note 15.

These are available for inspection at the Company's registered office, and Company website [www.batzimbabwe.com](http://www.batzimbabwe.com).

The engagement partner for this audit is Vinay Ramabhai (PAAB Practicing Certificate Number 0569).



**DANGER: SMOKING IS HARMFUL TO HEALTH**

15mgs Tar 1.2mgs Nicotine. As per Government Agreed Method

**CONQUER WITH PRIDE**

**NOT FOR SALE TO PERSONS UNDER THE AGE OF 18**



**18**

**NOT FOR SALE TO PERSONS UNDER THE AGE OF 18**



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Telephone +263 430 2600  
Internet [www.kpmg.com/zw](http://www.kpmg.com/zw)

## **Independent Auditors' Report**

### **To the shareholders of British American Tobacco Zimbabwe (Holdings) Limited**

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#### **Opinion**

We have audited the Special Purpose Financial Results of British American Tobacco Zimbabwe (Holdings) Limited (the Group), as set out on pages 2 to 5, which comprise the Consolidated statements of financial position as at 31 December 2024, the Consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial results.

In our opinion, the Special Purpose Financial Results of British American Tobacco Zimbabwe (Holdings) Limited for the year ended 31 December 2024 are prepared, in all material respects, in accordance with the basis of preparation described in notes 2 and 2.1 to the special purpose financial results, with the objective of complying with the financial reporting requirements of the Securities and Exchange Commission of Zimbabwe Notice SECZ070325.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Results section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Results in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter - Basis of preparation**

We draw attention to notes 2 and 2.1 to the Special Purpose Financial Results, which describes the basis of preparation. The Special Purpose Financial Results have been prepared, with the objective of satisfying the financial reporting requirements of the Securities and Exchange Commission of Zimbabwe Notice SECZ070325. As a result, the special purpose financial results may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### **Other matters**

##### **Statutory financial statements**

The Group has prepared a statutory set of financial statements for the year ended 31 December 2024 in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31), on which we issued a separate auditors' report to the shareholders of British American Tobacco Zimbabwe (Holdings) Limited dated 26 June 2025.





The general purpose consolidated financial statements of the Company, which comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), were approved by the directors on 23 June 2025 and a qualified audit opinion was issued on the same day. The qualification was in respect of non-compliance with International accounting Standard 21, The Effects of Changes in Foreign Exchange Rates in the current and prior years, and IAS 8, Accounting policies, Changes in Accounting Estimates and Errors in respect of the accounting for foreign creditors registered as blocked funds as described in note 15 of the general purpose consolidated financial statements.

### **Comparatives**

In addition, as this is the first year the directors have prepared these special purpose financial results to comply with the basis of preparation as indicated in notes 2 and 2.1, the comparative special purpose financial statements in ZWG for the year ended 31 December 2023 were not audited.

### **Other information**

#### **Responsibilities of the directors for the Special Purpose Financial Results**

The directors are responsible for the preparation of the Special Purpose Financial Results in accordance with the basis of accounting described in note 2 and note 2.1 to the special purpose financial results, for determining that the basis of preparation is acceptable in the circumstance, with the objective of complying with the financial reporting requirements of the Securities and Exchange Commission of Zimbabwe Notice SECZ070325, and for such internal control as the directors determine is necessary to enable the preparation of Special Purpose Financial Results that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Results, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the Special Purpose Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

Plan and perform the Group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG

Vinay Ramabhai  
Chartered Accountant (Z)  
Registered Auditor  
PAAB Practicing Certificate Number 0569

26 June 2025

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

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100 The Chase (West)  
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Zimbabwe