

Condensed Consolidated Special Purpose Financial Results For the half year ended 30 June 2025

FINANCIAL HIGHLIGHTS

Group summary (ZWG)

	HALF YEAR ENDED 30 JUNE		
	2025 ZWG	Year on year ZWG	2024 ZWG
Revenue	350 488 760	(28%)	488 296 327
Monetary loss	-	100%	(427 798 566)
Operating profit	178 837 978	163%	(286 085 682)
Profit before income tax	178 837 978	163%	(286 085 682)
Profit attributable to shareholders	116 687 953	134%	(345 990 935)
Basic earnings/(loss) per share (ZWG)	6	134%	(17)
Diluted earnings/(loss) per share (ZWG)	6	134%	(17)
Headline earnings/(loss) per share (ZWG)	6	134%	(17)

\*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.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Unaudited Condensed Consolidated Financial Results for the half year ended 30 June 2025.

Operating Environment

The first half of 2025 was characterised by notable macroeconomic stability, driven by tight monetary policy measures which helped to curb inflation and supported exchange rate appreciation. According to the Zimbabwe National Statistics Agency (ZIMSTAT), the USD annual inflation rate which had increased to 15.1% in February 2025 declined to 14% in June 2025. The bank policy rate was held steady at 35%, reflecting the effectiveness of the Reserve Bank's interventions.

The Tobacco Industry and Marketing Board reported that tobacco output reached an all time high of over 300 million kilograms during the 2025 tobacco marketing season. These developments supported currency stability, they contributed to constrained credit growth, impacting consumer liquidity and purchasing power. Despite operating in a complex and

evolving macroeconomic environment, BAT Zimbabwe remained resilient and focused on delivering sustained value to its stakeholders.

Financial Performance

The Company's financial performance reflects the realities of a constrained consumer environment as well as strategic business actions deployed to align with market conditions:

- Sales volumes** declined by 14%, primarily due to reduced consumer spending and broader macroeconomic challenges.
- Revenue** decreased by 28% from ZWG488 296 327 to ZWG350 488 760 when compared to same period prior year. The decrease was attributed to a reduction in volumes due to constrained consumer incomes and a challenging macro economic environment as well as a shift in pricing strategy from ZWG to USD.
- Cost of Sales** rose by 31% to ZWG112 156 732 from ZWG47 234 600 in 2024, due to a combination of factors, including increased raw material prices.
- The Company recorded a **profit before tax** of ZWG178 837 978, a significant

turnaround from the **loss before tax** of ZWG286 085 682 recorded in the same period prior year.

Dividend

The Board of Directors has resolved to declare an interim dividend of USD0.21 per share for the half-year ended 30 June 2025. This decision reflects the Company's commitment to deliver sustained shareholder value, while maintaining a prudent approach to capital allocation in light of the prevailing economic conditions. The dividend will be payable to shareholders registered in the books of the Company at the close of business on 17 October 2025, with payment expected on 07 November 2025.

Contribution to the National Treasury

BAT Zimbabwe continues to contribute to the country's development in various ways, including payment of taxes to the exchequer. Taxes paid for the period under review including Excise Duty, Corporate Tax, VAT, Customs Duties, PAYE and Withholding Tax , total of over ZWG218m.

Sustainability and ESG Commitment

Sustainability remains central to our strategy. In line with the BAT Group's refined Sustainability Strategy, we continue to lead in addressing critical environmental and social challenges.

Sustainability has long been an intrinsic part of BAT's DNA, and BAT Zimbabwe is aligned to the BAT Group's strategy and purpose to create A Better Tomorrow™, which is further adapted to deliver local priorities.

BAT Zimbabwe's sustainability performance is underlined by our material topics which are anchored on the Group's strategic impact areas namely: Tobacco Harm Reduction, Climate, Nature, Circularity and Communities.

As we continue to make sustained progress,

remarkable results have been registered in various areas such as reduction of scope 1 & 2 emissions and waste management as well as Health an safety. Details of this performance will be published in our 2025 Sustainability Report.

Outlook

The Board remains confident in BAT Zimbabwe's ability to navigate the ever evolving macro economic landscape and deliver long-term value to all stakeholders. Our optimism is grounded in the strength of the resilience of our people, our brands and unwavering commitment to innovation and transformation.

In closing, I extend my sincere gratitude to our Board of Directors, Leadership Team, employees, strategic partners, shareholders, and all other stakeholders for their continued support and dedication during this period.

**Lovemore T. Manatsa**  
Chairman  
29 September 2025

Dividend Table

Announcement Date	29 September 2025
Last Date of Trade Cum Dividend	22 October 2025
Share Trade Ex Dividend	23 October 2025
Last Record Date	24 October 2025
Payment Date	10 November 2025
Dividend Per Share	USD 0.21

**Takudzwa Mashanda**  
Company Secretary  
29 September 2025

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Unaudited Half Year Ended	*Restated Audited Full Year Ended
		30 June 2025 ZWG	31 Dec 2024 ZWG
Notes			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		136 751 061	127 731 325
Investment property		943 685	962 527
Financial assets at fair value through profit or loss		2 340 385	2 714 225
Deferred tax asset		-	34 691 053
<b>Total Non-Current Assets</b>		<b>140 035 131</b>	<b>166 099 130</b>
<b>Current assets</b>			
Inventories		155 493 416	186 335 619
Trade and other receivables	10	42 072 748	93 691 790
Prepayments		155 123 444	148 965 604
Cash and cash equivalents		261 079 563	57 428 010
Current income tax asset		55 072 599	34 416 783
<b>Total Current Assets</b>		<b>668 841 770</b>	<b>520 837 806</b>
<b>Total assets</b>		<b>808 876 901</b>	<b>686 936 936</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the owners of the parent</b>			
Share capital		44 665 688	44 665 688
Non-distributable reserve		2 451 914	2 451 914
Retained earnings		579 010 102	462 322 139
<b>Total equity</b>		<b>626 127 704</b>	<b>509 439 741</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities		17 010 589	-
<b>Current liabilities</b>			
Trade and other payables	11	143 554 577	148 710 227
Staff benefits liability		22 155 695	28 757 231
Share based payment liability		28 336	29 737
Current income tax liability		-	-
<b>Total Current Liabilities</b>		<b>165 738 608</b>	<b>177 497 195</b>
<b>Total liabilities</b>		<b>182 749 197</b>	<b>177 497 195</b>
<b>Total equity and liabilities</b>		<b>808 876 901</b>	<b>686 936 936</b>

\*The figures in the Condensed Consolidated Statement of Financial Position in the prior period were previously reported in ZWG. The numbers were restated by converting to the Group's new functional and presentation currency, USD. For details regarding the change in presentation currency, refer to Note **3b(ii)**.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2025

	Notes	Unaudited Half Year Ended	*Restated Reviewed Half Year Ended
		30 June 2025 ZWG	30 June 2024 ZWG
Revenue	6	350 488 760	488 296 327
Cost of sales		(112 156 732)	(93 266 844)
<b>Gross profit</b>		<b>238 332 028</b>	<b>395 029 483</b>
Selling and marketing costs		(28 711 263)	(36 261 794)
Administrative expenses		(41 545 697)	(66 292 074)
Impairment credit / (loss) on trade receivables		230 949	(825 579)
Other income / (expenses)		19 246 499	(4 524 573)
Other losses	7	(8 714 538)	(145 412 579)
Monetary loss on hyperinflation adjustment		-	(427 798 566)
<b>Operating Profit/(Loss)</b>		<b>178 837 978</b>	<b>(286 085 682)</b>
<b>Profit before income tax</b>		<b>178 837 978</b>	<b>(286 085 682)</b>
Income tax expense		(62 150 027)	(59 905 253)
<b>Profit for the year</b>		<b>116 687 953</b>	<b>(345 990 935)</b>
<b>Attributable to:</b>			
Owners of the parent		116 687 953	(345 990 935)
Total comprehensive profit for the year		116 687 953	(345 990 935)
Basic earnings per share (ZWG)		6	(17)
Diluted earnings per share (ZWG)		6	(17)
Headline earnings per share (ZWG)		6	(17)

\*The figures in the Condensed Consolidated Statement of Comprehensive Income in the prior period were previously reported in ZWG. The numbers were restated by converting to the Group's new functional and presentation currency, USD. For details regarding the change in presentation currency, refer to Note **3b(ii)**.

Condensed Consolidated Special Purpose Financial Results For the half year ended 30 June 2025

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 30 JUNE 2025

	Notes	Unaudited Half Year Ended 30 June 2025 ZWG	*Restated Reviewed Half Year Ended 30 June 2024 ZWG
<strong>Cash flows from operating activities</strong>			
Cash generated from operations	5	244 408 252	285 017 649
Income tax paid		(31 104 200)	(48 841 326)
<strong>Net cash generated from operating activities</strong>		<strong>213 304 052</strong>	<strong>236 176 323</strong>
<strong>Cash flows from investing activities</strong>			
Purchase of property, plant and equipment		(17 413 924)	-
Proceeds from sale of property, plant and equipment		7 761 409	-
<strong>Net cash used in investing activities</strong>		<strong>(9 652 514)</strong>	-
<strong>Cash flows from financing activities</strong>			
Dividends paid to owners of the parent		-	(7 882 160)
<strong>Net cash used in financing activities</strong>		-	<strong>(7 882 160)</strong>
Effects of movement in exchange rates on cash held		-	(425 030 592)
<strong>Net increase in cash and cash equivalents</strong>		<strong>203 651 537</strong>	<strong>(196 736 430)</strong>
Cash and cash equivalents at the beginning of the year		57 428 026	354 608 392
Effects of inflation on cash and cash equivalents		-	3 134 238
<strong>Cash and cash equivalents at the end of the year</strong>		<strong>261 079 563</strong>	<strong>161 006 200</strong>

\*The figures in the Condensed Consolidated Statement of Cash flows in the prior period were previously reported in ZWG. The numbers were restated by converting to the Group's new functional and presentation currency, USD. For details regarding the change in presentation currency, refer to Note **3b(ii)**.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 30 JUNE 2025

	Share	Non distributable capital	Retained reserve	Total earnings
	ZWG	ZWG	ZWG	ZWG
<strong>*RESTATED AUDITED</strong>				
Balance as at 1 January 2024	44 665 688	1 523 597	432 028 249	478 217 534
Total comprehensive income	-	-	(191 560 615)	(191 560 615)
Dividends			(19 153 592)	(19 153 592)
Impact of translating to presentation currency	-	928 316	241 008 096	241 936 413
<strong>Balance as at 31 December 2024</strong>	<strong>44 665 688</strong>	<strong>2 451 913</strong>	<strong>462 322 138</strong>	<strong>509 439 740</strong>
Total comprehensive income	-	-	116 687 953	116 687 953
Dividends	-	-	-	-
<strong>Balance as at 30 June 2025</strong>	<strong>44 665 688</strong>	<strong>2 451 914</strong>	<strong>579 010 091</strong>	<strong>626 127 693</strong>

\*The figures in the Condensed Consolidated Statement of Changes in Equity in the prior period were previously reported in ZWG. The numbers were restated by converting to the Group's new functional and presentation currency, USD. For details regarding the change in presentation currency, refer to Note **3b(ii)**.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR  
ENDED 30 JUNE 2025

- 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. The Group has a cigarette manufacturing plant in Zimbabwe and sells cigarettes entirely to the Zimbabwean market and exports cut rag outside Zimbabwe.

The Group’s condensed consolidated financial statements are presented in United States Dollars which is the Group’s functional and presentation currency.

The Holding Company 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.
- 2

**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. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR  
ENDED 30 JUNE 2025

- 3(a)

**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. These have been prepared under the assumption that BAT Zimbabwe operates on a going concern basis.

The 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 30 June 2025 of USD1: ZWG26.95.

Selected material notes have been included in these special purpose Half Year 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. However, the USD Financial Statements comply with the requirements of IFRS® Accounting Standards. The special purpose consolidated Half Year Financial Statements of the Group were approved by the Directors on 29 September 2025.
- 3(bi)

**Adoption of the IAS 29 (Financial Reporting in Hyperinflationary Economies)**

In October 2019, the Public Accountants and Auditors Board (PAAB) issued a pronouncement prescribing that the application of financial reporting in hyperinflationary economies had become effective in Zimbabwe, for reporting periods on or after 1 July 2019. These condensed consolidated Financial Statements have been prepared in accordance with IAS 29 “Financial Reporting in Hyperinflationary Economies” together with International Financial Reporting Standards Committee (IFRIC) 7 for the periods up to 5 April 2024, as ZWL remained a hyperinflationary currency up to the date of its withdrawal. The ZWG was not considered to be hyperinflationary for the period from 5 April 2024 to 30 June 2024. Nonetheless, the management continued to assess this assumption in the second half of 2024 considering the significant devaluation of the ZWG by 43% in September 2024.

The Group adopted the Zimbabwe Consumer Price Index (“CPI”) and the Total Consumer Poverty Line (“TCPL”) as the general price index to restate the transactions and balances. Non-monetary assets and liabilities carried in the Group’s financial results as at 5 April 2024 have been restated by applying the general price index from dates when the transaction were initially recorded in the Group’s financial records (transaction date). A net monetary adjustment was recognised in the statement of profit or loss for the half year ended 30 June 2024. Comparative amounts in the financial results have been restated to reflect the change in general price index from 1 October 2019 to 5 April 2024, the day the economy ceased be hyperinflationary. All items in the statement of cash flows are expressed based on the restated financial information for the period.

		Conversion
Date	Indices	Factor
CPI as at 5 April 2024	596 950	1
CPI as at 31 December 2023	65 703	9.09

- 3(bii)

**Comparative financial information**

**Conversion of ZWG numbers to USD functional currency**

On 5 April 2024, the Reserve Bank of Zimbabwe (RBZ) introduced a new currency- Zimbabwe Gold (ZWG). The Group transitioned its functional currency from ZWL to ZWG on 5 April 2024 and subsequently to USD on 1 August 2024. All existing Zimbabwe Gold (ZWG) comparative figures were converted to USD using a swap rate guided by the closing interbank exchange rate and the price of gold as of 30 June 2024.

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.

In order to comply with the guidelines issued in regulatory note SECZ070325 requiring presentation of financial statements in ZWG, the Group applied the interbank rate, as published by the Reserve Bank of Zimbabwe, as its spot rate as follows:

Period Ending	Exchange Rate
30 June 2025	26.95 (ZWG to USD)

**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 prior year’s performance comprises a mix of inflation-adjusted data and USD transactions. On 5 April 2024, the Reserve Bank of Zimbabwe (RBZ) introduced a new currency- Zimbabwe Gold (ZWG). The Group transitioned its reporting functional currency from ZWL to ZWG on 5 April 2024 and subsequently to USD on 1 August 2024. All existing Zimbabwe Gold (ZWG) comparative figures were converted to USD using a swap rate guided by the closing interbank exchange rate and the price of gold as of 30 June 2025.

Condensed Consolidated Special Purpose Financial Results For the half year ended 30 June 2025

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2025

4BLOCKED FUNDS REGISTRATION

The Reserve Bank of Zimbabwe (RBZ) approved and registered the Group's blocked funds amounting to USD16.35 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 2498.72. 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 outstanding balances in respect of approved blocked funds are recorded as USD475, with a related USD475 asset due from the RBZ based on the amounts of ZWL16.35 million.

5CASH GENERATED FROM OPERATIONS

	Unaudited Half Year Ended 30 June 2025	Reviewed Half Year Ended 30 June 2024
	ZWG	ZWG
Profit/ (Loss) before income tax	178 837 979	(286 085 682)
Adjustment for:		
Depreciation	8 413 031	4 590 725
Fair value losses on financial assets at Fair value through profit or Loss	373 840	346 393
Profit on sale of property, plant and equipment	(7 761 409)	-
Effects of movement in exchange rates on cash held	-	(3 134 238)
Net monetary loss - IAS 29 Adjustment	-	427 798 566
Changes in working capital		
Decrease in Inventories	30 842 203	29 071 235
Decrease in Trade and other receivables	51 619 042	225 727 266
Increase in Prepayments	(6 157 841)	-
Decrease in Trade and other payables	(5 155 650)	(93 063 870)
Decrease in Staff benefits liability	(6 601 536)	(20 212 939)
Decrease in Share based payment provision	(1 407)	(19 807)
Cash generated from operations	244 408 252	285 017 649

6REVENUE

	Unaudited Half Year Ended 30 June 2025	Reviewed Half Year Ended 30 June 2024
	ZWG	ZWG
Revenue from sale of goods in domestic market	347 263 942	487 380 668
Revenue from leaf and cut-rag exports to foreign market	3 224 818	915 659
	350 488 760	488 296 327

7OTHER LOSSES

	Unaudited Half Year Ended 30 June 2025	Reviewed Half Year Ended 30 June 2024
	ZWG	ZWG
Fair value losses	(373 840)	(961 346)
Exchange losses	(8 714 538)	(144 451 233)
	(9 088 378)	(145 412 579)

8CAPITAL EXPENDITURE

9FINANCIAL INSTRUMENT BY CATEGORY

	Assets at amortised cost	Assets at fair value through profit or loss	Total
31 December 2024			
Assets			
Trade and other receivables excluding prepayments	93 691 791	-	93 691 791
Financial assets at fair value through profit and loss	-	2 714 225	2 714 225
Cash and cash equivalents	57 428 010	-	57 428 010
Total	151 119 801	2 714 225	153 834 026
Other financial liabilities			
Liabilities as per statement of financial position			
Trade and other payables excluding statutory liabilities	134 664 036		134 664 036
Staff benefits liability	28 757 231		28 757 231
Total	163421267		163421267

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2025

	Assets at amortised cost	Assets at fair value through profit or loss	Total
30 June 2025			
Assets			
Trade and other receivables excluding prepayments	42 072 748	-	42 072 748
Financial assets at fair value through profit and loss	-	2 340 385	2 340 385
Cash and cash equivalents	261 079 563	-	261 079 563
Total	303 152 311	2 340 385	305 492 696
Other financial liabilities			
Liabilities as per statement of financial position			
Trade and other payables excluding statutory liabilities	139 593 878		139 593 878
Staff benefits liability	22 155 695		22 155 695
Total	161 749 573		161 749 573

The Group's Financial assets through profit and loss movement versus the prior period was due to the changes in the share price.

10TRADE AND OTHER RECEIVABLES

	Unaudited Half Year Ended 30 June 2025	*Restated Reviewed Half Year Ended 30 June 2024
	ZWG	ZWG
Trade receivables	33 254 153	87 374 667
Amounts due from related parties	6 321 278	5 708 730
Other receivables	2 497 317	608 393
	42 072 748	93 691 790

11TRADE AND OTHER PAYABLES

	Unaudited Half Year Ended 30 June 2025	*Restated Reviewed Half Year Ended 30 June 2024
	ZWG	ZWG
Trade payables	5 034 687	5 942 033
Amounts due to related parties	109 242 406	115 731 360
Social security and other taxes	3 960 699	14 046 192
Accrued expenses	6 457 476	3 702 861
External dividends	2 650 942	2 650 942
Other payables	16 208 367	6 636 839
	143 554 577	148 710 227

12SEGMENT INFORMATION

	Unaudited		Total
	Cigarettes	Cut-rag	
	USD	USD	USD
30 June 2025			
Net Revenue	347 263 942	3 224 818	350 488 760
Profit before tax	125 186 585	53 651 394	178 837 979
30 June 2024			
Net Revenue	487 380 668	915 659	488 296 327
Loss before tax	(271 781 398)	(14 304 284)	(286 085 682)
30 June 2025			
Total Assets	802 555 623	6 321 278	808 876 901
Total Liabilities	182 749 181	-	182 749 181
Total Assets	681 228 206	5 708 730	686 936 936
Total Liabilities	177 497 185	-	177 497 185

13GOING CONCERN

The directors have assessed the ability of the Company to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

14SUBSEQUENT EVENTS

The Group has evaluated events from 30 June 2025 and has not identified any events that would require disclosure.