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This presentation does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any BAT shares or other securities. This presentation contains certain forward-looking statements, including "forward-looking" statements made within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. 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 presentation are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

In particular, among other statements: (i) certain statements in the opening section (slide 4 and slide 8, 11, 12 and 13).

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; the impact of market size reduction and consumer down-trading; adverse litigation and dispute outcomes and the effect of such outcomes on the Group's financial condition; the impact of significant increases or structural changes in tobacco, nicotine and New Categories related taxes; translational and transactional foreign exchange rate exposure; changes or differences in domestic or international economic or political conditions; the ability to maintain credit ratings and to fund the business under the current capital structure; the impact of serious injury, illness or death in the workplace; adverse decisions by domestic or international regulatory bodies; and changes in the market position, businesses, financial condition, results of operations or prospects of the Group.

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 presentation 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.

No statement in this presentation is intended to be a profit forecast and no statement in this presentation should be interpreted to mean that earnings per share of BAT for the current or future financial years would necessarily match or exceed the historical published earnings per share of BAT.

Important Information



Forward-looking Statements (continued)

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

Additional Information

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

Our vapour product Vuse (including Alto, Solo, Ciro and Vibe), and certain oral products including Velo, Grizzly, Kodiak, Camel Snus and Granit, which are sold in the US, are subject to the Food and Drug Administration (FDA) regulation and no reduced-risk claims will be made to these products without agency clearance.

No Profit or Earnings Per Share Forecasts

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Audience

The material in this presentation is provided for the purpose of giving information about BAT and its subsidiaries to investors only and is not intended for general consumers. BAT, its directors, officers, employees, agents or advisers do not accept or assume responsibility to any other person to whom this material is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. The material in this presentation is not provided for product advertising, promotional or marketing purposes. This material does not constitute and should not be construed as constituting an offer to sell, or a solicitation of an offer to buy, any of our products. Our products are sold only in compliance with the laws of the particular jurisdictions in which they are sold.



‘Accelerating Transformation’ Growth in New Categories and Group earnings despite COVID-19 Fixed Income Update Call - Preliminary results 2020

Tadeu Marroco – Finance and Transformation Director | **Neil Wadey** – Group Head of Treasury

Committed to Building A Better Tomorrow™



To reduce the **health impact** of our business[^]

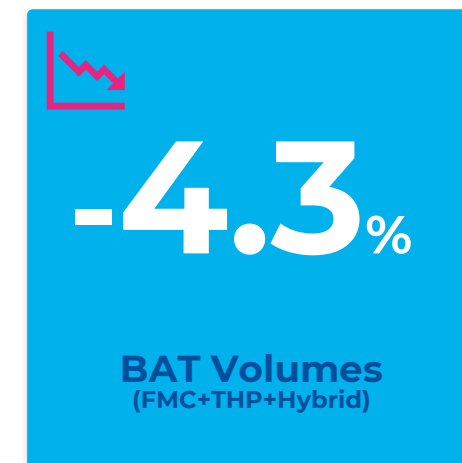
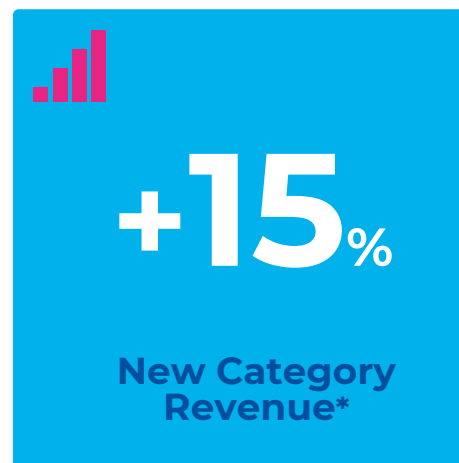
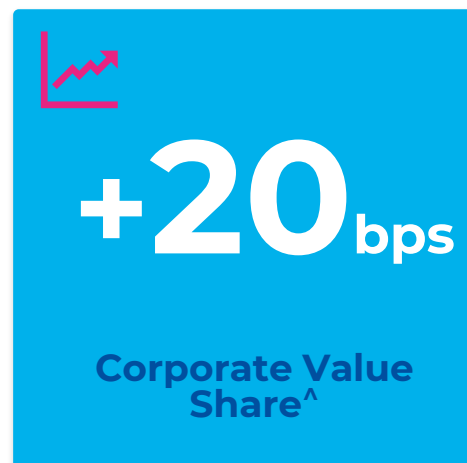
- ✓ Today, we have a significant CPTO* base of c.£90bn
- ✓ With a strong growing base of 10% Non-Combustibles** Revenue and already 13.5mn consumers
- ✓ £5bn New Category Revenue by 2025
- ✓ 50mn Non-Combustible** Product Consumers by 2030
- ✓ Carbon Neutral by 2030***

On track for our 2025 targets

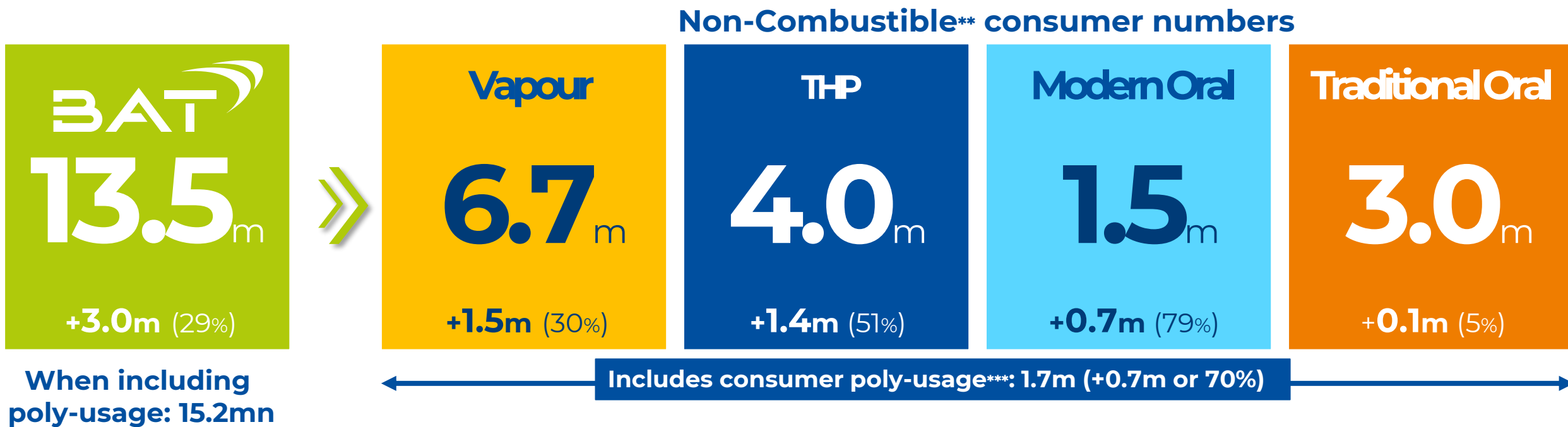
[^]Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive. * Estimated consumer price turnover (CPTO) FY20.

** See Appendix A6.*** ESG ambition. See Appendix A5.

FY 2020: Delivering Today

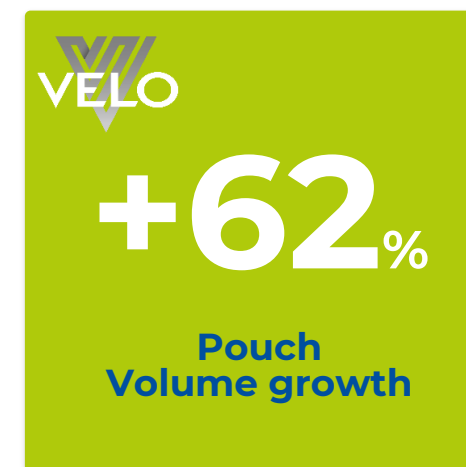
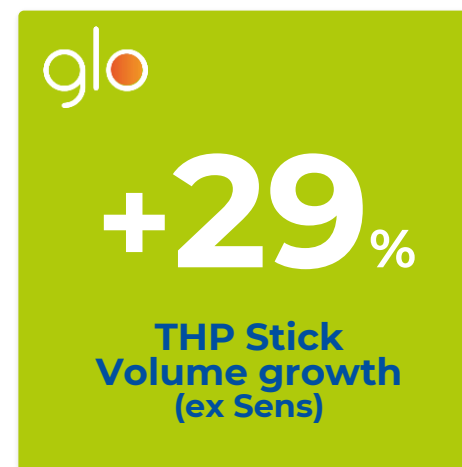


Accelerating Non-Combustible consumer acquisition*



Growth driven by true multi-category performance

FY 2020: Building A Better Tomorrow™



Growth versus FY19. Source: Company data. * See Appendix A6 Top 5 vapour markets: US, Canada, UK, France, Germany. T5 represent c. 75% of Vapour industry revenue (closed-system). Top 6 Modern oral markets: US, Sweden, Denmark, Norway, Switzerland and Germany. Top 9 THP markets: Japan, South Korea, Russia, Italy, Germany, Romania, Ukraine, Poland and Czech Republic. T6 represent c. 95% Modern Oral industry revenue. T9 represent c. 90% of THP industry revenue. Vuse brand represents c. 80% of FY20 vapour revenue. Continue to migrate remaining Vype brands during 2021. Velo brand represents over 50% of FY20 Modern Oral markets. Continue to migrate remaining EPOK, LYFT brands during 2021. ** Share definitions see Appendix A3.

FY 2020: Further Transformation Fuels Growth

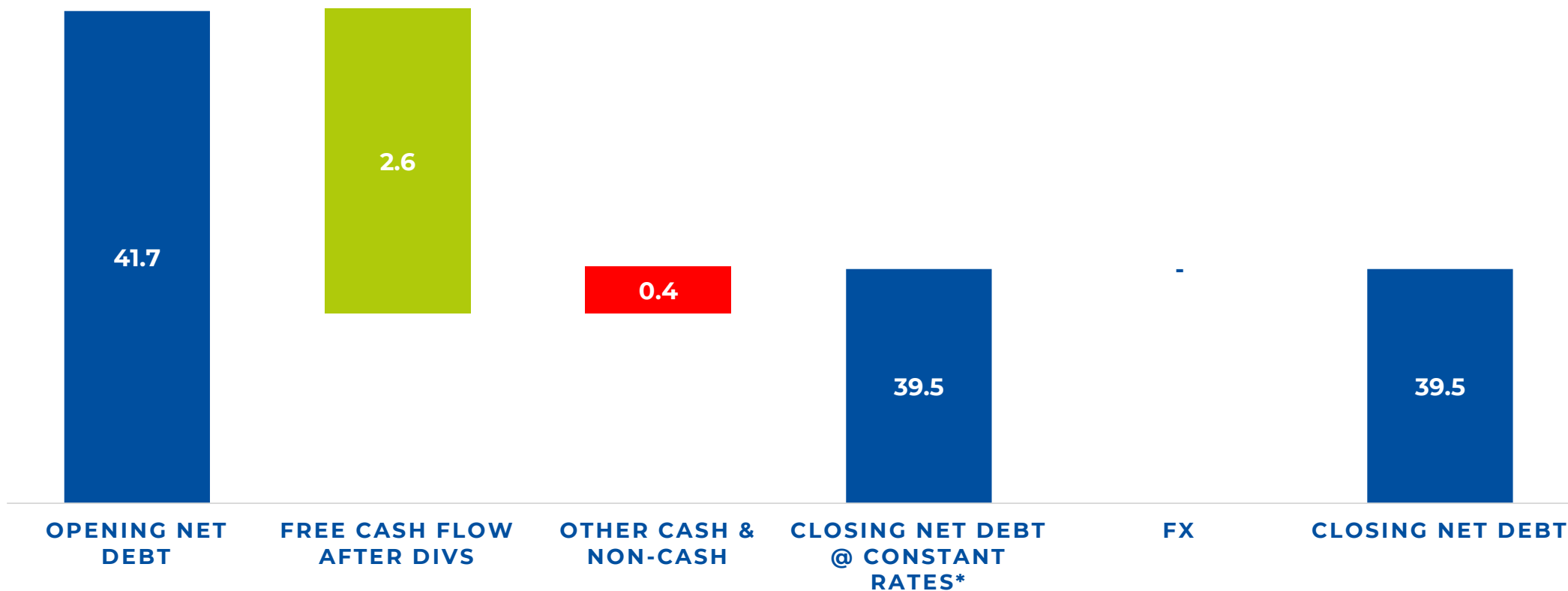
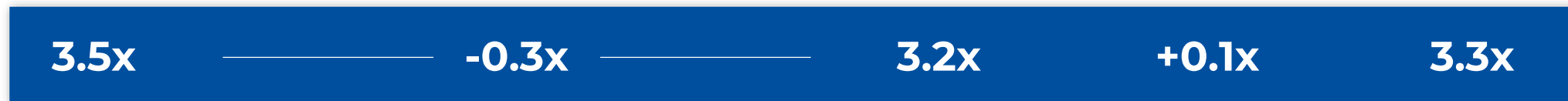


- ✓ **Delivering revenue, profit and earnings growth* in challenging circumstances**
- ✓ **Accelerating New Categories through H2 with good momentum into 2021**
- ✓ **Combustibles and Quantum generating value and cashflow to invest in NCs**
- ✓ **£7.3bn FCF, driven by operating cash conversion of 103%**
- ✓ **Adjusted net debt/EBITDA** at 3.3x, on track for c.3x by end 2021**
- ✓ **Mid-single digit EPS growth* guidance retained for 2021, given COVID uncertainty**
- ✓ **Committed to our financial algorithm post-COVID and our 65% pay-out ratio**

* On an adjusted, constant rate basis. See Appendix A1 & A2 ** Adjusted net debt to adjusted EBITDA at current rates. See Appendix A1.

CASH: Strong Generation Driving Deleverage

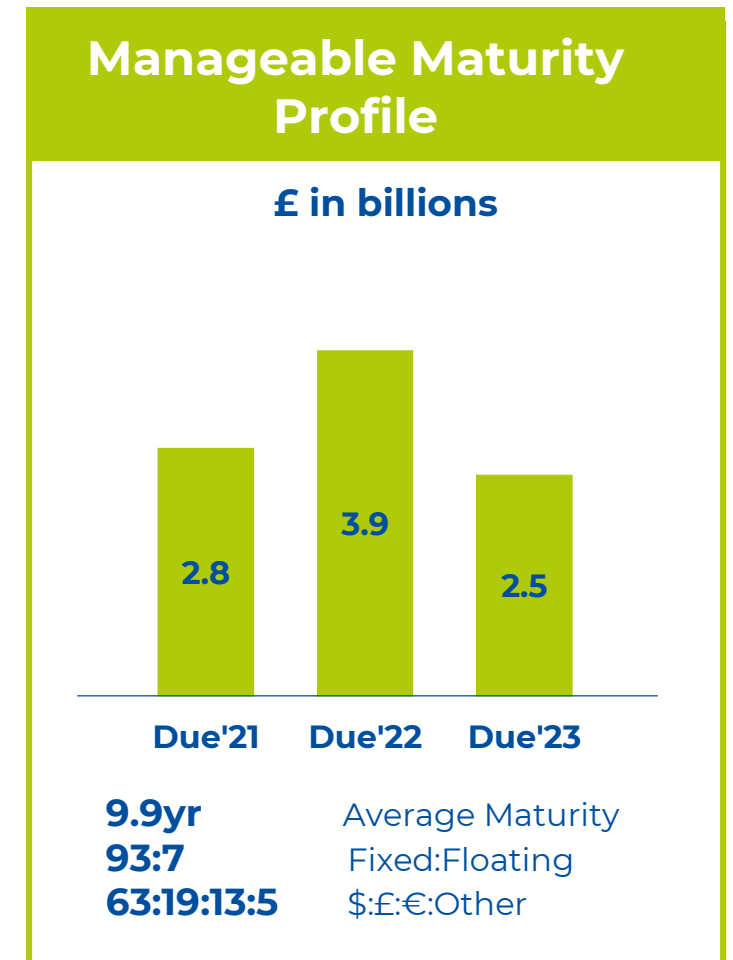
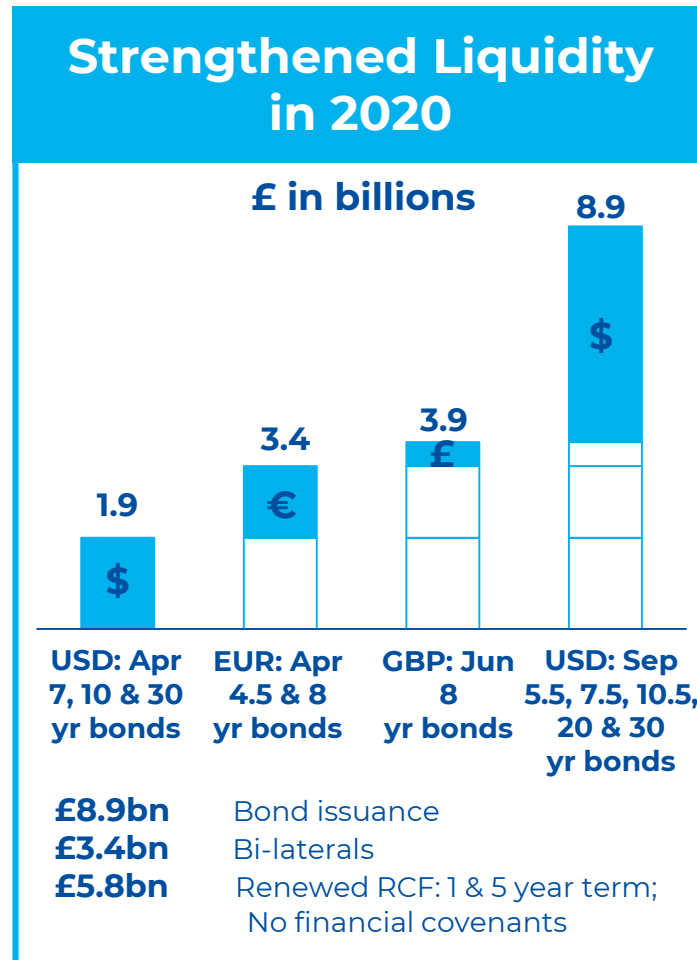
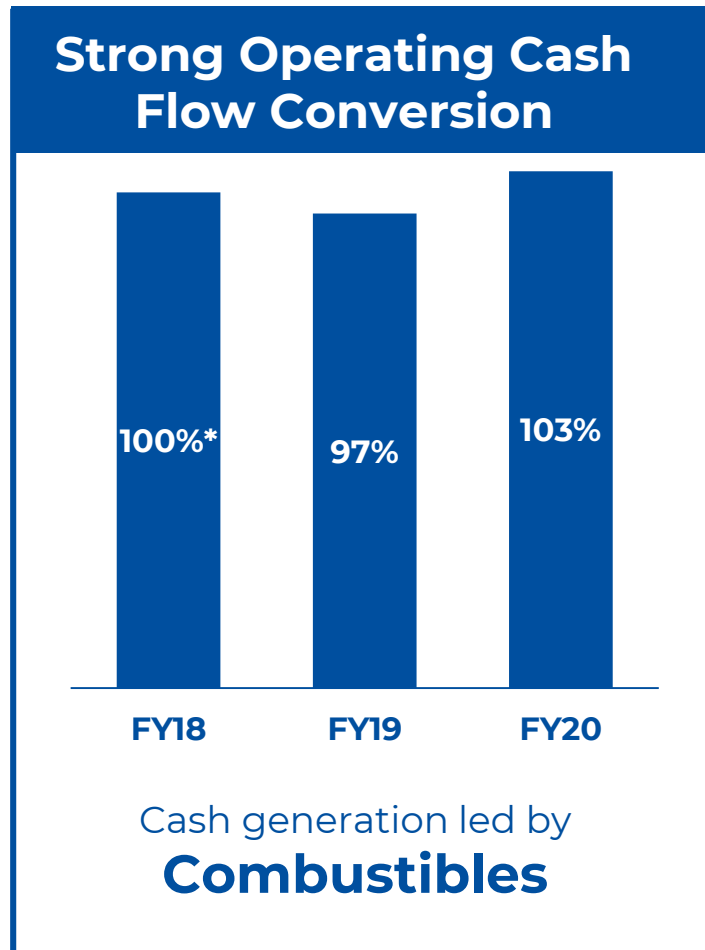
Adj. Net Debt / Adj. EBITDA



* On a constant rate basis. See Appendix A1.

CASH AND DELEVERAGE: Strong Liquidity Position

>90% operating cash conversion



Successful refinancing with enhanced liquidity and extended maturities

* normalised for MSA impact in 2018

CAPITAL ALLOCATION: Our Priorities

Drivers of cash generation

- ✓ Combustible value growth
- ✓ Working capital efficiencies
- ✓ Capex = Depreciation*
- ✓ £1bn Quantum savings 2020-2022
- ✓ >90% operating cash flow conversion**

c.£40bn
5 Year
Cumulative
Free Cash
Flow[^]

Capital Allocation priorities

- ✓ 65% Dividend pay-out
- ✓ Continued investment in New Categories
- ✓ Deleverage to between 2-3x Adj net debt / adj EBITDA^{^^}

FY 2021 GUIDANCE: Resilience in an Uncertain Environment



3-5%
Revenue Growth*



Mid Single Figure
EPS Growth**



**Continued
Deleverage**
c.3X Adjusted Net Debt/Adjusted
EBITDA by end 2021

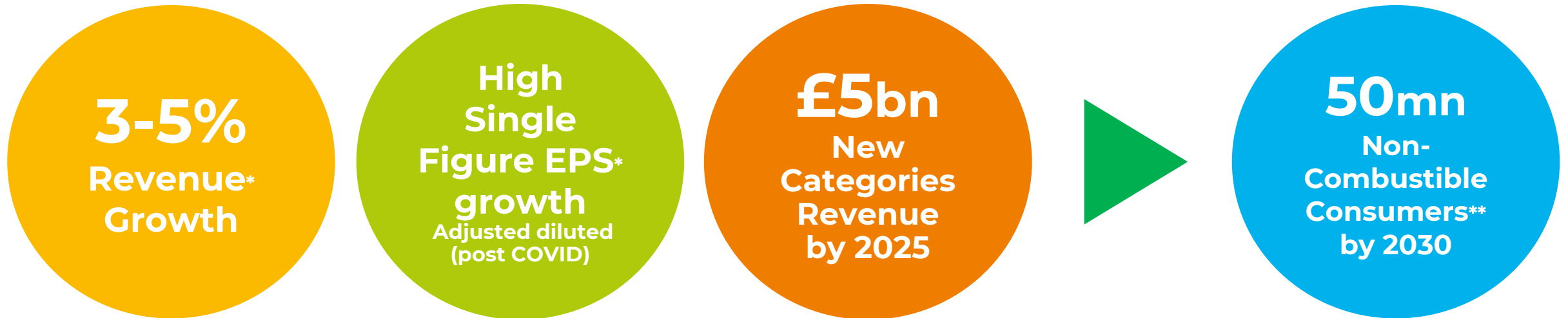
Performance within guidance
range dependent on

+/- External factors:

- COVID impact
- US industry volume
- Associate performance

* On a constant rate basis. See Appendix A2 **Adjusted Diluted EPS on a constant rate basis. See Appendix A1 & A2

Confident in Medium-Term Guidance Post-COVID



Creating Shared Stakeholder and Shareholder Value

Appendix



A1: Adjusting (Adj.)

Adjusting items represent certain items which the Group considers distinctive based upon their size, nature or incidence.

A2: Constant currency

Constant currency – measures are calculated based on a re-translation, at the prior year's exchange rates, of the current year's results of the Group and, where applicable, its segments.

A3: Share metrics

Volume share: The number of units bought by consumers of a specific brand or combination of brands, as a proportion of the total units bought by consumers in the industry, category or other sub-categorisation. Sub categories include, but are not limited to, the total nicotine category, modern oral, vapour, traditional oral or cigarette. Corporate volume share is the share held by BAT Group/Reynolds (US region).

Value share: The retail sales value of the product sold as a proportion of total retail sales value in that category.

Premium share: The retail sales volume of the premium product sold as a proportion of total retail sales volume of premium products in that category.

Nicotine share: The retail sales volume of the nicotine product sold as a proportion of total nicotine product volume in that category.

Exit share: The retail sales volume of the product sold as a proportion of total retail sales volume in that category at a specific period point in time.

A4: Price/Mix

Price mix is a term used by management and investors to explain the movement in revenue between periods. Revenue is affected by the volume (how many units are sold) and the value (how much is each unit sold for). Price mix is used to explain the value component of the sales as the Group sells each unit for a value (price) but may also achieve a movement in revenue due to the relative proportions of higher value volume sold compared to lower value volume sold (mix).

A5: Environmental Targets

Targets cover: climate change, water and waste, sustainable agriculture. Full details are available from the ESG Report

[https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOAWWEKR/\\$file/BAT_ESG_Report_2019.pdf](https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOAWWEKR/$file/BAT_ESG_Report_2019.pdf).

A6: Non-Combustible consumers

The number of consumers of Non-Combustible products is defined as the estimated number of Legal Age (minimum 18 years, US: 21 years) consumers of the Group's Non-Combustible products. In markets where regular consumer tracking is in place, this estimate is obtained from adult consumer tracking studies conducted by third parties (including Kantar). In markets where regular consumer tracking is not in place, the number of consumers of Non-Combustible products is derived from volume sales of consumables and devices in such markets, using consumption patterns obtained from other similar markets with consumer tracking (utilising studies conducted by third parties including Kantar).

The number of Non-Combustible products consumers is used by management to assess the number of consumers regularly using the Group's New Category products as the increase in Non-Combustible products is a key pillar of the Group's ESG Ambition and is integral to the sustainability of our business.

The Group's management believes that this measure is useful to investors given the Group's ESG ambition and alignment to the sustainability of the business with respect to the Non-Combustibles portfolio.