



Building a Better Tomorrow™ Faster Transformation

CAGNY February 2022

Jack Bowles | Chief Executive

Kingsley Wheaton | Chief Marketing Officer

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In particular, among other statements: (i) certain statements in the opening section (slides 5, 10, 11, 12, 16 and 17); (ii) certain statements in the second section (slides 24 and 34); and (iii) certain statements in the third section (slides 43, 45, 48, 49 and 50).

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; and changes in the market position, businesses, financial condition, results of operations or prospects of the Group.

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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)

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Additional Information

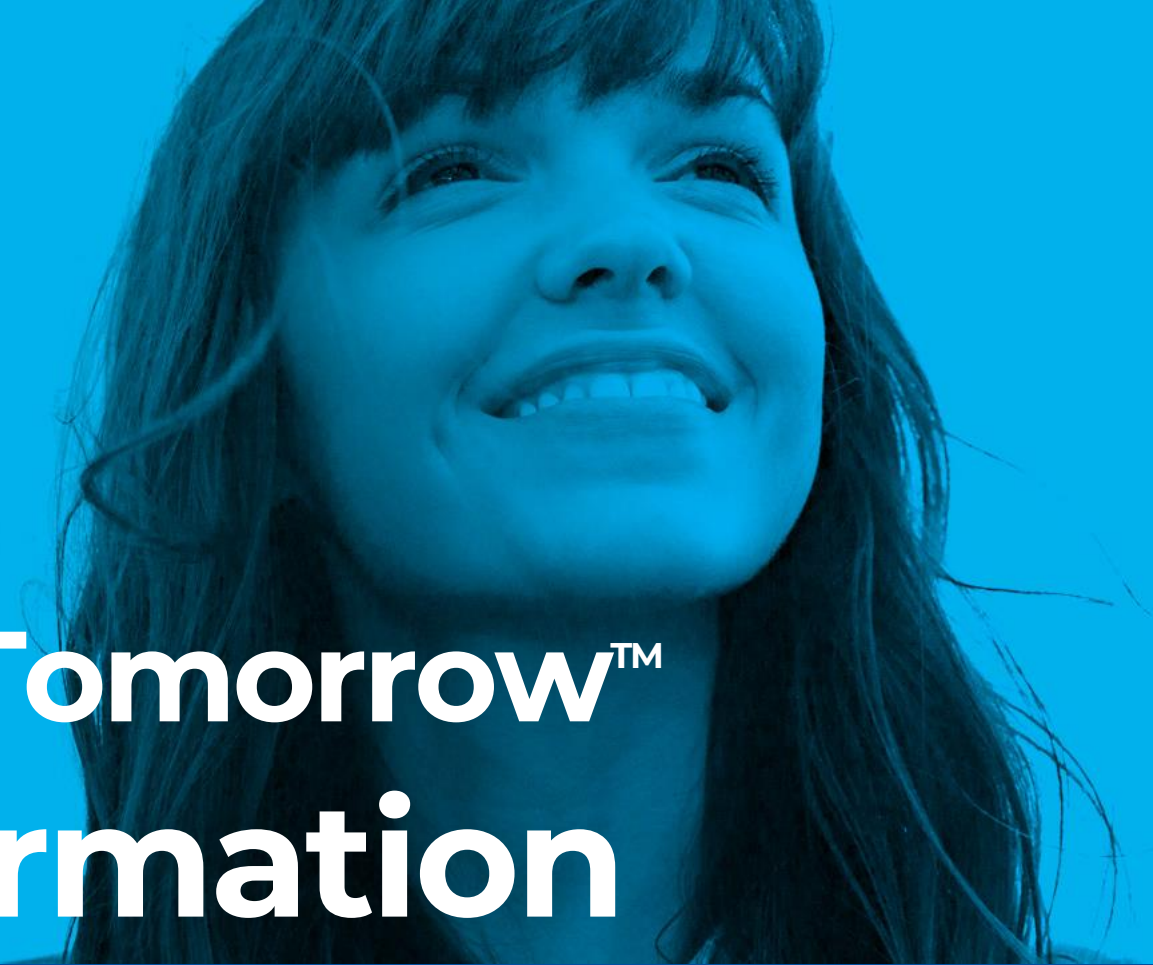
Our vapour product Vuse (including Alto, Solo, Ciro and Vibe), and certain oral products including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the US, are subject to the Food and Drug Administration (FDA) regulation and no reduced-risk claims will be made to these products without agency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

No Profit or Earnings Per Share Forecasts

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Building a Better Tomorrow™ Faster Transformation

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Building A Better Tomorrow™

1

We have built a high growth >£2bn New Category business ...

...with the greatest opportunity to switch smokers to reduced risk products*



2

With strong brands and proven capabilities...

...we are confident in £5bn New Category revenue & profitability by 2025**



3

We are committed to shareholder returns...

...driven by financial discipline & strong cash flow



A Step-Change In New Categories

**Combustible
Value Growth**

**Simplify the
Company**

A Step Change in New Categories

New Category
Revenue*

Adult Consumers of Non-
Combustible Products**



**Doubled Non-Combustible Revenue – accelerating
to 12% of Group Revenue**

Supported by Combustible Value Growth

Combustible
Revenue Growth*

Combustible
Value Share Growth

Group
Revenue Growth*

>3%
CAGR

+20bps
Per Annum
Average

>5%
CAGR

And a Simplified Organisation

**Rationalised
Combustible SKUs***

-30%

**Reduced
Business Units****

-40%

**Savings Delivered
12 months early****

£1.3bn

We delivered the Pivotal Year in 2021

Accelerating New
Category revenue
growth

51%

Revenue
growth*

Reducing New Category
losses**

c.£100m

Reduced
losses**

De-levered to c. 3x adj.
net debt/adj. EBITDA***

2.99x

Leverage

**Enabling more active capital allocation
Including £2bn Share Buyback in 2022**

We are now entering the next phase of our journey

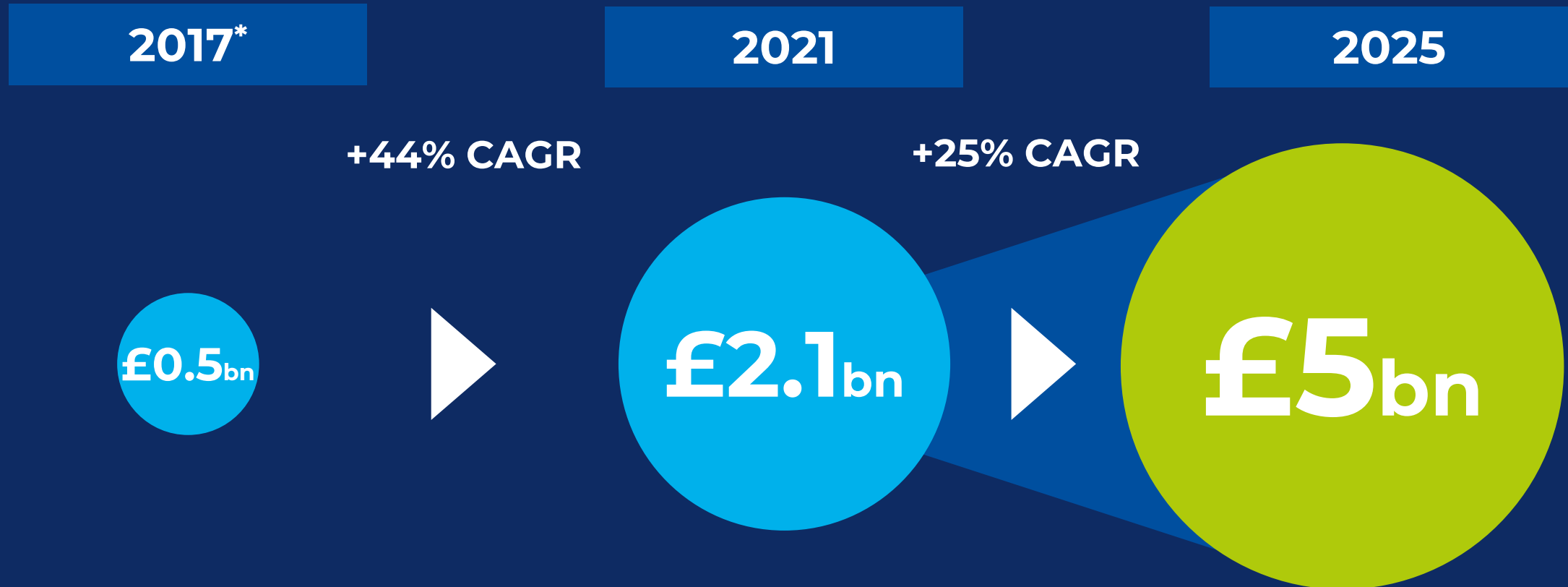
New Category revenue growth and consumer acquisition*

New Category contribution to profit growth**

Active capital allocation for long-term shareholder value

Faster Transformation

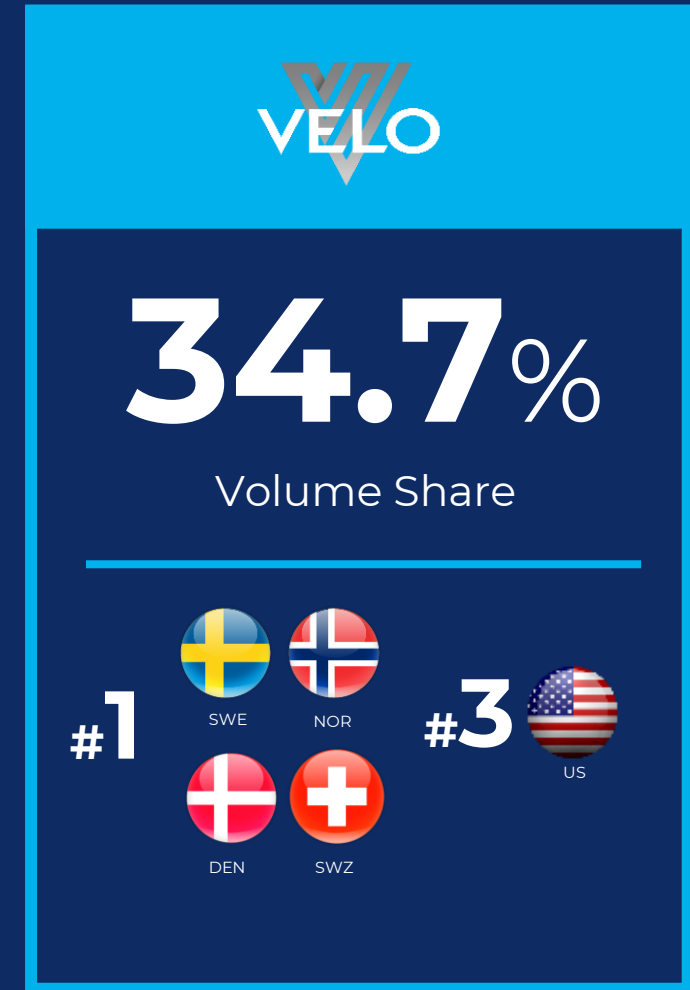
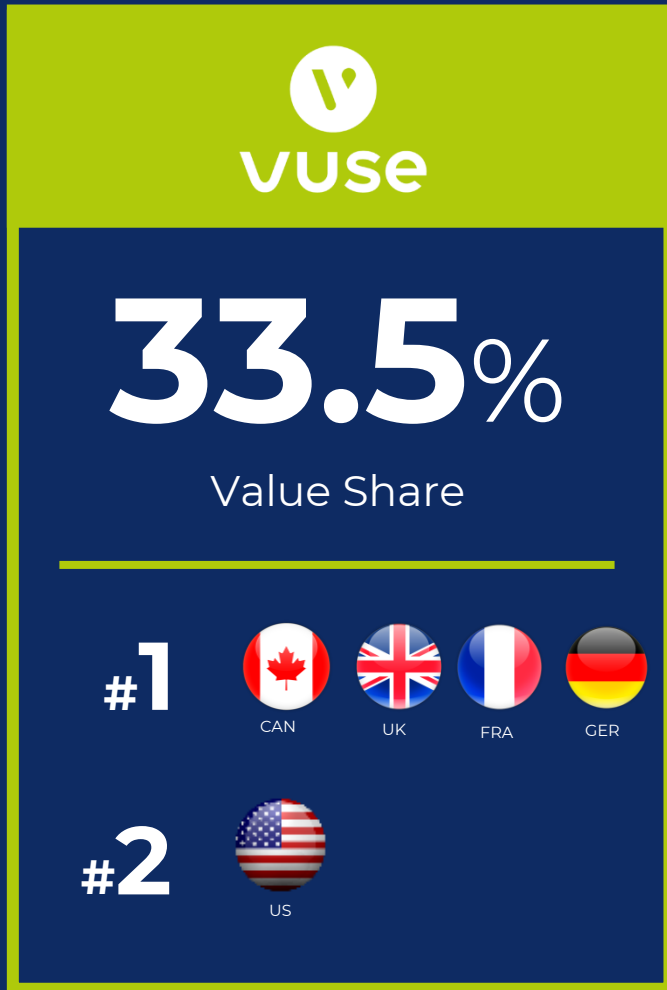
We are on track for £5bn New Category revenue and profitability by 2025



BAT New Category Revenue

* on a representative basis, including a full 12 months of results from US acquisition Reynolds.

Driven by strong share growth across our 3 Global Drive Brands



Share relates to FY21 share. Vapour value share and THP and Modern Oral volume share. Share definitions see Appendix A3. Vapour value share across T5 markets: US, Canada, UK, France, Germany. T5 represent c.75% of Vapour industry revenue (closed-system). Velo volume share across T5 Modern oral markets: US, Sweden, Denmark, Norway, Switzerland and now excludes Germany. glo volume share across T9 THP markets: Japan, South Korea, Russia, Italy, Germany, Romania, Ukraine, Poland and Czech Republic. T5 represent c.80% Modern Oral industry revenue. T9 represent c.80% of THP industry revenue. Velo brand represents over 50% of FY21 Modern Oral markets. Continue to migrate remaining EPOK, LYFT brands into H1 2022. Source: US (Vapour) - Marlin Total Vapour Value Share; Canada - Scan Data Total Vapour Value Share; UK - Nielsen Total Vype Vapour Value Share; France - Strator Total Vapour Value Share; Germany - Nielsen Total Vapour Value Share; US (MO) - Marlin Vol. Share of Total Modern Oral; Sweden - Nielsen Vol. Share of Total Oral; Denmark - Nielsen Vol. Share of Total Oral; Switzerland - Scan Data (excl. SPAR and Top CC) Vol. Share of Total Oral; Norway - Nielsen Vol. Share of Total Oral; Japan - CVS-BC Vol. Share of FMC+THP+Hybrid; Russia - National 2 QMA IMS (BAT+PMI) Vol. Share of FMC+THP; Italy, Ukraine, Czech, Poland and Germany - Nielsen Vol. Share of FMC+THP; Romania - Nielsen KA Vol. share of FMC+THP; South Korea - CVS Vol. Share of FMC+THP+Hybrid

Our transformation journey has accelerated

Non-Combustible products revenue %



SWE

2020

63%



JPN

42%



UK

28%



NOR

27%



US

13%



RUS

7%

2021

72%

47%

38%

33%

14%

14%

With additional opportunities Beyond Nicotine

Consumer Areas

BOOST



FOCUS



CALM



Btomorrow
Ventures

17 investments
closed to date

Target areas:



Health and
Wellness



Functional
Products – e.g.
Focus, Energize
& Relax



Science



Sustainability



Technology



Strategic
collaborations,
partnerships
and bolt-on M&A




- R&D collaboration
- Associate investment


Leveraging BAT DNA: Strengths & Capabilities


Addressing our core ESG challenges





Creating value for all our stakeholders

 50 million consumers of non-combustible* products by 2030

 £5bn New Category Revenue by 2025

 Carbon neutral Scopes 1 & 2 by 2030**

 Net zero value chain emissions by 2050**

 Eliminate unnecessary single-use plastic & all plastic packaging recyclable^ by 2025**

* Non-combustible consumer definition. See Appendix A6. ** Environmental targets, net zero across scopes 1, 2 and 3. See Appendix A5. ^ Capable of being reusable, recyclable or compostable.

Well on our way to building **A Better Tomorrow™**

Our Purpose

To reduce the health impact* of our business



Our Commitment

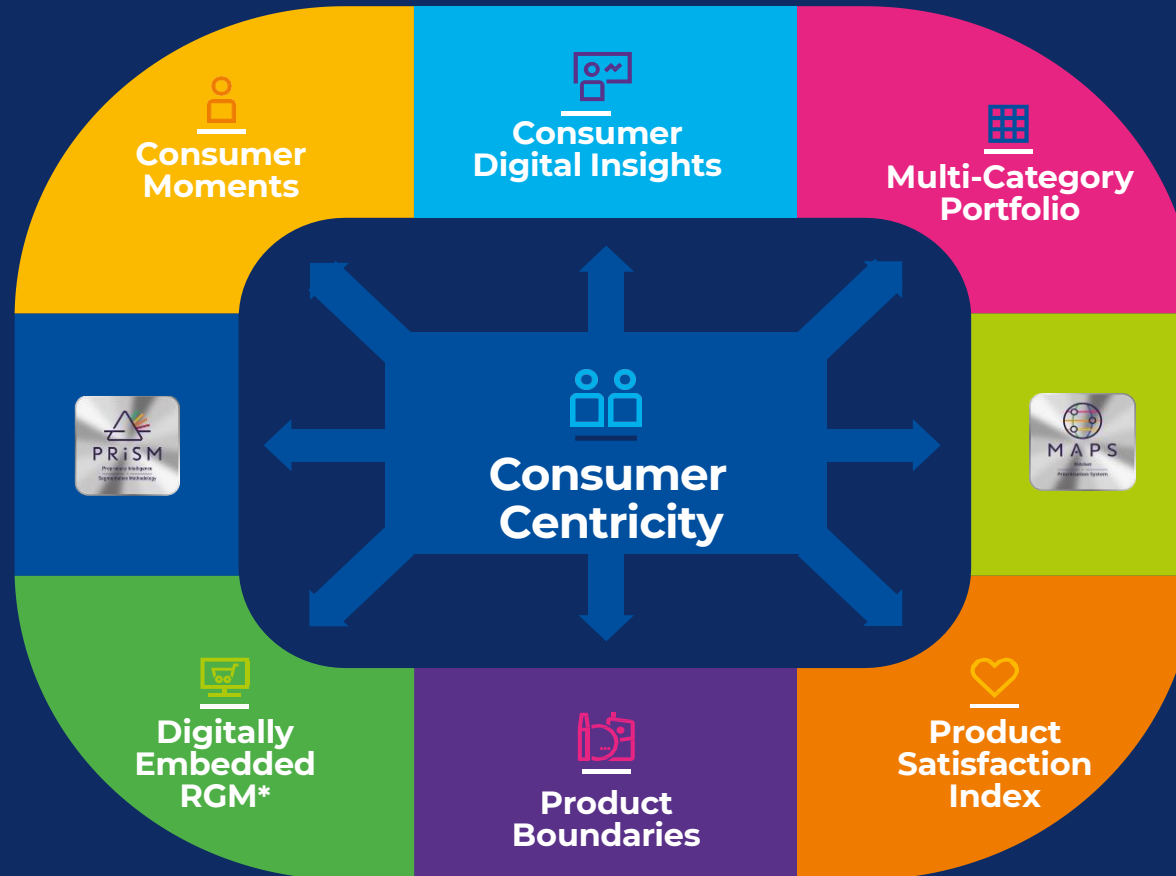
To provide adult consumers with a wide range of enjoyable and less risky products*

To encourage adult smokers to switch completely to scientifically-substantiated reduced-risk alternatives*

2

Strong brands and proven capabilities - Confident in our 2025 New Category targets

Our multi-category strategy is unique and delivering



Consumer-Centric Multi-Category model

And offers the greatest opportunity to deliver tobacco harm reduction



Maximises ability to switch smokers, deliver harm reduction and create value

Based on a deep understanding of consumer needs

Primary drivers
c.70%

1 IDENTITY

- Premium / Status
- Modern / Style
- Innovation / Progression



2 SATISFACTION

- Authentic Tobacco Taste / Balance
- Engaging & Familiar Ritual
- Nicotine Satisfaction



3 REDUCED RISK*

- Reduced harm to Self
- Personal Hygiene
- Social Consideration



Secondary drivers
c.30%

4 AFFORDABILITY

- Relative Affordability vs FMC
- Out of Pocket & Total Spend



5 FLAVOUR EXPLORATION

- Flavour Range & Likeability
- Experimentation by adult nicotine consumers
- Satisfying Taste



6 CONVENIENCE

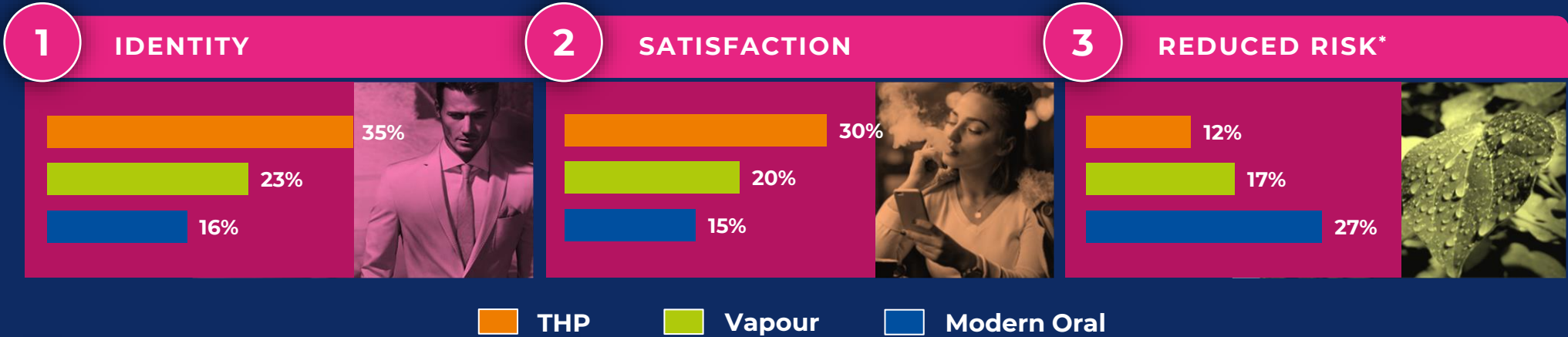
- Simplicity / Ease of Use
- Conveniently Accessible



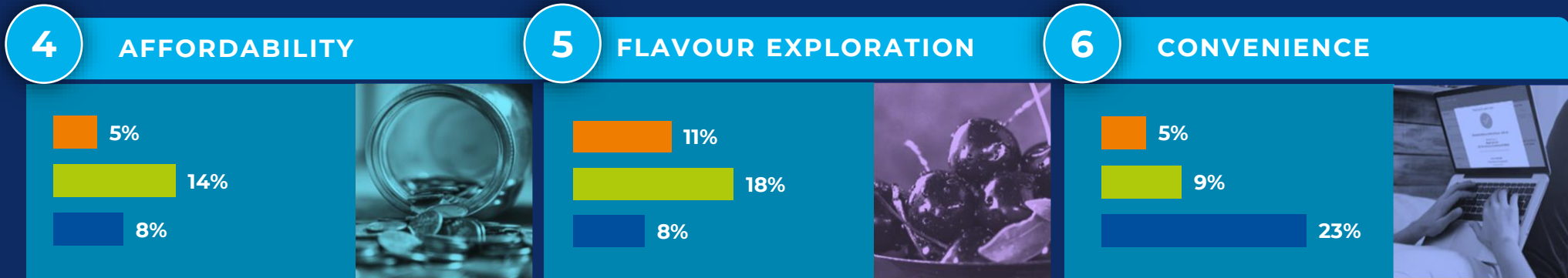
6 Drivers of New Category Conversion

Which vary by category

**Primary drivers
c.70%**



**Secondary drivers
c.30%**



6 Drivers of New Category Conversion

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

We have built three Global Drive Brands



vuse

PLANET OF COLOURS
Unlock breathtaking locations around the world
Find yours at vuse.com/su

VUSE CHARGE BEYOND
This product contains nicotine and addictive. 18+ only. Read leaflet in pack.

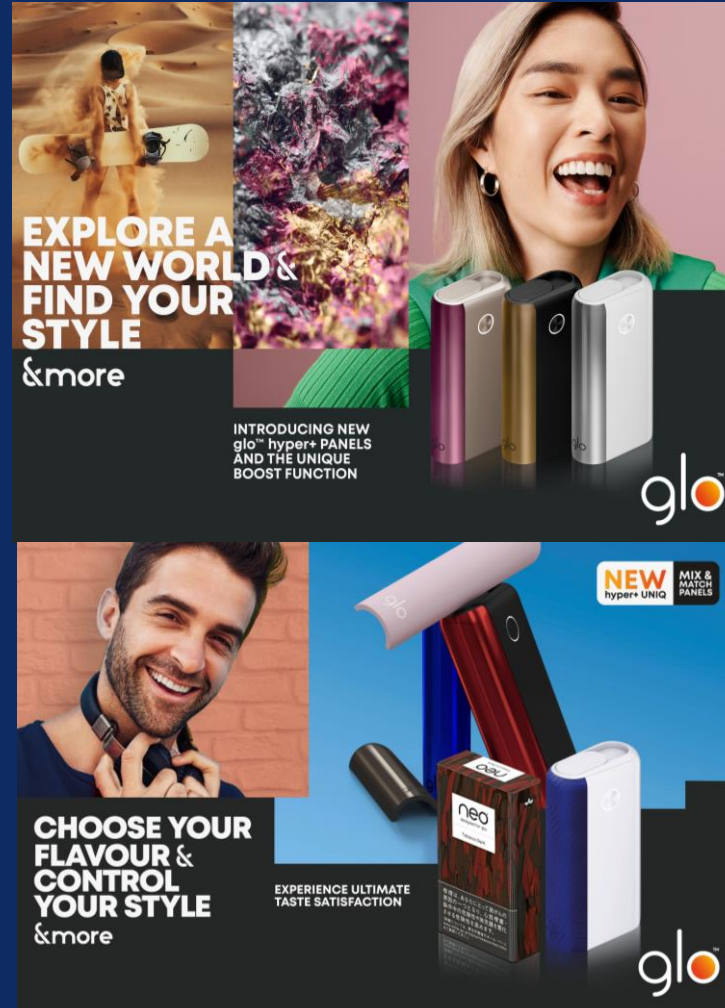
vuse

VUSE ZERO

THE ART OF FOREST MINT FLAVOUR

vuse

DRIVEN BY CHANGE



EXPLORE A NEW WORLD & FIND YOUR STYLE &more

INTRODUCING NEW glo™ hyper+ PANELS AND THE UNIQUE BOOST FUNCTION

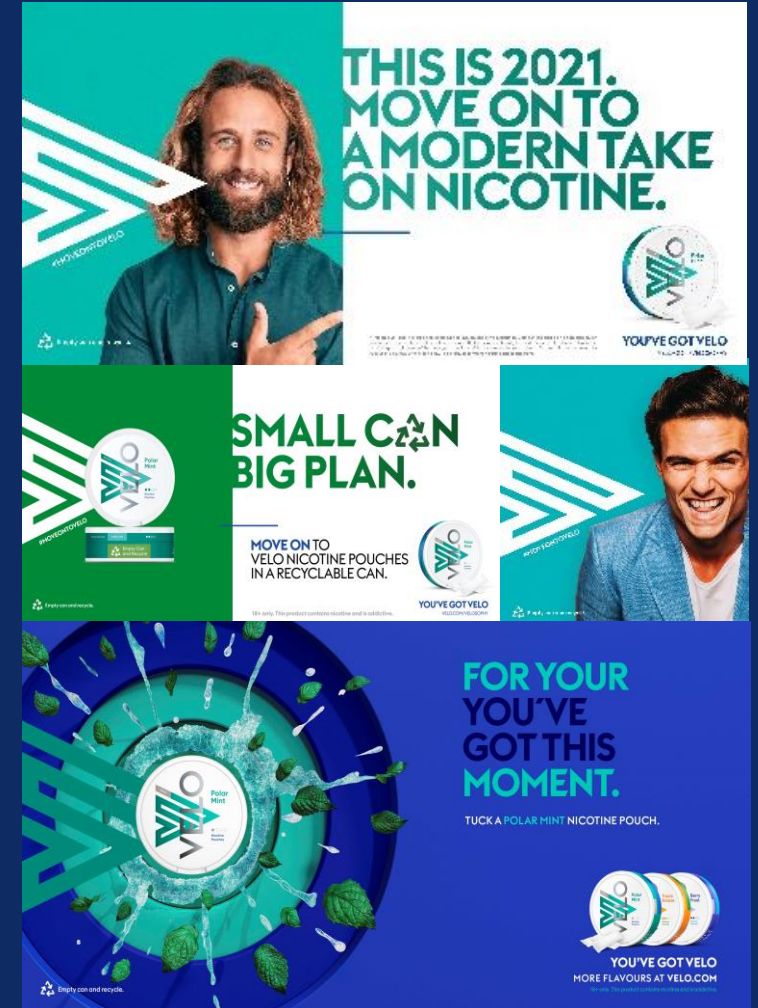
glo

NEW hyper+ UNIQ MIX & MATCH PANELS

CHOOSE YOUR FLAVOUR & CONTROL YOUR STYLE &more

EXPERIENCE ULTIMATE TASTE SATISFACTION

glo



THIS IS 2021. MOVE ON TO A MODERN TAKE ON NICOTINE.

YOU'VE GOT VELO

SMALL CAN BIG PLAN.

MOVE ON TO VELO NICOTINE POUCHES IN A RECYCLABLE CAN.

YOU'VE GOT VELO

FOR YOUR YOU'VE GOT THIS MOMENT.

TUCK A POLAR MINT NICOTINE POUCH.

YOU'VE GOT VELO MORE FLAVOURS AT VELO.COM
18+ only. Read pack contents and leaflet in pack.

We are embedding ESG in our brands









vuse

Focus areas

 <p>GREENER PACKAGING</p> 	 <p>OPTIMISE PRODUCT DESIGN</p> 
 <p>POD RECYCLING</p> 	 <p>REDUCE CARBON</p> 

glo

Focus areas

 <p>GREENER PACKAGING</p> 	 <p>GREENER CONSUMABLE</p> 
 <p>DEVICE TAKE BACK SCHEME</p> 	 <p>REDUCE CARBON</p> 

VELO

Focus areas

 <p>GREENER PACKAGING</p> 	 <p>RECYCLED PLASTIC</p> 
 <p>GREENER POUCH</p> 	 <p>REDUCE CARBON</p> 

And driving ESG throughout the business

Excellence in **ENVIRONMENTAL** management

Carbon-smart farming programme

focused on reducing emissions¹

35% of sites with zero waste to landfill

in our operations²

Delivering a positive **SOCIAL** impact

>350,000 human rights training attendances

delivered in our leaf operations³

96% of farmers also growing non-tobacco crops

for food or additional
sources of income⁴

Robust **GOVERNANCE**

Launched new training on IMP and YAP compliance

across digital and social channels⁵

100% of employees completed annual SoBC training and compliance sign-off⁶

¹ Programme focused on reducing emissions from tobacco farming and leveraging the positive effect agriculture could have in removing carbon from the atmosphere. ² Whenever a site reports all waste as recycled, or incinerated with or without energy recovery, and no waste sent to landfill, it is considered being at site at zero waste to landfill. ³ Delivered by leaf operations and strategic third party suppliers. ⁴ Reported diversification of farmers contracted to BAT and our strategic third-party suppliers. ⁵ iCommit training on applying our IMP and YAP guidelines across digital channels being rolled out to all Group employees, with 100% completion by senior leaders during initial phase. ⁶ SoBC stands for our Standards of Business Conduct.

With further strong ESG recognition

MSCI BBB

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

SUSTAINALYTICS **26.8**

REFINITIV **91** /100

CDP
SUPPLIER ENGAGEMENT LEADER
2021

SEAL
AWARD WINNER
2021

SOCIAL QUALITYSCORE **1**
HIGHEST RANKED BY ISS ESG

FT CLIMATE LEADERS **2021**
FINANCIAL TIMES
statista

top EMPLOYER GLOBAL 2022
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

BEST PLACES TO WORK **2021** for LGBTQ Equality
HUMAN RIGHTS CAMPAIGN FOUNDATION
100% CORPORATE EQUALITY INDEX

Sustainability Award Gold Class 2022
S&P Global

Gartner Supply Chain Top 20

NUE AWARDS
Top Medium-sized Undergraduate Scheme
WINNER 2021

20th consecutive year of DJSI inclusion

Extensive Scientific Substantiation supports our products as Reduced Risk*



Emissions : - 99%¹

Toxicology : - 99%¹

Our data is published in 81 peer-reviewed manuscripts



Emissions : - 90% to - 95%²

Toxicology : - 95%²

Our data is published in 75 peer-reviewed manuscripts



>30 yrs of studies show Snus is much less risky than smoking

Toxicology : even less harmful than Snus³

We believe **Modern Oral** products are **reduced risk** as toxicant levels are lower than in snus*

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive. 1. ePod and ePen3 compared to a reference cigarette. 2 Compared to a reference cigarette. 3. Approximate reduction. Comparison based on an assessment of smoke from a scientific standard reference cigarette (approximately 9mg tar) and components released during use of a commercial Snus pouch and a Velo pouch, in terms of the average of the 9 harmful components the World Health Organization recommends to reduce in cigarette smoke.

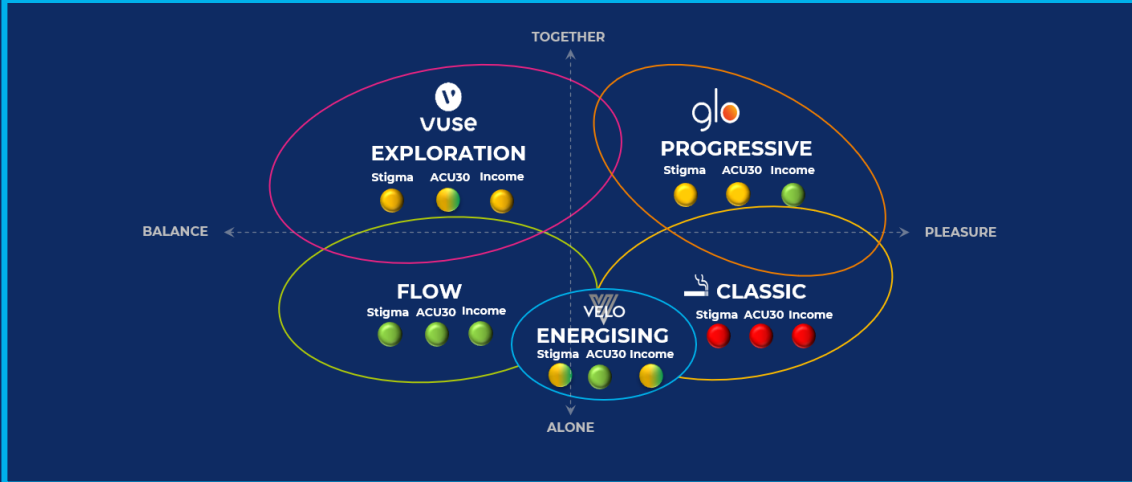
Governments and institutions are recognising the role of THR and responsible regulation



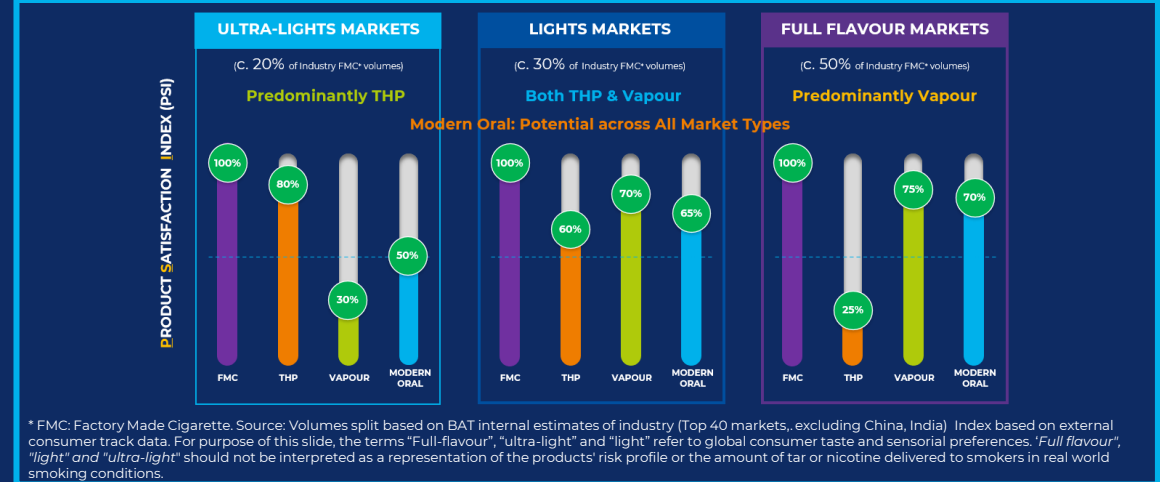
Public Health England became the UK Health Security Agency and Office for Health Improvement and Disparities in 2021.

We are leveraging our strengths to accelerate our transformation

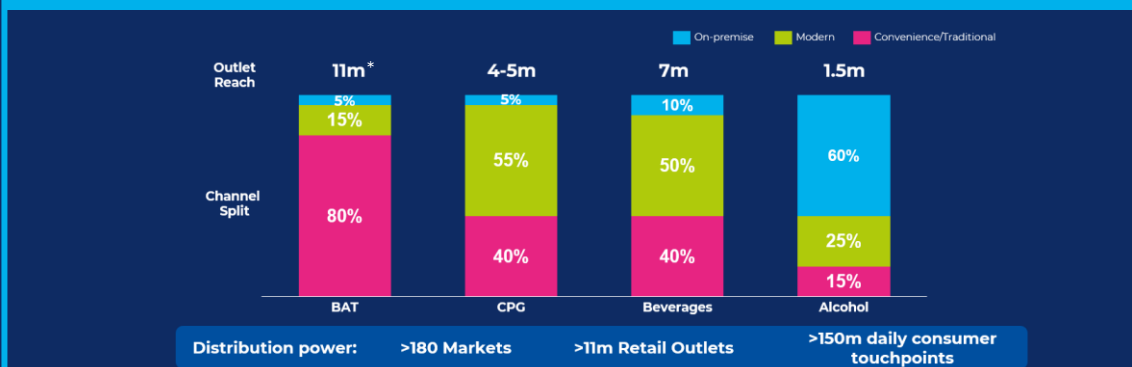
Deep Consumer Insights – One Size Does Not Fit All



Unique Multi-Category Portfolio



Unrivalled Outlet Reach



Note: Company share of retail sales estimated based on category channel breakdown; for 2020 where available, otherwise 2019; numbers rounded for simplicity Channel classification: On-premise includes Bars, Restaurants, Hotels. Modern includes Super/Hypermarkets, Other Grocers, Discounters, Drug, Mixed Retailers (e.g. department stores). Convenience includes Convenience (traditional/convenience), Forecourt, Food/Drink/Tobacco Specialists, Independent Grocers. Source: Euromonitor, company financials; desk research; BCG analysis *140 markets representing c. 90% group revenue.

Our People Delivering the Enterprise of the Future

New Capabilities	Bold & Empowered	Stronger, Simpler, Faster
<ul style="list-style-type: none"> D2C e-commerce Revenue Growth Design & Product Consumer Analytics 	<ul style="list-style-type: none"> LEADER IN DIVERSITY 2021 BEST PLACE TO WORK FOR LGBTQ+ Equality TOP EMPLOYER GLOBAL 2022 YOUR VOICE 	
<p>Accelerating transformation</p> <ul style="list-style-type: none"> > 1,000+ management hires bringing new capabilities > Learning and development at speed and scale via 100% virtual delivery 	<p>Purpose driven organisation</p> <ul style="list-style-type: none"> > With new Ethos and leadership capability > 80+ awards and certifications 	<p>Digitally enabled workforce</p> <ul style="list-style-type: none"> > Simpler, faster organisation > Connected and empowered workforce

BOLD **FAST** **DIVERSE**

Leveraging Digital Capabilities

3.4bn

Potential media reach from Strategic partnerships


#1 in 
Branded search traffic
 across T5* for Vuse

+600m

Increase in adult social followers 


14.2m

Contactable Adult New Category Consumers 

64m
 Total own e-comm visits** 



X3 Profitability
 v Traditional retail*** 

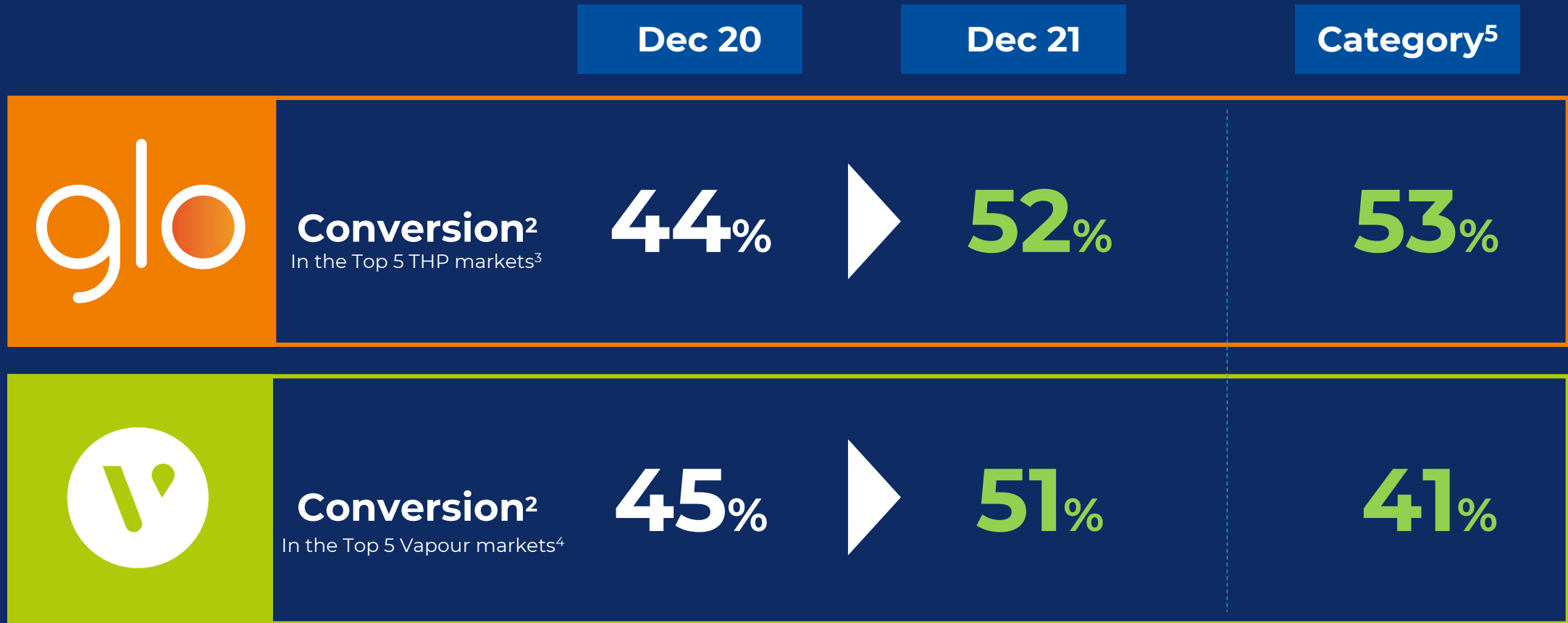
+42%
 Active subscribers
 40% of Vuse own e-comm revenue 

+26%
 Strategic own e-comm revenue^ 

Growth based on 2021 versus 2020. * T5 markets: US, CAN, UK, FRA and GER. ** BAT Owned eComm. *** Based on consumer lifetime estimates. ^ Strategic revenue relates to the revenue from the Group's strategic brands. 72% Excluding the regulatory impacts beyond our control, which limited our ability to operate – (US Pact Act, RU ban on online advertising and consumables sales, JP promo & excise changes).

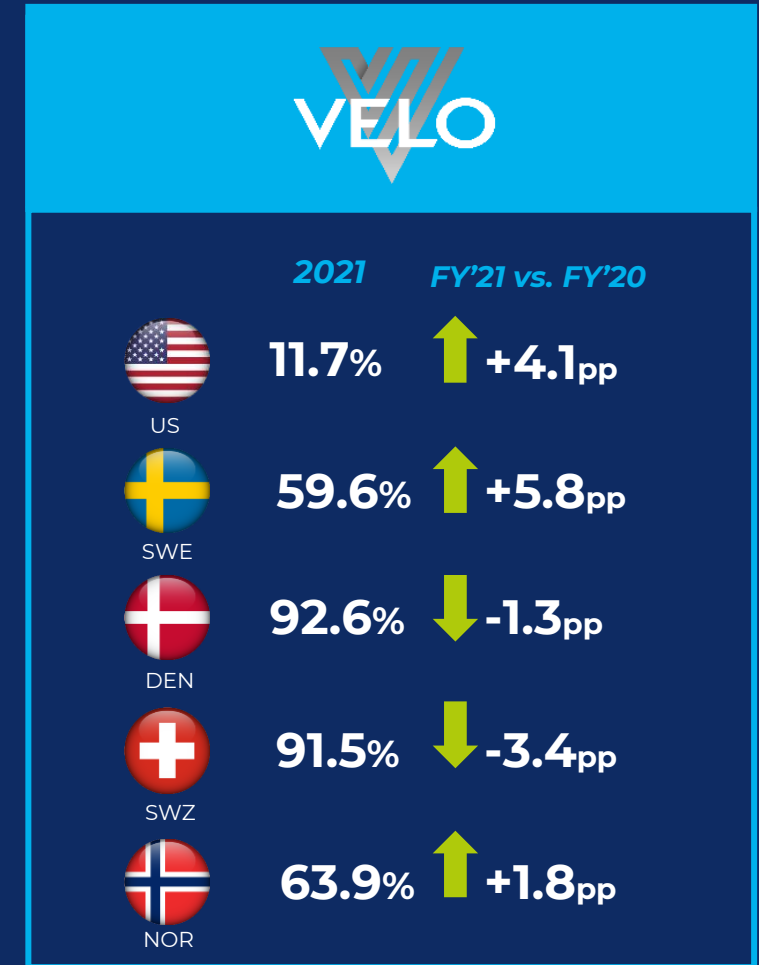
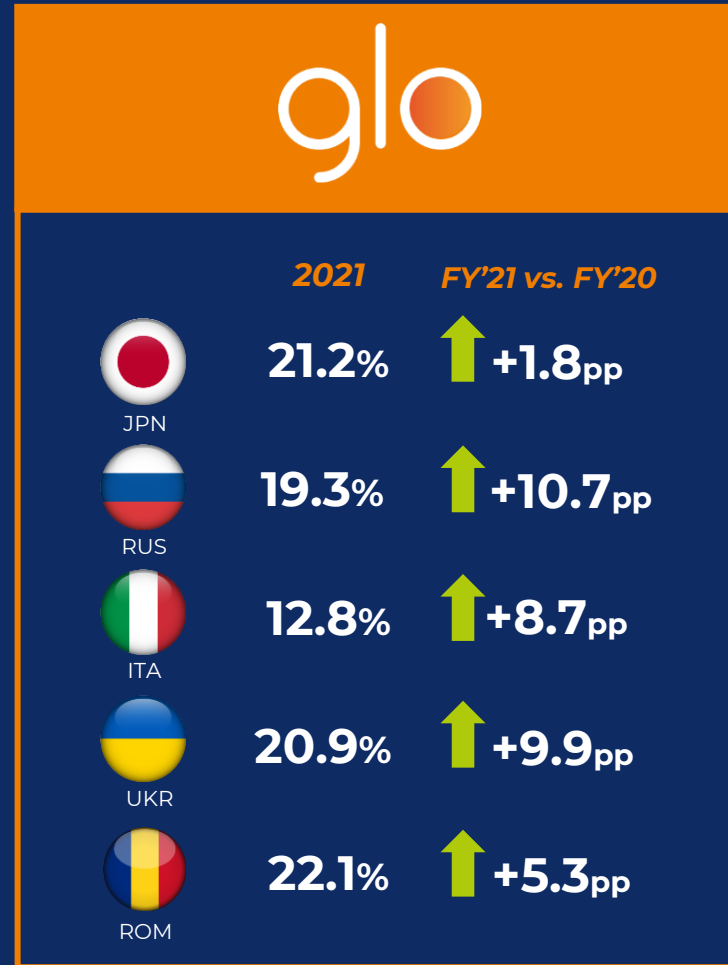
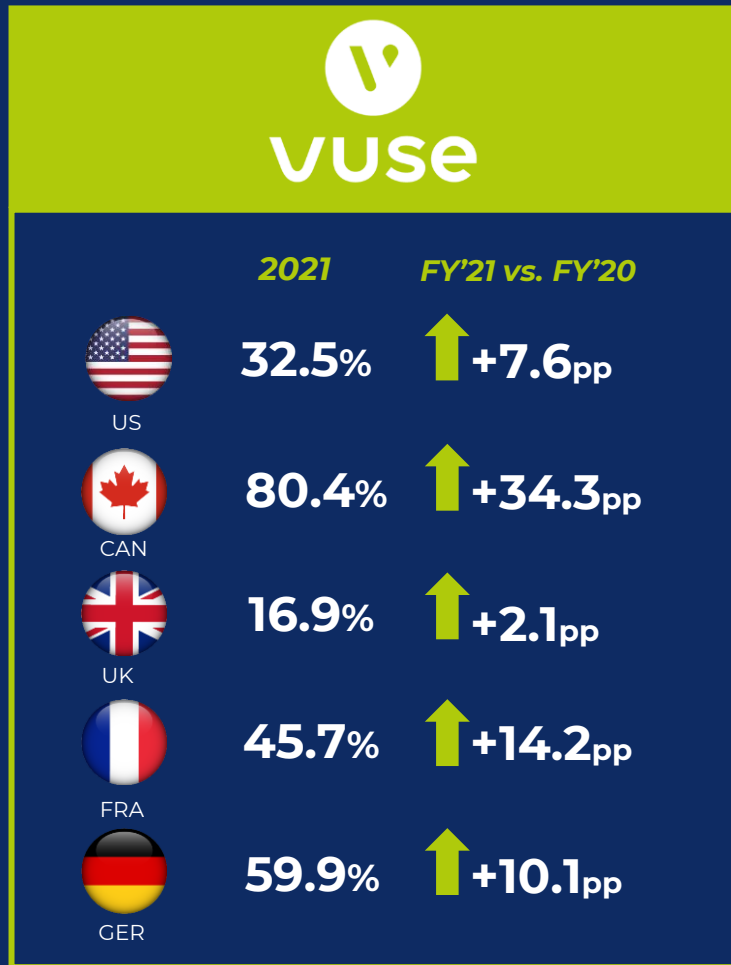
And strong products are driving improved conversion rates

BAT's active consumers who have stopped regular smoking¹



Source: Monthly Kantar tracker data. 1 Active Consumers – use New Category product at least once a week. 2 “Converted Smokers” - % of active consumers who do not consume Combustibles. Here, “smokers” are defined as daily combustible consumers as per standard BAT definition. 3 Top 5 markets THP markets refer to: Japan, Russia, Ukraine, Italy, South Korea. 4 Top 5 Vapour markets refer to: USA, Canada, UK, France and Germany. 5 Category refers to peer conversion scores weighted by volume across top 5 markets.

This is driving strong share* growth across all 3 Categories



See Appendix A3 for share definitions. * Value share for vapour. Volume share for THP and Modern Oral. Source: 1 US (Vapour) - Marlin Total Vapour Value Share; 2 Canada - Scan Data Total Vapour Value Share; 3 UK - Nielsen Total Vape Vapour Value Share; 4 France - Strator Total Vapour Value Share; 5 Germany - Nielsen Total Vapour Value Share; 6 US (MO) - Marlin Vol. Share of Total Modern Oral; 7 Sweden - Nielsen Vol. Share of Total Modern Oral; 8 Denmark - Nielsen Vol. Share of Total Modern Oral; 9 Switzerland - Scan Data (excl SPAR and Top CC) Vol. Share of Total Modern Oral; 10 Norway - Nielsen Vol. Share of Total Modern Oral; 11 Japan - CVS-BC Vol. Share of THP+Hybrid; 12 Russia - National 2 QMA IMS (BAT+PMI) Vol. Share of THP; 13 Italy - Nielsen Vol. Share of THP; 14 Ukraine - Nielsen Vol. Share of THP; 15 ; Romania - Nielsen KA Vol. share of THP

And successfully prioritising our investments



1 Consumer & Commercial Opportunity

2 Product Satisfaction Index (PSI)

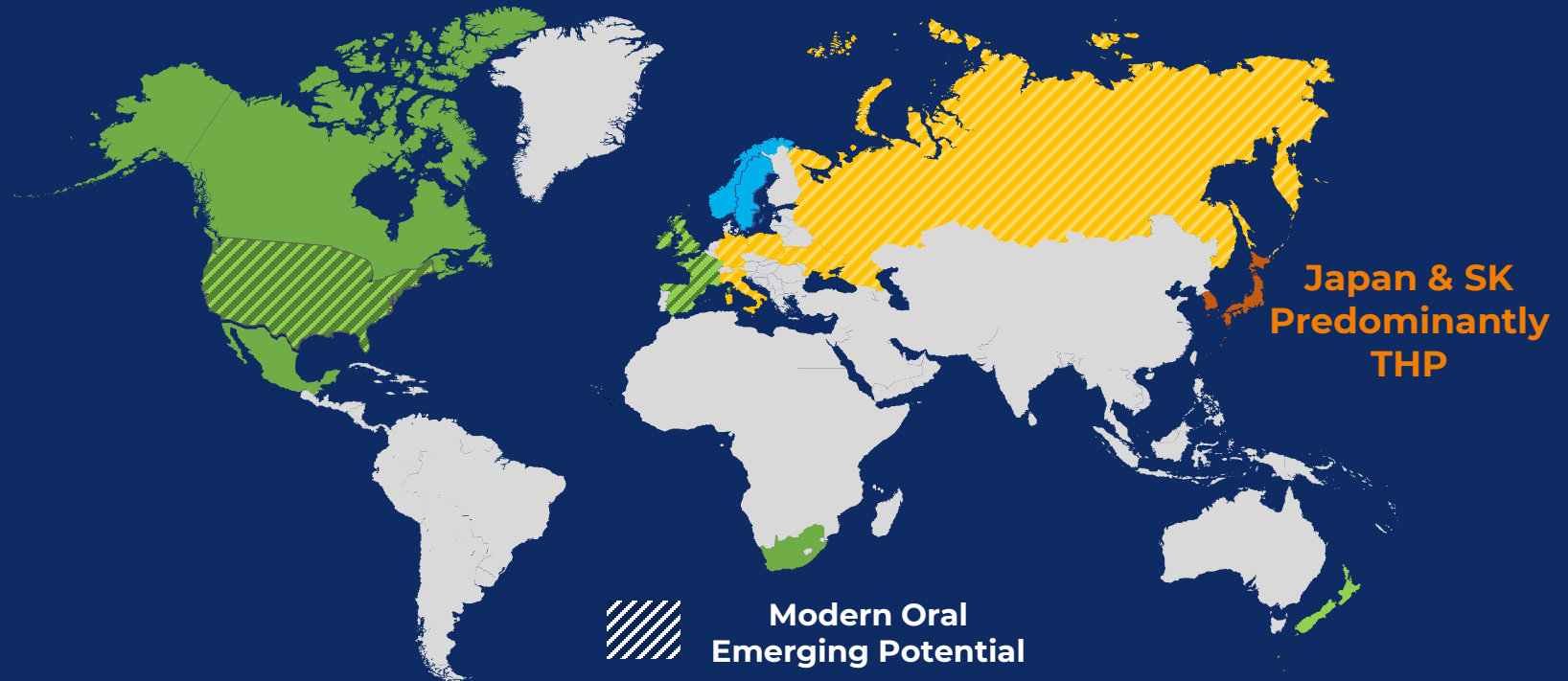
3 Regulatory & Tax/Excise Environment

4 Distribution & Channel Landscape

N. America & W. Europe
Predominantly Vapour

Northern Europe
Oral

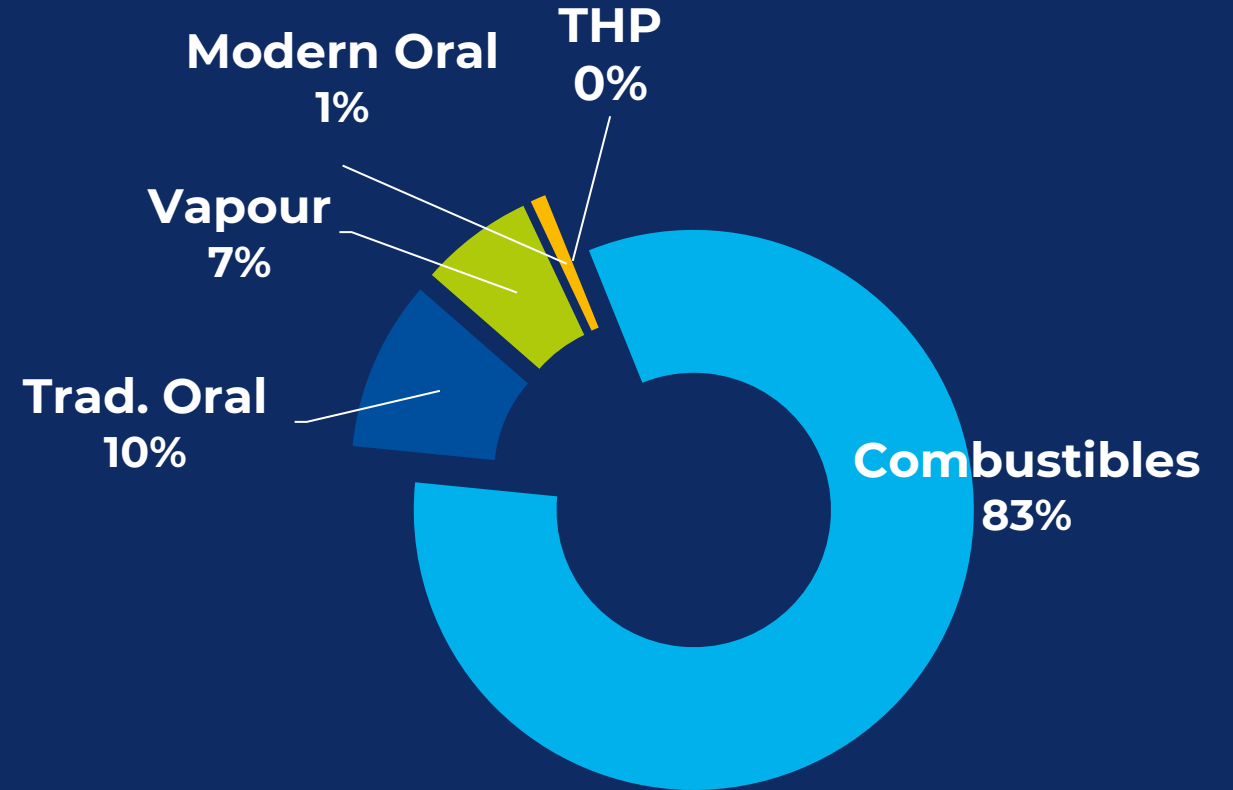
Central & Eastern Europe
Mixed Usage*





In the US, the focus is vapour

- Large pool of adult nicotine consumers
- Vapour is the largest New Category
- Vapour is expected to be the key driver of New Category value growth over next 5 years*



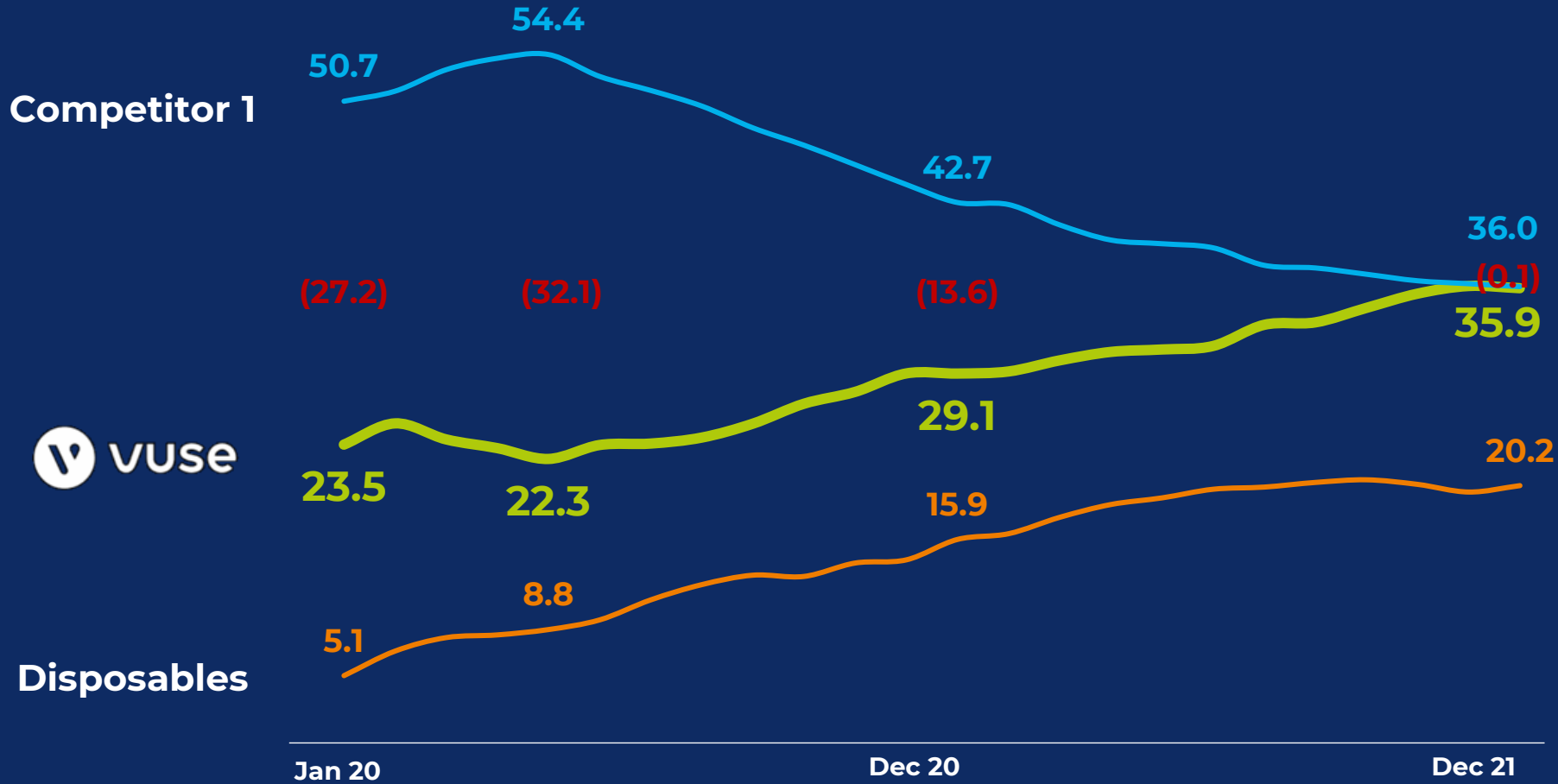
US Industry Nicotine value* by Category

Vapour offers the greatest opportunity to transition US smokers to reduced-risk products**

* Estimates based on company data. Tracker FY 2021 21+ ** Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.



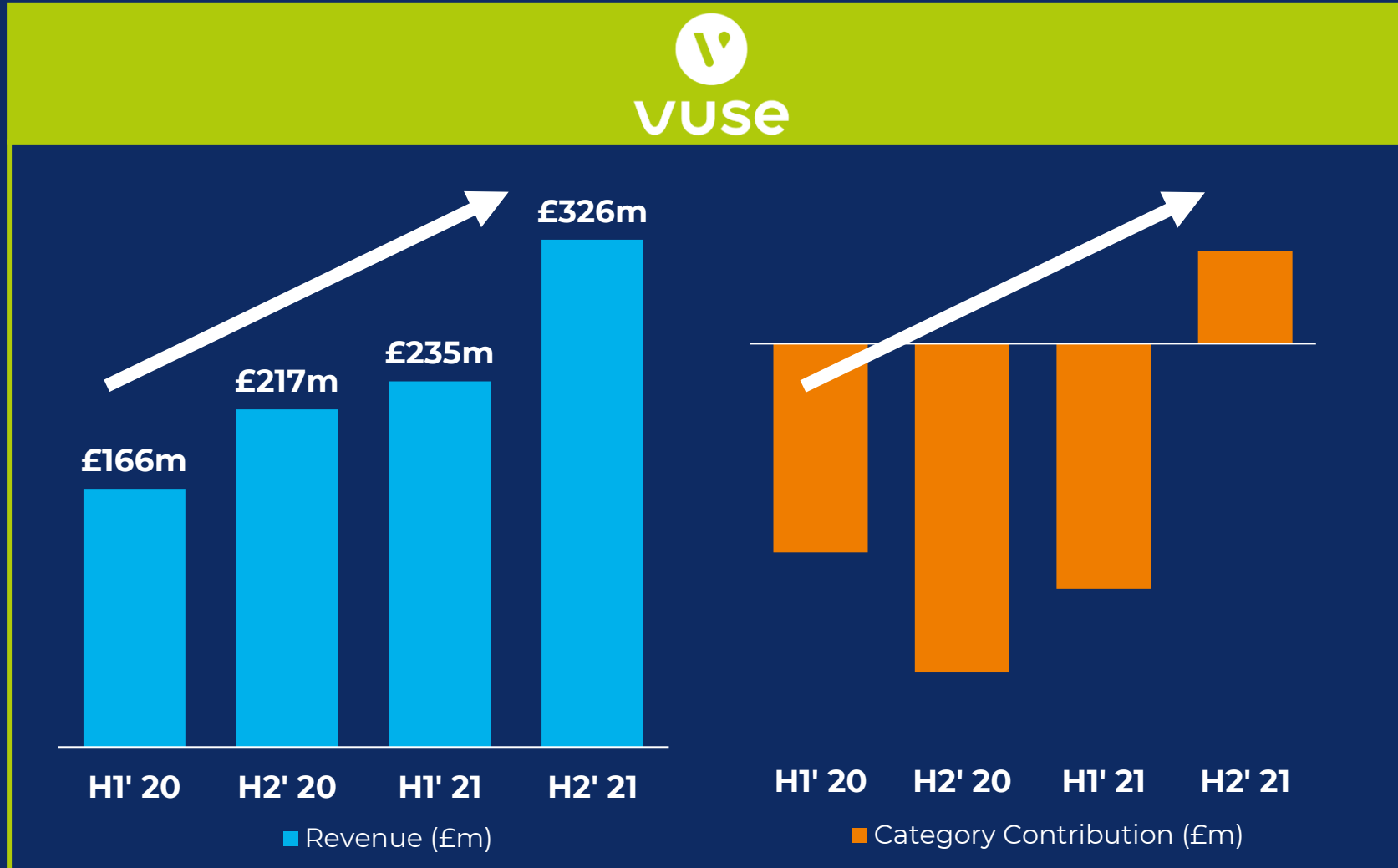
Vuse has closed a 27 percentage point share gap in just 2 years



+7.6 ppts
Value share growth
FY21 V FY20



Whilst also achieving profitability* in H2 2021



50% Revenue CAGR

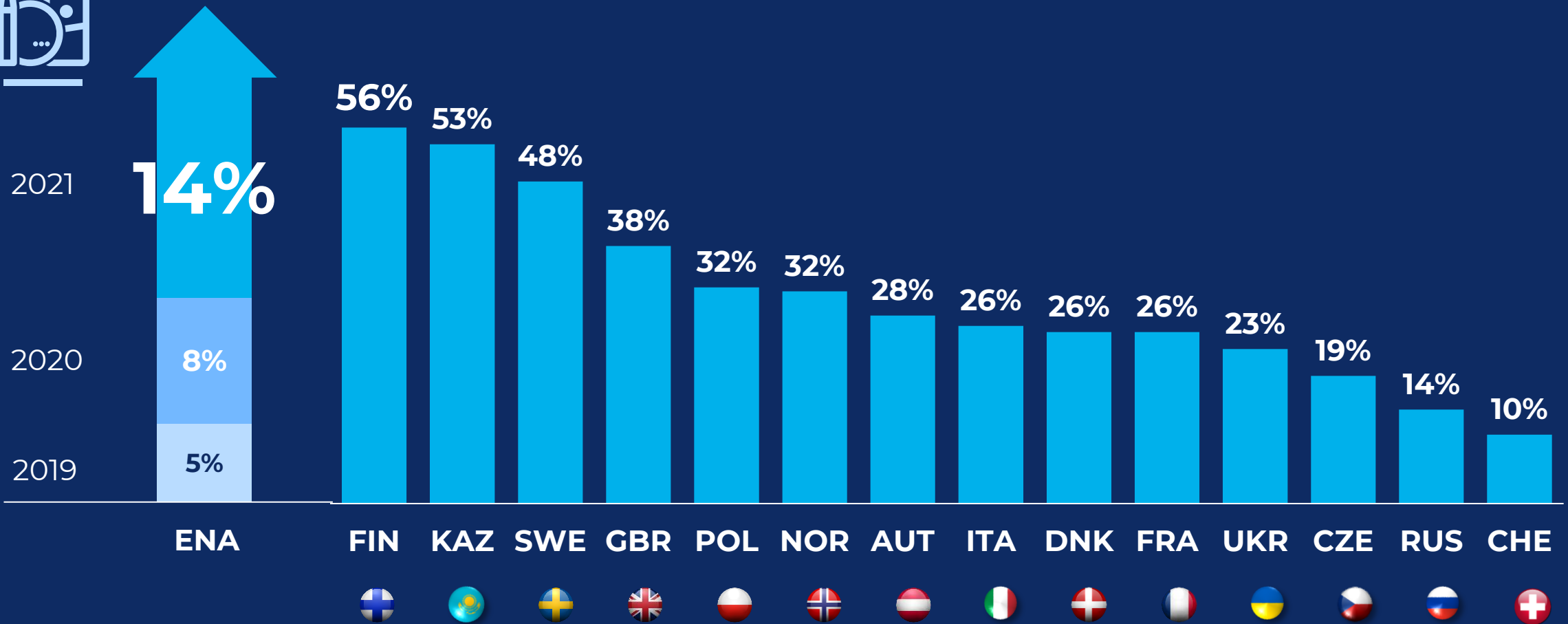
Profitable in H2 2021

Source: Company data. * New Category Profitability at category contribution level: Profit from the sales of brands after deduction of directly attributable costs (including marketing) and before allocation of overheads.

The transformation is happening in ENA

2021 New Categories Revenue as % of Total Revenue

(Selected markets account for >90% of ENA New Category Revenue)



Note: % Revenue by market FY2021

Vuse – Value share leader in ENA

Vuse #1 Brand in 7 markets*



UK FRA GER BEL SWZ DEN CZE



Upgraded & Optimised Portfolio



99% Retention Achieved in Priority Markets**



12 E-Comm & 14 Social Media Platforms on Vuse



Improved Consumer Experience & Exclusive Digital Services

14 markets migrated from Vype to Vuse in 6 months

* Value share of total vapour (closed systems) FY 2021. ** Priority markets refer to Vapour Top 5 markets, 3 of which are in ENA: UK, France and Germany

glo – Step change with Hyper in ENA

Step change in THP
Performance with
Hyper Launch

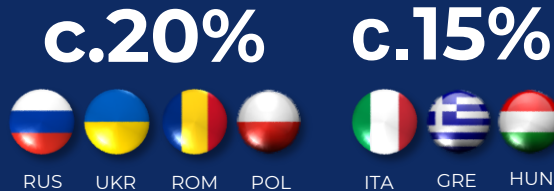
c.10bn sticks
in 2021

+195%
vs FY20

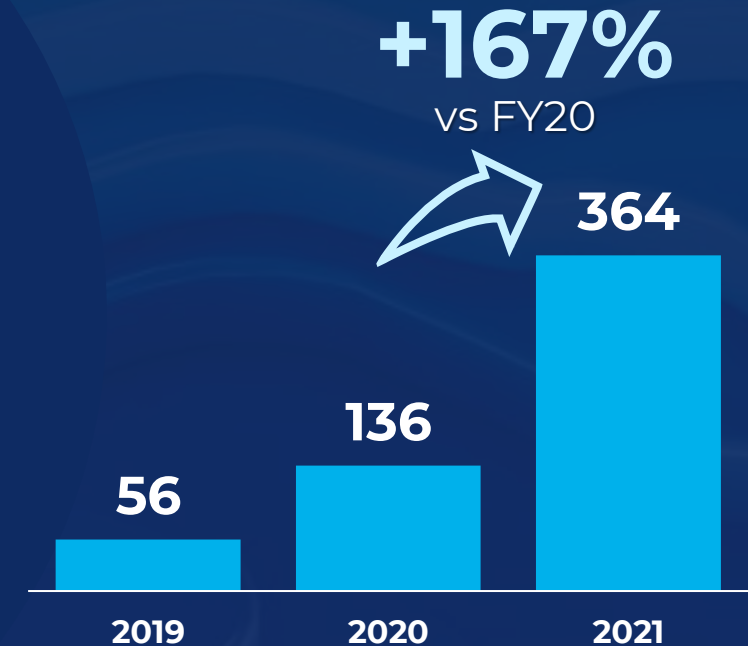
glo national volume share of
total nicotine* market



glo national volume share of
THP category



glo Revenue** £m

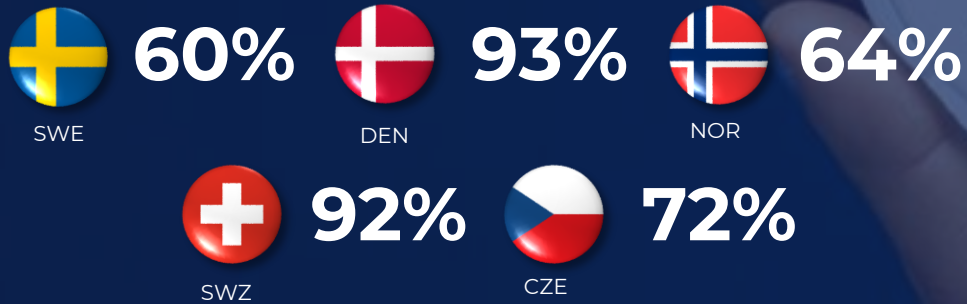


* FMC + THP market Note: Source for market/segment share data is Retail Audit (RA) in measured channels; where RA is not available share estimates are based on In Market Sales (IMS) or scanning data. See Appendix A3 for Volume share definition. **2021 revenue at constant rates. See Appendix A2.

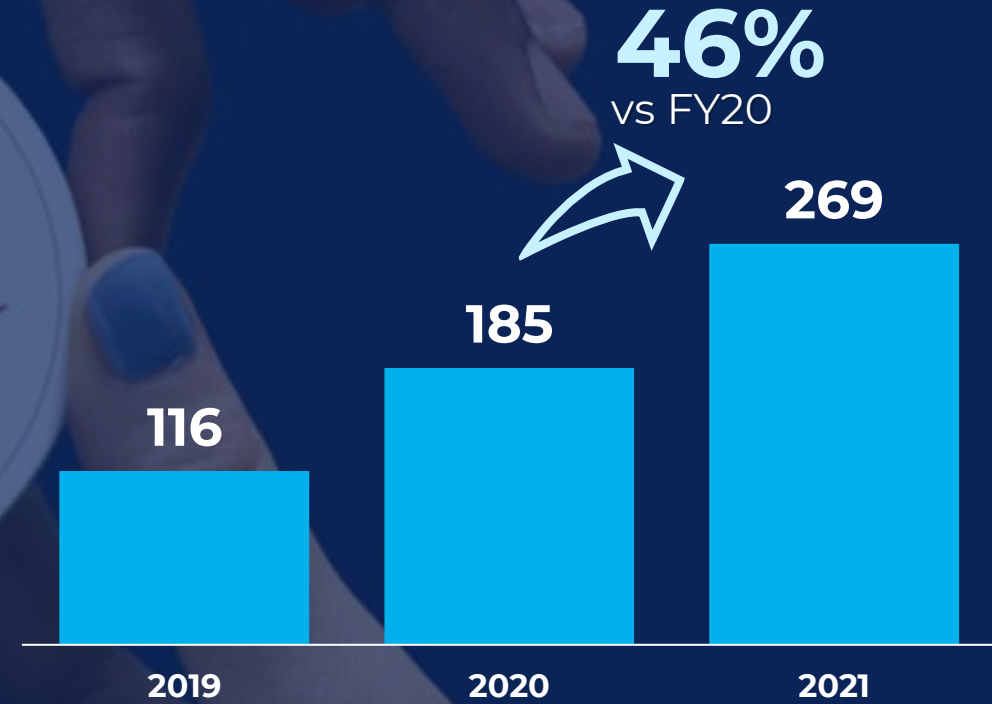
Velo – the clear category leader in ENA

BAT has leadership position in
15 of 17
 ENA markets

BAT 2021 volume share of Modern Oral
 in key markets

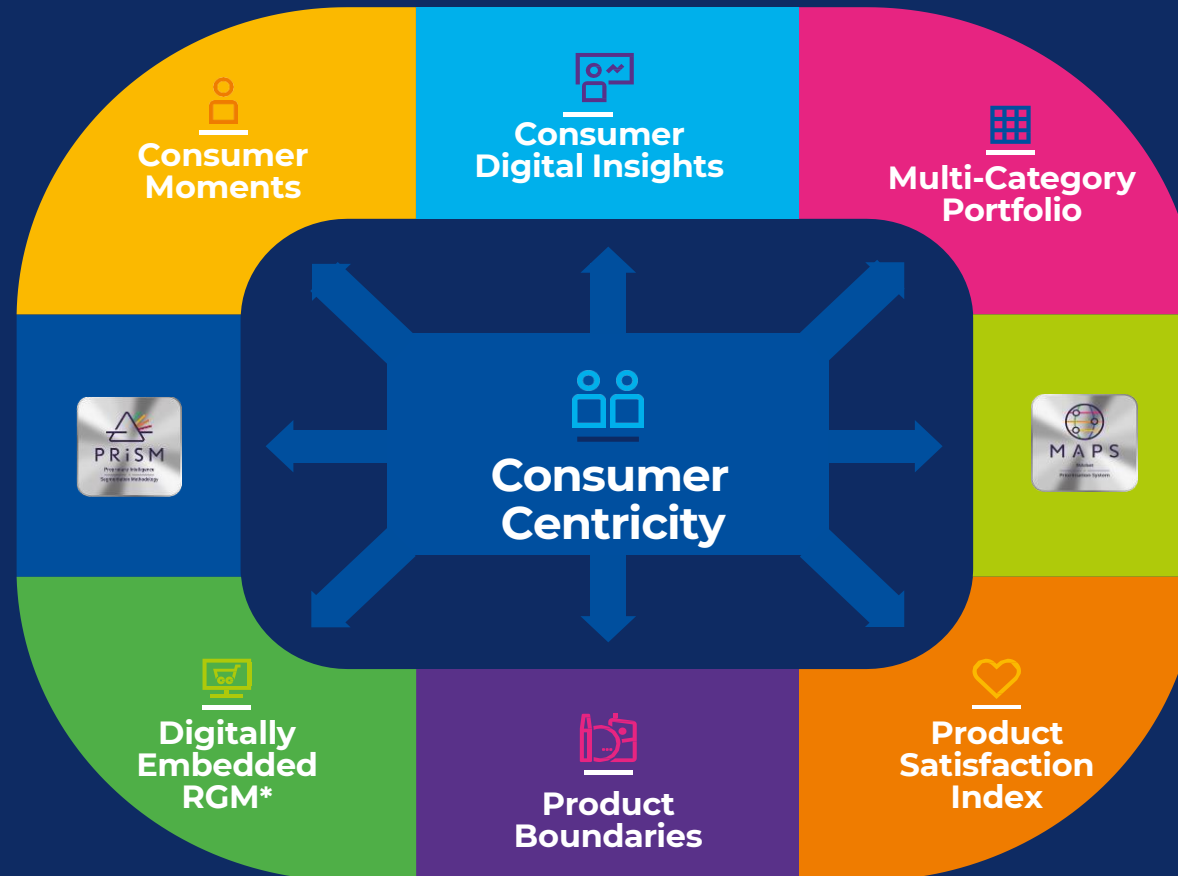


Velo Revenue* £m



Note: Source for market/segment share data is Retail Audit (RA) in measured channels; where RA is not available share estimates are based on In Market Sales (IMS) or scanning data. See Appendix A3 for Volume share definition.
 *Revenue at constant rates. See Appendix A2. Includes EPOK/LYFT brands in ENA. Velo brand represents over 50% of FY21 Modern Oral markets. Continue to migrate remaining EPOK, LYFT brands into H1 2022.

Our multi-category strategy is driving our transformation



Consumer-Centric Multi-Category model

3

**Committed to shareholder
returns through financial
discipline & strong cash flow**



In summary we have delivered our Pivotal Year in 2021

Accelerating New Category revenue growth

- **51% Revenue growth***
- **+4.8m Consumers of our non-combustible products to 18.3m**
- **Strong share growth****

Improving New Category profitability

- **c.£100m reduction in New Category losses*****
- **Driven by increased scale**
- **Clear pathway to 2025 profitability**

De-levered to c. 3x adj. net debt/ adj. EBITDA[^]

- **104% Operating cash conversion**
- **De-levered to c.3x[^]**
- **£2bn 2022 share buyback**

Delivering robust results alongside our transformation



Together with c.£100m reduced losses* from New Categories driven by growing scale

Improved Trade Margin**	<ul style="list-style-type: none">• Vuse Trade Margins improved by 31%
Reduced Cost of Goods	<ul style="list-style-type: none">• Further scale benefits• c.£220m productivity savings*** delivered in 2021• Vuse Cost of Goods reduced by 22% driven by automation
Marketing Spend Effectiveness (MSE)	<ul style="list-style-type: none">• Revenue Growth Management• Leveraging big data analytics• Consumer acquisition cost reduction<ul style="list-style-type: none">• Vuse 47% improvement• glo 25% improvement• Velo 28% improvement

Clear Pathway to Profitability by 2025*

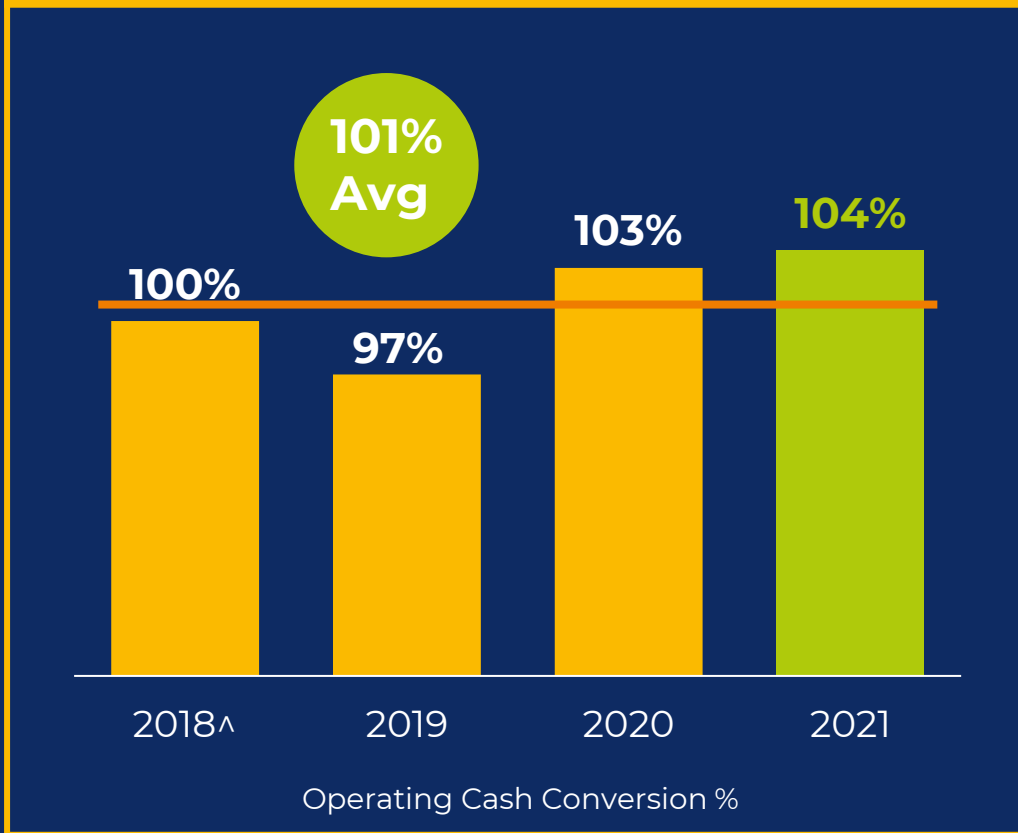
Quest: Delivering the Enterprise of the Future



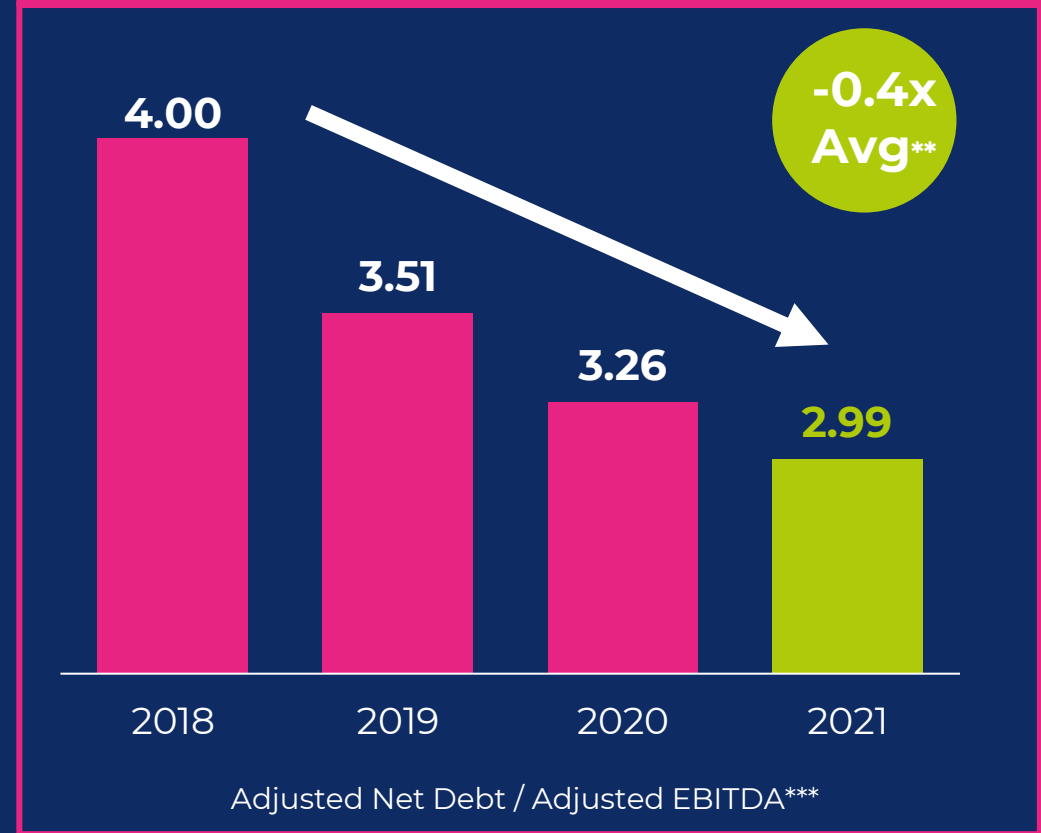
* Original flavour. ** Carbon Neutrality across our operations. Scopes 1&2. Net Zero across our value chain: Scopes 1, 2 and 3. Environmental targets. See Appendix A5. *** Constant rate growth FY21 v FY20. See Appendix A2. ^FY21 growth versus FY20.

We have successfully de-levered driven by strong cash flow

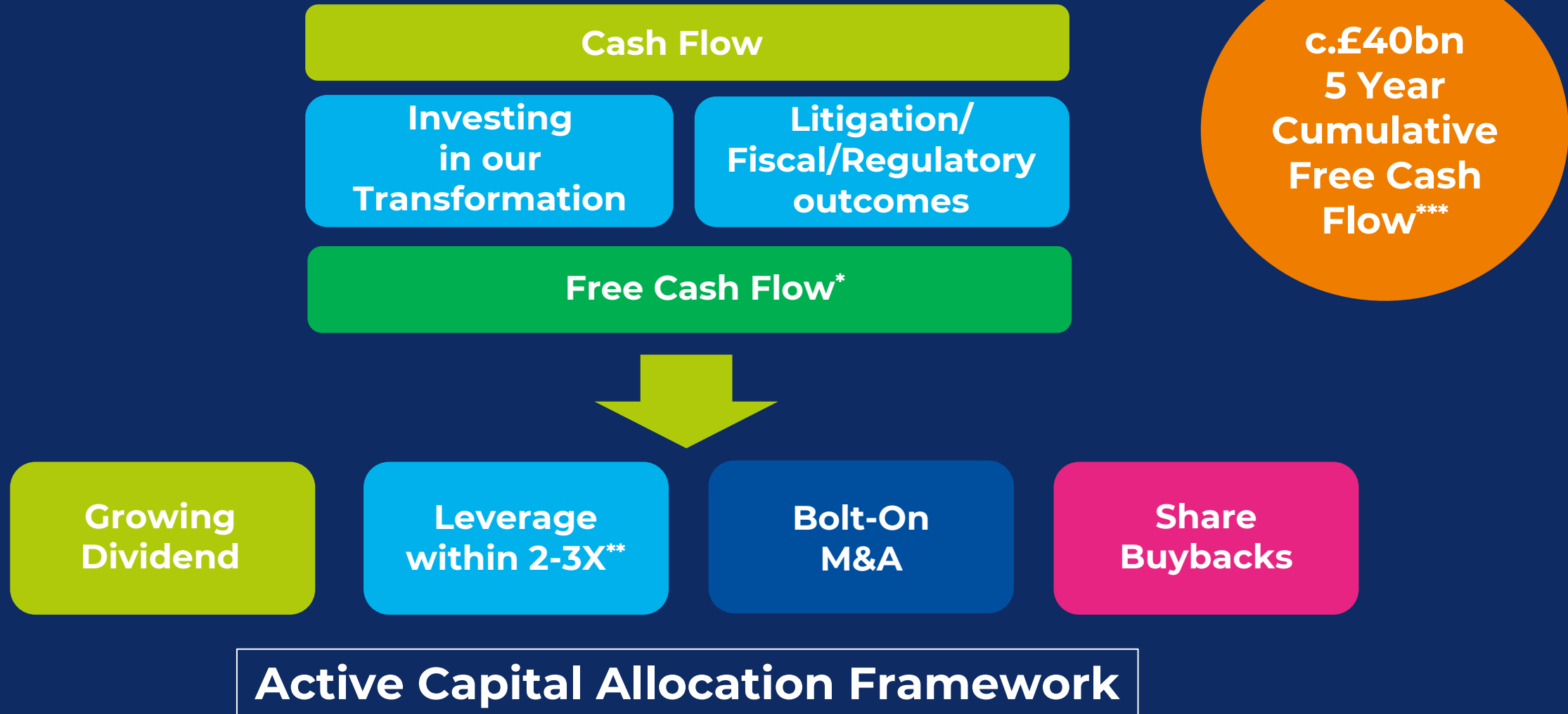
Continued Strong Operating Cash Conversion*



Reduced Leverage to c.3x



We are committed to shareholder returns with £2bn 2022 buyback



* Free cash flow before dividends. See Appendix A1 and A7. ** Adjusted net debt to adjusted EBITDA at current rates. See Appendix A1. ***Ambition over the next 5 years. Pre-dividend payments. See Appendix A1 and A7.

Delivering shared stakeholder & shareholder value



Medium term outlook

* Profitability at category contribution level: Profit from the sales of brands after deduction of directly attributable costs (including marketing) and before allocation of overheads. ** At constant rates. See Appendix A2. ^Adjusted diluted constant rate basis. See Appendix A1 & A2. *** Ambition over the next 5 years. Pre dividend payments. See Appendix A1 and A7.

Transforming BAT into a Multi-Category CPG with greater societal acceptance



From

To

Cigarettes

**And
Declining Volume
Growing Value**



**Multi-category CPG
Nicotine & Beyond***

**And
Growing Volume
& Value**

Building A Better Tomorrow™

*Beyond refers to Wellbeing & Stimulation Beyond Nicotine. Expected target market for consumer acquisition is existing adult smokers/nicotine/beyond nicotine users.



Building a Better Tomorrow™ Faster Transformation

CAGNY February 2022

Jack Bowles | Chief Executive

Kingsley Wheaton | Chief Marketing Officer

Tadeu Marroco | Finance and Transformation Director



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 the prior year's exchange rate, removing the potentially distorting effect of translational foreign exchange on the Group's results. The Group does not adjust for normal transactional gains or losses in profit from operations which are generated by exchange rate movements.

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). Except when referencing particular markets, volume share is based on our key markets (representing over 80% of the Group's cigarette volume).

Value share: The retail value of units bought by consumers of a particular brand or combination of brands, as a proportion of the total retail value of units bought by consumers in the industry, category or other sub-categorisation in discussion.

Nicotine share: The retail sales volume/value of the nicotine product sold as a proportion of total specified nicotine product volume/value in that market. In the US covers: Combustibles, vapour and total oral.

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 include climate change, water and waste, sustainable agriculture. Full details are available from the latest ESG Report

[British American Tobacco - Sustainability reporting \(bat.com\)](https://www.bat.com/sustainability-reporting)

A6: Consumers of Non-Combustible Products

The number of consumers of Non-Combustible products is defined as the estimated number of Legal Age (minimum 18 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 adult consumer tracking (utilising studies conducted by third parties including Kantar). The number of consumers is adjusted for those identified (as part of the consumer tracking studies undertaken) as using more than one BAT Brand - referred to as "poly users".

The number of consumers of Non-Combustible products is used by management to assess the number of consumers using the Group's New Categories 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.

A7: Free Cash Flow

Net cash generated from operating activities before the impact of trading loans provided to a third party and after dividends paid to non-controlling interests, net interest paid and net capital expenditure.

A8: Operating Cash Conversion

Net cash generated from operating activities before the impact of adjusting items and dividends from associates and excluding trading loans to third parties, pension short fall funding, taxes paid and net capital expenditure, as a proportion of adjusted profit from operations.