News release
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BAT Malaysia Cautiously Optimistic on Volume Outlook

- *Revenue for the quarter stood at RM301 million compared with RM625 million in Q2FY2025.*
- *Lower revenue is driven by the phasing of shipment volume to meet the new product requirements for new Pictorial Health Warnings coming into effect on 1st October 2025.*
- *Despite the short-term impact, underlying demand remains stable with the legal Industry staying resilient; with a slight decline of 2.5%.*
- *Dunhill continues to grow, gaining 0.2ppt market share.*
- *Operating expenses for the quarter reduced by 12.3% compared to the preceding quarter due to the Group's cost optimisation efforts amid a challenging operating climate. This cushioned the impact of softer revenue, resulting in the Group delivering a lower but resilient revenue of RM1.25 billion for the year-to-date.*
- *The Board of Directors has declared a third interim ordinary dividend of 5.0 sen per ordinary share amounting to RM14.3 million, payable on 5 December 2025 to shareholders.*

Kuala Lumpur, 30 October 2025 – British American Tobacco (Malaysia) Berhad (BAT Malaysia or the Group) today announced its financial results for the third quarter ended 30 September 2025.

The period was marked by significant regulatory developments, including the implementation of new Pictorial Health Warnings and Retail Display Ban, which required substantial preparation and investment to ensure full compliance. This led to a 2.5% decline in the legal industry combustible volume.

In line with this challenging climate and BAT Malaysia's transition out of Vuse in the vape segment, the Group's shipment volume declined by 21%. However, the Group's proactive cost management helped cushion this impact, resulting in a cumulative revenue of RM1.25 billion for the year-to-date.

Despite the challenging operating environment, the Group's Premium brand, Dunhill continues to gain a market share of 0.2ppt, reinforcing the brand's strength and the Group's continued leadership in the legal market. In addition, operating expenses for the quarter reduced by 12.3% compared to the preceding quarter due to the Group's cost optimisation efforts.

The Board of Directors has declared a third interim ordinary dividend of 5.0 sen per ordinary share amounting to RM14.3 million, payable on 5 December 2025.

Nedal Salem, Managing Director of BAT Malaysia, said, "Our performance reflects the resilience of our core combustible portfolio, especially Dunhill which has continued to expand its market share over the past 9 months."

"Despite the regulatory changes and overall market volume pressures, our disciplined approach to cost management and operational efficiency enabled us to safeguard profitability and maintain stability in our financial performance. Looking ahead, we are encouraged by the targeted fiscal initiatives announced under Budget 2026, which are expected to boost disposable income and support household consumption. We remain focused on strengthening our fundamentals, optimising our portfolio and executing with discipline to ensure long-term sustainability," he continued.

Following the tabling of Budget 2026, the Government announced an excise duty increase of RM0.02 per stick, effective 1 November 2025. While the full impact is still being assessed, BAT Malaysia hopes that this will not further exacerbate the illegal tobacco trade and the Government will continue its commitment to address this illegal trade, which continues to account for around 54% of total consumption.

"The Government's allocation of over RM700 million to strengthen enforcement and digitalisation, including initiatives such as digital tax stamps and enhanced screening systems, are positive measures towards curbing tax leakages. With stronger enforcement, we see potential for a gradual recovery in legal market volumes. BAT Malaysia remains committed to supporting efforts to combat the tobacco black market and encourages continued industry engagement to ensure practical, effective, and sustainable outcomes," **Nedal** added.

BAT Malaysia's commitment to excellence and operational discipline was further recognised during the quarter. The Group's Johor Bahru factory received the Diamond Premier Award, the highest honour, at the 21st MOSHPA National OSH Excellence Awards, honouring outstanding standards in workplace safety, health and operational excellence. Additionally, BAT Malaysia was named among LinkedIn's Top 15 Companies to Work For in Malaysia, underscoring its reputation as an employer of choice and its strong focus on people and organisational resilience.

Looking ahead, BAT Malaysia remains focused on sustaining its performance through the strength of Dunhill and its broader combustibles portfolio, continued cost management and a responsible approach to regulatory and fiscal changes. The Group remains steadfast in its purpose of creating A Better Tomorrow™, delivering long-term value for shareholders while contributing to a regulated and sustainable industry in Malaysia.

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About British American Tobacco (Malaysia) Berhad

British American Tobacco (Malaysia) Berhad is the leading tobacco company in Malaysia and has been listed on the Malaysian stock exchange for over six decades. With a proud legacy of over 100 years in Malaysia, we are guided by the Group's purpose of creating A Better Tomorrow™—a vision that guides our transformation and sustainable long-term growth. BAT Malaysia's portfolio includes established brands like DUNHILL, PETER STUYVESANT, and ROTHMANS. Today, BAT Malaysia has over 280 employees across a broad range of disciplines, from generating consumer insights and developing brands to distributing them nationwide. We are also recognised for our industry-leading approach to talent development, supported by a strong culture of corporate governance and commitment to delivering value to our shareholders.

About BAT

BAT is a leading global multi-category consumer goods business. Underpinned by world-leading science and research and development, our purpose is to create A Better Tomorrow™ by Building a Smokeless World.

Central to achieving this is the concept of Tobacco Harm Reduction (THR) – the switching of smokers, who would otherwise continue to smoke, from risky forms of combustible tobacco products like cigarettes, to lower risk profile smokeless tobacco and nicotine products. This is outlined further in Omni™, an evidence-based manifesto for change, which captures BAT's commitment and progress on THR.

BAT employs more than 48,000 people and, in 2024, generated revenue of £25.9bn, with an adjusted profit from operations of £11.9bn.

BAT's aim is to have 50 million adult consumers of its smokeless products by 2030 and generate 50% of its revenue from these products by 2035. With 30.5 million current users – including vapour brand Vuse; heated product brand glo; and modern oral (nicotine pouch) brand Velo – BAT's new category revenues have climbed to £3.4bn in 2024, with strong progress in profitability.

BAT continues to strive towards reducing its use of virgin raw materials, enhancing the communities in which it operates and working towards net zero across its value chain by 2050. BAT received a "Triple-A" rating from CDP for its 2024 disclosures on Climate Change, Water Security and Forests; and was recently named a Financial Times Climate Leader for the fifth year running.

Forward-looking Statements

This release 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 customer target ambition, New Categories revenue targets and our ESG targets.

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 release 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. A review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under the headings "Cautionary Statement" and "Group Principal Risks " in the 2024 Annual Report and Form 20-F of British American Tobacco p.l.c. (BAT).

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 BAT website www.bat.com.

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 release 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.