UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

The Directors of British American Tobacco Uganda Limited (the Company) announce the Company's unaudited results for the six months period ended 30 June 2026 as shown below:

Gross Revenue (USh)	Total Taxes (USh)	Cost of operations (USh)	Profit before tax (USh)
31.4bn	**17.8bn**	**11.9bn**	**4.4bn**

The condensed Financial Statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, Cap.106 Laws of Uganda. These standards have been consistently applied to all years presented.

Condensed Statement of Comprehensive Income for the six-month period ended 30 June

	2026 USh' m	2025 USh' m
Gross revenue	**31,445**	**33,488**
Excise Duty and Value Added Tax	(15,538)	(15,050)
Net revenue	**15,907**	**18,438**
Total cost of operations	(11,936)	(12,765)
Profit from operations	**3,971**	**5,673**
Finance income/ (costs)	412	(300)
Profit before tax	**4,383**	**5,373**
Income tax expense	(1,315)	(1,612)
Profit after tax	**3,068**	**3,761**
Total comprehensive income	**3,068**	**3,761**
Basic and diluted earnings per share (Ush)	**63**	77

Condensed Statement of Financial Position as at:

	30 Jun 2026 USh' m	31 Dec 2025 USh' m
Capital and reserves		
Share capital	61	61
Revaluation surplus	6,294	6,419
Retained earnings	25,116	21,922
Shareholders' equity	**31,471**	**28,402**
Non-current liabilities	4,093	4,084
	35,564	**32,486**
Assets		
Non-current assets	**14,345**	**14,731**
Working capital		
Current assets	30,888	26,727
Current liabilities	(9,669)	(8,972)
Net working capital	**21,219**	**17,755**
	35,564	**32,486**

Condensed Statement of Cash Flows for the six months period ended 30 June

	2026 USh' m	2025 USh' m
Cash generated from operations	4,561	107
Net interest received	593	148
Tax paid	(1,599)	(2,815)
Net cash from operating activities	**3,555**	**(2,560)**
Net cash from investing activities	386	14,478
Net cash used in financing activities	(378)	(319)
Movement in cash & cash equivalents	**3,563**	**11,599**
At the start of the period	16,353	24,842
Exchange loss on cash at bank	(217)	(95)
At the end of the period	**19,699**	**36,346**

Condensed Statement of Changes in Equity

	Share capital USh' m	Revaluation surplus USh' m	Retained earnings USh' m	Total USh' m
At 1 January 2025	61	14,410	25,867	**40,338**
Profit for the year	-	-	3,761	**3,761**
Dividends 2025	-	-	-	**-**
At 30 June 2025	**61**	**14,410**	**29,628**	**44,099**
At 1 January 2026	**61**	**6,419**	**21,923**	**28,403**
Profit for the year	-	(124)	3,192	3,068
Dividends 2025	-	-	-	-
At 30 June 2026	**61**	**6,295**	**25,115**	**31,471**

Operating environment

The macro-economic landscape was characterised by low inflation as well as stable interest rates and local currency. That notwithstanding, the Company's performance was impacted by the high prevalence of illicit tax-evaded cigarettes, which continued to shrink the legitimate market.

Third party research commissioned by BAT Uganda indicated continued growth in the illicit cigarette incidence, from 34% at the end of 2024 to 48% by the end of 2025. This significant growth not only impacted industry revenues but also undermined Uganda Revenue Authority's (URA) revenue collection efforts of an estimated Ush 53 billion per annum.

While URA has made strides towards addressing the illicit trade problem, it is imperative that these efforts are intensified through multi-sectoral and cross border collaboration, ensuring sustained enforcement and prosecution of perpetrators of illicit trade.

Progressive regulation

As regulation evolves, more countries are likely to adopt progressive approaches that recognise the tobacco harm reduction potential of smokeless tobacco and nicotine products. Collaborative dialogue among policymakers, regulators, public health authorities, and industry is essential to support public health goals while respecting adult consumer choice.

Financial highlights

- Gross revenue decreased by 6% to USh 31.4 billion, while Excise Duty and Value Added Tax (VAT) increased by 3% to USh 15.5 billion. Consequently, net revenue declined by 14% to USh 15.9 billion, mainly reflecting lower sales volume in a market impacted by sustained illicit trade.
- Total cost of operations declined by 6% to USh 11.9 billion, supported by lower volume and continued cost discipline.
- Profit before tax decreased by 18% to USh 4.4 billion, primarily due to the decline in net revenue, partly mitigated by lower operating costs and improved finance income.
- Profit after tax decreased by 18% to USh 3.1 billion, while basic and diluted earnings per share decreased to USh 63 from USh 77 in the prior period. Taxes in the form of Excise Duty, VAT, PAYE and Income Tax amounted to USh 17.8billion, broadly in line with the prior period despite lower sales volume.

Dividend

The Board does not recommend an interim dividend.

Looking forward

Despite the challenging operating environment, we are confident in our ability to deliver sustained shareholder value. This will be backed by our refined strategy, sustainable trade partnerships as well as the country's projected stable macro-economic outlook.

Kampala
30 July 2026

By Order of the Board
Paul Mbuga
S&L Advocates (DLA Piper Africa Uganda)
Company Secretary

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