



AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors of British American Tobacco Uganda Limited announce the audited results for the financial year ended 31 December 2025

Gross Revenue (Ushs)

67.0bn
-18%

Taxes (Ushs)

46.4bn
+4%

Profit before tax (Ushs)

12.4bn
-18%

Dividend per share (Ushs)

199
-5%

The results below have been extracted from the audited Financial Statements of British American Tobacco Uganda Limited, for the year ended 31 December 2025. The Financial Statements have been prepared in accordance with IFRS Accounting Standards and have been audited by KPMG, who have expressed an unqualified audit opinion.

Condensed Statement of Comprehensive Income for the year ended 31 December 2025

	2025 Ushs' m	2024 Ushs' m
Gross revenue	66,966	82,127
Excise Duty and Value Added Tax	(30,708)	(36,967)
Net revenue	36,258	45,160
Total cost of operations	(24,011)	(30,276)
Profit from operations	12,247	14,884
Finance income	110	253
Profit before tax	12,357	15,137
Income tax expense	(2,600)	(4,831)
Profit after tax	9,757	10,306
Comprehensive income	-	-
Total comprehensive income	9,757	10,306
Basic and diluted earnings per share (Ushs)	199	210

Condensed Statement of Cash Flows for the year ended 31 December 2025

	2025 Ushs' m	2024 Ushs' m
Cash generated from operations	5,947	28,051
Net interest paid	(189)	(159)
Tax paid	(6,773)	(5,342)
Net cash from operating activities	(1,015)	22,550
Net cash used in investing activities	14,464	128
Net cash used in financing activities	(21,937)	(9,593)
Movement in cash & cash equivalents	(8,488)	13,085
At the start of the period	24,842	11,757
At the end of the period	16,354	24,842

Condensed Statement of Financial Position as at

	31 Dec 2025 Ushs' m	31 Dec 2024 Ushs' m
Capital and reserves		
Share capital	61	61
Revaluation surplus	6,419	14,410
Retained earnings	21,922	25,867
Shareholders' equity	28,402	40,338
Non-current liabilities	4,084	8,940
	32,486	49,278
Assets		
Non-current assets	14,731	15,735
Working capital		
Current assets	26,727	53,458
Current liabilities	(8,972)	(19,915)
Net working capital	17,755	33,543
Net Assets	32,486	49,278

Condensed Statement of Changes in Equity

	Share capital Ushs' m	Revaluation surplus Ushs' m	Retained earnings Ushs' m	Total Ushs' m
At 1 January 2024	61	14,659	24,195	38,915
Profit for the year	-	(249)	10,555	10,306
Final dividend 2023	-	-	(8,883)	(8,883)
At 31 December 2024	61	14,410	25,867	40,338
At 1 January 2025	61	14,410	25,867	40,338
Profit for the year	-	(249)	10,006	9,757
Revaluation on disposal	-	(7,742)	7,742	-
Special dividend	-	-	(11,386)	(11,386)
Final dividend 2024	-	-	(10,307)	(10,307)
At 31 December 2025	61	6,419	21,922	28,402

Macro-economic Environment

Uganda's macro-economic landscape was relatively stable and supportive to businesses as demonstrated by the low inflation, stable interest rates and stable local currency. The country registered positive economic growth, driven by oil sector investments, agriculture, and other government initiatives.

Company Operating Environment

Limited enforcement by the relevant law enforcement agencies led to the soaring prevalence of illicit tax-evaded cigarettes. This continued to significantly shrink the legitimate market, thus impacting the Company's performance and ultimately, Government revenues.

Third party research indicates that the illicit cigarette incidence grew to 48% by the end of December 2025, up from 34% in the previous year, implying that an estimated 1 in every 2 cigarettes smoked in Uganda is illicit and tax evaded. While this shrinkage is a threat to the legal tobacco value chain, it also translates to an estimated annual loss of Government revenue of Ushs 53 billion.

Illicit cigarette products are characterised by lack of digital tax stamps, absent or altered graphic health warnings, flavour features

and are sold at significantly lower prices reinforcing their market penetration. It is imperative that the Government intensifies its efforts to stem the growing prevalence of illicit cigarettes in the market, especially along the border point with South Sudan.

Financial Performance

- Gross revenue declined by 18% to Ushs 67.0 billion. Excise Duty and Value Added Tax (VAT) also decreased by 17% to Ushs 30.7 billion. Consequently, net revenue dropped by 20% to Ushs 36.3 billion, primarily driven by lower sales volume.
- Total cost of operations decreased by 21% to Ushs 24.0 billion reflecting the impact of lower sales volume and prudent cost management.
- Profit before tax decreased by 18% to Ushs 12.4 billion primarily due to lower sales volumes.
- Taxes in the form of Excise Duty, VAT and Income Tax increased by 4% to Ushs 46.4 billion, driven by capital gains tax on sale of non-strategic asset.

Despite the challenges experienced during the year, the Company remained profitable with stable cashflow, enabling Directors to recommend a dividend to shareholders as outlined below.

Dividend

The Board of Directors has proposed a final dividend of the year ended 31 December 2025 of Ush 199 per ordinary share, to be recommended for approval by the shareholders at the Annual General Meeting to be held on 2 July 2026. The dividend, which is subject to withholding tax, will be paid on or about 31 July 2026 to shareholders on the register at the close of business on 24 July 2026.

Outlook

BAT Uganda is committed to supporting the global BAT purpose of creating A Better Tomorrow™ with a vision to Build a Smokeless World. This means we are seeking to reduce the health impact of our business while committing to delivering long-term multi-stakeholder value. We are confident in our ability to navigate the increasingly challenging operating environment in Uganda, supported by our world class talent, consumer-centric brand portfolio, continued investment in the simplification of our business and sustainable trade partnerships.

We reiterate our call to Government for a multi-agency approach towards enforcement of tobacco control laws to address the high prevalence of illicit trade as an enabler for legitimate industry sustainability.

By Order of the Board
Paul Mbuga

S&L Advocates (DLA Piper Africa Uganda)
Company Secretary