

Condensed Consolidated Reviewed Financial Results For the half year ended 30 June 2025

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## FINANCIAL HIGHLIGHTS

### Group summary (USD)

Half Year Ended 30 June		
2025 USD	Year on year USD	* 2024 USD
13 007 224	(28%)	18 121 493
-	100%	(15 876 320)
6 636 976	162%	(10 617 119)
6 636 976	162%	(10 617 119)
4 330 485	134%	(12 840 302)
0.21	134%	(0.62)
0.21	134%	(0.62)
0.21	134%	(0.62)

\* The comparative balances were previously reported in ZWG. The numbers were restated by converting them to the Group's new presentation currency, USD. For details regarding the change in presentation currency, refer to Note 2.

## **Chairman's Statement**

**Chairman's Statement**  
On behalf of the Board of Directors, I am pleased to present the Reviewed Condensed Consolidated Financial Results for the half year ended 30 June 2025.

## Operating Environment

The first half of 2025 was characterised by notable macroeconomic stability, driven by tight monetary policy measures which helped to curb inflation and supported exchange rate appreciation. According to the Zimbabwe National Statistics Agency (ZIMSTAT), the USD annual inflation rate which had increased to 15.1% in February 2025 declined to 14% in June 2025. The bank policy rate was held steady at 35%, reflecting the effectiveness of the Reserve Bank's interventions.

Notwithstanding interventions by the Reserve Bank aimed at enhancing economic stability, the operating environment remained challenging, characterized by persistent liquidity constraints and elevated borrowing costs. These adverse conditions continued to suppress credit growth and significantly weaken consumer spending power.

Despite operating in a complex and evolving macroeconomic environment, BAT Zimbabwe remained resilient and focused on delivering sustained value to its stakeholders.

## Financial Performance

**Financial Overview**  
The Company's financial performance reflects the realities of a constrained consumer environment as well as strategic business actions deployed to align with market conditions.

- **Sales volumes** declined by 14%, primarily due to reduced consumer spending and broader macroeconomic challenges.
  - **Revenue** decreased by 28% from USD18 121 493 to USD13 007 224 when compared to the same period in prior year. The decrease was attributed to a reduction in volumes due to constrained consumer incomes and a challenging macroeconomic environment as well as a shift in pricing strategy from ZWG to USD.
  - **Cost of sales** rose by 31% to USD4 162 324 from USD3 461 289 in 2024, due to a combination of factors, including increased raw material prices.
  - The Company recorded a **profit before tax** of USD6 636 976, a significant

turnaround from the **loss before tax** of USD10 617 119 recorded in the same period in prior year.

## Dividend

The Board of Directors has resolved to declare an interim dividend of USD0.21 per share for the half-year ended 30 June 2025. This decision reflects the Company's commitment to deliver sustained shareholder value, while maintaining a prudent approach to capital allocation in light of the prevailing economic conditions. The dividend will be payable to shareholders registered in the books of the Company at the close of business on 17 October 2025, with payment expected on 07 November 2025.

remarkable results have been registered in various areas such as reduction of scope 1 & 2 emissions, waste management as well as Health and Safety. Details of this performance will be published in our 2025 Sustainability Report.

Outlook

The Board remains confident in BAT Zimbabwe's ability to navigate the ever changing macro economic landscape and deliver long-term value to all stakeholders. Our optimism is grounded in the resilience of our people, our brands and unwavering commitment to innovation and transformation.

In closing, I extend my sincere gratitude to our Board of Directors, our leadership team, our employees, strategic partners, shareholders, and all other stakeholders for their continued support and dedication during this challenging period.

  
Lovemore T. Manatsa  
Chairman

**Lovemore T. Manatsa**  
**Chairman**

Chairman  
29 September 2025

Dividend Table	
Announcement Date	29 September 2025
Last Date of Trade Cum Dividend	22 October 2025
Share Trade Ex Dividend	23 October 2025
Last Record Date	24 October 2025
Payment Date	10 November 2025
Dividend Per Share	USD 0.21

  
**Takudzwa Mashandu**  
Company Secretary  
29 September 2025

## **CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 30 JUNE 2025**

		Reviewed Half Year Ended	*Restated Audited Full Year Ended
	Notes	30 June 2025 USD	31 Dec 2024 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5 075 061	4 740 323
Investment property		35 022	35 727
Financial assets at fair value through profit or loss		86 856	100 729
Deferred tax asset		-	1 287 443
<b>Total Non-Current Assets</b>		<b>5 196 939</b>	<b>6 164 216</b>
<b>Current assets</b>			
Inventories	10	5 770 620	6 915 226
Trade and other receivables		1 561 390	3 477 059
Prepayments		5 756 890	5 528 363
Cash and cash equivalents		9 689 099	2 131 250
Current income tax asset		2 043 836	1 277 264
<b>Total Current Assets</b>		<b>24 821 836</b>	<b>19 329 162</b>
<b>Total assets</b>		<b>30 018 774</b>	<b>25 493 378</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the owners of the parent</b>			
Share capital		1 657 618	1 657 618
Non-distributable reserve		90 995	90 995
Retained earnings		21 488 034	17 157 548
<b>Total equity</b>		<b>23 236 647</b>	<b>18 906 161</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities		631 291	
<b>Current liabilities</b>			
Trade and other payables	11	5 327 550	5 518 885
Staff benefits liability		822 235	1 067 229
Share based payment liability		1051	1103
<b>Total Current Liabilities</b>		<b>6 150 836</b>	<b>6 587 217</b>
<b>Total liabilities</b>		<b>6 782 127</b>	<b>6 587 217</b>
<b>Total equity and liabilities</b>		<b>23 236 647</b>	<b>18 906 161</b>

Notes	Reviewed Half Year Ended	*Restated Reviewed Half Year Ended
	30 June 2025 USD	30 June 2024 USD
6	13 007 224 (4 162 324)	18 121 493 (3 461 289)
	<b>8 844 900</b>	<b>14 660 204</b>
7	(1 065 523) (1 541 830) 8 570 714 270 (323 411) -	(1 345 736) (2 460 210) (30 639) (167 914) (5 396 504) (15 876 320)
	<b>6 636 976</b>	<b>(10 617 119)</b>
	<b>6 636 976</b> (2 306 491)	<b>(10 617 119)</b> (2 223 184)
	<b>4 330 485</b>	<b>(12 840 302)</b>
	4 330 485	(12 840 302)
	4 330 485	(12 840 302)
	0.21	(0.62)
	0.21	(0.62)

\*The figures in the Condensed Consolidated Statement of Financial Position in the prior period were previously reported in ZWG. The numbers were restated by converting to the Group's new functional and presentation currency, USD. For details regarding the change in presentation currency refer to Note **7b(iii)**.

\*The figures in the Condensed Consolidated Statement of Comprehensive Income in the prior period were previously reported in ZWG. The numbers were restated by converting to the Group's new functional and presentation currency, USD. For details regarding the change in presentation currency, refer to Note 7(b)(ii).

# Condensed Consolidated Reviewed Financial Results For the half year ended 30 June 2025

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2025

Notes	Reviewed Half Year Ended		*Restated Reviewed Half Year Ended	
	30 JUNE 2025		30 JUNE 2024	
		USD		USD
Cash flows from operating activities				
Cash generated from operations	5	9 070 399	10 577 482	
Income tax paid		(1 154 329)	(1 812 583)	
<b>Net cash generated from operating activities</b>		<b>7 916 070</b>	<b>8 764 899</b>	
Cash flows from investing activities				
Purchase of property, plant and equipment		(646 260)	-	
Proceeds from sale of property, plant and equipment		288 039	-	
<b>Net cash used in investing activities</b>		<b>(358 221)</b>	<b>-</b>	
Cash flows from financing activities				
Dividends paid to owners of the parent		-	(292 520)	
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(292 520)</b>	
Inflation effect on cash and cash equivalents held		-	(15 773 596)	
<b>Net increase in cash and cash equivalents</b>		<b>7 557 849</b>	<b>(7 301 217)</b>	
Cash and cash equivalents at the beginning of the year		2 131 250	13 160 111	
Effects of movement in exchange rates on cash held		-	116 317	
<b>Cash and cash equivalents at the end of the year</b>		<b>9 689 099</b>	<b>5 975 211</b>	

\*The figures in the Condensed Consolidated Statement of Cash flows in the prior period were previously reported in ZWG. The numbers were restated by converting to the Group's new functional and presentation currency, USD. For details regarding the change in presentation currency, refer to Note 3b(ii).

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2025

*RESTATED AUDITED Balance as at 1 January 2024	Non Share capital			
	distributable capital	reserve	Retained earnings	Total
	USD	USD	USD	USD
1 657 618	56 543	16 033 291	17 747 452	
Total comprehensive income	-	-	(7 109 135)	(7 109 135)
Dividends	-	-	(710 822)	(710 822)
Impact of translating to presentation currency	-	34 451	8 944 214	8 978 665
<b>Balance as at 31 December 2024</b>	<b>1 657 618</b>	<b>90 994</b>	<b>17 157 548</b>	<b>18 906 160</b>
Total comprehensive income	-	-	4 330 485	4 330 485
<b>Balance as at 30 June 2025</b>	<b>1 657 618</b>	<b>90 994</b>	<b>21 488 033</b>	<b>23 236 645</b>

\*The figures in the Condensed Consolidated Statement of Changes in Equity in the prior period were previously reported in ZWG. The numbers were restated by converting to the Group's new functional and presentation currency, USD. For details regarding the change in presentation currency, refer to Note 3b(ii).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2025

### 1 GENERAL INFORMATION

British American Tobacco Zimbabwe (Holdings) Limited ("the Company") and its subsidiaries (together, "the Group") manufactures, distributes and sells cigarettes through a network of independent retailers, wholesalers and distributors. The Group has a cigarette manufacturing plant in Zimbabwe and sells cigarettes entirely to the Zimbabwean market and exports cut rag outside Zimbabwe.

The Group's condensed consolidated Financial Statements are presented in United States Dollars which is the Group's functional and presentation currency.

The Holding Company is a limited liability, incorporated and domiciled in Zimbabwe. The address of its registered office is Number 1 Manchester Road, Southerton, Harare, Zimbabwe. The Group has its primary listing on the Zimbabwe Stock Exchange.

### 2 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial results are consistent with those followed in the preparation of the Group's annual financial statements as at 31 December 2024.

### 3(a) BASIS OF PREPARATION

The condensed consolidated financial results for the half year ended 30 June 2025 have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB). The condensed financial results for the half year ended 30 June 2025 have been prepared in accordance with IAS 34 "Interim Reporting" as well as the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and Zimbabwe Stock Exchange (ZSE) Listing Rules, 2019. The condensed consolidated financial results do not include the full information required for full financial statements. The condensed consolidated financial results have been prepared under the assumption the Group operates on a going concern basis. These Financial Statements are based on statutory records that are maintained under the historical cost convention except for investments in marketable securities that have been measured at fair value.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2025

Appropriate adjustments for changes in the general purchasing power of the Zimbabwe Dollar for the purposes of fair presentation in accordance with IAS 29 - Financial Reporting in Hyperinflationary Economies, have been made in these Financial Statements to the historical cost financial information of the Group.

The condensed consolidated financial results are presented in United States Dollars ("USD"), which is the Company's functional and presentation currency.

The condensed consolidated financial results were authorised for issue by the Group's Board of Directors on 18 September 2025.

### 3(bi) Adoption of the IAS 29 (Financial Reporting in Hyperinflationary Economies)

In October 2019, the Public Accountants and Auditors Board (PAAB) issued a pronouncement prescribing that the application of financial reporting in hyperinflationary economies had become effective in Zimbabwe, for reporting periods on or after 1 July 2019. These condensed consolidated Financial Statements have been prepared in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" together with International Financial Reporting Standards Committee (IFRIC) 7 for the periods up to 5 April 2024, as ZWL remained a hyperinflationary currency up to the date of its withdrawal. The ZWG was not considered to be hyperinflationary for the period from 5 April 2024 to 30 June 2024. Nonetheless, the management continued to assess this assumption in the second half of 2024 considering the significant devaluation of the ZWG by 43% in September 2024. The Group adopted the Zimbabwe Consumer Price Index ("CPI") and the Total Consumer Poverty Line ("TCPL") as the general price index to restate the transactions and balances. Non-monetary assets and liabilities carried in the Group's financial results as at 5 April 2024 have been restated by applying the general price index from dates when the transaction were initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognised in the statement of profit or loss for the half year ended 30 June 2024. Comparative amounts in the financial results have been restated to reflect the change in general price index from 1 October 2019 to 5 April 2024, the day the economy ceased be hyperinflationary. All items in the statement of cash flows are expressed based on the restated financial information for the period.

The factors used in the periods under review are as follows;

Date	Indices	Conversion Factor
CPI as at 5 April 2024	596 950	1
CPI as at 31 December 2023	65 703	9.09

### 3(bii) Comparative financial information

On 5 April 2024, the Reserve Bank of Zimbabwe (RBZ) introduced a new currency - Zimbabwe Gold (ZWG). The Group transitioned its functional currency from ZWL to ZWG on 5 April 2024 and subsequently to USD on 1 August 2024. All existing Zimbabwe Gold (ZWG) comparative figures were converted to USD using a swap rate guided by the closing interbank exchange rate and the price of gold as of 30 June 2024.

### 4 BLOCKED FUNDS REGISTRATION

The Reserve Bank of Zimbabwe (RBZ) approved and registered the Group's blocked funds amounting to USD16.35 million in respect of outstanding dividends and goods consistent with the blocked funds guidelines provided in the Exchange Control Directive RU28 dated 21 February 2019 and Exchange Control Circular No.8 of 24 July 2019. In 2021, the Treasury assumed the liability from RBZ in relation to the blocked funds. The Treasury is currently working on the appropriate instruments to facilitate settlement of the registered blocked funds which were listed as approved blocked funds under Annex 1 of the Finance Act (no. 7) of 2021 (gazetted on 21 December 2021). Following the currency change on 5 April 2024 from ZWL to ZWG, the outstanding blocked funds were converted to ZWG at a rate of ZWG1: ZWL 2 498.72. On 1 August 2024 the functional currency was changed from ZWG to USD and the outstanding blocked funds were converted to USD at a rate of USD1 : ZWG 13.79. The outstanding balances in respect of approved blocked funds are recorded as USD475, with a related USD475 asset due from the RBZ based on the amounts of ZWL16.3 million.

Reviewed Half Year Ended	Half Year Ended
30 June 2025	30 June 2024
USD	USD
<b>CASH GENERATED FROM OPERATIONS</b>	
Profit/(Loss) before income tax	
6 636 977	(10 617 118)
<b>Adjustment for:</b>	
Depreciation	312 222
Fair value losses on financial assets at Fair value through profit or loss	13 874
Profit on sale of property, plant and equipment	(288 039)
Effects of movement in exchange rates on cash held	-
Net monetary loss - IAS 29 Adjustment	(116,317)
	-
	15 876 321
<b>Changes in working capital</b>	
Decrease in Inventories	1144 606
Decrease in Trade and other receivables	1915 669
Increase in Prepayments	(228 528)
Decrease in Trade and other payables	(191 336)
Decrease in Staff benefits liability	(244 994)
Decrease in Share based payment provision	(52)
	(735)
<b>Cash generated from operations</b>	
	<b>9 070 399</b>
	<b>10 577 482</b>

## Condensed Consolidated Reviewed Financial Results For the half year ended 30 June 2025

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2025

6	<b>REVENUE</b>	Reviewed				Notes to the Condensed Consolidated Financial Results for the Half Year Ended 30 June 2025				
		Half Year Ended		Half Year Ended		Reviewed		*Restated Reviewed		
		30 June 2025	30 June 2024	USD	USD	30 June 2025	30 June 2024	USD	USD	
Revenue from sale of goods in domestic market		12 887 546	14 958 278							
Revenue from leaf and cut-rag exports to foreign market		119 678	3 163 215							
		<b>13 007 224</b>	<b>18 121 493</b>							
7	<b>OTHER LOSSES</b>	Reviewed				Notes to the Condensed Consolidated Financial Results for the Half Year Ended 30 June 2025				
		Half Year Ended		Half Year Ended		Reviewed		*Restated Reviewed		
		30 June 2025	30 June 2024	USD	USD	30 June 2025	30 June 2024	USD	USD	
Fair value losses		(13 874)	(35 677)							
Exchange losses		(323 411)	(5 360 827)							
		<b>(337 285)</b>	<b>(5 396 504)</b>							
8	<b>CAPITAL EXPENDITURE</b>	Reviewed				Notes to the Condensed Consolidated Financial Results for the Half Year Ended 30 June 2025				
		Half Year Ended		Half Year Ended		Reviewed		*Restated Reviewed		
		30 June 2025	30 June 2024	USD	USD	30 June 2025	30 June 2024	USD	USD	
		<b>646 260</b>	-							
9	<b>FINANCIAL INSTRUMENT BY CATEGORY</b>	Assets at fair value through profit or loss				Notes to the Condensed Consolidated Financial Results for the Half Year Ended 30 June 2025				
		Assets at amortised cost	USD	Total	USD	Reviewed	*Restated Reviewed	Half Year Ended	Half Year Ended	
		USD	USD	USD	USD	30 June 2025	30 June 2024	30 June 2025	30 June 2024	
<b>31 December 2024</b>		Assets				Assets at fair value through profit or loss				
<b>Assets</b>		Assets at fair value through profit or loss				Assets at fair value through profit or loss				
Trade and other receivables excluding prepayments		3 477 059	-	3 477 059		12 887 546	119 678	13 007 224		
Financial assets at fair value through profit and loss		-	100 729	100 729		4 645 884	1 991 093	6 636 977		
Cash and cash equivalents		2 131 250	-	2 131 250						
<b>Total</b>		<b>5 608 309</b>	<b>100 729</b>	<b>5 709 038</b>						
<b>Other financial liabilities</b>		Assets				Assets at fair value through profit or loss				
Trade and other payables excluding statutory liabilities		4 997 608	-	4 997 608		14 958 278	3 163 215	18 121 493		
Staff benefits liability		1 067 229	-	1 067 229		(10 086 262)	(530 856)	(10 617 118)		
<b>Total</b>		<b>6 064 837</b>	-	<b>6 064 837</b>						
<b>30 June 2025</b>		Assets				Assets at fair value through profit or loss				
<b>Assets</b>		Assets at fair value through profit or loss				Assets at fair value through profit or loss				
Trade and other receivables excluding prepayments		1 561 390	-	1 561 390		29 784 182	234 593	30 018 775		
Financial assets at fair value through profit and loss		-	86 856	86 856		6 782 128	-	6 782 128		
Cash and cash equivalents		9 689 099	-	9 689 099						
<b>Total</b>		<b>11 250 489</b>	<b>86 856</b>	<b>11 337 345</b>						
<b>Other financial liabilities</b>		Assets				Assets at fair value through profit or loss				
Trade and other payables excluding statutory liabilities *		5 180 562	-	5 180 562		25 281 518	211 861	25 493 379		
Staff benefits liability		822 235	-	822 235		6 587 217	-	6 587 217		
<b>Total</b>		<b>6 002 797</b>	-	<b>6 002 797</b>						
The Group's Financial assets through profit and loss movement versus the prior period was due to the changes in the share price. Carrying amounts for assets and liabilities at amortised cost approximates fair value.										

\*Trade and other payables exclude accrued expenses, social security and other taxes

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2025

10	<b>TRADE AND OTHER RECEIVABLES</b>	Reviewed				Notes to the Condensed Consolidated Financial Results for the Half Year Ended 30 June 2025			
		Half Year Ended		Half Year Ended		Reviewed		*Restated Reviewed	
		30 June 2025	30 June 2024	USD	USD	30 June 2025	30 June 2024	USD	USD
		Trade receivables				1 234 117	3 242 620		
		Amounts due from related parties				234 593	211 861		
		Other receivables				92 680	22 578		
						<b>1 561 390</b>	<b>3 477 059</b>		
11	<b>TRADE AND OTHER PAYABLES</b>	Reviewed				Notes to the Condensed Consolidated Financial Results for the Half Year Ended 30 June 2025			
		Half Year Ended		Half Year Ended		Reviewed		*Restated Reviewed	
		30 June 2025	30 June 2024	Usd	Usd	30 June 2025	30 June 2024	Usd	Usd
		Trade payables				186 846	220 519		
		Amounts due to related parties				4 054 168	4 294 984		
		Social security and other taxes				146 988	521 278		
		Accrued expenses				239 648	137 419		
		External dividends				98 381	98 381		
		Other payables				601 519	246 304		
						<b>5 327 550</b>	<b>5 518 885</b>		
12	<b>SEGMENT INFORMATION</b>	Reviewed				Notes to the Condensed Consolidated Financial Results for the Half Year Ended 30 June 2025			
		Cigarettes	Cut-rag	Total	USD	30 June 2025	30 June 2024	USD	USD
		USD	USD	USD	USD	Net Revenue	Net Revenue	USD	USD
						12 887 546	119 678	13 007 224	
						4 645 884	1 991 093	6 636 977	
13	<b>GOING CONCERN</b>	Reviewed				Notes to the Condensed Consolidated Financial Results for the Half Year Ended 30 June 2025			
		Cigarettes	Cut-rag	Total	USD	30 June 2025	30 June 2024	USD	USD
		USD	USD	USD	USD	Profit before tax	Profit before tax	USD	USD
						14 958 278	3 163 215	18 121 493	
						(10 086 262)	(530 856)	(10 617 118)	
14	<b>SUBSEQUENT EVENTS</b>	Reviewed				Notes to the Condensed Consolidated Financial Results for the Half Year Ended 30 June 2025			
		Cigarettes	Cut-rag	Total	USD	31 December 2024	31 December 2024	USD	USD
		USD	USD	USD	USD	Total Assets	Total Assets	USD	USD
						25 281 518	211 861	25 493 379	
						6 587 217	-	6 587 217	



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## **Independent Auditor's Report on Review of Interim financial results for the half year ended 30 June 2025**

### **To the shareholders of British American Tobacco Zimbabwe (Holdings) Limited**

#### **Introduction**

We have reviewed the accompanying condensed consolidated financial results for the half year ended 30 June 2025 statement of financial position of British American Tobacco Zimbabwe (Holdings) Limited ("the Group") as at 30 June 2025, the condensed consolidated financial results for the half year ended 30 June 2025 statement of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes comprising material accounting policies and other explanatory information to the condensed consolidated financial results ("the condensed consolidated financial results for the half year ended 30 June 2025 financial results for the half year ended 30 June 2025").

Directors are responsible for the preparation and fair presentation of these condensed consolidated financial results for the half year ended 30 June 2025 in accordance with IAS 34, Interim Financial Reporting, the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and Zimbabwe Stock Exchange (ZSE) Listing Rules, 2019. Our responsibility is to express a conclusion on these condensed consolidated financial results for the half year ended 30 June 2025 based on our review.

#### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial results consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Basis for Qualified Conclusion**

#### ***Non-compliance with IAS Standards - IAS 21 - The Effects of Changes in Foreign Exchange Rates (IAS 21) in the prior financial year and inappropriate application of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8).***

As described in note 4 to the condensed consolidated financial results for the half year ended 30 June 2025, the Group has continued to account for foreign liabilities amounting to US\$16.3 million, approved as blocked funds on a 1:1 basis being ZWL16.3 million. As a result, both the US\$ denominated liability and the ZWL asset were reflected at a value of ZWL16.3 million in prior years. Following the change of local currency on 5 April 2024 (From ZWL to ZWG) and the change in the Company's functional currency on the 1st of August 2024, the outstanding US\$ denominated liabilities, included under Trade and other payables, are now recorded at a value of US\$475. The Directors believe the Reserve Bank of Zimbabwe ("RBZ") will assist the Group in sourcing foreign currency at that rate. No legally binding instrument had been issued by the RBZ to confirm the contractual terms supporting settlement of the approved blocked funds.



The accounting of these US\$ liabilities as a US Dollar denominated liability at the above stated rates constitutes a departure from IFRS Accounting Standards and is not in line with the requirements of IAS 21. Accordingly, Trade and other payables as at 30 June 2025 is understated by US\$16.3 million and Opening retained earnings balance as at 30 June 2025 is overstated by US\$ 16.3 million.

This is the result of a decision taken by management in the preceding financial year and caused us to qualify our audit opinion on the consolidated inflation adjusted financial statements for the year ended 31 December 2024. Taking into consideration the requirements of IAS 21, Trade and other payables should be increased by US\$16.3 million as at 30 June 2025 and Retained earnings should be decreased by US\$16.3 million as at 30 June 2025.

The Group has not restated the condensed consolidated financial results for the half year ended 30 June 2025, as required by IAS 8 to resolve the matter which resulted in the qualified opinion in the prior years relating to the non-compliance with IAS 21, accordingly our conclusion on the comparatives and the current year financial results is qualified.

### **Qualified Conclusion**

Based on our review, except for the effects of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial results for the half year ended 30 June 2025 of British American Tobacco Zimbabwe (Holdings) Limited are not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, the requirements of the Companies and Other Business Entities Act (Chapter 24.31) and Zimbabwe Stock Exchange (ZSE) Listing Rules, 2019.

### **Other Information**

The Directors were responsible for the other information included in the Condensed Consolidated Financial Results for the half year ended 30 June 2025. The other information comprises of the Chairman's Statement but does not include the condensed consolidated financial results.

Our conclusion on the condensed consolidated financial results for the half year ended 30 June 2025 does not cover the other information and we do not express a conclusion or any form of assurance conclusion thereon.

In connection with our review of the condensed consolidated financial results for the half year ended 30 June 2025, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the condensed consolidated financial results or our knowledge obtained in the review, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the Basis for Qualified Conclusion section above, the Group has not restated the condensed consolidated financial results, as required by IAS 8 to resolve the matters which resulted in the qualified opinion in the prior year relating to the non-compliance with IAS 21 in respect of the blocked funds described in note 4. This has led to the current year financial statements being materially misstated as a result of the matter not being resolved. In addition, the Group has continued to account for foreign liabilities, approved as blocked funds, at an exchange rate of at a rate of US\$1: ZWL1, then converted to ZWL1:ZWG2 498.72 and then subsequently at US\$1:ZWG 13.7859 as at 30 June 2025, which is not in compliance with IAS 21, resulting in foreign liabilities being materially misstated in the current year. We have, therefore, concluded that the other information is materially misstated for the same reasons with respect to the financial information in the Chairman's statement, affected by the non-compliance with the requirements of IAS 21 and IAS 8.



KPMG

Vinay Ramabhai  
Chartered Accountant (CA(Z))  
Registered Auditor  
PAAB Practicing Certificate Number 0569

30 September 2025

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

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