Un-audited interim condensed financial statements for the quarter and nine month period ended 30 September, 2026

BUILDING
A BETTER TOMORROW



top EMPLOYER বাংলাদেশ BANGLADESH 2026
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

BAT BANGLADESH

British American Tobacco Bangladesh PLC.

Statement of financial position

In thousands of BDT	*Notes*	30 September 2026	31 December 2025
Assets			
Non-current assets			
Property, plant and equipment	*4*	**35,306,437**	33,926,137
Right of use (ROU) assets	*5.1*	**3,973,206**	4,339,730
Total non-current assets		**39,279,643**	38,265,867
Current assets			
Inventories	*6*	**44,504,814**	38,291,234
Trade and other receivables	*7*	**1,747,555**	18,027,577
Advances, deposits and prepayments	*8*	**4,645,118**	7,919,988
Cash and cash equivalents	*9*	**12,858,174**	9,186,166
Total current assets		**63,755,660**	73,424,965
Total assets		**103,035,303**	111,690,832
Equity and liabilities			
Equity			
Share capital	*10*	**5,400,000**	5,400,000
Capital reserve	*11*	**64,896**	64,896
Retained earnings		**53,380,851**	49,883,515
Total equity attributable to owners of the Company		**58,845,747**	55,348,411
Non-current liabilities			
Net defined benefit plans		**235,188**	166,861
Deferred tax	*12*	**3,959,511**	4,920,245
Lease liabilities	*5.2*	**3,400,292**	3,655,699
Total non-current liabilities		**7,594,990**	8,742,805
Current liabilities			
Short term bank loans		**-**	9,700,000
Borrowings under supplier financing arrangement		**-**	51,360
Trade and other payables	*13*	**21,501,827**	16,033,764
Unclaimed Dividend		**1,130,435**	5,392,856
Lease liabilities	*5.2*	**1,460,221**	1,484,669
Current tax liabilities	*14*	**6,086,706**	6,265,970
Provisions		**6,415,376**	8,670,997
Total current liabilities		**36,594,566**	47,599,616
Total liabilities		**44,189,556**	56,342,421
Total equity and liabilities		**103,035,303**	111,690,832

The notes on pages 5 to 19 are an integral part of these financial statements.

Sd /-	Sd /-	Sd /-
Prof. Dr. Melita Mehjabeen	**Kakhaber Benidze**	**Sudesh Peter**
Independent Director (Acting Chairman)	**Managing Director**	**Director**

Sd /-	Sd /-
Nomore Mapanzure	**Farah Noor**
Finance Director	**Company Secretary**

British American Tobacco Bangladesh PLC.

Statement of profit or loss and other comprehensive income
For the nine-month period & quarter ended 30 September 2026

In thousands of BDT	Notes	1 January 2026 to 30 September 2026	1 January 2025 to 30 September 2025	1 July 2026 to 30 September 2026	1 July 2025 to 30 September 2025
Gross revenue		**306,165,342**	329,505,345	**73,283,409**	94,682,718
Supplementary duty and VAT		**(255,257,685)**	(271,958,209)	**(60,687,781)**	(77,911,446)
Net revenue from contracts with customers	*15*	**50,907,657**	57,547,136	**12,595,628**	16,771,272
Cost of sales		**(29,866,394)**	(32,477,943)	**(7,607,395)**	(9,423,861)
Gross profit		**21,041,263**	25,069,193	**4,988,233**	7,347,411
Operating expenses		**(7,565,578)**	(6,499,293)	**(1,920,524)**	(1,277,276)
Operating profit		**13,475,685**	18,569,900	**3,067,709**	6,070,135
Net finance income/(expenses)	*16*	**(899,803)**	(979,204)	**(131,716)**	(202,874)
Non-operating income/(expenses)		**54,429**	99,898	**27,699**	80,012
Head office exit cost (one-off)		**-**	(2,123,834)	**-**	(502,528)
Profit before contribution to WPPF		**12,630,310**	15,566,760	**2,963,691**	5,444,745
Contribution to WPPF		**(631,516)**	(778,338)	**(148,185)**	(272,237)
Profit before tax		**11,998,795**	14,788,422	**2,815,507**	5,172,508
Current	*17*	**(7,817,654)**	(8,168,850)	**(2,802,526)**	(2,338,057)
Deferred tax	*17*	**949,079**	583,050	**985,391**	215,985
Income tax expense		**(6,868,575)**	(7,585,800)	**(1,817,135)**	(2,122,072)
Profit for the period		**5,130,219**	7,202,622	**998,371**	3,050,436
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):	*18*				
Remeasurement gain/(loss) on defined benefit plans		**(24,538)**	-	**(24,538)**	-
Deferred tax impact on defined benefit plans		**11,656**	-	**11,656**	-
Other comprehensive loss for the year, net of tax		**(12,883)**	-	**(12,883)**	-
Total comprehensive income for the year, net of tax		**5,117,336**	7,202,622	**985,488**	3,050,436
In BDT					
Earnings per share	*19*	**9.50**	13.34	**1.85**	5.65

The notes on pages 5 to 19 are an integral part of these financial statements.

Sd /-	Sd /-	Sd /-
Prof. Dr. Melita Mehjabeen	**Kakhaber Benidze**	**Sudesh Peter**
Independent Director (Acting Chairman)	**Managing Director**	**Director**

Sd /-	Sd /-
Nomore Mapanzure	**Farah Noor**
Finance Director	**Company Secretary**

British American Tobacco Bangladesh PLC.

Statement of changes in equity

For the nine-month period ended 30 September 2026

	Attributable to owners of the Company			
In thousands of BDT	Share capital	Capital reserve	Retained earnings	Total equity
Balance at 1 January 2025	5,400,000	64,896	52,252,545	57,717,441
Profit for the period	-	-	7,202,622	7,202,622
Other comprehensive income			-	-
Total comprehensive income for the period	-	-	**7,202,622**	**7,202,622**
Transactions with owners of the Company				
Contributions and distributions				
Final cash dividend 2024	-	-	(8,100,000)	(8,100,000)
Total transactions with owners of the Company	-	-	(8,100,000)	(8,100,000)
Balance at 30 September 2025	5,400,000	64,896	51,355,168	56,820,064
Balance at 1 January 2026	**5,400,000**	**64,896**	**49,883,515**	**55,348,411**
Profit for the period	**-**	**-**	**5,130,219**	**5,130,219**
Other comprehensive income			**(12,883)**	**(12,883)**
Total comprehensive income for the period	**-**	**-**	**5,117,336**	**5,117,336**
Transactions with owners of the Company				
Contributions and distributions				
Final Cash Dividend 2025	**-**	**-**	**(1,620,000)**	**(1,620,000)**
Total transactions with owners of the Company	**-**	**-**	**(1,620,000)**	**(1,620,000)**
Balance at 30 September 2026	**5,400,000**	**64,896**	**53,380,851**	**58,845,747**

The notes on pages 5 to 19 are an integral part of these financial statements.

Sd /-	Sd /-	Sd /-
Prof. Dr. Melita Mehjabeen **Independent Director (Acting Chairman)**	**Kakhaber Benidze** **Managing Director**	**Sudesh Peter** **Director**

Sd /-	Sd /-
Nomore Mapanzure **Finance Director**	**Farah Noor** **Company Secretary**

British American Tobacco Bangladesh PLC.

Statement of cash flows

In thousands of BDT	For the nine-month period ended 30 September 2026	2025
Operating activities		
Collection from distributors, leaf export and others	**322,492,174**	341,070,167
Payment for costs and expenses	**(40,140,626)**	(41,736,119)
Supplementary duty and VAT paid	**(251,107,580)**	(298,562,276)
Cash generated from operating activities	**31,243,968**	771,772
Income tax paid	**(7,996,917)**	(11,821,150)
Interest received/(paid)	**(538,376)**	(669,958)
Net cash flows from operating activities	**22,708,674**	(11,719,336)
Investing activities		
Purchase of property, plant and equipment	**(2,293,542)**	(1,895,791)
Proceeds from sale of property, plant and equipment	**4,115**	(388,138)
Net cash flows used in investing activities	**(2,289,427)**	(2,283,929)
Financing activities		
Bank overdraft	**-**	2,430,157
Net movement from short term financing - proceeds/(payment)	**(9,700,000)**	10,521,930
Lease movement	**(1,168,441)**	1,094,739
Dividend paid	**(5,882,420)**	(8,466,262)
Net cash flows from/(used in) financing activities	**(16,750,862)**	5,580,564
Net increase/(decrease) in cash and cash equivalents	**3,668,386**	(8,422,701)
Cash and cash equivalents at 1 January	**9,186,166**	8,965,135
Effect of exchange rate fluctuations on cash held	**3,622**	34,291
Cash and cash equivalents at 30 September	**12,858,174**	576,725

The notes on pages 5 to 18 are an integral part of these financial statements.

British American Tobacco Bangladesh PLC.

Notes to the financial statements
as at and for the period ended 30 September 2026

1 Corporate information

1.1 Company profile

British American Tobacco Bangladesh PLC (the "Company" or "BATB") is a public limited company incorporated in Bangladesh and its shares are quoted on the Dhaka and Chittagong Stock Exchanges. The address of the Company's registered office is Dehora, Dhamsona, Balibhadra Bazar, Ashulia, Dhaka-1349.

The immediate parent company of BATB is Raleigh Investment Co. Ltd., UK and the ultimate parent company of BATB is BAT plc, UK.

1.2 Nature of business

The Company is primarily engaged in manufacturing tobacco products and market brands including Benson & Hedges, John Player Gold Leaf, Capstan, Star, Royals, Lucky Strike, Luckies, Derby, Pilot and Hollywood and other tobacco related activities. The Company has its head office in Dhaka and the cigarette factory in Savar, a green leaf threshing plant in Kushtia, a green leaf redrying plant in Manikganj and a number of leaf and sales offices throughout the country.

2 Basis of preparation

2.1 Statement of compliance

The interim condensed financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS); specifically IAS 34 Interim Financial Reporting, the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 2020.
The financial statements have been prepared on a historical cost basis, except for financial assets and contingent considerations that have been measured at fair value where applicable. The financial statements provide comparative information in respect of the previous period and have been prepared on a going concern basis.

The condensed interim financial statements should be read in conjunction with the British American Tobacco Bangladesh PLC's annual statutory financial statements as at 31 December 2025.

2.2 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements: In the process of applying the accounting policies, management has made judgements, which have significant effect on the amounts recognised in the financial statements.

Estimates and Assumptions: Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.3 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 28 October 2026 for publication.

3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is both functional and presentational currency of the Company. The amounts in these financial statements have been rounded off to the nearest thousand BDT ('000) unless otherwise indicated. Because of such rounding off, in some instances the total may not match the sum of individual balances.

4 Property, plant and equipment

In thousands of BDT	Freehold building	Freehold land	Furniture and fixtures	IT equipment	Laboratory equipment	Leasehold building	Office equipment	Plant and machinery	Vehicles	Assets under construction (AUC)	Total
Cost											
Balance as at 1 January 2025	7,208,461	1,841,402	1,031,839	723,843	547,430	1,173,180	1,649,155	38,234,439	1,625,231	3,619,410	57,654,390
Additions	1,888,658	-	423,385	119,437	44,432	106,719	117,233	2,001,952	151,318	2,624,793	7,477,927
Disposals/transfers	-	-	(361,636)	(93,013)	(15,126)	(1,093,000)	(196,193)	(2,068,754)	(96,456)	(4,694,339)	(8,618,517)
Balance as at 31 December 2025	9,097,119	1,841,402	1,093,588	750,266	576,736	186,898	1,570,196	38,167,638	1,680,094	1,549,864	56,513,800
Balance as at 1 January 2026	**9,097,119**	**1,841,402**	**1,093,588**	**750,266**	**576,736**	**186,898**	**1,570,196**	**38,167,638**	**1,680,094**	**1,549,864**	**56,513,800**
Additions	**297,712**	**-**	**171,701**	**111,246**	**-**	**134,442**	**149,400**	**758,552**	**63,457**	**1,746,526**	**3,433,034**
Disposals/transfers	**-**	**-**	**(2,041)**	**(41,028)**	**-**	**-**	**(12,766)**	**(117)**	**(11,827)**	**-**	**(67,779)**
Balance as at 30 September 2026	**9,394,830**	**1,841,402**	**1,263,247**	**820,485**	**576,736**	**321,340**	**1,706,830**	**38,926,073**	**1,731,724**	**3,296,390**	**59,879,055**
Accumulated depreciation											
Balance as at 1 January 2025	797,733	-	499,184	497,662	339,736	446,153	1,244,137	15,431,848	1,124,533	-	20,380,986
Depreciation for the year	162,003	-	286,190	116,647	53,419	715,635	188,814	4,412,504	191,101	-	6,126,313
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/transfers	-	-	(361,469)	(92,992)	(15,126)	(1,093,000)	(195,900)	(2,065,658)	(95,491)	-	(3,919,636)
Balance as at 31 December 2025	959,736	-	423,905	521,318	378,028	68,788	1,237,051	17,778,694	1,220,144	-	22,587,663
Balance as at 1 January 2026	**959,736**	**-**	**423,905**	**521,318**	**378,028**	**68,788**	**1,237,051**	**17,778,694**	**1,220,144**	**-**	**22,587,663**
Depreciation for the year	**149,485**	**-**	**107,365**	**87,491**	**26,187**	**14,798**	**92,676**	**1,438,728**	**135,887**	**-**	**2,052,616**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals/transfers	**-**	**-**	**(2,041)**	**(41,028)**	**-**	**-**	**(12,766)**	**(117)**	**(11,709)**	**-**	**(67,661)**
Balance as at 30 September 2026	**1,109,221**	**-**	**529,229**	**567,780**	**404,215**	**83,586**	**1,316,961**	**19,217,305**	**1,344,322**	**-**	**24,572,618**
Net book value											
As at 31 December 2025	8,137,383	1,841,402	669,683	228,950	198,707	118,111	333,144	20,388,943	459,950	1,549,864	33,926,137
As at 30 September 2026	**8,285,610**	**1,841,402**	**734,018**	**252,704**	**172,521**	**237,755**	**389,869**	**19,708,767**	**387,402**	**3,296,390**	**35,306,437**

5 Schedule of leases

The Company has leases for warehouse, forklift, office, equipments and rented apartment which have been capitalised and accounted for in accordance with IFRS 16: Leases. Information related to right-of-use asset and lease liability are depicted below:

5.1 ROU assets

In thousands of BDT	Rented apartment	Forklift	Office	Warehouse	Equipments	Total
Cost						
Balance as at 1 January 2025	102,241	342,089	377,828	4,813,591	75,936	5,711,685
Additions/modifications	40,760	31,291	483,886	472,125	680,200	1,708,262
Disposals	(39,406)	(5,486)	(30,601)	-	-	(75,493)
Balance as at 31 December 2025	103,595	367,894	831,113	5,285,716	756,136	7,344,454
Balance as at 1 January 2026	**103,595**	**367,894**	**831,113**	**5,285,716**	**756,136**	7,344,454
Additions/modifications	3,507	290,340	89,082	144,230	-	527,159
Disposals	(50,381)	(10,979)	(1,576)	(172,741)	-	(235,677)
Balance as at 30 September 2026	**56,721**	**647,255**	**918,619**	**5,257,206**	**756,136**	**7,635,937**
Accumulated depreciation						
Balance as at 1 January 2025	56,444	139,199	127,495	1,817,227	19,554	2,159,919
Depreciation for the year	42,730	64,707	98,698	676,887	37,276	920,298
Impairment	-	-	-	-	-	-
Disposals/modifications	(39,406)	(5,486)	(30,601)	-	-	(75,493)
Balance as at 31 December 2025	59,768	198,420	195,592	2,494,114	56,830	3,004,724
Balance as at 1 January 2026	**59,768**	**198,420**	**195,592**	**2,494,114**	**56,830**	**3,004,724**
Depreciation for the year	**24,759**	**74,705**	**126,715**	**517,307**	**112,929**	**856,415**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**
Disposals/modifications	**(42,978)**	**(10,979)**	**(1,576)**	**(142,877)**	**-**	**(198,409)**
Balance as at 30 September 2026	**41,550**	**262,147**	**320,731**	**2,868,543**	**169,759**	**3,662,730**
Net book value						
As at 31 December 2025	43,827	169,474	635,521	2,791,602	699,307	4,339,730
As at 30 September 2026	**15,171**	**385,108**	**597,888**	**2,388,663**	**586,378**	**3,973,206**

5.2 Lease liabilities

In thousands of BDT	30 September 2026	31 December 2025
Non-current		
Lease liabilities	**4,221,988**	4,680,329
Interest liabilities	**(821,697)**	(1,024,630)
	3,400,292	3,655,699
Current		
Lease liabilities	**1,847,061**	1,894,876
Interest liabilities	**(386,840)**	(410,207)
	1,460,221	1,484,669
Total lease liabilities	**4,860,513**	5,140,368

6 Inventories

In thousands of BDT	Note	30 September 2026	31 December 2025
Inventories in hand	6.1	**44,213,882**	37,694,593
Inventories in transit	6.2	**290,931**	596,641
		44,504,814	38,291,234

6.1 Inventories in hand

In thousands of BDT	30 September 2026	31 December 2025
Leaf	**32,271,810**	22,763,039
Wrapping materials	**3,484,435**	2,912,474
Work in process	**176,711**	190,981
Finished goods	**6,771,091**	10,731,720
Cost of finished goods	**1,173,886**	2,357,864
VAT, Supplementary Duty and HDS on finished goods*	**5,597,205**	8,373,856
Consumables	**1,509,835**	1,096,379
	44,213,882	37,694,593

*Health Development Surcharge

6.2 Inventories in transit

In thousands of BDT	30 September 2026	31 December 2025
Leaf	**-**	32,107
Wrapping materials	**186,140**	402,379
Consumables	**104,791**	162,155
	290,931	596,641

7 Trade and other receivables

In thousands of BDT	30 September 2026	31 December 2025
Trade receivables	**401,803**	13,428,619
Expected credit loss	**(590)**	(13,526)
Net trade receivables	**401,213**	**13,415,093**
Intercompany receivables	**170,829**	246,194
Sundry receivables*	**1,175,513**	4,366,290
	1,747,555	18,027,577

8 Advances, deposits and prepayments

In thousands of BDT	*Note*	30 September 2026	31 December 2025
Advances			
Advance to suppliers		**2,319,727**	4,145,330
Supplementary duty and VAT		**2,221,872**	3,595,326
Advance to employees		**13,272**	12,671
		4,554,871	7,753,327
Prepayments			
Insurance		**90,246**	166,661
		90,246	166,661
		4,645,118	7,919,988

9 Cash and cash equivalents

In thousands of BDT	30 September 2026	31 December 2025
Cash in hand	**6**	6
	6	6
Cash at bank		
Dividend account *9.1*	**67,196**	1,109,849
Foreign currency accounts	**764,105**	2,105,344
Current accounts	**2,622,155**	3,890,384
Short term deposit (STD)	**9,404,711**	2,080,583
	12,858,167	9,186,160
	12,858,174	9,186,166

All the above balances are held with scheduled and nationalised banks. Interest bearing accounts under cash at bank earns interest at floating rates based on daily bank deposit rates.

9.1 Restricted cash balance

Dividend account is used only to pay dividends to the shareholders. The balance of this account moves with dividend transactions only.

9.2 Banking facility arrangements

Short term running funded facilities available with the banks amount to BDT 2,178 crore. Facilities are renewable on annual basis.

9.3 Reconciliation of net operating cash flow

In thousands of BDT	For the period ended 30 September 2026	2025
Profit after tax	**5,130,219**	7,202,622
Adjustment for:		
Depreciation and impairment	**2,894,522**	3,298,717
(Gain)/loss of sale of assets	**(3,997)**	391,253
Other adjustments	**7,764,757**	8,530,713
	15,785,501	19,423,306
Changes in:		
(Increase)/decrease in inventories	**(6,213,580)**	(28,846,219)
(Increase)/decrease in trade receivables and others	**16,280,022**	11,536,848
(Increase)/decrease in advances, deposits and prepayments	**2,111,257**	(8,877,236)
Increase/(decrease) in trade payables and others	**5,468,064**	7,575,438
Increase/(decrease) in net defined benefit plans	**68,326**	75,634
Increase/(decrease) in provisions	**(2,255,622)**	(115,999)
Income tax and interest payments	**(8,535,293)**	(12,491,108)
Net cash generated from operating activities	**22,708,674**	**(11,719,336)**

10 Share capital

In thousands of BDT	30 September 2026	31 December 2025
Authorised:		
60,000,000 ordinary shares of BDT 10 each	**600,000,000**	600,000,000
480,000,000 ordinary shares of BDT 10 each	**4,800,000,000**	4,800,000,000
	5,400,000,000	5,400,000,000
Issued, subscribed and fully paid up:		
Issued for cash:		
3 ordinary shares of BDT 10 each	**30**	30
Issued for consideration other than cash:		
59,999,997 ordinary shares of BDT 10 each	**599,999,970**	599,999,970
120,000,000 bonus shares of BDT 10 each	**1,200,000,000**	1,200,000,000
360,000,000 bonus shares of BDT 10 each	**3,600,000,000**	3,600,000,000
	5,400,000,000	5,400,000,000

10.1 Shareholding position

Name of shareholder	30 September 2026 No. of shares	Value (BDT)	Percentage	31 December 2025 No. of shares	Value (BDT)	Percentage
Raleigh Investment Co. Ltd., UK	**393,708,222**	**3,937,082,220**	**72.91%**	393,708,222	3,937,082,220	72.91%
Investment Corporation of Bangladesh	**29,292,317**	**292,923,170**	**5.42%**	29,126,127	291,261,270	5.39%
Sadharan Bima Corporation	**15,285,423**	**152,854,230**	**2.83%**	15,285,423	152,854,230	2.83%
Bangladesh Development Bank Limited	**1,851,302**	**18,513,020**	**0.34%**	1,851,302	18,513,020	0.34%
Government of Bangladesh	**3,481,416**	**34,814,160**	**0.64%**	3,481,416	34,814,160	0.64%
Others	**96,381,320**	**963,813,200**	**17.85%**	96,547,510	965,475,100	17.88%
	540,000,000	**5,400,000,000**	**100%**	540,000,000	5,400,000,000	100%

10.2 Share distribution schedule

A distribution schedule of the shares at the reporting date is given below following the requirement of listing regulations:

Shareholder's range	30 September 2026 Number of shareholders	Total number of shares	Percentage of holding	31 December 2025 Number of shareholders	Total number of shares	Percentage of holding
Less than 501 shares	**46,797**	**5,668,111**	**1.05%**	50,707	5,852,945	1.09%
501 to 5,000 shares	**12,302**	**19,080,642**	**3.53%**	12,310	18,925,052	3.51%
5,001 to 10,000 shares	**1,072**	**7,656,202**	**1.42%**	1,060	7,536,347	1.40%
10,001 to 20,000 shares	**469**	**6,647,818**	**1.23%**	458	6,503,679	1.20%
20,001 to 30,000 shares	**168**	**4,311,540**	**0.80%**	159	3,855,829	0.71%
30,001 to 40,000 shares	**74**	**2,810,036**	**0.52%**	66	2,285,093	0.42%
40,001 to 50,000 shares	**53**	**2,567,163**	**0.48%**	47	2,159,374	0.40%
50,001 to 100,000 shares	**94**	**6,714,877**	**1.24%**	96	6,902,177	1.28%
100,001 to 1,000,000 shares	**108**	**24,638,850**	**4.56%**	97	24,150,740	4.47%
Over 1,000,000 shares	**19**	**459,904,761**	**85.17%**	20	461,828,764	85.52%
	61,156	**540,000,000**	**100%**	65,020	540,000,000	100%

11 Capital reserve

Capital reserve represents non-remittable reserve of BDT 6.48 crore which is 90% of the cumulative post tax profit on disposal of property, plant and equipment as historically defined and directed by Bangladesh Bank. The requirement to create such special reserve on profit from sale of property, plant and equipment has been withdrawn since 1993.

12 Deferred tax

12.1 Deferred tax asset

In thousands of BDT	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
30 September 2026			
Provision for inventories	**(1,996,836)**	**-**	**(1,996,836)**
Provision for gratuity	**(235,188)**	**-**	**(235,188)**
Provision for Expenses	**(2,011,343)**	**-**	**(2,011,343)**
Net temporary difference	**(4,243,366)**	**-**	**(4,243,366)**
Applicable tax rate			**47.5%**
Deferred tax asset			**(2,015,599)**

In thousands of BDT	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 December 2025			
Provision for inventories	(1,157,157)	-	(1,157,157)
Provision for gratuity	(166,861)	-	(166,861)
Net temporary difference	(1,324,018)	-	(1,324,018)
Applicable tax rate			47.5%
Deferred tax Asset			(628,909)

12.2 Deferred tax liabilities

In thousands of BDT	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
30 September 2026			
Property, plant and equipment excluding land.	**29,931,653**	**16,502,433**	**13,429,219**
Net, right of use assets	**(850,041)**	**-**	**(850,041)**
Net temporary difference	**29,081,612**	**16,502,433**	**12,579,179**
Applicable tax rate			**47.5%**
Deferred tax liabilities			**5,975,110**

In thousands of BDT	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 December 2025			
Property, plant and equipment excluding land.	30,280,095	17,797,026	12,483,069
Net, right of use assets	(800,640)	-	(800,640)
Net temporary difference	29,479,455	17,797,026	11,682,429
Applicable tax rate			47.5%
Deferred tax liabilities			5,549,154

12.3 Deferred tax liabilities, net

In thousands of BDT		30 September 2026	31 December 2025
Deferred tax asset	**12.1**	**(2,015,599)**	(628,909)
Deferred tax liabilities / (asset) (ROU Assets)	**12.2**	**(403,769)**	(380,304)
Deferred tax liabilities (other than ROU assets)	**12.2**	**6,378,879**	5,929,458
Net deferred tax liabilities		**3,959,511**	4,920,245

13 Trade and other payables

In thousands of BDT	30 September 2026	31 December 2025
Trade payables	**7,844,321**	2,580,056
Intercompany payables	**7,835,940**	7,565,265
Workers' Profit Participation Fund (WPPF)	**-**	47,395
Wages and other benefits	**587,691**	942,412
Accrued expenses	**3,767,370**	4,373,755
Sundry payables	**1,466,505**	524,881
	21,501,827	16,033,764

14 Current tax liabilities

In thousands of BDT	30 September 2026	31 December 2025
Opening Balance	**6,265,970**	11,225,302
Provision made during the year	**7,817,654**	9,467,677
	14,083,623	20,692,979
Payment of corporate tax	**(7,996,917)**	(14,427,009)
Closing Balance	**6,086,706**	6,265,970

15 Revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	For the period ended 30 September	
In thousands of BDT	2026	2025
Quantity in million sticks	**32,538**	36,239
Gross revenue from domestic sale	**295,504,622**	324,267,976
Supplementary duty and VAT	**(248,625,238)**	(271,958,209)
Revenue from domestic sale, net	**46,879,384**	52,309,767
Quantity in million sticks	**419**	-
Gross revenue from third party sale	**7,637,852**	-
Supplementary duty and VAT	**(6,632,447)**	-
Revenue from third party sale, net	**1,005,405**	-
Quantity in million sticks	**-**	424
Gross revenue from finished goods export	**-**	1,537,124
Revenue from export of finished goods, net	**-**	1,537,124
Quantity in million kgs	**5.40**	7.86
Gross revenue from tobacco leaf export	**3,022,868**	3,700,245
Revenue from leaf export, net	**3,022,868**	3,700,245
Total revenue from contracts with customers, net	**50,907,657**	57,547,136

16 Net finance income/(expenses)

	For the period ended 30 September	
In thousands of BDT	2026	2025
Finance income	**140,584**	80,388
Finance costs		
Debt and borrowing	**(678,961)**	(750,346)
Lease liabilities	**(361,427)**	(309,246)
	(899,803)	(979,204)

17 Income tax expenses

In thousands of BDT	For the period ended 30 September 2026	2025
Current income tax:		
Current income tax charge	**7,817,654**	8,168,850
		-
Deferred tax:		-
Deferred tax (income)/expense relating to origination and reversal of temporary differences	**(960,734)**	(583,050)
Income tax expense reported in the statement of profit or loss	**6,856,919**	7,585,800

17.1 Reconciliation of effective tax rate

In thousands of BDT		For the period ended 30 September 2026		2025
Profit before tax		**11,998,795**		14,788,422
Current tax expense	**65.15%**	**7,817,654**	55.24%	8,168,850
Deferred tax expense	**-8.01%**	**(960,734)**	-3.94%	(583,050)
Total tax expense	**57.15%**	**6,856,919**	51.30%	7,585,800
Expected income tax using applicable tax rate	**47.50%**	**5,699,427**	47.50%	7,024,501
Prior year adjustment	**0.00%**	**-**	0.00%	-
Tax on non deductible expenses	**17.65%**	**2,118,227**	7.74%	1,144,349
Effective current tax	**65.15%**	**7,817,654**	55.24%	8,168,850
Effective deferred tax	**-8.01%**	**(960,734)**	-3.94%	(583,050)
	57.15%	**6,856,920**	51.30%	7,585,800

18 Other comprehensive income

In thousands of BDT	For the period ended 30 September 2026	2025
Actuarial gain/(loss) on defined benefit plans - Gratuity fund	**(24,708)**	-
Actuarial gain/(loss) on defined benefit plans - Pension fund	**170**	-
	(24,538)	-
Less: deferred tax on actuarial gain/(loss) on defined benefit plans @ 47.5%	**11,656**	-
Net actuarial gain/(loss) on defined benefit plans charged to OCI	**(12,883)**	-

Other Comprehensive Income for Q3 2025 had been included in the 2025 annual financial statements.

19 Earnings per share

19.1 Basic earnings per share

Earnings Per Share (EPS) is calculated in accordance with the International Accounting Standard (IAS) 33: *Earnings Per Share*. The composition of EPS is given below:

	For the period ended 30 September	
In thousands of BDT	**2026**	**2025**
Total profit attributable to shareholders	**5,130,219**	7,202,622
Weighted average number of shares outstanding	**540,000**	540,000
Earning per share in BDT	**9.50**	13.34

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated by assuming that the shares have always been in issue. This means that they have been issued at the start of the year presented as the comparative figures.

19.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year.

20 Net operating cash flows per share (NOCFPS)

	For the period ended 30 September	
In thousands of BDT	**2026**	**2025**
Net cash flow from operating activities	**22,708,674**	(11,719,336)
Weighted average number of shares outstanding	**540,000**	540,000
Net operating cash flows per share in BDT	**42.05**	(21.70)

21 Net asset value (NAV) per share

	For the period ended 30 September	**For the period ended 31 December**
In thousands of BDT	**2026**	**2025**
Net asset value	**58,845,747**	55,348,411
Weighted average number of shares outstanding	**540,000**	540,000
NAV per share in BDT	**108.97**	102.50

22 Related party disclosures

The Company carried out a number of transactions with related parties in the normal course of business on arms length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS 24: *Related party disclosures*

		Transaction values		Balance outstanding	
		30 September	30 September	30 September	31 December
In thousands of BDT	**Relationship**	**2026**	**2025**	**2026**	**2025**
Income					
a. Leaf, Cigarette export and sale of goods					
BAT (GLP) Limited	BAT Group company	**1,359,116**	1,495,052	**106,527**	(97,038)
BAT (Singapore) PTE LTD	BAT Group company	**-**	-	**11,602**	11,602
British American Tobacco ME DMCC	BAT Group company	**-**	519,571	**-**	-
Algeria: B.A.T. Algeria	BAT Group company	**59,083**	1,016,215	**(22,503)**	86,265
		1,418,198	3,030,838	**95,626**	829
b. Other fee					
Other fee received/to be received from:					
BAT (GLP) Limited	BAT Group company	**978**	86,220	**-**	-
BAT Holdings Limited	BAT Group company	**-**	-	**-**	-
BAT INVESTMENTS LTD	BAT Group company	**4,011**	28,543	**3,228**	45,016
Nicoventures Trading Limited	BAT Group company	**1,838**	-	**1,838**	-
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	**-**	-	**-**	1,893
BAT Japan	BAT Group company	**4,334**	1,543	**-**	-
British American Tobacco Exports Ltd	BAT Group company	**5,801**	1,499	**5,801**	9,609
BASS GSD Ltd	BAT Group company	**20,109**	-	**-**	-
BAT Global Travel Retail Limited	BAT Group company	**13,890**	6,076	**9,832**	-
BAT GSD (KL) Sdn Bhd	BAT Group company	**594**	-	**-**	-
British American Tobacco Taiwan	BAT Group company	**-**	-	**-**	1,599
Commercial Marketers & Distributors	BAT Group company	**-**	5,971	**-**	-
British-American Tobacco (Singapore)	BAT Group company	**-**	1,441	**-**	-
EAA Services	BAT Group company	**-**	-	**-**	-
British American Tobacco (PNG) Ltd	BAT Group company	**-**	-	**-**	-
VINA-BAT JV HCMC Branch	BAT Group company	**-**	-	**3,838**	3,838
BAT Co. (HK) Ltd	BAT Group company	**-**	-	**2,266**	2,266
BAT AsPac Service Centre Sdn Bhd	BAT Group company	**(17)**	43,086	**-**	-
BAT Nigeria Ltd	BAT Group company	**1,118**	5,183	**15,162**	14,043
British American Tobacco ME DMCC	BAT Group company	**-**	2,404	**-**	-
Fiedler&Lundgren AB	BAT Group company	**512**	5,871	**-**	1,926
ROTHMANS FAR EAST B.V. KOREA	BAT Group company	**-**	1,769	**-**	-
British American Tobacco (Malaysia)	BAT Group company	**6,214**	1,547	**1,345**	-
PT Bentoel Internasional Investama	BAT Group company	**-**	2,679	**-**	1,626
Souza Cruz Ltda.	BAT Group company	**-**	959	**2,739**	2,739
B.A.T. Algeria	BAT Group company	**-**	-	**-**	-
British American Tobacco Kenya Ltd	BAT Group company	**-**	1,716	**-**	-
PAKISTAN TOBACCO CO LTD	BAT Group company	**(3,219)**	-	**-**	2,884
Ceylon Tobacco Company PLC	BAT Group company	**(802)**	1,922	**959**	7,134
		55,361	198,429	**47,007**	94,573
Total related party income and balance receivables		**1,473,560**	3,229,267	**142,632**	95,402

In thousands of BDT	Relationship	Transaction values 30 September 2026	Transaction values 30 September 2025	Balance outstanding 30 September 2026	Balance outstanding 31 December 2025
Expenses					
c. Procurement of services					
Procurement of information technology, products and other services:					
BASS GSD Limited	BAT Group company	**1,172,224**	1,267,080	**(1,209,196)**	(1,382,545)
BRITISH AMERICAN TOBACCO AUSTRALIA	BAT Group company	**-**	-	**(9,455)**	(9,455)
British American Tobacco Area	BAT Group company	**-**	-	**(2,167)**	(2,167)
BAT Holdings Limited	BAT Group company	**20,484**	5,362	**-**	-
BAT AsPac Service Centre Sdn Bhd	BAT Group company	**-**	35,606	**-**	-
BAT GSD (KL) Sdn Bhd	BAT Group company	**2,489**	-	**(5,640)**	(3,151)
BAT Investments LTD	BAT Group company	**1,653**	23,649	**(1,237,855)**	(1,236,202)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	**403**	9,564	**(29,655)**	(29,252)
PAKISTAN TOBACCO CO LTD (PTCL)	BAT Group company	**-**	-	**(415)**	(415)
Prerona Foundation	Social Foundation	**-**	4,448	**-**	-
AGAMI Limited BPO	Prerona Controlled Entity	**-**	48,900	**-**	-
British American Tobacco Tutun	BAT Group company	**-**	-	**(47,053)**	(47,053)
BAT (GLP) Limited	BAT Group company	**-**	15,136	**(34,060)**	(34,060)
British American Tobacco Exports Ltd	BAT Group company	**-**	-	**75,307**	75,418
Ceylon Tobacco Company PLC	BAT Group company	**-**	-	**(2,449)**	(2,449)
Nicoventures Trading Limited	BAT Group company	**-**	-	**(10,426)**	(10,426)
BAT KOREA MANUFACTURING LTD	BAT Group company	**-**	-	**(10,870)**	(10,870)
BAT (Singapore) PTE LTD	BAT Group company	**195**	3,159	**(10,054)**	(9,956)
British American Tobacco South	BAT Group company	**-**	5,142	**(5,142)**	(5,142)
British American Tobacco Servicios	BAT Group company	**-**	18,439	**(13,367)**	(13,367)
BAT SAA Service (Private) Limited	BAT Group company	**(797)**	797	**-**	(797)
BAT Co. (HK) Ltd	BAT Group company	**-**	4,808	**(4,808)**	(4,808)
Souza Cruz Ltda.	BAT Group company	**-**	6,112	**83,909**	63,072
RHQ BAT Middle East	BAT Group company	**-**	-	**(17,469)**	(17,469)
		1,196,651	1,448,202	**(2,490,866)**	(2,681,094)
d. Purchase of leaf & goods					
Purchase of leaf and wrapping materials from:					
BAT Singapore (Private) limited	BAT Group company	**-**	-	**1,758**	1,758
BAT (GLP) Limited	BAT Group company	**13,650**	296,799	**19,067**	32,717
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	**77,228**	-	**(74,609)**	2,619
BAT KOREA	BAT Group company	**-**	-	**2,286**	2,286
British American Tobacco Exports Ltd	BAT Group company	**34,932**	12,315	**(122,314)**	(132,711)
Souza Cruz Ltda.	BAT Group company	**-**	15,110	**(15,110)**	(15,110)
British American Tobacco Kenya Ltd	BAT Group company	**-**	-	**-**	-
		125,810	324,223	**(188,922)**	(108,441)
e. Royalty					
Royalty paid/payable to:					
BAT Holdings Limited	BAT Group company	**485,345**	474,755	**(4,806,451)**	(4,300,622)
		485,345	474,755	**(4,806,451)**	(4,300,622)
f. Technical and assistance fee					
Payment of fees for technical and assistance support services to:					
BAT Investments Ltd	BAT Group company	**-**		**(355,052)**	(355,052)
		-	-	**(355,052)**	(355,052)
g. Dividend Payable to Raleigh					
2025 Dividend Payable to Raleigh:					
Raleigh Investment Co. Ltd., UK	Parent	**-**	-		4,282,880
		-	-	**-**	4,282,880
h. Purchase of equipment					
Purchase of equipment from:					
Agami Limited	Prerona Controlled Entity	**-**	-	**-**	-
BAT MARKETING (S) PTE LTD	BAT Group company	**-**	-	**-**	-
BAT Pecsi Dohanygyar KFT	BAT Group company	**-**	-	**-**	-
BRITISH AMERICAN TOBACCO CHILE	BAT Group company	**-**	-	**(69)**	(69)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	**52,035**	101,118	**94,191**	17,069
British American Tobacco Kenya Ltd	BAT Group company	**518**	-	**(518)**	-
BAT Nigeria Ltd	BAT Group company	**-**	-	**-**	-
BAT Romania Investment	BAT Group company	**-**	-	**-**	-
British American Tobacco Tutun	BAT Group company	**-**	20,605	**(986)**	(986)
BAT (Singapore) PTE LTD	BAT Group company	**-**	-	**11,704**	11,704
BAT KOREA MANUFACTURING LTD	BAT Group company	**-**	-	**(2,126)**	(2,126)
British American Tobacco South	BAT Group company	**-**	10,483	**5,142**	5,142
Souza Cruz Ltda.	BAT Group company	**73,790**	-	**(73,790)**	-
British American Tobacco Mexico	BAT Group company	**-**	-	**-**	-
BAT GERMANY GMBH	BAT Group company	**-**	-	**-**	-
		126,342	132,206	**33,548**	30,735
Total related party expenses and outstanding balances		**1,934,149**	2,379,387	**(7,807,743)**	(3,131,593)

23 Commitments

23.1 Capital expenditure

In thousands of BDT	30 September 2026	31 December 2025
Authorised but not provided for	**3,079,707**	5,351,326

23.2 Letter of credit

In thousands of BDT	30 September 2026	31 December 2025
Citibank, N.A.	**373,068**	1,204,717
Commercial Bank of Ceylon PLC	**75,113**	134,065
The Hongkong and Shanghai Banking Corporation Limited	**216,979**	666,694
Eastern Bank Ltd.	**-**	-
Standard Chartered Bank	**752,087**	1,803,388
	1,417,247	3,808,864

24 Contingencies

Contingent liabilities of the Company that relate to bank guarantee to third parties as listed below:

In thousands of BDT	30 September 2026	31 December 2025
Bank Guarantee		
Standard Chartered Bank	**262,621**	262,621
Eastern Bank Ltd.	**29,303**	29,303
Citibank, N.A.	**2,000**	2,000
	293,924	293,924

24.1 Litigation

The Company has various claims and legal actions arising in the ordinary course of business. Management believes that there is a strong defence against each of these claims and legal actions and is not expected to have a material impact on Company's financial statements. Such claims and legal actions include the following:

a) Differentiated Tax for Local and Foreign Brands – BDT 2,437 crore

In 2017, the National Board of Revenue issued a discriminatory special order imposing a supplementary duty of BDT 27 per pack for locally produced low tier cigarettes and BDT 35 per pack for foreign brand low tier cigarettes (the "Special Order").

Following issuance of the Special Order, it was highlighted to the Government that the measure was inconsistent with the principles of foreign direct investment and World Trade Organization non discrimination practices. As a result, the Special Order was repealed in 2018.

Subsequently, Akij Tobacco Company Limited, a local Bangladeshi tobacco manufacturer, filed a writ petition against the National Board of Revenue, seeking judicial directions to reinstate the Special Order and to reserve the low price cigarette segment for local manufacturers.

In September 2020, the High Court Division verbally delivered a judgment reviving the Special Order for the fiscal year 2017–2018. Following the judgment, the National Board of Revenue issued a show cause notice requiring British American Tobacco Bangladesh to explain why it should not be held liable for allegedly unpaid Value Added Tax and Supplementary Duty, asserting a claim of approximately BDT 2,437 crore.British American Tobacco Bangladesh filed an appeal before the Appellate Division of the Supreme Court of Bangladesh. In October 2020, the Appellate Division stayed the High Court judgment. Consequently, the National Board of Revenue's show cause notice was also stayed and remains suspended pending disposal of the appeal.

b) Leaf VAT Litigation – BDT 2,054 crore

In March 2020, the National Board of Revenue issued a show cause notice to British American Tobacco Bangladesh, alleging unpaid Value Added Tax and Supplementary Duty amounting to BDT 2,054 crore. The allegation was based on a claim that BATB had produced approximately 18 billion cigarettes in excess of declared quantities by using undisclosed purchases of locally procured tobacco leaf, purportedly identified through an alleged discrepancy between the 2016 Annual Report and VAT records.

British American Tobacco Bangladesh participated in the hearing conducted by the National Board of Revenue. Following a full inquiry, the tax authority withdrew the claim on 19 August 2021. However, on 14 August 2023, the National Board of Revenue initiated a re investigation of the same matter and issued a notice to British American Tobacco Bangladesh to attend a further hearing, after expiry of the statutory two year time bar. Under applicable law, the National Board of Revenue does not have the authority to examine records or reopen proceedings after two years from the date of the original decision or order.

British American Tobacco Bangladesh petitioned the High Court Division, which held that the National Board of Revenue's decision to initiate re investigation was illegal and without lawful authority, as it was time barred. The Court directed the National Board of Revenue not to call British American Tobacco Bangladesh for any re investigation in relation to the matter.

Despite this ruling, the National Board of Revenue subsequently instructed the Large Taxpayer Unit – VAT (a specialised VAT administration unit under the National Board of Revenue) to recover BDT 2,054 crore as allegedly unpaid Value Added Tax and Supplementary Duty from British American Tobacco Bangladesh. BATB challenged this directive, and the High Court again ruled in BATB's favour.
Notwithstanding the foregoing, the Large Taxpayer Unit – VAT thereafter raised a fresh demand on British American Tobacco Bangladesh of BDT 2,054 crore as unpaid Value Added Tax and Supplementary Duty. In response, British American Tobacco Bangladesh applied to the High Court Division seeking a stay of the demand. The matter is currently pending before the High Court

c) Pre Budget Sales Litigation – approximately BDT 379 crore

25 Other disclosures

25.1 Standard of Business Conduct (SOBC)

The Company periodically investigates allegations of misconduct, including allegations of corruption. Some of these allegations are currently being investigated and the Company cooperates with the relevant authorities where appropriate

26 Significant deviations

Earnings per share (EPS) decreased from same period last year due to volume de-growth. Net operating cash flow per share (NOCFPS) increased from same period last year due to lower payment for operating expenses and lower SD & VAT stemming from lower volume.

27 Events after reporting period

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

CELEBRATING

115 YEARS

1910 – 2025

TOWARDS A BETTER TOMORROW

BAT BANGLADESH

Scan for Digital Version of our Annual Report 2025

BAT Bangladesh Company Limited
Dehora, Dhamsona, Balibhadra Bazar
Ashulia, Dhaka-1349
Telephone: (+880) 96108822-82
www.batbangladesh.com