



B.A.T. NETHERLANDS FINANCE B.V.

**ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

Contents

	Page
Directors' report	3
Financial statements	8
- Balance sheet as at 31 December 2025	8
- Profit and loss account for the year 2025	9
- Notes to the 2025 financial statements	10
Other information	27

Directors' report

INTRODUCTION

The Board of Directors submit their annual report for B.A.T. Netherlands Finance B.V. ("the Company") for the year ended 31 December 2025. These are to be presented at the Annual General Meeting of Shareholders to be held on 13 February 2026. The Board of Directors of the Company hereby presents its directors' report for the financial year ended on 31 December 2025. The financial statements of the Company are presented on pages 8 to 26.

GENERAL INFORMATION

The principal activity of the Company is that of a financing company. The Company is the European financing vehicle of British American Tobacco p.l.c. ("BAT plc") and affiliated companies, (together referred to as "the Group"). The Group's principal activity is the production, sale and distribution of nicotine products. The Group is active in over 150 countries in the world.

The Euro Medium Term Note Programme ("the EMTN Programme") constitutes the principal means by which the Group accesses the European debt capital markets for medium to long-term funding. The Company acceded to the EMTN Programme in 2014 as an issuer and a guarantor. The Company is currently guarantor of notes issued by B.A.T. International Finance p.l.c. ("BATIF plc") and B.A.T Capital Corporation ("BATCAP").

On 7 April 2020, the Company has issued notes under the EMTN Programme, which are listed on the London Stock Exchange Limited ("LSE") (the "Notes"). The Company's obligations as an issuer are guaranteed by BAT plc, BATIF plc, BATCAP and Reynolds American Inc. ("RAI"). The proceeds of the Notes have been on-lent to BATIF plc (the "Loans"). The Loans exactly mirror the terms and conditions of the Notes plus an additional arms' length handling fee. The Loans are guaranteed by BAT plc.

On 16 February 2023, the Company issued additional EUR 800mn of the EMTN Programme, which are also listed on the LSE (the "2023 Notes"). The Company's obligations as an issuer are guaranteed by BAT plc, BATIF plc, BATCAP and RAI. The proceeds of the Notes have been on-lent to BATIF plc (the "2023 Loan"). The 2023 Loan exactly mirrors the terms and conditions of the Notes plus an additional arms' length handling fee. The 2023 Loan is guaranteed by BAT plc.

On 3 June 2020 the Company has acceded as an issuer to the Group's Euro-Commercial Paper Programme ("ECP Programme") under which BATIF plc and BATCAP are the issuers and BAT plc is the guarantor. The ECP Programme is used to manage short-term liquidity requirements for the Group.

The issuances by the Company under the ECP Programme are undertaken as an intermediary for the Group and therefore the proceeds are on-lent to BATIF plc by way of loans mirroring the terms and conditions of the issuances with an additional arm's length handling fee. At year-end, no issuance or loan under the ECP Programme was outstanding for the Company.

The previous revolving credit facilities of GBP 5.4 billion have been cancelled and replaced by New Revolving Credit Facilities Agreement on 6 November 2025.

The Company is, together with BATIF plc, BAT plc and BATCAP a borrower under the new BAT Group's GBP 5 billion Revolving Credit Facility ("RCF").

The New Revolving Credit Facilities Agreement is the BAT Group's primary source of backstop liquidity and BAT plc is the guarantor. The RCF cannot be used in the event of a default under the financing programmes but provides an additional source of funds for general management purposes. As of 31 December 2025, the RCF remains undrawn.

Directors' report

GENERAL INFORMATION - continued

The Company is a guarantor under 144A bonds and SEC registered shelf programme of an indeterminate principal amount of guaranteed debt securities issued by BATCAP, RAI and BATIF plc (the "Issuers"). The Issuers (except where they are the relevant Issuer), BAT plc, BATHTN (limited) and the Company guarantee the securities (the "Shelf Programme").

As a consequence of Brexit, the Company no longer qualifies as an *organisatie van openbaar belang* (public-interest Dutch entity) within the meaning of art. 2:398(7) DCC and art. 1(1)(l) of the Dutch Audit Firms Supervision Act. as from 1 January 2021. There is currently no intention to issue Notes under the EMTN Programme on any other regulated market than the UK and on the LSE.

The Company's immediate parent company is BATIF plc and its ultimate parent undertaking is BAT plc, both being public limited companies being incorporated in the United Kingdom and registered in England and Wales. The financial information of the Company is included in the consolidated financial statements of BAT plc and may be obtained from www.BAT.com.

On 2 July 2025 Mr N A Wadey resigned as a director of the Company and Mr D Wong was appointed as a director of the Company.

FINANCIAL INFORMATION

On 7 April 2020, the Company issued notes in an amount of EUR 850 million at a 3,13% coupon and a maturity date at 7 April 2028. These notes were issued off the EMTN Programme and are listed on the LSE. The Loans to BATIF plc mirror the Notes and are entered into on arms' length basis, including an additional handling fee. The Loans are documented in accordance with the Master Inter-Group Treasury Products Agreement ("MIGTPA") of the Group. On 8 April 2020 the Company entered into a guarantee agreement with BAT plc whereby BAT plc unconditionally and irrevocably guarantees the fulfilment of all obligations of BATIF plc as obligor under the Loans.

On 3 June 2020, the Company acceded to the ECP as an issuer. The proceeds of any issuances are lent immediately to BATIF plc on an arms' length basis. During the year, the Company had no outstanding amounts under the ECP Programme and no outstanding balance is recognized on the balance sheet at year end.

On 16 February 2023, the Company has issued new EUR 800 million 5.375% Notes on the LSE (London Stock Exchange) due 16 February 2031 under the EMTN Programme (the "2023 Notes"). On 16 February 2023, the Company entered into a loan agreement with BATIF plc at the same terms and conditions as the New Notes, with an additional spread of 4.75bps (the "2023 Loan"). The Loan has been unconditionally and irrevocably guaranteed by BAT plc.

The result after tax of the Company for the year ended 31 December 2025 amounted to EUR 431 thousand (2024: EUR 744 thousand).

The Company's liquidity ratio is 1.02 (2024: 1.02) and the Company has a solvability ratio of 6.5% (2024: 8.1%).

No cash flows and financing requirements are applicable.

Directors' report

RISK ANALYSIS

This section focuses on those risks the Board believes to be the most important after assessment of the likelihood and the potential impact on the business. Not all of these risks are within the control of the Company and other risks besides those listed may affect the Company's performance.

The principal risks that may affect the Company are set out below.

Strategy

The principal activity of the Company is that of a financing company. Any default risk is managed by matching the maturity profile of the long-term liabilities with the maturity profile of the long-term loans to BATIF plc, a handling fee of +4.75bp and by having a guarantee agreement between the Company and BAT plc against a default of BATIF plc. In case short-term liabilities exist, these will be managed by matching the maturity profile with the short-term loans to BATIF plc, a handling fee of +4.75bp and by having a guarantee agreement between the Company and BAT plc against a default of BATIF plc.

Operational activities

The Company periodically reviews the risks that are associated with its operations and complies with the BAT Group's system of internal control and processes designed to safeguard shareholder's investment and the Company's assets. These include the Control navigator, standards of business conduct and policies on anti-money laundering & corruption and sanctions.

The Company obtains its operational services from British American Tobacco International (Holdings) B.V. ("BATIH") and BATIH ensures that its employees are qualified to provide these services. The BAT Group provides annual compulsory training of key employees.

The Company issues Notes under BAT Group financing programmes that are ultimately guaranteed by BAT plc. The BAT Group financing programmes are regulated under UK or US law and are verified by external counsel providing legal advice on the financing programme as such as well as the participation of the Company in the financing programme. The long-term loans to the shareholder are at arms' length and based on the MIGTPA. Management performs a yearly assessment of the financial performance of BATIF plc and its ability to repay the loans provided by the Company by reviewing the approved BATIF plc annual financial statements, taking into account credit ratings by credit agencies granted to BAT Group in order to determine potential credit risk.

These activities are designed to manage risks that may impede the achievement of the Company's objectives rather than to eliminate these risks and can therefore provide only reasonable, not absolute, assurance against material misstatement or loss.

Financial position

The Company is expected to maintain profitable as a result of the handling fee of +4.75bp, which will also ensure a positive cash flow. The Company is financially sound and profitable.

Financial reporting

In preparing this annual report, the Board of Directors has made judgements, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The Company relies on the provision of services by British American Shared Services (Europe) S.R.L. ("GBS"), the BAT Group's central treasury accounting department defining all processes in SAP and which maintains the underlying information input such as ratings and on services provided by BATIH. The Company and GBS implemented different controls in the financial reporting process, such as the authorization of transactions and review of financial information.

Directors' report

RISK ANALYSIS - continued

Laws and regulation

The Company identified regulatory compliance in general as important. There are several processes in place to ascertain and manage this risk. In order to gain comfort over the risk, the Company engages with specialist partners at Stibbe N.V. for the provision of legal advice on specific transactions and on corporate governance in general. Loyens Loeff N.V. provides the notarial support to the Company. Updates on upcoming changes in legislation are provided to the Company as well as permanent professional education. Legal updates are given as required to the Board of Directors of the Company. Based on the controls the Company is able to comply with regulation and to respond timely to changes.

As a consequence of the Brexit, as per 1 January 2021, the Company no longer forms part of the fiscal unity of BATIH but continues as standalone taxpayer under the Dutch Collection of State Taxes Act. The Tax Sharing Agreement between the Company and BATIH remains active for the years the Company has been part of the Fiscal Unity and BATIH thus continues to indemnify the Company in relation to the ongoing tax litigation of the Fiscal Unity. Under the Dutch Collection of State Taxes Act, the Company and its fellow fiscal unity members are jointly and severally liable for any taxes payable by the Fiscal Unity for the years the Company has been part of the Fiscal Unity.

The Dutch tax authority has issued a number of assessments to the Fiscal Unity on various issues across the years 2003-2016 in relation to various intra-group transactions. BATIH has appealed against the assessments in full which has been rejected by the DTA. BATIH believes that its companies have meritorious defences in law and fact in each of the above matters and currently pursues each dispute through the judicial system. The District Court and the Court of Appeal quashed the correctional assessments for the years 2003-2007 and following an appeal from the Dutch tax authority this is now pending at the Supreme Court. With respect to the years 2008-2016, the District Court and the Court of Appeal upheld most of the correctional assessments for most of the issues. Both the DTA and BATIH filed a cassation appeal to the Supreme Court and a judgment is not expected before the end of 2027.

The Company is subject to the global minimum corporate tax framework applicable to multinational enterprise groups with global revenues over €750 million (Pillar Two rules) from 1 January 2024 and has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes in accordance with IAS12 (RJ 272.102a) Income Taxes. For the current year (2025) the company has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. For the year 2025, there is no impact on the Company. Further information is provided in note 10 in the Notes to the Accounts.

Corruption and fraud

All BAT Group companies operate under the Group's policies on Standards of Business Conduct ("SoBC") and related policies (which sets out policies for Speak Up; respect in the workplace; human rights; health; safety and welfare; environmental; lobbying and engagement; conflicts of interest; anti-bribery and corruption; gifts and entertainment; political contributions; community investment; protection of corporate assets and financial integrity; competition and anti-trust; anti-money laundering and tax evasion; sanctions; anti-illicit trade; data privacy; and information security), SOX control measures and are reporting on their activities in systems as Control Navigator. During 2025 all BAT employees worldwide completed the SoBC training and compliance sign off procedure. No fraud has been detected during 2025.

Social responsibility

As part of the BAT Group, the Company adheres to the BAT Group's commitment to carry out its business in an environmentally responsible and sustainable way.

The Company does not employ any personnel. The Company belongs to the BAT Group which complies with the policy on Inclusion and Diversity.

The Company is not an employer but receives its required services from Group entities that need to comply and adhere to the Group's policies on social responsibility. An example is the BAT Group Code of Conduct, which includes business integrity, anti-bribery and corruption, environmental sustainability and respect for human rights (covering equal opportunities and fair treatment, health and safety, prevention of harassment and bullying and freedom of association).

The external service providers, such as Stibbe N.V., Loyens Loeff N.V. and KPMG Accountants N.V. are all verified suppliers on the Group list of preferred suppliers and have been investigated to adhere to the same standards. More details on the above principles can be found on www.bat.com/principles.

Directors' report

FINANCIAL INSTRUMENTS

The maximum amount of credit risk that the Company incurs is EUR 1,702.6 million (2024: EUR 1,701.5 million), consisting of EUR 1,644.3 million (2024: EUR 1,642.7 million) due from BATIF plc by way of long-term loans, EUR 57.8 million (2024: EUR 57.8 million) accrued interest, also due from BATIF plc and EUR 0.5 million (2024: EUR 0.9 million) due on the cash pool agreement. The back-to-back loans to BATIF plc are well secured against default by way of a guarantee agreement between the Company and BAT plc.

The interest and cash flow risk is considered low. The back-to-back loans to BATIF plc mirror the terms and conditions of the Notes in issue by the Company plus an additional fixed margin of +4.75bp, hence no residual interest risk remains. The repayment risk is low as a result of the guarantee provided by BAT plc.

Interest risk on the cash pool agreement with BATOF plc is low due to the limited balances maintained which are only to cover administrative costs of the Company.

The Company is able to verify the financial position of the issuers under the Group financing programmes with Central Treasury and Group Accounting and has no indications that any of the issuers under the respective financing programmes will not meet their obligations as they fall due for at least the next 12 months. No events of default were noted in the period up to the date of submission of these accounts.

OUTLOOK

There is currently no intention to issue Notes under the EMTN Programme on any other market than the UK and on the LSE.

The BAT Group has GBP 2.38 billion of bonds, issued under both the EMTN Programme and the Shelf Programme, maturing during 2026. It is expected that bonds will be refinanced subject to deleveraging and cash positions of the BAT Group during the year. The BAT Group consider all currencies and platforms for these refinancings. A portion may be refinanced in euro, the bulk most likely in USD.

The BAT Group is continuously looking to opportunities to reduce its costs/costs of financing and, depending on market circumstances, new notes may be issued by any of the issuers, including the Company.

In 2026 the Company is expected to continue to be profitable. The margin generated by the Company on the long-term liabilities and the long-term loans to shareholders is a handling fee of +4.75bp.

The Board of Directors

J E P Bollen
D P I Booth
H M J Lina
D Wong

B.A.T. NETHERLANDS FINANCE B.V.

Balance sheet as at 31 December 2025

Before appropriation of result		31 December 2025	31 December 2024
All amounts in EUR '000	Notes		
Fixed assets			
Financial fixed assets			
Long-term loans to shareholder	1	1,644,263	1,642,727
		1,644,263	1,642,727
Current assets			
Other receivables	2	58,299	58,734
		58,299	58,734
Total assets		1,702,562	1,701,461
Shareholder's equity			
	3		
Issued capital		18	18
Other Reserves		657	613
Unappropriated result		431	744
		1,106	1,375
Non-current liabilities	4	1,644,265	1,642,747
Current liabilities			
Other liabilities	5	57,191	57,339
		57,191	57,339
		1,702,562	1,701,461

B.A.T. NETHERLANDS FINANCE B.V.

Profit & loss account for the year 2025

		2025	2024
All amounts in EUR '000			
Financial income	7	71,879	89,132
Financial expense	8	(71,086)	(88,018)
Net financial result		793	1,114
Other operating expenses	9	(231)	(129)
Profit before tax		562	985
Taxation	10	(131)	(241)
Profit after tax		431	744

Notes to the 2025 financial statements

General

(a) Reporting entity and relationship with parent companies

The Company, having its legal address at Handelsweg 53 A, 1181 ZA Amstelveen, is a private limited liability company under Dutch law and is listed under number 60533536 in the Trade Register. 100% of the shares of the Company are held by B.A.T. International Finance p.l.c. ("BATIF plc"), London, United Kingdom.

The Company's ultimate parent undertaking is British American Tobacco p.l.c. ("BAT plc"), a public limited company being incorporated in the United Kingdom and registered in England and Wales. The financial information of the Company is included in the consolidated financial statements of BAT plc and may be obtained from www.BAT.com.

The principal activity of the Company is that of a financing company within the BAT group.

(b) Financial Reporting period

The financial year of the Company ends on 31 December. The profit & loss account covers the year from 1 January to 31 December and the balance sheet date is 31 December.

(c) Related parties

Transactions with related parties are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions. All subsidiaries, associates and joint ventures of BAT plc are considered to be a related party. Entities which can control the Company are also considered a related party. In addition, the Board of Directors and other key management (and their close relatives) of both the Company and its parent undertakings are regarded as related parties. Refer notes 1, 2, 7, 8, 11, 13, 15 and 16 for the identified related parties.

(d) Cash flow statement

The Company does not include a cash flow statement in its financial statements as the Company's cash flows are included in the consolidated financial statements of British American Tobacco p.l.c. Copies of the Group report and accounts of BAT plc are available at www.sec.gov.

(e) Basis of preparation and accounting policies

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. The accounting policies applied for measuring assets and liabilities and the determination of result are based on the historical cost convention, unless otherwise stated in the further principles. The Company has deviated from the requirements for the profit & loss account in the Decree Model Financial Statements in view of the nature of the Company's activities.

General

Assets and liabilities are measured at historical cost, unless otherwise stated in the further principles.

An asset is recognised on the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value which can be measured reliably. Assets that are not recognised on the balance sheet are considered as off-balance sheet assets.

A liability is recognised on the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably.

Notes to the 2025 financial statements

General – continued

Provisions, if applicable, are included in the liabilities of the Company. Liabilities that are not recognised on the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised on the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Transactions of this nature will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised on the balance sheet, and thus de-recognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

If assets are recognised of which the Company does not have the legal ownership, this fact is being disclosed.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate.

Financial income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method.

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

Use of estimates

In preparing these financial statements, the Board has made judgements, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

The following accounting policies are in the opinion of management the most critical in preparing these financial statements and require judgements, estimates and assumptions:

The long-term loans issued to the shareholder: Management performs a yearly assessment of the financial performance of BATIF plc and its ability to repay the loans provided by the Company by reviewing the approved BATIF plc annual financial statements, taking into account credit ratings by credit agencies granted to BATIF plc in order to determine potential credit risk. Furthermore, there is a guarantee provided by BAT plc in relation to the long-term loans to the shareholder. Therefore, management also performs a yearly assessment of the financial performance of BAT plc and its ability to exercise the obligations under this guarantee by reviewing the approved BAT plc annual financial statements, taking into account credit ratings by credit agencies granted to BAT plc in order to determine potential credit risk.

Notes to the 2025 financial statements

General – continued

Functional and presentation currency

The financial statements are presented in euro, the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand. All transactions are in euros, there are no transactions in foreign currencies.

Financial instruments

These financial statements contain the following financial instruments: long-term loans to shareholder, interest receivable on long term loans to shareholder, long-term debts to third parties, interest payable on long-term debts to third parties, amounts due from/payable to affiliated companies and cash pooling receivables in amounts due from affiliated companies.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument. Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. After initial recognition, financial instruments are valued in the manner described below.

Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold, or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

The fair value of listed financial instruments included under long-term debts to third parties is determined on the basis of the listed last market price as published by Bloomberg. The fair value of non-listed financial instruments included under long-term loans to shareholder is determined on the basis of similar listed financial instruments and further by discounting the expected additional margin earned by the Company to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term.

Receivables

Receivables are measured at initial recognition at fair value, plus transaction costs.

After initial recognition, receivables are measured at amortised cost on the basis of the effective interest method, less impairment losses. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the receivables, less a provision for uncollectible debts. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account.

Cash pooling receivables

The Company utilises cash pooling arrangements with B.A.T. Operational Finance p.l.c. ("BATOF plc") which are not guaranteed. Balances, if any, are included under cash pooling receivables in amounts due from affiliated companies. The Company does not have cash and cash equivalents that are not included in the cash pooling arrangements. Amounts held under cash pooling receivables are stated at nominal value and are repayable on demand.

Notes to the 2025 financial statements

General – continued

Impairment of financial assets

A financial asset that is not measured at (1) fair value with value changes reflected in the profit and loss account, or at (2) amortised cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and financial assets that are held to maturity) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. The individually significant assets that are not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

Objective evidence that financial assets are impaired includes significant financial difficulty of the issuer or obligor, breach of contract such as default or delinquency in interest or principal payments, granting to the borrower a concession that the Company would not otherwise consider, indications that a debtor or issuer will enter bankruptcy or other financial restructuring, the disappearance of an active market for that financial asset because of financial difficulties or observable data indicating that there is a measurable decrease in the estimated future cash flow, including adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, and the disappearance of an active market for a security. Indicators for subjective evidence are also considered together with objective evidence of impairments, such as the disappearance of an active market because an entity's financial instruments are no longer publicly traded, a downgrade of an entity.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses, if recognised, are recorded in the profit and loss account. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate. When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original cost).

Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

Notes to the 2025 financial statements

General – continued

Shareholder's equity

Financial instruments that are designated as equity instruments by virtue of the economic substance of the legal reality are presented under shareholder's equity. Payments to holders of these instruments are deducted from the shareholder's equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the legal reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

Long-term and current liabilities and other financial commitments

At initial recognition, long-term and current liabilities and other financial commitments are recognised at fair value.

After initial recognition, long-term and current liabilities and other financial commitments are measured at amortised cost on the basis of the effective interest method. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the liability. Redemption payments regarding long-term liabilities that are due next year, are presented under current liabilities. The effective interest is directly recorded in the profit and loss account.

Financial income

Financial income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method in the period to which they belong.

The allocation of the financial income on the loan is the effective interest rate that is recognised in the profit and loss account. On the balance sheet, the amortised value of the loan is recognised.

The amounts of the premium that are not yet recognised in the profit and loss account and the redemption premiums already recognised in the profit and loss account, are recognised as an increase in loan to which they relate. Amounts of the discount that are not yet recognised in the profit and loss account are recognised as a reduction of the loan to which they relate.

Financial expense

Financial expense is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Financial expenses and similar charges are recognised in the period to which they belong.

Premium, discount and redemption premiums are recognised as financial expense in the period to which they belong. The allocation of these financial expenses is the effective interest rate that is recognised in the profit and loss account. On the balance sheet, the amortised value of the debt(s) is recognised (on balance).

The amounts of the premium that are not yet recognised in the profit and loss account and the redemption premiums already recognised in the profit and loss account, are recognised as an increase in debt(s) to which they relate. Amounts of the discount that are not yet recognised in the profit and loss account are recognised as a reduction of the debt(s) to which they relate.

Notes to the 2025 financial statements

General – continued

Corporate income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. For taxable temporary differences, a provision for deferred tax liabilities is recognised. For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

As per 1 January 2021, the Company no longer forms part of the fiscal unity of BATIH, but continues as standalone taxpayer under the Dutch Collection of State Taxes Act. As a standalone taxpayer, the Company is solely liable for all taxes due as a result of its business.

BATIH was the taxpayer of this Fiscal Unity and settled income taxes directly with the members of the Fiscal Unity via the Group's inter-company netting procedure until 31 December 2020. Under the Dutch Collection of State Taxes Act, the Company and its fellow fiscal unity members are jointly and severally liable for any taxes payable by the Fiscal Unity.

The Tax Sharing Agreement between the Company and BATIH remains active for the years the Company has been part of the Fiscal Unity and BATIH thus continues to indemnify the Company in relation to any disputes arising from the submitted consolidated tax return for the BAT Fiscal Unity, the cost of any additional tax and/or interest together with any advisory or legal fee, without recourse for the period covering all fiscal years from the Company's inception in 2014 up to and including 31 December 2020.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

B.A.T. NETHERLANDS FINANCE B.V.

Notes to the 2025 financial statements

All amounts in EUR'000

NOTE 1 ~ LONG-TERM LOANS TO SHAREHOLDER

Long-term loans to the Company's shareholder BATIF plc:

	<u>31 December 2025</u>	<u>31 December 2024</u>
(i) EUR 850 million 3.1725% due 7 April 2028	847,026	845,881
(ii) EUR 800 million 5.4225% due 16 February 2031	797,237	796,846
	<hr/> 1,644,263	1,642,727

Movement on long-term loans to shareholder comprise:

Long-term loans to shareholder as at 1 January 2025	1,642,727
Amortised costs release in the profit-and-loss account	1,536
Less: Repayment of Long-term loan	—
	<hr/> 1,644,263
Long-term loans to shareholder as at 31 December 2025	1,644,263

The nominal weighted average interest rate of the long-term loans as at 31 December 2025 amounts to 4.2634% (2024: 4.2634%). The effective weighted average interest rate of the long-term loans as at 31 December 2025 amounts to 4.356% (2024: 4.364%).

The long-term loans to shareholder are guaranteed by BAT plc.

The amortized costs release relates to amortization of the fee regarding the long-term loan.

(i) Interest on the 3.1725% long-term loan in the amount of EUR 27.0 million is receivable annually on 7 April each year for the duration of the loan. The capital repayment of the long-term loan at nominal value of EUR 850 million is due on 7 April 2028.

(ii) Interest on the 5.4225% long-term loan in the amount of EUR 43.4 million is receivable annually on 16 February each year for the duration of the loan. The capital repayment of the long-term loan at nominal value of EUR 800 million is due on 16 February 2031.

The fair value of the long-term loans at 31 December 2025 amounts to EUR 1,736,312 (2024: EUR 1,838,992). The fair values is calculated based on the market price of the listed financial instruments published by Bloomberg as at 31 December 2025 plus the discounted additional margin earned by the Company to their present value.

B.A.T. NETHERLANDS FINANCE B.V.

Notes to the 2025 financial statements

All amounts in EUR'000

NOTE 2 ~ OTHER RECEIVABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Interest receivable on long-term loans to shareholder	57,787	57,802
Cash pooling receivables - affiliated companies	510	932
Corporate income tax receivable	2	--
	<hr/>	
	58,299	58,734

Interest receivable on long-term loans to shareholder are payable in accordance with the terms and conditions of the long-term loan agreements. The Cash pooling receivables due from affiliated companies are with British American Tobacco Holdings (The Netherlands) B.V. ('BATHTN').

The Company utilises a cash pooling arrangement with BATOF plc and balances, if any, are included under cash pooling receivables in amounts due from affiliated companies. These are interest-bearing, unsecured and repayable on demand. The interest rate in relation to EUR balances is based on the euro short-term rate ("€STR"). As a result of the arrangement whereby the cash pool balance between the Company and BATOF are zero balancing with the cash pool BATHTN has with BATOF, the cash pool balance is effectively between the Company and BATHTN. These are interest bearing, unsecured and repayable on demand. The interest rate in relation to EUR balances is based on the euro short-term rate ("€STR").

All receivables have an estimated maturity shorter than one year. The carrying values of the recognised receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognised, if necessary.

B.A.T. NETHERLANDS FINANCE B.V.

Notes to the 2025 financial statements

All amounts in EUR'000 except share capital details, appropriation of result of 2024 and proposed for result appropriation 2025

NOTE 3 ~ SHAREHOLDER'S EQUITY

The shareholder's equity of the Company was as follows:

	<u>Issued capital</u>	<u>Other reserves</u>	<u>Unappropriated result</u>	<u>Total</u>
As at 1 January 2024	18	277	736	1,031
Dividend payment	--	--	(400)	(400)
Appropriation of profit	—	336	(336)	—
Result for the year 2024	--	--	744	744
<hr/>				
As at 31 December 2024	18	613	744	1,375
As at 1 January 2025	18	613	744	1,375
Dividend payment	--	--	(700)	(700)
Appropriation of profit	--	44	(44)	—
Result for the year 2025	--	--	431	431
<hr/>				
As at 31 December 2025	18	657	431	1,106

The Company's authorised and issued capital, amounting to EUR 18,000, consists of 40 ordinary shares of EUR 450.

Dividends

During the year, the Company declared and paid a final dividend of EUR 17,500.00 per ordinary share (2024: EUR 10,000.00) to the parent company.

Appropriation of result of 2024

The financial statements of the Company for the reporting year 2024 have been adopted by the Annual General Meeting of Shareholders on 9 February 2024. The Annual General Meeting of Shareholders had adopted the payment of a final dividend of EUR 700,000 (EUR 17,500.00 per share) out of current year's profit and allocate the remaining balance of EUR 44,532.07 to other reserves as proposed by the Board.

Proposal for result appropriation 2025

At the Annual General Meeting of Shareholders, it will be proposed to pay a final dividend out of current year's profit for the year in the amount of EUR 400,000.00 (EUR 10,000.00 per share) and allocate the remaining balance of EUR 30,339.66 to other reserves. The 2025 profit after tax is presented as unappropriated result in shareholder's equity.

B.A.T. NETHERLANDS FINANCE B.V.

Notes to the 2025 financial statements

NOTE 3 ~ SHAREHOLDER'S EQUITY - continued

The Company can only make payments to the shareholders and other parties entitled to the distributable profit in so far as (1) the Company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and (2) the shareholders' equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test). If not, management of the Company shall not approve the distribution. Preliminary tests carried out by management as at 13 February 2026 revealed no indications that the proposed distribution of dividend will not be possible, but these tests have to be finalized (and management has to approve the distribution) prior to the actual payment of the dividend.

B.A.T. NETHERLANDS FINANCE B.V.

Notes to the 2025 financial statements

All amounts in EUR'000

NOTE 4 ~ NON-CURRENT LIABILITIES

Long-term debts to third parties:

	<u>31 December 2025</u>	<u>31 December 2024</u>
(i) EUR 850 million 3.125% due 7 April 2028	847,033	845,908
(ii) EUR 800 million 5.375% due 16 February 2031	797,232	796,839
	<hr/> 1,644,265	1,642,747

Movement on long-term debts to third parties comprise:

Long-term debts to third parties as at 1 January 2025	1,642,747
Amortised costs charge in the profit-and-loss account	1,518

Long-term debts to third parties as at 31 December 2025 **1,644,265**

The nominal weighted average interest rate of the long-term borrowings as at 31 December 2025 amounts to 4.216% (2024: 4.216%). The effective weighted average interest rate of the long-term borrowings at 31 December 2025 amounts to 4.308% (2024: 4.316%).

Long-term liabilities to third parties consist of notes that are admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange p.l.c.'s Regulated Market.

The long-term debts to third parties are guaranteed under the terms and conditions of the EMTN Programme by all issuers that are not issuers of these notes and BAT plc. Refer to Note 11 for notes issued under the EMTN Programme guaranteed by the Company.

(i) Interest on the 3.125% long-term debts in the amount of EUR 26.6 million is payable annually on 7 April each year for the duration of the loan. The capital repayment of the long-term loan at nominal value of EUR 850 million is due on 7 April 2028.

(ii) Interest on the 5.375% long-term debts in the amount of EUR 43.0 million is payable annually on 16 February each year for the duration of the loan. The capital repayment of the long-term loan at nominal value of EUR 800 million is due on 16 February 2031.

The fair value of the long-term debts at 31 December 2025 amounted to EUR 1,732,960 (2024: EUR 1,835,020). The fair value represents the listed last market price published by Bloomberg as at 31 December 2025.

The amortized costs charge relates to amortization of the issuance costs of the bonds.

B.A.T. NETHERLANDS FINANCE B.V.

Notes to the 2025 financial statements

All amounts in EUR'000

NOTE 5 ~ OTHER LIABILITIES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Other payables	34	108
Interest payable on long-term debts to third parties	57,157	57,153
Corporate income tax payable	—	78
	<hr/>	
	57,191	57,339

Included in current liabilities is an amount of EUR nil that is not due within one year (2024: EUR nil).

Interest payable on long-term debts to third parties are unsecured and payable in line with the terms and conditions of each applicable series of notes issued under the EMTN Programme.

The carrying values of the recognised payables approximate their respective fair values, given the short maturities of the positions.

NOTE 6 ~ FINANCIAL INSTRUMENTS

During the normal course of business, the Company uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the Company has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company.

Financial and liquidity risk:

The maturity profile of the long-term liabilities equals the maturity profile of the long-term loans to shareholders.

Currency risk:

Both the long-term liabilities and the long-term loans to shareholders are denominated in Euro.

Interest risk:

The handling fee generated by the Company on the long-term liabilities and the long-term loans to shareholders is a spread of +4.75bp.

Cash flow risk:

The maturity profile of the long-term liabilities being equal to the maturity profile of the long-term loans to shareholders, together with the handling fee of +4.75bp generated, ensures a positive cash flow.

Credit risk:

Credit risk arises principally from the Company loans and receivables presented under financial fixed assets and other receivables. The maximum amount of credit risk that the Company incurs is EUR 1,702.6 million, almost all of which is due from BATIF plc and to a lesser extent other affiliated companies. Management performs a yearly assessment of the financial performance of BATIF plc and its ability to repay the loans provided by the Company by reviewing the approved BATIF plc annual financial statements and taking into account credit ratings by credit agencies granted to BATIF plc in order to determine potential credit risk.

The credit risk is mitigated by a well secured guarantee agreement between the Company and BAT plc..

The overall credit risk on the long-term loan to the shareholders is considered to be low.

B.A.T. NETHERLANDS FINANCE B.V.

Notes to the 2025 financial statements

All amounts in EUR'000

NOTE 7 ~ FINANCIAL INCOME

	<u>2025</u>	<u>2024</u>
Financial income on long-term loans to the shareholder	71,867	89,112
Interest income from affiliated companies	12	20
Interest income/(expense) other	--	—
	<hr/>	
	71,879	89,132

NOTE 8 ~ FINANCIAL EXPENSE

	<u>2025</u>	<u>2024</u>
Financial expenses on long-term liabilities	71,085	88,015
Interest income/(expense) other	1	3
	<hr/>	
	71,086	88,018

NOTE 9 ~ OTHER OPERATING EXPENSES

Other operating expenses comprise audit and other engagement fees charged by the Company's auditors and legal advisory fees. Administration and accounting services are provided by affiliated companies and are not recharged to the Company.

NOTE 10 ~ TAXATION

	<u>2025</u>	<u>2024</u>
Profit before tax	562	985
Applicable tax 19.0%	38	38
Applicable tax 25.8%	93	203
	<hr/>	
Tax expense/(benefit)	131	241
Effective tax rate	23.4%	24.4%

As a consequence of the Brexit, as per 1 January 2022, the Company no longer forms part of the fiscal unity of BATIH but continues as standalone taxpayer under the Dutch Collection of State Taxes Act. As a standalone taxpayer, the Company is solely liable for all taxes due as a result of its business and solely benefits from lower tax rate on the profits up to EUR 200,000.

B.A.T. NETHERLANDS FINANCE B.V.

Notes to the 2025 financial statements

All amounts in EUR'000

In December 2021, the OECD released model rules for a new global minimum corporate tax framework applicable to multinational enterprise groups with global revenues of over €750 million ("Pillar Two" rules). The Netherlands substantively enacted legislation implementing these rules on 31 December 2023 and the rules apply to the Company as of 1 January 2024. For the current year (2025) the company has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. There is no impact on the Company for the year 2025. The Company continues to review this legislation together with developing guidance.

NOTE 11 ~ CONTINGENT LIABILITIES

The Company has contingent liabilities in respect of guarantees and taxation.

Guarantees

The Company acceded to the British American Tobacco Euro Medium Term Note Programme (the "EMTN Programme") on 16 May 2014. As of this date, the Company, together with BAT plc, BATIF plc, British American Tobacco Holdings (The Netherlands) BV ("BATHTN"), and as from 31 May 2017, B.A.T Capital Corporation ("BATCAP") having re-acceded as participant under the EMTN Programme, guarantees, as applicable, all notes outstanding under the EMTN Programme, other than where the Company is the issuer. Effective 13 February 2018, BATCAP acceded as guarantor of the series of notes issued under the EMTN, which it did not already guarantee (other than where BATCAP is the issuer). During 2020, BATHTN was removed as a participant from the EMTN programme. BAT plc is not an issuer under the EMTN Programme, but solely acts as guarantor. Any bond issued by the Company, has been on-lent to BATIF on corresponding terms and conditions and guaranteed by BAT plc.

The maximum aggregate nominal amount of all notes that may from time to time be outstanding under the EMTN Programme is GBP 25,000 million (2024: GBP 25,000 million). All notes issued have been admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange p.l.c.'s Regulated Market, or any other Stock Exchange in a jurisdiction within the European Economic Area, as applicable.

At the balance sheet date, the Company is the guarantor of notes issued under the EMTN Programme of GBP 2,008 million, EUR 3,835 million and CHF 250 million (2024: GBP 2,308 million, EUR 4,485 million and CHF 250 million). The notes mature between 2026 and 2055.

The Company, together with BAT plc, BATCAP, and BATHTN, guarantees a series of notes issued by BATIF plc pursuant to Rule 144A and Regulation S under the United States Securities Act of 1933 (as amended). As of the end of 2025, no notes remain outstanding (2024: notes totalling USD 1,002 million).

The Company, together with BAT plc, BATIF plc, BATHTN and Reynolds American Inc., guarantees numerous series of notes pursuant to Rule 144A, with registration rights, issued as from August 2017, totalling USD 30,055 million (2024: 26,805 million). The notes mature between 2026 and 2055.

On 3 June 2020 the Company has acceded as an issuer to the Group's Euro-Commercial Paper Programme ("ECP Programme") under which BATIF plc and BATCAP are the issuers and BAT plc is the guarantor. The ECP Programme is used to manage short-term liquidity requirements for the Group. At year-end, no issuance or loan under the ECP Programme was outstanding for the Company.

As part of the Company's liquidity management, the Company is, together with BATIF plc, BAT plc and BATCAP a borrower under the BAT Group's GBP 5.0bn (2024: GBP 5.4bn) Revolving Credit Facility ("RCF"). This facility is the BAT Group's primary source of backstop liquidity and BAT plc is the guarantor. The RCF remains undrawn at 31 December 2025.

The previous revolving credit facilities of GBP 5.4 billion have been cancelled and replaced by New Revolving Credit Facilities Agreement on 6 November 2025.

The New Revolving Credit Facilities Agreement is the BAT Group's primary source of backstop liquidity and BAT plc is the guarantor. The RCF cannot be used in the event of a default under the financing programmes but provides an additional source of funds for general management purposes. As of 31 December 2025, the RCF remains undrawn.

Notes to the 2025 financial statements

All amounts in EUR'000

NOTE 11 ~ CONTINGENT LIABILITIES - continued

Income tax liability

As a consequence of the Brexit, as per 1 January 2021, the Company no longer forms part of the fiscal unity of BATIH but continues as standalone taxpayer under the Dutch Collection of State Taxes Act. As a standalone taxpayer, the Company is solely liable for all taxes due as a result of its business.

BATIH was the taxpayer of this Fiscal Unity and settled income taxes directly with the members of the Fiscal Unity via the Group's inter-company netting procedure. Under the Dutch Collection of State Taxes Act, the Company and its fellow fiscal unity members are jointly and severally liable for any taxes payable by the Fiscal Unity.

The Dutch tax authority has issued a number of assessments to the Fiscal Unity on various issues across the years 2003-2016 in relation to various intra-group transactions. BATIH has appealed against the assessments in full which has been rejected by the DTA. BATIH believes that its companies have meritorious defences in law and fact in each of the above matters and currently pursues each dispute through the judicial system. The District Court and the Court of Appeal quashed the correctional assessments for the years 2003-2007 and following an appeal from the Dutch tax authority this is now pending at the Supreme Court. With respect to the years 2008-2016, the District Court and the Court of Appeal upheld most of the correctional assessments for most of the issues. Both the DTA and BATIH filed a cassation appeal to the Supreme Court and a judgment is not expected before the end of 2027.

The Tax Sharing Agreement between the Company and BATIH remains active for the years the Company has been part of the Fiscal Unity and BATIH thus continues to indemnify the Company in relation to any disputes arising from the submitted consolidated tax return for the BAT Fiscal Unity, the cost of any additional tax and/or interest together with any advisory or legal fee, without recourse for the period covering all fiscal years from the Company's inception in 2014 up to and including 31 December 2020.

NOTE 12 ~ STAFFING

The Company does not have any employees.

NOTE 13 ~ TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its shareholder, Board of Directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

The Board of Directors do not receive remuneration for their services. The Board of Directors are employed by affiliated group companies and their costs are not recharged to the Company.

The Company does not pay any guarantee fees in relation to the financial instruments which are guaranteed by entities within the BAT group.

B.A.T. NETHERLANDS FINANCE B.V.

Notes to the 2025 financial statements

All amounts in EUR'000

NOTE 14 ~ AUDITOR'S FEES

The following fees were charged by KPMG Accountants N.V. to the Company, as referred to in Section 2:382a(1) and (2) of the Dutch Civil Code.

	KPMG Accountants N.V. 2025	KPMG Accountants N.V. 2024
Audit of the financial statements	85	71
Other audit engagements	41	33
	<hr/> 126	104

The fees included above for the audit of the 2025 (2024) financial statements relate to the total fees for the audit of the 2025 (2024) financial statements, irrespective of whether the activities have been performed, respectively, during the 2025 (2024) financial year. This amount includes VAT of EUR 9 (2024: EUR 0), arising from newly introduced administrative guidelines on the deductibility of VAT for financial holding companies, effective from 1 July 2025.

Included under other audit engagements, KPMG Accountants N.V. provided, in addition to the statutory audit of the financial statements, assurance work concerning the issuing of a comfort letter and a consent letter in connection with the EMTN programme.

NOTE 15 ~ THE BOARD OF DIRECTORS

On 2 July 2025 Mr N A Wadey resigned as a director of the Company and Mr D Wong was appointed as a director of the Company.

The present Board of Directors of the Company consists of:

J E P Bollen
D P I Booth
H M J Lina
D Wong

NOTE 16 ~ DIRECTORS REMUNERATION

The Board of Directors do not receive remuneration for their services (2024: nil). The Board of Directors are employed by affiliated group companies and their costs are not recharged to the Company.

NOTE 17 ~ SUBSEQUENT EVENTS POST YEAR END

There have been no subsequent events that require adjustment to or disclosure in the financial statements.

B.A.T. NETHERLANDS FINANCE B.V.

Notes to the 2025 financial statements

The Board of Directors hereby approve the financial statements.

J E P Bollen

D P I Booth

H M J Lina

D Wong

13 February 2026

Handelsweg 53 A
1181 ZA Amstelveen
The Netherlands

Other information

Independent auditor's report

The report of the independent auditors, KPMG Accountants N.V., is set out on the following pages.

Provisions in the Articles of Association governing the appropriation of profit

In accordance with Article 19 of the Company's Articles of Association, the result for the year is at the disposal of the Annual General Meeting of Shareholders.



Independent auditor's report

To: the General Meeting of Shareholders of B.A.T. Netherlands Finance B.V.

Report on the audit of the financial statements 2025 included in the annual report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of B.A.T. Netherlands Finance B.V. as at 31 December 2025 and of its result for the year 2025 then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2025 of B.A.T. Netherlands Finance B.V. (the Company) based in Amstelveen.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2025;
- 2 the profit and loss account for the year 2025; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of B.A.T. Netherlands Finance B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulation, and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Information in support of our opinion

Summary

Materiality

- Materiality of EUR 15 million
- 0,89% of total assets

Risk of material misstatements related to Fraud, NOCLAR, Going concern risks

- Fraud risks: presumed risk of management override of controls identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified
- Going concern risks: no going concern risks identified

Key audit matters

- Valuation of long-term loans to shareholder

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 15 million (2024: EUR 15 million). The materiality is determined with reference to the total assets (0,89%). We consider total assets as the most appropriate benchmark given the Company's role as a financing entity and because total assets is an important metric for users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements identified during our audit in excess of EUR 750.000 would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit response to the risk of fraud and non-compliance with laws and regulations

In Risk Analysis chapter of the directors' report, the Board of Directors describes the procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment and the Company's risk management in relation to fraud and non-compliance.

Our procedures included, among other things, assessing the Company's code of conduct and whistleblowing procedures. Furthermore, we performed relevant inquiries with the Board of Directors and other relevant functions, such as the financial administration and the legal department. We have also incorporated an element of unpredictability in our audit, by testing accounts which are determined not to contain a risk of material misstatement.



As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- Corporate tax law (reflecting the ongoing disputes between the Dutch tax authority and the fiscal unity of which the Company was a part)
- Anti-money laundering legislation
- Anti-bribery and corruption legislation

Our procedures did not result in the identification of a reportable risk of material misstatement in respect of non-compliance with laws and regulations.

Further, we assessed the presumed fraud risk on revenue recognition as not significant, since the Company's sole significant source of income is finance income that is derived from long term loan agreements with the parent company, including fixed terms and conditions in respect of interest. As a consequence, we did not identify an incentive or pressure from the Board of Directors to achieve certain results or specific finance income targets and there is limited perceived opportunity to commit a material fraud in this area.

Based on the above and on the auditing standards, we identified the following presumed fraud risk laid down in the auditing standards that is relevant to our audit and responded as follows:

• **Management override of controls (a presumed risk)**

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively such as: estimates related to the ongoing tax dispute and the valuation of long-term loans to shareholder.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries.
- As part of the fraud risk assessment, we performed a data analysis of the journal entries population to determine if high-risk criteria for testing applies and evaluated relevant estimates and judgments for bias by the Company's management. Where we identified instances of unexpected journal entries or other risks through our data analysis, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We identified and selected journal entries and other adjustments made at the end of the reporting period for testing.

Our evaluation of procedures performed related to fraud did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to the Board of Directors.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.



Audit response to going concern

The management board has performed its going concern assessment and has not identified any going concern risk. To evaluate the Board of Directors' assessment, we have performed, inter alia, the following procedures:

- we discussed with the Board of Directors the basis for the use of the going concern assumption, including whether all relevant information of which we are aware as a result of our audit has been considered.
- we considered whether the Board of Directors' assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit.
- we analysed the financial position of BATIF p.l.c. as borrower of long-term loans to shareholder and BAT p.l.c as ultimate parent entity as at year-end to identify significant going concern risks, including the liquidity and solvency positions.
- we considered whether the outcome of our audit procedures to confirm the ability of the shareholder to fulfil its obligations arising from the loan issued by the Company to the shareholder, as described in the Key Audit Matter section of our auditor's report, could indicate a going concern risk.
- we verified that the maturity of the receivables from group undertakings fully matches to the maturity of the bonds issued by the Company to ensure that the Company is in a position to timely repay the bonds and related interest.
- we considered whether the in-house cash agreement with BATIF p.l.c. contain such limitations that indicate increased liquidity risk.
- we assessed whether the ongoing tax disputes with the national tax authority and the fiscal unity, of which the Company was a part, could indicate a significant going concern risk.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on Board of Directors' going concern assessment.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board of directors. We consider valuation of long-term loans to shareholder to be key audit matter. The key audit matters are not a comprehensive reflection of all matters discussed.

Valuation of long-term loans to shareholder

Description

The Company is a financing entity that issues bonds to external parties in order to obtain funding for the shareholder, BATIF p.l.c. The Company has no substantial assets other than the loans granted to BATIF p.l.c., which are guaranteed by BAT p.l.c. As per year end these loans amount to EUR 1,6bn, we make reference to Note 1 in the financial statements.

As per the requirements of the financial reporting framework, management is required to assess on a yearly basis whether any triggers for impairment are identified. In the current year, management has not identified any triggers which lead to the loans to shareholder being tested for impairment.

The Company is therefore interrelated with and dependent on the financial performance of BATIF p.l.c. for the repayment of principal and (accrued) interest. This is highlighted in note 6 to the financial statements. Given the magnitude of this balance, the pervasive impact on the financial statements of the Company and that the annual impairment test may be subject to management estimation, we consider the valuation of long-term loans and interest receivable on long-term loans to BATIF p.l.c. as a key audit matter.

Our response

- we obtained and documented our understanding of managements impairment test process.
- we inspected the Board of Directors' assessment with respect to the ability of BATIF p.l.c. and BAT p.l.c. to meet their contractual obligations towards the Company. Specifically, we evaluated the liquidity and solvency of BATIF p.l.c. and BAT p.l.c. based on its audited financial statements as at 31 December 2025, and analysed movements in its net equity, net income before tax and cash flows in comparison with previous year.
- we evaluated the timely repayment of interest and, if applicable, principal obligations by BATIF p.l.c. during the year and subsequent to balance sheet date, to determine whether conditions exist that indicate a negative impact on the counterparty's ability to meet its future obligations. Moreover, we inspected externally available information, such as external rating agencies' reports for BAT p.l.c. and the market capitalization of BAT p.l.c which has not led to the identification of any impairment triggers.
- we determined, via inquiry with the Board of Directors of B.A.T. Netherlands Finance B.V. and with the external auditor of both BATIF p.l.c. and BAT p.l.c., whether any indications existed as at or subsequent to the Company's year-end balance sheet date, that BATIF p.l.c. and BAT p.l.c. would be unable to meet its contractual obligations under the respective loan and guarantee agreements with the Company.
- we evaluated the adequacy of the Company's disclosure in respect of the credit risk in note 6 to the financial statements.



Our observations

The results of our procedures performed were satisfactory. We found the Board of Directors' assessment of the recoverability of the long-term loans to and interest receivable on long-term loans to BATIF p.l.c. to be sufficient and that the risk is adequately disclosed in the financial statements.

Compliance with Regulatory Technical Standard of SBR, including XBRL tagging, not audited

The statutory audit includes verifying that the prepared financial statements comply with the legal requirements under Title 9 of Book 2 of the Dutch Civil Code. Our audit opinion has been issued on the prepared financial statements and will be attached to the digitally filed annual report. This means that compliance with all requirements of the Regulatory Technical Standard within the SBR domain for the Trade Register (including the applied eXtensible Business Reporting Language (XBRL) tags) was not part of the statutory audit.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Board of Directors responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of B.A.T. Netherlands Finance B.V., as of the audit for the year 2015 and have operated as statutory auditor ever since that financial year.



Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, The Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect, the Board of Directors is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, The Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, The Board of Directors should prepare the financial statements using the going concern basis of accounting unless The Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 13 February 2026

KPMG Accountants N.V.

H.A.P.M. van Meel RA

Appendix:

Description of our responsibilities for the audit of the financial statements



Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors';
- concluding on the appropriateness of the Board of Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.