



## TRADING UPDATE

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

### BUSINESS ENVIRONMENT OVERVIEW

Zimbabwe's operating environment continues to be complex and uncertain, with macroeconomic turbulence fuelled by monetary instability and substantial exchange rate distortions adversely impacting business activity. Despite these challenges, BAT Zimbabwe is optimistic about the future and continues to review its business model to ensure long-term sustainability and value creation for its stakeholders.

### Key performance metrics

For the nine months ended 30 September 2024, the Company registered the performance outlined below:

- Sales volumes declined by 8% vs same period prior year due to inflation and currency challenges.
- Consequently, domestic cigarette revenue decreased by 37% compared to the same period prior year, driven by reduced consumer spending and disposable income.
- However, operating costs were reduced by 33% vs same period prior year driven by cost optimisation initiatives.

### Strategic Actions

In response to the economic challenges, we implemented dual currency billing, offering flexibility to customers and ensuring business continuity.

We also reviewed our Route-to-Consumer operations, creating a robust and future fit model that is responsive to evolving consumer and market trends.

### Future Outlook

We remain committed to driving growth by simplifying our business model, expanding our consumer-centric brand portfolio, and maintaining strong stakeholder engagements.

We continue a transformation journey anchored on our purpose which is to build A Better Tomorrow™, by reducing the health impact of our business through offering a greater choice of enjoyable and less risky products. As part of our ESG agenda, we are working towards reducing the environmental footprint of our operations through responsible water use, recycling of waste and increasing our energy efficiency, while contributing to local socio-economic development.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Lovemore T. Manatsa', written over a white background.

Lovemore T. Manatsa  
Chairman  
24 October 2024