

Un-audited interim condensed financial statements  
as at and for the period ended 31 March 2026

# BUILDING

A BETTER TOMORROW



# British American Tobacco Bangladesh PLC.

## Statement of financial position

<i>In thousands of BDT</i>	<i>Notes</i>	31 March 2026	31 December 2025
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	33,622,878	33,926,137
Right of use (ROU) assets	5.1	4,356,156	4,339,730
<b>Total non-current assets</b>		<b>37,979,034</b>	<b>38,265,867</b>
<b>Current assets</b>			
Inventories	6	53,864,334	38,291,234
Trade and other receivables	7	6,614,512	18,027,577
Advances, deposits and prepayments	8	7,834,757	7,919,988
Cash and cash equivalents	9	15,169,533	9,186,166
<b>Total current assets</b>		<b>83,483,136</b>	<b>73,424,965</b>
<b>Total assets</b>		<b>121,462,170</b>	<b>111,690,832</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	10	5,400,000	5,400,000
Capital reserve	11	64,896	64,896
Retained earnings		50,358,579	49,883,515
<b>Total equity attributable to owners of the Company</b>		<b>55,823,475</b>	<b>55,348,411</b>
<b>Non-current liabilities</b>			
Net defined benefit plans		196,053	166,861
Deferred tax	12	5,178,557	4,920,245
Lease liabilities	5.2	3,703,769	3,655,699
<b>Total non-current liabilities</b>		<b>9,078,379</b>	<b>8,742,805</b>
<b>Current liabilities</b>			
Short term bank loans		18,600,000	9,700,000
Borrowings under supplier financing arrangement		11,691	51,360
Trade and other payables	13	15,870,507	16,033,764
Unclaimed Dividend		6,882,108	5,392,856
Lease liabilities	5.2	1,490,863	1,484,669
Current tax liabilities	14	6,682,506	6,265,970
Provisions		7,022,642	8,670,997
<b>Total current liabilities</b>		<b>56,560,316</b>	<b>47,599,616</b>
<b>Total liabilities</b>		<b>65,638,695</b>	<b>56,342,421</b>
<b>Total equity and liabilities</b>		<b>121,462,170</b>	<b>111,690,832</b>

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

Wael Sabra  
Chairman

Nirala Nandini Singh  
Finance Director

Masud Khan  
Director

Numayer Alam  
Director

Syed Afzal Hossain  
Company Secretary

# British American Tobacco Bangladesh PLC.

## Statement of profit or loss and other comprehensive income

### For the three-month period ended 31 March 2026

<i>In thousands of BDT</i>	<i>Notes</i>	<b>2026</b>	<b>2025</b>
Gross revenue		<b>87,250,176</b>	95,973,547
Supplementary duty and VAT		<b>(72,922,300)</b>	(77,331,011)
<b>Net revenue from contracts with customers</b>	15	<b>14,327,876</b>	18,642,536
Cost of sales		<b>(6,312,473)</b>	(9,532,269)
<b>Gross profit</b>		<b>8,015,402</b>	9,110,267
Operating expenses		<b>(2,318,349)</b>	(1,647,859)
<b>Operating profit</b>		<b>5,697,053</b>	7,462,408
Net finance income/(expenses)	16	<b>(492,450)</b>	(539,173)
Non-operating income/(expenses)		<b>1,159</b>	18,547
<b>Profit before contribution to WPPF</b>		<b>5,205,761</b>	6,941,782
Contribution to WPPF		<b>(260,288)</b>	(347,089)
<b>Profit before tax</b>		<b>4,945,473</b>	6,594,693
Current tax	17	<b>(2,592,097)</b>	(3,662,577)
Deferred tax		<b>(258,311)</b>	247,416
<b>Income tax expense</b>		<b>(2,850,409)</b>	(3,415,161)
<b>Profit for the period</b>		<b>2,095,064</b>	3,179,532
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the period, net of tax</b>		<b>2,095,064</b>	3,179,532
<i>In BDT</i>			
<b>Earnings per share</b>	18	<b>3.88</b>	5.89

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Company Secretary

# British American Tobacco Bangladesh PLC.

## Statement of changes in equity

For the three-month period ended 31 March 2026

<i>In thousands of BDT</i>	Attributable to owners of the Company			
	Share capital	Capital reserve	Retained earnings	Total equity
<b>Balance at 1 January 2025</b>	5,400,000	64,896	52,252,545	57,717,441
Profit for the year	-	-	3,179,532	3,179,532
<b>Total comprehensive income for the year</b>	-	-	3,179,532	3,179,532
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Final cash dividend 2024 (Declared but not paid)	-	-	(8,100,000)	(8,100,000)
<b>Total transactions with owners of the Company</b>	-	-	(8,100,000)	(8,100,000)
<b>Balance at 31 March 2025</b>	5,400,000	64,896	47,332,077	52,796,973
<b>Balance at 1 January 2026</b>	5,400,000	64,896	49,883,515	55,348,411
Profit for the year	-	-	2,095,064	2,095,064
<b>Total comprehensive income for the year</b>	-	-	2,095,064	2,095,064
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Final Cash Dividend 2025 (Declared but not paid)	-	-	(1,620,000)	(1,620,000)
<b>Total transactions with owners of the Company</b>	-	-	(1,620,000)	(1,620,000)
<b>Balance at 31 March 2026</b>	5,400,000	64,896	50,358,579	55,823,476

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

Wael Sabra  
Chairman

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Company Secretary

# British American Tobacco Bangladesh PLC.

## Statement of cash flows

<i>In thousands of BDT</i>	2026	2025
<b>Operating activities</b>		
Collection from distributors, leaf export and others	88,569,329	98,648,848
Payment for costs and expenses	(9,804,134)	(10,852,511)
Supplementary duty and VAT paid	(88,466,159)	(93,825,970)
<b>Cash generated from operating activities</b>	<b>(9,700,963)</b>	<b>(6,029,633)</b>
Income tax paid	(2,175,562)	(3,214,183)
Interest received/(paid)	(381,444)	(271,731)
<b>Net cash flows from operating activities</b>	<b>(12,257,969)</b>	<b>(9,515,547)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(829,018)	(242,680)
Proceeds from sale of property, plant and equipment	1,159	12,783
<b>Net cash flows used in investing activities</b>	<b>(827,859)</b>	<b>(229,897)</b>
<b>Financing activities</b>		
Bank overdraft	-	885,215
Net proceeds from short term financing	19,034,508	14,269,129
Lease movement	159,423	(187,439)
Dividend paid	(130,748)	(368,363)
<b>Net cash flows used in financing activities</b>	<b>19,063,183</b>	<b>14,598,542</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,977,355</b>	<b>4,853,098</b>
<b>Cash and cash equivalents at 1 January</b>	<b>9,186,166</b>	<b>8,965,135</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>6,013</b>	<b>42,214</b>
<b>Cash and cash equivalents at 31 March</b>	<b>15,169,533</b>	<b>13,860,447</b>

*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 31 March 2026

### 1 Corporate information

#### 1.1 Company profile

British American Tobacco Bangladesh Company Limited (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. and the ultimate parent company of BATB is B.A.T 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 financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), 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 Company Bangladesh Limited's annual statutory financial statements as at 31 December 2025.

#### 2.2 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 13 May 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	Assets under construction (AUC)							Total		
	Freehold building	Freehold land	Furniture and fixtures	IT equipment	Laboratory equipment	Leasehold building	Office equipment		Plant and machinery	Vehicles
<b>Cost</b>										
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	1,825,231	3,619,410
Additions	1,888,698	-	423,385	119,437	44,432	106,719	117,233	2,001,952	151,318	2,624,793
Disposals/transfers	-	-	(361,636)	(83,013)	(15,126)	(1,093,000)	(196,193)	(2,068,754)	(96,456)	(4,694,339)
Balance as at 31 December 2025	9,097,119	1,841,402	1,093,588	750,267	576,736	186,899	1,570,195	38,167,637	1,880,094	1,549,864
Balance as at 1 January 2026	9,097,119	1,841,402	1,093,588	750,267	576,736	186,899	1,570,195	38,167,637	1,880,094	1,549,864
Additions	938	-	25,202	27,195	-	9,437	28,131	154,626	-	127,997
Disposals/transfers	-	-	(2,041)	(4,028)	-	(0)	(11,223)	(117)	-	-
Balance as at 31 March 2026	9,098,056	1,841,402	1,116,749	738,434	576,736	196,336	1,587,103	38,322,146	1,880,094	1,676,961
<b>Accumulated depreciation</b>										
Balance as at 1 January 2025	797,733	-	499,184	487,662	339,736	446,153	1,244,137	15,431,848	1,124,533	-
Depreciation for the year	162,003	-	286,190	116,647	53,419	715,635	188,814	4,412,504	191,101	-
Disposals/transfers	-	-	(361,469)	(82,992)	(15,126)	(1,093,000)	(195,900)	(2,065,659)	(95,481)	-
Balance as at 31 December 2025	959,736	-	423,905	521,317	378,029	68,788	1,237,051	17,778,694	1,220,143	-
Balance as at 1 January 2026	959,736	-	423,905	521,317	378,029	68,788	1,237,051	17,778,694	1,220,143	-
Depreciation for the year	49,522	-	35,660	26,311	8,772	3,905	30,685	474,286	46,735	-
Disposals/transfers	-	-	(2,041)	(4,028)	-	(0)	(11,223)	(117)	-	-
Balance as at 31 March 2026	1,009,257	-	457,524	506,600	386,801	72,692	1,256,513	18,252,874	1,266,878	-
<b>Net book value</b>										
As at 31 December 2025	8,137,383	1,841,402	669,683	228,950	198,707	118,111	333,144	20,388,943	469,951	1,549,864
As at 31 March 2026	8,088,799	1,841,402	659,225	229,834	189,935	123,644	330,591	20,069,272	413,216	1,676,961

**Notes to the financial statements (continued)**
**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**

<i>In thousands of BDT</i>	<b>Rented apartment</b>	<b>Forklift</b>	<b>Office</b>	<b>Warehouse</b>	<b>Equipments</b>	<b>Total</b>
<b>Cost</b>						
<b>Balance as at 1 January 2025</b>	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)
<b>Balance as at 31 December 2025</b>	<b>103,595</b>	<b>367,894</b>	<b>831,113</b>	<b>5,285,716</b>	<b>756,136</b>	<b>7,344,454</b>
<b>Balance as at 1 January 2026</b>	<b>103,595</b>	<b>367,894</b>	<b>831,113</b>	<b>5,285,716</b>	<b>756,136</b>	<b>7,344,454</b>
Additions/modifications	-	290,340	2,700	9,344	-	302,384
Disposals	(21,504)	(10,979)	-	(53,736)	-	(86,219)
<b>Balance as at 31 March 2026</b>	<b>82,091</b>	<b>647,255</b>	<b>833,813</b>	<b>5,241,324</b>	<b>756,136</b>	<b>7,560,619</b>
<b>Accumulated depreciation</b>						
<b>Balance as at 1 January 2025</b>	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
Disposals/modifications	(39,406)	(5,486)	(30,601)	-	-	(75,493)
<b>Balance as at 31 December 2025</b>	<b>59,768</b>	<b>198,420</b>	<b>195,592</b>	<b>2,494,114</b>	<b>56,830</b>	<b>3,004,724</b>
<b>Balance as at 1 January 2026</b>	<b>59,768</b>	<b>198,420</b>	<b>195,592</b>	<b>2,494,114</b>	<b>56,830</b>	<b>3,004,724</b>
Depreciation for the year	9,282	15,322	37,455	186,256	37,643	285,958
Disposals/modifications	(21,504)	(10,979)	-	(53,736)	-	(86,219)
<b>Balance as at 31 March 2026</b>	<b>47,546</b>	<b>202,763</b>	<b>233,047</b>	<b>2,626,633</b>	<b>94,473</b>	<b>3,204,463</b>
<b>Net book value</b>						
<b>As at 31 December 2025</b>	43,827	169,474	635,521	2,791,602	699,307	4,339,730
<b>As at 31 March 2026</b>	<b>34,545</b>	<b>444,491</b>	<b>600,766</b>	<b>2,614,690</b>	<b>661,664</b>	<b>4,356,156</b>

**5.2 Lease liabilities**

<i>In thousands of BDT</i>	<b>31 March 2026</b>	<b>31 December 2025</b>
<b>Non-current</b>		
Lease liabilities	4,690,771	4,680,329
Interest liabilities	(987,002)	(1,024,630)
	<b>3,703,769</b>	<b>3,655,699</b>
<b>Current</b>		
Lease liabilities	1,907,704	1,894,876
Interest liabilities	(416,840)	(410,207)
	<b>1,490,863</b>	<b>1,484,669</b>
<b>Total lease liabilities</b>	<b>5,194,632</b>	<b>5,140,368</b>

**Notes to the financial statements (continued)**
**6 Inventories**

<i>In thousands of BDT</i>	<i>Note</i>	31 March	31 December
		2026	2025
Inventories in hand	6.1	53,425,064	37,694,593
Inventories in transit	6.2	439,270	596,641
		<b>53,864,334</b>	<b>38,291,234</b>

**6.1 Inventories in hand**

<i>In thousands of BDT</i>	31 March	31 December
	2026	2025
Leaf	21,451,398	22,763,039
Wrapping materials	2,817,826	2,912,474
Work in process	128,434	190,981
Finished goods	27,896,416	10,731,720
<i>Cost of finished goods</i>	3,970,114	2,357,864
<i>VAT, Supplementary Duty and HDS* on finished goods</i>	23,926,302	8,373,856
Consumable stores	1,130,990	1,096,379
	<b>53,425,064</b>	<b>37,694,593</b>

\*Health development surcharge

**6.2 Inventories in transit**

<i>In thousands of BDT</i>	31 March	31 December
	2026	2025
Leaf	16,401	32,107
Wrapping materials	340,384	402,379
Consumable stores	82,485	162,155
	<b>439,270</b>	<b>596,641</b>

**7 Trade and other receivables**

<i>In thousands of BDT</i>	31 March	31 December
	2026	2025
Trade receivables	2,262,587	13,428,619
Expected credit loss	(2,728)	(13,526)
<b>Net trade receivables</b>	<b>2,259,859</b>	<b>13,415,093</b>
Intercompany receivables	109,411	246,194
Sundry receivables	4,245,241	4,366,290
	<b>6,614,512</b>	<b>18,027,577</b>

## 8 Advances, deposits and prepayments

<i>In thousands of BDT</i>	31 March	31 December
	2026	2025
<b>Advances</b>		
Advance to suppliers	4,064,701	4,145,330
Supplementary duty and VAT	3,586,738	3,595,326
Advance to employees	16,657	12,671
	<b>7,668,096</b>	<b>7,753,327</b>
<b>Prepayments</b>		
Insurance	166,661	166,661
	<b>166,661</b>	<b>166,661</b>
	<b>7,834,757</b>	<b>7,919,988</b>

## 9 Cash and cash equivalents

<i>In thousands of BDT</i>	Note	31 March	31 December
		2026	2025
Cash in hand		6	6
		<b>6</b>	<b>6</b>
Cash at bank			
Dividend account	9.1	2,717,114	1,109,849
Foreign currency accounts		566,315	2,105,344
Current accounts		4,249,310	3,890,384
Short term deposit (STD)		7,636,789	2,080,583
		<b>15,169,527</b>	<b>9,186,160</b>
		<b>15,169,533</b>	<b>9,186,166</b>

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 17,016 million. Facilities are renewable on annual basis.

### 9.3 Reconciliation of net operating cash flow

<i>In thousands of BDT</i>	<b>For the period ended 31 March</b>	
	<b>2026</b>	<b>2025</b>
<b>Profit after tax</b>	<b>2,095,064</b>	3,179,532
<b>Adjustment for:</b>		
Depreciation and impairment	<b>961,844</b>	982,880
(Gain)/loss of sale of assets	<b>(1,159)</b>	(12,246)
Other adjustments	<b>3,336,846</b>	3,912,121
	<b>6,392,596</b>	8,062,287
<b>Changes in:</b>		
(Increase)/decrease in inventories	<b>(15,573,100)</b>	(12,224,927)
(Increase)/decrease in trade receivables and others	<b>1,325,165</b>	2,711,211
(Increase)/decrease in advances, deposits and prepayments	<b>(63,204)</b>	(3,197,688)
Increase/(decrease) in trade payables and others	<b>(163,257)</b>	(838,274)
Increase/(decrease) in net defined benefit plans	<b>29,192</b>	26,108
Increase/(decrease) in provisions	<b>(1,648,356)</b>	(568,351)
Income tax and interest payments	<b>(2,557,006)</b>	(3,485,914)
<b>Net cash generated from operating activities</b>	<b>(12,257,969)</b>	(9,515,547)

### 10 Share capital

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

**Notes to the financial statements (continued)**

**10.1 Shareholding position**

Name of shareholder	31 March 2026			31 December 2025		
	No. of shares	Value (BDT)	Percentage	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	29,152,982	291,529,820	5.40%	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	0.35%
Government of Bangladesh	3,481,416	34,814,160	0.64%	3,481,416	34,814,160	0.64%
Others	96,520,655	965,206,550	17.87%	96,547,510	965,475,100	17.88%
	<b>540,000,000</b>	<b>5,400,000,000</b>	<b>100%</b>	<b>540,000,000</b>	<b>5,400,000,000</b>	<b>100%</b>

**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	31 March 2026			31 December 2025		
	Number of shareholders	Total number of shares	Percentage of holding	Number of shareholders	Total number of shares	Percentage of holding
Less than 501 shares	43,912	5,772,167	1.07%	50,707	5,852,945	1.09%
501 to 5,000 shares	12,187	18,915,332	3.50%	12,310	18,925,052	3.51%
5,001 to 10,000 shares	1,044	7,422,823	1.37%	1,060	7,536,347	1.40%
10,001 to 20,000 shares	469	6,622,063	1.23%	458	6,503,679	1.20%
20,001 to 30,000 shares	170	4,144,518	0.77%	159	3,855,829	0.71%
30,001 to 40,000 shares	76	2,655,266	0.49%	66	2,285,093	0.42%
40,001 to 50,000 shares	46	2,126,886	0.39%	47	2,159,374	0.40%
50,001 to 100,000 shares	94	6,744,140	1.25%	96	6,902,177	1.28%
100,001 to 1,000,000 shares	98	24,250,116	4.49%	97	24,150,740	4.47%
Over 1,000,000 shares	20	461,346,689	85.43%	20	461,828,764	85.52%
	<b>64,116</b>	<b>540,000,000</b>	<b>100%</b>	<b>65,020</b>	<b>540,000,000</b>	<b>100%</b>

**11 Capital reserve**

Capital reserve represents non-remittable reserve of BDT 64.9 million 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.

**Notes to the financial statements (continued)**

**12 Deferred tax**

**12.1 Deferred tax asset**

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/(deductible) temporary difference
<b>31 March 2026</b>			
Provision for inventories	(1,053,912)	-	(1,053,912)
Provision for gratuity	(196,053)	-	(196,053)
<b>Net temporary difference</b>	<b>(1,249,965)</b>	<b>-</b>	<b>(1,249,965)</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax asset</b>			<b>(593,733)</b>

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

**12.2 Deferred tax liabilities**

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/(deductible) temporary difference
<b>31 March 2026</b>			
Property, plant and equipment excluding land.	29,906,411	16,915,743	12,990,668
Net, right of use assets	(838,478)	-	(838,478)
<b>Net temporary difference</b>	<b>29,067,933</b>	<b>16,915,743</b>	<b>12,152,190</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax liabilities</b>			<b>5,772,290</b>

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

**12.3 Deferred tax liabilities, net**

<i>In thousands of BDT</i>	31 March 2026	31 December 2025
Deferred tax asset	(593,733)	(628,909)
Deferred tax liabilities / (asset) (ROU Assets)	(398,277)	(380,304)
Deferred tax liabilities (other than ROU assets)	6,170,567	5,929,458
<b>Net deferred tax liabilities</b>	<b>5,178,557</b>	<b>4,920,245</b>

13 Trade and other payables

	31 March	31 December
<i>In thousands of BDT</i>	2026	2025
Trade payables	3,212,093	2,580,056
Intercompany payables	8,071,757	7,565,265
Workers' Profit Participation Fund (WPPF)	260,288	47,395
Wages and other benefits	461,539	942,412
Accrued expenses	3,129,882	4,373,755
Sundry payables	734,949	524,881
	<b>15,870,507</b>	<b>16,033,764</b>

14 Current tax liabilities

	31 March	31 December
<i>In thousands of BDT</i>	2026	2025
<b>Opening Balance</b>	<b>6,265,970</b>	<b>11,225,302</b>
Provision made during the year	2,592,097	9,467,677
	<b>8,858,067</b>	<b>20,692,979</b>
Advance payment of corporate tax	(2,175,562)	(14,427,009)
<b>Closing Balance</b>	<b>6,682,506</b>	<b>6,265,970</b>

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 31 March	
<i>In thousands of BDT</i>	2026	2025
Quantity in million sticks	9,231	10,738
Gross revenue from domestic sale	84,166,544	94,298,553
Supplementary duty and VAT	(70,766,458)	(77,331,011)
<b>Revenue from domestic sale, net</b>	<b>13,400,085</b>	<b>16,967,542</b>
Quantity in million sticks	140	-
Gross revenue from Third party sale	2,492,282	-
Supplementary duty and VAT	(2,155,842)	-
<b>Revenue from Third party sale, net</b>	<b>336,440</b>	<b>-</b>
Quantity in million sticks	-	420
Gross revenue from finished goods export	-	911,969
<b>Revenue from export of finished goods, net</b>	<b>-</b>	<b>911,969</b>
Quantity in million kgs	1.13	1.55
Gross revenue from tobacco leaf export	591,350	763,025
<b>Revenue from leaf export, net</b>	<b>591,350</b>	<b>763,025</b>
<b>Total revenue from contracts with customers, net</b>	<b>14,327,876</b>	<b>18,642,536</b>

16 Net finance income/(expenses)

	For the period ended 31 March	
<i>In thousands of BDT</i>	2026	2025
<b>Finance income</b>	<b>9,359</b>	<b>15,768</b>
<b>Finance costs</b>		
Debt and borrowing	(390,803)	(287,499)
Lease liabilities	(111,006)	(267,442)
	<b>(492,450)</b>	<b>(539,173)</b>

Notes to the financial statements (continued)

17 Income tax expenses

<i>In thousands of BDT</i>	For the period ended 31 March	
	2026	2025
<b>Current income tax:</b>		
Current income tax charge	2,592,097	3,662,577
<b>Deferred tax:</b>		
Deferred tax (income)/expense relating to origination and reversal of temporary differences	258,311	(247,416)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>2,850,409</b>	<b>3,415,161</b>

17.1 Reconciliation of effective tax rate

<i>In thousands of BDT</i>	For the period ended 31 March			
		2026		2025
<b>Profit before tax</b>		4,945,473		6,594,693
Current tax expense	52.41%	2,592,097	55.54%	3,662,577
Deferred tax expense	5.22%	258,311	-3.75%	(247,416)
<b>Total tax expense</b>	<b>57.64%</b>	<b>2,850,409</b>	<b>51.79%</b>	<b>3,415,161</b>
Expected income tax using applicable tax rate	47.50%	2,349,100	47.50%	3,132,479
Prior year adjustment	0.00%	-	0.00%	-
Tax on non deductible expenses	4.91%	242,997	8.04%	530,098
<b>Effective current tax</b>	<b>52.41%</b>	<b>2,592,097</b>	<b>55.54%</b>	<b>3,662,577</b>
<b>Effective deferred tax</b>	<b>5.22%</b>	<b>258,311</b>	<b>-3.75%</b>	<b>(247,416)</b>
	<b>57.64%</b>	<b>2,850,408</b>	<b>51.79%</b>	<b>3,415,162</b>

18 Earnings per share

18.1 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:

<i>In thousands of BDT</i>	For the period ended 31 March	
	2026	2025
Total profit attributable to shareholders	2,095,064	3,179,532
Weighted average number of shares outstanding	540,000	540,000
<b>Earning per share in BDT</b>	<b>3.88</b>	<b>5.89</b>

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 time-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.

18.2 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.

19 Net operating cash flows per share (NOCFPS)

<i>In thousands of BDT</i>	For the period ended 31 March	
	2026	2025
Net cash flow from operating activities	(12,257,969)	(9,515,547)
Weighted average number of shares outstanding	540,000	540,000
<b>Net operating cash flows per share in BDT</b>	<b>(22.70)</b>	<b>(17.62)</b>

20 Net asset value (NAV) per share

<i>In thousands of BDT</i>	For the period ended 31 March	For the period ended 31 December
	2026	2025
Net asset value	55,823,475	55,348,411
Weighted average number of shares outstanding	540,000	540,000
<b>NAV per share in BDT</b>	<b>103.38</b>	<b>102.50</b>

**Notes to the financial statements (continued)**

**21 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*.

<i>In thousands of BDT</i>	Relationship	Transaction values		Balance outstanding	
		31 March 2026	31 March 2025	31 March 2026	31 December 2025
<b>Income</b>					
<b>a. Leaf, Cigarette export and sale of goods</b>					
BAT (GLP) Limited	BAT Group company		605,622	(96,060)	(97,038)
British American Tobacco ME DMCC	BAT Group company		486,833		-
BAT (Singapore) PTE LTD	BAT Group company		-	11,602	11,602
Algeria: B.A.T. Algeria	BAT Group company		-	20,754	86,265
			-	1,092,455	(63,704)
					829
<b>b. Other fee</b>					
Other fee received/to be received from:					
BASS GSD Ltd	BAT Group company	20,109	-	20,109	-
BAT INVESTMENTS LTD	BAT Group company	-	-	-	45,016
BAT (GLP) Limited	BAT Group company	978	-	-	-
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	-	-	1,893
BAT Japan	BAT Group company	4,334	-	4,334	-
British American Tobacco Exports Ltd	BAT Group company	-	-	-	9,609
BAT Global Travel Retail Limited	BAT Group company	3,660	4,538	3,660	-
British American Tobacco Taiwan	BAT Group company	-	-	-	1,599
British-American Tobacco (Singapore)	BAT Group company	-	1,441	-	-
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)	35,878	-	-
British American Tobacco (Malaysia)	BAT Group company	3,859	1,547	3,859	-
PT Bertoel Internasional Investama	BAT Group company	-	-	-	1,626
British American Tobacco Kenya Ltd	BAT Group company	-	1,716	-	-
PAKISTAN TOBACCO CO LTD	BAT Group company	-	-	2,884	2,884
Ceylon Tobacco Company PLC	BAT Group company	4,571	1,108	11,704	7,134
BAT Nigeria Ltd	BAT Group company	-	-	14,043	14,043
Fiedler&Lundgren AB	BAT Group company	-	-	1,926	1,926
Souza Cruz Ltda.	BAT Group company	-	-	2,739	2,739
		37,493	46,227	71,362	94,573
<b>Total related party income and balance receivables</b>		<b>37,493</b>	<b>1,138,683</b>	<b>7,658</b>	<b>95,402</b>

In thousands of BDT	Relationship	Transaction values		Balance outstanding	
		31 March 2026	31 March 2025	31 March 2026	31 December 2025
<b>Expenses</b>					
<b>c. Procurement of services</b>					
Procurement of information technology, products and other services:					
BASS GSD Limited	BAT Group company	342,605	-	(1,725,150)	(1,382,545)
BRITISH AMERICAN TOBACCO AUSTRALIA	BAT Group company	-	-	(9,455)	(9,455)
BAT AsPac Service Centre Sdn Bhd	BAT Group company	-	4,158	-	-
BAT GSD (KL) Sdn Bhd	BAT Group company	1,175	-	(4,326)	(3,151)
BAT Investments LTD	BAT Group company	-	4,865	(1,236,202)	(1,236,202)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	49	-	(29,301)	(29,252)
PAKISTAN TOBACCO CO LTD	BAT Group company	-	-	(415)	(415)
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	Social Foundation	-	-	75,418	75,418
BAT KOREA MANUFACTURING LTD	Prerona Controlled Entity	-	-	(10,870)	(10,870)
BAT (Singapore) PTE LTD	BAT Group company	195	3,159	(10,054)	(9,956)
Souza Cruz Ltda.	BAT Group company	-	-	63,072	63,072
Ceylon Tobacco Company PLC	BAT Group company	-	-	(2,449)	(2,449)
Nicoventures Trading Limited	BAT Group company	-	-	(10,426)	(10,426)
British American Tobacco South	BAT Group company	-	-	(5,142)	(5,142)
British American Tobacco Servicios	BAT Group company	-	-	(13,367)	(13,367)
BAT SAA Service (Private) Limited	BAT Group company	(797)	-	-	(797)
British American Tobacco Area	BAT Group company	-	-	(2,167)	(2,167)
BAT Co. (HK) Ltd	-	-	4,808	(4,808)	(4,808)
Agami Limited BPO	-	-	48,900	-	-
RHQ BAT Middle East	BAT Group company	-	-	(17,469)	(17,469)
		343,228	81,026	(3,024,224)	(2,681,093)
<b>d. Purchase of leaf &amp; goods</b>					
Purchase of leaf and wrapping materials from:					
BAT Singapore (Private) limited	BAT Group company	-	-	1,758	1,758
BAT (GLP) Limited	BAT Group company	12,322	112,456	20,395	32,717
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	8,922	-	(6,303)	2,619
Souza Cruz Ltda.	BAT Group company	-	-	(15,110)	(15,110)
BAT KOREA	BAT Group company	-	-	2,286	2,286
		28,357	123,557	(105,287)	(108,442)
<b>e. Royalty</b>					
Royalty paid/payable to:					
BAT Holdings Limited	BAT Group company	162,614	111,493	(4,463,236)	(4,300,622)
		162,614	111,493	(4,463,236)	(4,300,622)
<b>f. Technical and assistance fee</b>					
Payment of fees for technical and assistance support services to:					
BAT Investments Ltd	BAT Group company	-	-	(355,052)	(355,052)
		-	-	(355,052)	(355,052)
<b>g. Donations</b>					
Charitable contributions made to:					
Prerona Foundation	Social Foundation	-	-	-	-
		-	-	-	-
<b>h. Purchase of equipment</b>					
Purchase of equipment from:					
BRITISH AMERICAN TOBACCO CHILE	BAT Group company	-	-	(69)	(69)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	80,367	17,069	17,069
Souza Cruz Ltda.	BAT Group company	52,941	-	(52,941)	-
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	-	-	5,142	5,142
BAT SWITZERLAND SA	BAT Group company	-	-	-	-
		52,941	82,295	(22,206)	30,735
<b>Total related party expenses and outstanding balances</b>		<b>587,140</b>	<b>398,371</b>	<b>(7,970,004)</b>	<b>(7,414,473)</b>

**Notes to the financial statements (continued)****22 Commitments****22.1 Capital expenditure****31 March 2026 31 December 2025***In thousands of BDT*

	31 March 2026	31 December 2025
Authorised but not provided for	3,664,253	5,351,326

**22.2 Letter of credit****31 March 2026 31 December 2025***In thousands of BDT*

	31 March 2026	31 December 2025
Citibank, N.A.	1,410,953	1,204,717
Commercial Bank of Ceylon PLC	134,230	134,065
The Hongkong and Shanghai Banking Corporation Limited	758,243	666,694
Standard Chartered Bank	1,250,680	1,803,388
	<b>3,554,105</b>	<b>3,808,864</b>

**23 Contingencies**

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

<b>Bank Guarantee</b>	<b>31 March 2026</b>	<b>31 December 2025</b>
Standard Chartered Bank	262,621	262,621
Eastern Bank Ltd.	29,303	29,303
Citibank, N.A.	2,000	2,000
	<b>293,924</b>	<b>293,924</b>

**23.1 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 Division for final hearing.

c) Pre Budget Sales Litigation – approximately BDT 384 crore

In Q4 2024, the National Board of Revenue (NBR) directed BAT Bangladesh (BATB) to pay a tax differential totalling approximately BDT 384 crore in respect of stock that was cleared from the factory to duty paid warehouses prior to the June 2024 excise increase but sold after the excise rate was increased. NBR's position is that the higher excise rate should apply at the point of sale.

BATB's position is that it has complied with applicable local law and acted in line with long standing market practice, under which excise duty is discharged at the "factory gate", and once paid, no further excise liability arises in the downstream value chain.

BATB has filed an administrative appeal before the NBR Appeal Tribunal after depositing 10% of the disputed demand. Following hearing, the Tribunal fixed 20 May 2026 for further hearing and judgment in respect of the three appeals covering FY 2020–2023. The remaining connected appeal will proceed separately on 16 June 2026.

**24 Other disclosures**

**24.1 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.

**25 Significant deviations**

Earnings per share (EPS) decreased from same period last year due to lower turnover, and increased operating expenses, driven by inflationary pressures and higher levels of activity in parts of the business. Net operating cash flow per share (NOCFPS) decreased mainly due to lower collection and lower cash outflow of other operating items.

**26 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.



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