

Position Statement

18 February 2025

Statement on the Missing Millions Report published by The Investigative Desk and others.

- *BAT Kenya unequivocally and firmly rejects the allegations made, including those regarding the discrepancy between the Company's published financial disclosures and data referred to in the report.*
- *The authors of the report applied erroneous assumptions in their calculation of the Company's revenues, profit, and tax due for cigarette sales.*

Crispin Achola, BAT Kenya Managing Director said:

"BAT Kenya (the company) has become aware of a report published on 12th February 2025 by The Investigative Desk, titled: *Missing Millions; A Cross Examination of British American Tobacco Kenya's tax bill*.

"Following a robust review of its contents, we have established that the report, mainly anchored on conjecture, contains numerous errors and misrepresentations of BAT Kenya's operations.

"BAT Kenya unequivocally and firmly rejects the allegations made, including those regarding the discrepancy between the Company's published financial disclosures and data referred to in the report.

"As a public company listed on the Nairobi Securities Exchange, BAT Kenya publishes financial disclosures in its Annual Reports and audited Financial Statements in line with the applicable local regulations and international reporting standards.

"Further, BAT Kenya's books are audited by both the Company's external auditor and the regulator, including in 2017 and 2018, the years in question per the report.

"In June 2024, BAT Kenya received a request from The Investigative Desk for comment on matters covered in the report. Their queries did not include the methodology used to analyse BAT data. We provided our position and advised that their claims would result in grossly overstated figures.

"Worryingly, in efforts to reconstruct BAT Kenya's numbers for their analysis, the authors of the report proceeded to apply erroneous assumptions in their calculation of the Company's revenues, profit, and tax due for cigarette sales. This includes the use of incorrect prices, a disregard of applicable trade margins and costs deductible.

"It is disheartening to see that the Investigative Desk chose to ignore the facts in favour of sensational and misleading reporting. BAT Kenya is weighing its options regarding impacts to the Company resulting from the erroneous reporting.

"We reiterate our commitment to conducting our business in line with applicable laws and regulations, as well as our Company policies and guidelines which enable us to do the right thing and deliver with integrity.

ENDS

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