

NS Tender Offer



## TENDER OFFER

### [BRITISH AMERICAN TOBACCO PLC](#)

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### PRESS RELEASE

#### British American Tobacco Announces £1 bn in Cash Capped Debt Tender Offer

London, United Kingdom; April 15, 2024 - British American Tobacco p.l.c. ("BAT") announces today that B.A.T Capital Corporation, a corporation incorporated in the State of Delaware ("BATCAP") and B.A.T. International Finance p.l.c., a public limited company incorporated under the laws of England and Wales ("BATIF" and, together with BATCAP, the "Offerors"), wholly owned subsidiaries of BAT, have commenced debt tender offers to purchase (the "Tender Offers") for cash in concurrently commenced but separate offers (each, an "Offer" and, collectively, the "Offers") the outstanding notes of the series described in the table below (the "Securities") for an aggregate purchase price (excluding Accrued Interest (as defined in the Offer to Purchase)) for all Offerors and all series of Securities of up to £1 billion in cash (as such amount may be increased or decreased) (the "Maximum Tender Amount")<sup>(1)</sup>.

Issuer of Security/ Offeror	Title of Security	Principal Amount Outstanding	CUSIP/ISIN	Acceptance Priority Level	Early Tender Premium <sup>(2)</sup>	Reference Security/ Rate	Bloomberg Reference Page/Screen	Fixed Spread (basis points)	Total Consideration <sup>(2)</sup> <sup>(3)</sup>
BATIF	2.250% Guaranteed Notes due 2052	£650,000,000	XS1488409977	1	£50	UKT 3.750% due July 22, 2052	FIT GLT10-50	175	To be determined as described herein
BATIF	4.000% Guaranteed Notes due 2055	£350,000,000	XS1324911608	2	£50	UKT 4.250% due December 7, 2055	FIT GLT10-50	180	To be determined as described herein
BATIF	2.000% Guaranteed Notes due 2045	€600,000,000	XS1203860934	3	€50	2045 Notes Interpolated Mid-Swap Rate	IRSB EU <GO> <sup>(4)</sup>	145	To be determined as described herein
BATCAP	3.984% Notes due 2050	\$1,000,000,000	05526DBU/ US05526DBU81	4	\$50	UST 4.750% due November 15, 2053	FIT 1	160	To be determined as described herein
BATCAP	3.734% Notes due 2040	\$750,000,000	05526DBT/ US05526DBT19	5	\$50	UST 4.500% due February 15, 2044	FIT 1	155	To be determined as described herein

BATCAP	4.540% Notes	\$2,500,000,000	05526DBF1/	6	\$50	UST 4.500%	FIT 1	165	To be determined
	due 2047		US05526DBF15			due February			as described
						15, 2044			herein
BATCAP	4.758% Notes	\$1,000,000,000	05526DBK0/	7	\$50	UST 4.750%	FIT 1	170	To be determined
	due 2049		US05526DBK00			due			as described
						November 15,			herein
						2053			

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- (1) To determine whether the Maximum Tender Amount has been reached, where required, we will convert the applicable purchase price payable with respect to the Securities validly using the applicable exchange rate described under "The Terms of the Offers-Maximum Tender Amount; Acceptance Priority Levels and Proration" in the Offer to Purchase. The Amount may be increased or decreased.
  - (2) Per \$1,000, £1,000 or €1,000, as applicable, principal amount of Securities validly tendered at or prior to the Early Tender Deadline and accepted for purchase.
  - (3) For the avoidance of doubt, the Early Tender Premium is included within the Total Consideration (which, in the case of all Securities, will be calculated using the Fixed Spread or Reference Yield as described in the Offer to Purchase), and is not in addition to the Total Consideration. In addition, Holders whose Securities are accepted for purchase will also receive interest on such Securities.
  - (4) Pricing Source: BGN.

The amount of each series of Securities that is purchased will be determined in accordance with the acceptance priority levels specified in the table above (the "Acceptance Priority Level"), with 1 being the highest Acceptance Priority Level and 7 being the lowest Acceptance Priority Level, subject to the Maximum Tender Amount.

The Tender Offers are being made upon and are subject to the terms and conditions set forth in the Offer to Purchase, dated April 15, 2024 (the "Offer to Purchase"). Terms not defined in this announcement have the meanings given to them in the Offer to Purchase.

The Tender Offers will expire at 5:00 p.m., New York City time, on May 13, 2024, unless extended or earlier terminated (the "Expiration Date"). Tenders of Securities may be withdrawn at any time at or prior to 5:00 p.m., New York City time, on April 26, 2024, but may not be withdrawn thereafter, unless the Offerors are required by applicable law to permit withdrawal.

The applicable Total Consideration or Tender Offer Consideration (as defined below) to be paid for each series of Securities accepted for purchase will be determined at 10:00 a.m., New York City time, on the business day following the Early Tender Deadline (as defined below) (such time and date, as the same may be extended, the "Price Determination Date"), which is expected to be April 29, 2024. The applicable Total Consideration or Tender Offer Consideration to be paid for the Securities will be determined in the manner described in the Offer to Purchase by reference to the sum of the applicable fixed spread and the applicable reference yield of the applicable Reference Security or the 2045 Notes Interpolated Mid-Swap Rate, each as specified in the table above (such sum being annualized in the case of the Sterling Securities).

Holders of Securities who validly tender and not withdraw their Securities at or prior to 5:00 p.m., New York City time, on April 26, 2024 (unless extended, the "Early Tender Deadline") and whose Securities are accepted for purchase will receive the applicable Total Consideration, which includes the applicable early tender premium specified in the table above (the "Early Tender Premium"). Holders of Securities who validly tender their Securities following the Early Tender Deadline and at or prior to the Expiration Date and whose Securities are accepted for purchase will only receive the applicable "Tender Offer Consideration," which is equal to the applicable Total Consideration minus the applicable Early Tender Premium.

The applicable Total Consideration or Tender Offer Consideration for Securities denominated in U.S. Dollars, Sterling and Euro will be paid in U.S. Dollars, Sterling and Euro, respectively. Acceptance of Securities with reference to the Maximum Tender Amount will be determined subject to the currency conversion methods described in the Offer to Purchase.

In addition to the applicable Total Consideration or Tender Offer Consideration, as the case may be, accrued and unpaid interest from and including the most recent interest payment date applicable to the relevant series of Securities up to, but not including, the applicable Settlement Date will be paid in cash on all validly tendered Securities accepted for purchase.

If the Maximum Tender Amount is not reached as of the Early Tender Deadline, Securities validly tendered and not validly withdrawn at or prior to the Early Tender Deadline will be accepted for purchase in priority to Securities tendered following the Early Tender Deadline even if such Securities tendered following the Early Tender Deadline have a higher Acceptance Priority Level than Securities tendered at or prior to the Early Tender Deadline.

Securities of a series may be subject to proration if the aggregate principal amount of the Securities of such series validly tendered and not validly withdrawn would cause the Maximum Tender Amount to be exceeded. Furthermore, if the Maximum Tender Amount is reached as of the Early Tender Deadline, holders who validly tender Securities following the Early Tender Deadline will not have any of their Securities accepted for purchase unless the Maximum Tender Amount is increased.

Each Offeror's obligation to accept for payment and pay for the Securities validly tendered in the Tender Offers is subject to the satisfaction or waiver of the conditions described in the Offer to Purchase.

The Tender Offers are being undertaken to optimize the BAT Group's debt capital structure, with the Offerors using available liquidity to reduce gross and net debt in an efficient manner. Securities that are accepted in the Tender Offers will be purchased by the applicable Offeror and retired and cancelled and will no longer remain outstanding obligations of the applicable Offeror.

Payment for Securities that are validly tendered and not validly withdrawn at or prior to the Early Tender Deadline and accepted for purchase will be made as soon as reasonably practicable following the Early Tender Deadline (such date, the "Early Settlement Date"). The Offerors expect that the Early Settlement Date will be May 1, 2024, the second business day after the Price Determination Date. Payment for Securities that are validly tendered following the Early Tender Deadline but at or prior to the Expiration Date and accepted for purchase will be made promptly following the Expiration Date (such date, the "Final Settlement Date"). The Offerors expect that the Final Settlement Date will be May 15, 2024, the second business day after the Expiration Date, assuming the Maximum Tender Amount of Securities is not reached on the Early Settlement Date.

The Tender Offers may be amended, extended, terminated or withdrawn in whole or with respect to any series of Securities without amending, extending, terminating or withdrawing the Tender Offers with respect to any other series of Securities. The Tender Offers are not conditioned on any minimum amount of Securities being tendered. The Offerors reserve the right, subject to applicable law, to: (i) waive any and all conditions to the Tender Offers; (ii) extend or terminate the Tender Offers; (iii) increase or decrease the Maximum Tender Amount; or (iv) otherwise amend the Tender Offers in any respect.

Citigroup Global Markets Limited, Merrill Lynch International, NatWest Markets Plc and SMBC Nikko Capital Markets Limited are acting as Dealer Managers in connection with the Tender Offers. The information and tender agent is Global Bondholder Services Corporation. Copies of the Offer to Purchase and related offering materials are available via the Tender Offers website at <https://www.gbsc-usa.com/bata/> or by contacting the information and tender agent in New York at +1 (212) 430-3774 (banks and brokers) or +1 (855) 654-2014 (U.S. Toll-Free) or by email at [contact@gbsc-usa.com](mailto:contact@gbsc-usa.com). Questions regarding the Tender Offers should be directed to Citigroup Global Markets Limited at +44 20 7986 8969 (London) or +1 (800) 558-3745 (U.S. Toll-Free) or +1 (212) 723-6106 (U.S.) or by email at [liabilitymanagement.europe@citi.com](mailto:liabilitymanagement.europe@citi.com), Merrill Lynch International at +44 207 996 5420 (Europe) or +1 (888) 292-0070 (U.S. Toll Free) or +1 (980) 387-3907 (U.S.) or by email at [DG.LM-EMEA@bofa.com](mailto:DG.LM-EMEA@bofa.com), NatWest Markets at +44 20 7678 5222 (London) or +1 (800) 231-5380 (U.S. Toll Free) or +1 (203) 897 6166 (U.S.) or by email at [NWMLiabilitymanagement@natwestmarkets.com](mailto:NWMLiabilitymanagement@natwestmarkets.com) or SMBC Nikko Capital Markets Limited at +44 204 507 5043 or by email at [liability.management@smbcnikko-cm.com](mailto:liability.management@smbcnikko-cm.com).

This announcement is for informational purposes only and shall not constitute an offer to sell, a solicitation to buy or an offer to purchase or sell any securities. The Tender Offers are being made only pursuant to the Offer to Purchase and only in such jurisdictions as is permitted under applicable law. Please see the Offer to Purchase for certain important information on offer restrictions applicable to the Tender Offers.

This announcement is released by BAT and contains information that qualifies as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 as it forms part of United Kingdom domestic law ("MAR"), encompassing information relating to the Tender Offers described above. For the purposes of MAR, this announcement is made by Caroline Ferland, Company Secretary.

#### **Forward-Looking Statements**

Statements included in this announcement and the Offer to Purchase regarding the future expectations of BAT and its subsidiaries (the "BAT Group"), beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts are forward-looking statements, including "forward-looking" statements made within the meaning of the U.S. Private Securities Litigation. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook," "target" and similar expressions. These include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects,

growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the BAT Group operates. All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors. It is believed that the expectations reflected in this announcement are reasonable, but they may be affected by a wide range of variables that could cause actual results and performance to differ materially from those currently anticipated. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; the inability to develop, commercialise and deliver the BAT Group's New Categories strategy; the impact of supply chain disruptions; adverse litigation and dispute outcomes and the effect of such outcomes on the BAT Group's financial condition; the impact of significant increases or structural changes in tobacco, nicotine and New Categories related taxes; translational and transactional foreign exchange rate exposure; changes or differences in domestic or international economic or political conditions; the ability to maintain credit ratings and to fund the business under the current capital structure; the impact of serious injury, illness or death in the workplace; adverse decisions by domestic or international regulatory bodies; changes in the market position, businesses, financial condition, results of operations or prospects of the BAT Group; direct and indirect adverse impacts associated with Climate Change and the move towards a Circular Economy; and Cyber Security caused by the heightened cyber-threat landscape and the increased digital interactions with consumers, and changes to regulation; and risks related to other factors discussed or incorporated by reference in the Offer to Purchase, including in the sections captioned "Group Principal Risks" and "Group Risk Factors" in the 2023 Form 20-F (as defined in the Offer to Purchase).

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements in this announcement and the Offer to Purchase reflect knowledge and information available at the date of the document and the BAT Group undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements. All subsequent written or oral forward-looking statements attributable to BAT or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section of the announcement.

#### **United Kingdom**

The communication of this announcement, the Offer to Purchase and any other documents or materials relating to the Tender Offers is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may only be communicated to (1) those persons who are existing members or creditors of the Offerors or other persons falling within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order") and (2) any other persons to whom these documents and/or materials may otherwise lawfully be communicated under the Financial Promotion Order.

#### **Belgium**

The Tender Offers do not constitute a public offering within the meaning of Articles 3, §1, 1° and 6, §1, of the Belgian Takeover Law. The Tender Offers are exclusively conducted under applicable private placement exemptions and have therefore not been, and will not be, notified to, and none of this announcement, the Offer to Purchase and any other document or material relating to the Tender Offers have been, or will be, approved by the Belgian Financial Services and Markets Authority (*Autorité des Services et Marchés Financiers / Autoriteit voor Financiële Diensten en Markten*). Accordingly, the Tender Offers, this announcement, the Offer to Purchase, any memorandum, information circular, brochure or any similar documents relating to the Tender Offers may not be advertised, offered or distributed, directly or indirectly, to any person located and/or resident in Belgium other than to persons who qualify as "Qualified Investors" in the meaning of Article 2(e) of the Prospectus Regulation, as referred to in Article 6, §3 of the Belgian Takeover Law, and who is acting for its own account, or in other circumstances which do not constitute a public offering in Belgium pursuant to the Belgian Takeover Law. This announcement and the Offer to Purchase have been issued only for the personal use of the above Qualified Investors and exclusively for the purpose of the Tender Offers. Accordingly, the information contained herein and therein may not be used for any other purpose or disclosed to any other person in Belgium.

#### **France**

The Tender Offers are not being made, directly or indirectly, to the public in France. This announcement, the Offer to Purchase and any other documents or offering materials relating to the Tender Offers have only been, and shall only be, distributed in France to qualified investors (*investisseurs*

*qualifiés*) as defined in Article 2(e) of the Prospectus Regulation. None of this announcement, the Offer to Purchase and any other documents or offering materials has been or will be submitted to the clearance procedures (*visa*) of the *Autorité des marchés financiers*.

#### **Italy**

None of the Tender Offers, this announcement, the Offer to Purchase or any other documents or materials relating to the Tender Offers has been or will be submitted to the clearance procedure of the CONSOB, pursuant to applicable Italian laws and regulations.

The Tender Offers are being carried out in Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Financial Services Act and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of May 14, 1999, as amended. Holders or beneficial owners of the Securities that are a resident of and/or located in Italy can tender the Securities for purchase through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of February 15, 2018, as amended, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations and with any requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Securities or the Tender Offers.

#### **Enquiries:**

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