

House of Prince A/S

Bernstorffsgade 50, 1577 Copenhagen

Company reg. No. 13 80 11 34

Annual report

1 January – 31 December 2024

The annual report was submitted and approved by the general meeting on the 20 May 2025

Chairman of the meeting

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Management's statement

The board of directors and the managing director have today presented the annual report of House of Prince A/S for the financial year 1 January - 31 December 2024.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion, the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2024 and of the company's results of its activities in the financial year 1 January – 31 December 2024.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 20 May 2025

Managing Director

Klaus Blak Rasmussen

Board of directors

Andrei Pushkarev
Chairman

Klaus Blak Rasmussen

Alexandra Iskandar

Tatiana Plesca

Ida Svendsen
Employee representative

Independent auditor's report

To the shareholder of House of Prince A/S

Opinion

We have audited the financial statements of House of Prince A/S for the financial year 1 January - 31 December 2024, comprising income statement, balance sheet, statement of changes in equity and notes including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

The management's responsibilities for the annual accounts

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- *Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- *Obtain 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.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.*
- *Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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.*
- *Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.*

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

Independent auditor's report

Statement on the management's review

The management is responsible for the managements review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of *assurance conclusion thereon*.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during *the audit, or otherwise appears to be materially misstated*.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish *Financial Statements Act*.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and *has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review*.

Copenhagen, 20 May 2025

KPMG

Statsautoriseret Revisionspartnerselskab
Company reg. No. 25 57 81 98

Martin Eiler

State authorized public accountant
mne32271

Company information

The company

House of Prince A/S
Bernstorffsgade 50
1577 Copenhagen

Company reg. no. 13 80 11 34
Established: 1 January 1990
Domicile: Copenhagen
Financial year: 1 January - 31 December
34th financial year

Board of directors

Andrei Pushkarev, *Chairman*
Klaus Blak Rasmussen
Tatiana Plesca
Ida Svendsen, *Employee representative*

Managing Director

Klaus Blak Rasmussen

Auditors

KPMG P/S
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen

Company reg. no. 25 57 81 98

Parent company

Precis (1789) Denmark A/S

Participating interests

British American Tobacco Polska, S.A. (PLN), Augustow, Poland

Financial highlights

<i>DKK in millions.</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Profit and loss account:					
<i>Revenue (excl. VAT, incl. excise taxes)</i>	7.151	8.253	7.407	8.719	6.345
<i>Profit from operating activities</i>	725	791	622	776	794
<i>Net financials</i>	60	119	-6	50	-8
<i>Profit before tax</i>	785	909	616	826	786
<i>Profit for the year</i>	634	539	481	656	605
Balance sheet:					
<i>Balance sheet sum</i>	3.334	3.297	4.035	4.226	4.100
<i>Investments in tangible fixed assets</i>	13	3	12	60	26
<i>Equity</i>	2.106	1.966	1.991	2.219	2.083
Key figures in %:					
<i>Profit margin</i>	10,1	9,6	8,4	8,9	12,5
<i>Return on assets</i>	21,7	24,0	15,4	18,4	19,4
<i>Solvency ratio</i>	63,2	59,7	49,3	52,5	50,8
<i>Return on equity</i>	31,1	27,3	22,8	30,5	28,7

The key figures appearing from the survey have been calculated as follows:

Financial highlights

Profit margin	$\frac{\text{Operating profit} \times 100}{\text{Turnover}}$
Return on assets	$\frac{\text{Operating profit} \times 100}{\text{Assets in total, closing balance}}$
Solvency ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$
Return on equity	$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

Management's review

The principal activities of the company

House of Prince A/S is involved in the marketing and sale of tobacco products and other nicotine/potentially risk reduced products.

The development in the company's activities and economic conditions

The profit for the year amounts to DKK 634 million (2023: DKK 539 million). The company's management consider the results of the year, after adjusting for seasonalities, as satisfactory and in line with expectations beside variations in taxes. The company's equity amounts to 2.106 million (2023: 1.966 million) including proposed dividends of DKK 323 million (2023: DKK 184 million).

Events subsequent to the financial year

There have been no significant events after the financial year that affect the company's financial position.

The company's expected development

The company's management expects the operating result for 2025 to be at the same level as 2024.

Environment

The company's activities mainly consist of sales activities, and the company's external environmental impact is therefore limited.

Market overview

House of Prince A/S is the largest cigarette company in Denmark with a 67.85% market share compared to 67.85% last year. In Denmark, shipments of manufactured cigarettes amounted to 3.6 billion cigarettes against 3.9 billion last year. House of Prince A/S' share of shipment in the Danish market amounts to 2.4 billion cigarettes.

Statutory statement of social responsibility according to the Danish Financial Statements Act, §99a

According to the Danish Financial Statements Act §99a, the company must report on social responsibility. The company's management believes that work on the external environment and the working environment contributes positively to the company's reputation and effectiveness.

In this connection, the company refers to the parent company's (British American Tobacco Plc., Globe House, 4 Temple Place, London) reporting which the Danish company is part of and is therefore exempt from the statutory requirement for corporate social responsibility. The company has reviewed its business model and has not identified any additional significant risks as shown in the consolidated financial statements. Group reporting regarding CSR can be found at [2024 ARA](#).

Target figures regarding the under-represented gender according to § 99b of the Danish Financial Statements Act

It is important for us that the company's board members as well as members of the other management levels have the professional qualifications and personal skills needed for a successful operation of the company's businesses (irrespective of gender). *When filling board positions, the company strives to broaden the profiles of candidates as much as possible to ensure equal opportunities for both males and females.*

In 2024, the gender distribution continued to be equal according to the Danish Business Authority's guidance since the board consisted of three shareholder-elected members of whom one was female.

Going forward, the company will continue to have a strong focus on ensuring an even gender representation on the board of directors. The company has committed to continue to work towards and maintain equal opportunities for females and males at all levels of management and recommends all talented male and female employees to pursue a career in the company. As part of the company's ambition of equal gender representation at all managerial levels, employee surveys and progress reviews are continuously carried out to identify equality between males and females as well as potential pitfalls. There has been a positive development in the gender allocation in the management from 2023 to 2024. The company has in recent years experienced an increase in female leaders in the middle management segment, which has resulted in achievement of an equal gender distribution at the company's other management levels. In 2025, the company will continue to encourage all talented and female employees to pursue a career within the company. The company does not have a formal policy to increase the proportion of the underrepresented gender at the company's other management levels.

As at end of year 2024 the gender representation looked as below:

	2024
Top Management Level	
Total number of members	3
Percentage of the underrepresented gender	33%
Other Management Levels	
Total number of members	18
Percentage of the underrepresented gender	50%
Target figure in %	45%
Year in which the target is fulfilled	2023

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act

House of Prince A/S' Data Ethics Policy was approved by the board of directors on 15 December 2022. The main purpose of the policy is to raise awareness of and enhance House of Prince A/S' data ethical values and their anchoring in our organization. *The policy is based on the principles of fairness, accountability, sustainability and transparency, which form the basic ethical foundation for data processing in House of Prince A/S.*

Management's review

The policy applies to all of our data processing activities and provides an ethical framework for how we should utilize and implement advanced technology, incl. algorithms leveraging data, machine learning and in particular artificial intelligence ('AI') technology systems, which can encompass systems such as advanced robotics, consumer preference algorithms and recruitment software.

Data can for example be related to our employees, customers, business partners, as well as statistical tests, market, sales and visitors to our websites.

When designing, implementing or operating an AI system or data driven solution the following basic ethical principles for data processing in House of Prince A/S should be considered:

- Is the system ethically permissible when considering the nature of the analysis and the impact it could have on affected individuals;*
- Is it ensured that the system is fair and non-discriminatory by taking into account the potential for discrimination, unequal treatment and mitigating potential biases;*
- Is the system worthy of individual trust, including safe, accurate, reliable and secure; and*
- Is the system justifiable, which implies an understanding of and ability to explain the processes which form and support the basis for the system.*

Operating, financial or currency risks

House of Prince A/S is exposed to and mitigates daily a variety of operational risks. Some of the most important operational risks are illicit trade, product and health regulation, significant increases or structural changes in excise and VAT, litigation, cybersecurity and supply chain disruption.

House of Prince A/S doesn't have any significant currency risk, and the main currency of the operating activity is the same as the functional currency and is DKK.

Uncertain Tax position

In order to counter any future tax disputes and disagreements with the tax authorities in relation to uncertain tax positions, the management has made appropriate provisions.

Income statement 1 January - 31 December

DKK in millions.

<u>Note</u>	<u>2024</u>	<u>2023</u>
2 Revenue (excl. VAT, incl. excise taxes)	7.151	8.253
3 Other operating income	57	54
4,5 Other external costs	-6.302	-7.330
Gross result	<u>906</u>	<u>977</u>
6 Staff costs	-154	-151
7 Depreciation, amortisation and writedown relating to tangible & intangible fixed assets	-27	-34
Operating profit	<u>725</u>	<u>791</u>
Income from participating interest	70	111
8 Other financial expenses	-37	-4
9 Other financial income	27	12
Profit before tax	<u>785</u>	<u>909</u>
10 Tax on profit for the year	-151	-370
11 Profit for the year	<u>634</u>	<u>539</u>

Statement of financial position at 31 December

DKK in millions.

Assets			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Non-current assets			
12	Acquired intangible assets	<u>6</u>	<u>9</u>
13	Land and buildings	43	50
13	Other fixtures and fittings	25	31
	Total property, plant, and equipment	<u>68</u>	<u>80</u>
14	Investment in participating interest	<u>968</u>	<u>968</u>
	Total non-current assets	<u>1.042</u>	<u>1.057</u>
Current assets			
15	Inventory	621	969
	Trade debtors	231	403
	Receivables from group enterprises	1.339	833
16	Deferred tax assets	18	15
	Other debtors	82	20
	Total current assets	<u>2.291</u>	<u>2.240</u>
	Total assets	<u>3.334</u>	<u>3.297</u>

Statement of financial position at 31 December

DKK in millions.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Equity and liabilities		
Equity		
17		
Contributed capital	202	202
Additional paid in capital	330	330
Results brought forward	1.251	1.251
Proposed dividend for the financial year	323	184
Total equity	<u>2.106</u>	<u>1.966</u>
18		
Other Provisions	88	127
Long term liabilities other than provisions		
19		
Lease liabilities	40	48
Total long term liabilities other than provisions	<u>40</u>	<u>48</u>
Short term liabilities other than provisions		
Short-term part of long-term liabilities	7	8
Trade creditors	54	56
Payables to group enterprises	87	124
Corporate tax	193	188
20		
Other debts	759	780
Total short term liabilities other than provisions	<u>1.100</u>	<u>1.155</u>
Total liabilities other than provisions	<u>1.140</u>	<u>1.203</u>
Total Equity and Liabilities	<u>3.334</u>	<u>3.297</u>
21		
Contingencies		
22		
Related parties		
23		
Events subsequent to the financial year		

Statement of changes in equity

DKK in millions.

	<u>Share capital</u>	<u>Additional paid in capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the financial year</u>	<u>Total</u>
<i>Equity 1 January 2023</i>	202	330	1.251	209	1.991
<i>Distributed dividend</i>	0	0	0	-209	-209
<i>Profit appropriation</i>	0	0	355	184	539
<i>Extraordinary dividends during the year</i>	0	0	-355	0	-355
<i>Equity 1 January 2024</i>	<u>202</u>	<u>330</u>	<u>1.251</u>	<u>184</u>	<u>1.966</u>
<i>Distributed dividend</i>	0	0	0	-184	-184
<i>Profit appropriation</i>	0	0	311	323	634
<i>Proposed extraordinary dividend for the financial year</i>	0	0	-311	0	-311
	<u>202</u>	<u>330</u>	<u>1.251</u>	<u>323</u>	<u>2.106</u>

1. Accounting policies

The annual report for House of Prince A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies used in the preparation of the financial statements are consistent with those of last year, except for reclassifications made in comparative figures to comply with current year presentation of provisions.

Consolidated Financial Statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of House of Prince A/S and group entities are included in the consolidated annual accounts of British American Tobacco p.l.c.

Cash Flow Statement

Pursuant to section 86 (4) of the Danish Financial Statements Act, no cash flow statement has been prepared as consolidated cash flow statement is prepared in the consolidated annual accounts of British American Tobacco p.l.c.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction.

Exchange rate differences due to changes in the exchange rate from the transaction date to the payment date and exchange rate adjustments of foreign currency balances at the balance sheet date exchange rate are included as financial income or expense.

1. Accounting policies

Income statement

Revenue

The enterprise has chosen to apply IFRS 15 as its basis of interpretation for the recognition of revenue.

The revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Revenue is measured at fair value of agreed remunerations including excise tax, less VAT. The company acts as a principal regarding excise tax. All forms of discount are recognized in revenue.

Other operating income

Other operating income include secondary items in relation to the company's main activity.

Other external costs

Other external costs comprise of excise tax, cost of goods sold, costs for distribution, sales, royalties, freight, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are shown net of reimbursements from public authorities.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown are comprised of depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Income from participating interests

Dividend from associated enterprises is recognised in the financial year in which the dividend is declared.

Other financial income and expenses

Financial accounts include interest income and expenses, realized and unrealized currency adjustments relating to debt and foreign currency transactions, as well as additions and allowances relating to the income tax scheme.

1. Accounting policies

Tax on profit for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is jointly taxed with its parent company *Precis A/S*. The current Danish corporation tax is distributed by settling joint taxation contributions between the jointly taxed companies in proportion to their taxable income. In connection with this, companies with tax losses receive joint taxation contributions from companies that have been able to apply this deficit (full distribution).

The balance sheet

Acquired Intangible assets

Acquired intangible assets are measured at cost less accumulated amortisation and write-downs.

The amortisation basis, which is calculated as cost price reduced with any residual value, is distributed on a straightline basis over the expected useful life of the assets, which amounts to:

Software purchased externally	5 years
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The amortisation charge is recognised in income statement.

Acquired intangible assets are written down to the recoverable amount if this is lower than the carrying amount. The recoverable amount is calculated as the highest value of the net selling price and capital value.

Property, Plant & Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and write-downs.

The depreciation basis, which is calculated as cost price reduced with any residual value, is distributed on a straightline basis over the expected useful life of the assets, which maximum amounts to:

Land and buildings:

Buildings	33 years
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Other plants, operating assets, fixtures and furniture:

Warehouse inventory	10 years
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Transport equipment	5 years
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Office furniture	5 years
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Leasehold improvements	10 years
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Profits and losses on current replacement of property, plant and equipment are recognized in the income statement under other operating income or other operating expenses.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount. The recoverable amount is calculated as the highest value of the net selling price and capital value.

1. Accounting policies

Other Provisions

In cases where there is an uncertainty over income tax treatments, BAT Denmark recognizes appropriate current tax asset / liability in accordance with IFRIC 23, by applying the most likely amount measurement method where the recognition requirements are met.

Leases

The enterprise has chosen to apply IFRS 16 as its basis of interpretation for the recognition of classification and recognition of leases.

Leases pertaining to property, plant, and equipment for which the enterprise has the right-of-use are recognised in the statement of financial position as right-of-use assets. The assets are, at initial recognition, measured at imputed cost, consisting of:

- The imputed lease liability
- Any lease payments paid prior to – or on – the starting date, less any lease incentives received
- Any direct start-up costs
- Any restoring costs

Hereafter, recognised leased assets are treated like the enterprise's remaining property, plant, and equipment.

Lease liabilities are recognised in the statement of financial position as liabilities other than provision and are measured, at initial recognition, at the present value of lease payments payable over the lease term. This includes a purchase option in the event that the enterprise expects to purchase the right-of-use asset. When determining the present value, the internal rate of return or, alternatively the enterprise's borrowing rate is applied as discount rate.

Hereafter, the lease liability is treated like the remaining financial liabilities, i.e. at amortised cost.

The interest element of the lease payments is recognised in the income statement over the contractual term.

The following leases are not recognised as assets and liabilities in the statement of financial position:

- Leases with a duration of twelve months or less (short leases)
- Leases where the replacement value of the asset is less than DKK 30,000 (low-value assets)

For such leases, the lease payment is recognised in the income statement as an expense on a linear basis over the lease term.

Impairment of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively.

Impairment takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised impairment is reversed when the condition for the writedown no longer exist. Impairment relating to goodwill is not reversed.

Notes

1. Accounting policies

Financial fixed assets

Investment in participating interests

Investment in participating interests is recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Inventories

Inventories are measured at the lower of cost, calculated according to the FIFO principle, or at net realizable value, if this is lower. Banderoles are calculated at cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Cash at bank and on hand

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

Dividends proposed by the management for the financial year are shown as a separate item under equity.

Dividend expected to be distributed for the year is recognized as a separate item under the equity.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income, prepaid taxes, tax refunds and uncertain tax positions. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible to carry over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by offsetting in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realizable value. Deferred tax liability and deferred tax asset related to IFRS16 assets and liabilities are recognized separately.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

House of Prince A/S is jointly taxed with its parent company Precis A/S which is the administration company in the Danish joint taxation scheme and as such settles the corporation income tax with the Danish Tax Authorities.

Current tax for 2024 is recognised by the individual jointly taxed companies.

Notes

1. Accounting policies

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Segmental statement

Information on activity and geographical markets is provided. The segment information follows the consolidated accounting policies, risks and internal financial control systems.

Notes

DKK in millions.

			<u>2024</u>	<u>2023</u>		
2	Segment information					
	Revenue (excl. VAT, incl. excise taxes)					
	Revenue in Denmark		6.579	7.228		
	Revenue outside of Denmark		572	1.025		
			<u>7.151</u>	<u>8.253</u>		
	Segmental statement					
		<u>Cigarettes</u>	<u>Oral products</u>	<u>Vapour</u>	<u>Tobacco Heated Products</u>	<u>Total</u>
	Activities – primary segment:	<u>6.166</u>	<u>967</u>	<u>21</u>	<u>-3</u>	<u>7.151</u>
3	Other operating income					
	Royalties				56	54
	Other operating income				1	0
					<u>57</u>	<u>54</u>
4	Other external costs					
	Administration costs				132	44
	Excise tax				5.269	6.367
	Raw materials and consumables used				902	918
					<u>6.302</u>	<u>7.330</u>

Notes

DKK in millions.

	<u>2024</u>	<u>2023</u>
5 Fees to auditors appointed at the annual general meeting		
<i>Audit fee</i>	2	2
	<u>2</u>	<u>2</u>
6 Staff costs		
<i>Salaries and wages</i>	141	138
<i>Pension costs</i>	12	13
<i>Other costs for social security</i>	<u>1</u>	<u>1</u>
	<u>154</u>	<u>151</u>
<i>Average number of employees</i>	<u>165</u>	<u>171</u>
 <i>Remuneration to managing director has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.</i>		
<i>No remuneration has been paid to the Board during the financial year, as the Board members have other responsibilities within the Company which takes majority of their time</i>		
7 Depreciation, amortisation and writedown relating to tangible & intangible fixed assets		
<i>Amortisation of intangible assets</i>	2	2
<i>Depreciation on plants, operating assets, fixtures and furniture</i>	13	20
<i>Depreciation on leased assets</i>	<u>12</u>	<u>12</u>
	<u>27</u>	<u>34</u>
8 Other financial expenses		
<i>Financial costs, group enterprises</i>	0	1
<i>Other financial costs</i>	<u>37</u>	<u>3</u>
	<u>37</u>	<u>4</u>
9 Other financial income		
<i>Financial income, group enterprises</i>	25	12
<i>Other financial income</i>	<u>2</u>	<u>0</u>
	<u>27</u>	<u>12</u>

Notes

DKK in millions.

	<u>2024</u>	<u>2023</u>
10 Tax on profit for the year		
Tax of the Profit for the year	168	183
Adjustment for the year of deferred tax	-1	-7
Adjustment of deferred tax for previous year	-2	2
Adjustment of tax for previous year*	-14	192
	<u>151</u>	<u>370</u>

*To counter any future tax disputes and disagreements with the tax authorities in relation to transfer-pricing arrangements, the management makes estimates and assessment of the company's tax exposure and on the basis of this, has made a provision (DKK 88 million in total) for uncertain tax position in the Company's statutory accounts for 2024. Based on the latest development in a company's tax case, incl. solved double taxation for earlier years, the management has adjusted the uncertain tax position for closed periods and provided for a probable outcome of an unresolved tax disputes related to reoccurring transactions in multiple years. The management has taken a prudent and conservative approach and, therefore, it is not unlikely that the value of the final liabilities may be lower than the recognized amount depending on the final outcome of the tax case. The uncertain tax provision is included in the other provisions caption in the statement of financial position, note 19.

	<u>2024</u>	<u>2023</u>
11 Proposed distribution of net profit		
Extraordinary dividend adopted during the financial year	311	355
Dividend for the financial year	<u>323</u>	<u>184</u>
Total allocations and transfers	<u>634</u>	<u>539</u>

Notes

DKK in millions.

12 Acquired intangible assets

	Software internally developed
Cost 1 January	11
Cost 31 December	11
Amortisation 1 January	-2
Amortisation for the year	-2
Amortisation 31 December	-4
Book value 31 December	6

13 Property, Plant & Equipment

	Land and buildings	Other fixtures and fittings
Cost 1 January	65	166
Additions	0	13
Disposals	0	-1
Cost 31 December	65	177
Depreciation 1 January	16	136
Deprecation for the year	7	18
Reversal of depreciation on divested assets	0	-1
Depreciation 31 December	22	152
Book value 31 December	43	25
Leased assets included at accounting value of	43	6

Notes

DKK in millions.

	<u>31/12 2024</u>	<u>31/12 2023</u>
14 Investment in participating interest		
Cost 1 January	968	968
Cost 31 December	968	968
Carrying amount, 31 December	968	968

Financial highlights for the enterprise according to the latest approved annual report (2023)

	<i>Equity interest</i>	<i>Equity (PLN)</i>	<i>Profit for the year (PLN)</i>	<i>Carrying amount, House of Prince A/S (DKK)</i>
	_____	_____	_____	_____
British American Tobacco Polska, S.A. (PLN), Augustow, Poland	35%	<u>1.673</u>	<u>98</u>	<u>968</u>

During 2024, there have been no changes in House of Prince A / S ownership of British American Tobacco Polska, S.A.

Operating profit of British American Tobacco Polska, S.A. in 2024 was in line with Toll Operating model (cost recovery with a 10% mark-up).

Notes

DKK in millions.

	<u>31/12 2024</u>	<u>31/12 2023</u>
15 Inventory		
<i>Tax stamps</i>	586	802
<i>Manufactured goods, trade goods</i>	35	168
	<u>621</u>	<u>969</u>
16 Deferred tax assets		
<i>Deferred tax assets 1 January</i>	15	10
<i>Deferred tax current year and prior year</i>	3	5
	<u>18</u>	<u>15</u>
17 Contributed capital		
<i>There have been no changes in House of Prince A/ S share capital in the last 5 years.</i>		
18 Other Provisions		
	88	127
<i>Expected to be activated as below:</i>		
<i>0-1 years:</i>	0	39
<i>1-5 years:</i>	88	88
<i>Other provisions represent the corporate tax charge related to unresolved tax disputes.cf. note 10.</i>		
19 Lease liabilities		
<i>Total lease liabilities</i>	47	55
<i>Share of amount due within 1 year</i>	-7	-8
Long-term leasing liabilities in total	<u>40</u>	<u>48</u>
<i>Share of liabilities due after 5 years</i>	11	17
20 Other debts		
<i>In the amount is included tobacco taxes of DKK 497 million as of 31 December 2024. As of 31 December 2023, the amount was DKK 425 million.</i>		

DKK in millions.

21 Contingencies

Contingent assets

The company has no contingent assets.

Contingent liabilities

The company is part in minor legal proceedings but does not expect that these will have a material impact on the company's financial position.

Lease commitments:

The company has entered into operating leases for a total of DKK million. 1. The amount is distributed as follows:

0-1 years:	DKK 1 million
1-5 years:	DKK 0 million
>5 years:	DKK 0 million

Liabilities:

The company is jointly taxed with other Danish companies in the British American Tobacco Group. As a fully owned subsidiary, the company holds unrestricted and solidarity with the other companies in the joint taxation for Danish corporation tax and withholding tax on dividends, interest and royalties within the joint taxation.

22 Related parties

Controlling interest

The company is 100 % owned by the Danish company *Precis (1789) Denmark A/S, Bernstorffsgade, 1577 København V.*

The company's ultimate parent is *British American Tobacco p.l.c., Globe House, 4 Temple Place, London WC2R 2PG*

House of Prince A/S is part of the consolidated financial statements of British American Tobacco p.l.c., Globe House, 4 Temple Place, London WC2RP, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of British American Tobacco p.l.c, can be obtained by contacting the companies at the above addresses.

Transactions

Related parties include companies in the British American Tobacco Group as well as the Company's Executive Board and Board of Directors.

During year 2024 the company, besides normal remuneration, has not had any transactions with the Company's Executive Board and Board of Directors other than remuneration. The company has had the below transactions with sister companies (owned by the same parent Company) and other related parties (part of the British American Tobacco Group companies)

Notes

DKK in millions.

22 Related parties

Transactions

2024

Balance sheet:

Receivables from group enterprises

Sister

5

Other

1.334

Amounts owed to group enterprises

Other

87

Income statement:

Revenue

Other

280

Total purchase of inventory

772

Other income

Sister

30

Other

24

Other Expenses

Other

122

Financial income (interest)

Other

25

Notes

DKK in millions.

23 *Events subsequent to the financial year*

There have been no significant events after the financial year that affect the company's financial position.