CHAIR'S STATEMENT

SET UP FOR SUSTAINABLE GROWTH

THÉRÈSE ESPERDY
CHAIR

> We are better able to create predictable and sustainable value for shareholders and meet the needs of our wider stakeholders.

Dear shareholder,
I am pleased to report the successful completion of our ambitious five-year strategy to turn around Imperial Brands and build a strong challenger business.

Alongside strong operational progress, over the past year we managed a smooth leadership transition with Lukas Paravicini succeeding Stefan Bomhard as Chief Executive Officer.

Stefan retires from our business having significantly strengthened our operations, enabled us to deliver a more consistent financial performance and set us on a course for further success.

Delivering against our strategy
This has been another year of strong operational delivery in both tobacco and next generation products (NGP).

This performance, delivered despite continued economic uncertainty and softening consumer confidence in some key markets, adds to our five-year track record of sustainable, broad-based improvement. I would like to thank all our people for their hard work and dedication to our consumers and customers.

Guiding our success has been the targeted challenger strategy which we launched in January 2021. This strategy was built on three principles: putting the consumer first, staying focused on the biggest growth opportunities, and transforming our organisation to become simpler, more efficient and more agile.

During this period, we increased aggregate market share in our priority combustible markets by +48 basis points, delivered a 83% increase in NGP net revenue, grew earnings per share by 24% and made capital returns totalling £10 billion.

Imperial Brands is a significantly stronger business than it was five years ago, delivering consistent growth and highly sustainable shareholder returns.

CHAIR'S STATEMENT CONTINUED

+13.7%
Growth in NGP net revenue in FY25

£2.8bn
Capital returns to investors during FY25

Leadership transition

On 30 September 2025, Stefan retired as CEO. He will remain on the Board until 31 December 2025 and continue to be available to the company until May 2026.

Stefan was succeeded by Lukas Paravicini, who had been our Chief Financial Officer (CFO) since 2021. Lukas has played a key role in the strengthening of our business and has led the ongoing programme to transform our technology and data capabilities.

At the same time Murray McGowan, previously our Chief Strategy and Development Officer, took over from Lukas as CFO and joined our Board. Murray, who joined Imperial Brands in July 2020, oversaw the development of both the company's initial five-year strategy and our refreshed 2030 plan.

Once again, I would like to thank Stefan for his outstanding contribution to Imperial Brands' renewed success. He has been an inspirational leader, driving the improvements in our capabilities and culture which have led to the comprehensive turn-around of this company. Stefan leaves behind a strong platform for future growth, and on behalf of the Board, I wish him all the very best in his retirement.

During the past five years, we have comprehensively refreshed our senior leadership team with strong hires from other global consumer businesses and by nurturing internal talent. This means we now have a deep management bench ready to lead the company through the next strategic period.

Our 2030 ambition

In March 2025, we unveiled an evolved strategy covering the period to 2030. This is both a confident evolution of our existing approach and a step-up in our ambitions.

We see opportunities to deliver consistent growth by investing further in our consumer capabilities to create more differentiated brands, and by becoming a data-led, more agile, high-performance organisation.

While staying focused on delivering our plans for FY25, we have also been building the capabilities needed to deliver our long-term ambitions.

Our priorities over the next five years will be to create sustainable value in combustibles, build scale in NGP, and continue to provide highly attractive returns to shareholders.

Moving towards a healthier future

By growing our NGP business, we are making a more material contribution to reducing the harm caused by smoking.

Our consumer insights teams and scientists continue to ensure our smoke-free products are effective in helping adult smokers to quit and stay away from cigarettes.

We also engage with policymakers and regulators to promote a deeper understanding of the positive impact of NGP and campaign against extreme prohibitionary measures, which result in unintended consequences, including the spiralling of illicit trade.

Aligned to our business strategy, progress has been made on other material environmental, social and governance priorities. We are pleased that against our benchmark years, we have reduced Scope 1 and 2 market-based carbon emissions by 72% and cut absolute waste across our operations by 36%.

Enhancing returns within a disciplined framework

Five years ago we articulated clearly defined capital allocation priorities and have applied that framework rigorously. Our first priority is always the investment needs of the business. Next, we ensure we maintain an investment grade credit rating and our net debt is within our target ratio of 2.0 to 2.5 times EBITDA.

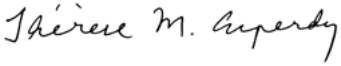
We then seek to provide a progressive dividend, reflecting the underlying growth of the business. The Board recommended two further quarterly dividends of 40.08 pence per share for FY25 with a total annual dividend of 160.32 pence, representing growth of 4.5% on an underlying basis. Finally, we return surplus capital through share buybacks. We have committed to "evergreen" buybacks every year up to 2030, and during FY26 we will make repurchases totalling £1.45 billion, which we expect to complete by 28 October 2026.

Further Board changes

Diane de Saint Victor retired from the Board at our 2025 annual general meeting. We recently announced that Abbe Luersman will join us in January 2026 as a Non-Executive Director. Abbe is an experienced human resources leader in global businesses and has an impressive track record in organisational design, integration, cultural change and transformation – areas of strategic importance for Imperial Brands. We look forward to working with Abbe when she arrives in the New Year.

Outlook

While we have accomplished much in the past five years, Imperial's transformation journey will continue, with significant opportunities still ahead. Although there are always risks associated with an ambitious change programme, I am confident that under the executive leadership of Lukas and Murray, Imperial Brands will continue to deliver strong returns to shareholders, while moving purposefully towards a healthier future.



THÉRÈSE ESPERDY
CHAIR

CHIEF EXECUTIVE'S STATEMENT

EXTENDING OUR HIGH-QUALITY TRACK RECORD

LUKAS PARAVICINI
CHIEF EXECUTIVE OFFICER

We have successfully delivered on our five-year plan – while continuing our long-term transformation.

> Our strong operational and financial delivery during fiscal year 2025 and over the past five years provides a firm platform on which to build as we embark on the next phase of our strategy.

This has been another year of strong performance, which demonstrates the sustainability of our combustibles business and the exciting growth opportunities in next generation products.

This has also been a year of transition in terms of both strategy and leadership. 2025 marked the successful completion of our five-year plan to build a strong challenger business and the start of our refreshed 2030 strategy, which is both a confident evolution and an important step-up in our ambitions.

On 1 October, Stefan Bomhard passed on the baton of executive leadership to me, and at the same time Murray McGowan assumed the role of Chief Financial Officer. I would like to thank Thérèse and the Board for their confidence in me, and I want to express my gratitude to Stefan for his guidance and friendship during the four years we have worked together.

Since we announced the leadership transition in May 2025, I have visited all our regions and spent time with many of our people. I have been impressed by my colleagues' enthusiasm for our refreshed strategy, their thoughtful insights and their ambition to build an even stronger business.

A confident evolution – and a step-up in ambition

During the next strategic period, we will evolve the distinctive challenger approach which has been the source of our recent success. This means we will continue to invest in the insights, innovation and marketing capabilities which get us closer to our consumers. We will continue to make deliberate, focused choices about which opportunities we pursue. We will also continue to transform to become a simpler, more efficient and more agile organisation.

CHIEF EXECUTIVE'S STATEMENT CONTINUED

+9.1%
Adjusted earnings per share growth on a constant currency basis

+£2.7bn
Free cash flow generation

£1.45bn
FY26 share repurchase announced

While our approach is evolutionary, our ambition is bold. We see significant opportunities to deliver a step-change in our capabilities – and, as a result, drive even more sustainable, consistent commercial outcomes. Through investments in ways of working and technology – including artificial intelligence – we will complete our long-term journey from a collection of businesses assembled through acquisition to a fully integrated organisation with common processes and data. This will allow us to fully unleash the potential of the talent we have been developing over the past five years and create a truly high-performance culture.

This transformation will enable us to fulfil our twin strategic priorities – sustainable value in combustibles and scale in NGP – and realise our purpose of forging a path to a healthier future for moments of relaxation and pleasure.

Building on strong foundations

Our strong operational and financial delivery over the past five years provides a firm platform on which to build as we embark on the next phase of our strategy. Our performance during the 2025 fiscal year, which was in line with our public commitments, adds to our track record of progress across our key operational and financial metrics.

In combustibles, we drove a strong price-mix of 5.4%, more than offsetting volume decline. Within our footprint, volume declines were more moderate than in recent years. This resulted in growth in tobacco net revenue of 3.7% at constant currency. On a reported basis, tobacco revenue declined -2.9%.

In our five priority markets, market share was stable. This means that since FY20, our cumulative aggregate share in our top five markets has outperformed our target, increasing by 48 basis points.

In NGP, net revenue grew by 13.7% at constant currency, another year of double-digit revenue growth, in line with our commitment. On a reported basis, NGP revenue grew 14.9%. This was a broad-based performance with top-line growth and share gains across all categories. Over the past five years, our cumulative NGP net revenue growth has been 83%.

At constant currency, tobacco and NGP net revenue grew by 4.1%. Our Distribution segment contributed positively to our results with gross profit up 2.9% at constant currency, reflecting strong tobacco pricing offsetting weakness in long-distance transportation. This helped to deliver Group adjusted operating profit growth of 4.6% at constant currency. Reported operating profit at actual rates declined -1.8%, reflecting strong regional performance, partly offset by adverse foreign exchange movements and costs related to the implementation of the 2030 Strategy. This growth in adjusted operating profit alongside the reduction in share count as a result of our ongoing share buyback, underpinned growth in adjusted earnings per share of 9.1% at constant currency. On a reported basis, earnings per share declined -16.5%.

Guided by our well-established and rigorous capital allocation framework, the Board has recommended an increase to the underlying dividend of 4.5% for FY25, and an increase to £1.45 billion for our share buyback for FY26. During the five-year period from FY21 to FY25 inclusive, we delivered cumulative capital returns of £10 billion, and during FY26 we expect to deliver further capital returns of c.£2.8 billion.

Sustainable growth in combustibles

Our performance in combustibles highlights the sustainability of our portfolio of markets and brands. In our major markets, we benefit from a range of brands across all price points.

Our success has been driven by our long-term investments in the capabilities of our sales teams and in developing more differentiated brands. Our more focused, consumer insights-led approach to brand building can be most clearly seen in our latest campaigns for Winston and Backwoods in the US, and Gauloises in Germany.

In the US, as a result of our targeted investments in Winston, the brand has gained share within the premium segment. Over the last five years this brand has grown share in its segment by over 20 basis points. At the same time, we have benefited from the growth in the discount segment.

In Germany, we have now delivered two successive years of market share growth, reversing the previous long-term trend of share losses. We have gained share in both the premium segment and in the value end of the market where Paramount continues to perform well.

In Spain, following a steady gain of 30 bps in market share over the last four years we decided to prioritise delivering value through pricing. With tobacco continuing to be affordable, we expect this market will remain highly sustainable over the long term.

CHIEF EXECUTIVE'S STATEMENT CONTINUED

As we have previously signalled, in the UK and Australia, high excise and the resultant growing illicit trade have led to reductions in overall market value. However, I have been pleased at the skill and dedication of our teams in capturing value in these markets, balancing pricing and market share performance. In the UK, we also have an opportunity to offset declines in the combustible market through the development of a material NGP business.

We also saw a positive contribution from our wider market portfolio. Our African cluster delivered an especially strong performance, with double-digit revenue growth across our sub-Saharan markets.

Building scale in next generation products

Our focus on our consumers and disciplined execution has delivered further progress in NGP. FY25 saw continued innovation with product launches in all categories across our priority markets.

In the US we are focused on the fast-growing modern oral category. Here, our Zone brand, launched in February 2024, has now been rolled out to a store footprint of c.100,000, and continues to receive strong feedback from consumers and our retail partners. In oral nicotine, we have also continued to see strong growth in the Nordics, where we launched a new pouch design and flavours. We have also just launched Zone in the UK.

In vape, our focus is on the major western European markets where NGP consumers have expressed a preference for this category. In the context of more moderate category growth and significant regulatory change in some markets, our products continue to perform strongly. Our new pod-based blu kit range, which we have been progressively rolling out since the second half of last year, has helped us establish double-digit share in the UK, Spain and France. Our consumers tell us they like the authentic flavours and distinctive, high-quality design, and regard blu as a trusted brand.

In heated products, we focus on markets in Southern and Eastern Europe where this is the leading NGP category. During FY25, we have been rolling out our new Pulze 3.0 device, aimed at consumers seeking a better flavour delivery and an affordable experience close to combustible tobacco.

In Europe we have eight markets where NGP now accounts for more than 20% of our tobacco and NGP net revenue. In all NGP categories we now have a focused view of our target consumers, competitive propositions and growing share.

Furthering harm reduction

As we build scale in our NGP business, we prioritise investment in consumer insights and science to better understand our real-world contribution on harm reduction. Our most recent research looked at the behaviour of adult smokers with no plans to quit, when introduced to blu vapes. Six months into the survey, 40% of participants had either significantly reduced smoking cigarettes or stopped completely. In our priority markets, we continue to engage with policymakers to build an understanding of the positive role that responsibly marketed NGP can play.

Developing our strategic capabilities

While delivering on our in-year plans, we have also made progress on our long-term transformation. As part of our ongoing investment in consumer capabilities, over the past year we have been rolling out our global brand building framework. This new, more rigorous approach is delivering greater clarity on our target consumers, their distinctive needs and the creation of winning marketing campaigns.

Through our global network for sales excellence, we continue to invest in technology and training for our customer-facing teams. The scaling of industry best practice, including the broad adoption of artificial intelligence tools will be a significant focus in the coming years.

As part of our commitment to build a simpler, more efficient and data-led organisation, we are introducing a new platform for enterprise resource planning – and this global programme remains on track with our first production site now live.

We continue to invest in improving the effectiveness and efficiency of our global supply chain. Alongside this ongoing activity, we announced in October our intention to withdraw from our Langenhagen factory in Germany. Our decision followed a careful review of our global manufacturing network and was made necessary by declining utilisation aligned to long-term, market-wide reductions in tobacco volumes. We have been focused on ensuring that the consultation process is as transparent and fair as possible for all affected employees.

Over the past five years, we have developed a culture which is more collaborative, accountable, inclusive and able to balance near-term delivery with long-term planning. We have built a deep management bench by making smart hires from the wider consumer sector and nurturing our home-grown talent. During the next strategic period, we see an opportunity to build an even higher performing culture. Our ambition is to equip our people with the right processes, technology and data to enable them to do their best work every day. Since March, we implemented a structured programme to socialise our strategy with our people, so all colleagues understand their distinctive role in delivering on our commitments. This included a total of seven face-to-face leadership events, which engaged more than 600 of our senior people – and also provided me with a great opportunity to spend time with our global teams.

A consistent aspect of our performance culture is to drive further improvement in the health, safety and wellbeing of our people. The absolute number of lost time accidents has remained unchanged on the previous year, down 47% compared to our baseline year, highlighting the importance of stepping up our efforts to improve safety.

Allocating capital with discipline

We will continue with our existing clear and transparent capital allocation framework. We have four priorities: invest behind our strategy to drive sustainable growth; maintain a strong and efficient balance sheet, with leverage at the low end of our 2.0 to 2.5 times net debt to EBITDA range; a progressive dividend, reflecting the underlying growth of the business; and finally, return surplus capital to shareholders.

Following this framework, the dividend for FY25 grew 4.5% on an underlying basis, in line with adjusted operating profit. Having completed the FY25 share buyback of £1.25 billion, the strong momentum of the business has enabled us to increase the share buyback for FY26 to £1.45 billion. As announced in March, we have committed to an evergreen share buyback over the next five years to 2030, with the quantum decided each year in line with this framework.

Outlook

Our expectations for the coming year are in line with the medium-term guidance set out at our Capital Markets Day in March 2025. On a constant currency basis, we expect to deliver low-single-digit tobacco and double-digit NGP net revenue growth. Tobacco pricing will continue to more than offset cigarette volume declines, and in NGP we will continue to grow through consumer-focused innovation and disciplined execution.

For FY26, Group adjusted operating profit is expected to grow in the 3% to 5% range, on a constant currency basis, driven primarily by continued profit growth from our combustible tobacco business.

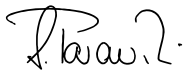
CHIEF EXECUTIVE'S STATEMENT CONTINUED

In line with previous years, performance will be weighted to the second half of the year because of the phasing of combustible pricing and investment.

After 2030 Strategy costs, we expect to generate free cash flow of at least £2.2 billion in FY26, in line with the guidance provided at the Capital Markets Day in March.

Growth in operating profit combined with the impact of our ongoing share buyback are expected to result in at least high-single-digit adjusted earnings per share growth for the full year at constant currency. At current rates, foreign exchange translation is expected to be a tailwind of around 2.0% to 2.5% to net revenue, adjusted operating profit and earnings per share.

The rigour of the plans which underpin our refreshed strategy and the commitment of our people give me continued confidence we will deliver on our operational and financial commitments and create consistent, sustainable value for shareholders.



LUKAS PARAVICINI
CHIEF EXECUTIVE OFFICER

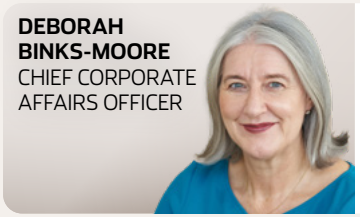
EXECUTIVE LEADERSHIP TEAM

LUKAS PARAVICINI
CHIEF EXECUTIVE OFFICER

EXPERIENCE
Lukas joined the business in 2021 as Chief Financial Officer and was an architect of our 2030 strategy. He previously held senior roles at ED&F Man Holdings, Fonterra and Nestlé.

MURRAY McGOWAN
CHIEF FINANCIAL OFFICER

EXPERIENCE
In his prior role as Chief Strategy & Development Officer, Murray led the development of our 2030 Strategy. He has also held financial and operational roles for consumer businesses including Costa Coffee.



DEBORAH BINKS-MOORE
CHIEF CORPORATE AFFAIRS OFFICER

EXPERIENCE
Deborah is an experienced Corporate Relations Director drawing on more than 20 years of international experience in sectors including energy, technology, retail and e-commerce.

ALISON CLARKE
CHIEF PEOPLE AND CULTURE OFFICER

EXPERIENCE
Alison joined Imperial Brands in 2020 from Inchcape plc where she was Chief Human Resources Officer. She has also held a number of senior positions at Whitbread, Hutchison and United Utilities.

PRIYALI KAMATH
PRESIDENT, AFRICA, ASIA, AUSTRALASIA, AND CENTRAL & EASTERN EUROPE (AAACE) REGION

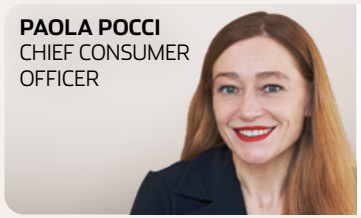
EXPERIENCE
Priyali has 25 years' extensive experience across general management, marketing, and people and culture. Prior to joining Imperial, she held multiple leadership positions at Procter & Gamble.

KEVIN MASSIE
CHIEF LEGAL, RISK, GOVERNANCE AND COMPLIANCE OFFICER

EXPERIENCE
Kevin's 20 years' experience of international legal practice across regulated and consumer goods sectors includes roles at Tullow Oil, Ashurst and PZ Cussons, where he was General Counsel & Company Secretary.

SAMI NAFFAKH
CHIEF SUPPLY CHAIN OFFICER

EXPERIENCE
Sami has broad experience of transforming supply chains and driving operational excellence in global consumer businesses. Prior roles include Chief Supply Officer at Reckitt and Chief Operations Officer at Arla Foods.



PAOLA POCCI
CHIEF CONSUMER OFFICER

EXPERIENCE
Before joining Imperial Brands in 2021, Paola worked at Procter & Gamble for 22 years in several leadership positions across Europe, the Middle East, the US and China, and across multiple FMCG categories.

KIM REED
PRESIDENT AND CEO, AMERICAS REGION

EXPERIENCE
Kim joined our US business in 2019 and has a successful track record of more than 30 years in sales and executive leadership roles, having previously held roles at The Kellogg Company and Pepsi Bottling Group.

ALEŠ STRUMINSKÝ
PRESIDENT, EUROPE REGION

EXPERIENCE
Aleš has considerable experience in tobacco having worked in a number of senior international roles (UK, Central and Eastern Europe, Travel Retail Spain) at Imperial Brands for more than 20 years.