BUSINESS MODEL CONTINUED

THE VALUE OF 'CHALLENGER'

A REFRESHED STRATEGY

Our 2030 plan will make us more consumer-centric, focused and agile.

In March 2025, we laid out a five-year strategy which is both a confident evolution and a step-up in our ambitions.

This plan is aligned to our well-established long-term purpose of forging a path to a healthier future for moments of relaxation and pleasure.

Our strategy is built around the simple idea that, as the smallest of the global tobacco and nicotine businesses, we are at our best when we behave as a challenger.

For us, being a challenger is, above all, about getting closer to our consumers, staying focused on the biggest opportunities for growth, and investing to enable our people to act with greater agility.

STRATEGIC PILLARS →

Our 2030 strategy has two focused objectives:

DRIVE SUSTAINABLE VALUE IN COMBUSTIBLES

We focus on the five markets that are our largest profit contributors. The United States, Germany, United Kingdom, Spain and Australia represent c.70% of adjusted tobacco operating profit. Within these markets, we have identified specific areas for investment by category, brand and sales channel. We aim to maintain our aggregate market share across these five markets to drive sustainable growth and cash delivery. We apply the same performance-driven, consumer-led approach to our wider portfolio of markets.

Read about **our priority combustible markets** on page 6

BUILD SCALE IN NEXT GENERATION PRODUCTS

Our fast-growing NGP business is founded on deep insights into our consumers, attractive propositions across all categories, and products available in markets where the category has been created and we have existing distribution. We are further developing our understanding of consumers, creating more differentiated brands and enhancing our sales capabilities. We are committed to annual double-digit net revenue growth in NGP, building a more significant NGP business which contributes profit and cash.

Read about our **targeted approach to NGP** on page 7

BUSINESS MODEL CONTINUED

STRATEGIC ENABLERS

Successful delivery of these objectives will be underpinned by three strategic enablers – our key capabilities and ways of working:

DIFFERENTIATED CONSUMER AND BRAND CAPABILITIES

Through blending global FMCG experience with deep tobacco knowledge, we have built a distinctive consumer team, who have developed our capabilities in insights, brand building and innovation. We see opportunities to create further value by refining and focusing our approach. This includes deeper insights into specific target groups, the development of more differentiated, 'challenger' brands, and innovation targeted to address the most important needs of our consumers.

Read about how we **understand our consumers** on pages 8-9

HIGH-PERFORMANCE CULTURE

Responding to a legacy of global acquisitions which had been loosely integrated, we have been creating a culture where accountabilities are clear, deep collaboration across geographies is fostered and long-term thinking is enabled. Our data shows this emerging performance culture has been a driver of commercial success. We see opportunities to unlock higher performance by investing selectively in leadership skills, improving business planning and introducing more connected ways of working.

Read about how we are **unlocking higher performance** on page 12

SIMPLIFIED, EFFICIENT AND DATA-LED ORGANISATION

We have begun major data programmes, including the introduction of a new global enterprise resource planning platform, and the full benefits of these will be felt during the next strategic period. We have also now identified further opportunities to create a simpler, leaner and more agile organisation. We will leverage our global scale, drive efficiencies in our supply chain through manufacturing excellence, and enable our people to make more informed decisions through better use of data.

Read about how we are **building a more agile business** on page 13

BUSINESS MODEL CONTINUED

STRATEGIC PILLAR ONE

DRIVE SUSTAINABLE VALUE IN COMBUSTIBLES

We target the most attractive opportunities through a focus on our priority combustible markets.

While we have a presence in more than 100 countries worldwide, we primarily focus on the five markets which account for 70% of adjusted tobacco operating profit. In these markets, we offer a portfolio of products meeting differing consumer preferences and price points. In each market we have defined priorities by category, brand and sales channel, which we call our "must-win battles".

OUR FIVE PRIORITY MARKETS CONTRIBUTE OVER 70% OF ADJUSTED TOBACCO OPERATING PROFIT

USA

PROPORTION OF NET REVENUE*

35%

MARKET SHARE

11%

PRIORITY MARKET SHARE MOVEMENTS

-1bp

* Tobacco & NGP net revenue.

KEY BRANDS

Winston Since 54 · KOOL · MAVERICK · BACKWOODS

GERMANY

PROPORTION OF NET REVENUE*

14%

MARKET SHARE

19%

PRIORITY MARKET SHARE MOVEMENTS

+45bps

* Tobacco & NGP net revenue.

KEY BRANDS

Davidoff Cigarettes · JPS · GAULOISES · PARAMOUNT

UK

PROPORTION OF NET REVENUE*

6%

MARKET SHARE

37%

PRIORITY MARKET SHARE MOVEMENTS

-85bps

* Tobacco & NGP net revenue.

KEY BRANDS

LAMBERT & BUTLER · GOLDEN VIRGINIA · PLAYERS · PARAMOUNT

SPAIN

PROPORTION OF NET REVENUE*

5%

MARKET SHARE

26%

PRIORITY MARKET SHARE MOVEMENTS

-45bps

* Tobacco & NGP net revenue.

KEY BRANDS

Fortuna · Nobel · West · DUCADOS

AUSTRALIA

PROPORTION OF NET REVENUE*

2%

MARKET SHARE

32%

PRIORITY MARKET SHARE MOVEMENTS

+20bps

* Tobacco & NGP net revenue.

KEY BRANDS

LAMBERT & BUTLER · JPS · CHAMPION · P&S Parker & Simpson

STRATEGIC PILLAR TWO

BUILD SCALE IN NEXT GENERATION PRODUCTS

We participate in established categories where we have strong existing routes to market.

Our NGP market footprint is focused on the United States and Europe. Within individual markets we prioritise the categories which have the strongest growth prospects and are well established. So, in the US and Nordics we focus on modern oral. Western Europe is where we focus on vaping, and our southern and eastern European markets are where we lead with heated products.

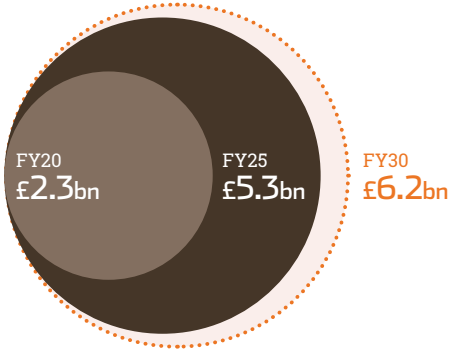
NET REVENUE GROWTH*

13.7%

* At constant currency.

VAPOUR

INDUSTRY REVENUE PROJECTIONS[1] £bn



MARKET SHARE GROWTH IN FY25[2]

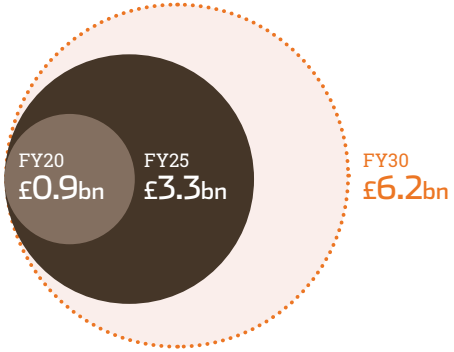
160bps

KEY MARKETS

- UK
- Spain
- France
- Germany

HEATED TECHNOLOGY

INDUSTRY REVENUE PROJECTIONS[1] £bn



MARKET SHARE GROWTH IN FY25[2]

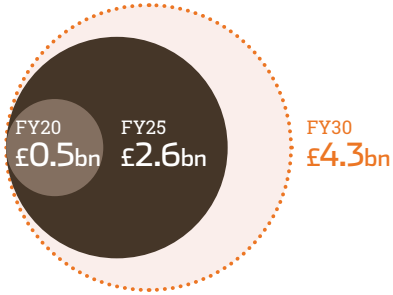
60bps

KEY MARKETS

- Italy
- Greece
- Poland
- Czechia

MODERN ORAL

INDUSTRY REVENUE PROJECTIONS[1] £bn



MARKET SHARE GROWTH IN FY25[2]

130bps

KEY MARKETS

- USA
- Norway
- Sweden
- Austria

1. Imperial Brands internal estimates for Group footprint. Markets included represent >85% NGP net revenues.
2. Vapour share based on retail sales value. Aggregated 'closed system' share based on UK, FR, SP, GE, IT, GR combined. UK is blu share and excludes 'multi-pods' and 'big puff'. Heated shares based on volume/stick across CZ, GR, IT, PL, HU, BU combined. Modern oral share based on volume/can. Aggregated share based on SE, NO, USA. USA share is based on sell-through (wholesale to retail), MSAi data to 4 October 2025.

BUSINESS MODEL CONTINUED

STRATEGIC ENABLER ONE

WE LEARN FROM OUR CONSUMERS

We invest in deep insights to understand our consumers' needs and preferences.

Globally, there are more than 1 billion smokers and nicotine consumers. As a challenger business, our role is to build a deep understanding of a focused subset of these consumers – those for whom our brands and products strongly resonate.

> We focus on deeply understanding very specific types of consumers – those for whom our brands have most appeal.

PAOLA POCCI
CHIEF CONSUMER OFFICER

MARKUS, GERMANY

"I don't think there's another cigarette brand that offers such great additional flavours. I appreciate the obviously high quality of the tobacco and the modern yet traditional image of the Gauloises brand."

BECKER, USA

"I choose Winston because of the true tobacco taste and consistent quality. With a Winston, in the morning it helps me get my day started and, in the evening, it helps me relax and reflect on my day."

BUSINESS MODEL CONTINUED

VICTORIA, SPAIN

"Fortuna is a brand that's the most talked about, the best known, I know lots of people who smoke it and I enjoy it. I also really like that it comes in different pack sizes, which I choose depending on the moment. My favourite moment of relaxation is at night, after dinner."

LIVIA, UK

"The device is a good size and a simple shape. It holds nicely in your hand and looks premium with its metallic feel. I also prefer blu because it has a nice taste that's not too strong or overwhelmingly sweet. It is a bit more subtle and doesn't leave too much of its fruity smell around me."

SEAN, USA

"Zone has the right feel in my mouth because it has just the right level of moisture. I also enjoy the flavour; it's not overwhelming or artificial like some other pouches. I feel more productive, no more going outside for smoke breaks, but the biggest benefit is that there's no trace of smell afterward."

GABRIELLA, ITALY

"Pulze is a device that gets straight to the point. It's linear, light, what you see is what you get. I feel like it's closer to my personality – determined and with clear ideas without frills. The price is good and together with the advice of my tobacconist, it's given me the push to change my way of using tobacco."

BUSINESS MODEL CONTINUED

STRATEGIC ENABLER ONE

WE LEVERAGE INSIGHTS TO BUILD CHALLENGER BRANDS

We are developing differentiated brands meeting clear consumer needs.

Our recently developed global Brand Building Framework adds greater rigour to how we identify our target consumers, develop compelling marketing campaigns, and drive positive commercial outcomes.

INTERNATIONAL BRANDS

JPS
West
P&S PARKER & SIMPSON
Davidoff CIGARETTES
RIZLA+
GAULOISES

LOCAL JEWELS

Winston Since '54
BACKWOODS
Fortuna ORIGINAL
L&B
FINE LONDON | PARIS
GOLDEN VIRGINIA AUTHENTIC PREMIUM BRAND WORLD

NEXT GENERATION PRODUCTS

blu
PULZE HEAT TECHNOLOGY
iD
skruf
ZONE
iSENZIA ZERO TOBACCO

BUSINESS MODEL CONTINUED

STRATEGIC ENABLER ONE

WE DRIVE TARGETED INNOVATION

We are developing strong offerings in all next generation product categories while continuing to innovate in tobacco.

We choose to identify specific types of consumers and focus on the innovations that address their particular needs.

Consumer feedback on blends and flavours or NGP device prototypes is captured in real-time at our Sense Hubs, where our innovation activities are centred, and feedback to our third-party partners is provided immediately.

Our scientists and regulatory experts are closely involved in the innovation process to ensure we maximise the harm reduction potential of our NGP, while minimising unintended use.

This collaborative way of working gives us the agility to better respond to changes in consumer trends, ensuring we innovate faster, more responsibly and with greater precision.

INNOVATIONS IN TOBACCO

INTRODUCING A NEW FORMAT

Our insights in Germany showed there was an unmet need for a slim format cigarette, an offering not available from any other mainstream international brand in the market. We created JPS Slims for these specific consumers, using our agile innovation model to bring a differentiated brand to market at speed.

REDEFINING A TRUSTED BRAND

Gauloises is a trusted brand in Morocco, but our insights identified evolving consumer expectation for a smoother cigarette with the same premium feel. In response we rapidly developed Gauloises Rich Gold, a Virginia blend cigarette. Our consumer insights also informed the modern, premium feel of the product packaging.

EMBRACING CONSUMER CULTURE

Backwoods consumers are culturally fluent and socially influential. To deepen cultural relevance and build lifestyle equity through brand building we developed the City Pack collector's edition series. Differentiated packaging focuses on unique urban cultures across the US. Editions include New Orleans, LA, Chicago, Houston, Atlanta and Detroit.

INNOVATIONS IN NEXT GENERATION PRODUCTS

REFRESHING OUR VAPING PORTFOLIO

Our investment in new ethnographic studies and qualitative research revealed that blu vape consumers prefer trusted brands, gimmick-free products and simpler, more authentic adult flavours. blu bar kit and blu box kit rechargeable vapes, paired with new flavours, were co-created with consumers at our Liverpool Sense Hub and quickly brought to market.

RETHINKING MODERN ORAL NICOTINE

Our European modern oral nicotine consumers seek authentic flavour experiences, and our insights also established an untapped opportunity for a moister product. We have developed an enhanced triple-fibre pouch, which demonstrates notable performance advantage in the key metrics that matter to our consumers: nicotine delivery, taste and mouthfeel.

REPLICATING THE SMOKER EXPERIENCE

Our third-generation heated platform device more closely replicates the smoking experience and focuses on the features that matter most to our consumers. Developed at our Hamburg Sense Hub, Pulze 3.0 is the smallest all-in-one device on the market, offers 25+ sessions on a single charge and features a unique rollerball insertion method.

STRATEGIC ENABLER TWO

WE NURTURE A HIGH-PERFORMANCE CULTURE

WHAT OUR LEADERS ARE SAYING ABOUT OUR CULTURE AND STRATEGY

97%
understand our 2030 strategy

94%
are confident in their ability to explain key elements of the strategy

96%
understand the cultural and behavioural shift which needs to be made

96%
know what it means to be a challenger

The development of a performance culture has been a key enabler for our recent success.

Over the next strategic period, we intend to further strengthen our culture, ensuring our people have the right technology, data and processes to do their best work every day.

The foundation of our performance culture has been our behaviours, which we developed with our people in 2021. Since then, we have put in place initiatives which have reinforced these behaviours, including:

- The creation of a global consumer team and investments in insights, marketing and insights capabilities
- New ways of working to remove silos, for example, through the creation of a global sales excellence network
- Training for our top 1,000 leaders to become better coaches to their teams
- More rigorous performance management at both a business and individual level.

Over the next few years, through investments in tech and ways of working we will become a fully integrated organisation with common processes, technology and data.

This will enable us to move towards a genuinely high-performance culture where we deliver excellence in consumer capabilities and sales, and throughout our enabling functions.

Our focus in 2025 has been on building a clear and consistent understanding of our refreshed strategic and cultural ambitions among our people.

We have done this through a structured programme of engagement for all segments of our workforce including:

- A series of seven face-to-face events for our 600 top leaders across all three of our regions
- TV shows bringing to life key elements of our strategy for our global workforce
- Virtual Q&A sessions with our CEO and other senior leaders
- Toolkits to enable people leaders to hold conversations with their teams about how they can each make a distinctive contribution to our strategy

While this engagement work continues, feedback so far is encouraging, with 94% of our leaders saying they feel confident to explain our strategy.

OUR BEHAVIOURS

Our five behaviours are well embedded and act as a clear guide for how we operate.

> We are all brand builders. We are all sales people. We all have a role to play in delivering a high-performance culture.

MEMBER OF OUR LEADERSHIP COMMUNITY

STRATEGIC ENABLER THREE

A TRANSFORMATION DRIVEN BY TECH & DATA

We are investing in tech and data to improve agility and efficiency across our value chain and to simplify the way we work.

Our ambition over the next strategic period is to complete our transformation from a loose collection of businesses brought together during a period of acquisition to an integrated, agile organisation.

This will unlock the full potential of our global scale to create significant efficiencies and further harness our growing consumer capabilities.

We see opportunities to connect the world-class talent we have assembled in the organisation and to improve end-to-end processes. We will leverage data analytics on an enterprise-wide basis and apply artificial intelligence more effectively to empower our people to make faster, more insightful decisions.

DIGITAL TRANSFORMATION

By integrating our processes, people, data and technology, we are creating a more agile, simplified, efficient and data-led organisation.

We continue to roll out our enterprise resource planning (ERP) platform in service of our ambition to become a simpler, more efficient organisation. This is a key step to becoming a business which makes the most of its global scale to create significant efficiencies while empowering local teams.

Our new platform went live in the UK & Ireland in FY25, followed by our Radom factory in Poland in October 2025. We are rolling out the programme to all markets and factories over the next four years, with the next wave of deployments in our Australasia cluster scheduled for early 2026.

Connecting and integrating our technology platforms will make us more efficient and free up time to focus on what really matters – our consumers and customers.

MANUFACTURING

Across our factory footprint, we are building excellence and strengthening our focus on efficiency, quality, and health and safety. Our Manufacturing Excellence System (MES) includes a standardised operating model to unlock efficiencies. MES helps us monitor data and yield, enforces automatic specifications and enhances product traceability. These improvements will deliver a step change in organisational capabilities and support our strategic delivery.

We are investing in planning and forecasting solutions and enhancing our tobacco leaf and blending systems. Integrating our new ERP into our supply chain will lead to greater agility, responsiveness and consistency, and create opportunities for continuous performance improvements.

We review the utilisation rate of our global manufacturing footprint to ensure that this is optimised. In October, we announced we were withdrawing from our Langenhagen factory in Germany. Our focus is on ensuring a fair and transparent process for affected employees.

SALES

We continue to expand our sales capabilities, building excellence into the DNA of our sales teams through better use of technology and data to drive sharper insights and knowledge sharing. To accelerate our progress and the sharing of best practice we have established a global centre for sales excellence, which brings together our diverse regional teams.

In the US, our largest market, we have used our improved data to optimise the deployment of our sales force by geography and channel. This analysis is becoming ever more detailed and localised, helping us focus coverage on the specific cities and counties with the best returns.

Combined with investment in an expanded sales force, these tools help us visit more customers, reduce administrative workload and optimise our marketing activations. These techniques are now being rolled out across our priority markets' sales teams and we will be making further investments during the next strategic period.

£600m

Cash investment in technology, data and processes and manufacturing excellence over the next four years