SUPPLEMENT DATED 7 JUNE 2024 TO THE PROSPECTUS DATED 16 FEBRUARY 2024

Imperial Brands Finance PLC

(Incorporated with limited liability in England and Wales with registered number 03214426)

Imperial Brands Finance Netherlands B.V.

(Incorporated as a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid) in the Netherlands with registered number 861264824)

€15,000,000,000

Debt Issuance Programme
Irrevocably and unconditionally guaranteed by

Imperial Brands PLC

(Incorporated with limited liability in England and Wales with registered number 03236483)

This Supplement (the "Supplement") to the Prospectus dated 16 February 2024 (the "Prospectus") which comprises a base prospectus for the purposes of the UK Prospectus Regulation constitutes a supplement to the prospectus for the purposes of Article 23 of the UK Prospectus Regulation and is prepared in connection with the €15,000,000,000 Debt Issuance Programme (the "Programme") established by Imperial Brands Finance PLC ("IBF") and Imperial Brands Finance Netherlands B.V. ("IBFN") (together, the "Issuers" and each, an "Issuer") and guaranteed by Imperial Brands PLC ("Imperial Brands" or the "Guarantor").

Terms defined in the Prospectus have the same meaning when used in this Supplement. When used in this Supplement, "Prospectus Regulation" means Regulation (EU) 2017/1129 and "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"). In this Supplement, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuers. The Issuers and the Guarantor accept responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuers and the Guarantor, the information contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect the import of such information.

Purpose of the Supplement

The purpose of this Supplement is (a) to incorporate by reference certain sections of the Guarantor's half year report for the six months ended 31 March 2024; (b) to incorporate by reference certain sections of IBF's half year financial statements for the six months ended 31 March 2024; (c) to make certain updates to the section "Risk Factors"; (d) to make certain updates to the section "Capitalisation"; (e) to make certain updates to the section "Selected Consolidated Financial Information"; (f) to make certain updates to the section "Management's Discussion and Analysis of Financial Condition and Results of Operations"; (g) to make certain updates to the section "Description of the Group and its Business"; and (h) to include a new significant change and material adverse change statement.

Documents Incorporated by Reference

Publication of the Guarantor's 2024 Half Year Report

On 15 May 2024 the Guarantor published its half year results for the six month period ended 31 March 2024 (the "Guarantor 2024 Half Year Report"): https://www.imperialbrandsplc.com/content/dam/imperialbrands/corporate/documents/investors/results/2024/IMB-HY24-RNS.pdf.downloadasset.pdf

The following sections of the Guarantor 2024 Half Year Report shall be incorporated by reference in the Prospectus:

Section	***Page(s)***
Delivering Accelerated Performance (*excluding* the sections 'Stefan Bomhard Chief Executive' on page 1 and 'Outlook' on page 3)	1-3
Operating Review	6-10
Financial Review (*excluding* the section 'Statement of Directors' Responsibilities' on page 18)	11-18
Independent Review Report	19
Condensed Consolidated Interim Financial Statements	20-24
Notes to the Financial Statements	25-39
Supplementary Information – Alternative Performance Measures	40-42
Definitions and Reconciliations of Adjusted Measures	43-49
Glossary	50-51

Publication of IBF's 2024 Half Year Financial Statements

On 24 May 2024 IBF published its half year results for the six month period ended 31 March 2024 (the "IBF 2024 Half Year Financial Statements"):

https://www.imperialbrandsplc.com/content/dam/imperialbrands/corporate/documents/investors/debt-information/others/Imperial-Brands-Finance-PLC-Interim-Financial-Statements-2024.pdf.downloadasset.pdf

The following sections of the IBF 2024 Half Year Financial Statements shall be incorporated by reference in the Prospectus:

Section	***Page(s)***
Income Statement (unaudited)	2
Balance Sheet (unaudited)	3
Statements of Changes in Equity (unaudited)	4

The Guarantor 2024 Half Year Report and the IBF 2024 Half Year Financial Statements have been previously published and filed with the Financial Conduct Authority. Such documents shall be incorporated in, and form part of, the Prospectus, save that any statement contained in the Guarantor 2024 Half Year Report and the IBF 2024 Half Year Financial Statements, respectively, shall be deemed to be modified or superseded for the purpose of the Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Prospectus.

Any document incorporated by reference in the Guarantor 2024 Half Year Report or the IBF 2024 Half Year Financial Statements shall not form part of the Prospectus.

Any non-incorporated parts of the Guarantor 2024 Half Year Report or the IBF 2024 Half Year Financial Statements are either deemed not relevant for an investor or are otherwise covered elsewhere in the Prospectus. Copies of the Guarantor 2024 Half Year Report and the IBF 2024 Half Year Financial Statements are available at the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

Risk Factors

The following disclosure is added after the fifth paragraph in the section entitled "*Risk Factors—Factors that may affect the Issuers' or the Guarantor's ability to fulfil their respective obligations under notes issued under the Programme and the Guarantee—Risks Relating to the Group—The Group is exposed to the geopolitical and economic conditions of the countries and regions in which it operates, with a particular concentration in Western Europe and the U.S.*" starting on page 28 of the Prospectus:

On 7 October 2023, Hamas launched an attack on a number of Israeli cities. In response, the government of Israel launched an on-going large-scale military operation against Hamas militants within Israel and in the Gaza Strip. On 13 April 2024, Iran launched drone and missile attacks against Israel in response to an earlier attack by Israel on an Iranian consulate in Syria. On 19 April 2024, Israel responded with a missile attack. It is not possible to predict any further escalations or attacks or the wider impact of such actions. The scale, duration, and impact of this conflict on the region, including disruption to shipping in the Red Sea, are currently unclear and cannot be predicted with any certainty. If these conflicts are prolonged, escalate or expand or if disruptions to supply chains and routes through the Red Sea are sustained or worsen, regional and global macroeconomic conditions could be impacted more severely and could have a more severe effect on the global economy, the Group's customers and the Group's, the Issuers' and the Guarantor's revenue, costs, profits, business, financial condition, results or prospects.

* * *

The following disclosure replaces the entirety of the risk factor entitled "*Failure to manage the impacts of and respond to increased product regulation and regulatory change has had, and may continue to have, an adverse effect on the demand for the Group's products and/or increase compliance costs*" starting on page 30 of the Prospectus:

The manufacture, advertising, sale and consumption of tobacco products have been subject to extensive and increasing regulation from governments, influenced by health officials and anti-smoking groups, principally due to the conclusion that cigarette smoking and tobacco products are harmful to health. Regulatory initiatives affecting the tobacco industry that have been proposed, introduced or enacted include a range of restrictions on advertising, packaging and distribution channels, restrictions on labelling, product specification requirements (notably flavourings) and increased restrictions on smoking, including, but not limited to, age restrictions and restrictions on the locations where products can be consumed. See also "*Description of the*

Group and its Business—Regulatory Landscape". These restrictions have been introduced by regulation and have been supplemented by voluntary agreements. An example of such regulation includes the EU Tobacco Products Directive (2014/40/EU), as amended (the "EUTPD"), including delegated legislation enacted in accordance with the EUTPD framework. Another example is the World Health Organization ("WHO") Framework Convention on Tobacco Control (the "FCTC"). A recent example of legislative restrictions, New Zealand's "Smokefree Generation" legislation, was to ban the sale of tobacco to anyone born after 1 January 2009, and imposed both a cap on the number of retailers permitted to sell tobacco and a maximum nicotine level of 0.8mg/g in each cigarette (approximately 5 per cent of current levels). However, these measures were repealed in early 2024, following a change of government in the October 2023 elections.

A similar proposal was announced by the UK government in October 2023, whereby anyone born on or after 1 January 2009 will not be able to purchase tobacco or related products, with the effect that the legal smoking age would increase by one year every year, with the aim of rapidly reducing the number of people who are able to legally purchase tobacco and related products. A public consultation on the proposed measures ended on 6 December 2023. The UK government published its response to the consultation on 29 January 2024. The Tobacco and Vapes Bill was introduced to Parliament on 20 March 2024, passed second reading on 16 April 2024, and committee stage on 14 May 2024. Following the Prime Minister's announcement of a general election on 4 July 2024 and Parliament's subsequent dissolution, the Tobacco and Vapes Bill has fallen. However, the Conservative Party manifesto will contain a pledge to reintroduce the Tobacco and Vapes Bill. The Labour Party has indicated that, should they be successful, they will likely introduce legislation containing many of the measures set out in the Tobacco and Vapes Bill, including the generational smoking ban, given their previous strong support for the Bill.

Although a Group position was submitted to the consultation, the Group often has limited opportunity to offer an opinion on the likely consequences of regulatory change and, along with all other tobacco manufacturers, is sometimes excluded from consultation with regulators on these regulatory proposals. The UK is a party to the WHO FCTC and the UK government believes it has an obligation to protect the development of public health policy from the vested interests of the tobacco industry. To meet this obligation, the UK government asked all respondents to disclose whether they have any direct or indirect links to, or receive funding from, the tobacco industry. In total, 307 responses were received from respondents who disclosed links to the tobacco industry. The UK government analysed these alongside other responses but has not considered these views when determining its policy.

In addition, anti-smoking groups continue to advocate for the exclusion of the industry from consultation processes and seek to diminish the social acceptability of smoking. Anti-smoking groups are pursuing this objective through petitioning individual governments and the WHO. Furthermore, compliance with an increasingly complex regulatory environment increases risk to the Group due to the rising cost of compliance and the potential for inadvertent non-compliance. Any such non-compliance, though inadvertent, could result in regulatory censure, financial penalties and reputational damage. In the ordinary course of business, the Group is sometimes required to interpret certain regulations that impact its business activities. Conflicting interpretations with consumers or regulators may lead to disputes or investigations, which may in turn result in possible financial penalties or reputational damage, even in cases where no fault is proven.

The Group, along with other manufacturers, is impacted by legislation designed to manage environmental and climate risks. The industry has been impacted by the EU Directive on Single-Use Plastics (2019/904/EU) (the "EUSUPD"), which took effect in the EU from July 2021, resulting in manufacturers incurring costs in the form of additional taxes and levies, with the potential for further adoption across non-EU markets. Future regulatory change could create additional restrictions on product design and result in increased compliance costs as a result of this and similar environmentally focused legislation. In the U.S., the tobacco environment is regulated at both the federal level (by the FDA and the Federal Trade Commission) and the state level and there is therefore a risk that either federal or state regulation or both may become materially more intrusive or adverse to the Group. In January 2023, the FDA published its Unified Agenda indicating that the FDA intends to publish a proposed rule to set a maximum nicotine level in cigarettes. The FDA had been expected to release final product standards that would ban menthol cigarettes and characterising flavours in cigars in the U.S. by

March 2024 (with implementation expected by 2025). However, in April 2024, the White House Office of Management and Budget (the "OMB") announced that it was indefinitely delaying the rule banning menthol. Whether the rule banning characterising flavours in cigars will progress is still unclear. Legislative proposals restricting flavours at state and local levels, as well as a separate regulatory proposal to implement a maximum nicotine level in cigarettes, could have an adverse impact on the Group. There can be no certainty as to the future development of the existing or further regulatory proposals by U.S. states or municipalities. Furthermore, the French, Dutch and Spanish governments have all recently renewed their commitments to policy initiatives to substantially reduce their smoking prevalence, targeting a 5 per cent smoking prevalence. The next review of the EUTPD is currently underway and revisions are expected to significantly strengthen tobacco control measures in the EU and introduce further restrictions on NGP. Further, there could be wider alignment between tobacco and NGP regulation in the EU under reforms to EUTPD and other legislation, and globally as a result of decisions made at the WHO Conference of Parties, a set of periodic meetings to discuss the FCTC. Current or future restrictions or bans relating to, among other things, product flavours, product labelling or maximum nicotine levels, may require manufacturers to review and adapt their product portfolios. Any future increases in the regulation of the tobacco industry in the U.S. or elsewhere could therefore result in a substantial decline in the demand for tobacco products.

NGP are regulated either under dedicated legislation or existing frameworks. The degree and severity of such regulations vary. They may also be subject to further extensive regulation in many of the markets in which the Group operates, in particular, the U.S., the EU and the UK. It is not possible to predict the scope of all future regulation of NGP proposed or implemented by regulatory authorities or the impact of any such regulations, but current proposals include restrictions on flavours and product specification, use and sale, and/or the introduction of excise. For example, the UK is currently legislating for the prohibition of disposable vapour products, and the ability to apply excise tax to all vape products, measures that are contained in the Tobacco and Vapes Bill mentioned above. For further discussion of the regulation of NGP, see "*Description of the Group and its Business—Regulatory Landscape—The Group as a whole—Regulation of other flavoured tobacco products and NGP*", "*Description of the Group and its Business—Regulatory Landscape—European Union—Regulation of NGP such as vapour, heated tobacco products and other NGP*".

Any of the factors listed above may have an adverse effect on the reputation, revenue, costs, profits, business, financial condition, results or prospects of the Group, the Issuers and the Guarantor and could contribute to an increase in the illicit trade of the Group's products.

Capitalisation

The following disclosure replaces the entirety of the section entitled "*Capitalisation*" on page 94 of the Prospectus:

The following table sets forth the Group's consolidated cash and cash equivalents and capitalisation as of 31 March 2024 and is inserted under the heading "*Capitalisation*" on page 94 of the Prospectus and replaces the prior table as at 30 September 2023. Except as noted below, there has been no material change in the Group's consolidated cash and cash equivalents and capitalisation since 31 March 2024.

This information should be read together with the Group's unaudited condensed consolidated interim financial statements incorporated by reference by this Supplement.

	As at 31 March 2024
	(*in £ million*)
Cash and cash equivalents	**(668)**
Current borrowings	
Bank loans and overdrafts	1,847
Capital market issuance	1,574
Total current borrowings	**3,421**

Non-current borrowings	
Outstanding bonds	7,273
Total non-current borrowings	**7,273**
Lease liabilities[1]	375
Derivative financial instruments	184
Total net debt[2]	**10,585**
Equity attributable to equity holders of Imperial Brands	4,501
Non-controlling interests	585
Total equity	**5,086**
Total capitalisation and indebtedness[3]	**15,671**

Notes:
(1) Comprises of current lease liabilities of £84 million and non-current lease liabilities of £291 million.
(2) Represents the total of cash and cash equivalents, current and non-current borrowings, lease liabilities and derivative financial instruments.
(3) Represents total net debt and total equity. For further discussions on the Group's contingent liabilities and capital commitments, see page 21 and 38-39 of the Guarantor's 2024 Half Year Report.

As at the date of this Prospectus, except as indicated below, there have been no material changes to the Group's capitalisation and indebtedness since 31 March 2024. Adjusted net debt as at 31 March 2024 was £10,085 million, a decrease of 3.4 per cent compared to £10,436 million as at 31 December 2023. This is predominantly driven by working capital movements, payment of a quarterly dividend to shareholders and the share buyback and is consistent with expected trends and ordinary course of business.

Selected Consolidated Financial Information

The following disclosure is added just before the first table in the section entitled "*Selected Consolidated Financial Information—Selected Consolidated Income Statement Information*" on page 95 of the Prospectus and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024.

	For the six months ended 31 March	
	2023	**2024**
	(*in £ million, unless otherwise indicated*)	
Revenue	**15,411**	**15,064**
Duty and similar items	(6,899)	(6,447)
Other cost of sales	(5,427)	(5,525)
Cost of sales	**(12,326)**	**(11,972)**
Gross profit	**3,085**	**3,092**
Distribution, advertising and selling costs	(1,216)	(1,174)
Amortisation and impairment of acquired intangibles	(174)	(175)
Fair value adjustment and impairment of other financial assets	(7)	—
Loss on disposal of subsidiaries	(1)	—
Total adjusting administrative and other expenses	(182)	(175)
Total non-adjusting administrative and other expenses	(153)	(249)
Administrative and other expenses	**(335)**	**(424)**
Operating profit	**1,534**	**1,494**
Investment income	473	355
Finance costs	(567)	(709)
Net finance income/(costs)	**(94)**	**(354)**
Share of profit/(loss) of investments accounted for using the equity method	3	4
Profit before tax	**1,443**	**1,144**
Tax	(277)	(229)
Profit for the period	**1,166**	**915**
Attributable to:		

	For the six months ended 31 March	
	2023	2024
	(*in £ million, unless otherwise indicated*)	
Owners of the parent	1,094	846
Non-controlling interests	72	69
Earnings per ordinary share (*in £/pence*)		
Basic	117.0	96.0
Diluted	116.1	95.6

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The following disclosure is added immediately preceding the first table in the section entitled "*Selected Consolidated Financial Information—Selected Consolidated Balance Sheet Information*" on page 96 of the Prospectus and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024.

	As at 31 March	
	2023	2024
	(*in £ million*)	
Non-current assets		
Intangible assets	17,006	16,499
Property, plant and equipment	1,622	1,600
Right of use assets	330	352
Investments accounted for using the equity method	62	53
Retirement benefit assets	474	361
Trade and other receivables	63	101
Derivative financial instruments	694	505
Deferred tax assets	420	616
	20,671	**20,087**
Current assets		
Inventories	5,025	4,740
Trade and other receivables	2,669	2,689
Current tax assets	179	204
Cash and cash equivalents	596	668
Derivative financial instruments	72	158
	8,541	**8,459**
Total assets	**29,212**	**28,546**
Current liabilities		
Borrowings	(1,873)	(3,421)
Derivative financial instruments	(166)	(138)
Lease liabilities	(82)	(84)
Trade and other payables	(8,924)	(9,159)
Current tax liabilities	(313)	(338)
Provisions	(165)	(121)
	(11,523)	**(13,261)**
Non-current liabilities		
Borrowings	(8,376)	(7,273)
Derivative financial instruments	(831)	(709)
Lease liabilities	(273)	(291)

	As at 31 March	
	2023	2024
	(*in £ million*)	
Trade and other payables	(68)	(2)
Deferred tax liabilities	(844)	(853)
Retirement benefit liabilities	(886)	(827)
Provisions	(189)	(244)
	(11,467)	**(10,199)**
Total liabilities	**(22,990)**	**(23,460)**
Net assets	**6,222**	**5,086**
Equity		
Share capital	100	94
Share premium and capital redemption	5,840	5,846
Retained earnings	(1,076)	(1,906)
Exchange translation reserve	748	467
Equity attributable to owners of the parent	**5,612**	**4,501**
Non-controlling interests	610	585
Total equity	**6,222**	**5,086**

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The following disclosure is added immediately preceding the first table in the section entitled "*Selected Consolidated Financial Information—Selected Consolidated Cash Flow Statement Information*" on page 97 of the Prospectus and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024.

	For the six months ended 31 March	
	2023	2024
	(*in £ million*)	
Cash flows from operating activities		
Operating profit	1,534	1,494
Dividends received from investments accounted for under the equity method	—	7
Depreciation, amortisation and impairment	315	318
Loss/(Profit) on disposal of non-current assets	(1)	(5)
(Profit)/loss on disposal of subsidiaries	1	—
Post-employment benefits	(16)	(29)
Share-based payments	14	29
Other non-cash items	7	(1)
Movement in provisions	(57)	(41)
Operating cash flows before movement in working capital	**1,797**	**1,772**
Decrease/(Increase) in inventories	(1,009)	(297)
(Increase)/decrease in trade and other receivables	(113)	(286)
(Decrease)/Increase in trade and other payables	(504)	(823)
Movement in working capital	(1,626)	(1,406)
Tax paid	(175)	(425)
Net cash (used in) / generated from operating activities	**(4)**	**(59)**
Cash flows from investing activities		
Interest received	5	5
Proceeds from the sale of non-current assets	7	35
Purchase of non-current assets	(126)	(149)
Purchase of brands and operations	(119)	(40)
Net cash (used in) / generated from investing activities	**(233)**	**(149)**
Cash flows from financing activities		

	For the six months ended 31 March	
	2023	2024
	(*in £ million*)	
Interest paid	(242)	(258)
Lease liabilities paid	(43)	(52)
Increase in borrowings	1,119	2,166
Repayment of borrowings	(295)	(601)
Cash flows relating to derivative financial instruments	(56)	(69)
Repurchase of shares	(500)	(605)
Dividends paid to non-controlling interests	(72)	(97)
Dividends paid to owners of the parent	(921)	(914)
Net cash used in financing activities	**(1,010)**	**(430)**
Net (decrease)/increase in cash and cash equivalents	**(1,247)**	**(638)**
Cash and cash equivalents at start of the period	**1,850**	**1,345**
Effect of foreign exchange rates on cash and cash equivalents	(7)	(39)
Cash and cash equivalents at end of the period	**596**	**668**

* * *

The following disclosure is added just before the first table in the section entitled "*Selected Consolidated Financial Information—Key Performance Indicators and Other Operating Metrics*" starting on page 97 of the Prospectus and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024.

	As at and for the six months ended 31 March	
	2023	2024
	(*in £ million, unless otherwise indicated*)	
Group		
Tobacco volume (*in billion stick equivalents*)	96.0	89.9
Adjusted operating profit(1)	1,716	1,669
Adjusted EBITDA(2)	1,857	1,812
Adjusted net debt(3)	(9,799)	(10,085)
Adjusted net debt/adjusted EBITDA(4)	2.4x	2.5x
Adjusted operating cash conversion rate (*per cent*)(5)	77	97
Aggregate priority market share vs prior year end (*basis points*)	20	-
NGP net revenue	125	143
Tobacco & NGP		
Net revenue(6)	3,663	3,637
Operating profit	1,386	1,327
Adjusted operating profit	1,568	1,498
Adjusted operating profit margin (*per cent*) (7)	42.8	41.2
Europe		
Tobacco volume (*in billion stick equivalents*)	42.2	40.3
Net revenue	1,428	1,503
Adjusted operating profit	611	629
Americas		
Tobacco volume (*in billion stick equivalents*)	9.4	8.5
Net revenue	1,223	1,189
Adjusted operating profit	512	485
Africa, Asia and Australasia and Central & Eastern Europe		
Tobacco volume (*in billion stick equivalents*)	44.4	41.1

	As at and for the six months ended 31 March	
	2023	2024
	(*in £ million, unless otherwise indicated*)	
Net revenue	1,012	945
Adjusted operating profit	445	384
Distribution		
Gross profit[(8)]	731	747
Adjusted operating profit	150	168
Adjusted operating profit margin (*per cent*)	20.5	22.5
Eliminations	(2)	3
Adjusted operating profit (incl. eliminations)	148	171

Notes:

(1) See the section entitled "Alternative Performance Measures" on pages 43 to 49 of the Guarantor 2024 Half Year Report as incorporated by reference for a definition of adjusted operating profit.

(2) See the section entitled "Alternative Performance Measures" on pages 43 to 49 of the Guarantor 2024 Half Year Report as incorporated by reference for a definition of adjusted EBITDA.

(3) See the section entitled "Alternative Performance Measures" on pages 43 to 49 of the Guarantor 2024 Half Year Report as incorporated by reference for a definition of adjusted net debt.

(4) Represents adjusted net debt divided by adjusted EBITDA presented on a twelve-month basis.

(5) See the section entitled "Alternative Performance Measures" on pages 43 to 49 of the Guarantor 2024 Half Year Report as incorporated by reference for a definition of adjusted operating cash conversion rate.

(6) See the section entitled "Alternative Performance Measures" on pages 43 to 49 of the Guarantor 2024 Half Year Report as incorporated by reference for a definition of net revenue.

(7) See the section entitled "Alternative Performance Measures" on pages 43 to 49 of the Guarantor 2024 Half Year Report as incorporated by reference for a definition of adjusted operating profit margin.

(8) See the section entitled "Alternative Performance Measures" on pages 43 to 49 of the Guarantor 2024 Half Year Report as incorporated by reference for a definition of Distribution gross profit.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following disclosure is added on page 102 of the Prospectus, after the second paragraph in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Changes in demand for the Group's tobacco products*" starting on page 101 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

The following table sets forth the Group's net revenue from tobacco and NGP in each of its Tobacco & NGP segments for the periods indicated:

	For the six months ended 31 March	
	2023	2024
	(*in £ million, unless otherwise indicated*)	
Europe		
Tobacco & NGP net revenue	1,428	1,503
Tobacco net revenue	1,326	1,387
NGP net revenue	102	116
Americas		
Tobacco & NGP net revenue	1,223	1,189
Tobacco net revenue	1,203	1,174
NGP net revenue	20	15
Africa, Asia, Australasia and Central & Eastern Europe		
Tobacco & NGP net revenue	1,012	945

	For the six months ended 31 March	
	2023	2024
Tobacco net revenue	1,009	933
NGP net revenue	3	12

* * *

The following disclosure replaces the fourth paragraph in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Acquisitions, investments and disposals*" starting on page 104 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

In September 2019, the Group completed its C$123 million investment in Auxly Cannabis Group, Inc. ("Auxly"), a listed Canadian cannabis company by way of a debenture convertible into 13.6 per cent ownership of Auxly at a conversion price of C$0.81 per share (based on the number of common shares Auxly had outstanding as at 30 September 2023). In March 2024, the Group converted C$121.9 million of the principal amount outstanding under the debenture at an exercise price of C$0.81 for 150,433,450 common shares in the capital of Auxly and C$1.56 million of accrued interest under the debenture into 90,882,667 common shares at a price of C$0.017, resulting in the Group holding an equity position of approximately 19.8 per cent of Auxly's issued and outstanding common shares (calculated on a non-diluted basis). Repayment of the remaining unconverted portion of the debenture is due on 25 September 2026.

* * *

The following disclosure is added after the first paragraph in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Foreign currency exchange rate fluctuations*" starting on page 105 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

The following table sets forth the constant currency analysis of certain aspects of the Group's IFRS financial information and non-IFRS financial measures for the six months ended 31 March 2024 and 2023:

	Six months ended 31 March 2023	Foreign exchange	Constant currency movement	Six months ended 31 March 2024	Change	Constant currency change
	(*in £ million, unless otherwise indicated*)					
Tobacco & NGP net revenue						
Europe	1,428	(25)	100	1,503	5.3%	7.0%
Americas	1,223	(61)	27	1,189	(2.8%)	2.2%
AAACE	1,012	(41)	(26)	945	(6.6%)	(2.6%)
Total Group	**3,663**	**(127)**	**101**	**3,637**	**(0.7%)**	**2.8%**
Tobacco & NGP adjusted operating profit						
Europe	611	(30)	48	629	2.9%	7.9%
Americas	512	(34)	7	485	(5.3%)	1.4%
AAACE	445	(27)	(34)	384	(13.7%)	(7.6%)
Total Group	**1,568**	**(91)**	**21**	**1,498**	**(4.5%)**	**1.3%**
Distribution						
Gross Profit	731	(13)	29	747	2.2%	4.0%
Adjusted operating profit including eliminations	148	(4)	27	171	15.5%	18.2%
Group adjusted results						
Adjusted operating profit	1,716	(95)	48	1,669	(2.7%)	2.8%
Adjusted net finance costs	(199)	12	(17)	(204)	(2.5%)	(8.5%)
Adjusted earnings per share (*in £ pence*)	118.5	(7.4)	9.1	120.2	1.4%	7.7%

* * *

The following disclosure is added after the sixth sentence of the first paragraph of the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Dividend Policy*" starting on page 108 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

The Group paid dividends of £914 million in the six months ended 31 March 2024.

* * *

The following disclosure is added after the fourth sentence of the second paragraph of the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Dividend Policy*" starting on page 108 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

The first tranche of the share repurchase programme purchased 30,317,505 shares at a cost of £550 million. Upon completion of the purchase, these shares were cancelled and transferred to the capital redemption reserve. The stamp duty costs were £3 million and the fees charged for the share repurchase were £1 million. For the second tranche of the programme, the Group has entered into an irrevocable and non-discretionary arrangement to buy back shares up to £550 million. The second tranche commenced on 11 March 2024 and in the period to 31 March 2024, 3,104,351 shares have been bought back and cancelled at a cost of £54 million. Upon completion of the purchase, these shares were cancelled and transferred to the capital redemption reserve. As at 31 March 2024, the Group has recognised a liability of £502 million for the remaining shares to be purchased.

* * *

The following disclosure is added just before the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations —Year ended 30 September 2023 compared to year ended 30 September 2022*" starting on page 108 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

Six months ended 31 March 2024 compared to six months ended 31 March 2023

The following table sets forth the Group's unaudited condensed consolidated results of operations for the six months ended 31 March 2024 and 2023:

	For the six months ended 31 March	
	2023	**2024**
	(*in £ million, unless otherwise indicated*)	
Revenue	**15,411**	**15,064**
Duty and similar items	(6,899)	(6,447)
Other cost of sales	(5,427)	(5,525)
Cost of sales	**(12,326)**	**(11,972)**
Gross profit	**3,085**	**3,092**
Distribution, advertising and selling costs	(1,216)	(1,174)
Amortisation and impairment of acquired intangibles	**(174)**	**(175)**
Fair value adjustment and impairment of other financial assets	**(7)**	—
Loss on disposal of subsidiaries	**(1)**	—
Total adjusting administrative and other expenses	**(182)**	**(175)**
Total non-adjusting administrative and other expenses	(153)	(249)
Administrative and other expenses	(335)	(424)

	For the six months ended 31 March	
	2023	**2024**
	(*in £ million, unless otherwise indicated*)	
Operating profit	**1,534**	**1,494**
Investment income	473	355
Finance costs	(567)	(709)
Net finance income/(costs)	**(94)**	**(354)**
Share of profit/(loss) of investments accounted for using the equity method	3	4
Profit before tax	**1,443**	**1,144**
Tax	(277)	(229)
Profit for the period	**1,166**	**915**

Revenue

Revenue decreased by £347 million, or 2.3 per cent, to £15,064 million in the six months ended 31 March 2024 from £15,411 million in the six months ended 31 March 2023. The decrease was primarily attributable to adverse foreign exchange movements, which were partly offset by growth in Distribution revenue.

Duty and similar items

Duty and similar items decreased by £452 million, or 6.6 per cent, to £6,447 million in the six months ended 31 March 2024 from £6,899 million in the six months ended 31 March 2023. The decrease was primarily attributable to lower sales in markets with high duty rates such as Australia and the UK.

Other cost of sales

Other cost of sales increased by £98 million, or 1.8 per cent, to £5,525 million in the six months ended 31 March 2024 from £5,427 million in the six months ended 31 March 2023. The increase was primarily attributable to inflationary increase in the cost of manufacture partially offset by lower volumes.

Distribution, advertising and selling costs

Distribution, advertising and selling costs decreased by £42 million, or 3.5 per cent, to £1,174 million in the six months ended 31 March 2024 from £1,216 million in the six months ended 31 March 2023. The decrease was primarily attributable to reduced provisions for bad debt, reduced inventory write-offs in Australia and reduced employee costs in the US.

Administrative and other expenses

Administrative and other expenses increased by £89 million, or 26.6 per cent, to £424 million in the six months ended 31 March 2024 from £335 million in the six months ended 31 March 2023. The increase was primarily attributable to reduced Other Income from contract manufacturing in Ukraine, higher medical costs in the US and other inflationary increases.

Operating profit

Operating profit decreased by £40 million, or 2.6 per cent, to £1,494 million in the six months ended 31 March 2024 from £1,534 million in the six months ended 31 March 2023. The decrease was primarily attributable to foreign exchange translation movements. This was partially offset by reduced losses in NGP and increased Distribution operating profit.

Net finance income/(costs)

Reported net finance costs increased by £260 million, or 276.6 per cent, to £354 million in the six months ended 31 March 2024 from £94 million in the six months ended 31 March 2023. The increase was attributable to the impact of net fair value and foreign exchange losses on financial instruments of £135 million, post-employment benefits net financing costs of £5 million and including a £10 million taxation settlements interest cost.

Tax

Tax charges decreased by £48 million, or 17.3 per cent, to £229 million in the six months ended 31 March 2024 from £277 million in the six months ended 31 March 2023. This decrease was primarily attributable to lower taxable profit before tax in the six months ended 31 March 2024 compared to the six months ended 31 March 2023. In the six months ended 31 March 2024, the tax impact of non-taxable foreign exchange gains amounted to £98 million, whereas in the six months ended 31 March 2023 the tax impact of non-taxable foreign exchange gains amounted to £67 million, comprising a total reduction of £30 million.

Results by segment

Europe

	For the six months ended 31 March	
	2023	**2024**
	(*in £ million, unless otherwise indicated*)	
Tobacco & NGP		
Europe		
Tobacco volume (*in billion stick equivalents*)	42.2	40.3
Net revenue	1,428	1,503
Adjusted operating profit	611	629

Tobacco volume (on a stick equivalent basis) in the Group's Europe segment decreased by 1.9 billion, or 4.5 per cent, to 40.3 billion in the six months ended 31 March 2024 from 42.2 billion in the six months ended 31 March 2023. The decrease was primarily attributable to industry volume declines across European markets as a result of macroeconomic environment, continued inflationary pressure on consumer spending and elevated excise tax regimes in markets such as the UK and France. However, the rate of decline has improved against the prior period.

Net revenue from the Group's Europe segment increased by £75 million, or 5.3 per cent (7.0 per cent on a constant currency basis), to £1,503 million in the six months ended 31 March 2024 from £1,428 million in the six months ended 31 March 2023. The increase was primarily attributable to strong combustible pricing, improved volume decline rates and an increase in scale across the Group's existing market footprint as it launched new products across all three NGP categories.

Adjusted operating profit from the Group's Europe segment increased by £18 million, or 2.9 per cent (7.9 per cent on a constant currency basis), to £629 million in the six months ended 31 March 2024 from £611 million in the six months ended 31 March 2023. The increase was primarily attributable to the flow through of the tobacco and NGP net revenue growth and reduced NGP losses which more than offset the increased costs as EU countries implement the Single Use Plastics Directive.

During the six months ended 31 March 2024, the Group's tobacco market share in the UK decreased by 40 basis points as the Group managed the trade-off between value creation for shareholders via pricing strategies and maintaining market share. The overall UK tobacco market size declined by 15.2 per cent due to above inflation excise tax increases across both cigarettes and fine cut tobacco. The Group's strategic investments to build brand equity in its local jewel brand, Embassy, gained traction with the introduction of a fine cut offer. The Group's NGP sales benefited from the successful launch of the new *blu bar* disposable vapour device, which provides several enhanced features for consumers.

During the six months ended 31 March 2024, the Group's tobacco market share in Germany declined by 25 basis points compared to a decline of 80 basis points during the six months ended 31 March 2023. This improvement in decline rate reflects the continued investment in the Group's strategic initiatives with salesforce expansion and capability enhancement supporting increased retailer coverage and store visit frequency. The Group's *Paramount* brand, which was launched in 2023, continues to meet consumer needs in the value segment. The Group's *blu bar* vapour product has also seen an increase in value share in the disposables segment since its introduction in 2023. The Group continues to work towards stabilising its market share in Germany after more than a decade of market share declines and to achieve this, the Group has increased investment compared to historic levels. The Group is continuing to refine its investment in brand equity building initiatives.

During the six months ended 31 March 2024, the Group's tobacco market share in Spain increased by 50 basis points due to continued investment in brand and sales initiatives. For example, the local jewel brands performed well, with Nobel benefiting from an extended range, new formats and limited editions. In vapour, the Group consolidated its market share with *blu bar* and *blu 2.0*.

The Americas

	For the six months ended 31 March	
	2023	**2024**
	(*in £ million, unless otherwise indicated*)	
Tobacco & NGP		
Americas		
Tobacco volume (*in billion stick equivalents*)	9.4	8.5
Net revenue	1,223	1,189
Adjusted operating profit	512	485

Tobacco volume (on a stick-equivalent basis) in the Group's Americas segment decreased by 0.9 billion, or 10.3 per cent, to 8.5 billion in the six months ended 31 March 2024 from 9.4 billion in the six months ended 31 March 2023. The decrease is primarily due to industry volume declines of 8.7 per cent in cigarettes and of 9.0 per cent in mass market cigars, and some wholesaler inventory movements around price increases which reduced the Group's cigarette shipment volumes by approximately 2.0 per cent. The Group's cigarette market share increased by 5 basis points to 10.8 per cent due to the continued benefit from the Group's investment in sales execution and brand building and the way the Group has positioned its portfolio to meet consumer needs, particularly as they continue to trade down.

Net revenue from the Group's Americas segment decreased by £34 million, or 2.8 per cent (increased by 2.2 per cent on a constant currency basis), to £1,189 million in the six months ended 31 March 2024 from £1,223 million in the six months ended 31 March 2023. The decrease was primarily attributable to foreign exchange translation and a decline in NGP net revenue due to uncertainty caused by new Marketing Denial Orders from the FDA in connection with the Group's range of flavoured disposable vapour products.

Adjusted operating profit from the Group's Americas segment decreased by £27 million, or 5.3 per cent (increased by 1.4 per cent on a constant currency basis), to £485 million in the six months ended 31 March 2024 from £512 million in the six months ended 31 March 2023. The decrease was primarily attributable to foreign exchange translation, higher overheads and costs related to the targeted launch of the Group's differentiated modern oral nicotine pouch under the 'zone' brand in 12 U.S. cities.

During the six months ended 31 March 2024, the Group continued to elevate in brand equity, strengthened its sales force, and expanded the number of retail stores where it sells its brands. Strategic investments behind the

Group's *Winston* brand supported share gains in the premium segment and investment in sales force effectiveness drove higher same store sales and net new store listings supporting share gains for the Group's *Crowns* brand in the deep discount segment. The Group continues to improve its sales execution with its increased sales force, setting a "perfect store" concept as the standard to achieve across all stores and working with its key account customers on joint business planning. Additionally, the Group's mass market cigar performance improved against a weak six months ended in 31 March 2023 caused by a wholesale de-stock in the prior year and the Group's iconic heritage brand, *Backwoods*, improved its market share in the natural leaf segment.

Africa, Asia, Australasia and Central & Eastern Europe

	For the six months ended 31 March	
	2023	**2024**
	(*in £ million, unless otherwise indicated*)	
Tobacco & NGP		
Africa, Asia, Australasia and Central & Eastern Europe		
Tobacco volume (*in billion stick equivalents*)	44.4	41.1
Net revenue	1,012	945
Adjusted operating profit	445	384

Tobacco volume (on a stick-equivalent basis) in the Group's AAACE segment decreased by 3.3 billion, or 7.4 per cent, to 41.1 billion in the six months ended 31 March 2024 from 44.4 billion in the six months ended 31 March 2023. The decrease was primarily attributable to shipment timings in the Middle East caused by tighter border controls and supply chain disruption in the Red Sea and Australian industry volume declines.

Net revenue from the Group's AAACE segment decreased by £67 million, or 6.6 per cent (2.6 per cent on a constant currency basis), to £945 million in the six months ended 31 March 2024 from £1,012 million in the six months ended 31 March 2023. The decrease was primarily attributable to a decrease in tobacco net revenue, mitigated by price mix of 3.8 per cent and NGP revenue growth of 300 per cent.

Adjusted operating profit from the Group's AAACE segment decreased by £61 million, or 13.7 per cent (7.6 per cent on a constant currency basis), to £384 million in the six months ended 31 March 2024 from £445 million in the six months ended 31 March 2023. The decrease was primarily attributable to the reduction in tobacco net revenue, inflation pressures across the AAACE factory footprint and additional shipping costs due to the Red Sea disruption.

During the six months ended 31 March 2024, the Group's tobacco market share in Australia increased by 10 basis points with share gains supported by a focused approach to revenue growth management and a clear brand offering at each of the key price points. This has been achieved against the backdrop of a further decline in industry volume of 25.3 per cent in the six months ended 31 March 2024, driven by excise tax increases and growth in both illicit combustible and vaping products.

In Africa, the Group's revenue increased due to strong pricing and a focus on increasing consumer engagement through the management of the Group's local "jewel brands" and key international brands.

The Group's Central & Eastern European markets delivered growth in net revenue supported by strong tobacco pricing and an acceleration in NGP growth.

In the Middle East, stricter border controls and disruption to the Group's Red Sea trading routes put pressure on shipments and net revenues in this region. However, in Asia, renewed consumer focus, product innovation and improved sales force execution is beginning to gain traction in Taiwan with Davidoff and West brands.

Distribution

	For the six months ended 31 March	
	2023	**2024**
	(*in £ million, unless otherwise indicated*)	
Distribution		
Gross profit[(1)]	731	747
Adjusted operating profit	150	168

Note:

(1) 'Distribution gross profit' is 'Distribution revenue' less the cost of distributing products. This was previously referred to as 'Distribution net revenue'.

Gross Profit from the Group's Distribution segment increased by £16 million, or 2.2 per cent (4.0 per cent on a constant currency basis), to £747 million in the six months ended 31 March 2024 from £731 million in the six months ended 31 March 2023. This increase was primarily attributable to growth across both tobacco and non-tobacco-related businesses in Iberia and Italy, and stable performance in France.

In Iberia, growth in gross profit was driven partly by tobacco and related products, with tobacco benefiting from manufacturer price increases in Spain. Transport services recorded sustained growth year-on-year, with a positive contribution from long-distance transport and Logista Freight, which includes growth at Transportes El Mosca. In the industrial parcel and express courier segments, both Logista Parcel and Nacex benefited from the opening of new temperature-controlled capacity during the period. Pharmaceutical distribution has continued to expand both its customer base and product offering.

In Italy, gross profit increased due to growth in both tobacco and NGP volumes, particularly in heated tobacco, as well as manufacturer price increases. The Group also benefitted from the full incorporation of Gramma Farmaceutici, with the acquisition having completed in July 2023.

In France, gross profit reflects tobacco volume declines partially offset by price increases following the excise tax increase and subsequent price increases by the tobacco manufacturers. This was supplemented by the positive performance in telecoms, offset by weak performance in retail product distribution.

Adjusted operating profits from the Group's Distribution segment increased by £18 million, or 12.0 per cent (14.7 per cent on a constant currency basis), to £168 million in the six months ended 31 March 2024 from £150 million in the six months ended 31 March 2023. This increase was primarily attributable to the strong contribution from profit on tobacco inventory following manufacturers price increases.

* * *

The following disclosure is added after the first paragraph in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Liquidity and Capital Resources*" starting on page 118 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

The Group's adjusted operating cash conversion rate was 97 per cent and 77 per cent as at 31 March 2024 and 2023, respectively, each on a 12-month basis. This increase reflects improvements in working capital. For the six months ended 31 March 2024, free cash outflow was £523 million and net cash outflow was £2,082 million.

The Group's adjusted net debt to adjusted EBITDA ratio in the six months ended 31 March 2024 remained broadly flat at 2.5x, compared to 2.4x in the six months ended 31 March 2023. Adjusted net debt in the six months ended 31 March 2024 was £10,085 million, compared to £9,799 million in the six months ended 31 March 2023, primarily due to the year-on-year increase in cash tax payments and increased return of capital to investors via a share buyback.

As at 31 March 2024, the Group had a total committed financing in place of £12.4 billion, comprising approximately 72 per cent capital market issuances and 28 per cent bank facilities. As of such date, the Group's weighted average maturity of its debt and committed facilities (excluding ECP) was 3.4 years, of which the capital market bond weighted average maturity was 3.8 years. As at 31 March 2024, the Group had £2.0 billion of available liquidity consisting of approximately £2.0 billion of committed undrawn facilities and approximately £44 million of cash and short-term deposits managed by IBF.

* * *

The following disclosure is added at the beginning of the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Liquidity and Capital Resources—Cash flows*" starting on page 119 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

The following table sets forth the Group's consolidated cash flows for the six months ended 31 March 2024 and 2023:

	For the six months ended 31 March	
	2023	**2024**
	(*in £ million, unless otherwise indicated*)	
Cash flows from operating activities		
Operating profit	1,534	1,494
Dividends received from investments accounted for under the equity method	—	7
Depreciation, amortisation and impairment	315	318
Loss/(profit)on disposal of non-current assets	(1)	(5)
(Profit)/loss on disposal of subsidiaries	1	—
Post-employment benefits	(16)	(29)
Share-based payments	14	29
Other non-cash items	7	(1)
Movement in provisions	(57)	(41)
Operating cash flows before movement in working capital	**1,797**	**1,772**
Decrease/(Increase) in inventories	(1,009)	(297)
(Increase)/decrease in trade and other receivables	(113)	(286)
(Decrease)/Increase in trade and other payables	(504)	(823)
Movement in working capital	(1,626)	(1,406)
Tax paid	(175)	(425)
Net cash (used in) / generated from operating activities	**(4)**	**(59)**
Cash flows from investing activities		
Interest received	5	5
Proceeds from the sale of non-current assets	7	35
Purchase of non-current assets	(126)	(149)
Purchase of brands and operations	(119)	(40)
Net cash (used in) / generated from investing activities	**(233)**	**(149)**
Cash flows from financing activities		
Interest paid	(242)	(258)
Lease liabilities paid	(43)	(52)
Increase in borrowings	1,119	2,166
Repayment of borrowings	(295)	(601)
Cash flows relating to derivative financial instruments	(56)	(69)
Repurchase of shares	(500)	(605)
Dividends paid to non-controlling interests	(72)	(97)
Dividends paid to owners of the parent	(921)	(914)
Net cash used in financing activities	**(1,010)**	**(430)**
Net (decrease)/increase in cash and cash equivalents	**(1,247)**	**(638)**
Cash and cash equivalents at start of the period	**1,850**	**1,345**

	For the six months ended 31 March	
	2023	2024
	(*in £ million, unless otherwise indicated*)	
Effect of foreign exchange rates on cash and cash equivalents................	(7)	(39)
Cash and cash equivalents at end of the period..................................	**596**	**668**

Six months ended 31 March 2024 compared to six months ended 31 March 2023

Net cash used in operating activities was £59 million in the six months ended 31 March 2024, compared to £4 million in the six months ended 31 March 2023, primarily reflecting increased cash tax payments offset by a reduction in working capital which included a lower contribution from Logista.

In the six months ended 31 March 2024, the Group used £149 million net cash in investing activities, compared to using £233 million net cash in investing activities in the six months ended 31 March 2023, primarily reflecting investments in ongoing global upgrades to its technology and data architecture to create one ERP system, replacing 60 legacy systems.

Net cash used in financing activities was £430 million in the six months ended 31 March 2024, compared to £1,010 million in the six months ended 31 March 2023, primarily reflecting a net increase in borrowings partially offset by increased share buyback. Interest paid in the six months ended 31 March 2024 was £258 million, compared to £242 million in the six months ended 31 March 2023.

* * *

The following disclosure is added at the beginning of the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Liquidity and Capital Resources—Indebtedness*" starting on page 120 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

As at 31 March 2024, the Group's total borrowings were £10,694 million, consisting principally of the capital market bond issuances and bank facilities as described below. As at the same date, the Group's reported net debt was £10,585 million and the Group's adjusted net debt was £10,085 million.

* * *

The following disclosure replaces the second paragraph and the first table in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Liquidity and Capital Resources—Indebtedness—Capital market bond issuances*" starting on page 120 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

As at 31 March 2024, the Group's capital market bond indebtedness comprised the bond issuances set forth below:

Issuer	Amount (in million)	Coupon[1]	Issue date	Maturity
Imperial Brands Finance PLC......	U.S.$1,000	3.125%	26 July 2019	26 July 2024
Imperial Brands Finance PLC......	€500	1.375%	27 January 2017	27 January 2025
Imperial Brands Finance PLC......	U.S.$1,500	4.250%	21 July 2015	21 July 2025
Imperial Brands Finance PLC......	€650	3.375%	28 February 2014	26 February 2026
Imperial Brands Finance PLC......	£500	5.500%	26 September 2011	28 September 2026
Imperial Brands Finance PLC......	U.S.$750	3.500%	26 July 2019	26 July 2026
Imperial Brands Finance PLC......	€750	2.125%	12 February 2019	12 February 2027
Imperial Brands Finance PLC	U.S.$1,000	6.125%	27 July 2022	27 July 2027
Imperial Brands Finance PLC......	U.S.$1,000	3.875%	26 July 2019	26 July 2029

Issuer	Amount (in million)	Coupon[(1)]	Issue date	Maturity
Imperial Brands Finance Netherlands BV............................	€950[(2)]	5.250%	15 February 2023	15 February 2031
Imperial Brands Finance PLC......	£500	4.875%	28 February 2014	7 June 2032
Imperial Brands Finance Netherlands B.V.	€1,000	1.750%	18 March 2021	18 March 2033

Notes:

(1) Before interest rate and cross-currency swaps (where applicable).

(2) This includes a €350m tap issued in September 2023, which became fungible with the original issue on 22 October 2023. In addition, the Group issued a €100m tap in April 2024, which became fungible with the original issue on or about 15 May 2024.

In addition, the Group has access to a €5 billion ECP programme and as at 31 March 2024 had issued a total of €413 million thereunder.

During the six months ended 31 March 2024, the Group repaid its £600 million 8.125 per cent bond due on 15 March 2024 in line with its natural maturity, and in April 2024, the Group issued a €100 million bond as a tap of its existing €950 million 5.250 per cent bond maturing on 15 February 2031. The denomination of the Group's closing adjusted net debt was materially all euro. As at 31 March 2024, the Group had committed financing in place of around £12.4 billion, comprising 72 per cent capital market bond issuances and 28 per cent bank facilities. During the six months ended 31 March 2024, the maturity date of €3,125 million of the Group's existing syndicated multicurrency facility was extended to 30 March 2027; two tranches of €184 million each were not extended and therefore remain at their maturity dates of 30 September 2025 and 30 March 2026, respectively.

* * *

The following disclosure replaces the fourth, fifth and sixth paragraph on page 121, and the first, second, third and fourth paragraph on page 122 of the Prospectus, in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Liquidity and Capital Resources—Indebtedness—Bank credit facilities*" starting on page 121 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

On 30 March 2020, IBF and Imperial Tobacco Germany Finance GmbH (as borrowers) and Imperial Brands and ITL (as guarantors) entered into a credit facility agreement (the "Facility Agreement") with a syndicate of twenty banks (as original lenders), whereby committed bank facilities of €3,500 million in the form of revolving credit facilities were made available to the borrowers. The Facility Agreement was amended and restated on 28 September 2021, primarily to take into account the announced cessation of LIBOR. The interest rate under the Facility Agreement is €STR/EURIBOR (for drawings in euro), SONIA (for drawings in pounds sterling) or SOFR (for drawings in U.S. dollars), as applicable, plus a margin.

The Group has given undertakings and financial covenants in respect of its business and financial position under the Facility Agreement. The financial covenants are a minimum ratio of the Group's consolidated "earnings before interest, tax, depreciation and amortisation" ("Consolidated EBITDA", as defined in the Facility Agreement) to the Group's consolidated net interest ("Consolidated Net Interest Payable", as defined in the Facility Agreement) and a maximum ratio of the Group's net debt ("Consolidated Total Net Borrowings", as defined in the Facility Agreement) to Consolidated EBITDA. The Group has been in compliance with these covenants since the inception of the Facility Agreement, including the most recent measurement period (as defined in the Facility Agreement). In addition, a lender under the Facility Agreement may require, by notice to the facility agent not earlier than 30 days and no later than 60 days following notification by the facility agent of a "change of control" of Imperial Brands (as defined therein) under the Facility Agreement, its participation in any outstanding loans under the Facility Agreement to be immediately repaid and the commitments of that lender to be immediately cancelled. The facility agent must give no less than five days' notice to the borrowers with respect to any such cancellation of the commitments and required repayment.

The Facility Agreement also contains certain other warranties, undertakings and indemnities from Imperial Brands and certain other Group companies which are a party to the Facility Agreement in favour of the lenders that are customary for such an agreement. As at 31 March 2024, the Group had utilised €1.5 billion under the Facility Agreement.

In September 2023, the Group entered into an additional £550 million of committed bilateral bank revolving credit facilities with maturity dates in September 2024. The interest rate under the bilateral bank facilities is €STR/EURIBOR (for drawings in euro), SONIA (for drawings in pounds sterling) or SOFR (for drawings in U.S. dollars), as applicable, plus a margin. As at 31 March 2024, the Group had utilised approximately £295 million under these facilities.

On 24 April 2023, IBF, ITL and Imperial Brands entered into deeds of counter indemnities (each, a "Counter Indemnity") in favour of certain surety companies in consideration for the issue of guarantees by such surety companies in favour of Imperial Tobacco Pension Trustees Limited (or its successor(s) in title) as trustee of the ITPF constituted by the definitive trust deed and rules dated 1 March 1995 (as amended from time to time) to guarantee the obligations of ITL in respect of the ITPF for a total amount of up to £120 million. The expiration date of each guarantee is 31 December 2028. There are no other participating companies. Each Counter Indemnity contains certain warranties, undertakings and indemnities in respect of the business and financial position of the Group.

In addition, the Group has a number of guarantees and credit facilities in place that allow it to temporarily defer the payment of tax and duty.

* * *

The following disclosure replaces the sixth paragraph on page 122 of the Prospectus, in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Contractual Obligations—Capital commitments*" starting on page 122 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

As at 31 March 2024, the Group reported capital commitments (contracted but not provided for) of £113 million relating to property, plant and equipment, and software. The capital commitments relate principally to investment in manufacturing capability to improve efficiency and support new products in growth areas.

* * *

The following disclosure replaces the first paragraph on page 123 of the Prospectus, in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Contractual Obligations— Post-Balance Sheet Events and Off-Balance Sheet Arrangements*" starting on page 122 of the Prospectus, and is to be read together with the unaudited condensed consolidated interim financial statements of the Group as of and for the six months ended 31 March 2024:

To manage customer-related credit risks, the Group has a non-recourse factoring arrangement in place, which is treated as an off-balance sheet arrangement for financial reporting purposes. As at 31 March 2024, the trade receivables sold under the Group's non-recourse factoring arrangement totalled approximately £640 million.

* * *

Description of the Group and its Business

The following disclosure replaces the fourth, fifth and sixth sentences of the first paragraph in the section entitled "*Description of the Group and its Business—Regulatory Landscape—The Group as a whole—Regulation of other flavoured tobacco products and NGP*" starting on page 135 of the Prospectus:

However, in April 2022, the FDA announced two proposed tobacco product standards: one prohibiting menthol as a characterising flavour in cigarettes and another prohibiting all characterising flavours (other than tobacco) in cigars. The FDA has sent a proposed final rule to the OMB for review. However, in April 2024, the OMB announced that it was indefinitely delaying the rule prohibiting menthol in cigarettes, citing feedback from multiple stakeholders. Whether the rule banning characterising flavours in cigars will progress is still unclear.

* * *

The following sentence is removed from the second paragraph in the section entitled "*Description of the Group and its Business—Regulatory Landscape—The Group as a whole—Regulation of other flavoured tobacco products and NGP*" starting on page 135 of the Prospectus:

While some EU Member States are late in transposing the ban, the Group expects that all EU Member States will do so within the first quarter of 2024.

* * *

The following disclosure is added at the end of the section entitled "*Description of the Group and its Business—Regulatory Landscape—European Union and European Economic Area—Regulation of NGP such as vapour, heated tobacco products and other NGP*" starting on page 137 of the Prospectus:

Disposable vaping products ban

The governments of both Belgium and France are in different stages of introducing a ban on disposable vaping products in their respective jurisdictions. In March 2024, the European Commission approved the Belgian government's intention to proceed with a ban on disposable vaping products. If implemented, this ban would take effect as of January 2025. In France, the draft law banning disposable vaping products is still under review by the European Commission. If the European Commission approves this draft and it is subsequently implemented, it is expected to take effect in September 2024.

* * *

The following disclosure replaces the final sentence of the second paragraph in the section entitled "*Description of the Group and its Business—Regulatory Landscape – United Kingdom*" starting on page 138 of the Prospectus:

The Tobacco and Vapes Bill was introduced to Parliament on 20 March 2024, passed second reading on 16 April 2024, and committee stage on 14 May 2024. Following the Prime Minister's announcement of a general election on 4 July 2024 and Parliament's subsequent dissolution, the Tobacco and Vapes Bill has fallen. However, the Conservative Party manifesto will contain a pledge to reintroduce the Tobacco and Vapes Bill. The Labour Party has indicated that, should they be successful, they will likely introduce legislation containing many of the measures set out in the Tobacco and Vapes Bill, including the generational smoking ban, given their previous strong support for the Bill.

* * *

The following disclosure is added before the third paragraph in the section entitled "*Description of the Group and its Business—Regulatory Landscape—United Kingdom*" starting on page 138 of the Prospectus:

In addition, the UK government has also published draft legislation, followed by a public consultation, proposing a ban of disposable vaping products. While the draft legislation is still subject to the outcome of the public consultation and parliamentary process, if it is approved and passed, the ban is expected to come into force from April 2025.

* * *

The following disclosure is added after the fourth paragraph in the section entitled "*Description of the Group and its Business—Regulatory Landscape—European Union and European Economic Area*" starting on page 136 of the Prospectus:

Spain

In April 2024, the Spanish government adopted a 3-year plan for the prevention and control of smoking. While the plan itself does not include legislative proposals, it recommends that the government develop legislation to pursue tobacco and NGP control through a broad range of measure that would seek to reduce initiation, encourage cessation, reduce environmental exposure to emissions, and reduce ecological footprint. The plan was accompanied by a public consultation on the introduction of plain packaging and potential ingredient restrictions. The Group submitted its views pursuant to this public consultation process. No legislative text was provided as part of the consultation. The Group continues to monitor the legislative process following the plain packaging consultation.

* * *

The following disclosure replaces the third sentence of the third paragraph in the section entitled "*Description of the Group and its Business—Regulatory Landscape—Americas—Menthol regulation in the U.S.*" starting on page 139 of the Prospectus:

On 26 April 2024, the OMB announced that it was indefinitely delaying the rule banning menthol.

* * *

The following disclosure replaces the last sentence of the first paragraph in the section entitled "*Description of the Group and its Business—Regulatory Landscape—Americas—Pictorial health warnings*" starting on page 140 of the Prospectus:

On 21 March 2024, the U.S. Court of Appeals for the Fifth Circuit reversed the decision of the U.S. District Court for the Eastern District of Texas and found the health warnings to be constitutional. This decision is being appealed by the industry and the timing of a final ruling remains uncertain.

* * *

The following disclosure replaces the first paragraph in the section entitled "*Description of the Group and its Business—Regulatory Landscape—Africa, Asia, Australasia and Central & Eastern Europe—Other Significant Regulatory Developments*" starting on page 141 of the Prospectus:

In December 2022, the New Zealand Parliament passed legislation to introduce a Smokefree Generation (banning tobacco sales to anyone born after 1 January 2009), a 600 cap on the number of retailers permitted to sell tobacco (reduced from 6,000) and a maximum nicotine level of 0.8mg/g (approximately 5 per cent of current levels). However, following the October 2023 election, the New Zealand Parliament repealed these measures in their entirety on 28 February 2024.

* * *

The following disclosure replaces the second paragraph in the section entitled "*Description of the Group and its Business—Regulatory Landscape—Africa, Asia, Australasia and Central & Eastern Europe—Other Significant Regulatory Developments*" starting on page 141 of the Prospectus:

In Australia, Parliament passed the Public Health Bill on 6 December 2023. The bill includes a number of tobacco control measures including: restricting ingredients, prohibiting descriptive terms, requirements for health warning inserts and pack size restrictions. The regulations associated with this bill were published on 28 March 2024.

* * *

The following disclosure replaces the last sentence of the first paragraph in the section entitled "*Description of the Group and its Business—Litigation—Europe—Litigation in the United Kingdom*" starting on page 143 of the Prospectus:

The deadline for the Imperial defendants and the BAT defendants to file a defence has been postponed pending the completion of a matching exercise (that will seek to establish whether the claimants worked for farmers who grew tobacco purchased by either defendant group) and will be determined at a case management hearing, which is likely to take place after the completion of the matching exercise.

* * *

The following disclosure replaces the eighth sentence of the second paragraph in the section entitled "*Description of the Group and its Business—Litigation—Europe—Litigation in France*" starting on page 142 of the Prospectus:

While the Group has appealed, in light of the Administrative Tribunal of Montreuil's decision, and having subsequently reassessed the probability of a successful appeal, the Group has now determined it is appropriate to recognise a total provision for uncertain tax positions of £172 million.

* * *

The following disclosure is added after the seventh sentence of the second paragraph in the section entitled "*Description of the Group and its Business—Litigation—Europe—Recent European Commission proceedings*" starting on page 143 of the Prospectus:

The advocate general's opinion has been delivered which recommends that the CJEU set aside the European General Court's decision and rule that the UK's Controlled Foreign Company rules do not constitute state aid. Although this is a positive development, the Advocate General's opinion is not binding upon the CJEU. As such, although the appeal to the CJEU may be successful, in the light of the earlier European General Court's decision in favour of the EU Commission, the Group continues to view the recoverability of the £101 million as not sufficiently probable to record a receivable. However, should the CJEU ultimately deliver a judgement annulling the European General Court's earlier decision and finding that the UK Controlled Foreign Company rules do not constitute state aid, the Group would then record a receivable.

* * *

The following disclosure replaces the eighth sentence of the second paragraph in the section entitled "*Description of the Group and its Business—Litigation—Europe—Recent European Commission proceedings*" starting on page 143 of the Prospectus:

However, any Court of Justice of the European Union appeal decision would not be expected until mid-June 2024 at the earliest and could take up to two years (January 2026) to be published.

* * *

The following disclosure replaces the eighteenth and nineteenth sentences of the fourth paragraph in the section entitled "*Description of the Group and its Business—Litigation—Americas—U.S. litigation environment and State Settlement Agreements—State Settlement disputes in relation to the 2015 U.S. Acquisition*" starting on page 146 of the Prospectus:

On 1 April 2024, the court issued an order denying Philip Morris' motion to intervene. The case remains set for trial on 8-9 July 2024.

* * *

The following disclosure replaces the seventeenth, eighteenth, nineteenth and twentieth sentence of the fifth paragraph in the section entitled "*Description of the Group and its Business—Litigation—Americas—Other U.S. litigation*" starting on page 148 of the Prospectus:

On 8 April 2024, the Court adopted the magistrate's recommendation that the case be dismissed for lack of personal jurisdiction, and entered an order dismissing and closing the case. As lack of jurisdiction provided the Court with a sufficient basis for dismissal of the case in its entirety, it declined to rule on the parties' remaining arguments. The claimants filed an appeal against the Court's dismissal of the claim on 7 May 2024 and the appeal could take a year or more to resolve.

* * *

The following sentence replaces the sixth sentence of the first paragraph in the section entitled "*Description of the Group and its Business—Litigation—Americas—Litigation in Argentina*" starting on page 150 of the Prospectus:

An adverse first instance judgment was received in December 2020 awarding the claimant ARS3,185,976 (approximately £2,800 as of May 2024) in damages, plus interest and costs.

* * *

The following disclosure replaces the fourth and fifth sentences from the second paragraph in the section entitled "*Description of the Group and its Business—Litigation—Americas—Litigation in Argentina*" starting on page 150 of the Prospectus:

If the Supreme Court of Argentina admits the Queja, it may issue a final judgment on the substantive appeal or refer the appeal back to the Court of Appeal of Argentina for final judgment. A decision from the Supreme Court of Argentina is unlikely before the end of June 2024.

* * *

The following disclosure replaces the second paragraph in the section entitled "*Description of the Group and its Business—Litigation—Americas—Litigation in Morocco*" starting on page 151 of the Prospectus:

The Cour de Cassation (the Supreme Court level) has ruled against SMT in 269 claims. Although the court has not provided its written judgments to SMT, these 269 claims cannot be appealed further.

* * *

The following disclosure is added to the end of the third paragraph in the section entitled "*Description of the Group and its Business—Litigation—Americas—Litigation in Morocco*" starting on page 151 of the Prospectus:

The process of settling claims is ongoing.

* * *

The following disclosure replaces the third sentence of the fourth paragraph in the section entitled "*Description of the Group and its Business—Sustainability and ESG*" starting on page 152 of the Prospectus:

The Group also aims to achieve net zero emissions by 2040 in line with the United Nations aim to limit climate warming to 1.5°C, a target which has been validated by the Science Based Targets initiative.

* * *

The following disclosure replaces the sixth, seventh, eighth and ninth sentences of the fourth paragraph in the section entitled "*Description of the Group and its Business—Sustainability and ESG*" starting on page 152 of the Prospectus:

In 2023, CDP awarded the Group an A rating for its Climate Change submission for a fifth consecutive year. The Group continues to participate in the CDP Supply Chain Programme, which gathers information from its key suppliers on how they are managing their climate risks and opportunities, and the Group was recognised as a Supplier Engagement Leader by CDP in 2023 for a fifth consecutive year. In 2024, the Group was also listed by the Financial Times as a Europe Climate Leader for the fourth consecutive year.

* * *

The following disclosure replaces the second table in the section entitled "*Directors and Senior Management—Board of Directors and Executive Leadership Team*" starting on page 156 of the Prospectus:

Name	**Title**
Stefan Bomhard	Chief Executive Officer
Lukas Paravicini	Chief Financial Officer
Javier Huerta	Chief Supply Chain Officer
Murray McGowan	Chief Strategy and Development Officer
Paola Pocci	Chief Consumer Officer, President of Africa, Asia, Australasia and Central & Eastern Europe Region (until 15 August 2024)
Priyali Kamath	President of Africa, Asia, Australasia and Central & Eastern Europe Region (effective 15 August 2024)
Kim Reed	President and CEO of Americas Region
Alison Clarke	Chief People and Culture Officer
Aleš Struminský	President of Europe Region

* * *

The following disclosure replaces the fourth paragraph related to Ngozi Edozien in the section entitled "*Directors and Senior Management—Board of Directors and Executive Leadership Team—Board of Directors*" starting on page 158 of the Prospectus:

External appointments: Non-executive director of Guinness Nigeria, a listed subsidiary of Diageo, Bank of Africa – BMCE Group and Unilever Nigeria Plc.

* * *

The following disclosure replaces the third paragraph in the section entitled "*Directors and Senior Management—Board of Directors and Executive Leadership Team—Executive leadership team*" starting on page 156 of the Prospectus:

Paola Pocci, Chief Consumer Officer, appointed Chief Consumer Officer in November 2023. Paola previously acted as President of the AAACE Region and will step down from this role effective 15 August 2024.

* * *

The following disclosure is added after the twelfth paragraph in the section entitled "*Directors and Senior Management—Board of Directors and Executive Leadership Team—Executive leadership team*" starting on page 156 of the Prospectus:

Priyali Kamath, President of Africa, Asia, Australasia and Central & Eastern Europe Region, appointed President of the AAACE Region in April 2024 (effective 15 August 2024).

Skills and experience: Priyali has 25 years' experience across general management, marketing, and people and culture. In her role at Procter & Gamble, she oversaw more than 100 markets and three distinct product categories and has a deep knowledge of the AAACE region.

* * *

The following disclosure is removed from the section entitled "*Directors and Senior Management—Board of Directors and Executive Leadership Team—Executive leadership team*" starting on page 156 of the Prospectus:

Sean Roberts, Chief Legal and Corporate Affairs Officer, appointed Chief Legal and Corporate Affairs Officer in April 2022.

Skills and experience: Sean has significant experience in the tobacco, pharmaceuticals and consumer goods sectors and a successful track record of more than 30 years in legal, compliance and executive leadership roles. Sean held a range of senior positions at GlaxoSmithKline over his 23 years with the group, including Senior Vice President and General Counsel of GlaxoSmithKline Consumer Healthcare, a global joint venture between GlaxoSmithKline and Pfizer. Earlier in his career, Sean was a commercial lawyer at the international law firm Simmons & Simmons, where he served a diverse client base including the Gallaher Group, now part of JTI.

Significant Change or Material Adverse Change

The significant change and material adverse change statements set out in paragraph 3 in the section headed "General Information" on page 208 of the Prospectus shall be deemed deleted and replaced with the following paragraph:

There has been no significant change in the financial performance or financial position of the Group since 31 March 2024 and there has been no material adverse change in the prospects of the Issuers or the Guarantor since 30 September 2023.

General Information

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.