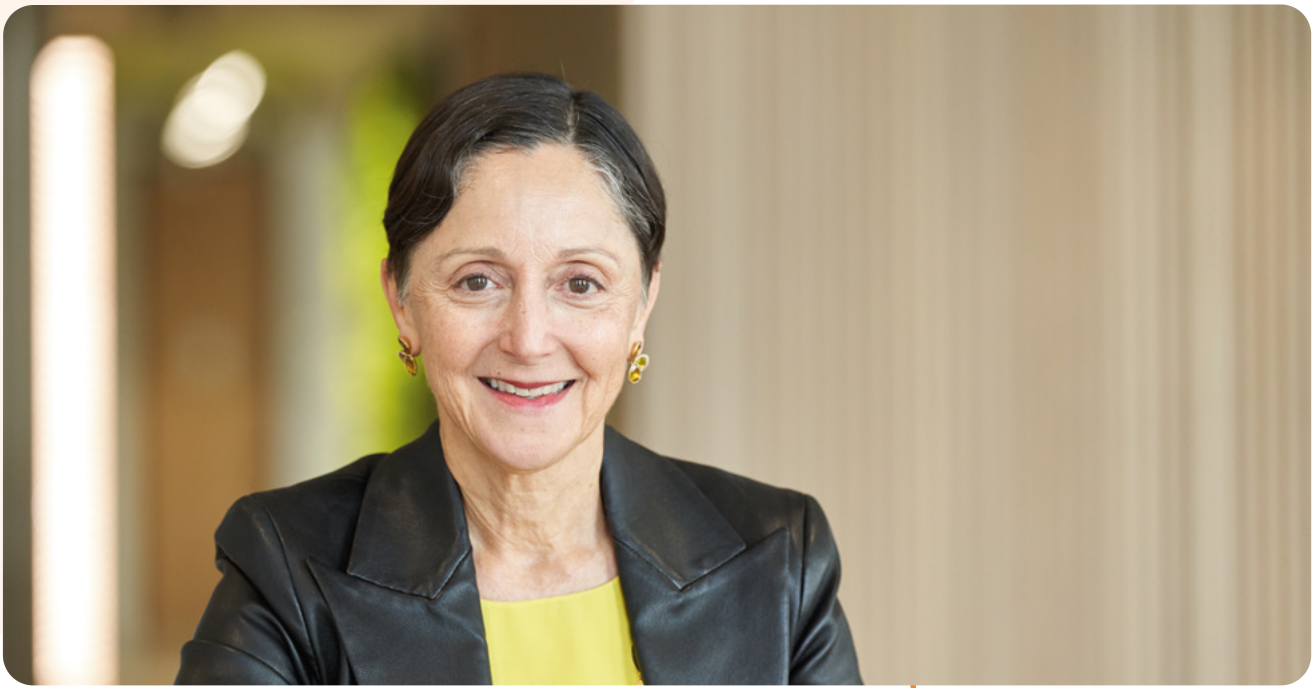

DEVELOPING OUR TRACK RECORD

Dear Shareholders

I am pleased to report a further step-up in performance: operationally, financially, and in the delivery of our ambitious People and Planet objectives. Our success in 2024 builds on the consistent track record we have been developing since the launch of our current strategy four years ago. As we enter the final year of the plan, I couldn't be more proud of the progress the company has made leaning into our challenger status and embedding the consumer at the heart of everything we do.

Against an unpredictable environment, the team has been innovative, resourceful and resilient, and has demonstrated a laser focus on delivery of their commitments.

While Imperial Brands' transformation journey continues, and there are always risks associated with a change programme of this ambition and scale, it is undoubtedly a much stronger business than it was when we began this journey in 2021. We are now better able to create predictable and sustainable value for shareholders and meet the needs of our wider stakeholders.

STARTING WITH THE CONSUMER

The scale of our transformation, particularly within our growing consumer capabilities, was brought home to me by two Board visits over the past year.

In March, we visited the Czech Republic, a highly competitive market for next generation products (NGP). I was pleased to see our team using a challenger mindset to compete successfully against our larger competitors.

Fresh consumer insights were being used to build targeted, differentiated brands. Our agile sales teams were getting new products to market at pace and identifying new channels and promotional opportunities. This activity was underpinned by a deep sense of responsibility and clearly focused on adult smokers and existing nicotine consumers.

Our second visit in July was to our fast-developing innovation centre – or "Sense Hub" – in Liverpool. It is a great case study for Imperial's challenger way of developing new products. We saw how our team was bringing together consumers and third-party partners in the same space to drive new insights and accelerate development cycles. This distinctive way of working has taken us from a position four years ago where our products were uncompetitive to a point now where we have attractive offerings in multiple categories.

ACCELERATING CAPITAL RETURNS FOR SHAREHOLDERS

Our consumer-focused transformation has supported a further improvement in financial performance. This year we met our strategic objectives of low-single-digit growth in tobacco and mid-single-digit adjusted operating profit growth. In NGP, we achieved double-digit net revenue growth while also reducing our losses.

We have clearly defined our capital allocation priorities, which start with investment to support our strategic delivery. Our objective is to support the long-term sustainable cash flows of the business to enable us to maintain our progressive dividend policy and ongoing share buyback. The Board is recommending a total annual dividend of 153.42 pence per share, which represents an increase of 4.5% on the prior financial year in line with the Group's progressive policy. We also announced a change to the future dividend payment profile to four equal dividend payments for FY25 onwards. Smoothing of the dividend payment profile will result in more consistent cash returns to shareholders throughout the year, compared to the current 30:70 split. This is enabled by the strong visibility of cash flows from our portfolio following the successful execution of our strategy.

During the five-year period of our current strategy we expect to make total capital returns including dividends and share buybacks of £10 billion – equivalent to 67% of our market value in January 2021 when we launched our strategy.

DELIVERING ON PEOPLE AND PLANET OBJECTIVES

Our challenger mindset has been important in the way we are now consistently delivering on our People and Planet priorities, which focus on building a healthier future for our consumers, colleagues and wider environment. Our recent progress is a result of the resourcefulness, deep accountability and purposeful collaboration of a great many people in our business.

In September I kicked off an ESG webinar for investors. We have come a long way in the two years since our previous event covering this topic. We have driven significant reductions in carbon emissions, waste and workplace accidents.

Our broad plan to improve diversity, equity and inclusion is starting to yield results. In particular, we have seen improvements in female representation in senior management.

The Board plays a highly engaged role providing support and challenge to management as they develop and deliver their ESG plans. Over the past year, we have made further improvements to the way we provide oversight, including an expansion of the remit for the People & Governance Committee, now known as the People, Governance & Sustainability Committee, which is chaired by me.

For more on People and Planet see pages 59-77

For the People, Governance & Sustainability Committee report, see page 104

ENGAGING FOR CONSUMER HEALTH

A key ESG priority is to play a growing role in tobacco harm reduction by developing our NGP business and engaging for balanced, strongly enforced regulatory environments.

We are building on our long-term commitment to science which analyses the harm reduction potential of our NGP and their real-world use as smoking cessation tools.

In our major markets, we seek regulation that balances the need to make an attractive range of smoke-free products available to adult smokers, while driving out irresponsible products and preventing youth access.

We continue to be concerned with policy in some markets which leans towards prohibition. In August, I visited our employees, consumers and customers in Australia, one of the most challenging markets in our portfolio, where around 30% of tobacco products are illicit. The Australian market is a sobering example of the unintended consequences of over-restrictive regulation. Onerous limits on the availability of NGP and extremely high taxation on tobacco products have led to a spiralling trade in illegal products. These prohibitive policies have been damaging both for consumers seeking trusted reduced harm products and for the government, which receives decreasing excise revenues.

BOARD CHANGES

Our Board has a strong and diverse mix of skills and experiences, and we continue to develop our capabilities through education sessions and new appointments. In January, we welcomed Julie Hamilton to the Board and to our People, Governance & Sustainability Committee. In October 2024, she also joined the Remuneration Committee. Julie, who was Chief Commercial and Global Sales Officer at Diageo, has over 30 years' experience in marketing, strategy and digital transformation. Prior to Diageo, Julie spent 25 years at the Coca-Cola Company where she held a range of leadership positions, including Chief Customer and Commercial Leadership Officer.

Diane de Saint Victor has decided to retire from the Board at the conclusion of the 2025 AGM. Diane has been a valued member of the Board, with roles on the Remuneration and People, Governance & Sustainability Committees. I would like to thank Diane for her insights and contribution over the past three years and on behalf of the Board, wish her the best for the future.

BECOMING AN EVEN STRONGER CHALLENGER

As we enter the final year of our current strategy, our transformation will carry on at pace as we continue to develop consumer capabilities, agile ways of working and our performance culture. In March 2025, I look forward to joining Stefan and our management team, when we provide detail of our next five-year strategy, which will build on our recent success and evolve Imperial Brands into an even stronger challenger business.

Thérèse Esperdy

Thérèse Esperdy
Chair

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

DELIVERING ON OUR STRATEGY

As we enter the final year of our current strategy, I am pleased with how we have strengthened the Company and delivered a more consistent performance.

Imperial Brands has become a more effective challenger business through new consumer capabilities, agile ways of working, and a high-performance culture.

This ongoing transformation is driving improving operational and financial outcomes, and growing capital returns.

STRONG PERFORMANCE

In combustible tobacco, our focus on operational excellence has enabled us to grow aggregate market share in our five priority markets with a five basis point improvement, while driving further strong pricing.

Since the launch of our strategy in 2021, these five largest markets, which account for c.70% of operating profit, have recorded a cumulative aggregate share increase of 48 basis points. This performance is consistent with our strategic objective to hold or grow aggregate share across these markets, balancing market share delivery with value creation.

Over the past year, tobacco pricing increased 7.8%, more than offsetting declining volumes, to deliver tobacco net revenue growth of 3.8% at constant currency.

In next generation products (NGP), we continue to grow through product innovation and scaling up within our existing market footprint. NGP net revenue grew by 26% on a constant currency basis. At actual exchange rates, this takes our cumulative growth over the four years since 2020 to 64%.

The Company's strong performance has driven constant currency net revenue growth in tobacco and NGP revenue of 4.6% – the strongest like-for-like top-line growth in more than 10 years. Logista in our Distribution segment also contributed positively to our financial results with gross profit up 4.4%. This was driven by strong performance in the underlying business particularly in Spain and Italy as well as the benefit of prior year acquisitions.

All of this helped to drive Group adjusted operating profit growth of 4.6% at constant currency and reported operating profit growth of 4.5%.

A STRONGER CHALLENGER BUSINESS

This strong financial performance is underpinned by our transformation into a strong challenger business better able to deliver consistent growth.

Being a successful challenger is about getting closer to consumers, making targeted technology investments to improve agility, and building a culture of high performance.

Our Global Consumer Office, set up in 2021, is now well established, with a team of 1,000 experts in insights, innovation, marketing and revenue growth management, working seamlessly with our markets.

A highlight of my year was visiting our new sensory laboratory in Shenzhen, which further strengthens our innovation capabilities, helping us link our consumers to our valued partners.

Over the past 12 months, we passed important milestones in our long-term digital investment programme. In particular, in October 2024 the first market cluster went live in our project to create a unified enterprise resource planning system replacing 60 legacy systems.

We continue to add to our capabilities through senior appointments. During the year we welcomed three new members of the Executive Leadership Team. Priyali Kamath joined us from P&G as President of Africa, Asia, Australasia and Central & Eastern Europe. Deborah Binks-Moore brings deep experience of regulated businesses to the new role of Chief Corporate Affairs Officer. Kevin Massie has been appointed General Counsel, having held a range of senior roles, most recently at the international consumer business PZ Cussons.

Across the organisation, we continue to invest in developing our culture. 850 colleagues have now completed Connected Leadership, our intensive seven-day programme which enables our senior people to become better coaches to their teams.

This year in our Employee Experience survey we maintained our 74% engagement score, which is one percentage point above the global benchmark.

CONSISTENT COMBUSTIBLE PERFORMANCE

Our transformation is leading to further success at a market level, where in combustibles we focus on the performance of our five priority markets.

Share gains in the US, Germany, Spain and Australia have been offset by a decline in the UK.

In the US, our portfolio, which offers adult smokers a brand offering at each key price point, enabled us to continue to gain share. This structured approach, combined with our continued investment in improving our sales and marketing capabilities, has supported more than four years of stable or growing share and an improved financial performance.

In Germany, our initiatives have stabilised our market share after more than a decade of steep losses. In Spain, we delivered another year of share gains coupled with improved pricing. The UK and Australia are challenging markets with elevated market size declines caused by high excise and growth in illicit trade. Here, we have continued to balance value creation through increased pricing while managing our market share performance.

We are also delivering strong performances in our medium-sized and smaller markets. For example, in our Africa, Asia, Australasia and Central & Eastern European (AAACE) region, we delivered an improved financial performance after a difficult first half which was affected by disruption to shipment timings in the Middle East.

SUSTAINABLE GROWTH IN NEXT GENERATION PRODUCTS

In NGP, we made significant progress towards our goal of a sustainable business which makes a strong contribution to both Group performance and reducing harm for consumers.

For the first time, we reported increased revenue in all three regions. We are also growing revenue and market share across all three categories.

In the US, our return to growth was spearheaded by the launch in February of Zone, our modern oral nicotine proposition. Early feedback from both consumers and the retail trade has been extremely positive.

In the Europe region, we saw strong growth in vape, led by the UK and supported by new products including the 1,000-puff blu bar disposable and the rechargeable blu bar kit. In this category, we now have a highly competitive product portfolio focused on responsibly meeting the needs of adult smokers and existing nicotine consumers.

In AAACE, improving revenues were supported by progress in the heated category. In our focus markets in Central & Eastern Europe, we are building consumer loyalty and securing our fair share against strong competition. Our iSenzia tea-based heat sticks are emerging as an important addition to our offering.

Following the launch of our strategy in 2021, we needed to reset our NGP operations while we gathered consumer insights and modernised our product portfolio. Now, following a period of test-and-learn launches, we are operating at scale with NGP available in over 20 markets. In eight markets, NGP account for 20% or more of total tobacco and NGP net revenue and in 11 markets, we have brands which occupy top three positions in their categories. Our growing success has meant that we have been able to continue to reduce losses while continuing to invest in future growth. We still have a long way to go on this journey, but we have built the foundations for a sustainable business, underpinned by disciplined investment and increased agility to meet changing consumer needs.

> "Being a successful challenger is about getting closer to consumers, making targeted technology investments to improve agility, and building a culture of high performance."

TOWARDS A HEALTHIER FUTURE

Our NGP business is not just growing consistently – it is also growing responsibly.

During the year we completed several scientific studies which validated the potential of our new products to support smokers seeking to quit cigarettes.

We maintain rigorous marketing standards to ensure we only target adults who already smoke or consume nicotine products. Additionally, we continue to engage with policymakers to develop strong regulatory regimes which build trust in NGP by minimising youth access and eliminating illegal products.

Strong progress continues to be made on our other People & Planet priorities, including our "Triple Zero" objectives, which cover carbon emissions, waste and workplace injuries.

Direct carbon emissions are now down 69% since our baseline year of 2017 and we remain on course to become Net Zero across our supply chain by 2040. Since May 2024, within our own operations we have sent zero waste to landfill and have reduced absolute waste by 32% compared to our 2017 baseline. The number of lost-time accidents has reduced by 47% compared to our 2019 baseline year.

In September, we were pleased to showcase our evolving approach to ESG through an investor webinar. For more information on our progress see pages 59-77. A replay of our webinar, together with our presentation, is available at www.imperialbrandsplc.com.

ALLOCATING CAPITAL WITH DISCIPLINE

As a highly cash generative business, we recognise the importance of a clear and transparent capital allocation framework to our stakeholders. Consistency and discipline are key principles that underpin our four capital allocation priorities:

- Invest behind the strategy to deliver our growth initiatives
- Maintain a strong and efficient balance sheet with a target leverage towards the lower end of our adjusted net debt to EBITDA range of 2-2.5 times
- A progressive dividend policy with dividends growing annually, taking into account underlying business performance
- Return surplus capital to shareholders

Since reaching our target leverage in September 2022, we have entered into an ongoing, multi-year buyback, which began with an initial buyback of £1 billion during FY23, and a further £1.1 billion for FY24. In October 2024, we announced a third year of buybacks with a £1.25 billion programme – an increase of 14% on the prior year. This will be largely completed during FY25 and will bring our capital returns via buybacks under the current strategy to £3.35 billion.

In line with our progressive dividend policy, we are recommending a 4.5% increase for the FY24 dividend to 153.42 pence per share. In October, we announced our intention to change the payment profile of our dividend to four equal quarterly payments for FY25 onwards. This change in the dividend payment profile will lead to more consistent cash returns to shareholders throughout the year and, during the transitional period of FY25, will result in increased dividend payments of 40.08 pence per share in June and September 2025.

OUTLOOK

We are now working on our strategy for the next five-year period through to 2030, which will build on the foundations established under the current strategy. Further details will be provided at a capital markets event on 26 March 2025. In the meantime, our priority is to deliver on the final 12 months of the current five-year plan and, while we take nothing for granted, we remain confident in our ability to deliver on our existing operational and financial commitments.

In the coming year, at constant currency we expect to deliver low single-digit tobacco and NGP net revenue growth and to grow our Group adjusted operating profit close to the middle of our mid-single-digit range. This will be driven by continued profit growth from our combustible tobacco business and a further reduction in operating losses in our NGP portfolio. Given the strong momentum in our NGP business, we will continue to invest to drive another year of double-digit constant currency net revenue growth, while balancing our objective to build a sustainable and profitable business.

In line with previous years, performance will be weighted to the second half of the year driven by the phasing of combustible pricing and investment. As a result, first half Group adjusted operating profit is expected to grow at low single digits at constant currency.

We expect to deliver at least high-single-digit earnings per share growth at the full year at constant currency supported by the ongoing share buyback and partly offset by higher adjusted finance and tax costs. At current rates, foreign exchange translation is expected to be a headwind of 1-2% to net revenue, adjusted operating profit and earnings per share.

We remain focused on driving sustainable growth in cash flows to underpin another year of shareholder returns and to support our growing role in this industry's transition to a healthier future.

Stefan Bomhard
Chief Executive Officer