

Our Heated Products (HPs)

Heated Products (HPs) use heat to generate a nicotine-containing aerosol, which the user inhales.

Within HPs, because the tobacco or herbal substrate is heated instead of burned, the resulting aerosol comprises mainly water, glycerol, nicotine and flavourings – different to cigarette smoke.

This category includes Tobacco Heated Products (THP) and Herbal Products for Heating (HPH).

HP Top markets**

Japan, South Korea, Italy, Germany, Greece, Poland, Romania, the Czech Republic, Spain and Portugal

Highlights

Revenue down 0.7%, up 1.0% at constant rates, impacted by competitive pressure and resource allocation ahead of glo Hilo launches.

Volume share** down 1.5 ppts, mostly impacted by competitive pressure and the phase-out of legacy super-slimes in Japan.

AME volume share down 80 bps with growth in Spain, Portugal and the Czech Republic more than offset by Romania, Germany, Italy and Poland.

Momentum building with roll-out of glo Hilo in largest profit pools.

29

Number of markets where the Group's Heated Products are sold



Overview

Our glo devices are our flagship Heated Products. They heat specially designed tobacco and tobacco-free consumables to a set temperature, producing an aerosol that contains mainly water, glycerol, nicotine, and flavourings for inhalation.

In 2025, we launched glo Hilo and glo Hilo Plus, our most premium devices to date, featuring dual-heating technology with a combination of infrared and resistive heating delivered to the consumable through TurboStart™ Quartz. glo Hilo represents the biggest breakthrough innovation in the history of glo.

Heated Products (HPs) offer the most familiar route for smokers, who would otherwise continue to smoke, to adopt a reduced-risk†, Smokeless product.

As we continue to build glo as a strong and consistent global brand, we must transform our product portfolio through our robust innovation pipeline.

The Scientific Evidence*

When tobacco is burned by combustion at over 900°C, the smoke produced is incredibly complex with over 7,500 individual chemicals present, of which 150 chemicals are known to be harmful, and more than 60 are known carcinogens. In contrast, HPs heat natural material, including tobacco or other ingredients like rooibos, to much lower temperatures (below 400°C).

Due to the heating, as opposed to burning, HPs have reduced-risk potential†† compared to continued smoking for those who switch completely.

A review¹ of 11 studies published in 2022 by University College London found that people who switched from cigarettes to heated tobacco products had lower levels of exposure to harmful chemicals.

More long-term studies are needed on HPs and in 2021 we conducted a year-long clinical study² to evaluate the reduced-risk potential of glo. It found that smokers who switched from cigarettes to the exclusive use of glo significantly reduced their exposure to certain toxicants and indicators of potential harm related to several smoking-related diseases, in some measures to a level found in participants who had stopped smoking entirely.

With no combustion, our Heated Products emit 90-95%³ fewer toxicants than cigarette smoke.

Notes:

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

† Products sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

** Top HP markets are defined as the Top markets by industry revenue. Top markets are Japan, South Korea, Italy, Germany, Greece, Poland, Romania, the Czech Republic, Spain and Portugal. These Top markets account for c.80% of total industry HP revenue in 2024.

*** Public Health England (PHE) was replaced in Oct 2021 by the UK Health Security Agency and Office for Health Improvement and Disparities.

1. Tattan-Birch H, Hartmann-Boyce J, Kock L, Simonavicius E, Brose L, Jackson S, Shahab L, Brown J. Heated tobacco products for smoking cessation and reducing smoking prevalence. *Cochrane Database of Systematic Reviews* 2022, Issue 1. doi: doi.org/10.1002/14651858.CD013790.pub2
2. Gale, N., McEwan, M., Hardie, G., Proctor, C.J. and Murphy, J. (2022). Changes in biomarkers of exposure and biomarkers of potential harm after 360 days in smokers who either continue to smoke, switch to a tobacco heating product or quit smoking. *Internal and Emergency Medicine*. doi:doi.org/10.1007/s11739-022-03062-1
3. Comparison with smoke from a scientific standard reference cigarette (approximately 9mg of tar) in terms of the average of the 9 harmful components the World Health Organization recommends to reduce in cigarette smoke.

Our Products

glo Hilo and glo Hilo Plus are the newest additions to our flagship glo range of Heated Products, featuring dual-heating technology with a combination of infrared and resistive heating delivered to the consumable through TurboStart™ Quartz.

glo Hilo and glo Hilo Plus are designed to unlock glo's next phase of quality growth by targeting smokers and HP users in the premium sector, with these consumers estimated to account for 80% of the HP revenue pool. Such consumers demand more than functionality, and seek experience, design, and innovation to truly reflect their lifestyle identity.

These devices are a distinctive innovation, delivering a differentiated experience that feels seamless, intuitive and aspirational. Key features also include:

- a five-second ramp-up speed (glo Hilo) to deliver taste satisfaction;
- a new consumables range, Virto and tobacco-free Rivo; and
- our first glo connected ecosystem with the myglo app.

glo Hilo is a one-piece device featuring an innovative AMOLED EasyView™ screen for consumers to track their device usage and monitor its battery life creating a more personalised experience.

Consisting of two pieces, glo Hilo Plus has a charging case and a heating device. The heating device is known as the EasySwitch™ heating pen, which can be removed from the charging case and used independently for a maximum of two sessions, or can be used while docked in the charging case. Additionally, the pen, featuring an AMOLED curved EasyView™ touchscreen, can be inserted or removed from the case during the heating session without disrupting the session.

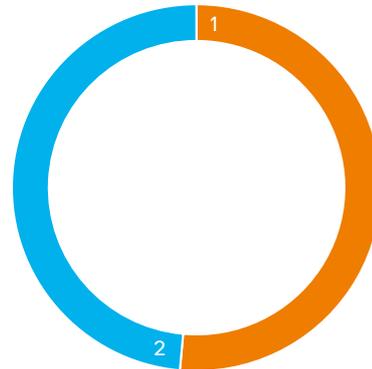
We rolled out the glo Hilo range in 2025, focused on the largest profit pools with launches in Japan, Poland, Italy and Global Travel Retail.

The glo Hilo range builds on Hyper Pro X3 (now present across 27 markets), which was introduced to address the evolving preferences of consumers of Heated Products and demonstrates our ability to compete in the premium sector.

Hyper Pro introduced the EasyView™ display for interactive and intuitive control of the experience through a simple screen interface that displays the selected taste mode, session progress and battery power and features our HeatBoost™ technology. This was paired with our upgraded blended tobacco stick range and veo™, our first tobacco-free consumable range which is now available in 19 markets.

Following a reassessment of our geographic footprint, glo is now available in 29 markets.

Proportion of HP revenue by region in 2025 (£m)



	2025 £m	2024 £m
1 AME	470	443
2 APMEA	444	478
Total	914	921

Performance Summary

In 2025, total consumables volume declined 3.7% to 20.1 billion sticks.

In 2025, glo HP category volume share in the Top markets** declined 1.5 ppts impacted by competitive pressure in Japan and phase-out of legacy super-slims.

Revenue was marginally lower, down 0.7% to £914 million (2024: £921 million). However, excluding the impact of the relative movements in sterling, at constant rates of exchange revenue increased 1.0% in 2025 driven by Quality Growth focus in the largest profit pools.

In AME, volume was down 3.4%, with revenue up 6.2% (being an increase of 6.2% at constant rates), as higher revenue in Italy and Germany was partly offset by lower revenue in Romania largely due to the prioritisation of resource allocation ahead of the wider roll-out of glo Hilo in the region.

In APMEA, volume was down 3.9%, with revenue down 7.0%, or 3.8% at constant rates, largely driven by Japan (which remains highly competitive alongside the continued phase-out of our legacy super-slims platform) and South Korea, partially offset by a strong performance in Kazakhstan.