

SUPPLEMENT DATED 22 SEPTEMBER 2021 TO THE OFFERING CIRCULAR DATED 30 APRIL 2021



Kingfisher plc

(Incorporated in England and Wales with limited liability under registered number 1664812)

Kingfisher Group Finance B.V.

(Incorporated in The Netherlands with limited liability)

€2,500,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed, in the case of Notes issued by Kingfisher Group Finance B.V., by Kingfisher plc

This Supplement (the **Supplement**) to the Offering Circular dated 30 April 2021 (the **Offering Circular**), which comprises a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**), constitutes a supplementary prospectus for the purposes of Article 23 of the UK Prospectus Regulation and is prepared in connection with the €2,500,000,000 Euro Medium Term Note Programme (the **Programme**) established by Kingfisher plc (**Kingfisher** and an **Issuer**) and Kingfisher Group Finance B.V. (**Kingfisher Finance**, an **Issuer**, and together with Kingfisher, the **Issuers**), unconditionally and irrevocably guaranteed, in the case of Notes issued by Kingfisher Group Finance B.V., by Kingfisher plc (the **Guarantor**). Terms defined in the Offering Circular have the same meaning when used in this Supplement. The Financial Conduct Authority, as the UK competent authority under the UK Prospectus Regulation, has approved this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular issued by the Issuers and any other supplements to the Offering Circular issued by the Issuers.

Each Issuer and the Guarantor accept(s) responsibility for the information contained in this Supplement. To the best of the knowledge of each 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 its import.

Purpose of this Supplement

The purpose of this Supplement is (a) to incorporate by reference certain parts of Kingfisher's Half Year Results (the **Half Year Results**) for the half financial year ended 31 July 2021, (b) to update the disclosure in the section titled "Alternative Performance Measures" in the Offering Circular and (c) to update Kingfisher's "Significant or Material Change" statement.

Half Year Results to 31 July 2021

On 21 September 2021 Kingfisher published the Half Year Results. A copy of the Half Year Results has been filed with the Financial Conduct Authority and, by virtue of this Supplement, the 2021/22 Interim Condensed Financial Statements (unaudited) in the Half Year Results (contained in Part 2 of the Half Year Results), and the auditor's independent review report thereon and the notes thereto, is incorporated in, and forms part of, the Offering Circular.

Copies of any or all of the documents which are incorporated by reference in the Offering Circular are available at <https://www.kingfisher.com/en/investors/results---reports-.html>.

Alternative Performance Measures

Following the publication and incorporation of the Half Year Results, this Supplement:

- (i) updates the first row of the APM table starting on page 88 of the Offering Circular as follows:

“APM	Definition of APM	Reconciliation¹	Rationale for inclusion”
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- (ii) adds a new row to the end of the APM table starting on page 88 of the Offering Circular as follows:

“Adjusting items	Adjusting items, which are presented separately within their relevant income statement category, include items which by virtue of their size and/or nature, do not reflect the Group’s ongoing trading performance. Adjusting items may include, but are not limited to: non-trading items included in operating profit such as profits and losses on the disposal, closure, exit or impairment of subsidiaries, joint ventures, associates and investments which do not form part of the Group’s ongoing trading activities; the costs of significant restructuring and incremental acquisition integration costs; profits and losses on the disposal of properties, impairments of goodwill and significant impairments (or impairment reversals) of other non-current assets; prior year tax items (including the impact of changes in tax rates on deferred tax), significant one-off tax settlements and provision charges/releases and the tax effects of other adjusting items; financing fair value remeasurements i.e. changes in the fair value of financing derivatives, excluding interest accruals, offset by fair value adjustments to the carrying amount of borrowings and other hedged items under fair value hedge relationships. Financing derivatives are those that relate to hedged items of a financing nature.	Not applicable	With effect from 1 February 2021 the Group no longer uses the term ‘exceptional adjusting items’ within its financial statements, with the term ‘adjusting items’ now judged to be more appropriate given the potential for items previously classified as ‘exceptional adjusting items’ to be recurring in nature (e.g. profits and losses on the disposal of properties). This removes the previous distinction between ‘exceptional adjusting items’ and other adjusting items (i.e. prior year tax items and financing fair value remeasurements) from the Group’s Alternative Performance Measures and simplifies the Group’s reporting of such items.”
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¹ Unless stated otherwise, reconciliations are made to Kingfisher’s audited consolidated annual financial statements (including the auditor’s report thereon and the notes thereto) for the financial year ended 31 January 2021, as incorporated by reference.

- (iii) adds the following sentence and numerical reconciliation to the Half Year Results at the end of the section titled “Alternative Performance Measures” in the Offering Circular:

“In addition to the reconciliation to Kingfisher’s audited consolidated annual financial statements for the financial year ended 31 January 2021, the following reconciliations are to Kingfisher’s Half Year Results.

A summary of Kingfisher’s income statement for the half financial year ended 31 July 2021 is as follows²:

	HY 2021	HY 2020
Sales (£m)	7,101	5,921
Gross margin (%)	38.0	36.9
Retail profit (£m)	767	533
Retail profit margin (%)	10.8	9.0
Adjusted profit before tax (£m) ⁽¹⁾	669	415
Statutory profit before tax (£m)	677	398
Statutory profit after tax (£m)	556	317
Adjusted effective tax rate (%) ⁽²⁾	22	24
Adjusted basic EPS (p) ⁽¹⁾	24.9	15.1

⁽¹⁾ Adjusted measures are before adjusting items.

⁽²⁾ Before tax adjustments in respect of prior years (including the impact of changes in tax rates on deferred tax), significant one-off tax settlements and provision charges/releases and the tax effects of adjusting items, divided by continuing profit before taxation excluding adjusting items.

A summary of Kingfisher’s cash position for the half financial year ended 31 July 2021 is as follows³:

	HY 2021	HY 2020
	£m	£m
Operating profit	747	486
Adjusting items	(8)	17
Other non-cash items	295	286
Change in working capital	157	656
Pensions & provisions	(13)	(14)
Net rent paid	(242)	(211)
Tax & net interest paid	(82)	(91)
Gross capital expenditure	(131)	(87)
Free cash flow	723	1,042
Ordinary dividends paid	(174)	-
Share purchase for employee incentive schemes	(29)	-
Other tax authority payments	(64)	-
Disposal of assets & other	(9)	(17)
Net cash flow	447	1,025
Opening net debt	(1,394)	(2,526)
Other movements in lease liabilities	78	69
Other movement including foreign exchange	(39)	55
Closing net debt	(908)	(1,377)

² Source: Kingfisher’s Half Year Results.

³ Source: Kingfisher’s Half Year Results.

A summary of Kingfisher's net debt to EBITDA reconciliation for the half financial year ended 31 July 2021 is as follows⁴:

	HY 2021	HY 2020
EBITDA (£m) ⁽¹⁾	1,729	1,343
Net debt (£m)	908	1,377
Net debt to EBITDA	0.5	1.0

⁽¹⁾ Retail profit less central costs and before depreciation and amortisation

A summary of Kingfisher's retail profit reconciliation for the half financial year ended 31 July 2021 is as follows⁵:

	HY2021	HY2020
	£m	£m
Retail profit	767	533
Central costs	(27)	(28)
Share of interest and tax of joint ventures & associates	(1)	(2)
Net finance costs (pre-adjusting items)	(70)	(88)
Adjusted profit before tax	669	415
Adjusting items before tax	8	(17)
Statutory profit before tax	677	398

General Information

There has been no significant change in the financial performance or financial position of Kingfisher or the Group since 31 July 2021 and no material adverse change in the prospects of Kingfisher or the Group since 31 July 2021.

To the extent that there is any inconsistency between (i) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (ii) any other statement in, or incorporated by reference into, the Offering Circular, the statements in (i) will prevail.

Any documents themselves incorporated by reference in the document incorporated by reference into the Offering Circular by this Supplement shall not form part of this Supplement. Any non-incorporated parts of the document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Offering Circular. Unless expressly stated otherwise in this Supplement or the Offering Circular, the content of websites or URLs referred to in this Supplement, or in the document incorporated by reference by virtue of this Supplement, does not form part of this Supplement or the Offering Circular and has not been scrutinised or approved by the FCA.

Save as disclosed in this Supplement there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Offering Circular.

⁴ Source: Kingfisher's Half Year Results.

⁵ Source: Kingfisher's Half Year Results.