



PHILIP MORRIS ČR

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PRESS RELEASE

## **Philip Morris Enters the Segment of Disposable E-vapor Products on the Czech Market**

***Broadening Its Portfolio of Better Alternatives to Continued Smoking  
to Accelerate the Delivery of a Smoke-Free Future***

Philip Morris International (PMI) is broadening its portfolio of smoke-free products in the Czech Republic. The company is starting to sell a premium disposable e-vapor device, offering adult smokers more options to switch to products that—while not risk-free—are a better choice than continued smoking. Building its future on a multi-category approach that offers scientifically backed smoke-free products with various technology, usage, taste and price options, Philip Morris continues to progress toward its vision of a smoke-free future.

"Since 2017, when we introduced the IQOS brand for the first time in Central Europe, more than 530,000 adult users<sup>1</sup> switched to our products in the Czech Republic, of which approximately 350,000 have completely stopped smoking cigarettes. But we are still at the beginning of our journey. To fulfil our vision of a smoke-free world, we are constantly listening to the needs of our adult customers. We are trying to expand the product portfolio of less risky and potentially less risky alternatives to satisfy their needs and thus support them in the decision to stop smoking for the benefit of their own health and the health of those around them," Andrea Gontkovičová, Chairman of the Board of Directors and CEO of Philip Morris ČR a.s. commented the introduction.

VEEBA's entrance into the market sets a high standard in the design, development, manufacture, and responsible commercialisation of a disposable e-vapor product, that doesn't compromise on quality, taste or compliance. Disposable e-vapor devices are powered by a pre-charged battery and vaporise pre-filled e-liquid through a controlled heating process, making them ready to be used immediately after purchase. The new VEEBA disposable e-vapor product requires no maintenance, i.e., no cleaning, charging, or refilling of the liquid. It offers a thoughtful design, ease of use, consistent experience to its adult users. In accordance with PMI's strict marketing practices, VEEBA is not commercialised with flavour descriptors that may appeal to youth, such as images or descriptions of candies or desserts, or brightly coloured devices. Instead, subtle colours and functional flavour descriptors appropriately positions VEEBA to existing adult nicotine users and adult smokers. The recommended retail price of the device is CZK 169.

VEEBA's liquids guarantee a nicotine level of 1.8% (20mg/ml), with each production batch receiving a Certificate of Analysis (COA) and are subject to regular—and randomized—checks to ensure devices have the correct liquid composition and nicotine content.

To help address product sustainability, the device should not be discarded in mixed waste, and more than 80 percent of its components are recyclable. "Proper waste management and responsible consumption are a priority for us. That's why we – even in communication with the customers of all our products – continue to strongly focus on urging our adult users to return their used devices through an implemented take-back recycling programme," Andrea Gontkovičová added.

As of 31 December 2022, PMI's smoke-free products were available for sale in 73 markets<sup>2</sup>. PMI aims to offer smoke-free tobacco products in 100 markets by 2025. Simultaneously, PMI estimates that approximately 17.8 million adults around the world have already switched to IQOS and stopped smoking<sup>3</sup>. The company's ambition is for at least

<sup>1</sup> Number of IQOS users in the Czech Republic, as of 30 June 2022.

<sup>2</sup> Source: Philip Morris International 2022 Fourth-Quarter Results.

<sup>3</sup> Source: Philip Morris International 2022 Fourth-Quarter Results.

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40 million adults, who would otherwise continue to smoke cigarettes, to switch to PMI's smoke-free products by 2025. In addition, by this year the company aims for more than half of its net revenue coming from smoke-free products.

The custom-developed *VEEBA* device is available as a result of an international licensing agreement PMI signed with Kaival Brands International, which distributes the No. 1 selling premium, disposable device called BIDI® Stick<sup>4</sup>, in the United States.

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#### Philip Morris ČR a.s.

Philip Morris ČR a.s. is a subsidiary of Philip Morris International (PMI), a leading international tobacco company working to deliver a smoke-free future. In addition to traditional tobacco products, on the Czech market Philip Morris ČR a.s. distributes the *IQOS ILUMA* heating tobacco device and compatible *TEREA* tobacco refills, the *lil SOLID* tobacco heating device with *Fiit* tobacco refills, the *IQOS VEEV* e-cigarette and its *VEEV* refills, the *VEEBA* disposable e-vapour device and other related accessories. Philip Morris ČR a.s., which has been operating in the Czech Republic since 1992 and employs more than 1,100 people, is listed on the Prague Stock Exchange (BCPP). At the same time, it owns a 99% business share in the subsidiary Philip Morris Slovakia s.r.o., registered in the Slovak Republic. For more than 30 years, the company has contributed to helping various charitable projects, including projects involving the support of social programs aimed at improving living conditions in local communities. You can find more information at [www.philipmorris.cz](http://www.philipmorris.cz), including the annual report for 2021.

#### Philip Morris International: Delivering a Smoke-Free Future

Philip Morris International (PMI) is a leading international tobacco company working to deliver a smoke-free future and evolving its portfolio for the long term to include products outside of the tobacco and nicotine sector. The company's current product portfolio primarily consists of cigarettes and smoke-free products, including heat-not-burn, vapour, and oral nicotine products. Since 2008, PMI has invested more than USD 10.5 billion to develop, scientifically substantiate and commercialise innovative smoke-free products for adults who would otherwise continue to smoke, with the goal of completely ending the sale of cigarettes. This includes the building of world-class scientific assessment capabilities, notably in the areas of pre-clinical systems toxicology, clinical and behavioural research, as well as post-market studies. In November 2022, PMI acquired Swedish Match – a leader in oral nicotine delivery – creating a global smoke-free champion led by the companies' *IQOS* and *ZYN* brands. The U.S. Food and Drug Administration (FDA) has authorised versions of PMI's *IQOS* Platform 1 devices and consumables, and Swedish Match's General snus as Modified Risk Tobacco Products (MRTPs). As of 31 December 2022, PMI's smoke-free products were available for sale in 73 markets, and PMI estimates that approximately 17.8 million adults around the world have already switched to *IQOS* and stopped smoking. Smoke-free products accounted for approximately 32% of PMI's total full-year 2022 net revenues. With a strong foundation and significant expertise in life sciences, PMI announced in February 2021 its ambition of expanding into wellness and healthcare areas and, through its Vectura Fertin Pharma subsidiary, aims to enhance life through the delivery of seamless health experiences. For more information, please visit [www.pmi.com](http://www.pmi.com) and [www.pmisience.com](http://www.pmisience.com).

<sup>4</sup> NielsenIQ x AOC including Convenience Stores, compiled by Goldman Sachs Global Investment Research. Issued: 31 May 2022.

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