



PT HM SAMPOERNA Tbk.

PUBLIC EXPOSE | PAPARAN PUBLIK

The Latest Innovation in Smoke-Free Tobacco Products*

**Continuation of IQOS Club with targeted launch of IQOS ILUMA in 10 major cities in Indonesia*

Jakarta, February 20th, 2022

Forward-Looking and Cautionary Statements

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- HMS’ business risks include: significant increases in cigarette-related taxes; the imposition of discriminatory excise tax structures; fluctuations in customer inventory levels due to increases in product taxes and prices; increasing marketing and regulatory restrictions, often with the goal of reducing or preventing the use of tobacco products; health concerns relating to the use of tobacco products and exposure to environmental tobacco smoke; litigation related to tobacco use; intense competition; regulatory and political developments; natural disasters and conflicts; the impact and consequences of Russia's invasion of Ukraine; changes in adult smoker behavior; the impact of COVID-19 on our business; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations; limitations on the ability to repatriate funds; adverse changes in applicable corporate tax laws; adverse changes in the cost and quality of tobacco and other agricultural products and raw materials; and the integrity of its information systems effectiveness of its data privacy policy. HMS’ future profitability may also be adversely affected should it be unsuccessful in its attempts to produce products with the potential to reduce exposure to harmful constituents in smoke (reduced risk products), individual risk and population harm; or if regulation or taxation do not differentiate between such products and cigarettes, if it is unable to successfully introduce new products, promote brand equity or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; or if it is unable to attract and retain the best global talent; including women or diverse candidates.
- HMS cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. HMS does not undertake to update any forward-looking statement that it may make from time to time, except in the normal course of its public disclosure obligations.

Through science and technology,
innovation comes to life



**Without innovation, there will be no learning,
no progress, and no positive change.**

Smoke-free products are not risk-free and are specifically intended for legal-age adult smokers who decide to continue using tobacco or other nicotine products

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What is expected from a tobacco company?

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IF YOU DON'T SMOKE, DON'T START.

IF YOU SMOKE, QUIT.

IF YOU DON'T QUIT, CHANGE.

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Sampoerna: 110 Years of Presence in Indonesia

One of the major employers and investors, with a sizeable footprint across the value chain and continuous investments in Indonesia for long-term value creation in the broader ecosystem



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*SFP: Smoke-Free Product



SAMPOERNA
untuk Indonesia

Sustainability Framework

Environmental

Ongoing efforts to reduce environmental footprint

- **Climate action**
 - Carbon neutral in all production facilities by 2025
 - Renewable energy: 100% of our electricity is sourced from renewable energy (Solar Power Plant and Renewable Energy Certificate)
- **Waste management**
Zero waste to landfill by 2024
- **Water management**
Machine-made facilities certified for Alliance for Water Stewardship and received PROPER awards



Social

Committed to continue creating value For our stakeholders

- **Smoke-free products**
Maximize the benefits of science-based smoke-free alternatives for adult smokers who decide to continue using tobacco or other nicotine products
- **Responsible sales and marketing practices**
Youth Smoking Prevention Program reached >1.5 million retailers across Indonesia
- **MSMEs programs**
 - Sampoerna Retail Community (SRC): >225k members; ~60% are women
 - Sampoerna Entrepreneurship Training Center (SETC): trained >65k people
- **Partnership program through supplier**
>22K tobacco and clove farmers

Governance

Upholding business excellence and integrity across our entire value chain

- **Good Corporate Governance (GCG)**
Consistency in applying GCG principles
- **RSP**
Responsible Sourcing Principles (RSP) for business partners
- **ALP**
Agricultural Labor Practices (ALP) Code for partner farmers
- **GCG award**
Corporate Governance Award by ASEAN Capital Markets Forum (ACMF)

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New Investment: Smoke-Free Tobacco Products Manufacturing Facility in Karawang, West Java

The production facility started operations in Q4-2022
and was officially inaugurated on January 12th, 2023

Investment of

more than US\$ 186 million

Focuses on fulfilling demands in

Asia Pacific and the domestic market

The 1st production facility in Southeast Asia and
7th in the world for innovative smoke-free products



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Role of science and technology



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Since 2008, PMI has invested more than

>USD 10.5 billion

in the development, scientific substantiation, manufacturing, commercialization, and continuous innovation of smoke-free products*

>980 R&D positions

of world-class scientists, engineers, technicians, and support staff, including those from Indonesia**

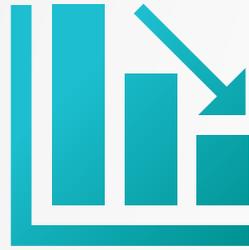


* PMI Q4 and FY 2022 Earnings Release on February 9th, 2023

** PMI 2021 Integrated Report

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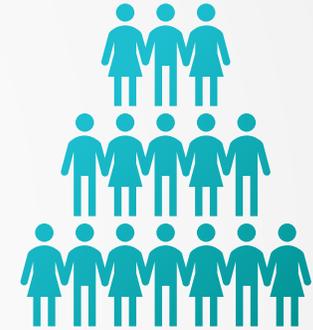
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**Invent
Better
Alternatives**



**Product
Acceptance**



**Public Health
Benefit**

CIGARETTE

BURNS
TOBACCO



SMOKE



HIGH LEVELS AND
NUMBER OF HARMFUL
AND POTENTIALLY
HARMFUL CHEMICALS



ASH



SMOKE-FREE ALTERNATIVE



DOES NOT BURN
TOBACCO



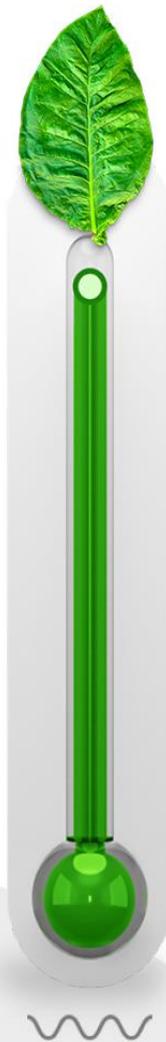
[NO SMOKE]
AEROSOL



SIGNIFICANTLY REDUCED
LEVELS AND NUMBER
OF HARMFUL AND
POTENTIALLY HARMFUL
CHEMICALS

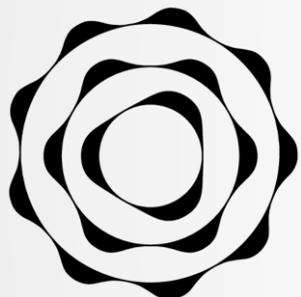


NO ASH,
NO SMOKE



NEW

IQOS ILUMA



Powered by:
**SMARTCORE
INDUCTION SYSTEM™**

Utilizes no blade, requires no cleaning, and provides a more consistent experience.



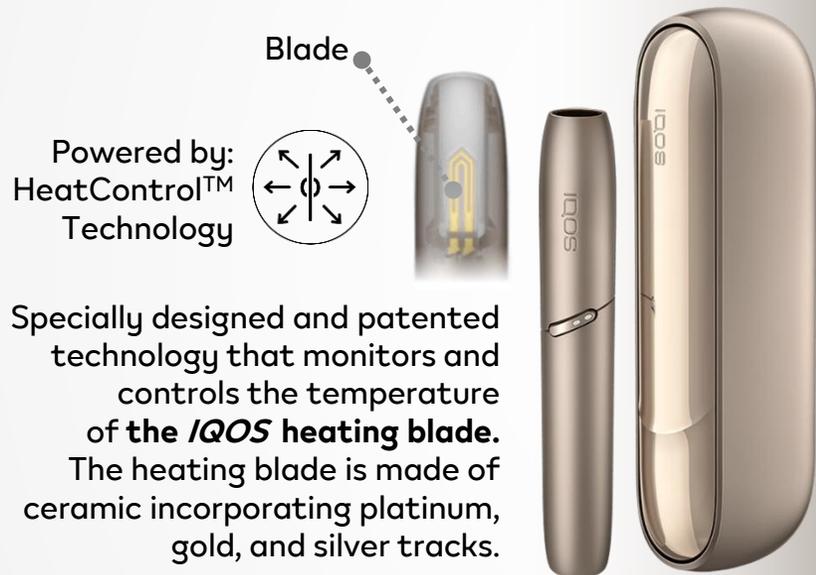
The first launch in Southeast Asia

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A new generation of tobacco-heating devices, addressing the feedback of adult *IQOS* users around the world

IQOS 3 DUOS



IQOS ILUMA



Powered by:
SMARTCORE
INDUCTION SYSTEM™



The heart of the new bladeless SMARTCORE INDUCTION SYSTEM™ heats the tobacco from within.



AUTO-START detects the insertion of TERA SMARTCORE STICKS™ and automatically starts the preheating.

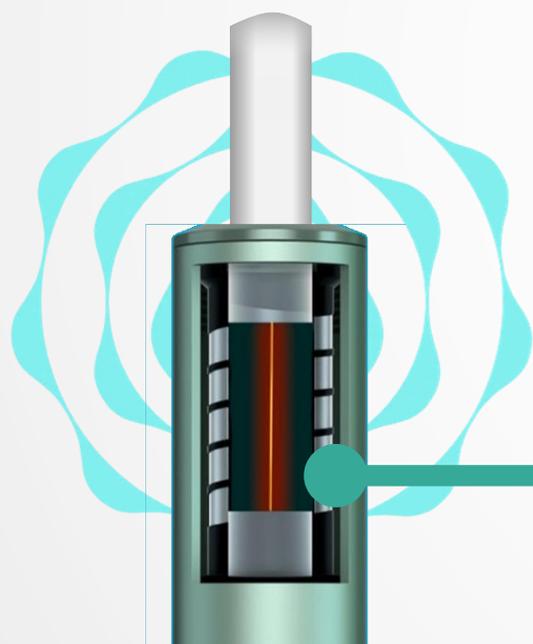
Improved draw and stick-by-stick taste consistency, no tobacco residue, and no cleaning needed.

It does not burn tobacco. No fire, no ash, no smoke.

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By heating the tobacco, *IQOS ILUMA* emits, on average,
up to 95% lower levels of harmful chemicals
compared with cigarettes.
This does not necessarily equal a 95% reduction in risk.



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TEREA

for IQOS ILUMA

IQOS ILUMA with *SMARTCORE INDUCTION SYSTEM™* technology is to be used exclusively with *TEREA SMARTCORE STICKS™*, which contain real tobacco.

TEREA SMARTCORE STICKS™ are sealed. So, there is no tobacco residue and no need to clean the device after use.

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NEW

IQOS ILUMA TYPES



IQOS ILUMA ONE



IQOS ILUMA



IQOS ILUMA PRIME

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IQOS ILUMA

IQOS CLUB



Continuation of *IQOS Club* with targeted launch of *IQOS ILUMA* in 10 major cities in Indonesia



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