



PHILIP MORRIS INTERNATIONAL

PMI AS THE GLOBAL SMOKE-FREE CHAMPION

DELIVERING A MULTI-CATEGORY
PORTFOLIO OF SCIENCE-BASED
BETTER ALTERNATIVES
THAN CIGARETTES

Table of Contents



INTRODUCTION



MULTICATEGORY PORTFOLIO



HEATED TOBACCO PRODUCTS

IQOS ILUMA i

Our latest and most advanced generation of *IQOS* devices

IQOS ILUMA

Pioneering *IQOS*' SMARTCORE INDUCTION SYSTEM™

IQOS ORIGINALS [DUO AND ONE]

The new name for PMI's bladed heated tobacco smoke-free devices

BONDS by IQOS

New Compact & Easy-To-Use Affordable, Bladeless-Heating Technology

lil SOLID Ez introduced by IQOS

Resistive heating with a stainless-steel pin

lil HYBRID introduced by IQOS

Heated tobacco and liquid flavors combined in a single device



E-VAPOR PRODUCTS

VEEV ONE

Our latest closed pod vape system with compact ceramic heating technology

VEEV NOW

Our all-in-one pocket-sized e-vapor device

VEEV NOW ULTRA

Our premium disposable e-vapor device with cotton mesh heating technology



ORAL SMOKELESS PRODUCTS

ZYN

The leading nicotine pouch brand globally

INTRODUCTION

Our vision is to replace every cigarette for all adults who would otherwise continue to smoke with science-based smoke-free products as soon as possible.



The best thing smokers can do is quit smoking and using any nicotine products altogether, but the reality is that many don't. The World Health Organization (WHO) estimates that there are 1.3 billion smokers worldwide. PMI is committed to switching adults who would otherwise continue to smoke to smoke-free alternatives.¹

Today, this alternative to smoking exists.

The high levels of harmful compounds found in cigarette smoke and associated with smoking-related diseases are generated by the combustion of tobacco. Products that eliminate combustion, such as e-vapor devices, heated tobacco products, and oral smokeless products are a much better alternative for adults to continued smoking. While they are not risk-free and provide nicotine, which is addictive, the absence of combustion can significantly reduce the average levels of harmful chemicals compared to cigarettes.

For more than a decade, PMI has leveraged technology and science to develop, assess, and commercialize less harmful alternatives to cigarettes. We are disrupting our business to achieve a bold vision—to replace cigarettes with science-based smoke-free products as soon as possible—and shifting our resources and fundamentally changing both our purpose and our operations. Since 2008, PMI has invested more than USD 14 billion in the development, scientific substantiation, manufacturing, commercialization, and continuous innovation of smoke-free products to help adults who would otherwise continue to smoke switch to smoke-free alternatives.

Our industry-leading portfolio of smoke-free products is designed to reduce the risk of developing smoking-related diseases compared with continued smoking. By 2030 our ambition is to be a substantially smoke-free company with over two-thirds of our net revenues coming from these innovative products. By that year, we also aim to make our smoke-free products available in 100 markets.

1. Source: World Health Organization – the WHO's tobacco fact sheet, July 2023: [Tobacco](#)

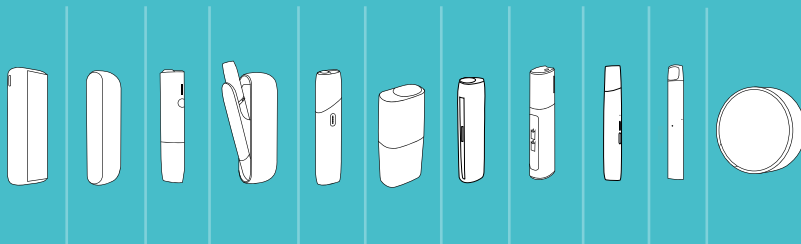
MULTICATEGORY PORTFOLIO

As the global smoke-free champion, PMI is delivering a multi-category portfolio of science-based better alternatives than cigarettes to meet adult smokers' needs and expectations.

From our leading heated-tobacco system *IQOS* to our vaping made right e-vapor products *VEEV* and recently acquired *ZYN* in our oral smokeless category, PMI is building its future on a multi-category portfolio of scientifically backed smoke-free products that—while not risk-free—are a better choice for adults than continued smoking. Our smoke-free products deliver nicotine without burning or smoke. By eliminating the burning, the levels of harmful chemicals generated can be significantly reduced compared to cigarettes. Of course, this needs to be scientifically substantiated on a product-by-product basis.

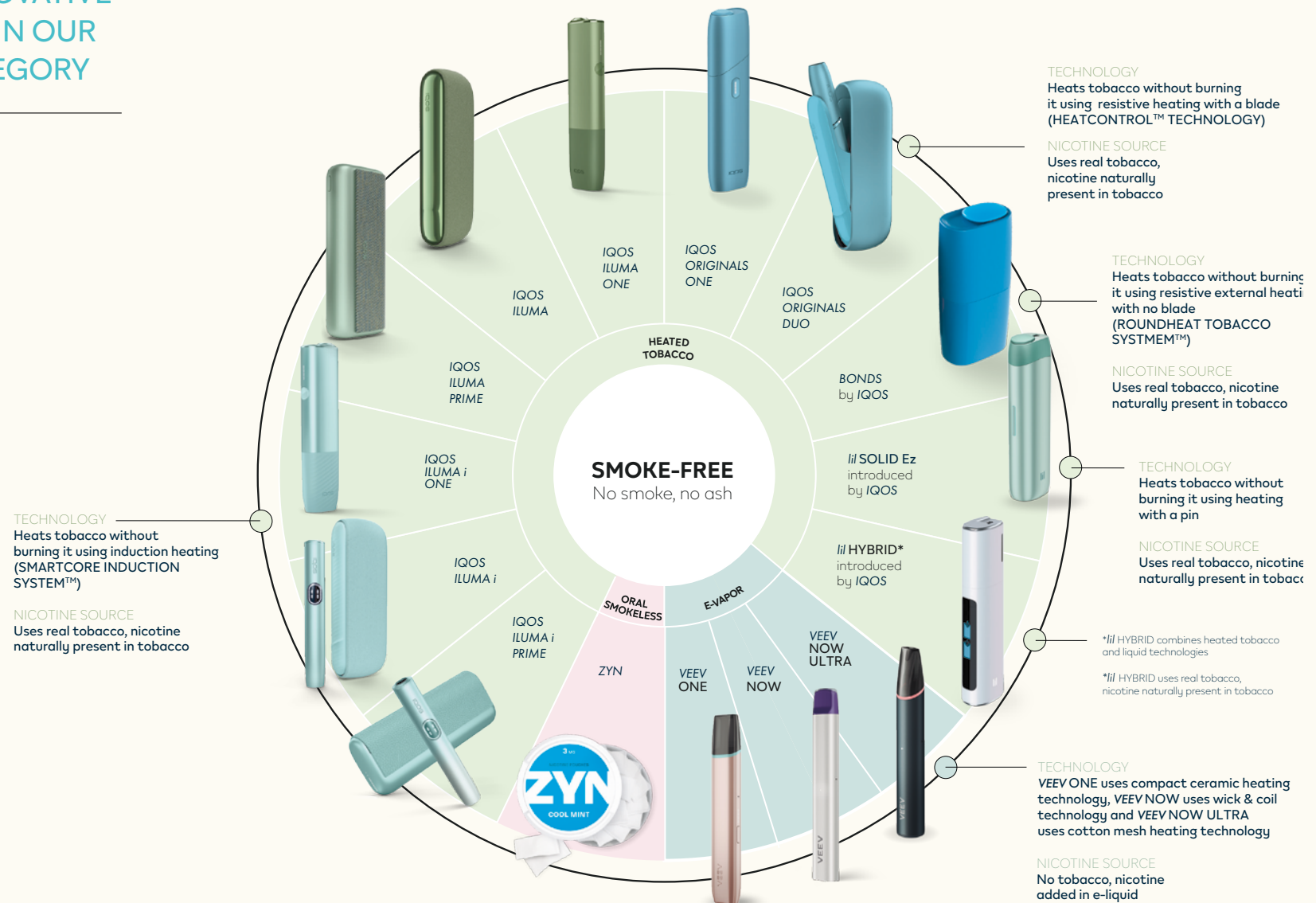
Our smoke-free products deliver nicotine, as this is one of the characteristics—along with taste and ritual—adult smokers look for in alternative products. It is important to note that while nicotine is addictive and not risk-free, it is not the primary cause of smoking-related diseases; instead, it is the high levels of harmful chemicals produced by burning tobacco.

Consumer acceptance of better alternatives to cigarettes is a critical component in our effort to move away from cigarettes entirely. Even the product with the lowest level of risk would not bring benefits to consumers and public health if adult smokers did not switch to it. Product development driven by consumers' needs and expectations and backed by scientific substantiation is paramount, as it is a key component in delivering on consumer acceptance.



No one product will address all adult smokers' individual preferences. That's why PMI, as the global smoke-free champion with leadership positions in the largest category of heat-not-burn and the fastest growing category of oral nicotine, is delivering a multi-category portfolio of science-based better alternatives than cigarettes with a variety of usage, technology, taste, and price options for adult smokers who would otherwise continue to smoke to accelerate the delivery of a smoke-free future.

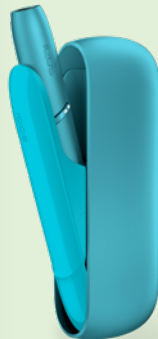
DISCOVER INNOVATIVE TECHNOLOGY IN OUR PRODUCT CATEGORY



HEATED TOBACCO PRODUCTS

HEATED TOBACCO
PRODUCTS ARE SMOKE-
FREE PRODUCTS THAT
HEAT REAL TOBACCO
INSTEAD OF BURNING IT.

This is an important difference between them and cigarettes. By eliminating burning, heated tobacco products produce a nicotine-containing aerosol that is fundamentally different from cigarette smoke. Importantly, these products are not risk-free and provide nicotine, which is addictive, but our science shows they are a better choice for adults than continuing to smoke.



IQOS ILUMA i

Our latest and most advanced generation of IQOS devices

- **A more flexible experience**
- **Touch screen on holder**
- **FlexBattery that help prolong the lifespan of the holder's battery²**
- **Pause mode – pause your experience by up to 8 minutes³**
- **Flexpuff – may provide 4 extra puffs depending on the usage pattern**
- **95% lower levels of harmful chemicals compared with cigarettes⁴**

The drive for continuous innovation has guided everything we've done for last 10 years, changing lives of millions of adult smokers from around the globe—and to celebrate the 10-year anniversary since the launch of IQOS in Nagoya, Japan in 2014—we're bringing everything we've learned so far in the shape of our most advanced device yet.

IQOS ILUMA i is PMI's latest development within the *IQOS* portfolio of smoke-free products that offer a range of advanced features for a clean, seamless and more flexible experience than before. It provides the most personalized experience compared to previous *IQOS* generations and is equipped with a new touch screen so that adult users can quickly see experience related information. Like *IQOS ILUMA*, *IQOS ILUMA i* also uses PMI's bladeless SMARTCORE INDUCTION SYSTEM™, like previous *IQOS* devices, *IQOS ILUMA i* emits, on average, 95% lower levels of harmful chemicals compared with cigarettes.⁵

The IQOS ILUMA series

IQOS ILUMA PRIME

Holder and pocket charger

Three consecutive uses without any holder recharging
Touchscreen display



IQOS ILUMA i

Holder and pocket charger

Three consecutive uses without any holder recharging
Touchscreen display



IQOS ILUMA i ONE

All-in-one device

Delivers 20 consecutive uses per charge



- ✓ 95% lower levels of harmful chemicals compared with cigarettes⁶
- ✓ A range of advanced features for a clean, seamless, and more flexible experience.
- ✓ Flexpuff functionality

² Only when fully used on Eco Mode throughout the lifespan of the holder and may vary depending on personal consumption. ³ Only available in Performance Mode, during the first 3 minutes or 8 puffs of the experience. When pause is activated, Performance Mode gives you up to two consecutive experiences and pause is available only for one of them. ⁴ Average reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette (3R4F). Importantly, this does not necessarily equal a 95% reduction in risk, and IQOS ILUMA i is not risk-free. ⁵ IQOS ILUMA i is designed for adults who would otherwise continue to smoke or use other nicotine-containing products, and who are looking for an innovative and better alternative to cigarettes. It is also for existing users of IQOS to encourage them to continue with the product and not go back to cigarette smoking. Through continuous innovation, we want to ensure that a growing number of smokers switch and abandon cigarettes, and that those who have switched do not revert. ⁶ Reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette (3R4F). 4. Importantly, this does not necessarily equal a 95% reduction in risk, and IQOS ILUMA i is not risk-free.

IQOS ILUMA

Pioneering IQOS' SMARTCORE INDUCTION SYSTEM™

- Heats tobacco without burning it
- 95% lower levels of harmful chemicals compared with cigarettes⁷
- New bladeless SMARTCORE INDUCTION SYSTEM™
- Improved draw and stick-by-stick taste consistency
- No tobacco residue and no need to clean

*IQOS ILUMA*⁸ uses induction heating to heat tobacco from the core without burning it. Like previous *IQOS* devices, *IQOS ILUMA* emits, on average, 95% lower levels of harmful chemicals compared with cigarettes.^{9/10}

IQOS ILUMA is a better alternative to continued smoking that offers a pleasurable, smoke-free tobacco experience. It is our most advanced heated tobacco device yet, and it provides an experience elevated to the next level thanks to the improved draw and stick-by-stick taste consistency and its intuitive design.



The IQOS ILUMA series

IQOS ILUMA PRIME

New, elegant design

Two consecutive uses without any holder recharging



IQOS ILUMA

Familiar design

Two consecutive uses without any holder recharging



IQOS ILUMA ONE

Practical, all-in-one design

Delivers 20 consecutive uses per charge¹¹



- ✓ Bladeless induction heating heats tobacco without burning it
- ✓ Improved draw and stick-by-stick taste consistency
- ✓ 95% lower levels of harmful chemicals compared with cigarettes¹²

These bladeless devices use an innovative and clean way to heat the tobacco from the core, without burning it, to provide a better and more consistent experience. Each device in the *IQOS ILUMA* series features the breakthrough SMARTCORE INDUCTION SYSTEM™ that heats the tobacco from within the TERE SMARTCORE STICKS™—designed to be used only with *IQOS ILUMA*.¹³

⁷ Average reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette (3R4F). Importantly, this does not necessarily equal a 95% reduction in risk, and *IQOS ILUMA* is not risk-free. ⁸ *IQOS ILUMA* is designed for adults who would otherwise continue to smoke or use other nicotine-containing products, and who are looking for an innovative and better alternative to cigarettes. It is also for existing users of *IQOS* to encourage them to continue with the product and not go back to cigarette smoking. Through continuous innovation, we want to ensure that a growing number of smokers switch and abandon cigarettes, and that those who have switched do not revert. ⁹ Reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette (3R4F). ¹⁰ Importantly, this does not necessarily equal a 95% reduction in risk, and *IQOS ILUMA* is not risk-free. ¹¹ Batteries in the *IQOS ILUMA ONE* device are subject to performance degradation and use over time. ¹² Average reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette (3R4F). Importantly, this does not necessarily equal a 95% reduction in risk, and *IQOS ILUMA* is not risk-free. ¹³ *IQOS ILUMA* is designed to be used only with TERE SMARTCORE STICKS™. Do not use *IQOS ILUMA* and TERE SMARTCORE STICKS™ with previous *IQOS* generations, as this may cause damage to your device. Do not ingest or disassemble TERE SMARTCORE STICKS™. This product contains a sharp metal part that can cause serious injury if swallowed. Keep out of reach of children.

IQOS ORIGINALS [DUO AND ONE]

The new name for PMI's bladed heated tobacco smoke-free devices

- **Time-tested HEATCONTROL™ TECHNOLOGY**
- **Heats tobacco without burning it**
- **No fire, ash, or smoke**
- **95% lower levels of harmful chemicals compared with cigarettes¹⁴**

IQOS ORIGINALS are PMI's bladed heated tobacco devices. Launched in 2019, *IQOS ORIGINALS* (previously called *IQOS 3 DUO* and *IQOS 3 MULTI*), is our heat-not-burn product with the most compact and lightweight holder within our blade technology devices.

The *IQOS ORIGINALS* range consists of 2 devices, the *IQOS ORIGINALS DUO* and *IQOS ORIGINALS ONE*. Both devices use our patented HEATCONTROL™ TECHNOLOGY with a blade to heat tobacco from within without burning it. The *IQOS HEATCONTROL™ TECHNOLOGY* heats tobacco with a blade from inside the tobacco stick to release a nicotine-containing vapor with on average 95% lower levels of harmful chemicals compared to cigarettes.¹⁵

IQOS ORIGINALS uses specially designed *HEETS* tobacco sticks made of high-quality tobacco blend for cigarette-like satisfaction.



The *IQOS ORIGINAL* series

IQOS ORIGINALS DUO

Device consists of charger and holder
2 consecutive uses



IQOS ORIGINALS ONE

Practical, all-in-one desing
3 consecutive uses



- ✓ The device's blade heats tobacco without burning it
- ✓ 95% lower levels of harmful chemicals compared with cigarettes¹⁶

¹⁴. Average reductions in levels of a broad range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette (3R4F). It does not necessarily equal a 95% reduction in risk. This product is not risk-free. ¹⁵. Average reductions in levels of a broad range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette (3R4F). It does not necessarily equal a 95% reduction in risk. This product is not risk-free. ¹⁶. Average reductions in levels of a broad range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette (3R4F). It does not necessarily equal a 95% reduction in risk. This product is not risk-free.

BONDS BY IQOS

New Compact & Easy-To-Use Affordable, Bladeless-Heating Technology. Real Tobacco Taste. Hassle-Free Use

- **ROUNDHEAT TOBACCO SYSTEM™, External heating (Resistive), no blade**
- **Heats tobacco without burning it**
- **No fire, ash, or smoke**
- **Emits 95%¹⁷ less harmful chemicals compared to cigarettes.¹⁸**

BONDS by IQOS is a heated tobacco smoke-free device. A compact and easy-to-use affordable device from IQOS. It heats tobacco instead of burning and delivers authentic tobacco taste satisfaction without ash and less smell than cigarettes¹⁹, thanks to resistive external heating, with no blade, via the ROUNDHEAT TOBACCO SYSTEM™. When *BONDS by IQOS* heats the tobacco, it emits 95% ²⁰ less harmful chemicals compared to cigarettes.²¹

BONDS by IQOS offers a practical, all-in-one design that when fully charged, delivers up to 20 uses, including 3 consecutive experiences. *BONDS by IQOS* is designed to be used only with *BLENDS* sticks to deliver a variety of tobacco tastes. With no ash or smoke, *BONDS by IQOS* offers adult smokers who would otherwise continue to smoke access to a compact, low maintenance and hassle-free to use smoke-free offer—validated by science—as a better alternative to cigarettes—to accelerate the achievement of a Smoke-Free future.



PMI is committed to switch all adults who would otherwise continue to smoke to better smoke-free alternatives. *BONDS by IQOS* is positioned to open accessibility of smoke-free products to adult smokers in LMIC markets. This latest heated tobacco device proves an opportunity to address consumer acquisition barriers for this segment, including affordability and taste satisfaction. It is also for existing users of *IQOS* to encourage them to continue with the product and not go back to cigarette smoking. PMI's continued expansion of its smoke-free portfolio into the LMIC segment, broadening accessibility of science-backed alternatives, is an integral part of acceleration towards a smoke-free future and the role *BONDS by IQOS* plays for Tobacco Harm Reduction.

¹⁷. Important information: It does not necessarily equal a 95% reduction in risk. *BONDS by IQOS* is not risk-free. ¹⁸. "95% less" represents the average reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette. See Important Information on IQOS.com ¹⁹. 97% agreement amongst 345 adult consumers in Philippines, 2022 ²⁰. Important information: It does not necessarily equal a 95% reduction in risk. *BONDS by IQOS* is not risk-free. ²¹. "95% less" represents the average reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette. See Important Information on IQOS.com

lil SOLID Ez introduced by IQOS:

Resistive heating with a stainless-steel pin

- Evenly heats tobacco with a stainless-steel pin
- Three consecutive uses
- Emits on average around 95% lower levels of harmful chemicals compared to cigarettes^{22 23}

lil SOLID Ez²⁴ is an all-in-one tobacco heating device introduced by IQOS that heats real tobacco from the inside with a stainless-steel pin to generate an aerosol without smoke, ash or fire. Heat is thus generated through an induced electromagnetic field. This method ensures even heating across the pin. lil SOLID Ez allows 3 consecutive uses.

lil SOLID emits on average around 95% lower levels of harmful chemicals compared to cigarettes.^{25 26} lil SOLID Ez allows three consecutive uses, and a full charge enables the use of approximately 25 Fiit tobacco sticks (number of sticks can vary according to the use environment and depends on performance battery degradation). Fiit are designed to be used only with lil SOLID.



lil HYBRID introduced by IQOS:

Heated tobacco and liquid flavors combined in a single device

- HYBRID technology, heated tobacco and liquid for a new experience
- Heats tobacco and liquid all at once
- Significantly lower levels of harmful chemicals compared to cigarettes^{27 28}

lil HYBRID is a novel smoke-free product with HYBRID technology that provides a new taste experience by combining heated tobacco and liquid. By using heated tobacco sticks MiiX and liquid cartridges, it gives a rich taste experience with enhanced aerosol.

lil HYBRID, which is not risk free, has evidence that it emits on average around 95% lower levels of harmful chemicals compared to cigarettes.^{29 30}

There's no need to clean the device.*

lil HYBRID is simple to use with the digital screen that features the information at a glance: puff count, battery and liquid levels.

* Regular cleaning is not required, only in case of troubleshooting.



As disclosed in January 2020, Philip Morris International Inc. (PMI) (NYSE:PM) entered into a global collaboration agreement with the leading tobacco and nicotine company in South Korea, KT&G, to commercialize KT&G's smokefree products (devices and consumables) outside of South Korea. PMI has exclusive rights to distribute KT&G's products across many international markets—while continuing to develop and commercialize our own innovative smoke-free products.

KT&G's smoke-free products include heated-tobacco products (such as lil Mini and lil Plus), HYBRID technology that combines heated tobacco and liquid (including lil Hybrid), and e-vapor devices (such as lil Vapor).

All products sold under our agreement undergo robust assessment to ensure they adhere to regulatory requirements and our own strict standards of quality and scientific substantiation to confirm the absence of combustion and significant reductions in emissions of harmful chemicals compared to cigarettes.

²² Important information: It does not necessarily equal a 95% reduction in risk. lil SOLID Ez is not risk-free. ²³ Source: Reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette. ²⁴ lil SOLID Ez is the next generation of lil SOLID, an all-in-one tobacco heating device introduced by IQOS. lil SOLID is not risk-free and provides nicotine, which is addictive. ²⁵ Important information: It does not necessarily equal a 95% reduction in risk. lil SOLID Ez is not risk-free. ²⁶ Source: Reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette. ²⁷ Important information: lil HYBRID is not risk-free. ²⁸ Source: Reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette. See Important information on IQOS.com. ²⁹ Important information: lil HYBRID is not risk-free. ³⁰ Source: Average reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette.

E-VAPOR PRODUCTS

E-VAPOR PRODUCTS ARE HANDHELD BATTERY-POWERED DEVICES THAT HEAT AN E-LIQUID TO PRODUCE AN AEROSOL, OR WHAT PEOPLE USUALLY CALL A VAPOR—HENCE THE TERM “VAPING.”

E-vapor products don't create smoke—because they don't burn tobacco. Not all e-cigarette liquids contain nicotine, but the vast majority do. If the e-liquid contains nicotine, so will the vapor. These products are not risk-free and those providing nicotine are addictive.



VEEV ONE

Our latest e-vapor product with compact ceramic heating technology

- **Pocket-sized and intuitive vape-pod system that delivers a high-quality, multisensorial flavor enjoyment**
- **Ceramic technology is a heating technology that contains a compact ceramic piece as the replacement of wick**
- **VEEV ONE is our intuitive vape-pod system that was designed to provide generous vapor delivery and as well prevent pod leakage**

VEEV ONE is a closed pod vape system that vaporizes a nicotine-containing e-liquid using compact ceramic heating technology—a technology scientifically backed that delivers consistency every time.

Unlike heated tobacco products which heat real tobacco, our VEEV ONE vaping device uses e-liquid to deliver a seamless and pleasurable experience. VEEV ONE emits on average 99% lower levels of harmful chemicals compared to cigarettes.^{31 32} This makes VEEV ONE a truly consistent and better alternative to continued smoking or other nicotine delivery products.



VEEV ONE has a compact ceramic heating technology that delivers consistent taste and a low liquid detection system designed to prevent burnt taste. The ceramic technology is a heating technology that contains a compact ceramic piece as the replacement of wick. VEEV ONE is our intuitive vape-pod system that was designed to provide generous vapor delivery and as well prevent pod leakage.



We're accelerating the pace of our research and development so as to address a range of consumer preferences and rapidly encourage all those who would otherwise continue to smoke to switch to smoke-free products.



Offering heating technology which delivers taste consistency every time in a pocket-sized design, VEEV ONE brings quality and reliability to the category as our intuitive vape-pod system that delivers a high-quality, multisensorial flavor enjoyment.

VEEV NOW ULTRA

Our latest premium disposable e-vapor device with Cotton Mesh heating technology

- **Premium all-in-one and on-the-go disposable device**
- **Cotton Mesh heating technology — delivering consistent taste, a puff activation feature, as well as a low e-liquid detection system designed to prevent burnt taste, maximizing the usage of the liquid.**
- **A translucent mouthpiece that help consumers to be aware of the e- liquid level.**
- **No maintenance : no cleaning, no charging, and no refilling.**
- **An increased battery capacity comparing with VEEV NOW.**

VEEV NOW ULTRA is a premium disposable e-vapor device that heats a nicotine-containing e-liquid to generate an aerosol. For the most part, disposable e-vapor devices use a wick-and-coil technology and an e-liquid storage unit, which are integrated into the device. VEEV NOW ULTRA instead, features a Cotton Mesh heating technology that delivers consistent taste, as well as a low e-liquid detection system designed to prevent burnt taste. Coming with a translucent mouthpiece to help consumers to be aware of the e- liquid level.

Unlike other types of e-vapor devices, VEEV NOW ULTRA is designed to be a single-use device and cannot be refilled. VEEV NOW ULTRA emits on average 99% lower levels of harmful chemicals compared to cigarettes* ³³.

This makes VEEV NOW ULTRA a truly consistent and long-lasting on-the-go convenient alternative to continued smoking or other nicotine delivery products.



VEEV NOW Ultra is PMI's latest premium disposable e-vapor device— designed for adult users of tobacco and nicotine products. It is an all-in-one and on-the-go vaping device that comes with a pre-charged certified battery, which requires no charging, no cleaning, and no refilling.



VEEV NOW ULTRA, like other e-vapor devices, heat a nicotine-containing e-liquid to generate an aerosol. For the most part, disposable e-vapor devices use a wick-and-coil technology and an e-liquid storage unit, which are integrated into the device. VEEV NOW ULTRA instead, features a Cotton Mesh heating technology that delivers consistent taste, as well as a low e-liquid detection system designed to prevent burnt taste. Unlike other types of e-vapor devices, VEEV NOW ULTRA is designed to be a single-use device and cannot be refilled.



Seeking to minimize environmental impact is key in the commercialization of VEEV NOW ULTRA. Through our eco design approach, 80% of its materials are recyclable, and we work hard to implement our take back program and deploy consumer programs and experiences, for us to be able to recycle them under our Circular Program. Therefore, adult users are urged to return their used VEEV NOW ULTRA devices collected via the Circular Program. [Device body is also made of 75% recycled aluminum].



VEEV NOW

Our all-in-one pocket-sized e-vapor device

- **Emits on average 99% lower levels of harmful chemicals compared to cigarettes³⁴**
- **Disposable device**
- **Ergonomic, all-in-one design**
- **No charging, no cleaning, no refilling**
- **Wick & coil technology**

PMI has entered into an international licensing agreement with Kaival Brands International (KBI) for the development and distribution of ENDS products in certain markets outside of the U.S.

The agreement grants PMI certain intellectual-property rights relating to Bidi Vapor's premium ENDS device, known as the BIDI Stick in the U.S., as well as potential newly developed e-vapor devices. This permits PMI to manufacture, promote, sell, and distribute such ENDS device—and newly developed devices—in certain markets outside of the U.S.

The agreement highlights our shared vision of putting an end to cigarette smoking by responsibly manufacturing and commercializing better alternatives for adults who would otherwise continue to smoke, to the benefit of public health.



VEEV NOW is PMI's ergonomically designed disposable e-vapor device—designed for adult users of tobacco and nicotine products. It is an all-in-one pocket-sized vaping device, which requires no charging, no cleaning, and no refilling.



VEEV NOW, as well as other e-vapor devices, heat a nicotine-containing e-liquid to generate an aerosol. For the most part, e-vapor devices including VEEV NOW use a wick-and-coil technology and an e-liquid storage unit, which are integrated into the device in the case of VEEV NOW. Unlike many e-vapor devices, VEEV NOW is designed to be a single-use device and cannot be refilled.



Sustainability is key in the commercialization of VEEV NOW. Over and above our responsible waste disposal guidelines, adult users will be urged to return their used VEEV NOW devices to help reduce waste, via the recycling program implemented in the relevant market by PMI. Over 80% of the product's components are recyclable through our circular program. Following use, the product is cleaned and separated by material type, and then recycled into raw formats that manufacturers use to make new products.

³⁴. Source: Reductions in levels of the 9 harmful chemicals the World Health Organization recommends to reduce in cigarette smoke, which do not include nicotine. See Important Information on [veev-vape.com](https://www.veev-vape.com)

ORAL SMOKELESS PRODUCTS

IN ADDITION TO HEATED TOBACCO AND E-VAPOR, NICOTINE POUCHES PROVIDE YET ANOTHER CHOICE FOR ADULTS WHO WOULD OTHERWISE CONTINUE TO SMOKE, HELPING THEM TO SWITCH COMPLETELY FROM CIGARETTES BY FINDING AN ALTERNATIVE THAT MEETS THEIR PREFERENCES.

Nicotine pouches, unlike snus, do not contain tobacco. They are made primarily of nicotine and flavors wrapped in a cellulose pouch and are placed between the gum and the cheek or upper lip—the nicotine is then primarily absorbed through the oral mucosa. These products are not risk-free and provide nicotine, which is addictive.



ZYN

The leading nicotine pouch brand globally

PMI is preparing for the international launch expansion of nicotine pouches, notable with ZYN.

- Nicotine pouches made of high-quality ingredients and nicotine
- Does not contain tobacco
- Inherently smoke-free



Nicotine pouches are a natural and important addition to our portfolio of smoke-free products in our effort to accelerate an end to smoking. Nicotine pouches are inherently smoke-free—as they are consumed by placing the pouch between the gum and the cheek or upper lip, and nicotine is primarily absorbed through the oral mucosa.

We have launched or relaunched in 37 markets so far, with more planned later this year, as we look to develop the category for adult smokers who otherwise continued to smoke or use other nicotine containing products.



EXISTING EFFORTS TO DISCOURAGE PEOPLE FROM SMOKING AND ENCOURAGING THOSE WHO DO TO QUIT SHOULD CONTINUE. SUPPLEMENTING THESE EFFORTS WITH A TOBACCO HARM REDUCTION APPROACH CAN ACCELERATE A DECLINE IN SMOKING. IF BETTER ALTERNATIVES TO SMOKING ARE MADE AVAILABLE, AND ENOUGH SMOKERS SWITCH TO THEM, WE CAN MORE RAPIDLY ACHIEVE A SIGNIFICANT MILESTONE IN GLOBAL HEALTH—A WORLD WITHOUT CIGARETTES.

FROM THE MOMENT PMI ANNOUNCED ITS VISION OF A SMOKE-FREE FUTURE AND THE TRANSFORMATION OF OUR BUSINESS, WE'VE BEEN CLEAR THAT NO ONE PRODUCT WILL ADDRESS ALL SMOKERS' INDIVIDUAL PREFERENCES AND THAT A RANGE OF ALTERNATIVES IS KEY; AND THAT WE ARE COMMITTED TO OFFERING A RANGE OF BETTER ALTERNATIVES, WITH A VARIETY OF USAGE, TECHNOLOGY, TASTE, AND PRICE OPTIONS TO CIGARETTES FOR ADULT SMOKERS WHO WOULD OTHERWISE CONTINUE SMOKING—TO ACCELERATE THE DELIVERY OF A SMOKE-FREE FUTURE.





PHILIP MORRIS INTERNATIONAL