

JTI expands the range of Reduced Risk Products¹ in Russia

Logic Compact e-cigarette enters the market

Moscow, February 28, 2019 – JTI, a leading global company in the e-vaping market, launches in Russia Logic Compact - an innovative e-vapor with interchangeable capsules. Today, the company is starting sales of the new product in stores of Moscow and Nizhny Novgorod as well as in the company's official online store.

JTI developed the new generation closed tank e-vapor in 2018, and already launched it in Canada, the UK and other EU markets. The product is addressed to adult consumers - first and foremost, smokers who want to switch to an alternative with potentially lower health risks.

Recent reports of the government health organizations in the UK and Canada have confirmed that vape products provide a safer alternative to adult than cigarettes² - vaping is at least 95% less harmful than smoking³.

“We see great potential for Logic Compact in Russia. The consumers interest for closed tank e-vapors systems in Russia is growing rapidly in line with international RRP market dynamic. In 2018 sales of e-vapors with capsules in Russia doubled and this is just the beginning. According to experts estimates, in the next three years sales of this segment in Russia can grow 3-5 times, showing comparable levels with the UK, where it takes 20% share of total RRP market” said **Dean Gilfillan, General Manager for JTI Russia**. - Consumers like e-vapors with capsules for their convenience, ease of use and stability of taste. As one of the leading global players in the vaping market, we put quality in the first place, observing the highest international standards in production of devices and e-liquids, ”he added.

The new pocket-size compact device has a unique simplicity and ease of use: the magnetically attaching capsule can be changed by one motion and the e-vapor is instantly ready for use. The capsules for Logic Compact contain e-liquid with nicotine with a strength of 2.9% and 5%.

¹ Reduced-Risk Products (RRPs) are those, we believe, have the potential to reduce the risks associated with smoking.

² <https://www.e-cigarette-summit.com/files/2018/11/10.00-James-Van-Loon.pdf>

³ <https://www.gov.uk/government/publications/e-cigarettes-and-heated-tobacco-products-evidence-review/evidence-review-of-e-cigarettes-and-heated-tobacco-products-2018-executive-summary>

At launch, the Logic Compact capsules are offered in 4 flavours: classic tobacco, mint breeze, berry fresh and tropical mousse. All e-liquids for Logic Compact capsules are manufactured in EU.

The retail price of the device will be 1300 rubles, a set of two capsules 1.6 ml each⁴ - 299 rubles.

About JTI

JTI (Japan Tobacco International), part of the Japan Tobacco group of companies, is a leading international tobacco company and a global leader in e-vaping market, headquartered in Geneva, Switzerland. The company operates in 130 countries around the world, with approximately 45,000 employees in its offices.

In Russia, JTI is #1 FMCG company and the leader in the tobacco market⁵. More than 5,200 employees work at enterprises and at JTI sales offices in Russia. In 2019, the reputable international institute Top Employer Institute for the fifth time in a row recognized JTI as the best employer in Russia in terms of career development and compensation package. You can learn more at www.jti.com.

⁴ One capsule contains approximately 400 puffs.

⁵ Nielsen retail audit data, 2017 and December, 2018.