

MEDIA INFORMATION

For immediate release

JTI and St. Petersburg agrees on 7 billion roubles investment to upgrade Petro Factory with innovative products manufacturing

St. Petersburg, June 3, 2021 - JTI, the leading FMCG company in Russia, announces it has signed an investment agreement with the city of St. Petersburg. JTI will invest at least 7 billion rubles to upgrade its manufacturing operations to include innovative products.

JTI has consistently contributed to the business development in Russia, having invested more than \$4.6 billion in its projects since entering the Russian market in 1999. Being the industry leader, our company considers the development of reduced risk products* portfolio as a strategic goal and an essential element of its sustainability framework.

The investment project to modernize production facilities at the Petro factory will complement our existing operations and meet the growing consumer demand for reduced risk products in Russia. It will offer consumers a wider choice product while ensuring the highest quality of products.

JTI plans to modernize production significantly at the factory by launching innovative lines and ensuring the localization of innovative products manufacturing in Russia. With this, JTI will create 70 new highly qualified jobs and ensure a stable and timely tax revenues to the budget of the Russian Federation.

"We see continued growth in demand for reduced risk products globally and, of course, in Russia. JTI's strategy is tailored for consumer satisfaction, and we are confident that the launch of innovative products manufacturing in St. Petersburg is the right step in further providing consumers with a choice. We are grateful to the Government of St. Petersburg for supporting investment climate and fostering investments into innovations. Petro modernization project not only encourages competition and business development in the region, creates dozens of new jobs, but also ensures stable additional taxes to the budget", says Tom Osborne, JTI Russia General Manager.

(*) Products with the potential to reduce the risks associated with smoking.

For further information, please contact:

Anna Maleina, external communications manager JTI Russia
+7 905 719 27 43
anna.maleina@jti.com

JTI is a leading international tobacco and vaping company with operations in more than 130 countries. Headquartered in Geneva, Switzerland, JTI employs over 44,000 people. JTI is a member of the Japan Tobacco Group of Companies, with its headquarters in Tokyo, Japan.

JTI Russia is a leading FMCG company in terms of sales¹ and the largest tobacco producer in Russia with market share of 39,6%². In Russia, JTI portfolio includes the international brands such as Winston, LD, Mevius, Camel, Sobranie, as well as Russian brands Donskoy Tabak, Kiss, Play, Petr I, Troyka, and others. JTI is also a major player in the international vaping market with its brand, Logic and tobacco vapor brand, Ploom. The company employs over 4,500 people in Russia. In 2021, JTI was awarded Global Top Employer for the seventh consecutive year and the best employer in Russia by the Top Employers Institute for the outstanding working conditions and people development. For more information, visit www.jti.com.

1 – JTI Russia statement is based on the information from Retail Audit Reports NielsenIQ for 2020 (2021, AC Nielsen LLC)

2 – According to Nielsen RMS data for cigarettes category in December 2020 (2021, AC Nielsen LLC)