THS2.2 – A Heat-not-Burn Product
Scientific Results to Date

Presentation at JMSAAS2016, Luncheon Seminar
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October 8th, 2016

* Note: for the purposes of publishing on our science website we have altered the presentation to remove all commercial terminology which has been replaced with generic terms
Agenda

• What is THS2.2?
• Results from pharmacokinetic studies in Japan
• Results from the exposure reduction studies in Japan
• The LYFE study – a post-market behavioral cohort study in Japan
• Conclusion
THS2.2 – A Heat-not-Burn Product
Heat-not-Burn products such as THS2.2 are designed to:
- Heat tobacco without combustion
- Significantly reduce or eliminate the formation of harmful and potentially harmful compounds
- Preserve elements of the taste, sensory experience, nicotine delivery profile and ritual characteristics of cigarettes
# PMI’s Assessment Strategy

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<td>I. Absence of Combustion</td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
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THS2.2: Reduced Formation Leads to Reduced Toxicity In Vitro

### Reduced Formation
Average reductions in formation of HPHCs for THS2.2 compared to levels measured in smoke from the 3R4F reference cigarette:

- FDA 18 (18 chemicals): > 90% reduction
- PMI 58 (58 chemicals): > 90% reduction
- Carcinogens (28 chemicals): > 95% reduction

### Reduced Toxicity
Average reductions in toxicity compared to levels measured for the 3R4F reference cigarette:

- Cytotoxicity (NRU): > 90% reduction
- Bacterial Mutagenicity (Ames): > 98% reduction
- Mammalian Mutagenicity (MLA): ≈ 95% reduction

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(a) Aerosol collection with Intense Health Canada's Smoking Regime: 55 mL puff volume, 2-second puff duration, 30-second interval puff. Comparison on a per-stick basis. Reduction calculations exclude Nicotine, Glycerin and Total Particulate Matter.

(b) The PMI 58 list includes the FDA 18 and (c) the 28 carcinogens of the IARC Groups 1, 2A and 2B.

Note: Reduced-Risk Products ("RRPs") is the term the company uses to refer to products with the potential to reduce individual risk and population harm in comparison to smoking cigarettes. These data alone do not represent a claim of reduced exposure or risk.

Source: PMI Research & Development
THS2.2: Reduced Formation Leads to Improved Indoor Air Quality

**Reduced Formation**

Average reductions in formation of HPHCs for THS2.2 compared to levels measured in smoke from the 3R4F reference cigarette (a)

<table>
<thead>
<tr>
<th>% Reduction</th>
<th>FDA 18 (18 chemicals)</th>
<th>PMI 58 (b) (58 chemicals)</th>
<th>Carcinogens (c) (28 chemicals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>3R4F</td>
<td></td>
<td></td>
</tr>
<tr>
<td>75%</td>
<td>&gt; 90% reduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50%</td>
<td>&gt; 90% reduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25%</td>
<td>&gt; 95% reduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Improved Indoor Air Quality**

Use of THS2.2 does not negatively impact indoor air quality as compared to Marlboro Gold in four reference Model Environmental conditions tested (EN 15251:2007)

- **Marlboro Smooth Taste**
- **Nicotine** > 95% reduction
- **Acetaldehyde** > 90% reduction
- **16 Markers of Indoor Air Quality** At Background Level

Note:
- Aerosol collection with Intense Health Canada's Smoking Regime: 55 mL puff volume, 2-second puff duration, 30-second interval puff. Comparison on a per-stick basis. Reduction calculations exclude Nicotine, Glycerin and Total Particulate Matter.
- The PMI 58 list includes the FDA 18 and (c) the 28 carcinogens of the IARC Groups 1, 2A and 2B.
- Note: Reduced-Risk Products ("RRPs") is the term the company uses to refer to products with the potential to reduce individual risk and population harm in comparison to smoking cigarettes. These data alone do not represent a claim of reduced exposure or risk.

Source: PMI Research & Development
PMI’s Approach to Clinical Assessment

1. Pharmacokinetics / Pharmacodynamics
   - Measures
     - Nicotine uptake
     - Subjective effects
   - 1 week at clinic
     - CC and NRT comparators
     - Multiple countries, races & ethnicities

2. Reduced exposure
   - Measures
     - Exposure to harmful and potentially harmful constituents
     - Clinical Risk Endpoints
     - Subjective effects
     - Safety monitoring
   - 1 week at Clinic (3 months at home)
     - Including assessment of dual use
     - Smoking abstinence arm
     - Multiple countries, races & ethnicities

3. Exposure response
   - Measures
     - Changes in clinical risk endpoints
     - Safety monitoring
   - 6 + 6 months at home
     - Assessment of smoking behaviors, e.g. dual use of
     - US, multiple races & ethnicities

CC = combustible cigarette
NRT = Nicotine Replacement Therapy
A Pharmacokinetic/Pharmacodynamic Study:
- 62 healthy adult smokers
- Confined setting
- Open-label, cross-over
- Single Product use

ClinTrial.gov ID: NCT01959607
ClinTrial.gov ID: NCT01967706
PK Studies – Japan

Analysis of QSU-brief questionnaire

PK 02 Study JP
Regular
Analysis of QSU-brief Questionnaire - Total Score

PK 05 Study JP
Menthol
Analysis of QSU-brief Questionnaire - Total Score
PK Studies – Japan

Conclusions

- The maximum concentration of nicotine was similar for PK studies in Japan, both for the menthol and regular version of THS2.2.

- Results from the smoking urges questionnaires (QSU-brief) were consistent within studies and in line with the PK profiles.
The Role of Nicotine in Harm Reduction

The Tobacco Advisory Group of the Royal College of Physicians opined in 2007:

“that nicotine itself is not especially hazardous, and that if nicotine could be provided in a form that is acceptable and effective as a cigarette substitute, millions of lives could be saved.”

The U.S. Food and Drug Administration (FDA) noted “the existence of a continuum of nicotine-delivering products that pose differing levels of risk to the individual.”

In addressing the regulation of other newer forms of tobacco and nicotine products, the FDA stated, “to the extent that certain products are shown to be less harmful, they could help reduce the overall death and disease toll from tobacco product use…”


FDA Proposed Deeming Regulations at 23147.Id.
Reduced Exposure Study in healthy, adult smokers:

- 160 healthy adult smokers
- Confined and ambulatory setting
- Open-label study
- Ad-libitum product use

ClinTrial.gov IDs:
- REXC-04 Regular: NCT01970982
- REXA-07 Menthol: NCT01970995
Primary Objective:

To demonstrate the reduction of biomarkers of exposure (BoExp) in smokers switching from conventional cigarettes (CC) to THS2.2 as compared to smokers continuing to smoke CC.

Primary Endpoints:

Monohydroxybutenyl-mercapturic acid (MHBMA), 3-Hydroxypropyl-mercapturic acid (3-HPMA), S-Phenyl-mercapturic acid (S-PMA), Carboxyhemoglobin (COHb) after 5 days of exposure in confinement and Total 4-(methylnitrosamino)-1-(3-pyridyl)-1-butanol (Total NNAL) after 90 days of exposure in an ambulatory setting (REXA-07 study only).
<table>
<thead>
<tr>
<th>PMI Biomarker</th>
<th>Smoke Constituents</th>
<th>FDA 2012 (FDA-18)</th>
<th>Toxicity (FDA, IARC)</th>
<th>Formation Temperature °C</th>
<th>Estimated Biomarker Elimination Half-life</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-HPMA</td>
<td>Acrolein</td>
<td>x</td>
<td>Respiratory, cardiovascular</td>
<td>200-400</td>
<td>10h</td>
</tr>
<tr>
<td>S-PMA</td>
<td>Benzene</td>
<td>x</td>
<td>Carcinogenic (1), cardiovascular, reproductive and developmental</td>
<td>290-350 (max @ 450-600)</td>
<td>9 to 15h</td>
</tr>
<tr>
<td>MHBMA</td>
<td>1,3-Butadiene</td>
<td>x</td>
<td>Carcinogenic (1), respiratory, reproductive and developmental</td>
<td>Not reported</td>
<td>4 to 16h</td>
</tr>
<tr>
<td>COHb</td>
<td>Carbon monoxide</td>
<td>x</td>
<td>Cardiovascular, reproductive and developmental</td>
<td>200-400 (550-900)</td>
<td>1 to 6h</td>
</tr>
<tr>
<td>CEMA</td>
<td>Acrylonitrile</td>
<td>x</td>
<td>Possibly carcinogenic (2B), respiratory</td>
<td>400-550</td>
<td>1-2 days</td>
</tr>
<tr>
<td>4-ABP</td>
<td>4-Aminobiphenyl</td>
<td>x</td>
<td>Carcinogenic (1)</td>
<td>500-950</td>
<td>26h</td>
</tr>
<tr>
<td>1-NA</td>
<td>1-Naphtylamine</td>
<td>x</td>
<td>Not classifiable as carcinogenic to humans</td>
<td>500-950</td>
<td></td>
</tr>
<tr>
<td>2-NA</td>
<td>2-Naphtylamine</td>
<td>x</td>
<td>Carcinogenic (1)</td>
<td>500-950</td>
<td>9h</td>
</tr>
<tr>
<td>Total NNAL</td>
<td>NNK</td>
<td>x</td>
<td>Carcinogenic (1)</td>
<td>direct transfer</td>
<td>10-18 days</td>
</tr>
<tr>
<td>Total NNN</td>
<td>NNN</td>
<td>x</td>
<td>Carcinogenic (1)</td>
<td>direct transfer</td>
<td>15h</td>
</tr>
<tr>
<td>o-Toluidine</td>
<td>ortho-Toluidine</td>
<td>-</td>
<td>Carcinogenic (1)</td>
<td>pyrolysis</td>
<td>10 to 16h</td>
</tr>
<tr>
<td>1-OHP</td>
<td>Pyrene</td>
<td>-</td>
<td>Surrogate for Polycyclic Aromatic Hydrocarbons</td>
<td>400-600</td>
<td>20h</td>
</tr>
<tr>
<td>B[a]P</td>
<td>Benzo[a]pyrene</td>
<td>x</td>
<td>Carcinogenic (1)</td>
<td>450-600</td>
<td>3 to 4h</td>
</tr>
<tr>
<td>S-BMA</td>
<td>Toluene</td>
<td>x</td>
<td>Respiratory, reproductive and developmental</td>
<td>200-350 (400-550)</td>
<td>9h</td>
</tr>
<tr>
<td>HEMA</td>
<td>Ethylene Oxide</td>
<td>-</td>
<td>Carcinogenic (1), respiratory, reproductive and developmental</td>
<td>Not reported</td>
<td>5h</td>
</tr>
<tr>
<td>3-HMPMA</td>
<td>Crotonaldehyde</td>
<td>x</td>
<td>Not classifiable as carcinogenic to humans</td>
<td>&lt;400</td>
<td>2 days</td>
</tr>
</tbody>
</table>
1 Week Reduced Exposure Study in Confinement in Japan

Study Design and Disposition

**ClinicalTrials.gov ID:** NCT01970982

**First subject screened:**
23 July 2013

**Last subject last visit:**
09 December 2013

**THS 2.2:** Tobacco Heating System 2.2; **SA:** smoking abstinence; **CC:** conventional cigarettes.

<table>
<thead>
<tr>
<th>Day</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2</td>
<td>Screening</td>
</tr>
<tr>
<td>0</td>
<td>Admission</td>
</tr>
<tr>
<td>-1, 0</td>
<td>Baseline</td>
</tr>
<tr>
<td>1 to 5</td>
<td>Day 1 to Day 5</td>
</tr>
<tr>
<td>6 to 13</td>
<td>Day 6 to Day 13</td>
</tr>
<tr>
<td>6</td>
<td>THS 2.2 n=80</td>
</tr>
<tr>
<td>6</td>
<td>SA n=40</td>
</tr>
<tr>
<td>6</td>
<td>CC n=40</td>
</tr>
</tbody>
</table>

**n=267** wurde gewählt.

**n=166** wurde gewählt.

**n=160** wurde gewählt.

**n=158** wurde gewählt.

*Screening within 1-4 weeks prior to admission*
<table>
<thead>
<tr>
<th>Characteristics</th>
<th>iQOS 2.2 (N=80)</th>
<th>CC (N=40)</th>
<th>SA (N=40)</th>
<th>Overall (N=160)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Females – n (%)</td>
<td>40 (50)</td>
<td>20 (50)</td>
<td>20 (50.0)</td>
<td>80 (50)</td>
</tr>
<tr>
<td>Age (years) - Mean±SD</td>
<td>37.6 ± 11.7</td>
<td>37.2 ± 11.7</td>
<td>35.9 ± 10.6</td>
<td>37.1 ± 11.4</td>
</tr>
<tr>
<td>BMI (kg/m²) - Mean±SD</td>
<td>22.8 ± 2.7</td>
<td>22.9 ± 2.7</td>
<td>22.8 ± 2.8</td>
<td>22.8 ± 2.7</td>
</tr>
<tr>
<td>Daily mCC Consumption – n (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-19 cig/day</td>
<td>44 (55.0)</td>
<td>22 (55.0)</td>
<td>21 (52.5)</td>
<td>87 (54.4)</td>
</tr>
<tr>
<td>&gt; 19 cig/day</td>
<td>36 (45.0)</td>
<td>18 (45.0)</td>
<td>19 (47.5)</td>
<td>73 (45.6)</td>
</tr>
<tr>
<td>ISO Tar yields – n (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5 mg</td>
<td>30 (37.5)</td>
<td>16 (40.0)</td>
<td>18 (45.0)</td>
<td>64 (40.0)</td>
</tr>
<tr>
<td>6-8 mg</td>
<td>22 (27.5)</td>
<td>10 (25.0)</td>
<td>10 (25.0)</td>
<td>42 (26.3)</td>
</tr>
<tr>
<td>9-10 mg</td>
<td>13 (16.3)</td>
<td>8 (20.0)</td>
<td>7 (17.5)</td>
<td>28 (17.5)</td>
</tr>
<tr>
<td>&gt; 10 mg</td>
<td>15 (18.8)</td>
<td>6 (15.0)</td>
<td>5 (12.5)</td>
<td>26 (16.3)</td>
</tr>
<tr>
<td>ISO_Nicotine ≤0.6 mg – n (%)</td>
<td>41 (51.3)</td>
<td>22 (55)</td>
<td>25 (62.5)</td>
<td>88 (55.0)</td>
</tr>
<tr>
<td>ISO_Nicotine &gt; 0.6 mg – n (%)</td>
<td>39 (48.8)</td>
<td>18 (45)</td>
<td>15 (37.5)</td>
<td>72 (45.0)</td>
</tr>
</tbody>
</table>
1 Week Reduced Exposure in Japan

Product Use, Puffing Topography and Nicotine Exposure

- Product use increased slightly from Baseline to Day 5.
- Overall Nicotine Exposure showed no significant difference between CC and THS 2.2.
- Topography indicates smooth transition to THS 2.2.
The reduction in levels of Biomarker of Exposure approaches levels observed on smoking cessation in Japan.
1 Week Reduced Exposure in Japan
Exposure Reduction to Selected HPHCs

% Reduction in Biomarkers of Exposure After Switching for 5 Days

- **THS2.2 vs. Cigarette**
- **Cessation vs. Cigarette**

<table>
<thead>
<tr>
<th>Biomarker</th>
<th>THS2.2 vs. Cigarette</th>
<th>Cessation vs. Cigarette</th>
</tr>
</thead>
<tbody>
<tr>
<td>o-tol</td>
<td>-49%-50%</td>
<td>-10%</td>
</tr>
<tr>
<td>1-OHP</td>
<td>-54%-56%</td>
<td>-40%</td>
</tr>
<tr>
<td>3-HPMA</td>
<td>-51%</td>
<td>-47%</td>
</tr>
<tr>
<td>Total NNAL</td>
<td>-65%</td>
<td>-62%</td>
</tr>
<tr>
<td>HEMA</td>
<td>-63%</td>
<td>-62%</td>
</tr>
<tr>
<td>HMPMA</td>
<td>-62%</td>
<td>-62%</td>
</tr>
<tr>
<td>COHb</td>
<td>-69%</td>
<td>-66%</td>
</tr>
<tr>
<td>B[a]P</td>
<td>-70%</td>
<td>-70%</td>
</tr>
<tr>
<td>4-ABP</td>
<td>-75%</td>
<td>-70%</td>
</tr>
<tr>
<td>CEMA</td>
<td>-79%</td>
<td>-75%</td>
</tr>
<tr>
<td>Total NNN</td>
<td>-82%</td>
<td>-82%</td>
</tr>
<tr>
<td>2-NA</td>
<td>-84%</td>
<td>-80%</td>
</tr>
<tr>
<td>S-PMA</td>
<td>-84%</td>
<td>-83%</td>
</tr>
<tr>
<td>MHBA</td>
<td>-80%</td>
<td>-83%</td>
</tr>
<tr>
<td>1-NA</td>
<td>-96%</td>
<td>-96%</td>
</tr>
</tbody>
</table>
Conclusions

1. The reduction in levels of Biomarker of Exposure approaches levels observed on smoking cessation in adult Japanese smokers in these studies.

2. Product use increased slightly from Baseline to Day 5 with overall Nicotine Exposure showing no significant difference between CC and THS2.2.

3. Product use for CC and THS2.2 is lower in Japan, compared to other studies we have conducted. This supports also the lower levels of BoExp observed at Baseline in JP.

4. Puffing Topography indicates fast and natural adaptation to THS2.2 in Japan, with the adaption process driven by an increased puffing frequency (count and interval) in Japan.
Study Title:

- A randomized, controlled, open-label, 3-arm parallel group, multi center study to demonstrate reductions in exposure to selected smoke constituents in healthy smokers switching to THS2.2 Menthol or observing smoking abstinence, compared to continuing to use menthol conventional cigarettes, for 5 days in confinement and prolonged by 85 days in an ambulatory setting.

Primary Objective:

- To demonstrate the reduction of biomarkers of exposure (BoExp) to harmful and potentially harmful constituents (HPHCs) in smokers switching from menthol conventional cigarette (mCC) to THS2.2 menthol compared to smokers continuing to smoke mCC.
3 Month Reduced Exposure in Japan

Study Design and Disposition

ClinicalTrials.gov ID: NCT01970995

First subject screened:
01 August 2013

Last subject last visit:
03 July 2014

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## 3 Month Reduced Exposure in Japan

### Population Characteristics

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>THS2.2 (N=78)</th>
<th>mCC (N=42)</th>
<th>SA (N=40)</th>
<th>Overall (N=160)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Females – n(%)</td>
<td>33 (42.3)</td>
<td>17 (40.5)</td>
<td>18 (45.0)</td>
<td>68 (42.5)</td>
</tr>
<tr>
<td>Age (years) - Mean±SD</td>
<td>37 ± 11</td>
<td>37 ± 11</td>
<td>37 ± 10</td>
<td>37 ± 11</td>
</tr>
<tr>
<td>BMI Normal Weight– n(%)</td>
<td>60 (76.9)</td>
<td>32 (76.2)</td>
<td>32 (80.0)</td>
<td>124 (77.5)</td>
</tr>
<tr>
<td>Daily mCC Consumption– n(%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-19 cig/day</td>
<td>40 (51.3)</td>
<td>23 (54.8)</td>
<td>21 (52.5)</td>
<td>84 (52.5)</td>
</tr>
<tr>
<td>&gt; 19 cig/day</td>
<td>38 (48.7)</td>
<td>19 (45.2)</td>
<td>19 (47.5)</td>
<td>76 (47.5)</td>
</tr>
<tr>
<td>ISO Tar yields – n(%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5 mg</td>
<td>46 (59.0)</td>
<td>22 (52.4)</td>
<td>23 (57.5)</td>
<td>91 (56.9)</td>
</tr>
<tr>
<td>6-8 mg</td>
<td>21 (26.9)</td>
<td>14 (33.3)</td>
<td>12 (30.0)</td>
<td>47 (29.4)</td>
</tr>
<tr>
<td>9-10 mg</td>
<td>7 (9.0)</td>
<td>4 (9.5)</td>
<td>2 (5.0)</td>
<td>13 (8.1)</td>
</tr>
<tr>
<td>&gt; 10 mg</td>
<td>4 (5.1)</td>
<td>2 (4.8)</td>
<td>3 (7.5)</td>
<td>9 (5.6)</td>
</tr>
<tr>
<td>ISO Nicotine ≤0.6 mg – n(%)</td>
<td>63 (80.8)</td>
<td>32 (76.2)</td>
<td>30 (75.0)</td>
<td>125 (78.1)</td>
</tr>
</tbody>
</table>

THSm2.2= THS 2.2 Menthol, mCC menthol Conventional Cigarettes, SA: smoking abstinence, SD: standard deviation
3 Month Reduced Exposure in Japan

Demonstrates Reduced Exposure

**Adult smokers used the products ad libitum**

Adult smokers randomized to cigarettes or THS2.2 were free to use the product as often as they wished, in confinement (5 days) and then ambulatory (85 days)

Levels of exposure to harmful and potentially harmful chemicals when smokers switch to THS2.2 approach the levels observed in those who quit smoking during the study

Note: These data alone do not represent a claim of reduced risk.

Source: PMI Research and Development; Registered on clinicaltrials.gov: NCT 01970995
3 Month Reduced Exposure in Japan

Exposure Reduction to Selected HPHCs

% Reduction in Biomarkers of Exposure After Switching for Three Months

Note: Reduced-Risk Products ("RRPs") is the term the company uses to refer to products with the potential to reduce individual risk and population harm in comparison to smoking cigarettes. These data alone do not represent a claim of reduced exposure or reduced risk Source: PMI Research & Development

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3 Month Reduced Exposure in Japan

Product Use, Puffing Topography and Nicotine Exposure

Product Use fluctuated over the period of the study indicating an adaptation process to THS2.2 but resulting in comparable product use at Baseline and Day 90. Nicotine exposure was similar at Day 90.
Levels in Urge-to-Smoke and withdrawal symptoms in smokers who switch to THS2.2 were comparable to those reported by CC smokers.

QSU-brief scores reported on a 7-point scale. Higher values indicate greater intensity of urge. MNWS-R score is reported on a scale of 0 to 4. Higher scores indicate greater intensity on that scale.
3 Month Reduced Exposure in Japan
Subjective Effects – MCEQ sub-domains

Levels of craving reduction, enjoyment, psychological reward and smoking satisfaction in smokers who switch to THS2.2 are comparable to those reported by CC smokers.

mCEQ scores on a seven-point scale where 7 = “Extremely” and 1 = “Not at All”. mCEQ Aversion subscale not shown; no notable differences were observed.

Graphs display means and 95% confidence intervals.
Laboratory Models Show Reduced Activity in Cellular Mechanisms of Disease

THS2.2 aerosol is over 10 times less active than reference cigarette smoke in key mechanisms leading to atherosclerotic plaque formation and endothelial cell dysfunction, which are important in cardiovascular disease development.

Note: These data alone do not represent a claim of reduced exposure or reduced risk. Ref: Poussin, C., A. et al (2016). System s toxicology-based assessment of the candidate modified risk tobacco product THS2.2 for the adhesion of monocytic cells to human coronary arterial endothelial cells. Toxicology 339: 73-86.
**THS2.2: Impact on Disease Endpoints**

**Disease Endpoint for COPD**

- **Lung Emphysema** (After 8 months)
  - 3R4F
  - Cessation
  - Switching
  - Air
  - THS 2.2

**Disease Endpoint for CVD**

- **Atherosclerotic Plaque** (After 8 months)
  - 3R4F
  - Cessation
  - Switching
  - Air
  - THS 2.2
Clinical Studies Indicate Favorable Changes in Clinical Risk Endpoints

<table>
<thead>
<tr>
<th>Disease Mechanisms</th>
<th>Expected Direction of Change</th>
<th>Effect of Cessation</th>
<th>Effect of Switching to THS2.2</th>
<th>Direction of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lipid Metabolism (HDL-C)</td>
<td>Increase</td>
<td>6.4 mg/dL ↑</td>
<td>4.5 mg/dL ↑</td>
<td>Same direction as cessation</td>
</tr>
<tr>
<td>Inflammation (WBC)</td>
<td>Decrease</td>
<td>-0.40 10⁹/L ↓</td>
<td>-0.57 10⁹/L ↓</td>
<td>Same direction as cessation</td>
</tr>
<tr>
<td>Endothelial Dysfunction (sICAM-1)</td>
<td>Decrease</td>
<td>10.9 % ↓</td>
<td>8.7 % ↓</td>
<td>Same direction as cessation</td>
</tr>
<tr>
<td>Oxidative Stress (8-epi-PGF₂α)</td>
<td>Decrease</td>
<td>5.9 % ↓</td>
<td>12.7 % ↓</td>
<td>Same direction as cessation</td>
</tr>
<tr>
<td>Clotting (11-DTX-B₂)</td>
<td>Decrease</td>
<td>19.4 % ↓</td>
<td>9.0 % ↓</td>
<td>Same direction as cessation</td>
</tr>
</tbody>
</table>

These studies measured the levels of 5 clinical risk markers closely associated with cardiovascular disease.

Measurements of these markers in smokers who switched to THS2.2 showed that the majority of beneficial effects that were seen in the smoking cessation arm were preserved.

Note: These data alone do not represent a claim of reduced risk.
Source: PMI Research and Development; Registered on clinicaltrials.gov: NCT01970995
The Potential of Heat-not-Burn Products on the example of THS2.2 to Contribute to Tobacco Harm Reduction

In summary, we can conclude the following about THS2.2:

- **Combustion does not** occur during normal operation of THS2.2 with HeatSticks.
- The aerosol generated by THS2.2 has 90 to 95% less harmful and potentially harmful compounds compared to a reference cigarette.
- The aerosol is 90 to 95% less toxic than smoke from a reference cigarette.
- Use of THS2.2 does not negatively impact indoor air quality as compared to Marlboro Gold in four reference Model Environmental conditions tested (EN 15251:2007).
- In three-month clinical study in Japan, the average exposure reduction to 15 harmful and potentially harmful compounds in smokers who switched to THS2.2 approached the levels observed in smokers who quit smoking for the duration of the study.

The totality-of-the-evidence collected to date is very encouraging, in terms of individual risk reduction potential and harm reduction on a population level.

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Note: Reduced-Risk Products (RRPs) is the term PMI uses to refer to products with the potential to reduce individual risk and population harm in comparison to smoking cigarettes.
The LYFE Study

Lifestyle research for Your Future Environment

www.lyfe-study.com
Post-Market Cohort Study - Study Design

**15 Sites in Japan:**
- 200 THS 2.2 users
- 2000 Cigarette smokers
- 760 Non-smokers

First Participant: April 1st, 2016

**Recruitment:** 4 waves of new THS 2.2 users

Follow-up: Up to 5 years of follow-up with 3 Clinical Visits

Indicates Clinical Sampling Visit

- THS2.2: 500/yr, n=2000 (Follow-up)
- Cigarette Smokers: 500/yr, n=2000 (Follow-up)
- Non-Smokers: 190/yr, n=760 (Follow-up)
- Cigarette Smokers: 190/yr, n=760 (Follow-up)
- THS2.2: 190/yr, n=760 (Follow-up)
OBJECTIVES:

1. Exposure (Total NNN, Total NNAL and nicotine equivalents) – Assessed at 1 year

2. Clinical Risk Markers
   - Cholesterol (total cholesterol, HDL-cholesterol and LDL-cholesterol), triglycerides, high sensitivity C-reactive protein, soluble intracellular adhesion molecule
   - White blood cell count and carboxyhemoglobin (COHb)
   - 11-dehydrothromboxane B2 (11-DTX-B2), and 8-epi-prostaglandin-alpha (8-epi-PGF2α)
   - Systolic and diastolic blood pressure and metabolic syndrome
   - Forced expiratory volume in 1 second (FEV₁)
Reduced-Risk Products ("RRPs") is the term PMI uses to refer to products with the potential to reduce individual risk and population harm in comparison to smoking cigarettes.

PMI’s RRPs are in various stages of development and commercialization outside the United States in a number of countries, and we are conducting extensive and rigorous scientific studies to determine whether we can support claims for such products of reduced exposure to harmful and potentially harmful constituents in smoke, and ultimately claims of reduced disease risk, when compared to smoking cigarettes.

Before making any such claims, we will rigorously evaluate the full set of data from the relevant scientific studies to determine whether they substantiate reduced exposure or risk.

Any such claims may also be subject to government review and authorization, as is the case in the United States today.
Questions?
Thank you for your attention.