
Plxsur 2023

Year in Review

Plxsur continues to make a huge amount of progress and, at this very important and exciting juncture in our journey, we would like to share an update of where we are today.

We have now successfully partnered with 12 of the world's leading vaping companies to form what is today the **largest and fastest growing group of independent vaping companies in the world**, with compliance and responsibility at its core.

Today we have a **market share of around 10% of the \$19.34bn¹ global vaping market**, and we continue to **target a 20% market share over the next five years**.

Plxsur's group has seen **revenues in 2023 increase 40.3%** on the previous year to **\$1bn²** with an adjusted **EBITDA of over \$200m²**.

As we celebrate **Plxsur's two year anniversary**, we are proud to have been a **'smokeless' RRP business from day one**, and to be leading the industry in **shaping the future of vaping**.



Nigel Hardy
CEO & Founder, PLXSUR

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¹Euromonitor 2023 estimate

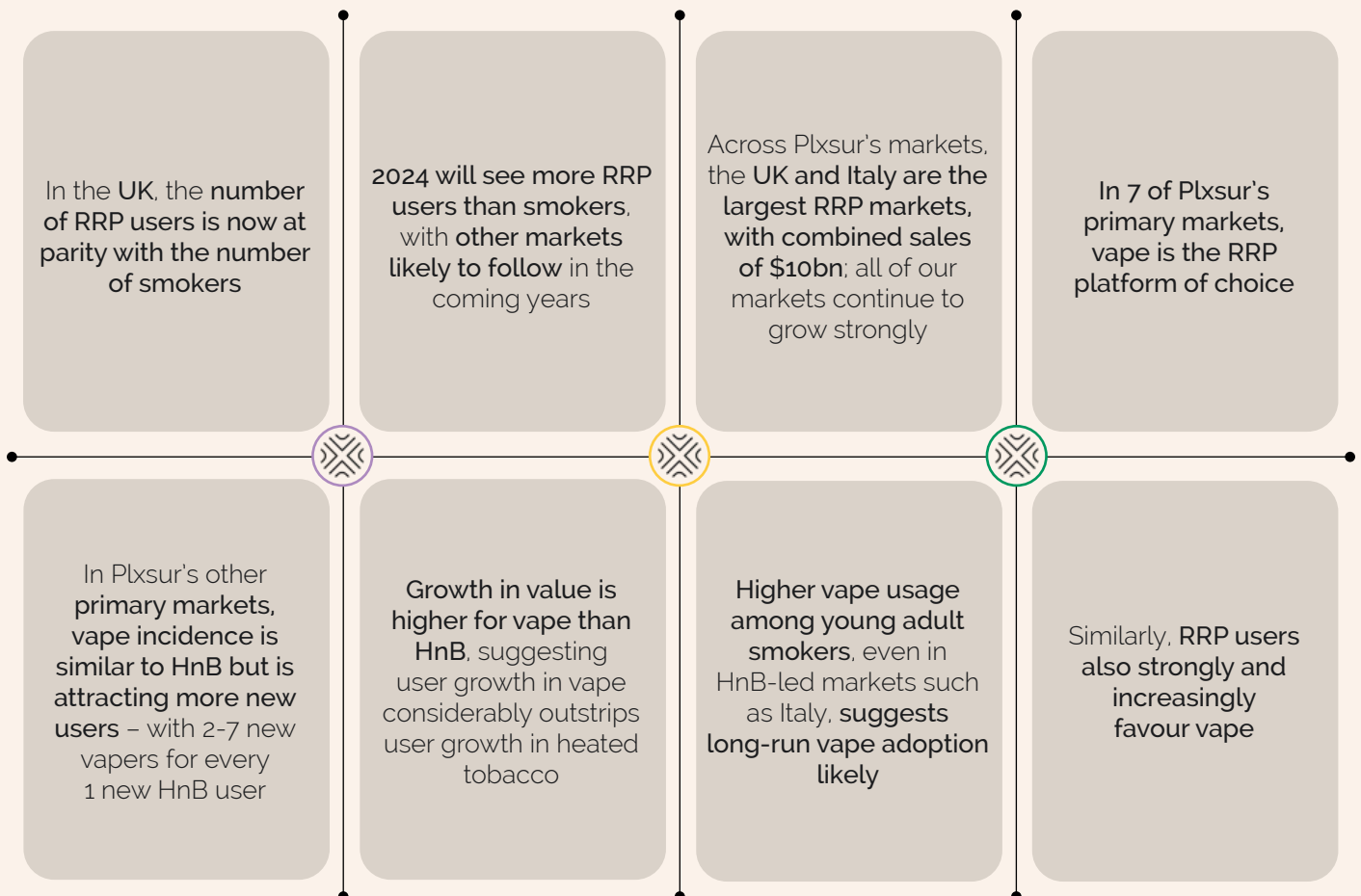
²Consolidated results from 12 partner companies

Outlook for global RRP

Plxsur's independent research demonstrates that vaping is the preferred format in RRP and, those consumers that switch from smoking to vaping are unlikely to return to smoking, regardless of regulatory restrictions.

The research report is one of the **most comprehensive consumer studies conducted on vaping to date**, comprising data from an online panel of nearly **30,000 consumers across 6 major markets**.

Key insights from the report include:





Plxsur is now fully operational as a group

- Plxsur has established a **rhythm based on compliance, governance, and reporting**
- Our management team has successfully established itself as a centre of excellence leading a program of **capability development**, and ensuring management teams at a local level have the skills to deliver **financial reporting**, engage with **regulators**, and **manage key accounts**
- Plxsur continues to see **increasing commercial engagement across the group**, with many of the companies already working together to **explore synergies** and opportunities as well as **sharing insight, best practice, and learnings**
- **Potential for synergies across the group are significant** and there is increasing energy across the group to deliver on synergies
- Plxsur **continues to raise the bar** with each of the 12 companies having now **fully committed to the [six Plxsur standards](#)**, addressing major industry pain points (product compliance, manufacturing safety, responsible marketing, youth access, child protection and third party product compliance)

An introduction to
Plxsur Standards







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- As our **Group Chief Commercial Officer, Martin Miller** has been supporting all the teams in market with their **sales and marketing plans**, advising group companies on:
 - Driving **distribution** through B2B channels
 - Enhancing **key account** capability
 - Refining approach to **shopper marketing** and **category management**
 - Advising on **product display** in our network of **~800** own retailers stores
- **Rob Burton** has been supporting **ProVape, UEG, Vape Empire and Pacific Smoke** to engage with governments on **policy development**, particularly around **flavour bans**. He also continues to be a **thought leader in the industry** and recently contributed to the discussion on the **UK's battle against youth vaping** in an opinion editorial published in [Tobacco Reporter](#)

Sustainability at the core

Plxsur has a responsibility to **set standards, shape futures and save lives** – and to do so sustainably.

Last year we conducted a materiality assessment to assess global trends in the sector, benchmark ourselves with industry peers, review worldwide regulations, and to listen to the views of our internal and external stakeholders. The materiality assessment enabled us to identify a list of key ESG topics deemed most material to Plxsur and establish four pillars to underpin our sustainability agenda. Our four pillars are:

-  Safeguarding the Environment
-  Building People, Purpose and Culture
-  Delivering safe, innovative products
-  Acting responsibly and ethically

We now have a sustainability strategy in place that will enable us to identify risks and opportunities, operate more responsibly, create long-term value, and have a greater positive impact on the environment and society as we pursue our mission of building the world's largest responsible vaping company.



Last year we submitted our response to the UK government's open consultation on 'creating a smokefree generation and tackling youth vaping'

Recycling

Our companies have already aligned with Plxsur's sustainability agenda, particularly when it comes to safeguarding the environment. Over recent months many of our retailers have launched recycling and take back schemes in their stores and are working in collaboration with not for profit recycling organisations to raise awareness about the proper disposal of disposable vapes.



Pro Vape's Salt recycling boxes in its 38 stores across Latvia

Migration from disposables to rechargeable pod and open devices

In further alignment with our responsibility to safeguard the environment and to deliver safe and innovative products we have also worked with our companies to put in place commercial strategies to migrate consumers away from disposables.



Martin Miller, Group Chief Commercial Officer and Umberto Roccati, CEO of Puff store at Puff's flagship store in Turin, Italy.

- In Q4 Puff (Italy) successfully migrated many of its consumers using disposables to pod and open devices, with the launch of new third party pod and e-liquids. These two alternative products have outperformed legacy dischargeable devices by volume
- Plxsur sees continued effort on migration across the group: Hale (Ireland) have launched a pod system, and ProVape (Latvia), Nobacco (Greece) and Puff are all launching rechargeable devices in H1 this year

Brand portfolio strategy

We continue to believe that having a **portfolio of multiple brands** is key to building a successful Reduced Risk Product business of scale. Our retail sales across the group also reflect **the impact Plxsur is having in supporting adult smokers who have made the switch to vaping** by selling products to **around 4 million consumers**, with retail sales by value of units sold at **\$1,835m** and, our three north star owned brands, Salt, Allo and Flavour Beast generating retail sales in 2023 of close to **\$400m**.



Recognition across the industry

Many of Plxsur's companies have seen widespread recognition across the industry:

- **Ritchy's (Czechia)** premium brand **LIQUA** achieved a remarkable feat winning the prestigious **Superbrand Award** for the **fifth consecutive year**
- **Nobacco (Greece)** also received four awards at this year's **e-volution Awards**:
 - Best Customer Experience
 - Best in Operations & Back Office
 - Most Innovative New Services in eCommerce
 - Best Use of AI and Machine Learning
- **Vape Empire (Malaysia)** won two awards at the **SEBA SME and Entrepreneurs Business Awards**:
 - Visionary Industry Leader award
 - CEO Daphenie Tan being named the **Leading Innovative Female Entrepreneur** in Malaysia



Nobacco received a total of 4 awards at the e-volution Awards 2024, a celebration of Greek e-commerce, organized for the 13th consecutive year.



Vape (Empire) Malaysia's CEO Daphenie Tan was named the Leading Innovative Female Entrepreneur at the SEBA SME and Entrepreneurs Business Awards

Regulation

- The category continues to see **increased scrutiny led by regulators**, of note is the recent announcement made in the UK around the **disposable ban, flavour restrictions and product marketing**
- Plxsur encourages **appropriate regulation** and importantly **enforcement to address illicit and irresponsible trading behaviours**, and last year we submitted our response to the **UK government's open consultation on 'creating a smokefree generation and tackling youth vaping'**

Spotlight on Hale

All of Plxsur's companies have a leading voice in the industry at a local level, across the globe.

Throughout 2023, Hale Vaping engaged with stakeholders and policymakers on the key issues impacting the industry, including further regulation, an incoming licensing system, and taxation.

Hale participated in the Department of Environment, Climate and Communication's Public Consultation on Disposable Vaping Devices, and the Department of Health's recent Consultation on Further Regulation of Nicotine and Tobacco Products.

Hale Vaping outlined to policymakers its various activities as a responsible retailer of vaping products, including its Challenge 21 policy and 'Don't Smoke, Don't Vape' approach.



Hale's Challenge 21 policy across its 111 stores in Ireland

Hale Vaping also met with Minister for the Circular Economy, Ossian Smyth to outline the work that the company is doing to support the responsible recycling of used vaping products and increase recycling rates.

This engagement with responsibility at the core of everything we do, places Plxsur in a prime position to continue to grow, lead the industry and **shape the future of vaping**.