



# A-CIGARETTE

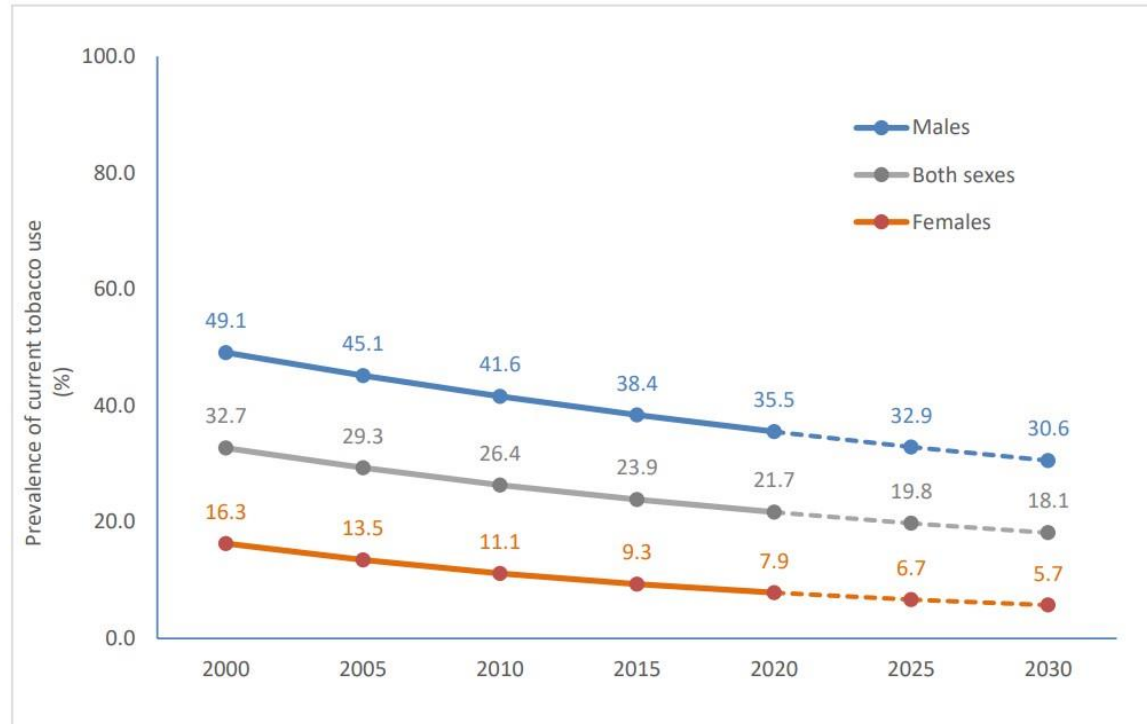
FLAVO<sub>2</sub>R OF LUXURY

# GLO<sub>2</sub>BAL TRENDS OF TOBACCO USE (IS DECLINING)

Source:

World Health Organization

**Fig. 2: Global trends in prevalence of tobacco use among people aged 15 years and older, by sex, 2000–2030 (estimates to 2020, projections to 2030)**



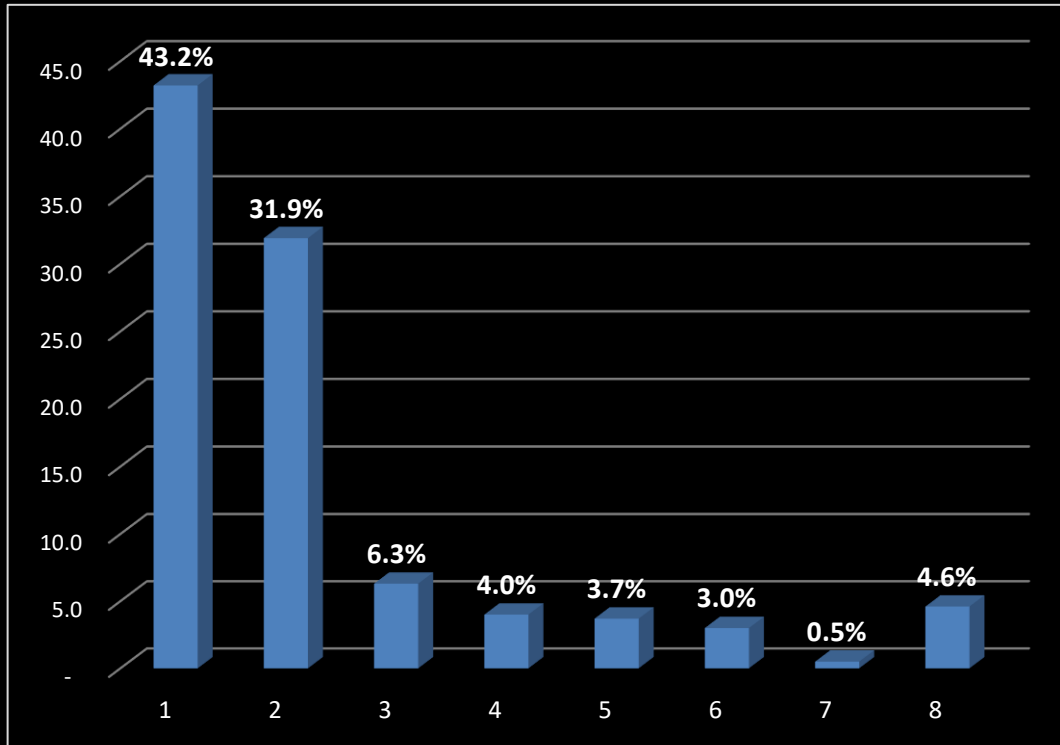
2000: 33.3%  
2015: 24.9%  
2025: 19.8% (estimated)  
2030: 18.1% (estimated)

Cigarettes continue to dominate  
global tobacco industry sales (88,5%)

Source: World Health Organization: WHO global report on trends in prevalence of tobacco use 2000-2030 - page No.8 OF 135

<https://iris.who.int/bitstream/handle/10665/375711/9789240088283-eng.pdf?sequence=1>

# WHY DO SMO<sub>2</sub>KERS QUIT



Reasons why ex-smokers decided to quit smoking:

1. Current **health** condition (43.2%)
2. To avoid future **health** problems (31.9%)
3. **Pregnancy** or child birth (6.3%)
4. Imposition by the partner/family (4.0%)
5. **Physician's** recommendation (3.7%)
6. Economic cost (3.0%)
7. Smoking bans (0.5%)
8. Other reasons (4.6%)

Total health related issues: 85.1% (1+2+3+5)

Source:

National Library of Medicine – National Center for Biotechnology Information

<https://pubmed.ncbi.nlm.nih.gov/22644233/#:~:text=Overall%2C%2043.2%25%20of%20ex%2D, recommendation%2C%203.0%25%20because%20of%20the>

# WO<sub>2</sub>RLDWISE REVENUE LOSS

- The global cigarette market size is projected to generate a revenue of US\$ 988.4 billion in 2025 <sup>1)\*</sup>
- Each year, 5% of smokers worldwide successfully quit smoking <sup>2)\* 3)\* 4)\*</sup>
- Accordingly, in 2025, the global cigarette revenue loss is US\$ 49.4 billion due to smokers who successfully quit this year i.e. US\$ 35.1 billion excluding China <sup>5)</sup> (cigarette revenue in China is estimated of US\$286.6bn in 2025 = 29.0% of the world's total).
- As a result, the global tobacco industry faces a total cumulative **cigarette revenue loss of US\$ 105.27 billion in 2025, 2026 and 2027 worldwide** (excluding China) - from smokers that successfully quit smoking over three years. Cigarette factories don't feel this loss because new smokers keep starting.

Sources:

1)\* Statista - <https://www.statista.com/outlook/cmo/tobacco-products/worldwide>

2)\* England - Research Report, Willey Online Library - <https://onlinelibrary.wiley.com/doi/full/10.1111/add.15903>

3)\* India – Science direct - <https://www.sciencedirect.com/science/article/abs/pii/S0091743522000810#:~:text=Although%20around%2030%25%20of%20tobacco,cessation%20for%206%20months%20or>

4)\* US Truth initiative - <https://truthinitiative.org/research-resources/quitting-smoking-vaping/quitting-tobacco-facts-and-stats>

5)\* Statista - <https://www.statista.com/outlook/cmo/tobacco-products/china#:~:text=The%20largest%20segment%20in%20this,2024%2C%20reaching%20US%24298.5bn>

# GLO<sub>2</sub>BAL TOBACCO INDUSTRY

Last year's the tobacco industry went through significant changes because of legal reasons and increased health awareness.

These reasons create a market gap because they force an entire tobacco industry to make changes it would not have done otherwise.

Sometimes the biggest challenge can be to fill a gap in the marketplace that all others have missed.

With new products like e-cigarettes, heated tobacco devices, and oral nicotine products the tobacco industry is attempting to position itself as working alongside public health while aggressively growing its market base among youth and young adults.

# BEYO<sub>2</sub>ND EVERYONE

We do not follow the change in the tobacco industry: we shape it with a new innovative, certified and patented products.

We assist tobacco companies continually to adapt their products to remain competitive, to attract new customers, to retain existing ones and to bring back the ex-smokers.

Our new innovative product: A-Cigarette (“aeral cigarette”).

“A-Cigarette” is a product generic name.

The innovation for A-Cigarette is patented.

IP Rights: All countries worldwide.





# INTRO<sub>2</sub>DUCTION OF A-CIGARETTE

- A-Cigarette is an innovative product that supports ex-smokers to satisfy their psychological, cognitive, behavioral, social, and emotional addiction to a traditional cigarette, without inhaling smoke.
- Psychological addiction to a cigarette is just as powerful as nicotine addiction.  
(Example: average smoker makes 70,000 hand-to-mouth movements per year)
- A-Cigarette is an innovative disposable flavor inhaler. It is a smoke-free directly inhaled product, nicotine-free, CO<sub>2</sub>-free, and tar-free. It looks like a traditional cigarette, but...

# REVO<sub>2</sub>LUTION

... instead of inhaling smoke, the ex-smoker will inhale O<sub>2</sub> (ambient air) mixed with harmless flavor, while experiencing the same rituals, habits, pleasure, and enjoyment associated with traditional cigarettes.

With A-Cigarettes, the ex-smoker doesn't feel emotional, cognitive, social, behavioral, and psychological dependence related to smoking traditional cigarettes.

Unlike the competition, our product helps ex-smokers fulfill all habits, rituals, pleasure, and enjoyment without inhaling smoke or any other harmful substances.

# THE PRO<sub>2</sub>DUCT

Traditional cigarette



Filter tip after use



A-Cigarette



Filter tip after use

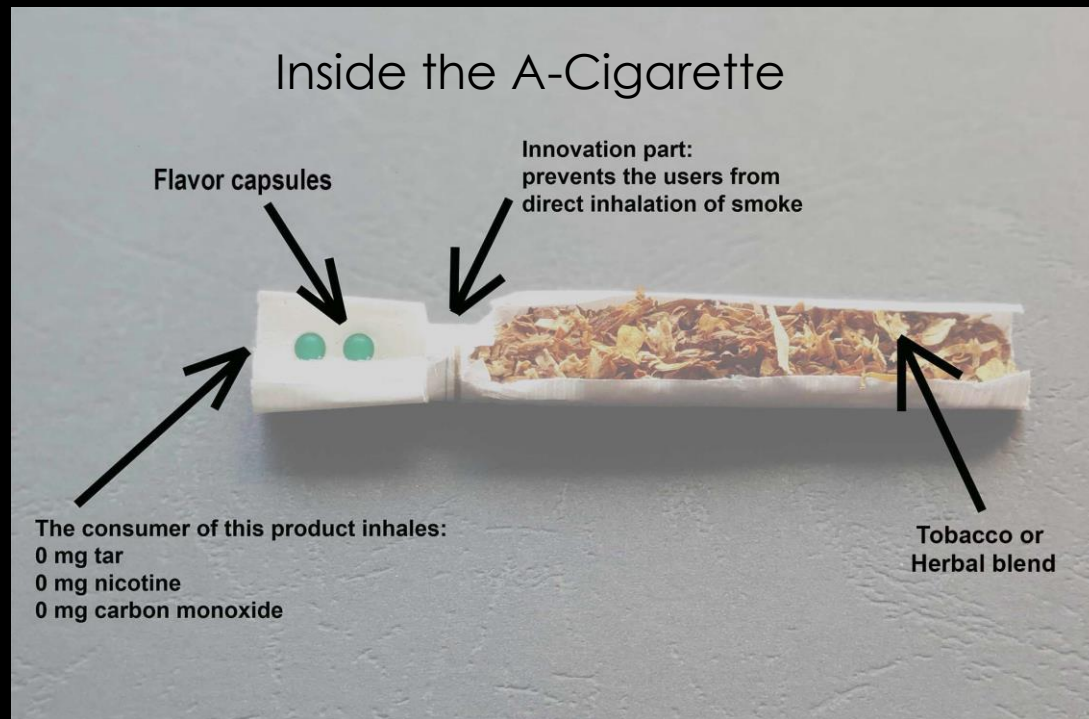


## A-Cigarette is:

- innovative product concept
- smoke-free for direct inhale
- Type of innovation:  
Disruptive innovation  
(new technology, existing market)
- Level of innovation:  
Breakthrough innovation  
(we push something to the next level)
- NOT an e-cigarette
- battery-free
- tar-free
- CO<sub>2</sub>-free
- nicotine-free (first phase)
- simple solution
- certified
- patented
- unique value proposition
- excise tax-free product  
(second phase)

# INNO<sub>2</sub>VATION

INNOVATION TITLE: DISPOSABLE INHALATION DEVICE THAT RELEASES SMOKE WHICH IS NOT DIRECTLY INHALED



Standard pack

# CERTIFICATIO<sub>2</sub>N

Certificate from International ISO accredited laboratory for testing of traditional cigarettes.

Results from physical-chemical testing:

0 mg tar (ISO 4387:2008)\*

0 mg nicotine (ISO 10315:2016)\*

0 mg carbon monoxide (ISO 8454:2008)\*

\*DIRECTIVE 2014/40/EU OF THE EUROPEAN PARLIAMENT, Article 4 (Measurement methods)

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25. 05. 2020

IDENTIFICATION OF ANALYZED SAMPLE  
Number R20-8771.11 / R20051392.11

Directive for analysis: from 12.05.2020

Sample number  
Sample name

Aleksandra R.  
General M

REPUBLICA SRBIJA  
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25. 05. 2020

IDENTIFICATION OF ANALYZED SAMPLE

REPUBLICA SRBIJA  
SP LABORATORIJAD BEČEJ  
Industrijska 3, 21220 Bečej

AC 01-018  
SP LABORATORIJAD BEČEJ  
ISO 17025:2017  
SRB-001

ILAC-MRA

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AC 01-018  
SP LABORATORIJAD BEČEJ  
ISO 17025:2017  
SRB-001

ILAC-MRA

Applicant

Directive for analysis

Sample name

Asked analysis

Sampling data

Sample receiving date

Start testing date

End testing date

Report number

Aleksandra R.  
General M

REPUBLICA SRBIJA  
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R20051392.11: NOVELTY INHALER TYPE 1 - cigarettes

Identification:

Data obtained from user:

Official product name: Disposable inhalation device that releases smoke which is not directly inhaled

All samples contains tobacco

Country of origin: Northern Macedonia

Quantity of sample: 60 pcs

Results of physical-chemical testing:

Analysis	Result	Expanded measurement uncertainty	Methods
Tar [mg/cigarette]	< 0.001	± 20%	ISO 4387:2008 GC/MS
Nicotine [mg/cigarette]	< 0.1	± 20%	ISO 10315:2016 GC/MS
Carbon monoxide [mg/cigarette]	< 1	± 20%	ISO 8454:2008 NDA 2008

Note: Samples for testing the content of tar, nicotine and carbon monoxide in tobacco smoke are prepared on a smoking machine.

The confidence interval refers to simultaneous sampling.

These confidence intervals should not be less than ± 1 mg for tar, ± 1.5 mg for carbon monoxide and ± 0.1 mg for nicotine.

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OBR 103 Izbavje 14 / 21.10.2019.

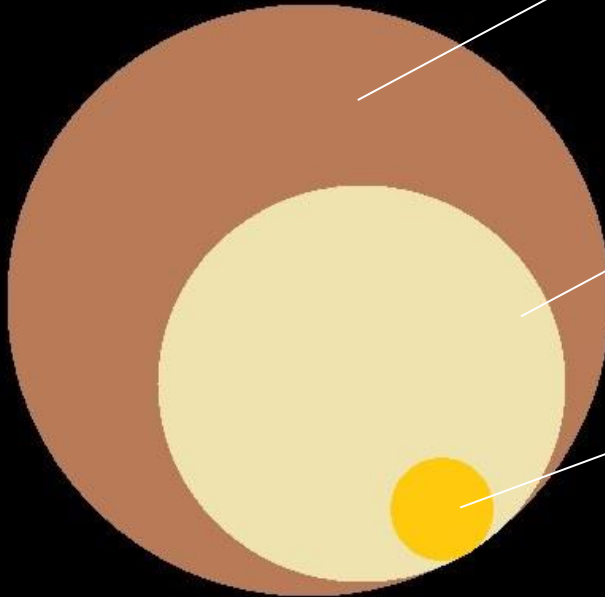
# MARKET PO<sub>2</sub>TENTIAL

Global Cigarette Market

Total Addressable Market  
US\$988.4 billion (2025)

Serviceable Addressable Market  
US\$494.2 billion (2025)

Serviceable Obtained Market  
US\$3.6 million (2025)



Source: <https://www.statista.com/outlook/cmo/tobacco-products/worldwide>

# COMPETITION

## Global tobacco users

Product	Users (million)	% of smokers
Traditional cigarette	1,000	/
E-Cigarette	82	8.2
Heat-Not-Burn	35	3.5

Comparison with traditional cigarettes:  
Based on the five human senses, is it same as a traditional cigarette?

Product	touch	sight	hearing	smell	taste
A-Cigarette	YES	YES	YES	YES	NO/YES
E-Cigarette	NO	NO	NO	NO	NO
Heat-Not-Burn	NO	NO	NO	NO	NO/YES

A-Cigarette will achieve a sustainable competitive advantage by offering a unique value proposition and looking beyond the industry's current understanding.

# CUSTO<sub>2</sub>MERS

Product target customers: Ex-smokers

Each year, 5% of smokers worldwide successfully quit smoking, but they still experience pain.

It is estimated that 37.1% (34.0%–40.5%) of the individuals would relapse within 10 years after reporting 1 year of abstinence <sup>1)\*</sup>

Each year, tobacco companies permanently and forever lose 3.15% of their customers.

Conclusion: each year, our potential target customers will grow by an additional 5% of the total smoker population (1 billion smokers worldwide).

It's time to offer ex-smokers a new, innovative, and healthy alternative, allowing them to continue their enjO<sub>2</sub>ying and experience.

Source:

1)\* University of Bristol, UK - <https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=00966aa230247759b6bab5ceb72138a135c7631e>



# BENEFITS FOR A CIGARETTE FACTO<sub>2</sub>RY

- Creating additional revenue streams (unlock new revenue channels)
- Increasing market share and dominate the market
- Providing easier access for products into new markets or geographical territory
- Low commercial risks of entering the new markets / Minimize capital investment
- Leveled playing field: big companies can not compete against this business
- Broadening competitive advantage / Zero competition / "Creative monopolies"

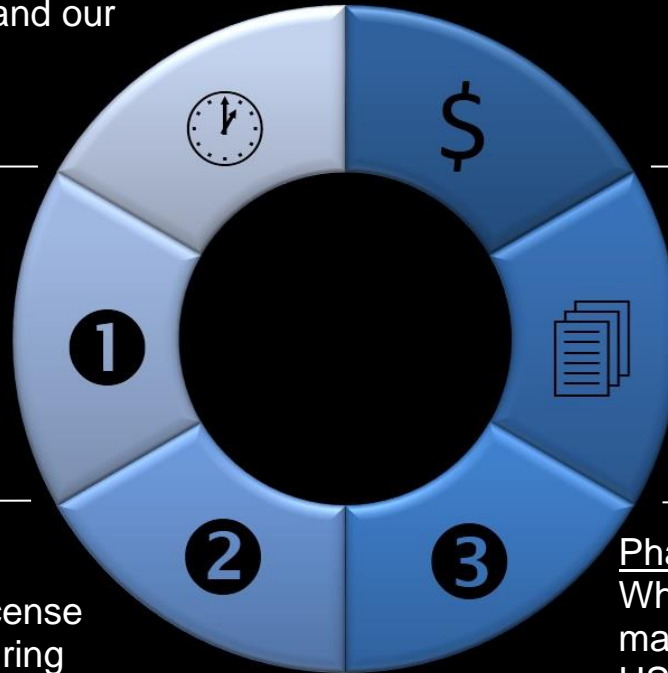
\* A-Cigarettes is manufactured using the same equipment and raw materials as traditional cigarettes, with no modifications needed.

# GROWTH PROJECTIONS, KEY PERFORMANCE INDICATORS (KPIs) & INVESTMENTS

The core of A-Cigarette's growth strategy is creation of unique approach, world market positioning, our relationships with smokers around the world, and our advanced approach to public awareness.

Phase 1 (from the beginning, 10 months):  
Licensing for the manufacturing and sales.  
Licenses to a minimum of 5 existing cigarette manufacturing companies. Licenses for sales in 30 countries on 3 continents.

Phase 2 (after the first phase: 8 months):  
Licensing for the manufacturing and sales. License to an additional 5 existing cigarette manufacturing companies. Licenses for sales in a total of 50 countries on 4 continents.



Estimated and Expected Company Market Valuation after 5 years (before IPO or M&A):

\$1.304B

Exit strategy: IPO (or M&A)

Estimated and expected revenue:

First year:	\$3.6M
Second year:	\$13.3M
Third year:	\$53.8M
Fourth year:	\$183.1M
Fifth year:	\$334.5M

Phase 3 (after second phase: 6 months):  
White labeling with existing herbal cigarette manufacturing company (in Europe and the USA), manufacturing A-Cigarette products with herbal blend and total sales in more than 70 countries on 6 continents.

# WO<sub>2</sub>RLD MARKET ADVANTAGES

UNIQUE VALUE PROPOSITION / beyond the current understanding of the industry

"Once the ex-smoker experiences a significantly better way of using a product, they will again be customers of the tobacco industry."

IP RIGHTS AND PATENTS / monopoly of worldwide markets (6 continents)

EXCISE TAX-FREE PRODUCT (SECOND PHASE) / high margin in business

Unlike e-cigarettes and heat-not-burn cigarettes, which are aimed at helping smokers quit, A-Cigarettes are designed to allow ex-smokers to come back and continue enjO<sub>2</sub>ying their experience healthily.

# HISTO<sub>2</sub>RY AND FUTURE

## History:

The tobacco industry did not invent e-cigarettes; in fact, they were very late to enter the market.

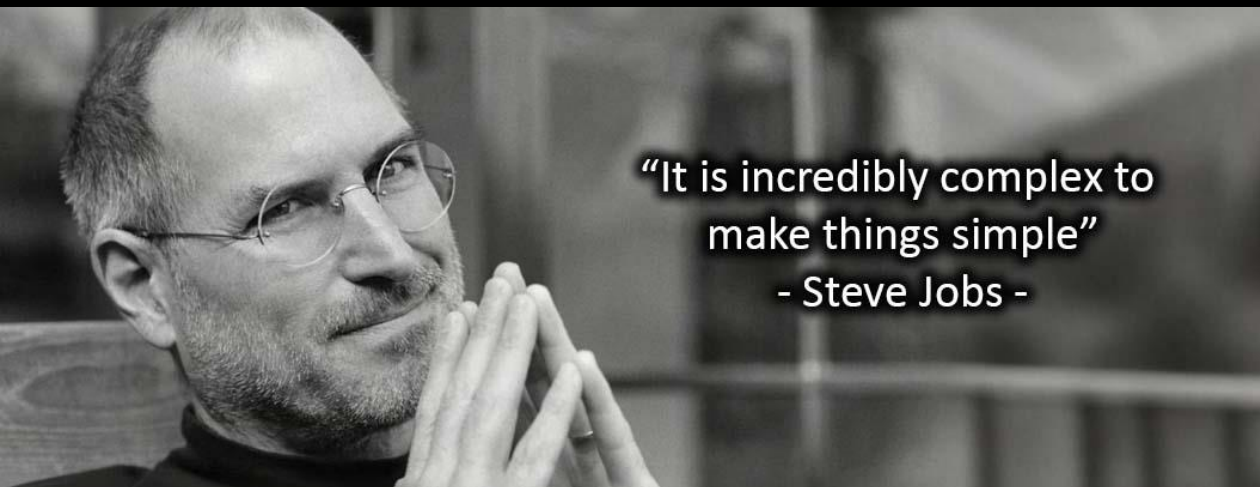
The first tobacco company to enter the e-cigarette market did so in 2012, about nine years after the invention of e-cigarettes.

Tobacco stocks began falling due to vaping products, and the tobacco industry has taken notice, adjusting accordingly.

## Future:

Let's shape the future together through mutually beneficial cooperation. We have already created a new future and added value for ex-smokers with A-Cigarettes.

THANK YO<sub>2</sub>U



"It is incredibly complex to  
make things simple"  
- Steve Jobs -

“Everything should be made  
as simple as possible,  
but not simpler.”

Albert Einstein

