



WSPM GROUP

EMPTY PACKS SURVEY

USA-DC Q1 2024

April 2024

Prepared for **ALTRIA**

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DC



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01.

EXECUTIVE SUMMARY

QUARTER 1, 2024

BACKGROUND

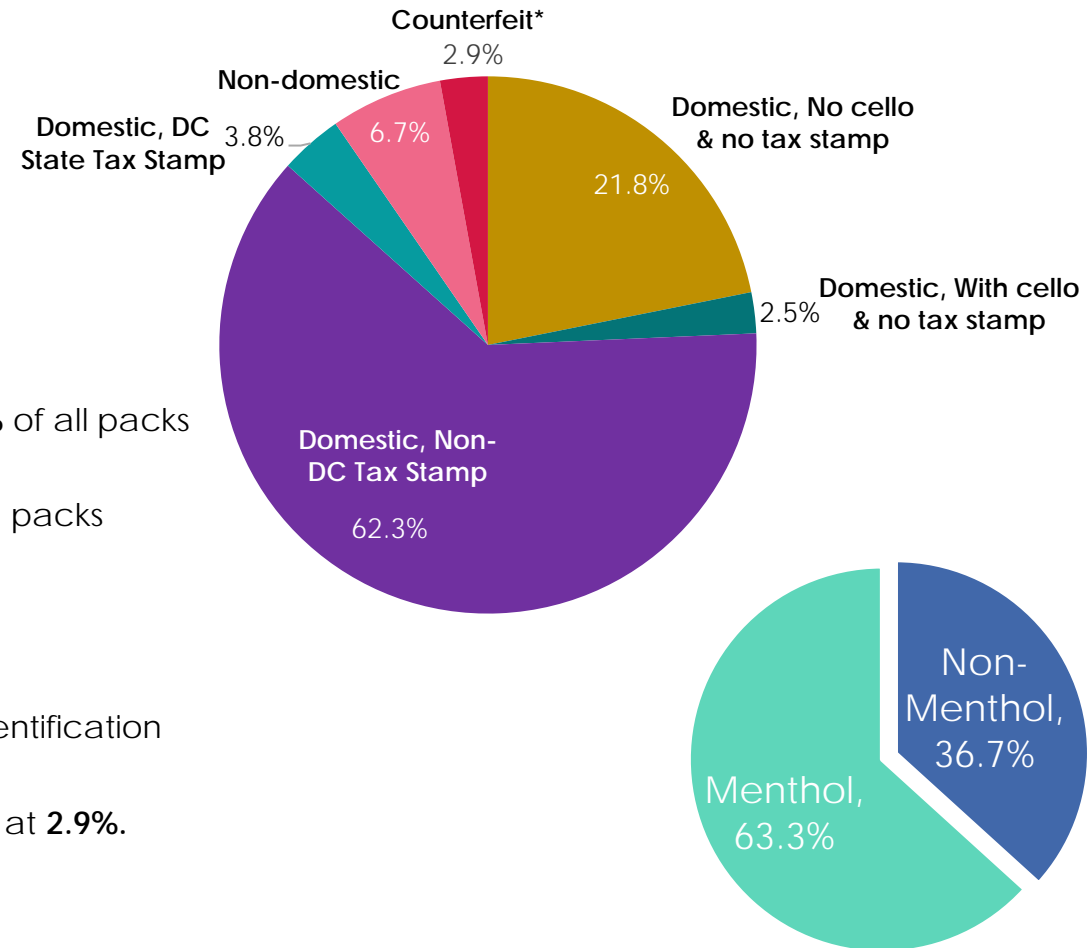
- The District of Columbia banned sale of flavored tobacco products on October 1, 2022. D.C. also taxes a pack of 20 cigarettes at \$4.50.
- Neighboring Virginia taxes a pack of 20 cigarettes at \$0.60 (with some localities charging additional local rates), and at the time of collection, Maryland taxed a pack of 20 cigarettes at \$3.75.
- In January 2024, Altria contracted WSPM Group to conduct a study of discarded tobacco product packaging across the state to see how these policies impacted the legal and illicit marketplace.
- Discarded cigarette packaging and discarded e-vapor packaging was collected across the D.C. metro area. DC data is shown first, DC plus bordering communities is shown in Appendix.
- 5,000 discarded cigarette packs and 2,000 e-vapor product packs were collected Feb. 1-Mar. 21, 2024.

EXECUTIVE SUMMARY: DC KEY FINDINGS

Empty Discarded Cigarette Packs (EDPs)

- Total menthol incidence assessed at **63.3%** from total packs collected in DC.
- Total domestic packs with **Non-DC Tax Stamp** assessed at **62.3%** of total packs collected:
 - **VA Tax Stamp** with **43.1%** of all packs collected.
 - **MD Tax Stamp** with **12.4%** of all packs collected.
 - **GA Tax Stamp** with **1.7%** of all packs collected.
- Total domestic packs with **DC Tax Stamp** assessed at **3.8%** of all packs collected.
- Total non-domestic incidence assessed at **6.7%** from total packs collected:
 - **WORLDWIDE DUTY FREE** with **2.6%** of all packs collected.
 - **CHINA** with **2.5%** of all packs collected.
 - **UNSPECIFIED** with **1.1%**, these packs do not bear any identification mark to their origin.
- Counterfeit incidence (tax stamp counterfeited) assessed at **2.9%**.

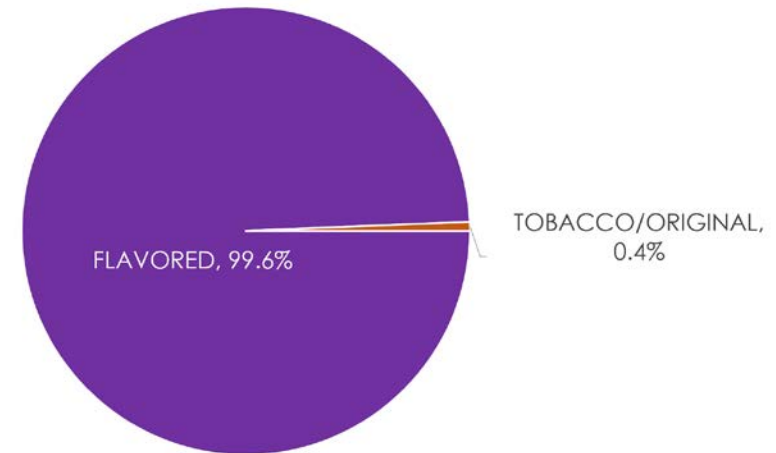
Cigarette Origin Assessment,
% of Total Sample (n=2,760)



EXECUTIVE SUMMARY: DC KEY FINDINGS

E-Vapor

- Sample share: **Electronic Vapor** assessed at **100%** (n=1,080).
- **99.5%** packaging and product found are **CHINA EXPORTED**, and **0.5%** are **UNSPECIFIED**.
- **Flavor products incidence** assessed at **99.6%** of all e-vapor packs collected.
- **Main products brands** found were:
 - **GEEK BAR** with **20.9%** of all packs collected.
 - **LOST MARY** with **15.1%**.
 - **EBCREATE** with **12.8%**.
 - **ELF BAR** with **7.4%**.
 - **TYSON** with **7.1%**.



02.

METHODOLOGY

QUARTER 1, 2024

OBJECTIVES, PROVISIONS, LIMITATIONS

OBJECTIVES

Provide an indication on the incidence of brands, non-domestic or illicit cigarettes consumed in DC Metro:

- Tax-paid and non-tax paid cigarettes from other states and countries
- Counterfeit packs and tax stamps
- Gain information related to cigarettes by: Manufacturer, City, Brand family, Market variant, and Flavor profile

PROVISIONS

- Participating companies: ALTRIA
- Participating companies provided financial support for this study. WSPM Group conducted the empty pack collection independently. The market variant of all collected packs and the authenticity of the collected packs bearing their packs trademarks were examined by WSPM.
- WSPM Group assumed limited responsibility for the report findings and conclusion. The objectives and limitations of the report are set out on this page. Should any party choose to rely on the report, they do so at their own risk.
- Non-domestic includes legal allowances

LIMITATIONS

- Private residences and workplaces are not covered
- No information on counterfeit incidence of non-participating companies
- The survey is designed to focus on trends rather than incidence at a single point in time

THE WSPM GROUP

COMPANY OVERVIEW

Founded in 2002, WSPM Group strives to provide Diagnostic Market Surveys and International IP Infringement Investigations.

Our services are available globally and we work with major defense, energy, accounting, consulting, and tobacco companies as well as inter-governmental organizations around the world.

We place great importance on how we achieve our results as well as the results themselves. Our commitment to ethical conduct and integrity in all our interactions is of utmost importance to us.

WSPM operates under EU regulations and adheres to strict ethics policies. As a member of ESOMAR, the world organization for enabling better research into markets, consumers, and societies, we uphold high standards.

EMPTY DISCARDED PACKS SURVEYS EXPERIENCE

WSPM's Team EDP experience in numbers **from 2002 to date:**

- 82** Countries where EDP surveys have been performed.
- 1,466+** EDP market surveys and reports conducted to date.
- 1,792+** Cities worldwide where EDP surveys have taken place.
- 400,000+** Cigarette packs per year collected and identified
- 3,920,000+** Cigarette packs collected and identified so far.





RESEARCH APPROACH - EDP

METHOD

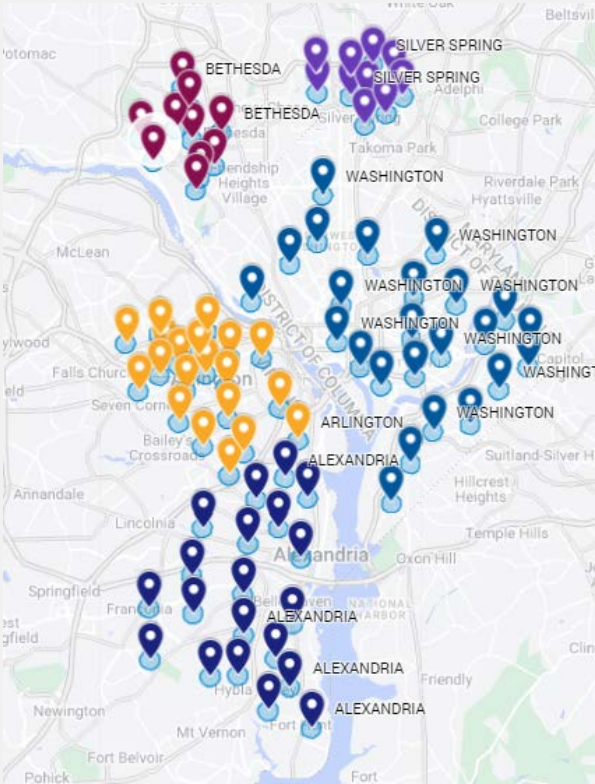
Empty Discarded Packs (EDP)
Random collection from streets & public bins. Any brand, Any market variant. Samples in each city were collected based on Combined Statistical Areas ("CSAs") geographical areas are based on population. A quota of EDP or OTP must come from each designated neighborhood or area.

TIMINGS

Fieldwork:
01 Feb – 21 Mar, 2024

GEOGRAPHY

- 5 largest cities in DC Metro area
- 84.6% coverage of population
- 40 ZIPs and 84 collection locations



Metro / City	EDPs Sampling	ZIPs to collect per city	Locations to collect (neighborhoods)	Average Packs per Location
WASHINGTON	2,760	16	24	115
Reference:				
ARLINGTON	1,000	9	20	50
ALEXANDRIA	600	9	20	30
BETHESDA	340	3	10	34
SILVER SPRING	300	3	10	30
Total Selected Cities	5,000	40	84	60

RESEARCH APPROACH – E-VAPOR

METHOD

Empty Discarded Packs (EDP)

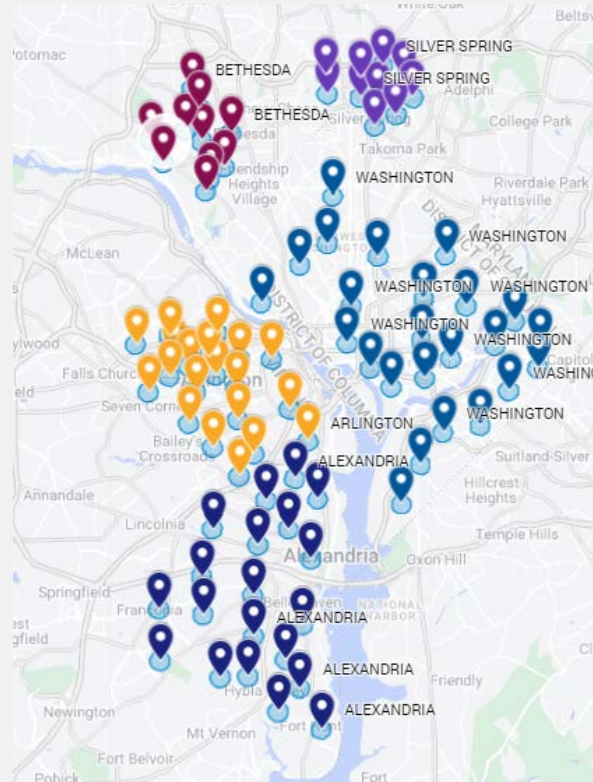
Random collection from streets & public bins. Any brand, Any market variant. Samples in each city were collected based on Combined Statistical Areas ("CSAs") geographical areas are based on population. A quota of EDP or OTP must come from each designated neighborhood or area.

TIMINGS

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GEOGRAPHY

- 5 largest cities in DC Metro area
- 84.6% coverage of population
- 40 ZIPs and 84 collection locations



Metro / City	EDPs Sampling	ZIPs to collect per city	Locations to collect (neighborhoods)	Average Packs per Location
WASHINGTON	1,080	16	24	45
Reference:				
ARLINGTON	400	9	20	20
ALEXANDRIA	280	9	20	14
BETHESDA	140	3	10	14
SILVER SPRING	100	3	10	10
Total Selected Cities	2,000	40	84	24

THE EDP METHODOLOGY

EDP METHODOLOGY, SAMPLING PLAN AND LOCATIONS DESIGN

The current EPS (Empty Packs Survey) methodology consists in the collection of empty packs of cigarettes (and of other products, as agreed by the parties) thrown away by consumers in the streets or easy access bins of the main cities of a given market.

Each pack/product is individually recorded in a datasheet and analyzed by Industry experts, who assess its origin, flavor attributes, whether it is a domestic or non-domestic pack and whether it is a genuine or counterfeit pack. Data is consolidated and reports are issued.

The Sampling Plan details the number of packs to be collected by city for each survey, and then is detailed down to a location level (collection cell), in order to produce a representative statistical sample of the geographic location being examined as part of the survey (city, state level).

The EPS collection routes follow the same rules worldwide:

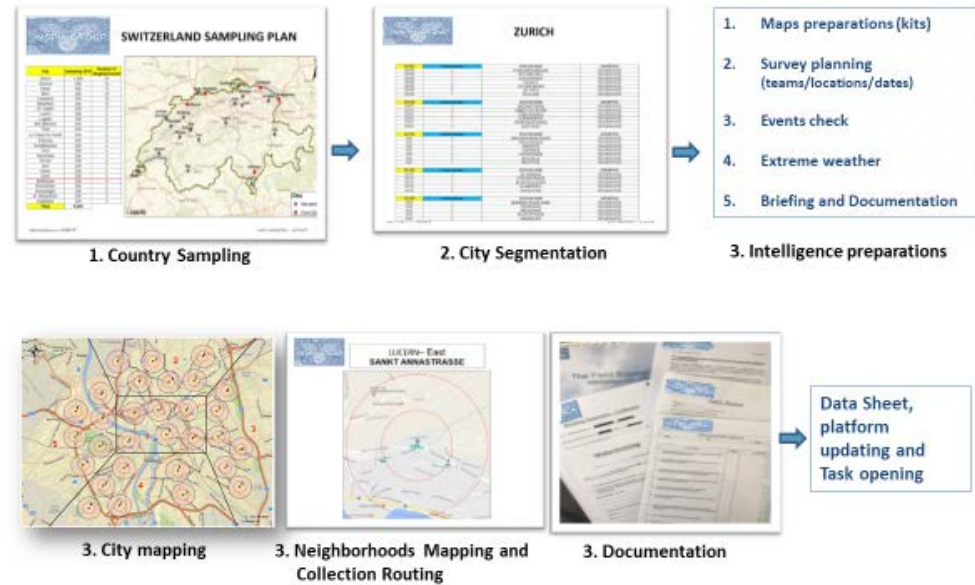
- Each city is defined according to its administrative limits (no aggregation).
- Each city is divided into 5 sectors of the equivalent surface.
- In each sector, a certain number of “neighborhoods” or “locations” is determined. The “neighborhood” or “location” is the statistical sampling unit in which the packs will be collected. It always consists in a circle of 250m radius, inside which the collector’s route is to be designed. Usually, a minimum of 30 packs are collected by neighborhood.
- Each collector should be given neighborhood maps or phone App, gloves and bags to perform their collection (one bag for EDPs and one for other products).
- The collectors must not be made aware of the real quota of the survey. Their physical and sanitary security must be ensured, as well as any activities in relation to this project must be compliant with local legislation.
- A collector is not aware of the number of packs they have to collect by neighborhood. They simply collect all the empty packs of cigarettes (of any brand, any manufacturer, any market variant) that they can find on their way. Once the collector’s route within the neighborhood has been visited, the collector communicates the number of packs actually collected to their supervisor. If this number equals or exceeds the target, the neighborhood is considered as completed. If this number is not sufficient, the collector is asked to enlarge the collection to a larger circle and / or to come back the following day(s) to the same neighborhood.

EMPTY PACK SURVEY Q1 2024: DC METRO

EDP SURVEY WORKFLOW



PREPARATIONS



OPERATIONS



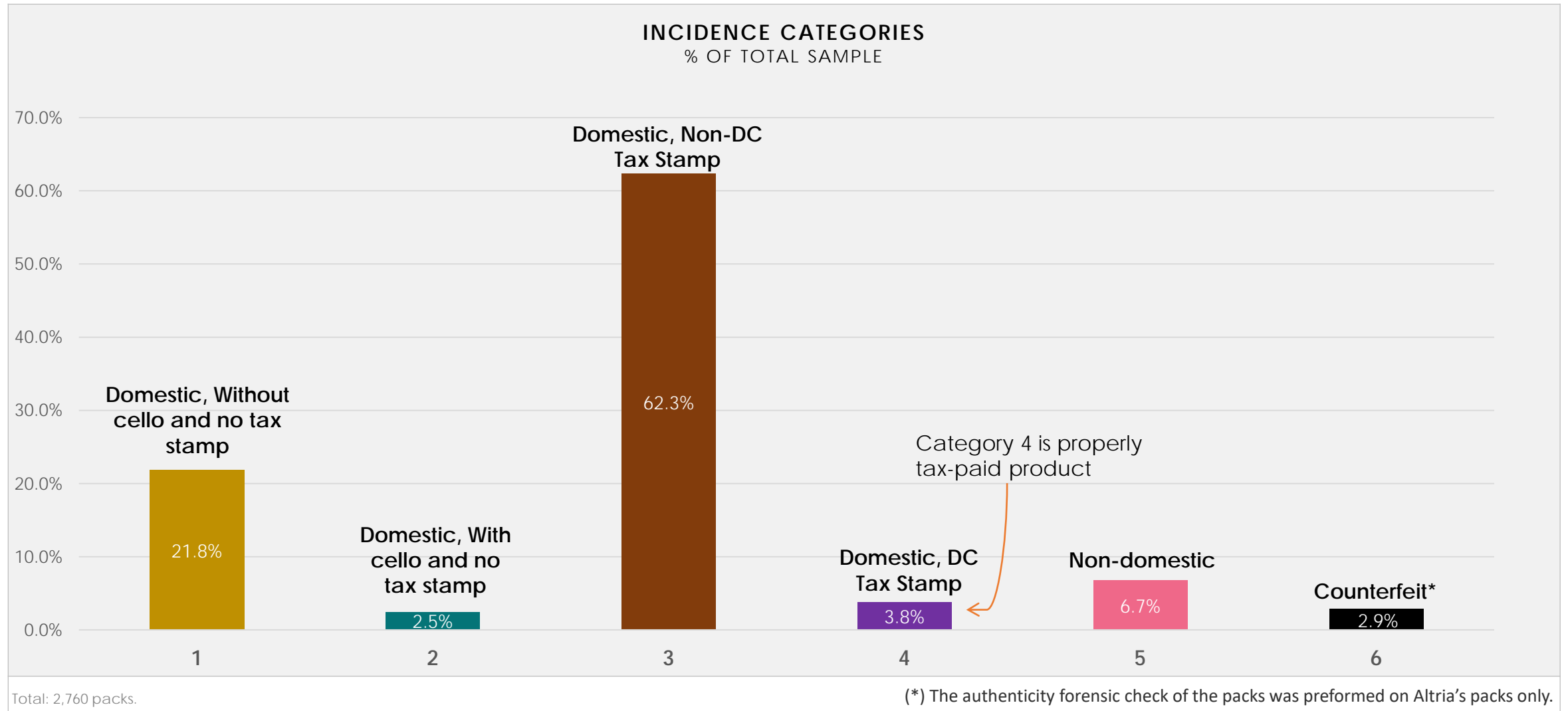
A hand wearing a white nitrile glove holds a small, white, rectangular box. The background is a dense, out-of-focus green bush. The scene is brightly lit, suggesting outdoor daylight. The overall composition is clean and professional, typical of a corporate presentation.

03

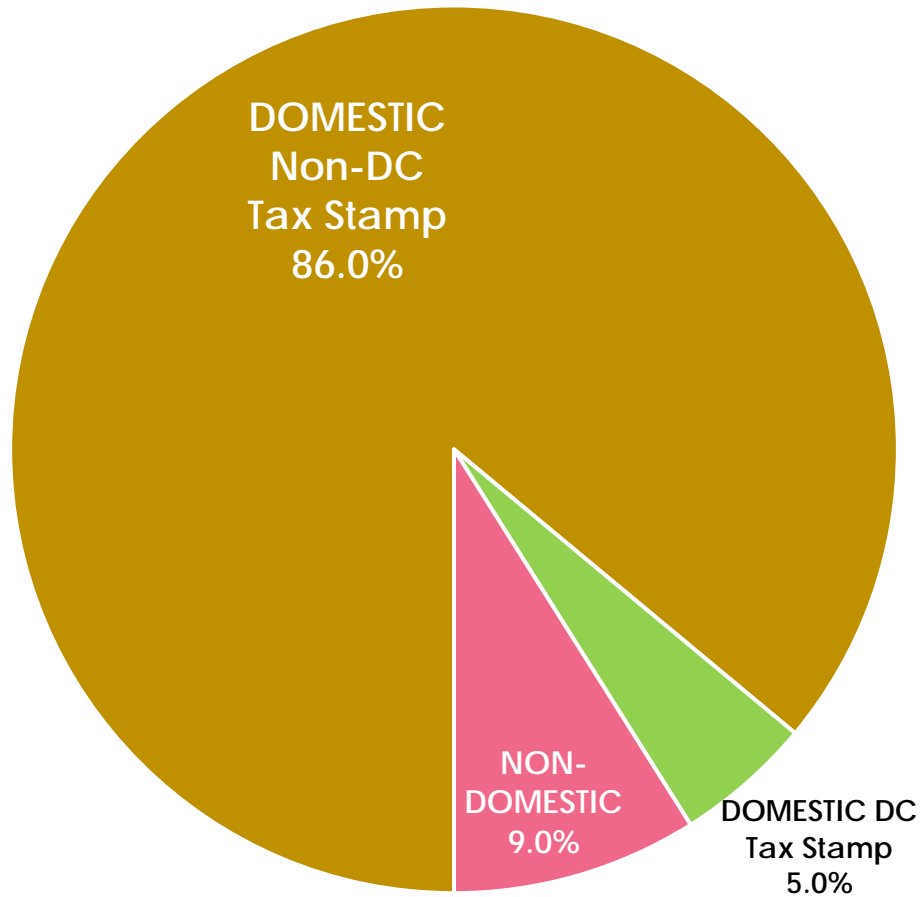
KEY RESULTS - DC - EDP

QUARTER 1, 2024

DC SAMPLE COMPOSITION SUMMARY: CATEGORIES



TAX DETERMINABLE PACKS (CAT. 2-5)



Total DOMESTIC Non-DC Tax Stamp	86.0%
Undetermined – No tax stamp on the cello	3.3%
VA	30.2%
NVCTB/VA	25.1%
MD	16.5%
GA	2.3%
NYC/NY	1.9%
99(unclear)_AL	1.3%
MUNI_VA	1.0%
PA	0.7%
VA/VACO	0.7%
NJ	0.7%
NV	0.4%
OH	0.2%
MO	0.2%
FL	0.1%
MS	0.1%
OTHERS	1.2%

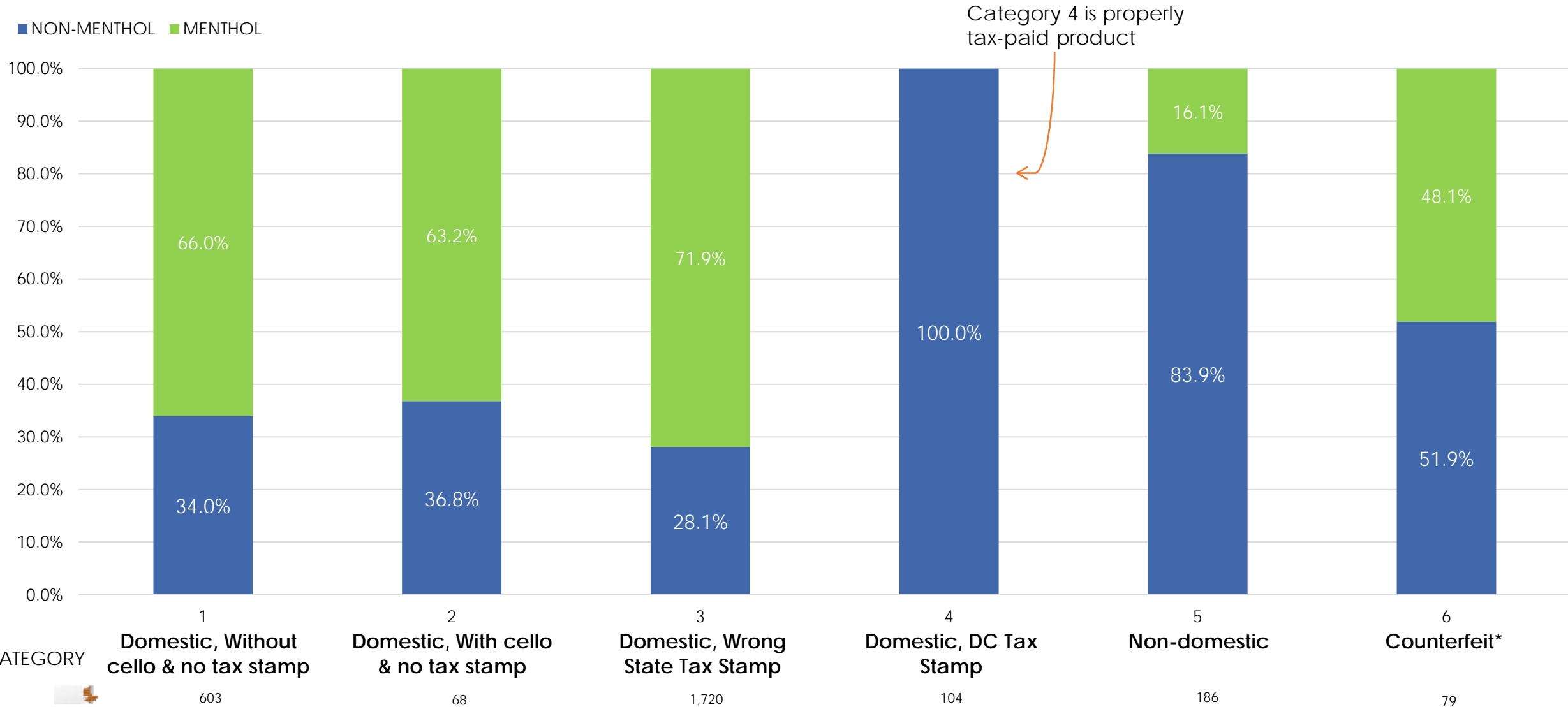
Non-domestic	9.0%
Worldwide DUTY FREE	3.4%
CHINA	3.3%
UNSPECIFIED – Not determinable	1.5%
MEXICO	0.1%
GUYANA	0.1%
ECUADOR	0.0%
ITALY	0.0%
ISRAEL	0.0%
PARAGUAY	0.0%
MALAYSIA	0.0%
EGYPT	0.0%
GUATEMALA	0.0%
TAIWAN	0.0%
HAITI	0.0%
US DUTY FREE	0.0%
HONDURAS	0.0%
INDONESIA	0.0%

Note that this sample does not contain packs found without cellophane cover (Cat. 1), 21.8% from total sample. Although it is likely that a certain percentage of the packs will be found without the cellophane cover, sometimes this is a deliberate action by cigarette smugglers to hide the origin of the pack and avoid paying taxes.

SAMPLE COMPOSITION: MENTHOL SHARE BY CATEGORY

% OF TOTAL CATEGORY SAMPLE (n=2,760) Based on number of packs

■ NON-MENTHOL ■ MENTHOL



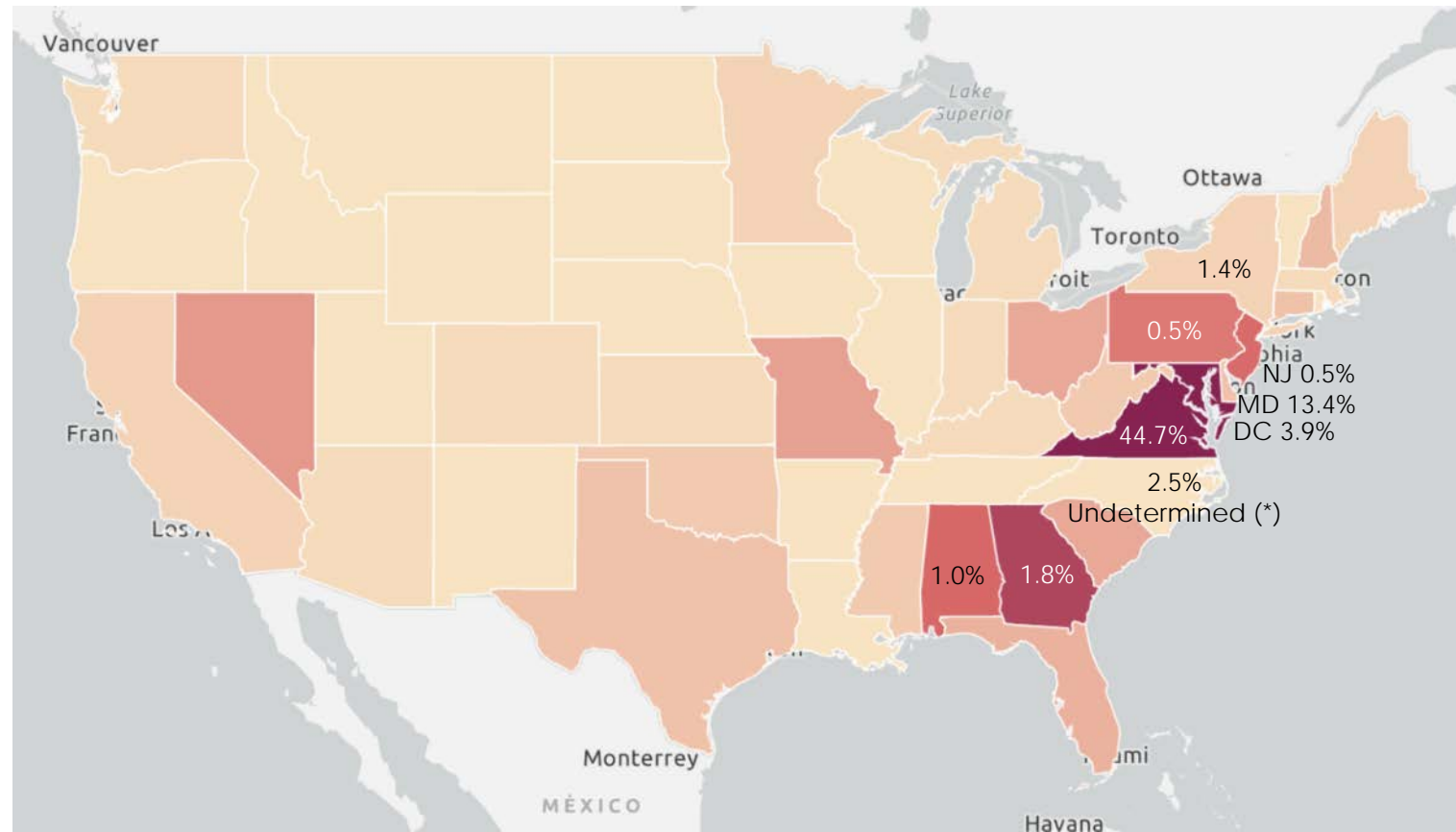
CATEGORY 3 (NON-DC TAX STAMP) BREAKDOWN

% OF Category 3 Based on number of packs:

Total Cat 3 (non-DC Tax Stamp)	100%
VA	36.5%
NVCTB/VA	30.3%
MD	19.9%
GA	2.8%
NYC/NY	2.3%
99_AL	1.6%
MUNI_VA	1.2%
PA	0.9%
VA/VACO	0.8%
NJ	0.8%
NV	0.5%
OH	0.3%
MO	0.3%
FL	0.2%
MS	0.2%
VACO	0.1%
SC	0.1%
OTHERS	1.2%

Total Packs: 1,720

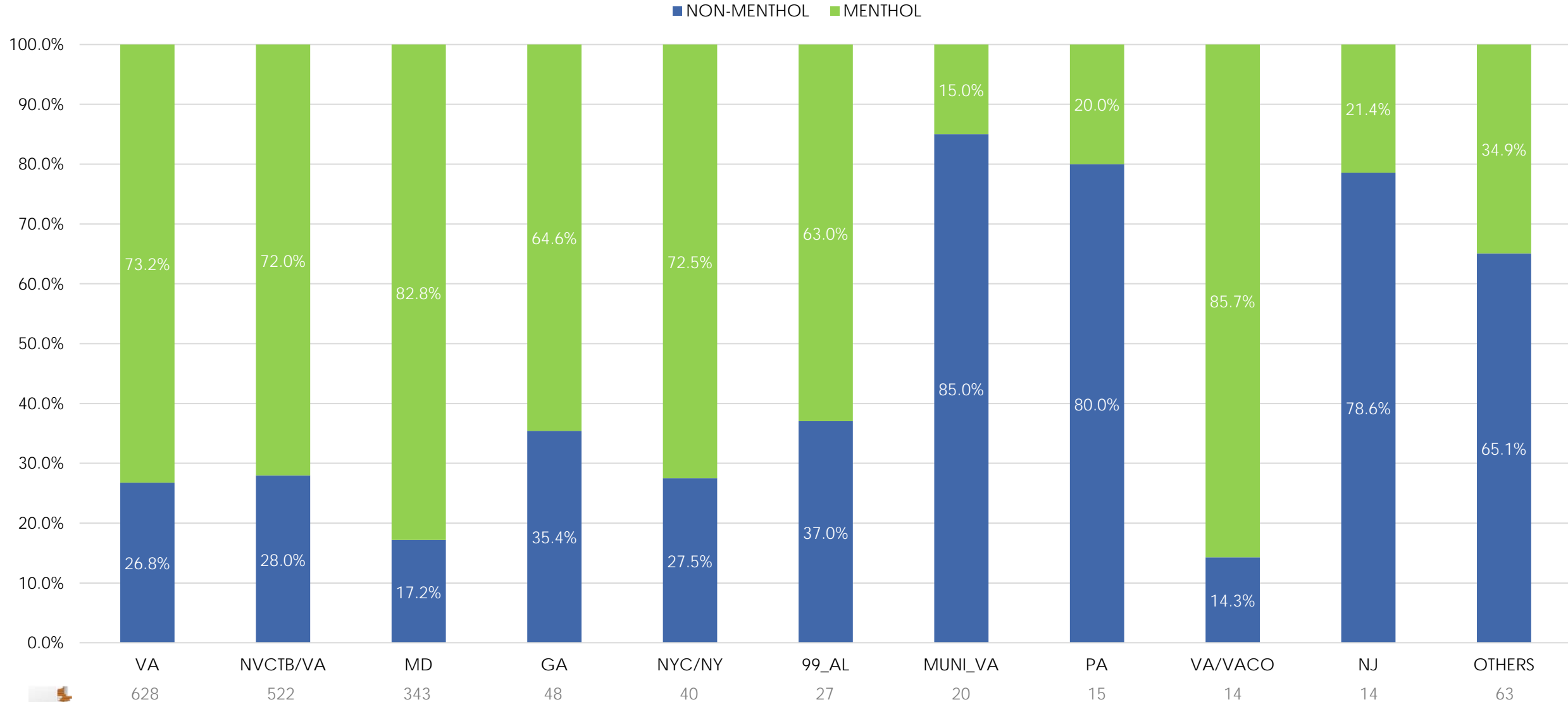
% OF TOTAL SAMPLE Based on number of packs (n=2,760)



(*) Note: North Dakota and North Carolina do not require tax stamps. It is not possible to determine whether the packs found with cello and without the tax stamp (Cat 2) were originally without a tax stamp, or whether the stamp was removed on purpose. We note the percent of product without tax stamps next to NC.

CATEGORY 3 (NON-DC TAX STAMP) MENTHOL INDICATOR BREAKDOWN

% OF STATE SAMPLE Based on number of packs



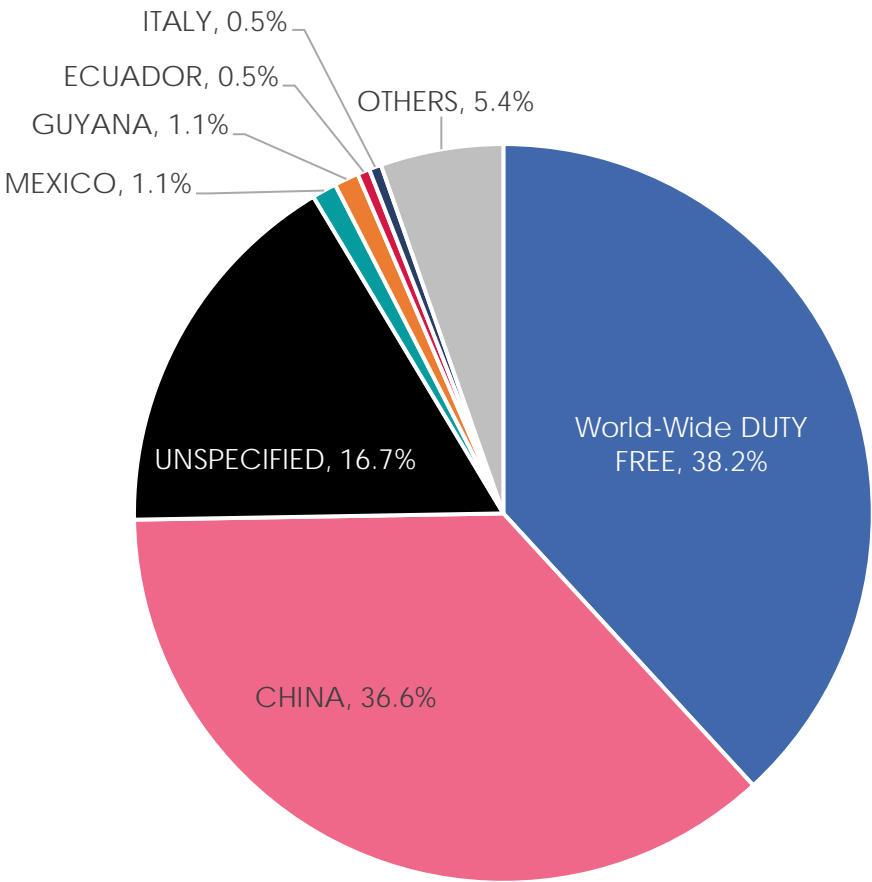


CATEGORY 5 (NON-DOMESTIC) BREAKDOWN

% OF TOTAL SAMPLE Based on number of packs (n=2,760)

Category 5	6.7%
World-Wide DUTY FREE	2.6%
CHINA	2.5%
UNSPECIFIED - Not determinable	1.1%
MEXICO	0.1%
GUYANA	0.1%
ECUADOR	0.0%
ITALY	0.0%
ISRAEL	0.0%
PARAGUAY	0.0%
MALAYSIA	0.0%
EGYPT	0.0%
GUATEMALA	0.0%
TAIWAN	0.0%
HAITI	0.0%
US DUTY FREE	0.0%
HONDURAS	0.0%
INDONESIA	0.0%

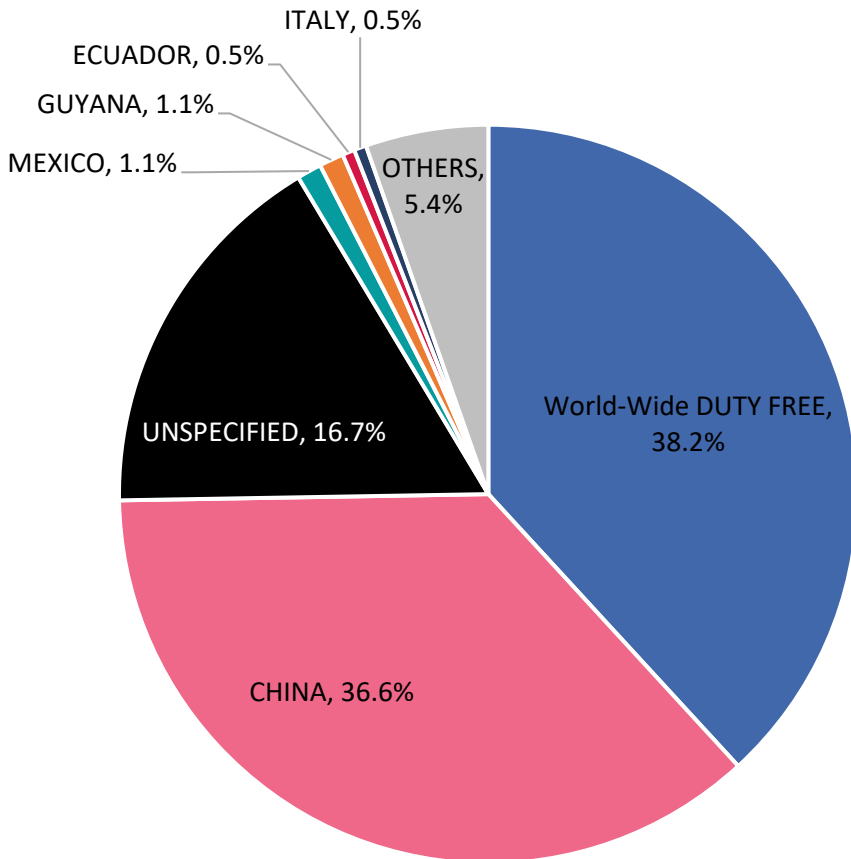
% OF NON-DOMESTIC Based on number of packs (n=186)



Note: US Duty Free products are outbound duty products purchased by consumers leaving the United States.
World-Wide Duty Free are inbound duty-free products purchased by consumers entering the United States.

CATEGORY 5 (NON-DOMESTIC) BRANDS DISTRIBUTION

% OF TOTAL NON-DOMESTIC SAMPLE Based on number of packs (n=186)



World-Wide DUTY FREE	38.2%
ASHIMA	9.1%
DENIM	6.5%
MEVIUS	5.9%
MARLBORO	3.8%
SEVEN STARS	3.8%
PARLIAMENT	2.2%
BENSON & HEDGES	1.1%
OTHERS	5.9%

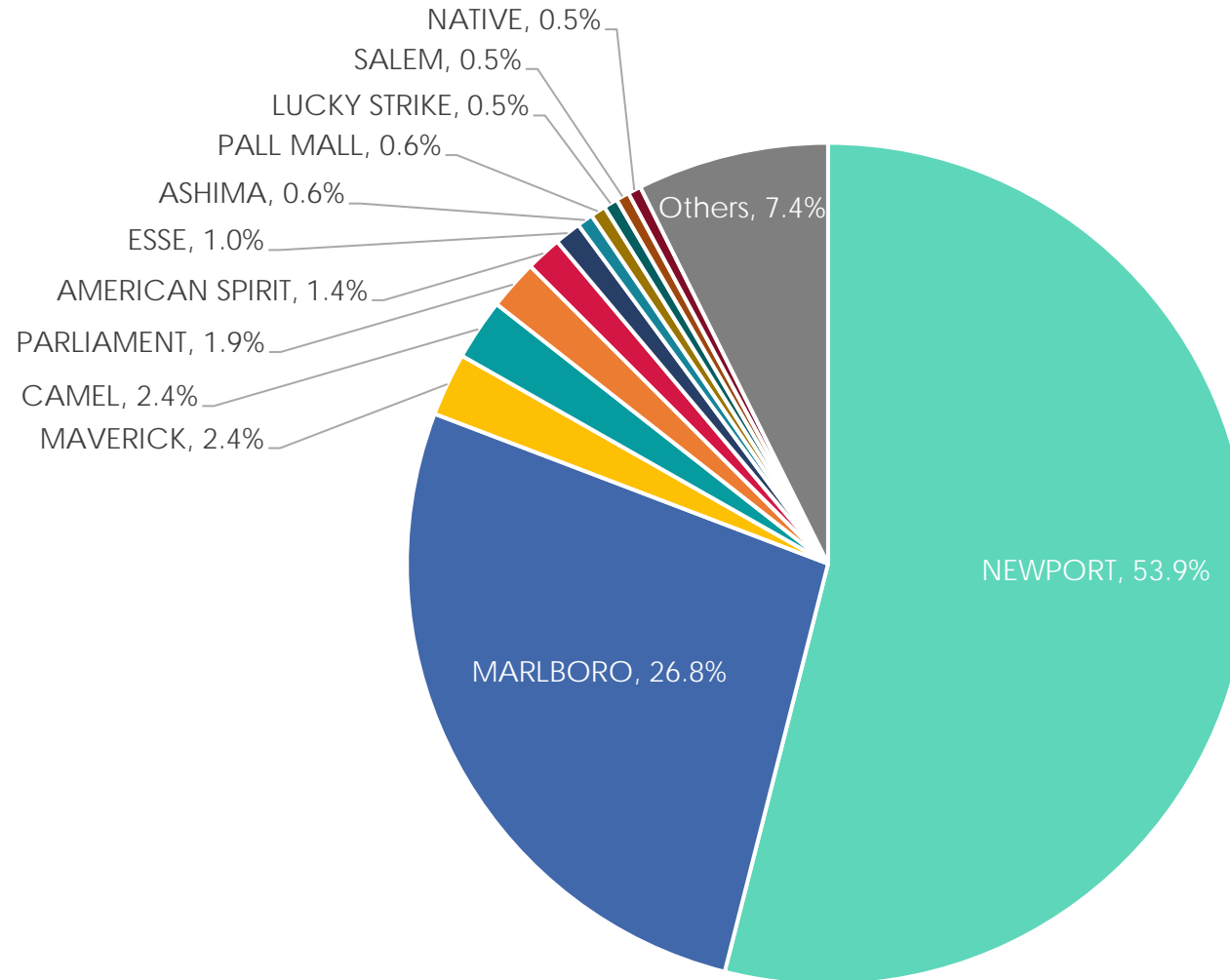
CHINA	36.6%
WUYESHEN	6.5%
DOUBLE HAPPINESS	4.3%
CHUNGHWA	4.3%
SEPTWOLVES	3.8%
NANJING	2.7%
YELLOW CRANE TOWER	1.6%
TAISHAN	1.6%
OTHERS	11.8%

UNSPECIFIED – Not determinable	16.7%
ESSE	14.0%
DOUBLE HAPPINESS	1.1%
LOTUS	0.5%
MANCHESTER	0.5%
BENSON & HEDGES	0.5%

*Unspecified are cigarettes packs which are not bearing any specific market or Duty-Free labeling, often linked to illicit trade.

TOTAL SAMPLE: SHARE BY BRAND FAMILY

% OF TOTAL SAMPLE Based on number of packs (n=2,760)



CATEGORY 6 (COUNTERFEIT) BREAKDOWN

% OF TOTAL SAMPLE Based on number of packs

Brand Family	Tax Stamp Assessment	Tax Stamp State	Packs Found	% of Total
MARLBORO	COUNTERFEIT	VA	34	1.23%
		DC	2	0.07%
		MD	2	0.07%
		TX	1	0.04%
MARLBORO Total			39	1.41%
NEWPORT	COUNTERFEIT	MD	22	0.80%
		VA	10	0.36%
		NVCTB/VA	1	0.04%
NEWPORT Total			33	1.20%
SALEM	COUNTERFEIT	MD	1	0.04%
SALEM Total			1	0.04%
MAVERICK	COUNTERFEIT	DC	1	0.04%
MAVERICK Total			1	0.04%
CAPRI	COUNTERFEIT	MD	1	0.04%
CAPRI Total			1	0.04%
PARLIAMENT	COUNTERFEIT	GA	1	0.04%
PARLIAMENT Total			1	0.04%
KOOL	COUNTERFEIT	MD	1	0.04%
KOOL Total			1	0.04%
CAMEL	COUNTERFEIT	NVCTB/VA	1	0.04%
CAMEL Total			1	0.04%
AMERICAN SPIRIT	COUNTERFEIT	DC	1	0.04%
AMERICAN SPIRIT Total			1	0.04%
Total Cat 6 (Counterfeit)			79	2.86%

(*) The authenticity forensic check of the packs was preformed on Altria's packs only.

The background of the slide is a dense, overlapping pile of discarded e-cigarette packaging. The packages are mostly clear plastic with white labels. Many of the labels feature a black warning label with white text that reads: "WARNING: THIS PRODUCT CONTAINS NICOTINE. NICOTINE IS AN ADDICTIVE CHEMICAL." Some labels also show barcodes. The overall image conveys a sense of waste and the volume of discarded products.

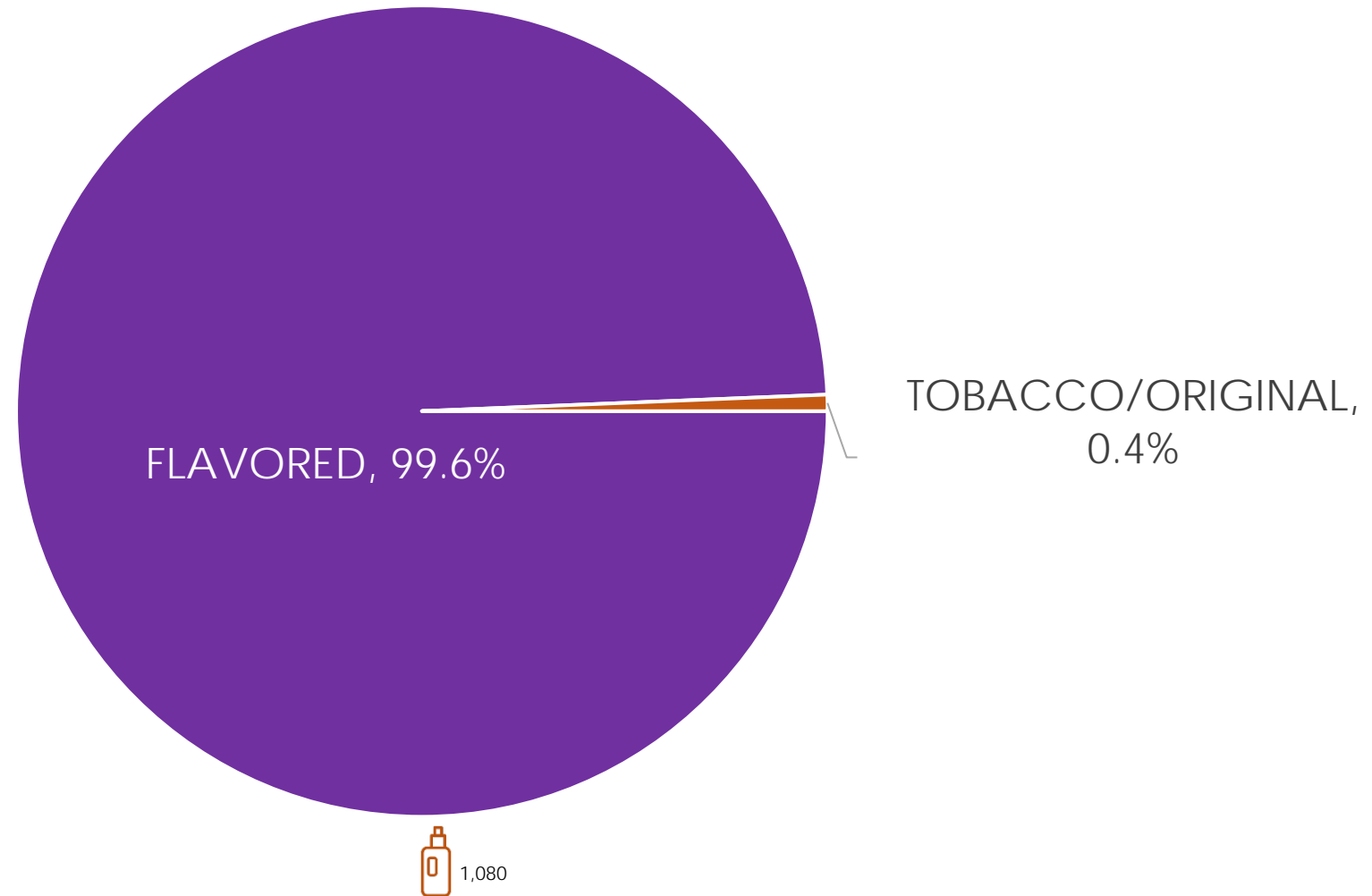
04

KEY RESULTS - DC - E-VAPOR

QUARTER 1, 2024

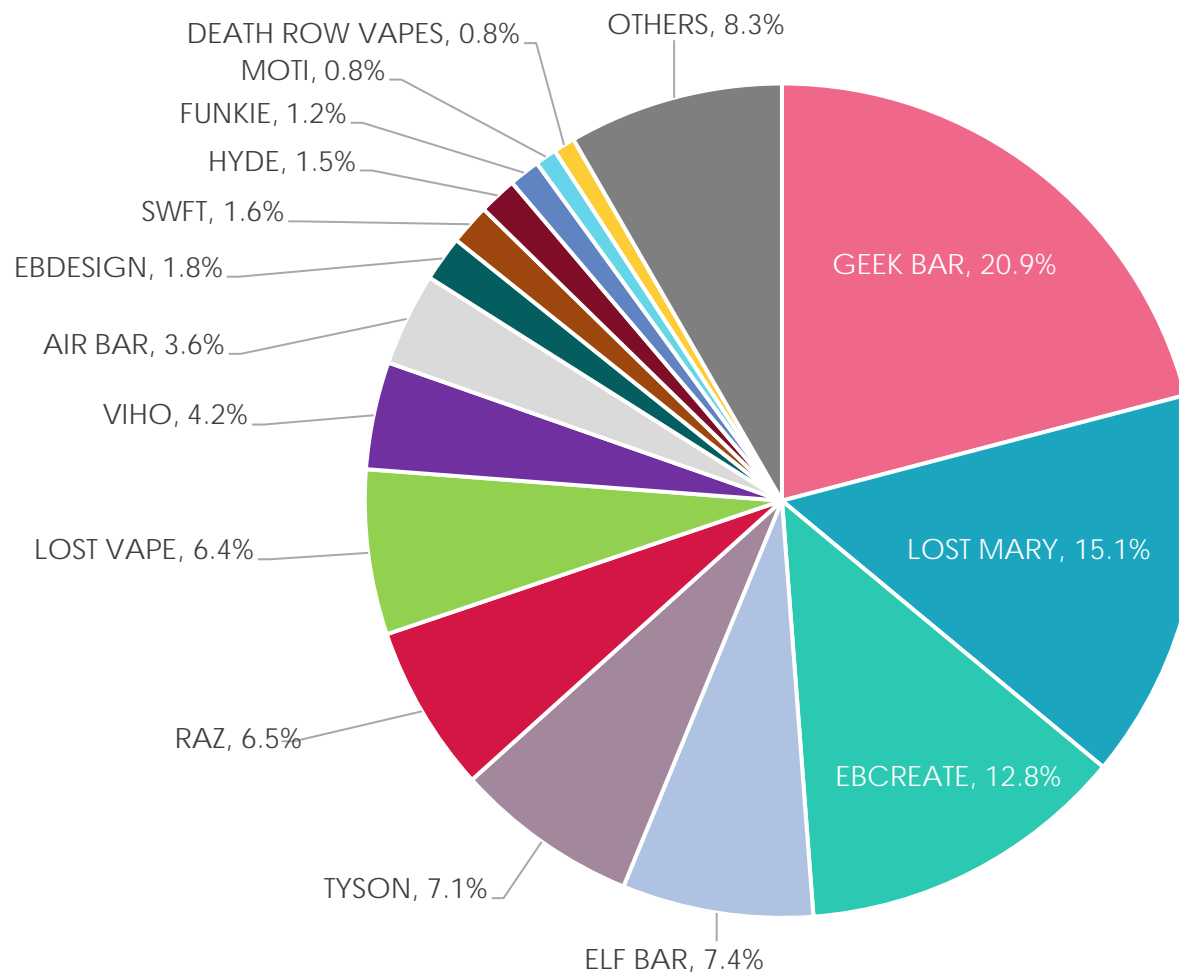
SAMPLE COMPOSITION: SHARE OF E-VAPOR FLAVORED PRODUCTS

E-Vapor Flavor Attribute, % of Total E-Vapor
Sample (n=1,080)



SAMPLE COMPOSITION: SHARE BY COMPANY/BRAND

Brand Name, % of Total Sample (n=1,080)



1,080

Note: Elf Bar, Lost Mary, EBDesign, and Truly Bar are similar products, all manufactured by the company **Shenzhen iMiracle Technology**.

TOP FLAVORS BREAKDOWN BY TOP 6 BRANDS (1/2)

% OF TOTAL SAMPLE Based on number of packs



GEEK BAR PULSE	20.5%
BLUE RAZZ ICE	2.0%
MIAMI MINT	1.9%
BLUEBERRY WATERMELON	1.6%
SOUR APPLE ICE	1.3%
DRAGON MELON	1.2%
WATERMELON ICE	0.9%
BLUE MINT	0.9%
MEXICO MANGO	0.9%
CRAZY MELON	0.9%
PINK LEMONADE	0.8%
CHERRY BOMB	0.8%
BLACK CHERRY	0.8%
STRAWBERRY MANGO	0.7%
STRAWBERRY BANANA	0.7%
JUICY PEACH ICE	0.6%
META MOON	0.6%
GRAPE BLOW POP	0.6%
WHITE GUMMY ICE	0.5%
BERRY BLISS	0.4%
TROPICAL RAINBOW BLAST	0.4%
OTHERS	1.9%



EBCREATE BC5000 US EDITION	12.7%
MIAMI MINT	4.1%
LEMON MINT	1.2%
STRAWBERRY MANGO	1.2%
STRAWBERRY KIWI	1.0%
WATERMELON ICE	0.7%
BLUE RAZZ ICE	0.7%
MANGO PEACH	0.6%
FUJI ICE	0.6%
STRAWMELON ICE	0.6%
CLEAR	0.4%
STRAWBERRY ICE	0.3%
TRIPLE BERRY ICE	0.3%
PEACH BERRY	0.3%
PEACH ICE	0.3%
WATERMELON BG	0.1%
STRAWBERRY RASPBERRY	0.1%
CHERRY ICE	0.1%
STRAWBERRY WATERMELON	0.1%
ORANGE PEAR NECTAR	0.1%
STRAWBERRY BANANA	0.1%



LOST MARY MO5000	11.9%
BLUE RAZZ ICE	1.6%
STRAWBERRY WATERMELON ICE	1.0%
WATERMELON CHERRY	1.0%
BLUE TRIO	0.8%
KIWI DRAGON DUO ICE	0.7%
STRAWBERRY ICE	0.6%
TRIPLE BERRY ICE	0.6%
PLUM ROSE MINT	0.6%
ALPHONSO MANGO ICE	0.5%
GRAPE CLOUDD	0.5%
GUAVA ICE	0.5%
KIWI DRAGON FRUIT BERRY ICE	0.4%
MANGO PEACH WATERMELON	0.4%
PURE	0.3%
BERRY ROSE DUO ICE	0.3%
CITRUS SUNRISE	0.3%
BANANA RASPBERRY ICE	0.3%
TROPICAL FRUIT	0.3%
GINGER BEER	0.2%
STRAWBERRY KIWI ICE	0.2%
OTHERS	1.2%

TOP FLAVORS BREAKDOWN BY TOP 6 BRANDS (2/2)

% OF TOTAL SAMPLE Based on number of packs



LOST VAPE ORION BAR 7500	6.2%
ORION BAR	1.0%
MIAMI MINT	0.9%
PEACH MANGO WATERMELON	0.9%
STRAWBERRY CHEW	0.9%
PINEAPPLE LEMONADE	0.7%
RASPBERRY SOUR APPLE	0.5%
SOUR APPLE ICE	0.2%
LUSH ICE	0.2%
STRAWBERRY WATERMELON	0.2%
COLOMBIA COFFEE ICE	0.2%
PEPPERMINT	0.1%
FROZEN RASPBERRY LEMONADE	0.1%
ORANGE ICE	0.1%
MANGO ICE	0.1%
BANANA CAKE	0.1%



RAZ 9000	5.6%
NIGHT CRAWLER	0.7%
BLUEBERRY WATERMELON	0.6%
STRAWBERRY ICE	0.6%
STRAWBERRY SHORTCAKE	0.5%
DRAGON FRUIT LEMONADE	0.5%
CHERRY LEMON	0.4%
BLUE RAZ ICE	0.4%
TRIPLE BERRY ICE	0.3%
MIAMI MINT	0.3%
APPLE CINNAMON	0.3%
PUMPKIN PIE FROSTING	0.2%
RUBY	0.2%
VIOLET	0.2%
GRAPE ICE	0.2%
TIFFANY	0.2%
WATERMELON ICE	0.1%
CITRONNADE	0.1%



VIHO TURBO 10000	4.2%
PINEAPPLE ICE	0.6%
COOL MINT	0.6%
TROPICAL MELON	0.3%
MIGHTY MINT	0.3%
MANGO PEACH WATERMELON	0.2%
LEMON MINT	0.2%
RASPBERRY WATERMELON	0.2%
GRAPE BUBBLE GUM	0.2%
STRAWBERRY RASPBERRY	0.2%
SEX ON THE BEACH	0.1%
CHERRY LEMON	0.1%
SOUR RASPBERRY BUBBLE GUM	0.1%
CHERRY COLA	0.1%
GLACIER OREO	0.1%
STRAWBERRY KIWI	0.1%
SOUR APPLE ICY	0.1%
STRAWMELON ICY	0.1%
GRAPE ICE	0.1%
PEPPERMINT CREAM	0.1%
WATERMELON CACTUS JACK	0.1%
OTHERS	0.6%



05.

APPENDIX-1 (PICTURES)

QUARTER 1, 2024

PICTURES: EXAMPLES

Counterfeit DC tax stamp



Menthol cigarettes found in DC



Flavored e-vapor products found in DC





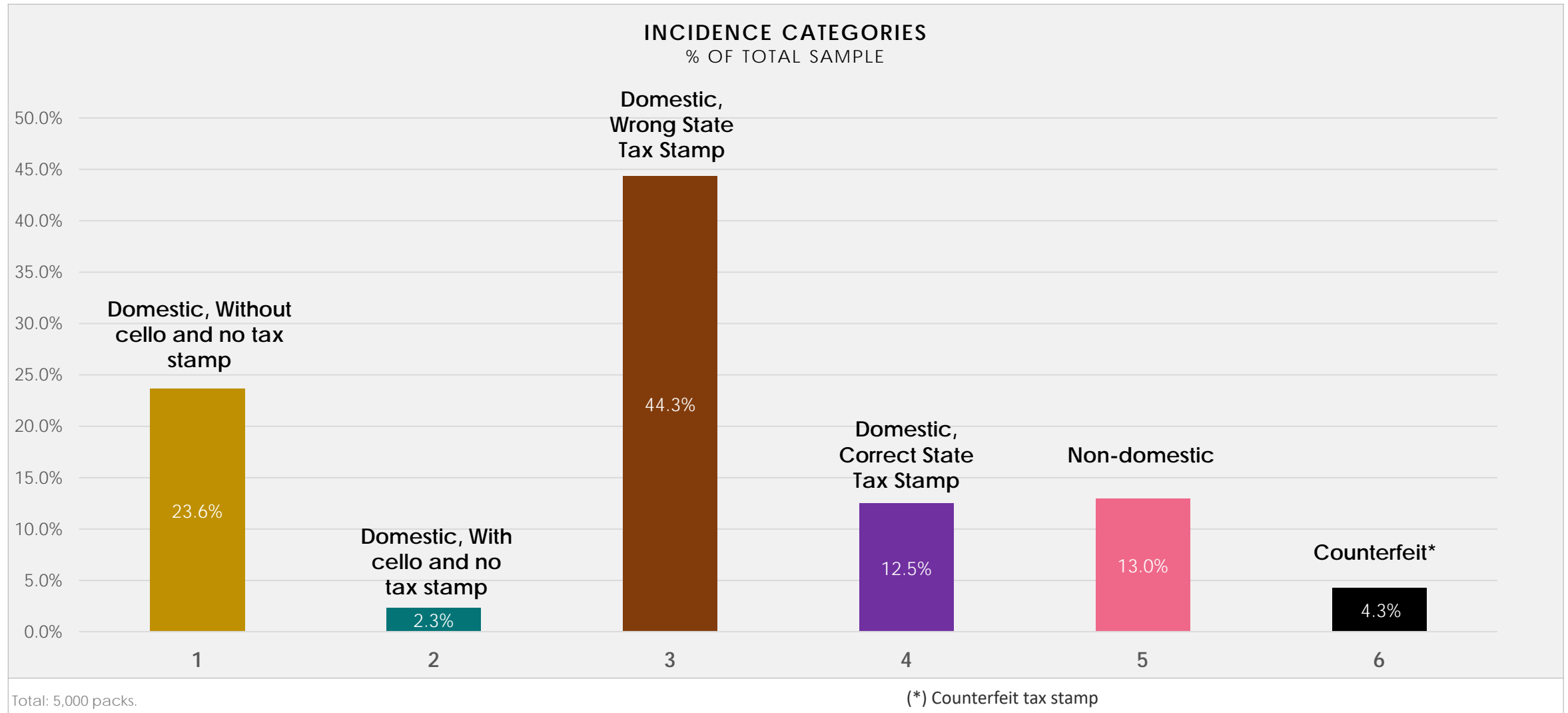
05.

APPENDIX-2 (ADDITIONAL SLIDES)

QUARTER 1, 2024

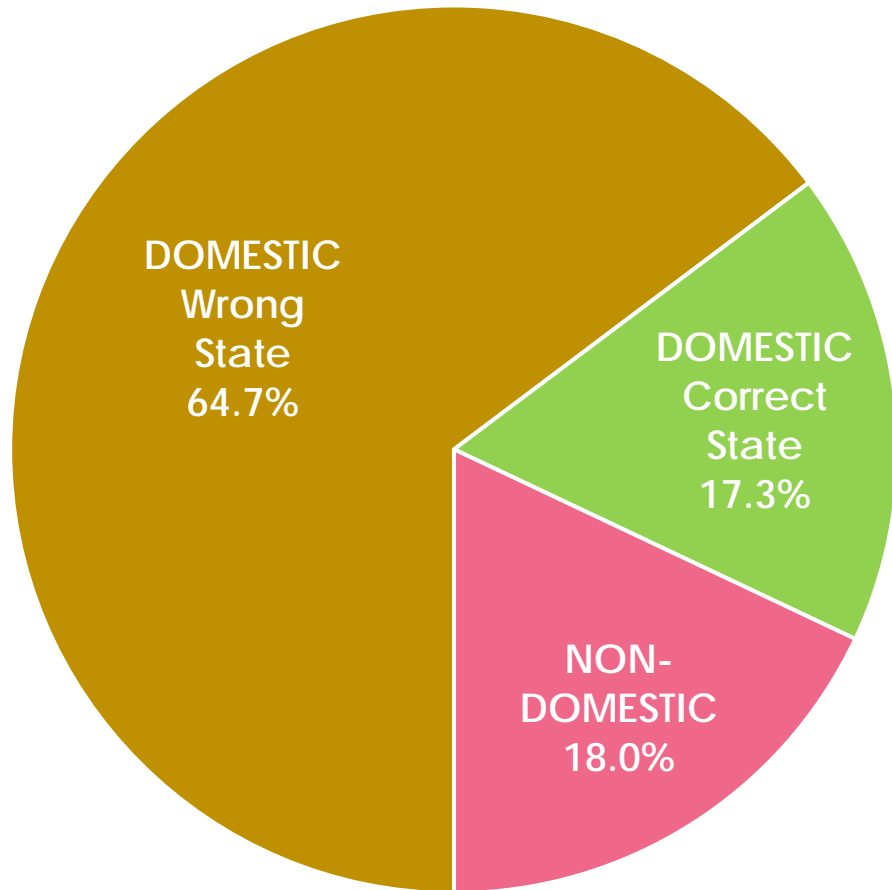


SAMPLE COMPOSITION SUMMARY: CATEGORIES





TAX DETERMINABLE PACKS (CAT. 2-5)



Total Packs: 5,000

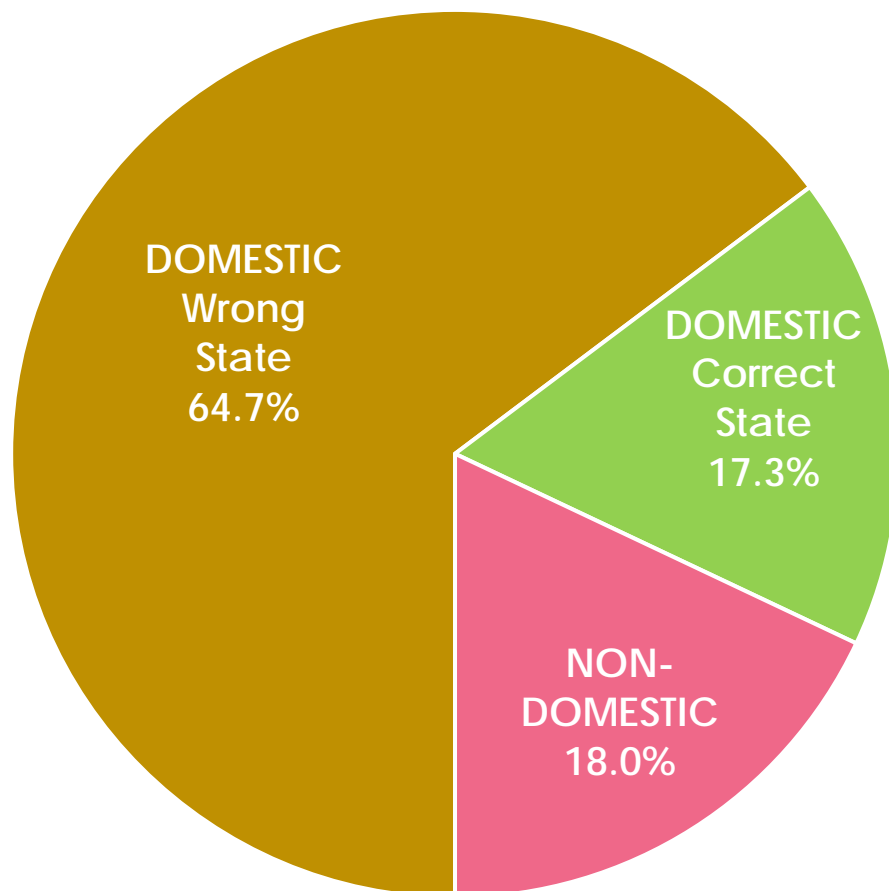
Total Sample	DC	MD	VA	TOTAL
Domestic Wrong State	49.6%	7.1%	10.9%	64.7%
Undetermined – No tax stamp on the cello	1.9%	0.3%	1.0%	3.2%
VA	17.4%	3.1%	X	20.5%
NVCTB/VA	14.5%	1.0%	X	15.5%
MD	9.5%	X	1.7%	11.3%
GA	1.3%	0.6%	2.7%	4.6%
DC	X	1.0%	1.0%	2.0%
NYC/NY	1.1%	0.2%	0.2%	1.6%
99(unclear)_AL	0.7%	0.1%	0.1%	1.0%
NJ	0.4%	0.2%	0.4%	1.0%
PA	0.4%	0.1%	0.2%	0.7%
MUNI_VA	0.6%	0.1%	X	0.6%
VA/VACO	0.4%	0.0%	X	0.4%
NV	0.2%	-	0.0%	0.2%
SC	0.1%	0.0%	0.1%	0.2%
OH	0.1%	0.0%	0.0%	0.2%
MO	0.1%	0.0%	0.0%	0.2%
OTHERS	0.8%	0.3%	0.4%	1.5%

Total Packs: 2,760 650 1,600

Each State's Sample	DC	MD	VA
Domestic Wrong State	86.0%	51.7%	28.1%
Undetermined – No tax stamp on the cello	3.3%	2.4%	3.6%
VA	30.2%	22.3%	X
NVCTB/VA	25.1%	7.4%	X
MD	16.5%	X	6.1%
GA	2.3%	4.0%	9.4%
DC	X	7.2%	3.6%
NYC/NY	1.9%	1.6%	0.9%
99(unclear)_AL	1.3%	1.0%	0.4%
NJ	0.7%	1.6%	1.3%
PA	0.7%	0.4%	0.7%
MUNI_VA	1.0%	0.6%	X
VA/VACO	0.7%	0.2%	X
NV	0.4%	-	0.1%
SC	0.1%	0.2%	0.4%
OH	0.2%	0.2%	0.1%
MO	0.2%	0.2%	0.1%
OTHERS	1.4%	2.2%	1.5%

Note that this sample does not contain packs found without cellophane cover (Cat. 1), 23.6% from total sample. Although it is likely that a certain percentage of the packs will be found without the cellophane cover, sometimes this is a deliberate action by cigarette smugglers to hide the origin of the pack and avoid paying taxes.

TAX DETERMINABLE PACKS (CAT. 2-5)



Non-domestic	18.0%
WORLDWIDE DUTY FREE	9.2%
CHINA	4.5%
UNSPECIFIED - Not determinable	3.0%
GUYANA	0.1%
SPAIN	0.1%
PAKISTAN	0.1%
JAPAN	0.1%
KAZAKHSTAN	0.1%
ISRAEL	0.1%
GUATEMALA	0.1%
ECUADOR	0.1%
MEXICO	0.1%
HONDURAS	0.1%
EGYPT	0.1%
JORDAN	0.1%
COLOMBIA	0.1%
SINGAPORE	0.0%
US DUTY FREE	0.0%
TAIWAN	0.0%
OTHERS	0.3%

Note that this sample does not contain packs found without cellophane cover (Cat. 1), 23.6% from total sample. Although it is likely that a certain percentage of the packs will be found without the cellophane cover, sometimes this is a deliberate action by cigarette smugglers to hide the origin of the pack and avoid paying taxes.

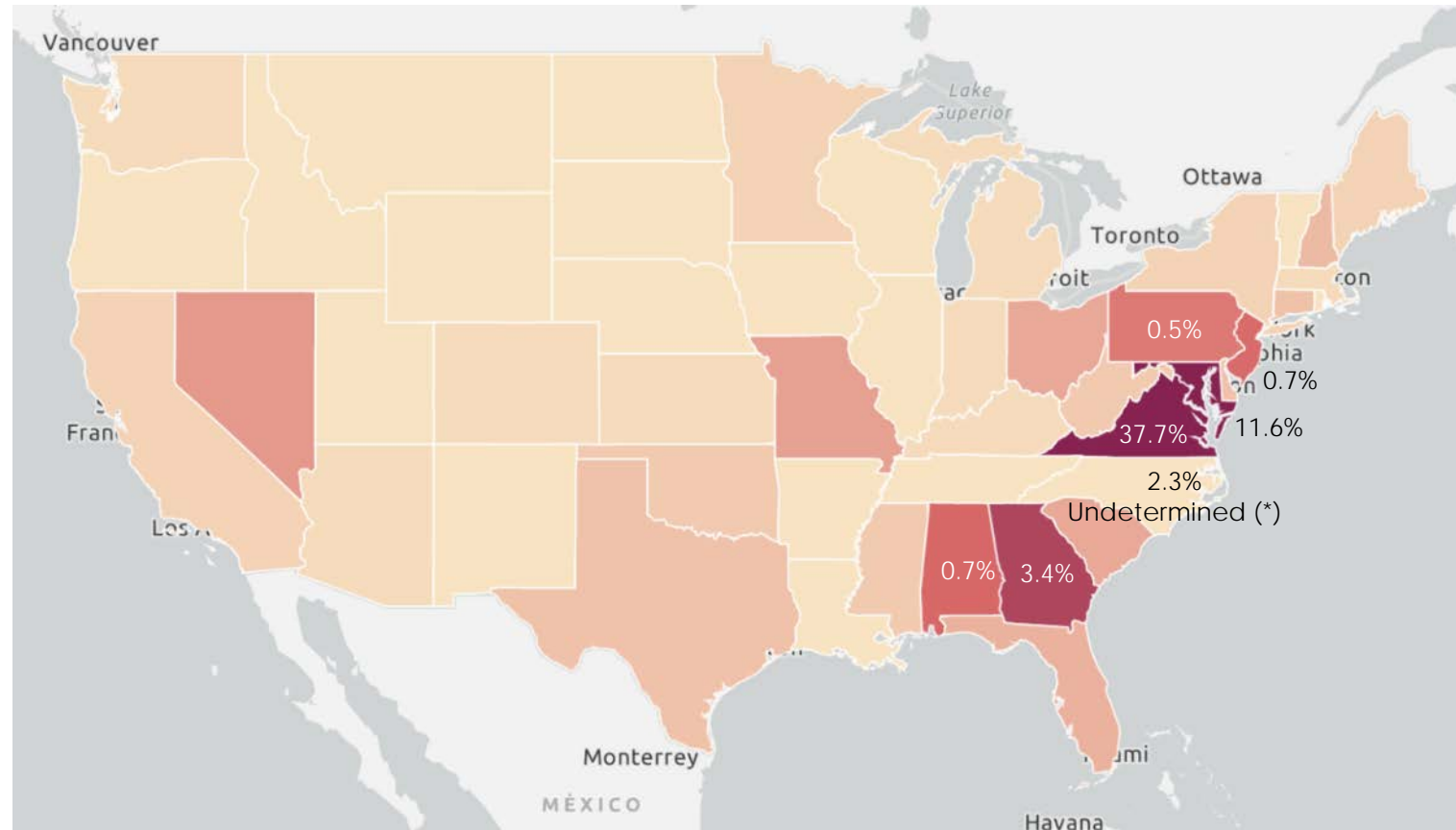
CATEGORY 2-3 (NON-DC METRO TAX STAMP) BREAKDOWN

% OF Category 2-3 Based on number of packs:

Each State Sample	DC	MD	VA
Domestic Wrong State	86.0%	51.7%	28.1%
Undetermined – No tax stamp on the cello	3.3%	2.4%	3.6%
VA	30.2%	22.3%	X
NVCTB/VA	25.1%	7.4%	X
MD	16.5%	X	6.1%
GA	2.3%	4.0%	9.4%
DC	X	7.2%	3.6%
NYC/NY	1.9%	1.6%	0.9%
99(unclear)_AL	1.3%	1.0%	0.4%
NJ	0.7%	1.6%	1.3%
PA	0.7%	0.4%	0.7%
MUNI_VA	1.0%	0.6%	X
VA/VACO	0.7%	0.2%	X
NV	0.4%	-	0.1%
SC	0.1%	0.2%	0.4%
OH	0.2%	0.2%	0.1%
MO	0.2%	0.2%	0.1%
OTHERS	1.4%	2.2%	1.5%

Total Packs: 2,760 650 1,600

% OF TOTAL SAMPLE Based on number of packs (n=5,000)



(*) Note: North Dakota and North Carolina do not require tax stamps. It is not possible to determine whether the packs found with cello and without the tax stamp (Cat 2) were originally without a tax stamp, or whether the stamp was removed on purpose. We note the percent of product without tax stamps next to NC.

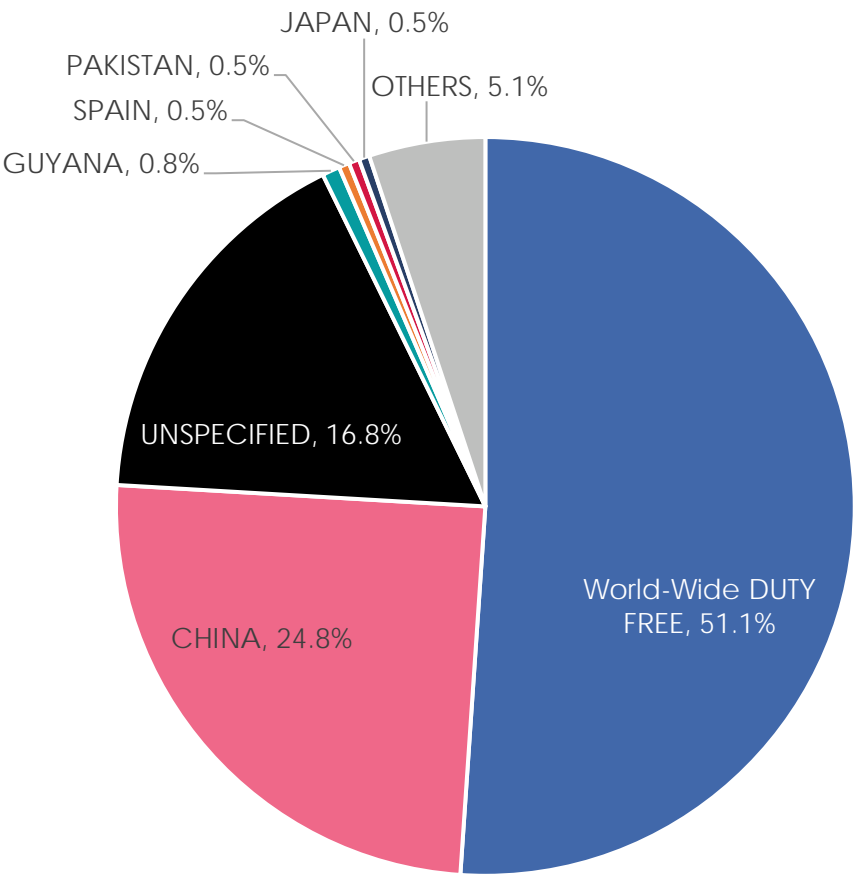


CATEGORY 5 (NON-DOMESTIC) BREAKDOWN

% OF TOTAL SAMPLE Based on number of packs (n=5,000)

Category 5	13.0%
World-Wide DUTY FREE	6.6%
CHINA	3.2%
UNSPECIFIED - Not determinable	2.2%
GUYANA	0.1%
SPAIN	0.1%
PAKISTAN	0.1%
JAPAN	0.1%
KAZAKHSTAN	0.1%
ISRAEL	0.1%
GUATEMALA	0.0%
ECUADOR	0.0%
MEXICO	0.0%
HONDURAS	0.0%
EGYPT	0.0%
JORDAN	0.0%
COLOMBIA	0.0%
SINGAPORE	0.0%
OTHERS	0.2%

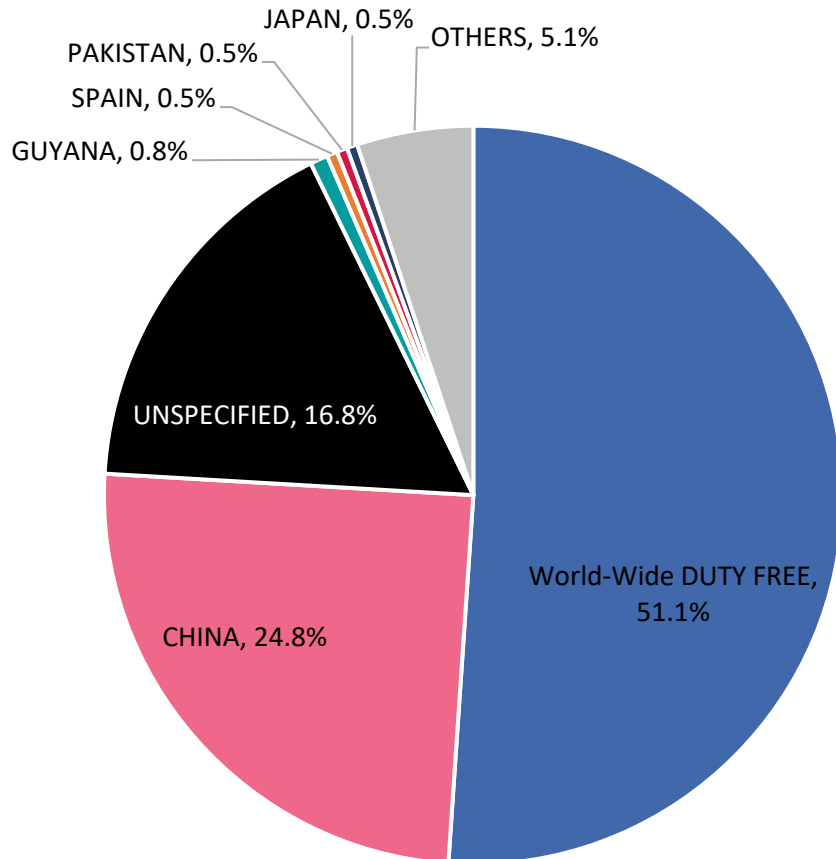
% OF NON-DOMESTIC Based on number of packs (n=648)



Note: US Duty Free products are outbound duty products purchased by consumers leaving the United States.
World-Wide Duty Free are inbound duty-free products purchased by consumers entering the United States.

CATEGORY 5 (NON-DOMESTIC) BRANDS DISTRIBUTION

% OF TOTAL NON-DOMESTIC SAMPLE Based on number of packs (n=648)



World-Wide DUTY FREE	51.1%
ASHIMA	17.0%
DENIM	8.3%
MEVIUS	6.8%
SEVEN STARS	5.2%
MARLBORO	3.7%
99	2.2%
ESSE	1.1%
OTHERS	6.8%

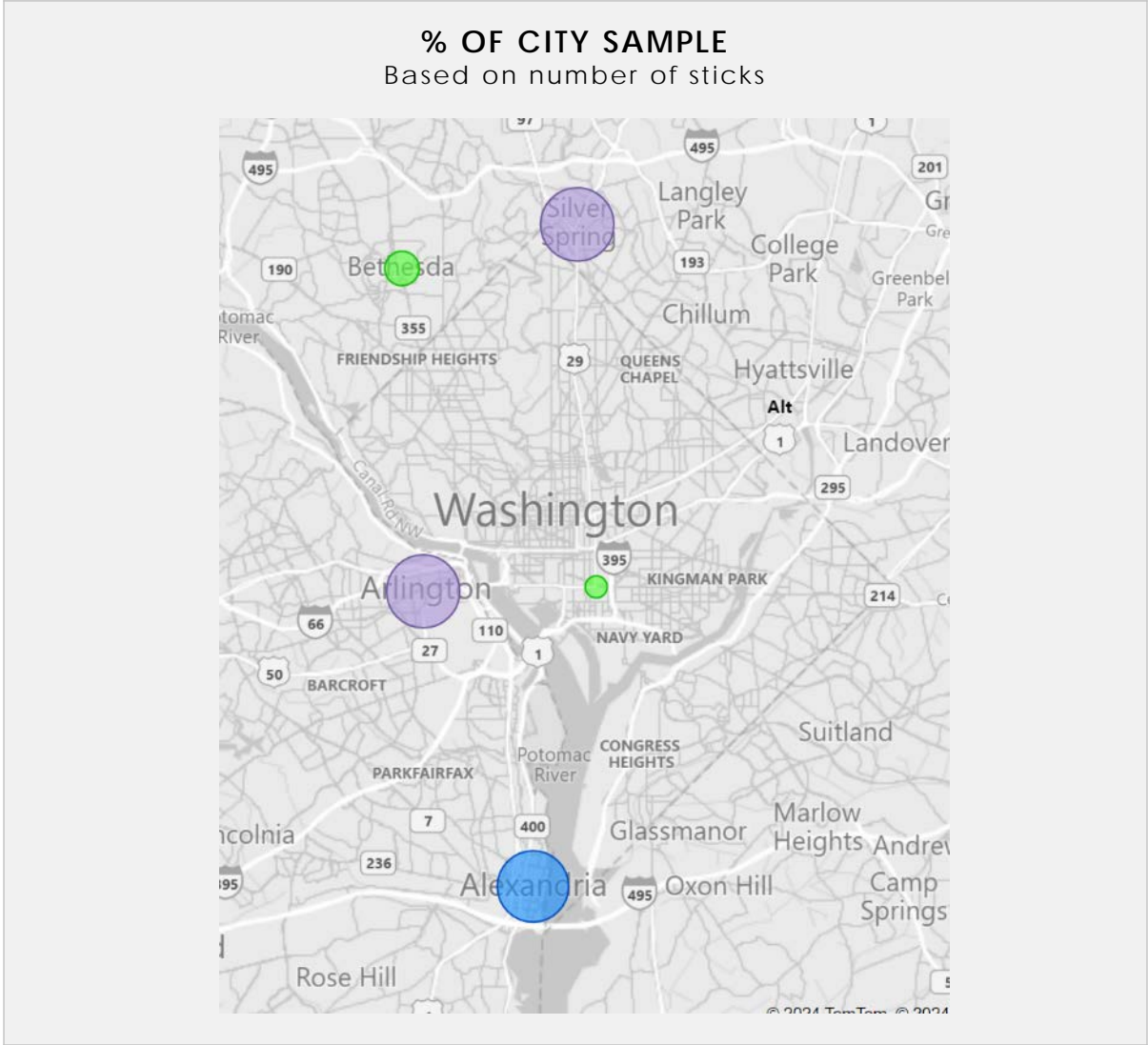
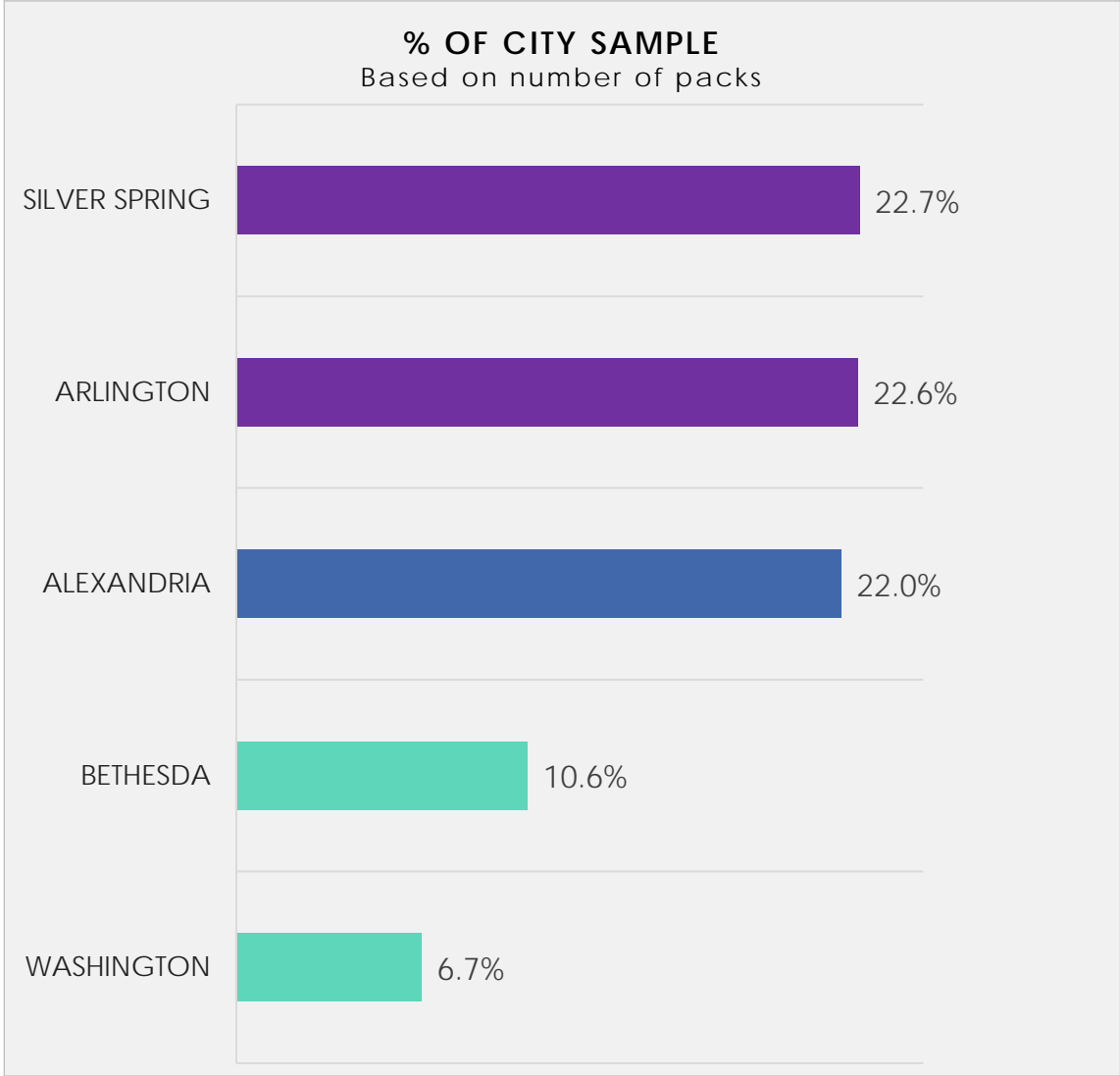
CHINA	24.8%
WUYESHEN	5.2%
SEPTWOLVES	3.2%
CHUNGHWA	2.5%
SHUANGXI	1.9%
DOUBLE HAPPINESS	1.9%
NANJING	1.5%
LIQUN	1.4%
OTHERS	7.3%

UNSPECIFIED – Not determinable	16.8%
ESSE	13.3%
MANCHESTER	0.5%
DOUBLE HAPPINESS	0.5%
BENSON & HEDGES	0.5%
YELLOW CRANE TOWER	0.5%
ASHIMA	0.3%
MILANO	0.3%
OTHERS	1.1%

*Unspecified are cigarettes packs which are not bearing any specific market or Duty-Free labeling, often linked to illicit trade.



NON-DOMESTIC: BY CITY






CATEGORY 6 (COUNTERFEIT) BREAKDOWN

% OF TOTAL SAMPLE Based on number of packs

Brand Family	Tax Stamp Assessment	Tax Stamp State	Packs Found	% of Total
MARLBORO	COUNTERFEIT	VA	118	2.36%
		GA	3	0.06%
		MD	3	0.06%
		DC	2	0.04%
		TX	1	0.02%
		PA	1	0.02%
		MO	1	0.02%
MARLBORO Total			129	2.58%
NEWPORT	COUNTERFEIT	VA	32	0.64%
		MD	31	0.62%
		PA	1	0.02%
		TX	1	0.02%
		GA	1	0.02%
		NVCTB/VA	1	0.02%
NEWPORT Total			67	1.34%
PARLIAMENT	COUNTERFEIT	VA	6	0.12%
		GA	1	0.02%
PARLIAMENT Total			7	0.14%
MAVERICK	COUNTERFEIT	DC	4	0.08%
MAVERICK Total			4	0.08%
AMERICAN SPIRIT	COUNTERFEIT	DC	2	0.04%
		VA	1	0.02%
AMERICAN SPIRIT Total			3	0.06%
SALEM	COUNTERFEIT	MD	1	0.02%
SALEM Total			1	0.02%
CAMEL	COUNTERFEIT	NVCTB/VA	1	0.02%
CAMEL Total			1	0.02%
CAPRI	COUNTERFEIT	MD	1	0.02%
CAPRI Total			1	0.02%
KOOL	COUNTERFEIT	MD	1	0.02%
KOOL Total			1	0.02%
Category 6 (Counterfeit) Total			214	4.28%

(*) The authenticity forensic check of the packs was preformed on Altria's packs only.

EXECUTIVE SUMMARY: INFLOW MATRIX

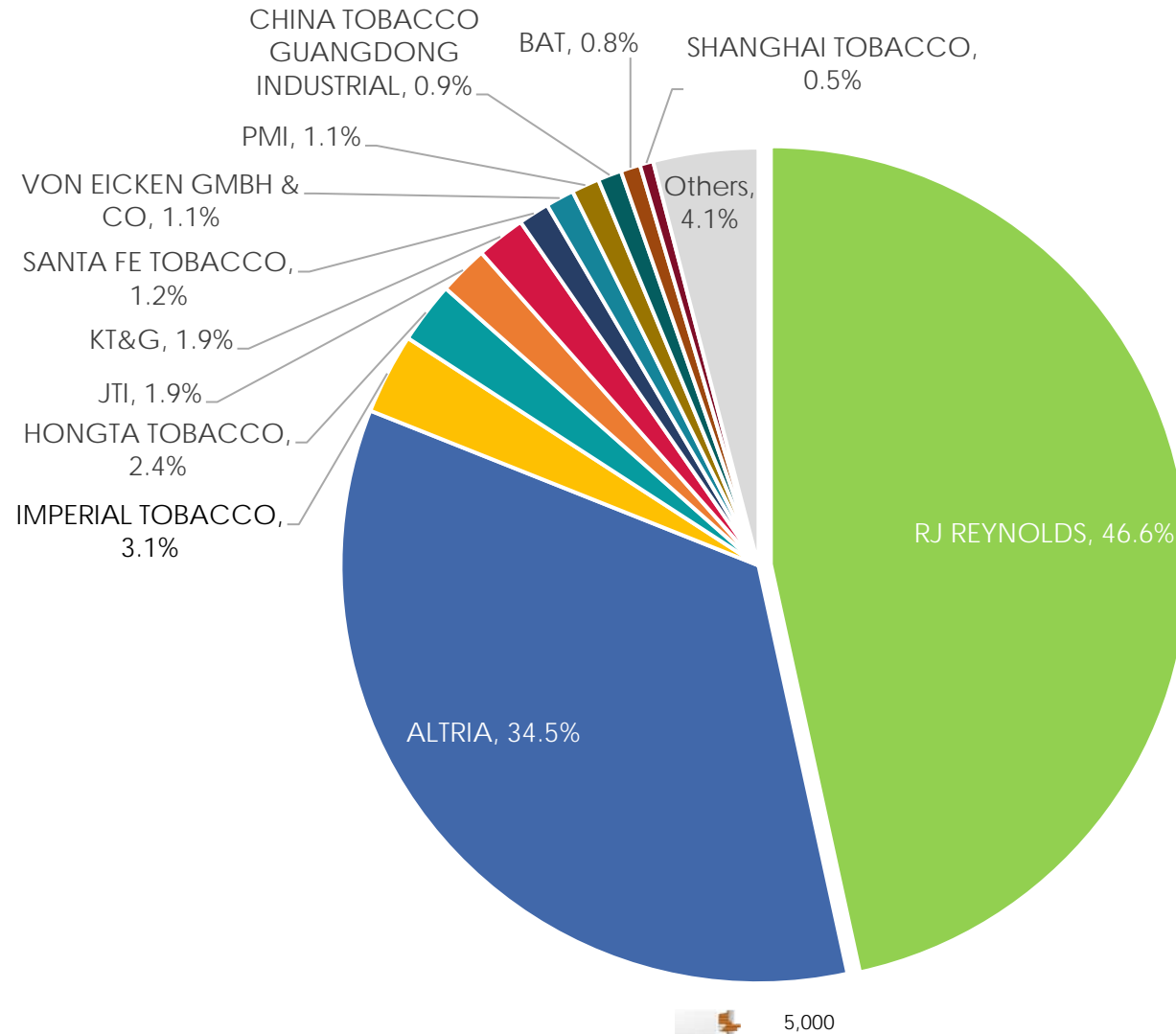
% OF TOTAL SAMPLE Based on number of sticks  5,000

MAIN INFLOWS

	DOMESTIC				NON-DOMESTIC (Cat 5)				COUNTERFEIT (Cat 6)	TOTAL
	No Cello (Cat 1)	No Tax Stamp (Cat 2)	Wrong State Tax Stamp (Cat 3)	Correct State Tax Stamp (Cat 4)	WW DUTY FREE	CHINA	UNSPECIFIED	OTHERS	CONTRABAND	
NEWPORT (RJ REYNOLDS)	11.0%	1.0%	24.9%	5.2%	-	-	-	-	1.3%	43.6%
MARLBORO (ALTRIA)	9.3%	0.9%	13.5%	5.5%	-	-	-	-	2.6%	31.8%
ASHIMA (HONGTA TOBACCO)	-	-	-	-	2.2%	-	-	-	-	2.2%
PARLIAMENT (ALTRIA)	0.5%	0.1%	1.1%	0.3%	-	-	-	-	0.1%	2.2%
MAVERICK (IMPERIAL TOBACCO)	0.4%	-	1.2%	0.3%	-	-	-	-	0.1%	2.0%
CAMEL (RJ REYNOLDS)	0.6%	-	1.0%	0.2%	-	-	-	-	-	1.9%
ESSE (KT&G)	-	-	-	-	0.1%	-	1.7%	-	-	1.9%
AMERICAN SPIRIT (SANTA FE TOBACCO)	0.3%	-	0.5%	0.3%	-	-	-	-	0.1%	1.2%
DENIM (VON EICKEN GMBH & CO)	-	-	-	-	1.1%	-	-	-	-	1.1%
MEVIUS (JTI)	-	-	-	-	0.9%	-	-	-	-	0.9%
OTHERS	1.5%	0.3%	2.1%	0.5%	2.3%	3.2%	0.4%	0.9%	0.1%	11.2%
TOTAL	23.6%	2.3%	44.3%	12.5%	6.6%	3.2%	2.2%	0.9%	4.3%	100.0%

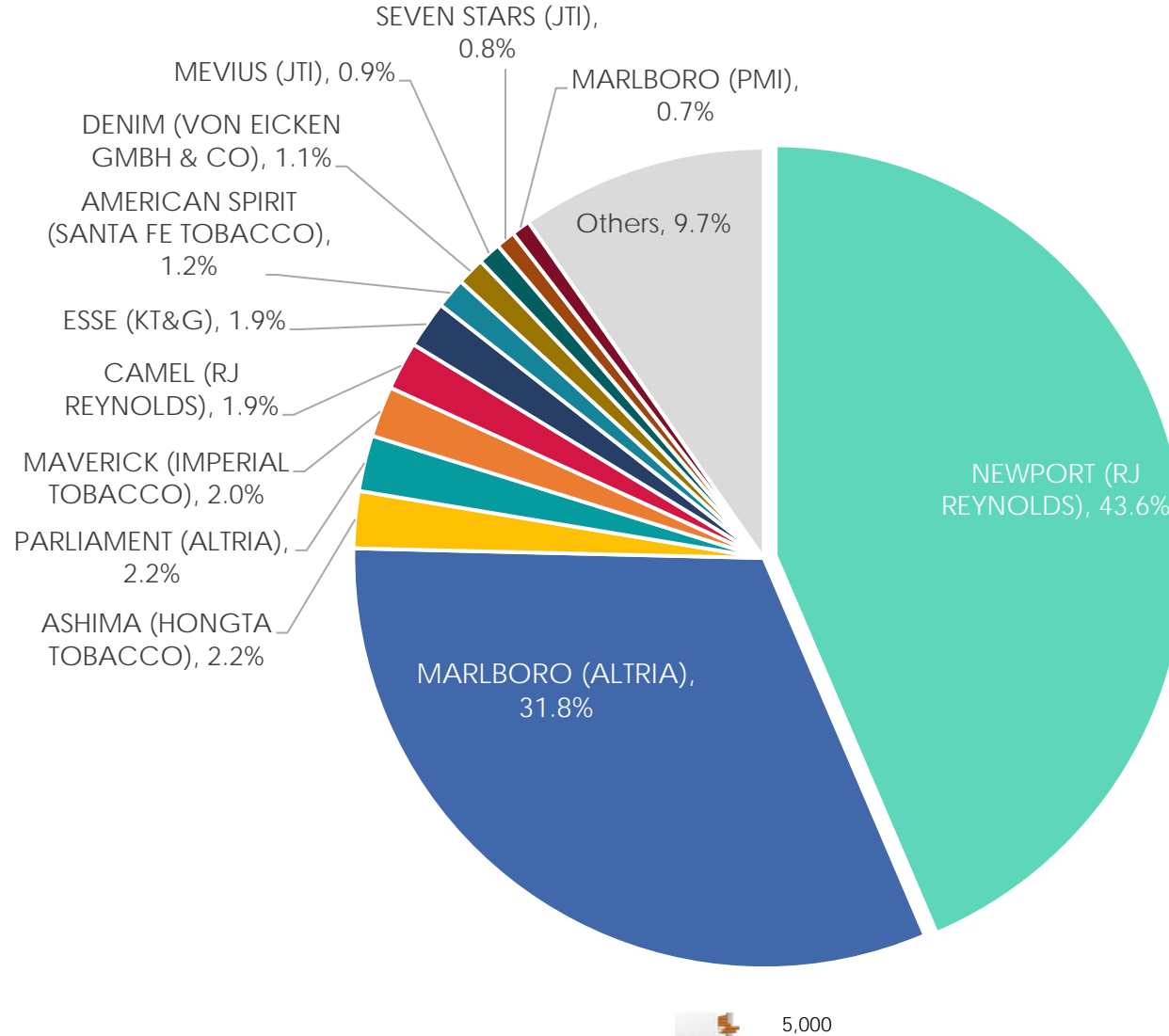
SAMPLE COMPOSITION: SHARE BY COMPANY

% OF TOTAL SAMPLE Based on number of packs



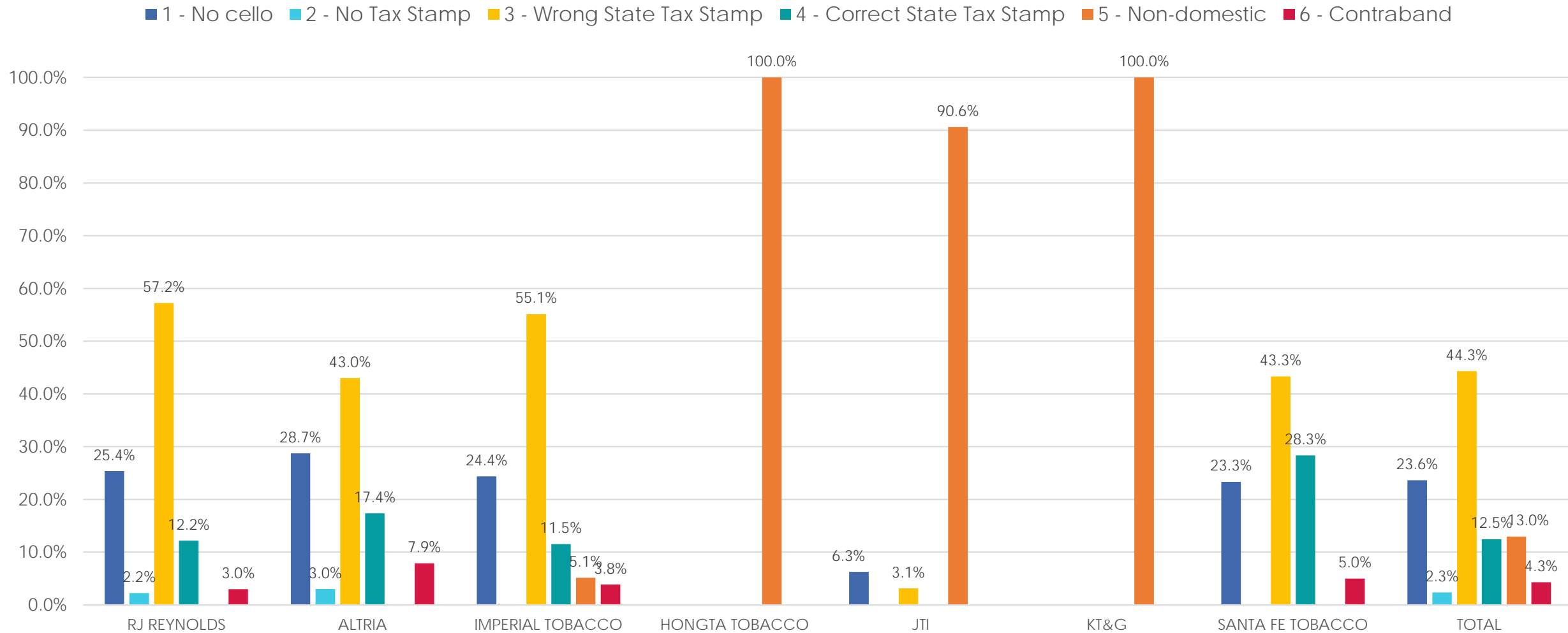
SAMPLE COMPOSITION: SHARE BY BRAND FAMILY

% OF TOTAL SAMPLE Based on number of packs



CATEGORIES: BY COMPANY - DC METRO (TOP 7)

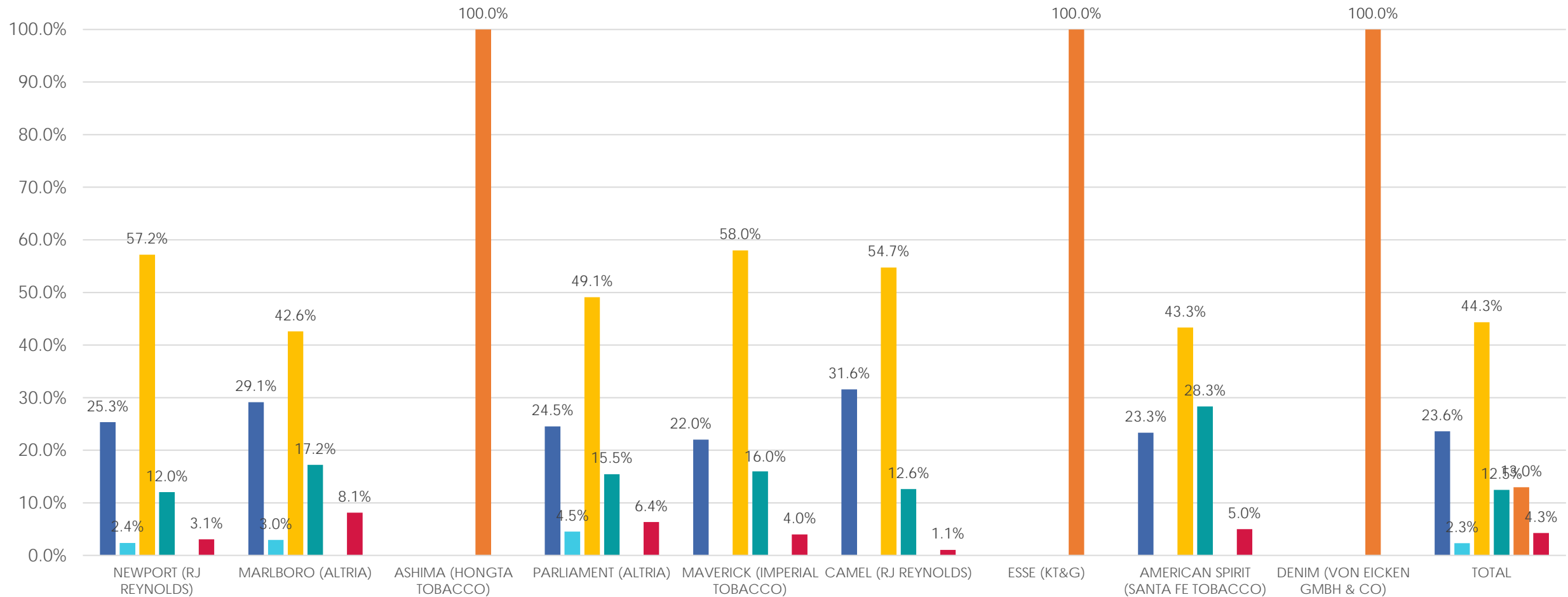
% OF EACH COMPANY'S SAMPLE Based on number of packs



CATEGORIES: BY BRAND (TOP 9)

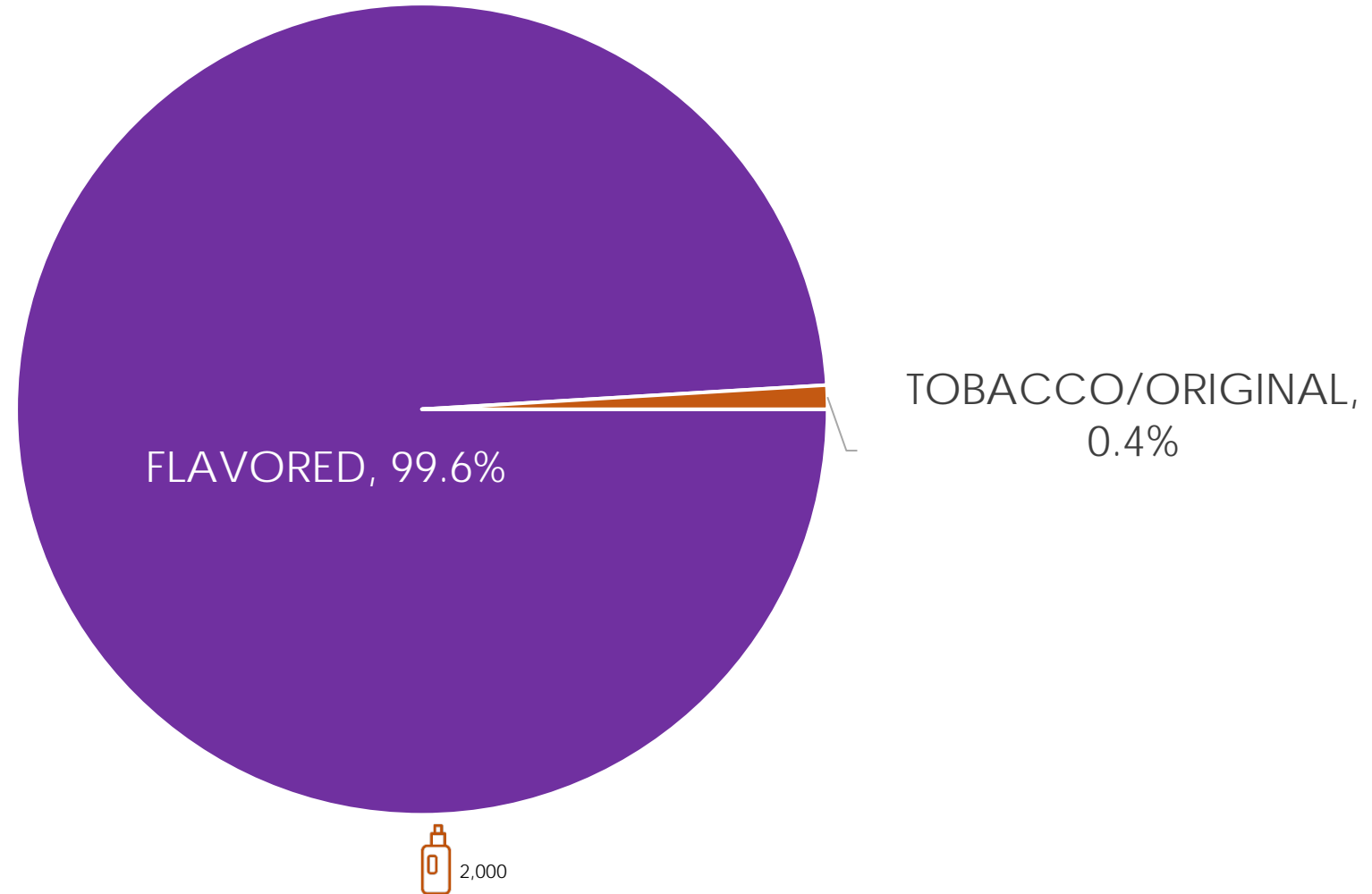
% OF EACH BRAND'S SAMPLE Based on number of packs

■ 1 - No cello ■ 2 - No Tax Stamp ■ 3 - Wrong State Tax Stamp ■ 4 - Correct State Tax Stamp ■ 5 - Non-domestic ■ 6 - Contraband



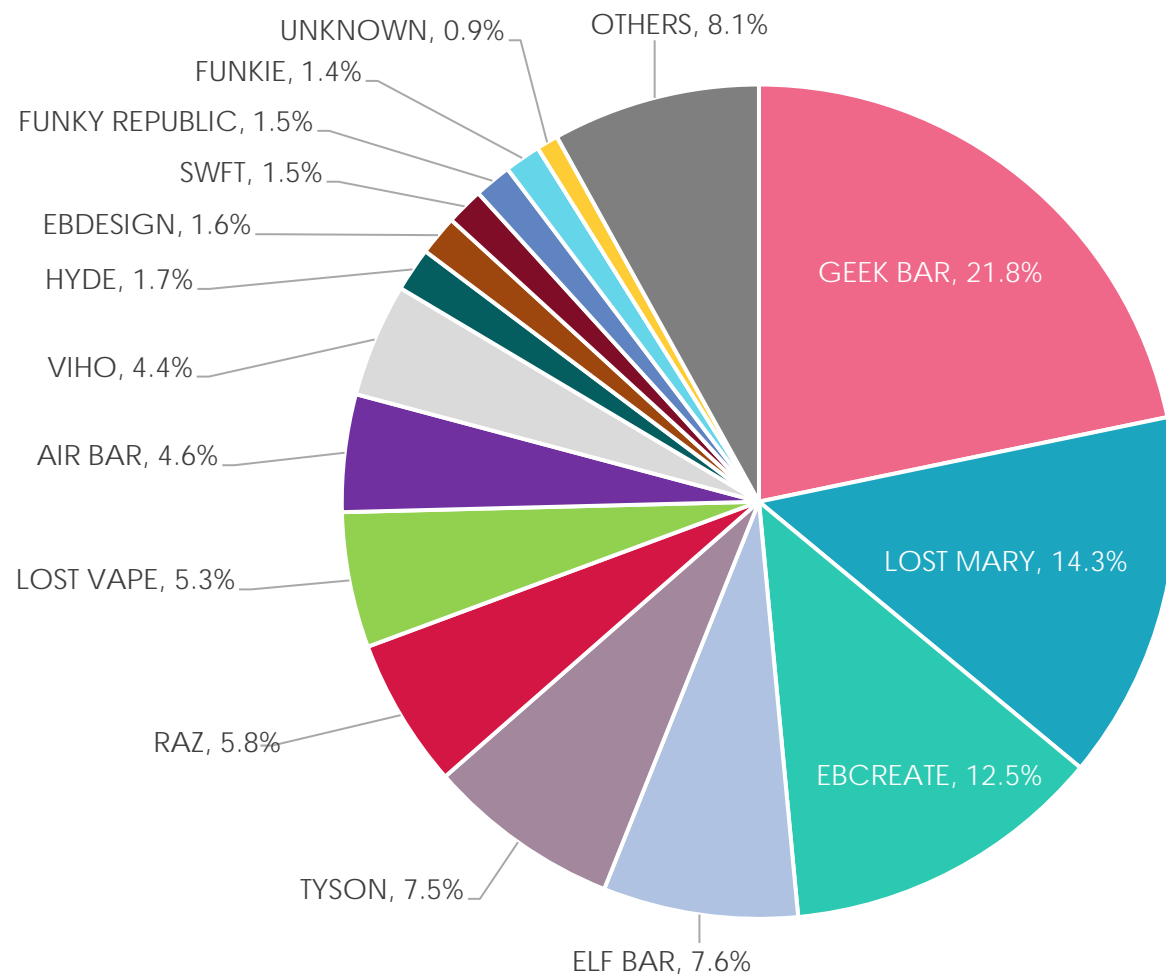
SAMPLE COMPOSITION: SHARE OF E-VAPOR FLAVORED PRODUCTS

**E-Vapor Flavor Attribute, % of Total E-Vapor
Sample (n=2,000)**



SAMPLE COMPOSITION: SHARE BY COMPANY/BRAND

Brand Name, % of Total Sample (n=2,000)



Note: Elf Bar, Lost Mary, EBDesign, and Truly Bar are similar products, all manufactured by the compaDC Metro Shenzhen iMiracle Technology.

TOP FLAVORS BREAKDOWN BY TOP 6 BRANDS (1/2)

% OF TOTAL SAMPLE Based on number of packs



GEEK BAR PULSE	21.3%
MIAMI MINT	1.8%
BLUE RAZZ ICE	1.7%
BLUEBERRY WATERMELON	1.3%
SOUR APPLE ICE	1.2%
BLUE MINT	1.2%
WATERMELON ICE	1.1%
STRAWBERRY BANANA	1.1%
MEXICO MANGO	1.0%
STRAWBERRY MANGO	1.0%
DRAGON MELON	1.0%
PINK LEMONADE	0.9%
FCUKING FAB	0.8%
BERRY BLISS	0.7%
CRAZY MELON	0.7%
GRAPE BLOW POP	0.7%
CHERRY BOMB	0.7%
BLACK CHERRY	0.7%
WHITE GUMMY ICE	0.6%
META MOON	0.6%
SOUR APPLE BLOW POP	0.5%
OTHERS	2.4%



EBCREATE BC5000 US EDITION	12.5%
MIAMI MINT	3.7%
LEMON MINT	1.2%
STRAWBERRY MANGO	1.1%
STRAWBERRY KIWI	0.8%
BLUE RAZZ ICE	0.8%
WATERMELON ICE	0.7%
MANGO PEACH	0.6%
FUJI ICE	0.6%
STRAWMELON ICE	0.5%
PEACH ICE	0.4%
PEACH BERRY	0.4%
TRIPLE BERRY ICE	0.4%
STRAWBERRY BANANA	0.4%
CLEAR	0.4%
STRAWBERRY ICE	0.2%
STRAWBERRY WATERMELON	0.1%
WATERMELON BG	0.1%
CHERRY LEMON MINT	0.1%
ORANGE PEAR NECTAR	0.1%
STRAWBERRY PEAR ORANGE ICE	0.1%
OTHERS	0.3%



LOST MARY MO5000	11.8%
BLUE RAZZ ICE	1.5%
WATERMELON CHERRY	1.0%
STRAWBERRY WATERMELON ICE	0.9%
STRAWBERRY ICE	0.8%
KIWI DRAGON DUO ICE	0.7%
BLUE TRIO	0.6%
BERRY ROSE DUO ICE	0.6%
KIWI DRAGON FRUIT BERRY ICE	0.5%
PURE	0.5%
PLUM ROSE MINT	0.4%
TRIPLE BERRY ICE	0.4%
GRAPE CLOUDD	0.4%
GUAVA ICE	0.4%
TROPICAL FRUIT	0.3%
ALPHONSO MANGO ICE	0.3%
MANGO PEACH WATERMELON	0.3%
ICED PEACH COLADA	0.3%
BANANA RASPBERRY ICE	0.3%
CITRUS SUNRISE	0.2%
STRAWBERRY KIWI ICE	0.2%
OTHERS	1.6%

TOP FLAVORS BREAKDOWN BY TOP 6 BRANDS (2/2)

% OF TOTAL SAMPLE Based on number of packs



RAZ 9000	5.3%
STRAWBERRY ICE	0.5%
NIGHT CRAWLER	0.5%
BLUEBERRY WATERMELON	0.5%
STRAWBERRY SHORTCAKE	0.5%
TRIPLE BERRY ICE	0.5%
DRAGON FRUIT LEMONADE	0.5%
MIAMI MINT	0.4%
BLUE RAZ ICE	0.3%
CHERRY LEMON	0.3%
CACTUS JACK	0.2%
TIFFANY	0.2%
APPLE CINNAMON	0.2%
VIOLET	0.2%
GRAPE ICE	0.2%
MANGO COLADA	0.2%
WATERMELON ICE	0.1%
CITRONNADE	0.1%
PUMPKIN PIE FROSTING	0.1%
RUBY	0.1%
BANANA COCONUT	0.1%



LOST VAPE ORION BAR 7500	5.2%
PEACH MANGO WATERMELON	0.8%
PINEAPPLE LEMONADE	0.7%
STRAWBERRY CHEW	0.7%
MIAMI MINT	0.7%
ORION BAR	0.6%
RASPBERRY SOUR APPLE	0.5%
LUSH ICE	0.3%
STRAWBERRY WATERMELON	0.2%
SOUR APPLE ICE	0.1%
ORANGE ICE	0.1%
PINEAPPLE ICE	0.1%
WATERMELON ICE	0.1%
COLOMBIA COFFEE ICE	0.1%
FROZEN RASPBERRY LEMONADE	0.1%
DRAGON FRUIT BERRY	0.1%
PEPPERMINT	0.1%
PINK LEMONADE	0.1%
TRIPLE BERRIES	0.1%
COOL MINT	0.1%
MANGO ICE	0.1%
BANANA CAKE	0.1%



VIHO TURBO 10000	4.4%
PINEAPPLE ICE	0.5%
COOL MINT	0.4%
RASPBERRY WATERMELON	0.2%
SOUR APPLE ICY	0.2%
TROPICAL MELON	0.2%
GLACIER OREO	0.2%
PEACH ICY	0.2%
WATERMELON ICY	0.2%
SOUR RASPBERRY BUBBLE GUM	0.2%
MIGHTY MINT	0.2%
GRAPE BUBBLE GUM	0.2%
STRAWMELON ICY	0.2%
GRAPE ICE	0.2%
MANGO PEACH WATERMELON	0.2%
CHERRY LEMON	0.2%
STRAWBERRY RASPBERRY	0.1%
BANANA ICY	0.1%
PASSION FRUIT ICY	0.1%
PEACH LEMON	0.1%
STRAWBERRY KIWI	0.1%
OTHERS	0.9%



05.

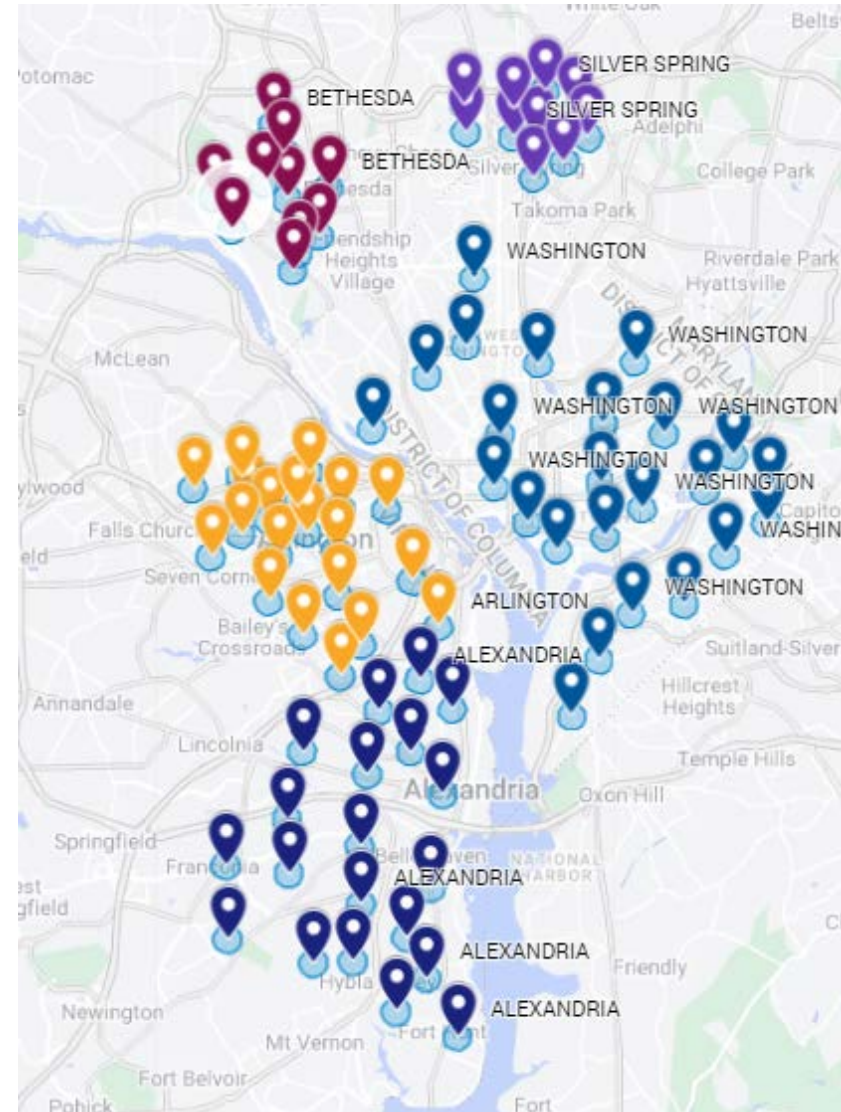
APPENDIX-3 (DETAILED SAMPLING PLAN)

QUARTER 1, 2024

FULL SAMPLING PLAN – DC METRO STATE



Microsoft Excel
Worksheet





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THANK YOU

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