



## PIF Establishes “Badael” to Reduce Smoking Prevalence in Saudi Arabia

- Badael intends to manufacture new innovative, reduced-risk alternatives for smokers to combat smoking-related diseases
- Badael expects to help nearly one million people in Saudi Arabia switch from smoking by 2032, representing approximately 25% of all smokers in the country
- Badael will also deliver on PIF’s localization mandate by supporting domestic manufacturing, sourcing raw materials, knowledge transfer and development of IP
- Since 2017, PIF has established 77 companies and created more than half a million direct and indirect jobs

**Riyadh, 25 May 2023:** The Public Investment Fund (“PIF”) announced today, in the run-up to the World Health Organization (WHO) World No Tobacco Day on May 31<sup>st</sup>, the establishment of Badael Company (“Badael” or the “Company”), which aims to develop, manufacture and distribute innovative products targeted to reduce smoking prevalence and promote healthier lifestyles by offering tobacco-free and less harmful alternatives. The initiative is in line with Saudi Arabia’s focus on improving the quality of life for its citizens, as part of Saudi Vision 2030.

Badael aims to address the negative impact that smoking has on the well-being of the Saudi population. The Company’s products are expected to help nearly one million people switch from smoking by 2032, representing approximately 25% of all smokers in Saudi Arabia. This has the potential to deliver direct annual savings of more than SAR 6 billion on healthcare expenditure by 2032. Badael will also aim to deliver on PIF’s localization mandate by supporting domestic manufacturing, sourcing raw materials, knowledge transfer and development of intellectual property (IP).

Badael intends to make its tobacco-free nicotine delivery products available across Saudi Arabia by the end of 2023, with the aim of expanding its reach to regional and international markets in the longer term. The Company's products will be manufactured in Saudi Arabia, ensuring the highest level of product quality and safety through best-in-class practices. Consequently, Badael aims to provide new economic opportunities and create jobs, working in partnership with the local private sector and world-class global partners.

Badael's vision is to curb smoking and deliver on PIF's strategy to improve the quality of life for all, and is part of Saudi Arabia's broader efforts to diversify the economy, localize manufacturing and drive economic transformation as well as job creation. Since 2017, PIF has established 77 companies and created more than half a million direct and indirect jobs.

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