



Investment in the modernization of the Philip Morris plant in Kutná Hora to double to more than CZK 2 billion

Kutná Hora, 15th September 2025. Philip Morris International (PMI) is significantly expanding its investment plan at its manufacturing plant in Kutná Hora. The previously announced investment of USD 40 million to launch the production of ZYN nicotine pouches will be doubled. As a result, production of this smoke-free category is expected to grow further with creation of up to 150 new jobs.

"This substantial increase in investment, which will exceed in the Czech crowns 2 billion, is further proof of the global management's confidence in our Kutná Hora team and reflects the growing demand for this category of less risky nicotine products. I am extremely pleased that the Kutná Hora plant will make an even bigger contribution to a smoke-free future through its new production capabilities. The investment will also strengthen our position as one of the region's most important employers and exporters," said Fabio Costa, Chairman of the Board of Directors and Managing Director of Philip Morris ČR a.s.

Commercial production of ZYN nicotine pouches in Kutná Hora is expected to begin in early 2026. As part of the expansion, the originally planned production capacity for nicotine pouches will be more than doubled throughout next year, while running in parallel with the current production of tobacco products. The total investment in the expansion and modernization for nicotine pouch production in 2025 and 2026 will thus increase from the originally announced USD 40 million to approximately USD 80 million. It will also bring up to 150 new jobs.

The Kutná Hora plant is becoming a key pillar of PMI's European smoke-free product manufacturing landscape. The production of ZYN nicotine pouches is part of the company's strategy to offer adult nicotine users a wide range of alternatives with demonstrably or potentially lower risk than traditional cigarettes. The ZYN nicotine pouches have been available on the Czech market since the beginning of 2025.

"We are proud that Kutná Hora is part of this historic transformation. Our employees are undergoing extensive training, we are investing in new technologies, and we are building infrastructure that meets the highest quality standards. This transformation is not only technological but also cultural – we are changing the way we think about manufacturing and its impact on society, bringing long-term stability to the city and the region," added Serhan Kiliç, Member of the Board of Directors of Philip Morris ČR a.s. and Director of the Kutná Hora plant.

ZYN nicotine pouches, the global leader in their category, contain no tobacco but only pharmaceutical grade nicotine (derived from tobacco), combined with food-grade ingredients additives and flavourings. When used, ZYN releases 99% less harmful chemicals than cigarettes.

They represent another break-through alternative that has significant potential to reduce the number of smokers in society. This is evidenced, among other things, by the recent authorization of ZYN nicotine pouches making ZYN the first and only authorized nicotine pouch in the United States by the U.S. Food and Drug Administration (FDA), recognizing the role of ZYN which can play in the protection of the public health by helping people switch from cigarettes and other traditional tobacco products.

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PHILIP MORRIS ČR

Philip Morris ČR a.s.

Philip Morris ČR a.s. is a subsidiary of Philip Morris International (PMI), a leading international tobacco company working to deliver a smoke-free future. In addition to traditional tobacco products, on the Czech market Philip Morris ČR a.s. distributes the *IQOS ILUMA* heating tobacco device and compatible *TEREA* tobacco and *LEVIA* non-tobacco consumables, the *lil SOLID* tobacco heating device with *Fiit* tobacco consumables, the *VEEV ONE* e-cigarette, *VEEV NOW ULTRA* disposable-vapour device, nicotine pouches *ZYN* and other related accessories. Philip Morris ČR a.s., which has been operating in the Czech Republic since 1992 and employs more than 1,100 people, is listed on the Prague Stock Exchange (BCPP). At the same time, it owns a 99% business share in the subsidiary Philip Morris Slovakia s.r.o., registered in the Slovak Republic. For more than 30 years, the company has contributed to helping various charitable projects, including projects involving the support of social programs aimed at improving living conditions in local communities. The announcement contained in this press release should be read in conjunction with our latest published Annual Financial Report and is not indicative of our future results. Future results involve a number of business risks and uncertainties that are summarized in the Annual Financial Report in the section of *Risk Factors Related to Our Business and Industry*. You can find more information at www.philipmorris.cz, including the annual financial report for 2024.

Philip Morris International Inc.: A Global Smoke-Free Champion

Philip Morris International is a leading international consumer goods company, actively delivering a smoke-free future and evolving its portfolio for the long term to include products outside of the tobacco and nicotine sector. The company's current product portfolio primarily consists of cigarettes and smoke-free products, including heat-not-burn, nicotine pouch and e-vapor products. As of June 30, 2025, PMI's smoke-free products were available for sale in 97 markets, and PMI estimates they were used by 41 million adults around the world. The smoke-free business accounted for 41% of PMI's first-half 2025 total net revenues. Since 2008, PMI has invested over \$14 billion to develop, scientifically substantiate and commercialize innovative smoke-free products for adults who would otherwise continue to smoke, with the goal of completely ending the sale of cigarettes. This includes the building of world-class scientific assessment capabilities, notably in the areas of pre-clinical systems toxicology, clinical and behavioural research, as well as post-market studies. Following a robust science-based review, the U.S. Food and Drug Administration has authorized the marketing of Swedish Match's General snus and ZYN nicotine pouches and versions of PMI's IQOS devices and consumables - the first-ever such authorizations in their respective categories. Versions of IQOS devices and consumables and General snus also obtained the first-ever Modified Risk Tobacco Product authorizations from the FDA. With a strong foundation and significant expertise in life sciences, PMI has a long-term ambition to expand into wellness and healthcare areas and aims to enhance life through the delivery of seamless health experiences. References to "PMI", "we", "our" and "us" mean Philip Morris International Inc., and its subsidiaries. For more information, please visit www.pmi.com and www.pmisience.com.

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