

Prague, May 30th, 2025

Annual General Meeting of Shareholders

Philip Morris ČR a.s.

Fabio Costa

Chairman of the Board of Directors



01

Business Performance

02

Sustainability Highlights

03

Consolidated Financial Results

Strong profitability despite headwinds



- Consolidated revenues up by **5.0%** (3.0% excl. currency) to **CZK 21.6 billion**
- Profit from operations up by **3.4%** (-0.5% excl. currency) to **CZK 4.0 billion**
- Consolidated net income remained stable at **CZK 3.3 billion**
- Production volume in Kutná Hora plant continues at a high-level with **37.7 billion units** (cigarettes and other tobacco products)
- Investment and the market launch of the new SFP category – **ZYN nicotine pouches**
- The first **Sustainability Statement** according to CSRD Directive published



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Consolidated Financial Results

Market Share



39.6%



39.6%

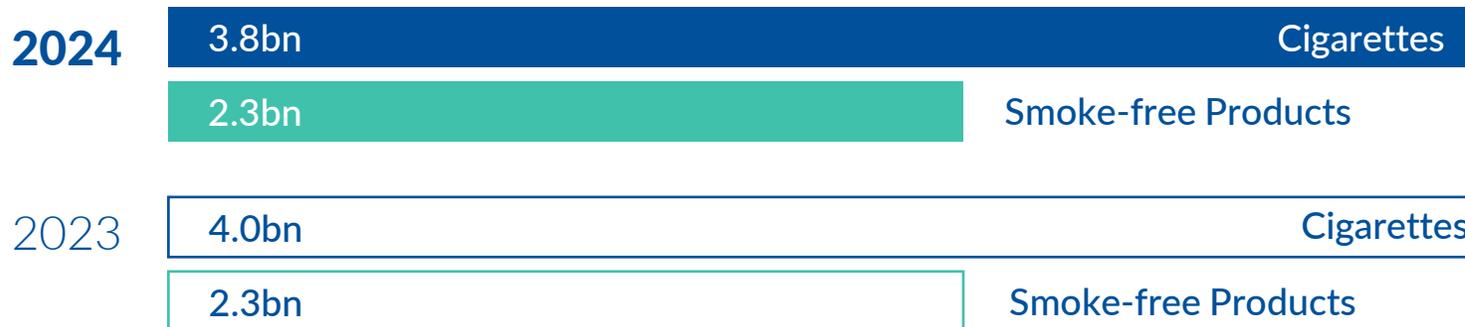


52.6%



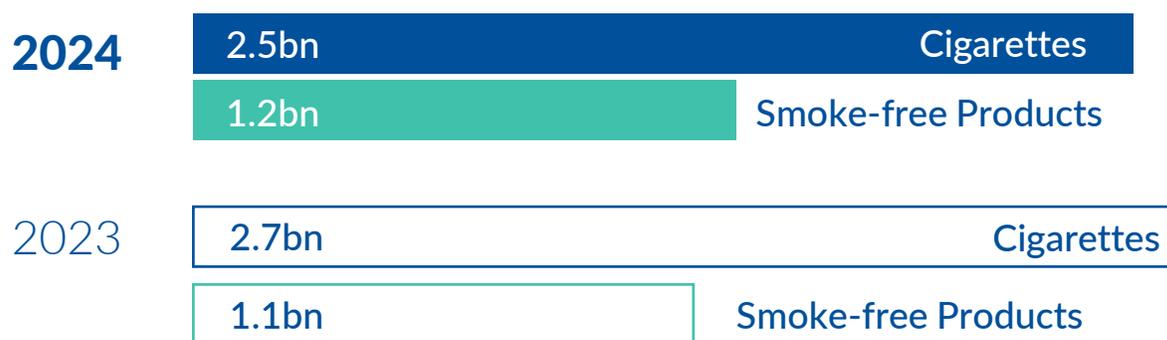
53.4%

Shipments (billion units)



6.1bn

6.3bn



3.7bn

3.8bn

Cigarettes in the Czech Republic include cigarettes and volume tobacco for make-your-own cigarettes (0.60 g is equivalent to 1 cigarette).

Smoke-free products include heated tobacco consumables (HEETS, TERE, DELIA, Fiit), non-tobacco consumables (LEVIA), as well as e-cigarettes (VEEV ONE, VEEV NOW) and ZYN nicotine pouches.

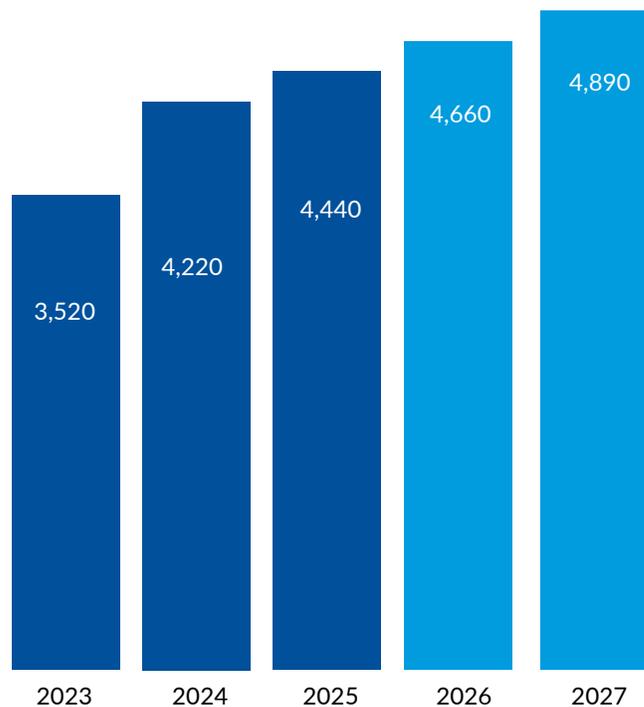
Source: Philip Morris ČR a.s. and Philip Morris Slovakia s.r.o. Financials

Fiscal Outlook – Czech Republic

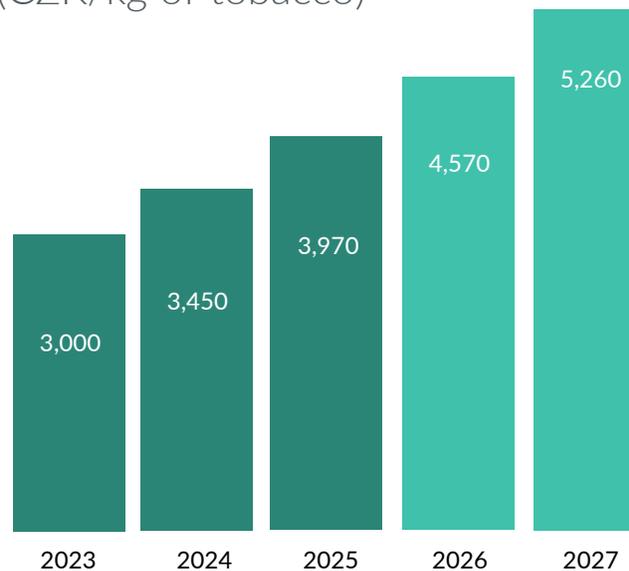


Cigarettes (CZK/'000)

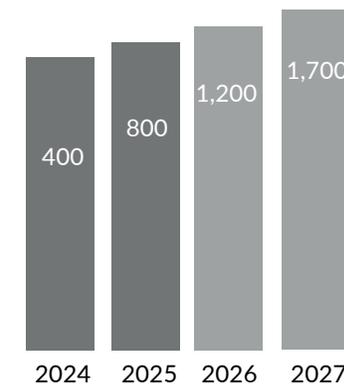
Minimum Excise Tax



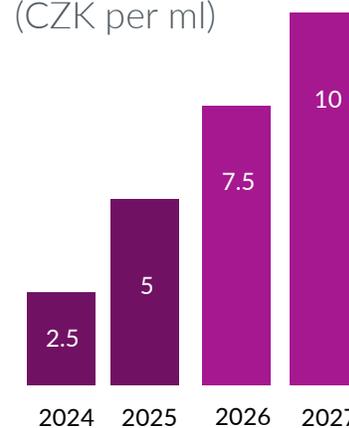
Heat-not-Burn (CZK/kg of tobacco)



Nicotine Pouches (CZK per kg)



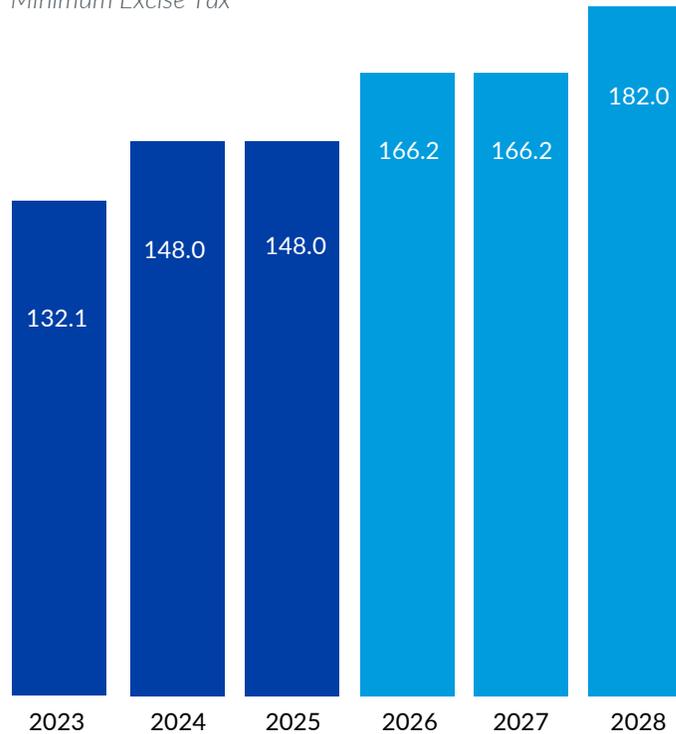
E-liquids for e-cigs (CZK per ml)



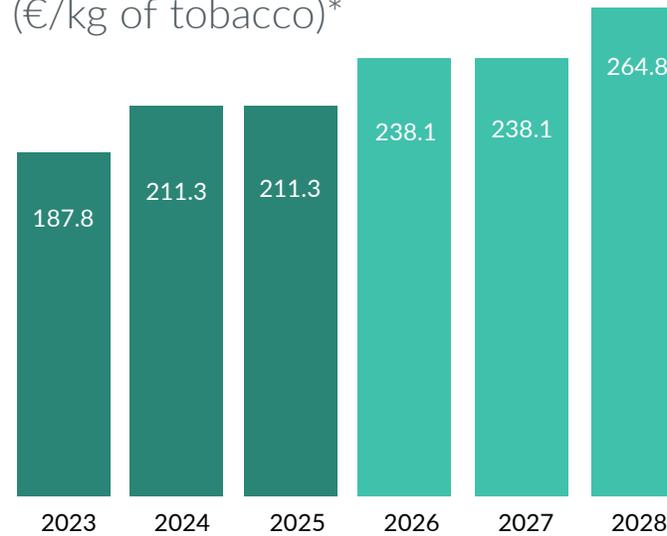
Fiscal Outlook – Slovakia



Cigarettes (€/‘000 sticks)
Minimum Excise Tax

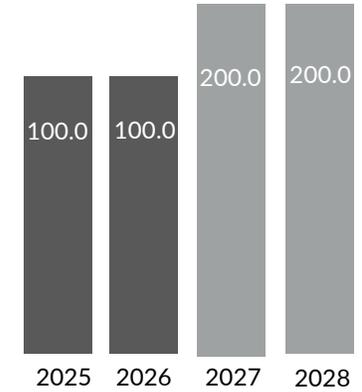


Heat-not-Burn
(€/kg of tobacco)*

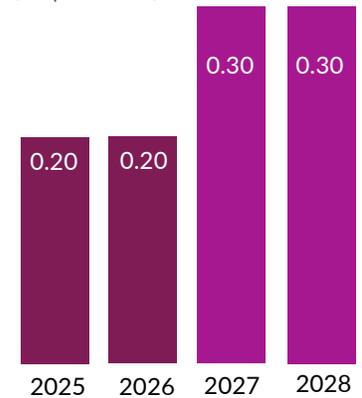


*The same rates apply for HnB without tobacco starting Feb 2025

Nicotine Pouches
(€ per kg)



E-liquids for e-cigs
(€ per ml)



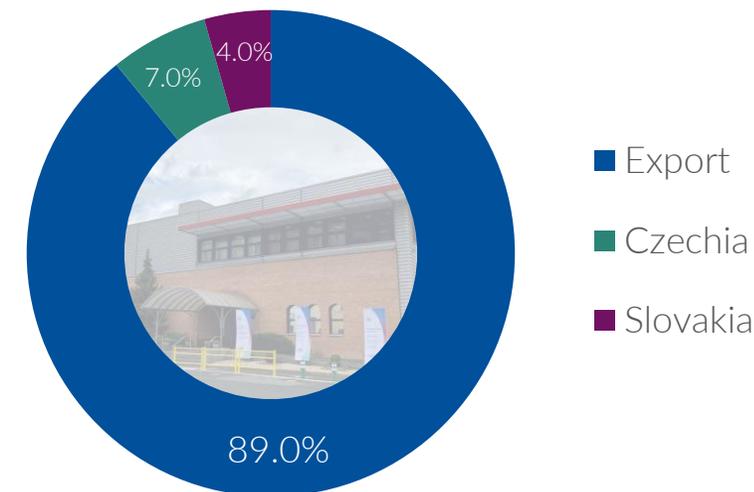
Kutná Hora Production (billion units)



2024



| 2024 | 2023 | 2022 | 2021 |
|--------|--------|--------|--------|
| 37.7bn | 38.8bn | 36.7bn | 32.7bn |



Other tobacco products include products such as rolling tobacco (0.73 g is the equivalent of one cigarette) as well as multi-volume rolling tobacco (0.60 g is the equivalent of one cigarette).
 Source: Philip Morris ČR a.s. internal data

Kutná Hora Investment



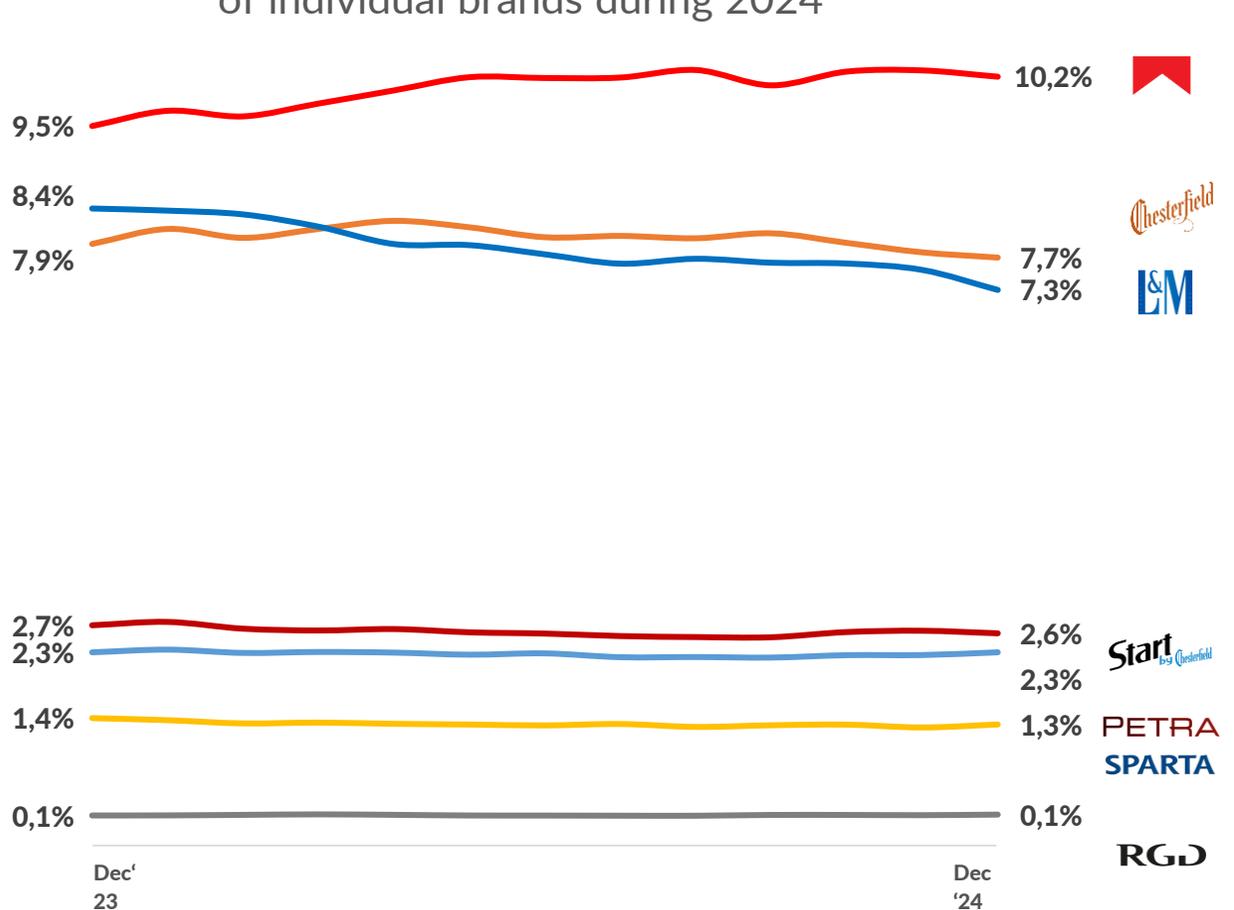
- **Kutná Hora is going smoke-free**
- **Extension of the production** with the new SFP category: ZYN nicotine pouches
- **Preparatory phase ongoing:** Reconstruction works & machines ordered
- **Commercial production** expected from 2026
- **Up to 100 new job creation:** various positions & responsibilities



Performance of Individual Cigarette Brands



Market share development
of individual brands during 2024



Continued growth due to Marlboro Crafted's success & resilient Core

Medium priced L&M under the pressure in 2024

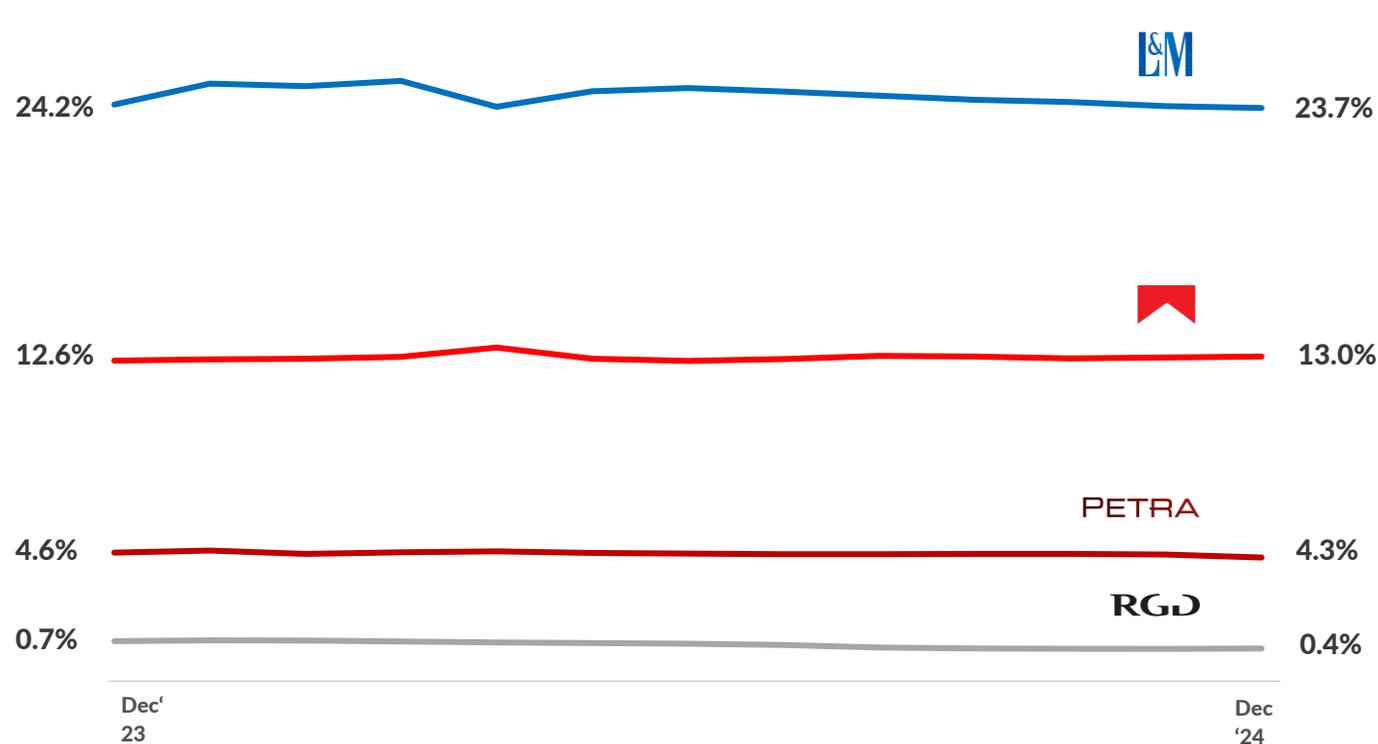
Slight erosion of Chesterfield mainly in the second half of the year

Local brands showing long-term durability

Performance of Individual Cigarette Brands



Market share development
of individual brands during 2024



Market leader for more than
10 years

Resilient performance thanks to
superior brand value

Petra scores on the market
with its own resistance

News in Cigarette Portfolio



Smoke-free Product Portfolio



IQOS ILUMA i PRIME
IQOS ILUMA i
IQOS ILUMA i ONE



VEEV ONE
VEEV NOW
ULTRA

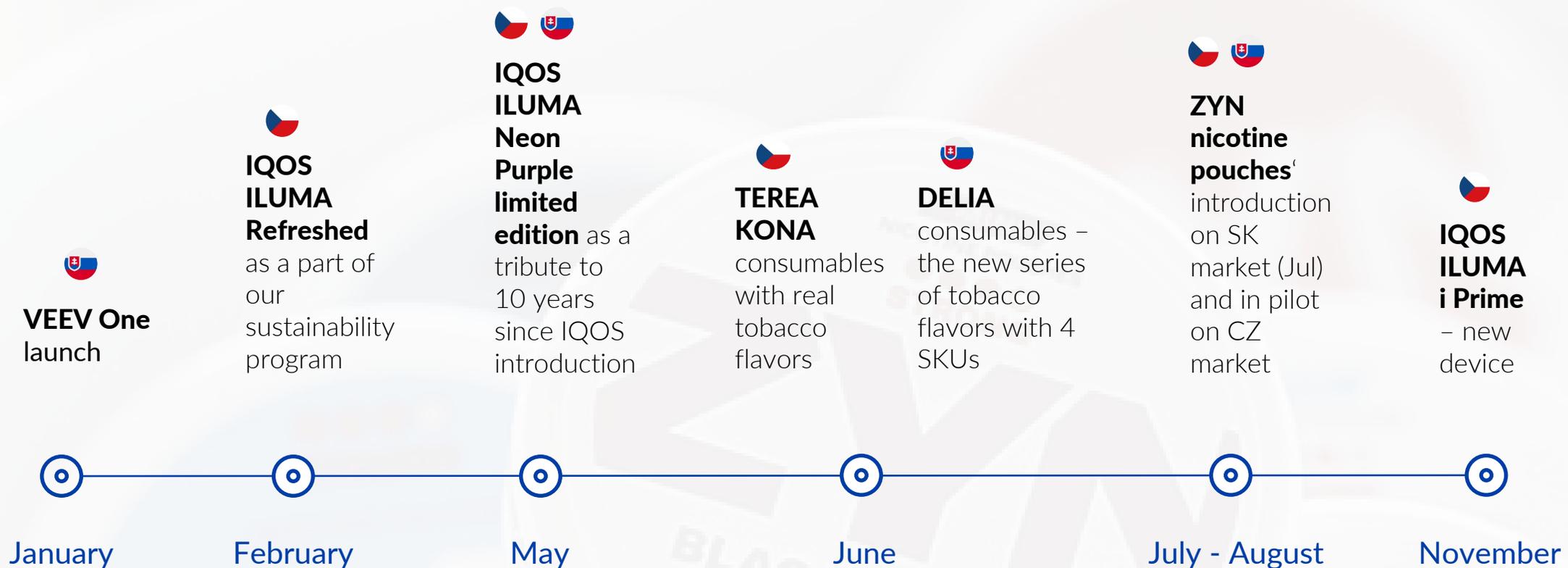


lil SOLID EZ



ZYN

News in Smoke-Free Product Portfolio





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Business Performance

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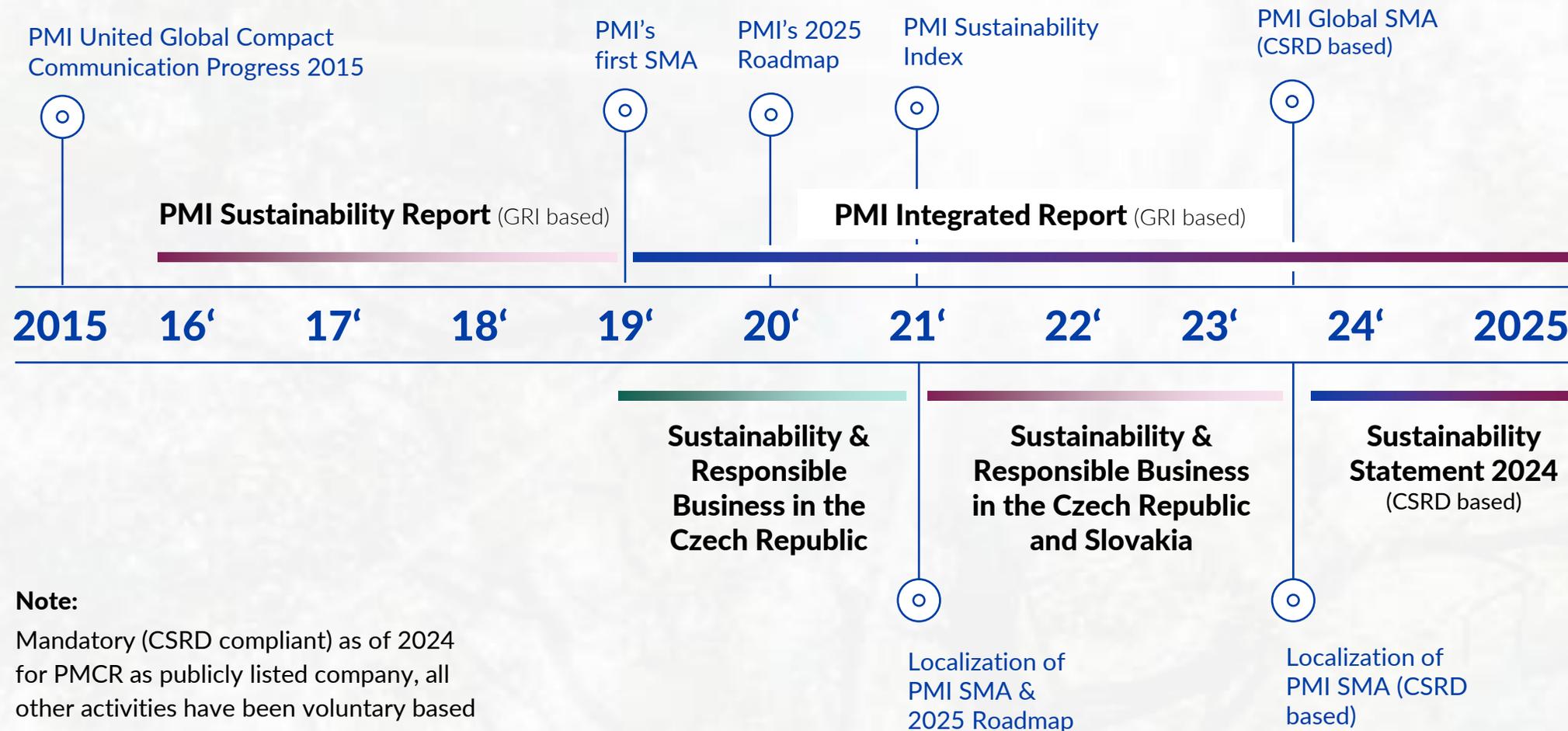
Sustainability Highlights

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Consolidated Financial Results



10 years' focus on Sustainability in PMI



Sustainability Reporting – Framework & Materiality



Cross Cutting Standards

ESRS 1 General Requirements

ESRS 2 General Disclosures

- Basis for preparation
- Administrative and supervisory bodies
- Strategy, business model and value chain
- Interests and views of stakeholders
- Materiality Assessment and identified Impacts, Risks and Opportunities (IROs)
- General approach to Policies, Actions, Targets

Environment

ESRS E1 Climate Change

ESRS E2 Pollution

ESRS E3 Water & Marine Resources

ESRS E4 Biodiversity & Ecosystems

ESRS E5 Resource use & Circular Economy

+ EU Taxonomy

Social

ESRS S1 Own Workforce

ESRS S2 Workers in the Value Chain

ESRS S3 Affected Communities

ESRS S4 Consumers & End-Users

Governance

ESRS G1 Business Conduct

- Strategies to address identified Impacts, Risks & Opportunities (IROs)
- Related Policies
- Actions to address identified IROs
- Targets in relation to identified IROs
- Tracking effectiveness of policies and actions

- Transition Plans (E1, E4)

- Specific metrics per topics (e.g. energy consumption, GHG emissions, product recyclability, Gender pay gap, etc.)

Sustainability – Environmental Highlights



Material Topics

Climate Change

- GHG emissions and decarbonization across whole value chain
- CC adaptation – reforestation and water optimization
- Energy

Biodiversity

- Biodiversity loss – pressure to wildlife and habitat (main in value chain)
- Compliance with EU deforestation (by suppliers)

Circular Economy

- Waste management in Operations
- Eco-Design of smoke-free devices
- Plastic free filters
- Disposal of cigarette butts and SFP consumables

Key Actions

Climate Change

- PMI's Transition Plan with clear strategy
- Technological improvements in production
- Renewable energy sources adoption
- Alternative power train car fleet

Circular Economy

- Eco-certification of our SFP products (PMI)
- Better materials development for filters (PMI)
- Initiatives and campaigns related to butt littering
- End-of-life take back program for SFP devices
- End-of-life take back program for SFP consumables

Achievements

Climate Change

- 100%** Green Electricity at manufacturing
- 74% / 97%** Car fleet is alternative in CZ / SK
- 58.8%** Share of Renewable energy sources

Circular Economy

- Zero waste** from manufacturing to landfill
- 93.4%** Recyclable Content in SFP products
- 99.5%** Recyclable Content in product packaging

- Carbon Neutrality Certification
- AWS Certification

Sustainability – Social Highlights



Material Topics

Own Workforce

- Labour conditions
- Mental health
- Gender pay equality
- Human capital development

Workers in Value Chain

- Child labour in tobacco supply chain
- Forced labour in electronics supply chain
- Living income of tobacco farmers
- Equal treatment and opportunities

Consumer

- Health related impact of our products
- Youth access prevention
- Access to smoke-free products (SFP)
- Science substantiation of SFP

Key Actions

Own Workforce

- Engagement with employees and social dialogue with workers' representative (Trade Union, Work Council)
- Employee assistance program, paid annual leave policies, flexible working arrangements, family & caregiver support
- Equal Pay and Opportunities recertification, Employer branding, supporting diversity
- Digital learning platform, Leadership training programs

Consumer

- Responsible marketing and selling practices, YAP program
- SFP awareness building, product portfolio and innovations
- Loyalty programs, Lending, Device replacement, Trade-in, Customer care support lines

Achievements

Own Workforce

Collective labour agreement, with **84%** coverage (combined CZ/SK)

-1.8% Gender Pay Gap (reported in avg pay/hour) => positive for women

27% Gender diversity in the top management => need attention

86% / 77% Well-being rate in PMCR /PMSK

Consumer

Youth Access Prevention program fully implemented in both markets

- **EQUAL-SALARY Certification**

Sustainability – Governance Highlights



Material Topics

Corporate Governance

- Roles and responsibilities of the Company's bodies
- Composition and diversity of Company's bodies
- Integration of sustainability into incentive schemes

Business Conduct

- Illicit Trade prevention

Key Actions

Company's Bodies

- Responsible selection of mandates assignment
- Part of Boards' members remuneration linked with PMI Sustainability Index and Strategic initiative related to Sustainability
- Regular meetings of the boards

Illicit Trade Prevention

- High attention of PMI's senior management – Anti-Diversion Governance Committee in place since 2015
- Utilizing advanced track & tracing technologies to prevent smuggling and counterfeiting of our products
- Cooperation with Customs and Police (sharing expertise, utilizing our laboratories in the factory)

Achievements

Company's Bodies

35.3% Diversity ratio within Administrative & Supervisory Bodies

42.9% Independent members ratio within Supervisory Bodies

Illicit Trade Prevention

A training provided to 60 employees of the Financial Administration in Slovakia



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Business Performance

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Sustainability Highlights

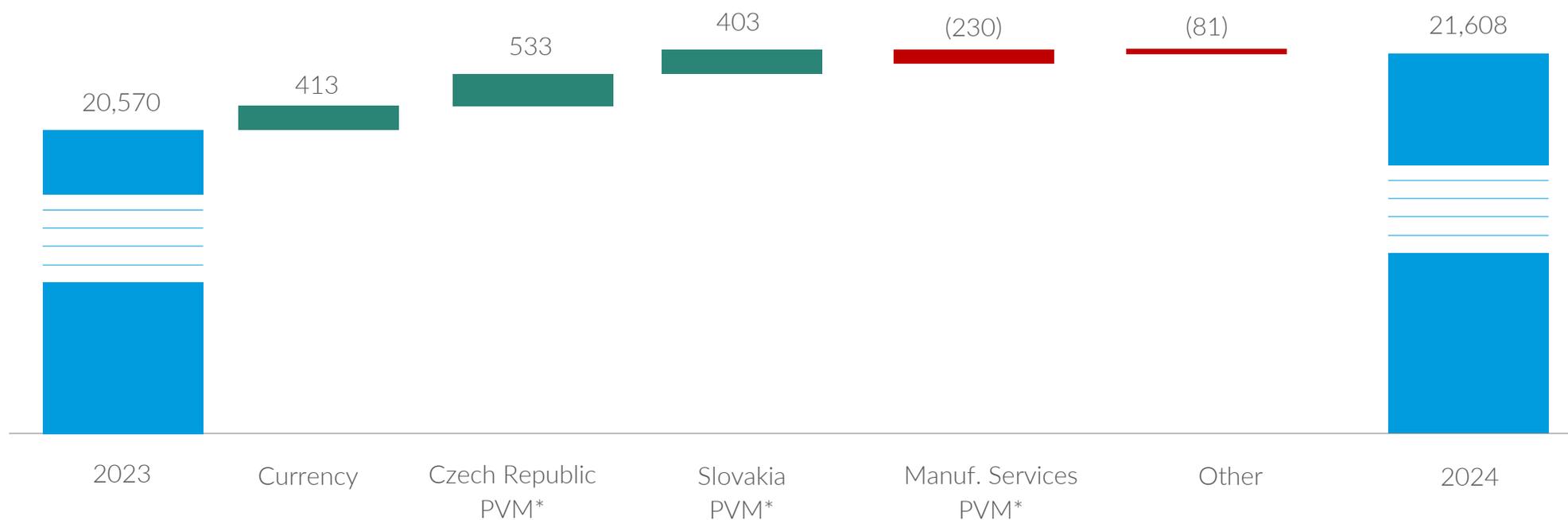
03

Consolidated Financial Results

Net Revenues



| (CZK million) | 2023 | 2024 | Change | Change in % | |
|---------------|--------|---------------|--------|-------------|--------------------|
| | | | | Actual | Excluding currency |
| Net Revenues | 20,570 | 21,608 | 1,038 | 5.0% | 3.0% |

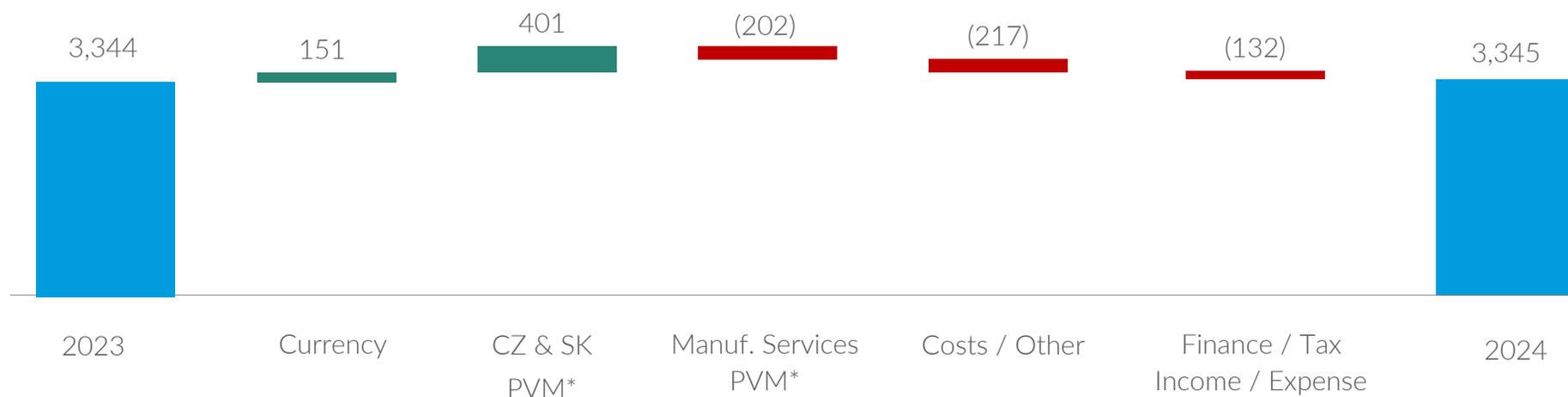


*PVM – Price, Volume and Mix variance
 Source: Philip Morris ČR a.s. consolidated financial results

Net Income



| (CZK million) | 2023 | 2024 | Change | Change in % | |
|------------------|--------|---------------|--------|-------------|--------------------|
| | | | | Actual | Excluding currency |
| Net Revenues | 20,570 | 21,608 | 1,038 | 5.0% | 3.0% |
| Operating income | 3,870 | 4,003 | 133 | 3.4% | (0.5)% |
| Net income | 3,344 | 3,345 | 1 | 0.0% | (4.5)% |



*PVM – Price, Volume and Mix variance, incl. variable costs
 Source: Philip Morris ČR a.s. consolidated financial results

Assets & Liabilities

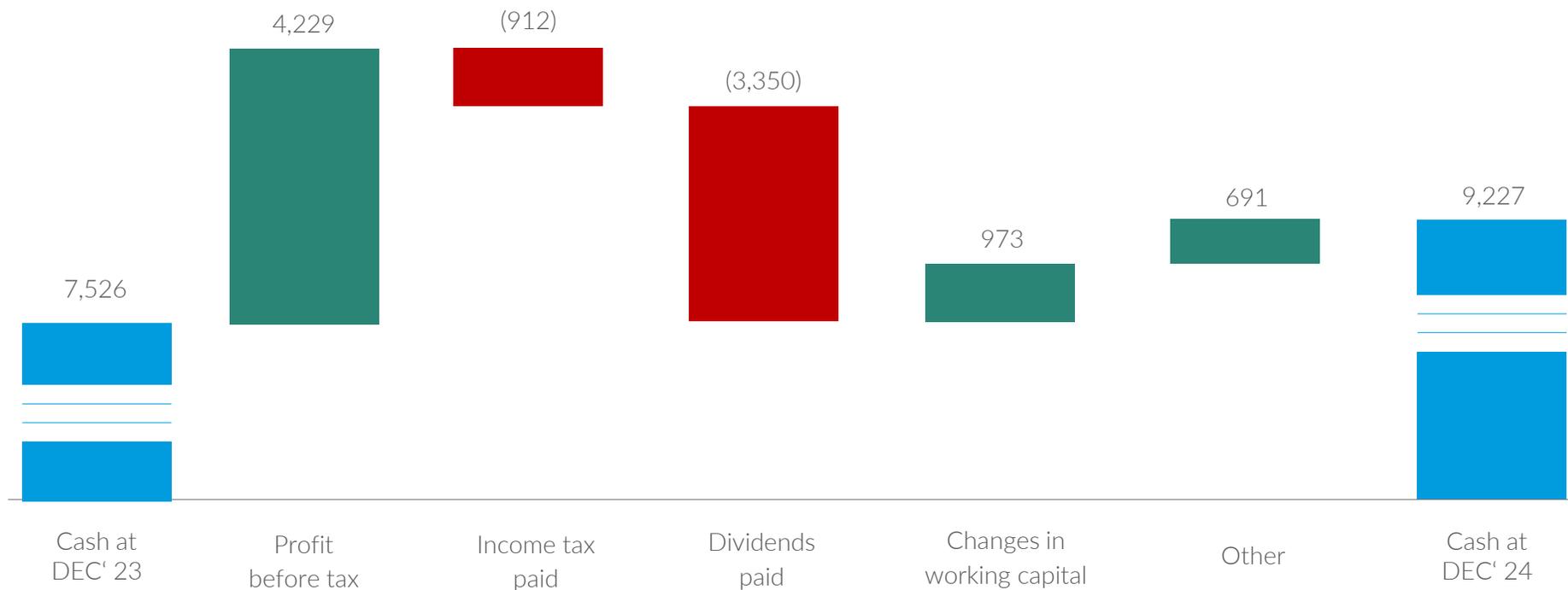


| ASSETS (CZK million) | Dec 2024 | Dec 2023 | Change | LIABILITIES & EQUITY (CZK million) | Dec 2024 | Dec 2023 | Change |
|-----------------------------------|---------------|---------------|--------------|--|---------------|---------------|--------------|
| Cash & Equivalents | 9,227 | 7,526 | 1,701 | Trade and other financial liabilities | 3,284 | 2,498 | 786 |
| Inventories | 1,583 | 1,109 | 474 | Finance lease liability – short term | 131 | 127 | 4 |
| Receivables | 963 | 1,627 | (664) | Borrowings | 348 | - | 348 |
| Other non-financial assets | 2,562 | 2,263 | 299 | Other | 485 | 348 | 137 |
| Prepaid income tax | - | 49 | (49) | Other tax liabilities | 4,199 | 4,050 | 149 |
| | | | | Finance lease liability – long term | 195 | 207 | (12) |
| ROU assets | 322 | 338 | (16) | Deferred tax liability | 139 | 155 | (16) |
| PP&E and other non-current assets | 2,650 | 2,990 | (340) | Equity | 8,526 | 8,517 | 9 |
| Total Assets | 17,307 | 15,902 | 1,405 | Total Liabilities & Equity | 17,307 | 15,902 | 1,405 |

Cash & Cash Equivalents



| (CZK million) | Dec 2023 | Dec 2024 | Change | Change in % |
|-------------------------|----------|--------------|--------|-------------|
| Cash & Cash Equivalents | 7,526 | 9,227 | 1,701 | 22.6% |



Business Model



Combustible products

Philip Morris ČR a.s.

Entrepreneur



Philip Morris ČR a.s. has an entrepreneurial position for combustible products in **both countries**

Higher profit, but also higher risk

Smoke-free products

Philip Morris Product S.A.

Entrepreneur



Philip Morris ČR a.s.

Philip Morris Slovakia s.r.o.

Limited Risk Distributor

Both, Philip Morris ČR a.s. and Philip Morris Slovakia s.r.o. are limited risk distributors for commercialization of smoke-free products in their markets under Distribution agreements with Philip Morris Products S.A. as an entrepreneur.

Significantly lower risk, but also lower profit



Important Reported Risk Factor

Our profitability, and consequently, the amount of our dividend payout reflects our dual role of being a full risk entrepreneur of combustible portfolio products and a limited risk distributor for smoke-free products.

Our remuneration for commercialization of smoke-free products is based on a set margin on revenues from sales. As a limited risk distributor, we do not own intellectual property rights for smoke-free products and therefore do not absorb all the costs or bear the risks associated with such ownership. As our return is proportionate to our risk for commercializing smoke-free products, the impact of the sales volume variances of such products on our profitability is limited.

Consequently, if the current consumer preference trend towards smoke-free products continues and volume declines of combustible portfolio products accelerate, we do not expect that over time the additional profit generated from increased sales of smoke-free products will offset the decreasing profits generated from the sales of combustible portfolio products.

Net earnings & EPS



Consolidated Earnings
per Share
(in CZK)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------------------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Current Year | 1,218 | 1,218 | 1,324 | 1,281 | 1,285 | 1,464 | 1,397 | 1,269 | 1,008 |
| Prior Years Retained | 16 | 14 | 0 | 29 | 7 | 101 | 304 | 114 | 106 |
| Total Retained Earning per Share | 1,234 | 1,232 | 1,324 | 1,310 | 1,292 | 1,566 | 1,701 | 1,383 | 1,113 |
| Dividend Proposed / Paid | 1,220 | 1,220 | 1,310 | 1,310 | 1,260 | 1,560 | 1,600 | 1,080 | 1,000 |



Thank you