

Report of the supervisory board

Report of the Supervisory Board of Philip Morris ČR a.s. on the results of its supervisory activities in the 2020 calendar year accounting period

The Supervisory Board of the company Philip Morris ČR a.s. (the "Company") conducted its activities in accordance with Article 16 of the Company's Articles of Association and the relevant legal regulations.

Throughout 2020, the Company's Supervisory Board monitored and reviewed the progress and management of the Company's activities while paying special attention to its financial state. During the year, the Company's Supervisory Board was fully advised of the financial measures passed and also reviewed the capital expenditures against the budgets and the timetables for their implementation. Within its supervisory activities, the Supervisory Board also closely cooperated with the Audit Committee of the Company in all matters falling within the scope of these two bodies of the Company, including recommendation on statutory auditor.

The Company's Supervisory Board confirms that all projects of the Company were fully justified in terms of the Company's current and future needs. The Company's Supervisory Board agrees with the Company's business activities in 2020 and considers its economic results for the said year satisfactory.

As the Company's Supervisory Board found no shortcomings in the Company's business activities or operations, it hereby refers the shareholders to the Company's Annual Report for the 2020 calendar year accounting period, the report of the Board of Directors on the Company's Business Activities for the accounting period of 2020 and the Report of the Company's Board of Directors on Relations between Controlling Entity and Controlled Entity, and between Controlled Entity and Entities Controlled by the same Controlling Entity for the 2020 calendar year accounting period, with which it fully agrees.

Statement of the Company's Supervisory Board regarding the report of the Company's Board of Directors on Relations between Controlling Entity and Controlled Entity, and between Controlled Entity and Entities Controlled by the same Controlling Entity (the "Report on Relations") for the 2020 calendar year accounting period

The Company's Supervisory Board reviewed the Report on Relations for the 2020 calendar year accounting period within the meaning of Section 83 (1) of the Act No. 90/2012 Coll., on Corporations and Cooperatives (the "Business Corporations Act") and finds all the data contained therein accurate and has no reservations about it.

The Company's Supervisory Board agrees with the conclusion of the Company's Board of Directors that, in the relevant period, the Company suffered no detriment as a result of the execution of agreements between the Company and other entities from the group into which the Company belongs, other acts or measures carried out by the Company in the interest of these entities or at their initiative, or any performance or counter-performance by the Company, as stated in the Report on Relations for the 2020 calendar year accounting period. Consequently, no assessment of the settlement of any detriment pursuant to Sections 71 and 72 of the Business Corporations Act was necessary.

Statement of the Company's Supervisory Board to the Company's 2020 ordinary financial statements, the Company's 2020 ordinary consolidated financial statements and the proposal by the Board of Directors to approve the 2020 ordinary financial statements and the 2020 ordinary consolidated financial statements and distribute the profit, including the determination of the amount of profit shares

The Company's Board of Directors presented to the Company's Supervisory Board the Company's ordinary financial statements for the 2020 calendar year accounting period and the Company's ordinary consolidated financial statements for the 2020 calendar year accounting period (the "Financial

Statements") and the proposal by the Company's Board of Directors to approve the Financial Statements and to distribute the profit for the 2020 calendar year accounting period, including the determination of the amount of profit shares (the "Proposal by the Board of Directors").

The Company's Supervisory Board reviewed the Financial Statements and concluded that the accounting procedures used by the Company are appropriate and that the Company's accounting records are kept properly, both in accordance with the relevant legal and accounting regulations, and with the Company's Articles of Association.

The Company's Supervisory Board also reviewed the Proposal by the Board of Directors, found it to be fully compliant with the Company's economic condition and fully agrees with it.

In view of the above, the Company's Supervisory Board recommends that the Company's Ordinary General Meeting approves the Financial Statements as well as the Proposal by the Board of Directors.

In Prague on March 29, 2021

Stefan Bauer

Chairman of the Supervisory Board