



# PHILIP MORRIS ČR

In Kutná Hora, on March 30, 2021

PRESS RELEASE

## **The Board of Directors of Philip Morris ČR a.s. announces the deliberation of shareholders outside the Annual General Meeting (i.e. per rollam), announces Financial Results for the whole year 2020, and proposes profit distribution.**

The Board of Directors of Philip Morris ČR a.s. in an effort to protect the health of its shareholders, employees and other associates, and also with respect to the fact that any further development of the COVID-19 pandemic and taken measures cannot be predicted with certainty, has decided to hold, instead of the General Meeting in Kutná Hora, shareholders' votes on the individual points of the General Meeting per rollam i.e. remotely by ballot.

The decisive day for participation in the voting and the decisive day for the payment of the dividends is April 8, 2021. This means that shareholders holding the company's shares as of April 8, 2021 will be entitled to vote and to receive the dividends.

The Board of Directors of Philip Morris ČR a.s. will send to shareholders all voting instructions, motions for resolutions as well as ballot papers by post on April 15, 2021. Voting by ballot papers will take place from April 15, 2021 to May 21, 2021.

Preliminary results of shareholders' voting will be published on April 30, 2021 and final voting results will be published on May 28, 2021.

### **Proposal for a profit distribution**

The Board of Directors of Philip Morris ČR a.s. proposes the payment of a gross dividend of CZK 1, 260 CZK. The dividend has been reviewed and approved by the Supervisory Board and will be submitted for approval to shareholders.

### **Key business and financial data for 2020**

*"In the course of the last, as well as of this year, during the pandemic of COVID-19, our top priority remains ensuring the health and safety of our employees, their families, customers and business partners. I am glad that we did not have to interrupt the production in our factory in Kutná Hora and that we were able to ensure employment stability and even create new employment opportunities. I am also grateful for our employee's efforts as the company continued to support local communities in this difficult period, in which either our employees live or in which we conduct our business. Despite of a temporary decrease of profit, caused primarily by government-imposed measures and a closure of the state borders, I am pleased that we continue to stay firmly on the clearly set course towards fulfilling our vision of the smoke-free future and that the main aspects of our business continue to be strong,"* says Andrea Gontkovičová, Chairman of the Board and Managing Director of Philip Morris ČR a.s., an affiliate of Philip Morris International Inc., responsible for the business in the Czech Republic and Slovakia

- The total number of adult IQOS users in the Czech Republic and Slovakia increased by 177, 000 compared to 2019, reaching 629, 000 (417, 000 in Czech Republic and 212, 000 in Slovakia) from which 430, 000 (284, 000 in the Czech Republic and 146, 000 in Slovakia) adult age smokers have switched to IQOS and stopped smoking.
- Consolidated revenues, net of excise tax and VAT increased by 4.6% to CZK 17.9 billion, or by 3.8% excluding the effect of the exchange rate.
- Consolidated net income decreased by 12.3% to CZK 3.5 billion.
- Total combined sales of cigarettes and heated tobacco units in the Czech Republic has decreased by an estimate of 10.9%, and by an estimate of 0.7% in Slovakia.
- Total shipments of HEETS increased by 0.5 billion units in the Czech Republic and by 0.2 billion units in Slovakia.
- Total shipments of tobacco products for smoking decreased by 1.2 billion units in the Czech Republic and by 0.2 billion units in Slovakia.

**Philip Morris ČR a.s.**

Seat: Kutná Hora  
Vítězná 1  
284 03  
Czech Republic

ID: 14803534

Tax ID: CZ 14803534  
registered in the Commercial  
Register, 120 00 Praha,  
kept by the Municipal Court  
in Prague, Sec. B, insert 627

contact address:

Karlovo náměstí 10  
Tel.: (+420) 266 702 111  
[www.philipmorris.cz](http://www.philipmorris.cz)



# PHILIP MORRIS ČR

## Key messages

Philip Morris ČR a.s. has launched our first e-liquid product on the Czech market in December 2020. *"We listen to our consumers very carefully and know that no single smoke-free product will satisfy preferences of all adult smokers. I am therefore very pleased that last year the Czech Republic became the very first European market, where we were able to expand the family of our science-based smoke-free alternatives by launching IQOS VEEV, our most advanced e-vapor product to-date. I am sure that the IQOS brand, which has successfully gained trust of hundreds of thousands of users in our country over the past three years can now reach an even wider range of adult smokers. We are committed to continue with our efforts of introducing further innovative smoke-free solutions in Czechia and Slovakia this year,"* adds Andrea Gontkovičová.

The Chairman of the Board and Managing Director of Philip Morris ČR a.s., also emphasized as a key milestone of the past year that in July 2020, the U.S. Food and Drug Administration authorized the marketing of *IQOS*, our most advanced heated tobacco product, as a modified risk tobacco product (MRTP). This was based on the scientific evidence that demonstrates that switching completely from conventional cigarettes to *IQOS* significantly reduces your body's exposure to harmful or potentially harmful chemicals.

The 2020 Annual Report along with all relevant documents is published and available at:

<https://www.pmi.com/markets/czech-republic/en/investor-relations/shareholder-information>

## The Board of Directors of Philip Morris ČR a.s.

### Philip Morris ČR a.s.

Philip Morris ČR a.s., an affiliate of Philip Morris International Inc., is the largest manufacturer and distributor of tobacco products and also a limited risk distributor of the smoke-free tobacco products *HEETS*, *IQOS* devices and related accessories in the Czech Republic, and is listed on the Prague Stock Exchange (Burza cenných papírů Praha). The company, which has been present in the country since 1992, employs more than 1,000 people across the Czech Republic. Philip Morris ČR a.s. has a 99% interest in Philip Morris Slovakia s.r.o. registered in the Slovak Republic. Over the past 29 years, Philip Morris ČR a.s. has supported numerous charitable projects, including the development of social programs aimed at improving living conditions in local communities. For more information, see [www.philipmorris.cz](http://www.philipmorris.cz).

### Philip Morris International: Delivering a Smoke-Free Future

Philip Morris International (PMI) is leading a transformation in the tobacco industry to create a smoke-free future and ultimately replace cigarettes with smoke-free products to the benefit of adults who would otherwise continue to smoke, society, the company and its shareholders. PMI is a leading international tobacco company engaged in the manufacture and sale of cigarettes, as well as smoke-free products, associated electronic devices and accessories, and other nicotine-containing products in markets outside the U.S. In addition, PMI ships versions of its *IQOS* Platform 1 device and consumables to Altria Group, Inc. for sale under license in the U.S., where these products have received marketing authorizations from the U.S. Food and Drug Administration (FDA) under the premarket tobacco product application (PMTA) pathway; the FDA has also authorized the marketing of a version of *IQOS* and its consumables as a Modified Risk Tobacco Product (MRTP), finding that an exposure modification order for these products is appropriate to promote the public health. PMI is building a future on a new category of smoke-free products that, while not risk-free, are a much better choice than continuing to smoke. Through multidisciplinary capabilities in product development, state-of-the-art facilities and scientific substantiation, PMI aims to ensure that its smoke-free products meet adult consumer preferences and rigorous regulatory requirements. PMI's smoke-free product portfolio includes heat-not-burn and nicotine-containing vapor products. As of December 31, 2020, *IQOS* is available for sale in 64 markets in key cities or nationwide, and PMI estimates that approximately 12.7 million adults around the world have already switched to *IQOS* and stopped smoking. For more information, please visit [www.pmi.com](http://www.pmi.com) and [www.pmiscience.com](http://www.pmiscience.com).

#### Philip Morris ČR a.s.

Seat: Kutná Hora  
Vítězná 1  
284 03  
Czech Republic

ID: 14803534

Tax ID: CZ 14803534  
registered in the Commercial  
Register, 120 00 Praha,  
kept by the Municipal Court  
in Prague, Sec. B, insert 627

contact address:

Karlovo náměstí 10  
Tel.: (+420) 266 702 111  
[www.philipmorris.cz](http://www.philipmorris.cz)