

SCHEDULE 1

Proposal for the distribution of profit for the year 2023 and a part of the retained earnings from prior years

(in CZK)

Profit after tax for the year 2023	3,338,998,541.13
Profit share for the year 2023	3,338,998,541.13
Retained earnings from prior years to be paid as profit shares (dividends)	10,372,378.87
Retained earnings from prior years which will remain undistributed	27,309,388.18

The proposed gross profit share per share with a nominal value of CZK 1,000 is CZK 1,220.00, with the total number of these shares being 2,745,386 .

The decisive date for exercising profit share rights is 10 May 2024, i.e. the profit shares will be paid to shareholders who held shares of the Company as at 10 May 2024.

Shareholders will be paid their profit shares through Česká spořitelna, a.s., a company whose registered office is in Prague 4, Olbrachtova 1929/62, postcode: 140 00, identification number: 452 44 782, registered in the Commercial Register maintained by the Municipal Court in Prague, File No. 1171.

Shareholders will be invited to send their settlement data and other supporting documents to Česká spořitelna, a.s. for the purpose of payment of their profit shares via the "Notification of the Payment of Proceeds from Securities", which will be published on 14 May 2024 in a manner allowing for remote access on the Company's website <http://www.philipmorris.cz>, in the section titled "For shareholders", and which will further stipulate more detailed instructions necessary for the payment of profit shares.

Profit shares will be paid to the shareholders who are **individuals** during the set payment period only by wireless money transfer to the shareholders' bank accounts specified in the list of shareholders maintained by the Company, or in the register of book-entered securities in the case of book-entered shares, after the shareholders submit all the necessary documents. If the relevant bank account number is not entered in the list of shareholders or in the register of book-entered securities (or the number is not up-to-date), the relevant profit share will be paid to the bank account which the shareholder notifies to the Company through Česká spořitelna, a.s. for this purpose.

Shareholders who are individuals with a tax domicile in the Czech Republic and a bank account maintained with a bank in the Czech Republic that provides its clients with electronic identity verification in the form of a bank identity, the "Bank iD", may also be paid their profit shares on the basis of a request by the relevant shareholder submitted via the web application of Česká spořitelna, a.s. on the website www.vyplatadividend.cz using identity verification in the form of the Bank iD.

The method of payment of profit shares via the Bank iD referred to in the preceding paragraph above may also be used, for shareholders who are individuals with a tax domicile of the Czech Republic and a bank account maintained with a bank in the Czech Republic, for the payment of unclaimed (uncollected) or unpaid profit shares from previous years, provided that the entitlement to payment of such profit shares for previous years still exists, has not been time-barred or has not ceased to exist for any other reason. For the avoidance of doubt, it is stated that the payment of such profit shares in the aforementioned manner may be requested from 17 June 2024 (i.e. from the beginning of the payment period set out below).

Profit shares will be paid to the shareholders who are individuals after the shareholders submit all the necessary documents, including a declaration by the beneficial (ultimate) owner of the income and, if a shareholder who is a tax resident of a country other than the Czech Republic requests the application of a special withholding tax rate, also after the shareholder submits a certificate of tax domicile.

The maturity date of the profit shares is set at **17 June 2024**. The payment period will last **from 17 June 2024 to 31 March 2025**. The "Notifications of the Payment of Proceeds from Securities" and information on the required documents will be published on the Company's website <http://www.philipmorris.cz>, in the section titled "For Shareholders", and will also be provided by Česká spořitelna, a.s.

Shareholders who are legal entities will also be paid their profit shares through Česká spořitelna, a.s. in accordance with the defined rules.

Profit shares will be paid to the shareholders who are **legal entities only by wireless money transfer to the shareholders' bank accounts specified in the list of shareholders maintained by the Company, or in the register of book-entered securities in the case of book-entered shares**. If the relevant bank account number is not entered in the list of shareholders or in the register of book-entered securities (or the number is not up-to-date), the relevant profit share will be paid to the bank account which the shareholder notifies to the Company through Česká spořitelna, a.s. for this purpose. Shareholders who are legal entities (or legal arrangements) will only be paid their profit shares after the shareholders fulfil the statutory conditions for the payment of profit shares (including the registration of the beneficial owner of each particular shareholder who is a legal entity (or legal arrangement) in the Register of Beneficial Owners (hereinafter referred to as the **"Czech Beneficial Owner Register"**) in accordance with Section 53 (2) of the Act on Register of Beneficial Owners, if the shareholder is obliged to arrange for the registration of the beneficial owner or if the provisions of the above Act and the obligation to register the beneficial owner in the Czech Beneficial Owner Register applies to the shareholder), as well as after supplying all other required supporting documents, and, if a shareholder who is a tax resident of a country other than the Czech Republic requests the application of a special withholding tax rate, also after the shareholder submits a certificate of tax domicile.

Česká spořitelna, a.s. will be checking the registrations of beneficial owners in the Czech Beneficial Owner Register, and shareholders who have no beneficial owner registered as at the date of payment of profit shares by Česká spořitelna, a.s. will not be paid their profit shares. If a profit share is not paid to the relevant shareholder (legal arrangement) due to the absence of registration of its beneficial owner in the Czech Beneficial Owner Register **by 31 December 2024, the right to that profit share will cease to exist** (Sections 53 (2) and (3) of the Act on Register of Beneficial Owners).

A shareholder claiming a profit share or its payment within a payment period after 31 December 2024 must demonstrate and prove that its right to a profit share **has not ceased to exist** due to the absence of registration of its beneficial owner in the Czech Beneficial Owner Register **by 31 December 2024**. Otherwise, the profit share will not be paid to that shareholder due to the fact that the shareholder's right to that payment has ceased to exist.

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