



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 988 731 781
Organisasjonsform: Aksjeselskap
Foretaksnavn: PHILIP MORRIS NORWAY AS
Forretningsadresse: Dronningens gate 8A
0152 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Benedikt Naespe
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 29.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Total Operating Revenues	9	3 540 917 000	3 555 002 000
Sum inntekter		3 540 917 000	3 555 002 000
Kostnader			
Cost of Sales		3 492 954 000	3 511 205 000
Salaries	6	19 098 000	15 312 000
Depreciation	1	348 000	315 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	1	0	36 000
Other Operating Cost	8	21 129 000	21 172 000
Sum kostnader		3 533 529 000	3 548 040 000
Driftsresultat		7 388 000	6 962 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		34 000	15 000
Other Financial Income		454 000	495 000
Sum finansinntekter		488 000	510 000
Rentekostnad til foretak i samme konsern		116 000	970 000
Other Financial Cost		323 000	685 000
Sum finanskostnader		439 000	1 655 000
Netto finans		49 000	-1 145 000
Ordinært resultat før skattekostnad		7 437 000	5 817 000
Tax Cost	7	1 677 000	1 306 000
Ordinært resultat etter skattekostnad		5 760 000	4 511 000
Årsresultat		5 760 000	4 511 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	64 000	66 000
Sum immaterielle eiendeler		64 000	66 000
Varige driftsmidler			
Furniture and fixtures, equipment etc.	1	1 027 000	1 209 000
Sum varige driftsmidler		1 027 000	1 209 000
Sum anleggsmidler		1 091 000	1 275 000
Omløpsmidler			
Varer			
Finished Goods	2	864 909 000	643 228 000
Sum varer		864 909 000	643 228 000
Fordringer			
Receivables from Customers		130 515 000	172 370 000
Other Receivables		475 812 000	422 385 000
Sum fordringer		606 327 000	594 755 000
Bankinnskudd, kontanter og lignende			
Cash and bank account	10	7 990 000	5 561 000
Sum bankinnskudd, kontanter og lignende		7 990 000	5 561 000
Sum omløpsmidler		1 479 226 000	1 243 544 000
SUM EIENDELER		1 480 317 000	1 244 819 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	5	100 000	100 000



Balanse

Beløp i: NOK	Note	2021	2020
Sum innskutt egenkapital		100 000	100 000
Opptjent egenkapital			
Other Equity	4	538 000	777 000
Sum opptjent egenkapital		538 000	777 000
Sum egenkapital		638 000	877 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		4 225 000	3 199 000
Income tax payable	7	1 674 000	1 284 000
Other taxes		1 336 000	1 043 000
Utbytte		6 000 000	5 000 000
Kortsiktig konserngjeld	3	1 445 125 000	1 214 373 000
Other current liabilities		21 319 000	19 043 000
Sum kortsiktig gjeld		1 479 679 000	1 243 942 000
Sum gjeld		1 479 679 000	1 243 942 000
SUM EGENKAPITAL OG GJELD		1 480 317 000	1 244 819 000



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
27.08.2015

Vår dato
03.11.2015

Telefon
977 59 464

Deres referanse
Peter Grafström

Vår referanse
2015/855631

PHILIP MORRIS NORWAY AS
Stenersgata 2
0184 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Philip Morris Norway AS, org.nr. 988 731 781

Vi viser til brev av 27. august 2015 og utfyllende opplysninger i e-post av 28. oktober 2015 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Philip Morris Norway AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Philip Morris Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger de regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

Philip Morris Norway A/S är en del av den internationella Philip Morris koncernen. De flesta befattningshavare i Philip Morris Norway A/S är också utlänningar som inte behärskar norska. Det skulle underlätta vårt arbete i Norge avsevärt om vi kunde lämna in vår årsredovisning på engelska istället för på norska.

Fra e-posten av 28. oktober 2015 gjengis:

Philip Morris Norway A/S är ett bolag i Philip Morris koncernen och bedriver grossistförsäljning av Tobaksprodukter i Norge. Våra kunder är andra grossister och butiker som säljer dessa produkter på den Norska marknaden.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet eies av et utenlandsk selskap og at de fleste lederne i selskapet er utlendinger som ikke behersker norsk. Det er videre vektlagt at selskapet henvender seg til grossistmarkedet.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Philip Morris Norway AS

Org number 988 731 781

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Company Information

Board Statement

Philip Morris Norway AS was founded in August 18, 2005. The company's business is the sale of tobacco products on the Norwegian market. From January 2008, the company has its own distribution of their products. From December 1, 2010, the company continued as a pure distributor, while Philip Morris Tobakk Norge AS took the role of an importer. The company's registered address is in Oslo. The company is a subsidiary of Philip Morris Switzerland Sarl, Switzerland.

The members of the board are not covered by any insurance for their possible liability to the company and third parties.

Disclosure of Financial Statement

The company's revenue in 2021 was 3 540 917k NOK against 3 555 002k NOK in 2020. The tax cost reached 1 677k NOK in 2021 against 1 306k NOK in 2020. Profit after tax was 5 760k NOK in 2021 against 4 511k NOK in 2020.

We observed increased demand on the Norwegian domestic consumption due to Covid-19 and related international travel restrictions.

Cash Flow

Cash flow analysis shows a positive cash flow from operating activities in the amount of 7 595k NOK in 2021.

Going Concern Basis

The Financial Statements have been prepared on a going concern basis.

Balance Sheet

Inventories are valued at 864 909k NOK as of 31.12.2021 against a value of 643 228k NOK as of 31.12.2020. Accounts receivables amount is 130 515k NOK as of 31.12.2021, compared to 172 370k NOK as of 31.12.2020. Accounts payable amount is 1 449 350k NOK as of 31.12.2021 against 1 217 572k NOK as of 31.12.2020, and mainly consist of intercompany trade purchases. Equity as of 31.12.2021 amounts to 638k NOK compared to 877k NOK as of 31.12.2020. The equity ratio for 2021 is 0.04%, compared to 0.07% in 2020.

Financial Risk

The company is not exposed to significant currency or liquidity risk.

Injuries and Sickness Leave

By the end of 2021, the company had 16 employees, with 11 female and 5 male employees. In 2021 the total sickness absence was 3.41% compared to 12.14 % in 2020. There have been no accidents at work in 2021.



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Equality

The company is committed to continue working towards and maintaining equal opportunities for women and men at all levels of the company. Similarly, salaries reflect job content and qualifications, regardless of gender.

Environmental Impact

The company has no emissions that pollute the environment.

Future Developments

The company is expected to continue good performance in the coming year. The Board believes that presented Income Statement and Balance Sheet give a correct picture of the company's financial position and results of operations.

After 2021 year-end there were no other transactions which are not reflected in the Financial Statements and which would have the impact on evaluating the results and the company's financial position.

Profit Allocation

Profit for the year is proposed to be allocated in the following way:

Profit for the year	5 760k NOK
Accumulated retained earnings	538k NOK
Dividend	6 000k NOK

Oslo, 30.06.2022


Anette Carina Rosengren
Chairman


Benedikt Naespe
Country Manager


Stefan Bauer
Board Member



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Philip Morris Norway AS

The Company

Philip Morris Norway AS
Dronningens Gate 8A
0152 Oslo

Telephone +47 (23) 10 03 60

CVR no.: 988 731 781

Financial year: January 1 - December 31, 2021

The municipality of reg. office: Oslo

Executive Board

Benedikt Naespe

Board of Directors

Anette Carina Rosengren, Chairman
Benedikt Naespe
Stefan Bauer

Auditors

PricewaterhouseCoopers AS
Dronning Eufemias gate 71
0194 Oslo
Norway



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Philip Morris Norway AS

Income Statement

(Amounts in thousands NOK)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Revenues	9	3,540,917	3,555,002
Total operating revenues		3,540,917	3,555,002
Cost of sales		3,492,953	3,511,205
Salaries	6	19,098	15,312
Depreciation	1	348	315
Asset write off	1	0	36
Other operating cost	8	21,128	21,172
Total operating cost		3,533,527	3,548,040
Operating profit		7,389	6,962
Interest income from group companies		34	15
Interest expense from group companies		116	970
Other financial income		454	495
Other financial cost		323	685
Total financial profit		48	-1,145
Profit before taxes		7,437	5,817
Tax cost	7	1,677	1,306
Profit		5,760	4,511
Profit for the year		5,760	4,511



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Philip Morris Norway AS

Assets

Balance as at 31.12.2021

(Amounts in thousands NOK)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
FIXED ASSETS			
Intangible assets			
Deferred tax assets	7	<u>64</u>	<u>66</u>
Total intangible assets		<u>64</u>	<u>66</u>
Tangible assets			
Furniture and fixtures, equipment, etc.	1	<u>1,027</u>	<u>1,209</u>
Total tangible Assets		<u>1,027</u>	<u>1,209</u>
Total fixed assets		<u>1,091</u>	<u>1,275</u>
CURRENT ASSETS			
Finished Goods	2	<u>864,909</u>	<u>643,228</u>
Receivables			
Receivables from Customers		130,515	172,370
Other Receivables		<u>475,811</u>	<u>422,385</u>
Total receivables	3	<u>606,327</u>	<u>594,755</u>
Cash and bank account	10	<u>7,990</u>	<u>5,561</u>
Total current assets		<u>1,479,226</u>	<u>1,243,544</u>
TOTAL ASSETS		<u>1,480,317</u>	<u>1,244,819</u>



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Equity and Liabilities

Balance as at 31.12.2021

(Amounts in thousands NOK)

	Note	2021	2020
EQUITY			
Paid-in capital			
Share capital (100 shares at NOK 1,000)	4, 5	100	100
Total paid-in capital		100	100
Retained earnings			
Other equity	4	538	777
Total retained earnings		538	777
Total equity		638	877
LIABILITIES			
Accounts payable	3	1,449,350	1,217,572
Income tax payable	7	1,674	1,284
Other taxes		1,336	1,043
Dividend		6,000	5,000
Other current liabilities		21,319	19,043
Total current liabilities		1,479,679	1,243,942
Total liabilities		1,479,679	1,243,942
TOTAL EQUITY AND LIABILITIES		1,480,317	1,244,819

Oslo, 30.06.2022


Anette Carina Røseengen
Chairman


Benedikt Naespe
Country Manager


Stefan Bauer
Board Member



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Philip Morris Norway AS

Cash Flow Statement

(Amounts in thousands NOK)

	<u>2,021</u>	<u>2020</u>
Cash Flow from operating activities		
Profit before tax	7,437	5,817
Net tax paid	-1,284	-2,266
Depreciation	348	315
Change in inventories	-221,682	-127,716
Change in accounts receivable	41,855	39,470
Change in accounts payable	231,777	222,563
Change in other BS position	-50,857	-129,287
Net cash from operating activities	<u>7,595</u>	<u>8,896</u>
Cash flow from investment activities		
Purchase of tangible fixed assets	-166	-245
Net cash from investment activities	<u>-166</u>	<u>-245</u>
Cash flow from financial activities		
Payment of dividends	-5,000	-8,000
Net cash from financial activities	<u>-5,000</u>	<u>-8,000</u>
Net cash for the period	<u>2,429</u>	<u>651</u>
Cash and equivalents at the beginning of year	<u>5,561</u>	<u>4,910</u>
Cash and equivalents at the end of year	<u><u>7,990</u></u>	<u><u>5,561</u></u>
This consists of:		
Bank deposit:	7,990	5,561



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Note 1 – Property, plant and equipment

(Amounts in thousands NOK)

Equipment and fixtures

	2021	2020
Opening balance	4,502	4,256
Acquisitions	166	282
Assets under construction	0	-
Retirement	-	-36
Ending balance	4,669	4,502
Accumulated depreciation	3,293	2,978
Yearly depreciation	348	315
Retirement	0	0
Accumulated depreciation	3,641	3,293
Ending balance	1,028	1,209

Assets are depreciated on a straight line basis over 3-10 years.

Note 2 – Finished Goods

(Amounts in thousands NOK)

	2021	2020
Finished Goods	864,909	643,228



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Note 3 - Transactions with group companies

(Amounts in thousands NOK)

Receivables

	<u>2021</u>	<u>2020</u>
Closing balance at 31.12	255,471	262,360

Payables

	<u>2021</u>	<u>2020</u>
Closing balance at 31.12	1,445,125	1,214,373

The company is part of a cash pool group account where the sister company Philip Morris Finance SA manages the scheme and is liable to the bank. The amount of the consolidated account is classified as current asset or liability. The amount as of 31.12.2021 represents a receivable in the amount of 255 471k NOK against the amount of 262 360k NOK receivable as of 31.12.2020.

Purchases from related parties

	<u>2021</u>	<u>2020</u>
Finished goods (PM Tobakk)	4,711,441	4,489,596
Administration fees	2,831	5,150
Net Interest from Cash Pool	83	955

Note 4 - Retained Earnings

(Amounts in thousands NOK)

	<u>Shared capital</u>	<u>Statutory reserve</u>	<u>Other free equity</u>	<u>Total equity</u>
Equity 01.01.2020	100	-	1,265	1,365
Profit for the year	-	-	4,511	4,511
Dividend to owners	-	-	-5,000	-5,000
Equity 31.12.2020	100	-	776	876
Profit for the year	-	-	5,760	5,760
Dividend to owners	-	-	-6,000	-6,000
Total equity 31.12.2021	100	-	537	637



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Note 5 - Shared Capital and Ownership

The share capital of 100k NOK consists of 100 shares per 1k NOK. All shares have equal rights.

Overview of shareholders as at 31.12.2021.

Name	Amount of shares	Ownership
Philip Morris Switzerland Sarl	100	100%
Total	100	100%

Philip Morris Switzerland Sarl is the only parent company which prepares consolidated financial statements in which Philip Morris Norway AS is included as a subsidiary.

Philip Morris Switzerland Sarl, Chemin de Brillancourt 4, 1001 Lausanne, Switzerland

Note 6 - Salaries, number of employees, remuneration, loans to employees

(Amounts in thousands NOK)

Salary costs

	2021	2020
Salary	14,256	11,718
Social fees	1,334	1,242
Pension cost	4	75
Other salary related items	3,503	2,277
Total salary costs	19,098	15,312

The average number of employees during the fiscal year was 16 employees. All employees are covered by defined contribution pension plan that is considered to meet the requirements under the Act on OTP.

Remuneration of Senior Executives

CEO Philip Morris Norway AS and PM Tobakk Norge AS

	2021	2020
Salary	2,272	1,912
Other benefits	515	480
Sum	2,788	2,392

There was no loan/security style reading of the CEO, chairman or other related parties. There are no single loan/security totals exceeding more than 5% of the company's equity.



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Note 7 - Tax calculation

(Amounts in thousands NOK)

	<u>2021</u>	<u>2020</u>
Temporary differences for deferred tax calculation		
Fixed Assets	-290	-300
Base for deferred tax asset / liability	<u>-290</u>	<u>-300</u>
Deferred tax asset / liability	22% <u>-64</u>	<u>-66</u>
Base for income tax		
Profit before tax	7,437	5,817
Permanent differences	183	117
Basis for current year's tax	<u>7,621</u>	<u>5,934</u>
Change in differences in the basis for deferred tax / tax	-10	-99
Taxable income (basis for the current tax liability)	<u>7,611</u>	<u>5,835</u>
Tax payable	22% 1,674	1,284
Tax cost	<u>1,674</u>	<u>1,284</u>
Change in deferred tax / tax with historic tax rate	2	22
Change in deferred tax / tax with due to changes in tax rate	0	0
Previous year provision adjustment	0	0
Tax cost in Income Statement	<u>1,677</u>	<u>1,306</u>
Tax payable		
Current income tax liabilities	1,674	1,284
Previous year provision adjustment	0	0
Tax liability in Balance Sheet	<u>1,674</u>	<u>1,284</u>



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Note 8 - Audit fees

(Amounts in thousands NOK)

Cost Audit remuneration is broken down as follows:

	<u>2021</u>	<u>2020</u>
Audit	168	168
Other services	<u>20</u>	<u>50</u>
Total audit fee	<u>188</u>	<u>218</u>

The amount is exclusive VAT

Note 9 - Revenues

Sales of tobacco products (cigarettes, roll your own and snus) to Norwegian market.

Note 10 - Cash and Equivalents

The Cash and Equivalents includes tax withholdings of 2 663k NOK as of 31.12.2021

Note 11 - Events after the Balance Sheet Date

There are no significant legal matters to report for Philip Morris Norway AS for the financial year of 2021.

Note 12 - Covid-19 impact

We observed increased demand on the Norwegian domestic consumption in 2021 due to Covid-19 and related foreign travel restrictions.



Note 13 – Accounting Principles

The financial statements have been prepared in accordance with Accounting Act and generally accepted accounting principles in Norway. The accounting principles are unchanged compared to prior year.

Revenue from sales

Revenues are recognized in the income statement as earned based on the following criteria:

- A binding agreement on sale or service income has been made.
- Delivery has taken place before the end of the financial year.
- The sales price has been determined.
- Payment has been received at the time of the sale or may with reasonable certainty be expected to be received.
- Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirms or invalidates affairs and conditions existing at the balance sheet date.

Norwegian Krone (NOK) is used as the measurement currency. All other currencies are regarded as foreign currencies.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of the transaction. Receivables, payables and other monetary items in foreign currency are in the balance sheet translated at the exchange rate as at the balance sheet date. Gains and losses are arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement.

Corporation tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity entries is recognized directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year. Current tax liabilities and current tax receivable are recognized in debt, or in the event of an overpayment of tax on the account, in receivables. Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax assets are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Other taxes

Amounts accrued for payroll related expenses other than accrued salaries and wages. Includes both the employer's and the employee's contribution toward payroll taxes, insurance schemes, saving plans, free cigarettes, and other employee benefit programs.



Classification and valuation of balance sheet items

Assets intended for permanent ownership or use are classified as fixed assets. Assets relating to the business cycle are classified as current assets. Receivables are classified as current if they are repayable within one year after the date of payment. For debt similar criteria have been applied. Current assets are valued at the lower of cost and net realizable value. Current liabilities are recorded at their nominal value at the time. Fixed assets are valued at cost. Fixed assets are depreciated on a straight-line basis over the expected useful life. Fixed assets are written down to fair value if the impairment is not expected to be temporary. Long-term liabilities in Norwegian kroner excluding other provisions recognized at their nominal value at the time.

Fixed assets

Tangible assets are capitalized and amortized over the expected lifetime of assets if these are estimated lifeplan of three years and a production cost exceeding 15 000 NOK. Maintenance costs are expensed as incurred. Additions or improvements are capitalized and depreciated with the asset. The distinction between maintenance and additions/improvement is calculated in relation to the asset capable of purchasing the asset. Leasing of fixed assets is expensed. Prepayments are recognized as prepaid expense distributed over the leasing period. Items in foreign currency converted into Norwegian kroner at the exchange rate at the balance sheet date.

Inventories

Inventories of materials are valued at the lower of cost according to the FIFO principle and fair value. Manufactured finished goods and work in progress are valued at variable production cost. An allowance for obsolescence is calculated and registered.

Receivables

Accounts receivable and other receivables are stated at nominal value less provision for expected losses. Provisions for doubtful accounts based on an individual assessment of each receivable. In addition, for the other receivables, a general provision to cover expected losses.

Equity

The dividend is recognized as a liability at the time of adoption at the Annual General Meeting. Dividend expected to be distributed for the year is disclosed as a separate liability item.

Cash flow statement

The cash flow statement is prepared using the indirect methodology. The reported cash flow comprises only transactions involving cash receipts and cash disbursements. Cash and bank balances are considered liquid funds.



To the General Meeting of Philip Morris Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Philip Morris Norway AS, which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Philip Morris Norway AS



accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 30 June 2022
PricewaterhouseCoopers AS

Hans-Christian Berger
State Authorised Public Accountant

(This document is signed electronically)

(2)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Berger, Hans-Christian	BANKID_MOBILE	2022-06-30 16:01

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