



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

### 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: Gerjan Hilhorst  
Dato for fastsettelse av årsregnskapet: 28.06.2019

### Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert  
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

*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, 31.10.2020



### Resultatregnskap

Beløp i: NOK	Note	2018	2017
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Total Operating Revenue	10	2 333 109 000	3 351 952 000
<b>Sum inntekter</b>		<b>2 333 109 000</b>	<b>3 351 952 000</b>
<b>Kostnader</b>			
Cost of Sales		2 270 427 000	3 297 566 000
Salaries		24 856 000	22 123 000
Depreciation		499 000	515 000
Other operating expenses		27 000 000	23 009 000
<b>Sum kostnader</b>		<b>2 322 782 000</b>	<b>3 343 213 000</b>
<b>Driftsresultat</b>		<b>10 327 000</b>	<b>8 739 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern		345 000	313 000
Annen finansinntekt		72 000	69 000
<b>Sum finansinntekter</b>		<b>417 000</b>	<b>382 000</b>
Rentekostnad til foretak i samme konsern		668 000	383 000
Annen finanskostnad		197 000	168 000
<b>Sum finanskostnader</b>		<b>865 000</b>	<b>551 000</b>
<b>Netto finans</b>		<b>-448 000</b>	<b>-169 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>9 879 000</b>	<b>8 570 000</b>
Tax Cost		2 185 000	2 170 000
<b>Ordinært resultat etter skattekostnad</b>		<b>7 694 000</b>	<b>6 400 000</b>
<b>Årsresultat</b>		<b>7 694 000</b>	<b>6 400 000</b>



### Balanse

Beløp i: NOK	Note	2018	2017
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	7	141 000	100 000
<b>Sum immaterielle eiendeler</b>		<b>141 000</b>	<b>100 000</b>
<b>Varige driftsmidler</b>			
Furniture and fixtures, equipment, etc.	2	297 000	674 000
<b>Sum varige driftsmidler</b>		<b>297 000</b>	<b>674 000</b>
<b>Sum anleggsmidler</b>		<b>438 000</b>	<b>774 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Finished Goods	3	469 944 000	154 539 000
<b>Sum varer</b>		<b>469 944 000</b>	<b>154 539 000</b>
<b>Fordringer</b>			
Receivables from Customers		49 359 000	879 783 000
Other Receivables		414 090 000	37 892 000
<b>Sum fordringer</b>	4	<b>463 449 000</b>	<b>917 675 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	11	572 000	375 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>572 000</b>	<b>375 000</b>
<b>Sum omløpsmidler</b>		<b>933 965 000</b>	<b>1 072 589 000</b>
<b>SUM EIENDELER</b>		<b>934 403 000</b>	<b>1 073 363 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share Capital (100 shares at NOK 1,000)	6	100 000	100 000



## Balanse

Beløp i: NOK	Note	2018	2017
<b>Sum innskutt egenkapital</b>		<b>100 000</b>	<b>100 000</b>
<b>Opptjent egenkapital</b>			
Other equity	5	1 291 000	596 000
<b>Sum opptjent egenkapital</b>		<b>1 291 000</b>	<b>596 000</b>
<b>Sum egenkapital</b>		<b>1 391 000</b>	<b>696 000</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Income tax Payable	7	2 407 000	2 207 000
Other		1 585 000	1 583 000
Utbytte		7 000 000	7 600 000
Kortsiktig konserngjeld	4	903 765 000	965 994 000
Other Current Liabilities		18 255 000	95 283 000
<b>Sum kortsiktig gjeld</b>		<b>933 012 000</b>	<b>1 072 667 000</b>
<b>Sum gjeld</b>		<b>933 012 000</b>	<b>1 072 667 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>934 403 000</b>	<b>1 073 363 000</b>



**Philip Morris Norway AS**

Org number 988731781

## **Annual Report 2018**



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## 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. There were no transactions after 2018 year-end 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	7 694 TNOK
Accumulated retained earnings	694 TNOK
Dividend	7 000 TNOK

Oslo, 28.06.2019



**Anette Rosengren**  
Chairman



**Gerjan Hilhorst**  
Country Manager



**Johannes Vroemen**  
Board Member



## 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 SA, Switzerland.

## Disclosure of Financial Statement

The company's revenue in 2018 was 2 333 109 TNOK against 3 351 952 TNOK in 2017. The tax cost reached 2 185 TNOK in 2018 against 2 170 TNOK in 2017. Profit after tax was 7 694 TNOK in 2018 against 6 400 TNOK in 2017.

## Cash Flow

Cash flow analysis shows a positive cash flow from operating activities at 7 921 TNOK in 2018 compared to negative 272 576 TNOK in 2017 due to higher receivables in year-end 2017.

## Going Concern Basis

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

## Balance Sheet

Inventories are valued at 469 944 TNOK as of 31.12.2018 against a value of 154 539 TNOK as of 31.12.2017. Accounts receivables amounts to 463 449 TNOK as of year end 2018, compared to 917 675 TNOK as of 31.12.2017. Accounts payable amounts to 903 765 TNOK as of 31.12.2018 against 965 994 TNOK as of 31.12.2017, and mainly consist of intercompany trade purchases. Equity as of 31.12.2018 amounts to 1 391 TNOK compared to 696 TNOK as of 31.12.2017. The equity ratio for 2018 is 0.15%, compared to 0.06% in 2017.

## Financial Risk

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

## Injuries and Sickness Leave

By the end of 2018, the company had 21 employees, where the gender split was exactly 50%. In 2018, the total sickness absence was 2.39% compared to 3.49 % in 2017. There have been no accidents at work in 2018.

## Equality

The company uses equality for employees and applicants for positions at all levels of the company, regardless of gender.. Similarly, payments reflect job content and qualifications, regardless of gender.



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PHILIP MORRIS NORWAY A/S

The Company

Philip Morris Norway AS

Stenersgata 2

0184 OSLO

Telephone: + 47 (23) 10 03 60

CVR no.: 988731781

Financial year: January 1 – December 31, 2018

The municipality of reg. office: Oslo

Executive Board

Gerjan Hilhorst

Board of Directors

Anette Rosengren, Chairman

Gerjan Hilhorst

Johannes Vroemen

Auditors

PricewaterhouseCoopers AS

Postboks 748

Sentrum, NO-0106 Oslo

Norway



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## Income Statement

	<b>Note</b>	<b>2018</b>	<b>2017</b>
Revenues	10	2 333 109	3 351 952
<b>Total operating revenues</b>		<b>2 333 109</b>	<b>3 351 952</b>
Cost of sales		2 270 427	3 297 566
Salaries	8	24 856	22 123
Depreciation	2	499	515
Other operating cost	9	27 000	23 009
<b>Total operating cost</b>		<b>2 322 782</b>	<b>3 343 213</b>
<b>Operating profit</b>		<b>10 327</b>	<b>8 739</b>
Interest income from group companies		345	313
Other financial income		72	69
Interest expense from group companies		668	383
Other financial cost		197	168
<b>Profit before taxes</b>		<b>9 879</b>	<b>8 570</b>
Tax cost	7	2 185	2 170
<b>Profit</b>		<b>7 694</b>	<b>6 400</b>
<b>Profit for the year</b>		<b>7 694</b>	<b>6 400</b>



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## Assets

Balance as at 31.12.2018

(Amounts in 1 000 NOK)

	<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>FIXED ASSETS</b>			
Intangible assets			
Deferred tax assets	7	141	100
<b>Total intangible assets</b>		<b>141</b>	<b>100</b>
Tangible assets			
Furniture and fixtures, equipment, etc.	2	297	674
<b>Total fixed assets</b>		<b>297</b>	<b>674</b>
<b>Total fixed assets</b>		<b>438</b>	<b>774</b>
<b>CURRENT ASSETS</b>			
Finished Goods	3	469 944	154 539
Receivables			
Receivables from Customers		49 359	879 783
Other Receivables		414 090	37 892
<b>Total receivables</b>	4	<b>463 449</b>	<b>917 675</b>
Cash and bank account	11	572	375
<b>Total current assets</b>		<b>933 965</b>	<b>1 072 589</b>
<b>TOTAL ASSETS</b>		<b>934 403</b>	<b>1 073 363</b>



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## Equity and Liabilities

Balance as at 31.12.2018

(Amounts in 1 000 NOK)

	<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>EQUITY</b>	5		
<b>Paid-in capital</b>			
Share capital (100 shares at NOK 1,000)		100	100
<b>Total paid-in capital</b>		<u>100</u>	<u>100</u>
<b>Retained earnings</b>			
Revaluation reserve			
Other equity		1 291	596
<b>Total retained earnings</b>		<u>1 291</u>	<u>596</u>
<b>Total equity</b>		<u>1 391</u>	<u>696</u>
<b>LIABILITIES</b>			
Accounts payable	4	903 765	965 994
Income tax payable	7	2 407	2 207
Other taxes		1 585	1 583
Dividend		7 000	7 600
Other current liabilities		18 255	95 283
<b>Total current liabilities</b>		<u>933 012</u>	<u>1 072 667</u>
<b>Total liabilities</b>		<u>933 012</u>	<u>1 072 667</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>934 403</u>	<u>1 073 363</u>

Oslo, 28.06, 2019

  
Anette Rosengren

  
Gerjan Hilhorst

  
Frank Vibecken



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PHILIP MORRIS NORWAY A/S

Chairman

Country Manager

Board Member

## Cash Flow Statement

(Amounts in 1 000 NOK)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
<b>Cash Flow from operating activities</b>			
Profit before tax		9 879	8 570
Net tax paid		-2 026	-2 470
Depreciation		499	515
Change in inventories		-315 405	234 320
Change in accounts receivable		830 424	-549 571
Change in accounts payable		-62 227	-33 098
Change in other BS position		-453 223	69 158
<b>Net cash from operating activities</b>		<u><b>7 921</b></u>	<u><b>-272 576</b></u>
<b>Cash flow from investment activities</b>			
Purchase of tangible fixed assets		-123	-117
Proceeds of the loan / receivable from Group (LT/ST)		0	277 409
<b>Net cash from investment activities</b>		<u><b>-123</b></u>	<u><b>277 292</b></u>
<b>Cash flow from financial activities</b>			
Payment of dividends		-7 600	-6 000
<b>Net cash from financial activities</b>		<u><b>-7 600</b></u>	<u><b>-6 000</b></u>
<b>Net cash for the period</b>		<u><b>197</b></u>	<u><b>-1 284</b></u>
Cash and equivalents at the beginning of year		375	1 659
Cash and equivalents at the end of year		<u><u>572</u></u>	<u><u>375</u></u>
This consists of:			
Bank deposit:		572	375



## Note 1 – 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 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 lifespan 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 equity item.

## **Cash flow statement**

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



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## Note 2 - Property, plant, and equipment

(Amounts in 1 000 NOK)

### Equipment and fixtures

	<u>2018</u>	<u>2017</u>
<b>Beginning balance</b>	3 187	3 071
Acquisitions	123	116
Retirement	-138	0
<b>Ending balance</b>	<b>3 171</b>	<b>3 187</b>
<b>Accumulated depreciation</b>	2 513	1 998
Yearly depreciation	499	515
Retirement	-138	0
<b>Accumulated depreciation</b>	<b>2 874</b>	<b>2 513</b>
<b>Ending balance</b>	<b>297</b>	<b>674</b>

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

## Note 3 – Finished Goods

(Amounts in 1 000 NOK)

Finished goods value as of 31.12.2018 consists of finished goods at a cost of 469 944 TNOK against 154 539 TNOK as of 31.12.2017.

## Note 4 – Transaction with Group Companies

(Amounts in 1 000 NOK)

### Receivables

	<u>2018</u>	<u>2017</u>
Transactions with Group	301 261	0

### Payables

	<u>2018</u>	<u>2017</u>
Transactions with Group	902 391	963 183



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The company is part of a group account where the sister company Philip Morris Finance SA administer the scheme and is liable to the bank. The amount of the consolidated account is classified as current asset or liability. The amount as at 31.12.2018 represents a receivable in the amount of 301 202 TNOK against a liability in the amount of 79 684 TNOK as at 31.12.2017.

### Purchases from related parties

	<u>2018</u>	<u>2017</u>
Finished goods (PM Tobakk)	2 602 363	3 829 069
Administration fees	4 507	3 031
Interest from Cash Pool	-323	-69

### Note 5 - Retained Earnings

(Amounts in 1 000 NOK)

	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Other free equity</b>	<b>Total equity</b>
<b>Equity 2017-01-01</b>	<b>100</b>	-	<b>1,796</b>	<b>1,896</b>
Profit for the year	-	-	6,400	6,400
Dividend to owners	-	-	-7,600	-7,600
<b>Equity 2017-12-31</b>	<b>100</b>	-	<b>596</b>	<b>696</b>
Profit for the year	-	-	7,694	7,694
Dividend to owners	-	-	-7,000	-7,000
<b>Total equity 31.12.2018</b>	<b>100</b>	-	<b>1,291</b>	<b>1,391</b>

### Note 6 - Shared Capital and Ownership

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

#### Overview of shareholders as at 31.12.2018.

<b>Name</b>	<b>Amount of shares</b>	<b>Ownership</b>
Philip Morris SA	100	100%
<b>Total</b>	<b>100</b>	<b>100%</b>



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

**Philip Morris SA, Chemin de Brillancourt 4, 1001 Lausanne, Switzerland**

## Note 7 – Tax Calculation

(Amounts in 1 000 NOK)

	<b>2018</b>	<b>2017</b>
<b>Temporary differences for deferred tax calculation</b>		
Fixed Assets	-641	-435
<b>The base for deferred tax asset/liability</b>	<b>-641</b>	<b>-435</b>
<b>Deferred tax asset / liability</b> 23% (24% in 2017)	<b>-141</b>	<b>-100</b>
<b>The base for income tax</b>		
Profit before tax	9 879	8 570
Permanent differences	379	455
<b>The basis for current year's tax</b>	<b>10 258</b>	<b>9 025</b>
Change in differences in the basis for deferred tax/tax	206	83
<b>Taxable income (the basis for the current tax liability)</b>	<b>10 464</b>	<b>9 108</b>
<b>Tax payable</b> 24% (25% in 2017)	<b>2 407</b>	<b>2 186</b>
Change in deferred tax/tax with a historic tax rate	-47	-20
Change in deferred tax/tax with due to changes in tax rate	6	4
Previous year provision adjustment	-181	0
<b>Tax cost in Income Statement</b>	<b>2 185</b>	<b>2 170</b>
<b>Tax payable</b>		
Current income tax liabilities	2 407	2 186
Previous year provision adjustment	0	21
<b>Tax liability in Balance Sheet</b>	<b>2 407</b>	<b>2 207</b>



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## Note 8 - Salaries, number of employees, remuneration, loans to employees

(Amounts in 1 000 NOK)

### Salary Costs

	<u>2018</u>	<u>2017</u>
Salary	20 200	18 158
Social fees	1 974	2 050
Pension cost	940	976
Other salary-related items	1 741	939
<b>Total salary costs</b>	<b>24 856</b>	<b>22 123</b>

The average number of employees during the fiscal year was 21 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/Philip Morris Tobakk Norge AS

	<u>2018</u>	<u>2017</u>
Salary	1 561	1 811
Other benefits	353	302
<b>Sum</b>	<b>1 914</b>	<b>2 113</b>

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.

### Note 9 – Audit Fees

Cost of audit's remuneration is broken down as follows:

	<u>2018</u>	<u>2017</u>
Audit	163	164
Other services	0	0
<b>Total audit fee</b>	<b>163</b>	<b>164</b>

The amounts are exclusive VAT.

### Note 10 – Revenues

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



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Note 11 – Cash, and Equivalents

The cash and equivalents includes withholding tax in amount of 237tNOK as at 31.12.2018.



PM Norway AS

TO: Regional VP Finance  
Director Treasury

DATE: 28.06.2019

FROM: UWE RODE – Finance Director Nordics

SUBJECT: **PM Norway AS Dividend Proposal**

Attached for your approval is a request from PM Norway AS to declare and pay the following dividend:

<b>Dividend Declaration</b>	
Currency	(In '000)
Proposed Dividend Declaration	NOK 7,000
PM Ownership Percentage	100.00%
Dividend to PM	NOK 7,000
Withholding Taxes (0%)	
Net Dividend to PM	NOK 7,000
Projected Exchange Rate	0.12
Projected Net Dividend to PM In USD	USD 848
Shareholder :	
Philip Morris S.A.	100.00%
Declaration Date	28-jun-19
Payment Date	25-sep-19
Declaration as a Percentage of Distributable Retained Earnings	93.0%
Source of Funding	Available cash

Would you please sign below to signify your recommendation to the Board of Directors of PM Norway AS that they in turn recommend this proposal to the shareholders of PM Norway AS.



Local Finance Director

see attached

Regional Finance



Local Legal

  
Director Treasury



**Cananiello, David**

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**From:** Colarusso, Sergio <Sergio.Colarusso@pmi.com>  
**Sent:** Monday, June 17, 2019 12:10 PM  
**To:** Cananiello, David  
**Cc:** Dantas, Felipe  
**Subject:** RE: 2019 Dividends - Norway & Sweden - June 2019

Approved.  
Best regards  
Sergio

**From:** Cananiello, David [mailto:David.Cananiello@pmi.com]  
**Sent:** Monday, June 17, 2019 12:08 PM  
**To:** Colarusso, Sergio <Sergio.Colarusso@pmi.com>  
**Cc:** Dantas, Felipe <Felipe.Dantas@pmi.com>  
**Subject:** 2019 Dividends - Norway & Sweden - June 2019

Dear Sergio,

I would like to ask for your approval for the following:

PM Tobakk Norge AS to declare and pay a dividend of  
PM Norway AS to declare and pay a dividend of NOK 7 mio (approx. USD 0.85 mio)  
PM AB to declare and pay a dividend of SEK 37 mio (approx. USD 3.96 mio)

I would appreciate if you could indicate your approval by e-mail.

Let me know should you need any additional information.

Best regards,  
David  
David Cananiello  
Manager Treasury  
Philip Morris Products SA  
Avenue de Rhodanie 50  
1001 Lausanne  
Switzerland  
tel +41 58 242 56 08  
[david.cananiello@pmi.com](mailto:david.cananiello@pmi.com)



**Philip Morris Norway AS**

Org number 988731781

PricewaterhouseCoopers AS

Attn: Gøril Hyni

Postboks 748 Sentrum

0106 Oslo

28 June 2019

**Management representation letter**

This representation letter is provided in connection with your audit of the financial statements of Philip Morris Norway AS for the year ended 31 December 2018 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view, in all material aspects, in accordance with the framework(s) for financial reporting that is (are) established in the financial statements.

We confirm to the best of our ability and belief, that:

*Financial statements and bookkeeping*

- We have fulfilled our responsibilities to ensure that the company's financial statements and the management of the company's financial affairs are subject to satisfactory control, including such internal control that we find necessary to enable the preparation of financial statements that do not contain material misstatement, whether due to fraud or error. We have also fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation of the financial statements and believe that the financial statements give a true and fair view of the company's financial position in accordance with the framework(s) for financial reporting that is (are) established in the financial statements.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the framework(s) for financial reporting that is (are) established in the financial statements.
- All events subsequent to the date of the financial statements and circumstances that require adjustment or disclosure, have been adjusted or disclosed.



- We have fulfilled our responsibilities to ensure a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway and have provided the auditor with all relevant information in that respect.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

#### *Tax Return*

- We have fulfilled/will fulfil our responsibility to control that the information stated in the tax return with tax forms, is correct and complete.

#### *Information provided*

- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters,
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the company from whom you considered it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the company and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the company's financial statements communicated by employees, former employees, analysts, regulatory authorities or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you the identity of the company's related parties and all the related party relationships and transactions that we are aware of.



- We have appropriately recorded or disclosed all obligations, including litigations, both actual and contingent, and have disclosed all information about all guarantees granted to third parties in the notes to the financial statements.
- The Company has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, except for those that are disclosed in the notes to the financial statements.

Gerjan Hilhorst  
Senior Executive Officer

Uwe Rode  
Senior Financial Officer





**STYREMØTEPROTOKOLL  
PHILIP MORRIS NORWAY AS**

Den 28. June 2019 ble det avholdt styremøte i Philip Morris Norway AS.

Til stede var:

Anette Rosengren, styreleder

Gerjan Hilhorst, styremedlem

Frank Vroemen, styremedlem

Til behandling forelå:

**1. ÅRSREGNSKAP OG ÅRSBERETNING  
FOR REGNSKAPSÅRET 2018**

Årsregnskap med noter og styrets beretning ble fremlagt, gjennomgått og undertegnet.

Årsresultatet etter skatt på NOK 7.694.000 ble enstemmig avsatt for utbytte på NOK 7.000.000 og derved økte beholdningsresultatet med NOK 694.000 til NOK 1.291.000.

Styret har vurdert selskapets finansielle situasjon i sammenheng med utbetaling av utbytte for 2018. Det er ingen risiko for at det foreslåtte utbytte vil ha en negativ effekt på selskapet kontinuitet eller likviditet. Internpriseringsmodellen selskapet benytter reduserer risikoen for tap i overskuelig framtid. Videre er selskapets likviditet garantert gjennom tilgangen til Philip Morris International sine globale likviditetsreserver. Det foreslåtte utbyttebeløpet er basert på en totalvurdering av selskapets nåværende økonomiske og finansielle situasjon samt dets forventede fremtidige utviklingen.

Styret vedtok å anbefale å ikke utdele honorar til styremedlemmer og å dekke revisors honorar for 2018 etter regning.

**2. ORDINÆR GENERALFORSAMLING**

Styret besluttet å innkalle til ordinær generalforsamling for behandling av de lovbestemte saker som skal behandles på

**MINUTES OF BOARD MEETING IN  
PHILIP MORRIS NORWAY AS**

A meeting of the Board of Directors of Philip Morris Norway AS was held on 28 June 2019.

Present were:

Anette Rosengren, chairman of the board

Gerjan Hilhorst, board member

Frank Vroemen, board member

The following matters were dealt with:

**1. ANNUAL ACCOUNTS AND ANNUAL  
REPORT FOR THE FINANCIAL YEAR  
2018**

The annual accounts with notes and the annual report were presented, reviewed and signed.

The annual result after taxes in the amount of NOK 7,694,000 was unanimously provisioned for dividend of NOK 7,000,000 and thereby increased the retained earnings by NOK 694,000 to NOK 1,291,000.

The board has considered the financial situation of the company in connection with the payment of dividend for 2018. There is no risk that the proposed dividend will have a negative effect on the continuity of the company or its cash position. The model for internal pricing applied by the company reduces the risk for losses in the foreseeable future. Furthermore, the cash position of the company is ensured by access to the global cash reserves of Philip Morris International. The proposed dividend payment is based on a comprehensive assessment of the present economic and financial situation of the company, and on expected future developments.

The board decided to propose not to pay any remuneration to the Board of Directors and to pay the auditor's fee for 2018 according to the auditor's invoice.

**2. ORDINARY GENERAL MEETING**

The Board decided to summon to an ordinary general meeting for dealing with matters that according to law shall be




nevnte generalforsamling, herunder de ovennevnte saker.

dealt with in the ordinary general meeting, hereunder the above mentioned matters.

Intet mer forelå til behandling. Møtet ble hevet.

There were no further matters on the agenda. The meeting was closed.

  
Anette Rosengren

  
Gerjan Hillhorst

  
Frank Vøien



To the General Meeting of Philip Morris Norway AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

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#### *Opinion*

We have audited the financial statements of Philip Morris Norway AS, which comprise the balance sheet as at 31 December 2018, 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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*

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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*PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo*

*T: 02316, org. no.: 987 009 713 VAT, www.pwc.no*

*State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm*



Independent Auditor's Report - Philip Morris Norway AS

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*Responsibilities of the Board of Directors and the Managing Director for the Financial Statements*

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements 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.

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*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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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>

## ***Report on Other Legal and Regulatory Requirements***

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*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

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*Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(2)



Independent Auditor's Report - Philip Morris Norway AS

Oslo, 28 June 2019  
**PricewaterhouseCoopers AS**

Gøril Hyni  
State Authorised Public Accountant  
(This document is signed electronically)

(3)



 Securely signed with Brevio

## Revisjonsberetning

### Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Hyni, Gøril	BANKID_MOBILE	2019-06-28 19:34

### This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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The seal is a guarantee for the authenticity  
of the document.



## 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](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto: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*



Oslo 2015-08-27



PHILIP MORRIS NORWAY AS

Skattedirektoratet  
Postboks 9200 Grønland  
0134 Oslo

**Sökande**

*Philip Morris Norway A/S org nr 988 731 781, Stenersgata 2, 0184 Oslo*

**Ärende**

Ansökan om undantag från kravet att lämna in årsredovisning på norska

**Bakgrund**

I enlighet med regneskapsolven ska ett årsbokslut i Norge lämnas in på det norska språket.

Philip Morris Norway A/S vill härmed ansöka om undantag från denna regel.

**Förfrågan**

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.

Ifall ni har några frågor i anledning av denna förfrågan eller om ni vill att någonting ska klargöras, vänligen kontakta Michael Wojtasik på Philip Morris i Stockholm. Telefon +46704505900 (mobil) +46851785010 (kontor) eller e-post michael.wojtasik@pmi.com.

Med vänliga hälsningar

Peter Grafström  
Country Manager, Norway

Philip Morris Norway AS, Stenersgata 2, 0184 Oslo  
FAX: +47 23 10 03 61 - TEL: +47 23 10 03 60



Oslo den 27:e augusti 2015

Skattedirektor:  
Postboks 9200 Grønland  
0134 Oslo

### Sökande

*PM Tobakk Norge A/S org nr 993 343 862, Stenersgata 2, 0184 Oslo  
Ansökan om undantag från kravet att lämna in årsredovisning på norska*

### Ärende

I enlighet med regneskapsolven ska ett årsbokslut i Norge lämnas in på det norska språket.

PM Tobakk Norge A/S vill härmed ansöka om undantag från denna regel.

### Förfrågan

PM Tobakk Norge 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 avsevärt om vi också kunde lämna in vår årsredovisning på engelska istället för på norska.

Ifall ni har några frågor i anledning av denna förfrågan eller om ni vill att någonting ska klargöras, vänligen kontakta Michael Wojtasik på Philip Morris i Stockholm. Telefon +46704505900 (mobil) +46851785010 (kontor) eller e-post [michael.wojtasik@pmi.com](mailto:michael.wojtasik@pmi.com).

Med vänliga hälsningar

Peter Grafström  
Country Manager, Norway

PM Tobakk Norge AS, Stenersgata 2, 0184 Oslo  
FAX: +47 23 10 03 61 - TEL: +47 23 10 03 60