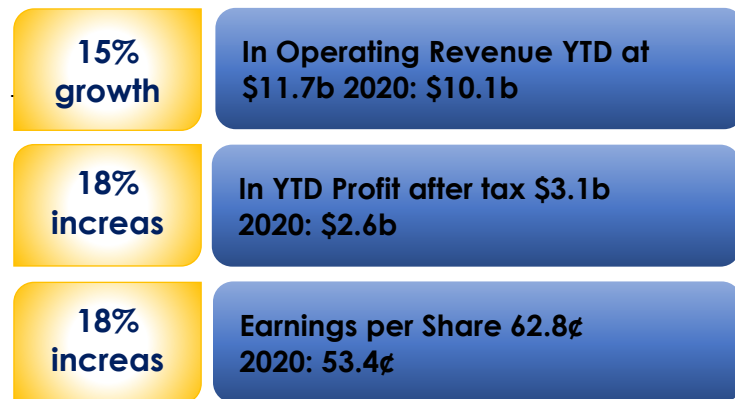


CHAIRMAN’S REPORT

On behalf of the Board of Directors, I am pleased to report the unaudited financial results for the THIRD QUARTER ended December 31, 2021.

KEY PERFORMANCE RESULTS



Carreras recorded growth of 15% in operating revenues which is J\$11.7 billion for the Year To Date Q3 ending December 31,2021 when compared to the same period last year (SPLY). This was mainly attributable to an increase in volumes achieved for the period. Profit after tax for the third quarter of 2021 was J\$1.1 billion, which was 11% higher than the third quarter of 2020, representing additional gains in our trading margin. Our overheads increased to \$667 million compared to J\$523 million in the corresponding period in 2020; a 28% increase and was mainly attributable to strong effort of the sales force as they seized opportunity from the illicit market to capture more legal sales in the quarter. Earnings per stock unit for the period was 62.8 cents –compared to 53.4 cents in 2020. Carreras reported a solid capital base that showed significant growth with total shareholders' equity of \$2.14 billion at the end of December 31, 2021 compared to \$1.99 billion for the prior period in 2020.

The Company continues to be committed to the fight against the spread of the COVID-19 and to ensuring that we deliver our goods to our customers in the safest way. Our main priority is the protection of our people's health and employment. All safety measures are being enforced, and protocols adhered to. Carreras continues to provide full employment and benefits to all team members and will continue to do this as we seek to efficiently manage our resources. As we seek to expand our distribution, Carreras is actively upskilling and increasing its team to meet the needs of this transformational business.

The Company continues to modernize its portfolio through the transformation of its brands. Our beloved Craven “A” got a facelift with a bold and modern reimaging of the pack as well as Matterhorn with its “new look of freshness”. They continue to perform well in the market and the leading sought-after brands, with a high level of consumer loyalty.

We continue to push our journey of transformation for 2022 and beyond which includes but is not limited to develop in the differing price segments through strong proposition, strengthen the value in all segments so we can match the needs and disposable income of all consumers. We found effective, creative and safer ways to engage and bring satisfaction to our consumers during this unprecedented time. This was highly appreciated by our loyal trade and consumer partners who appreciated the commercial input during this period. For the first time, the Company launched a digital platform which allows us to responsibly engage with our consumers in a safe space created for our adult smokers. Craven A & Matterhorn, engaging with adult consumers in the manner in which the consumer desires.

As a Jamaican company, we are cognizant of how difficult this period has been and continue to seek all ways possible to be efficient with our spending and bring value to all our partners as we can.

Despite all these efforts, the illicit trade continues to be the greatest threat to government revenue, and the supply continues to flood the market. These illicit brands are priced drastically below the minimum possible legal prices once all taxes are paid, and these illicit brands continue to boldly display their packs and their offers in the trade. Undaunted, the company continues to employ other strategic initiatives to counter the effect from these activities.

The Minister of Health tabled for consideration in Parliament, the Tobacco Control Act (Bill) in 2020. The company is working assiduously to ensure that the regulations are balanced, practical, and fair. We are also committed to supporting and complying with such regulations set out for governing our marketing and distribution of our products.

We express our thanks and appreciation to our team members, who continue to deliver exceptional results and to our key partners and shareholders who continue to support our business.



ON BEHALF OF THE BOARD
Raoul Glynn
Managing Director