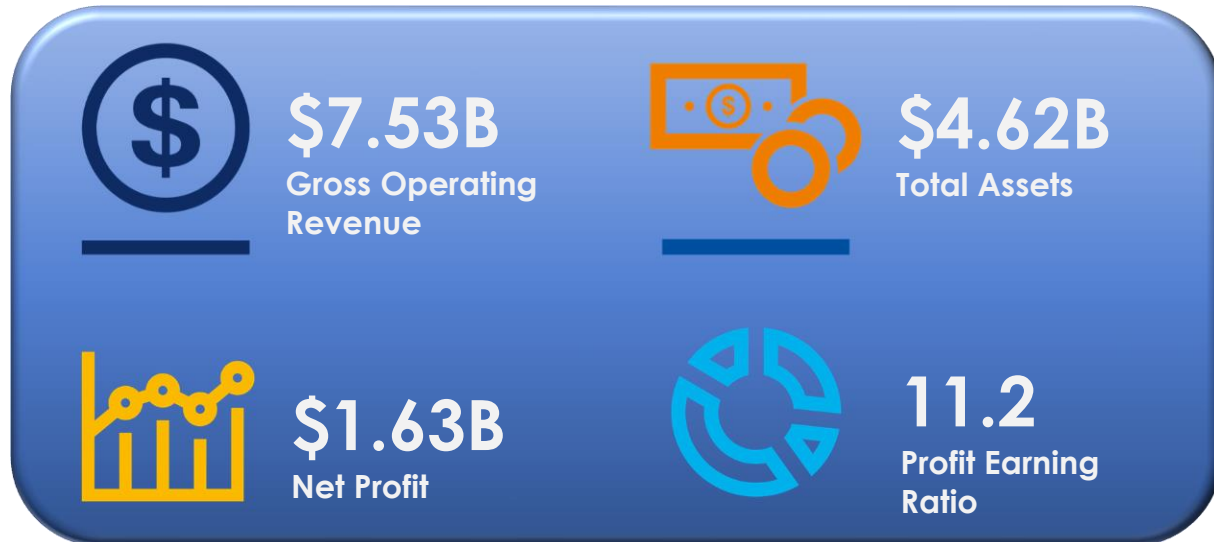


CHAIRMAN'S REPORT

KEY PERFORMANCE RESULTS



On behalf of the Board of Directors, I am pleased to report the unaudited financial results for the SECOND QUARTER of the Financial Year 2022/23, the period ended September 30, 2022.

During the first half of the year, we realized Operating Revenues of J\$7.53 billion, a 5% growth when compared to the same prior in 2021. This was mainly attributable to the increase in volumes achieved over the period as well as improvements in the portfolio mix. Profit before income tax was J\$2.18 billion, being 14% or J\$358 million lower than 2021. Operational costs, totaled J\$1.31 billion, a 31% increase compared to the corresponding period in 2021. This increase in operational costs is driven by the rising cost of inputs such as, electricity, fuel, and maintenance. Despite these external challenges, we persisted in our investment in our core business during the second quarter, as we believe this investment will lead to stronger performances in the coming periods and propel us to sustained growth and the delivery in all KPI's. Net profit for the period closed at J\$1.63 billion. Earnings per stock unit for the period was 33.5 cents (2021: 39.2 cents).

The Financial Year 2022/23 will be a year of broad investment within the company as we seek to revitalize our core brands and maximize on the opportunities presented to engage. This investment will enable Carreras Limited to deliver more sustained results into the future. We will continue to invest in our core brands, Craven A and Matterhorn as we aim to exceed the expectation of our stakeholders. This investment in our consumers have borne fruit driven by the level of revenue increases which have been realized in the first half of the year, and this is expected to continue throughout the financial year.

The illicit trade continues to permeate our trading environment and the company has employed additional strategic initiatives to counter the effects from these activities. The multi-industry approach to tackle the illicit trade have been adopted by the company. This approach seeks to drive awareness, advocate for stricter border controls and legislative changes for imposition of stricter penalties and sanctions. We commend the efforts and support of the Jamaica Customs Agency (JCA) and the Jamaica Constabulary Force (JCF), specifically, the Counterterrorism and Organized Crime Investigation Branch (C-TOC) for their commitment to the fight against the illicit trade.

We are working hard alongside other stakeholders of the industry, to ensure that future tobacco regulations are balanced, practical, and fair. We are also committed in supporting and complying with such regulations set out to govern the marketing and distribution of our products.

Stockholders, I am pleased to report that the Board of Directors has approved an ordinary interim dividend payment of \$0.19 per stock unit, totaling J\$922.3 million, to be paid out of accumulated profits on December 14, 2022, to stockholders as shown on the Register of Members as of November 25, 2022. This is in keeping with our dividend policy and demonstrates the Company's continued commitment to enhancing shareholder value.



ON BEHALF OF THE BOARD
Raoul Glynn
Director