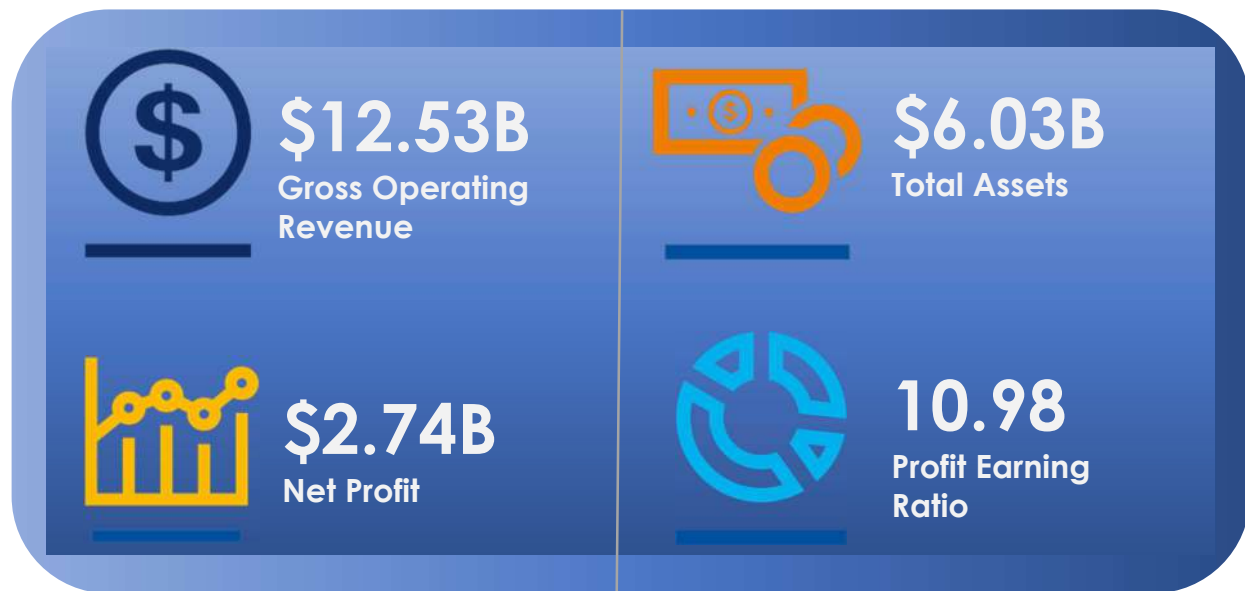


# CHAIRMAN'S REPORT

## KEY PERFORMANCE RESULTS



On behalf of the Board of Directors, I am pleased to report the unaudited financial results for the THIRD QUARTER of the Financial Year ending 2022/23, the period ended December 31, 2022.

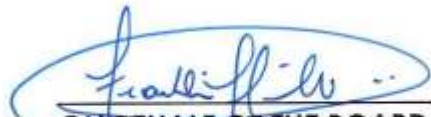
During the nine-month period, we realized Operating Revenue of J\$12.53 billion, an increase of 7% or J\$807 million over the corresponding period in 2021. This was mainly attributable to the increase in volumes achieved for the quarter when compared to the same period last year. Profits before income tax was J\$3.68 billion, 10% or J\$398 million lower than the third quarter of 2021. Our operating costs grew by 36% totaling J\$2.12 billion compared to J\$1.56 billion in the corresponding period in 2021. This movement in our operating costs is due to the increasing cost of inputs such as electricity, fuel, maintenance. We have focused our investment in areas that will improve our core business and will lead to stronger performances within the coming periods, driving more sustained growth. Net profits for the period closed at J\$2.74 billion. Earnings per stock unit for the period was 56.5 cents (2021: 62.9 cents).

We have continued the brand investment for the financial year 2022/23 as we seek to revitalize our core brands and maximize on the opportunities presented. Our investment is beginning to add value as evidenced in the level of revenue increases which has been realized, and this is expected to continue throughout the coming years.

The illicit trade is persistent and continues to invade our trading environment. Nevertheless, we continue to engage the relevant stakeholders as we combined attempt to reduce the impact therefrom.

We wish to assure you that our commitment to work with all stakeholders in developing the future tobacco regulations to ensure that these are balanced, practical, and fair. We continue to maintain our support of and complying with such regulations in governing our marketing and distribution of our products.

Stockholders, I am also pleased to report that Board of Directors has approved an ordinary interim dividend payment of \$0.23 per stock unit, totaling J\$1.11 billion, to be paid out of accumulated profits on March 22, 2023, to stockholders as shown on the Register of Members as of March 1, 2023. This is keeping with our dividend policy and demonstrates the Company's continued commitment to enhancing shareholder value.

  
**ON BEHALF OF THE BOARD**  
Franklin Murillo  
Director