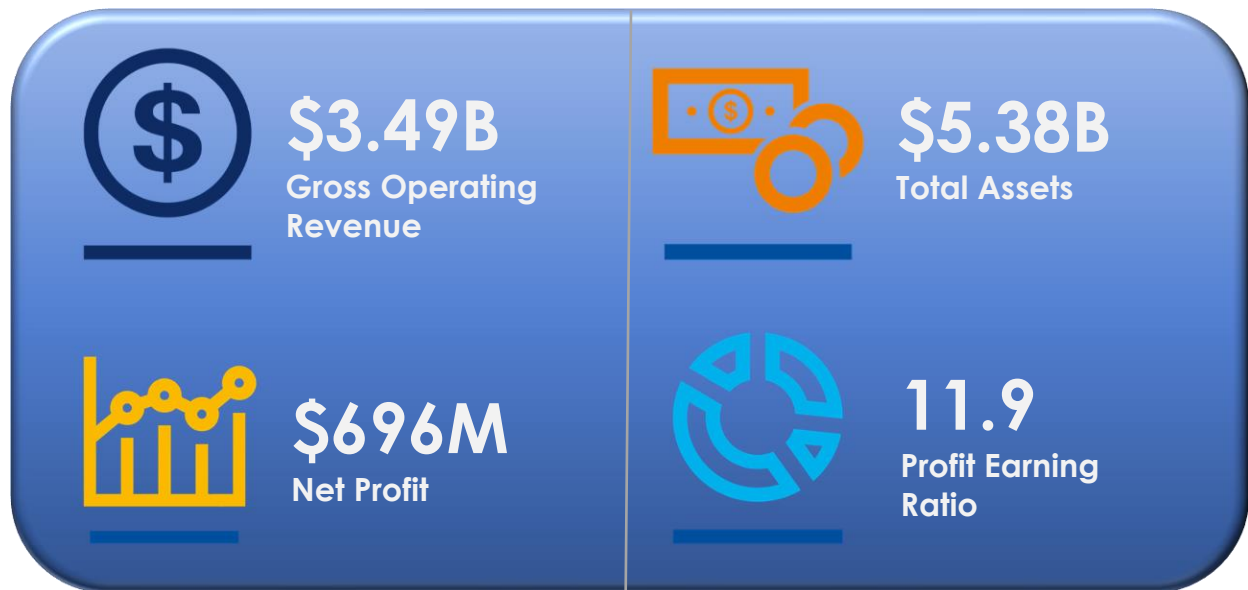


CHAIRMAN'S REPORT

On behalf of the Board of Directors, I am pleased to report the unaudited financial results for the FIRST QUARTER ended June 30, 2022.

KEY PERFORMANCE RESULTS



The Budget Year 2022 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. With respect to the first quarter, we experienced growth in Operating Revenue of J\$3.4 billion for Q1 2022 which resulted in a 2% increase when compared to Q1 2021. This was mainly attributable to the increase in volumes achieved for the quarter when compared to SPLY as well as the impact from our portfolio mix. Profit before other income for the first quarter of 2022 was J\$1.56 billion, 5% or J\$82 million lower than the first quarter of 2021, indicating an increase in our operating costs as overheads grew by 20% totaling J\$638 million compared to J\$532 million in the corresponding period in 2021. This increase in overheads is partially explained by the rising cost of inputs: electricity, fuel, maintenance as well as the investment in our core business which we believe will lead to stronger performance in the coming periods and propel us to continued growth and delivery in all KPI's. This strong investment behind our brands and Route to Market (RTM) activities is expected to continue to bear fruit in the coming cycles. Net profit for the period closed at J\$696 million. Earnings per stock unit for the period was 14.4 cents (2021: 17.8 cents).

This quarter brought with it the strongest activation of our flagship brand Craven A since its launch more than 60 years ago. Bringing to the loyal consumer a product with 25% more consumption moments, while ensuring we maintain the same blend and satisfaction our loyal consumers demand, was key. On top of that is the company's commitment to reward the loyalty of our consumers by giving this benefit at the same price understanding and recognizing, our consumers are already highly stretched and illicit products continue to infiltrate the market with products at less than half the price of the legal brands. This investment in our consumers have borne fruit driven by the level of revenue increases which have been realized in the quarter, and this is expected to continue throughout the coming year.

The illicit trade continues to permeate our trading environment and the company has employed other strategic initiatives to counter the effect 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 and the Jamaica Constabulary Force, 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 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 for 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 \$0.13 per stock unit, totaling J\$623.4 million, to be paid out of accumulated profits on September 7, 2022, to stockholders as shown on the Register of Members as of August 24, 2021. This is keeping with our dividend policy and demonstrates the Company's continued commitment to enhancing shareholder value.

I would like to take this opportunity to celebrate the contribution made to Carreras by Mr. Juan Carlos Restrepo during his tenure as director. Juan has made an invaluable contribution towards the strategy of the company and a great measure of its success can be attributable to his stellar performance. We also have the great honour of welcoming our Finance Director and Company Secretary, Ms. Verona Williamson to the Board of Carreras. Verona, an accounting professional, brings with her a wealth of experience and was being suitably groomed to take on the baton from Juan Carlos and to bring her difference to bear and contribute towards the strategy of our beloved Carreras, for many years to come.



ON BEHALF OF THE BOARD
Raoul Glynn
Managing Director