WITCO

A BETTER TOMORROW

Reflecting PROGRESS

2023 ANNUAL REPORT

119 YEARS

2023 ANNUAL REPORT

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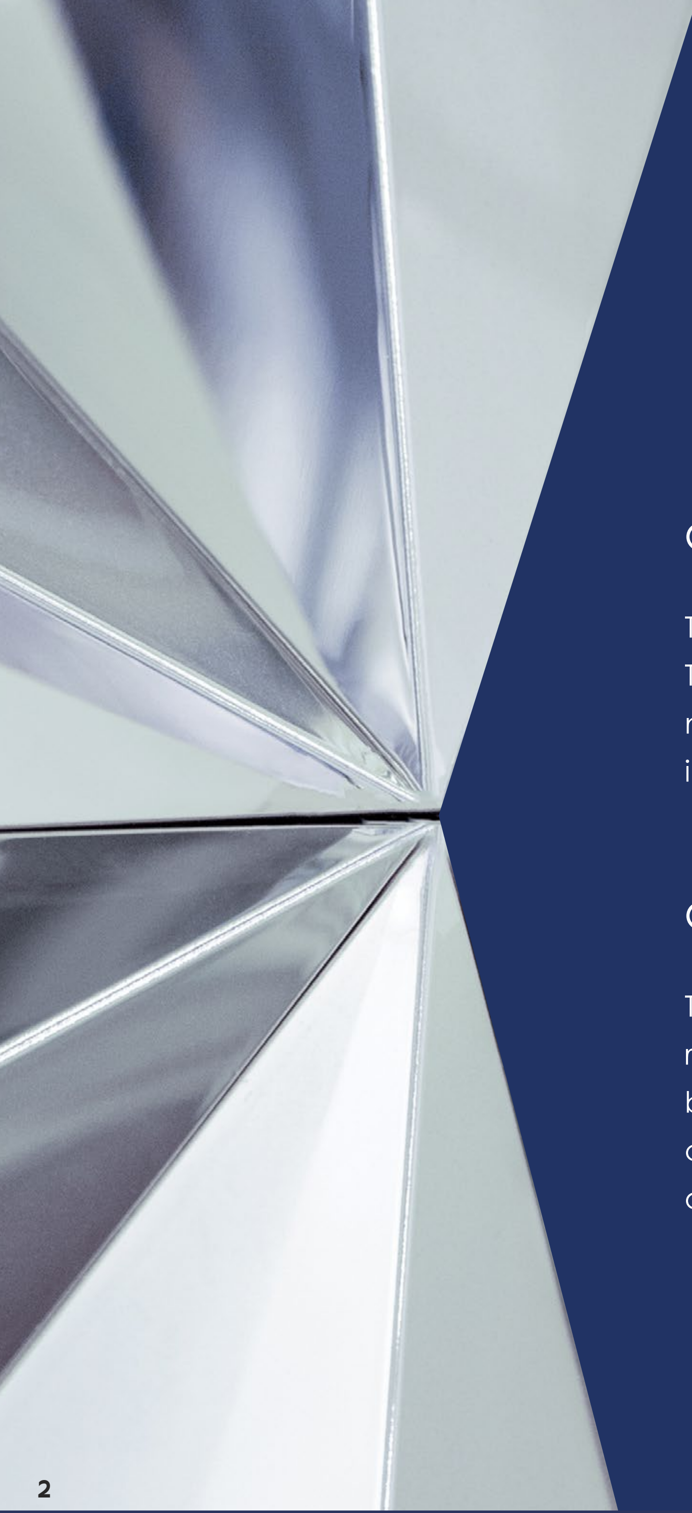


OUR MISSION

To sustain our market leadership in Trinidad and Tobago and to be the number one manufacturing centre in the Caribbean.

OUR VISION

To build A Better Tomorrow™ by reducing the health impact of our business through offering a greater choice of enjoyable products for our consumers.

1 We are BOLD

We dream big and share innovative ideas.

We make tough decisions quickly and are proudly held accountable for them.

We are resilient and fearless in beating the competition.

2 We are FAST

Speed matters. We set a clear direction and move fast.

We keep it simple and focus on outcomes.

We learn quickly and share learnings.

3 We are EMPOWERED

We set the context for our teams and trust their expertise.

We challenge each other. Once in agreement, we commit collectively.

We collaborate and hold each other accountable to deliver.

4 We are DIVERSE

We value different perspectives.

We build on each other's ideas, knowledge and experiences.

We challenge ourselves to be open-minded and to recognise unconscious bias.

5 We are RESPONSIBLE

We take action to reduce the health impact of our business.

We ensure the best quality products for our consumers, the best place to work for our people and the best results for our shareholders.

We act with integrity, never compromising our standards and ethics.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ingrid Lashley, Chairman
Raoul Glynn, Managing Director
Danielle Chow
John De Silva
Andres Lorenzo
Andrea Martini
Juan Carlos Restrepo Piedrahita
Luis Verenzuela
Johan Grosberg

AUDIT COMMITTEE

John De Silva, Chairman
Ingrid Lashley
Danielle Chow
Andrea Martini

COMPANY SECRETARY

Kathryn Anne Abdulla, Company Secretary

REGISTERED OFFICE

Corner Eastern Main Road & Mount D'Or Road
Champs Fleurs
Republic of Trinidad and Tobago
Telephone: (868) 662-2271/2
Facsimile: (868) 663-5451
Email: west_indian_tobacco@bat.com
Website: www.westindiantobacco.com

REGISTRAR AND TRANSFER OFFICE

Trinidad & Tobago Central Depository
10th Floor Nicholas Tower
63-65 Independence Square Port of Spain
Republic of Trinidad and Tobago
Telephone: (868) 625-5107
Facsimile: (868) 623-0089
Email: lsamai@stockex.co.tt

ATTORNEYS-AT-LAW & NOTARY PUBLIC

Fitzwilliam, Stone, Furness-Smith & Morgan
48-50 Sackville Street
Port of Spain
Republic of Trinidad and Tobago
Telephone: (868) 623-1618
Facsimile: (868) 623-6524
Email: fitzstone@fitzwilliamstone.com

M. Hamel-Smith & Company
Eleven Albion
Corner Dere and Albion Streets
Port of Spain
Republic of Trinidad and Tobago
Telephone: (868) 299-0981
Facsimile: (868) 625-9177
Email: mhs@trinidadlaw.com

AUDITORS

KPMG
11 Queen's Park East
Port of Spain
Republic of Trinidad and Tobago
Telephone: (868) 623-1081
Email: kpmg@kpmg.co.tt

BANKERS

Citibank (Trinidad & Tobago) Limited
12 Queen's Park East
Port of Spain
Republic of Trinidad and Tobago

Republic Bank Limited
59 Independence Square
Port of Spain
Republic of Trinidad and Tobago

Scotiabank Trinidad and Tobago Limited
56-58 Richmond Street
Port of Spain
Republic of Trinidad and Tobago

NOTICE OF ANNUAL MEETING

Notice is hereby given that the ONE HUNDRED AND NINETEENTH ANNUAL MEETING of SHAREHOLDERS of THE WEST INDIAN TOBACCO COMPANY LIMITED ("the Company") will be held at the Queen's Hall, 1-3 St Ann's Road, Port of Spain, Trinidad on Tuesday April 23 2024 at 10:00am for the following purposes:

A ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2023, together with the Reports of the Directors and Auditors thereon.
2. To declare a Final Dividend for the financial year ended December 31 2023.
3. To re-elect Mr Juan Carlos Restrepo Piedrahita who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.
4. To re-elect Mr John De Silva who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.
5. To re-elect Mr Andrea Martini who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.
6. To re-elect Mrs Danielle Chow who retires in accordance with paragraph 4.7:2(g) of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:10 of Bye-Law No. 1 for a term from the date of her election until the close of the next Annual Meeting.
7. To re-elect Ms Ingrid Lashley who retires in accordance with paragraph 4.7:2(g) of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:10 of Bye-Law No. 1 for a term from the date of her election until the close of the next Annual Meeting.
8. To elect Mr Luis Verenzuela as a Director of the Company in accordance with paragraph 4.3 of Bye-Law No. 1 of the Company for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.
9. To elect Mr Johan Grosberg as a Director of the Company in accordance with paragraph 4.3 of Bye-Law No. 1 of the Company for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.

NOTICE OF ANNUAL MEETING

10. To elect Mr Jason Julien as a Director of the Company in accordance with paragraph 4.3 of Bye-Law No. 1 of the Company for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5

11. To elect Mr Eric Gagnon as a Director of the Company in accordance with paragraph 4.3 of Bye-Law No. 1 of the Company for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5

12. To reappoint Messrs KPMG as Auditors of the Company to hold office until the close of the next Annual Meeting.

B SPECIAL BUSINESS

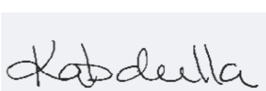
13. To consider and, if thought fit, to adopt the following Ordinary Resolution:

    WHEREAS it is considered expedient and in the best interest of the Company to delete paragraph 24 of Bye-Law No. 1 of the Company and replace with the following paragraph:

    "24. Signatures

    The signature of the Chairman, a Deputy Chairman, a Managing Director, the Secretary or an Assistant Secretary or any director of the Company or of any officer or person, appointed pursuant to paragraph 23 hereof by resolution of the directors may, if specifically authorized by resolution of the directors, be (A) printed, engraved, lithographed or otherwise mechanically or electronically reproduced or (B) by way of an electronic signature. Any document or instrument so signed shall be deemed to be as valid to all intents and purposes as if such document or instrument in writing had been signed manually and notwithstanding that the officer or person whose signature is so reproduced has ceased to hold office at the date on which such document or instrument in writing is delivered or issued."

BY ORDER OF THE BOARD



Kathryn Anne Abdulla
Company Secretary
Corner Eastern Main Road and Mount D'Or Road
Champs Fleurs
TRINIDAD

March 13 2024

NOTICE OF ANNUAL MEETING

NOTES:

1. No material service contracts were entered into between the Company and any of its Directors.
2. The Directors of the Company have not fixed a record date for the determination of shareholders who are entitled to receive notice of the Annual Meeting. In accordance with Section 111(a)(i) of the Companies Act, Ch. 81:01 the statutory record date applies. Only shareholders on record at the close of business on Tuesday March 12th 2024, the date immediately preceding the date on which the Notice is given, are therefore entitled to receive Notice of the Annual Meeting.
3. A shareholder entitled to attend and vote at the Annual Meeting is entitled to appoint a proxy or one or more alternate proxies to attend and act at the Meeting in the manner and to the extent authorised by the proxy and with the authority conferred by the proxy. A proxy need not be a shareholder. All Proxy Forms should be completed and deposited with the Secretary of the Company at the Registered Office of the Company at least 48 hours before the time appointed for the Annual Meeting.
4. A shareholder who is a body corporate, may, in lieu of appointing a proxy, authorise an individual by resolution of its directors or governing body to represent it at the Annual Meeting.

CHAIRMAN'S REVIEW

INGRID LASHLEY – Chairman

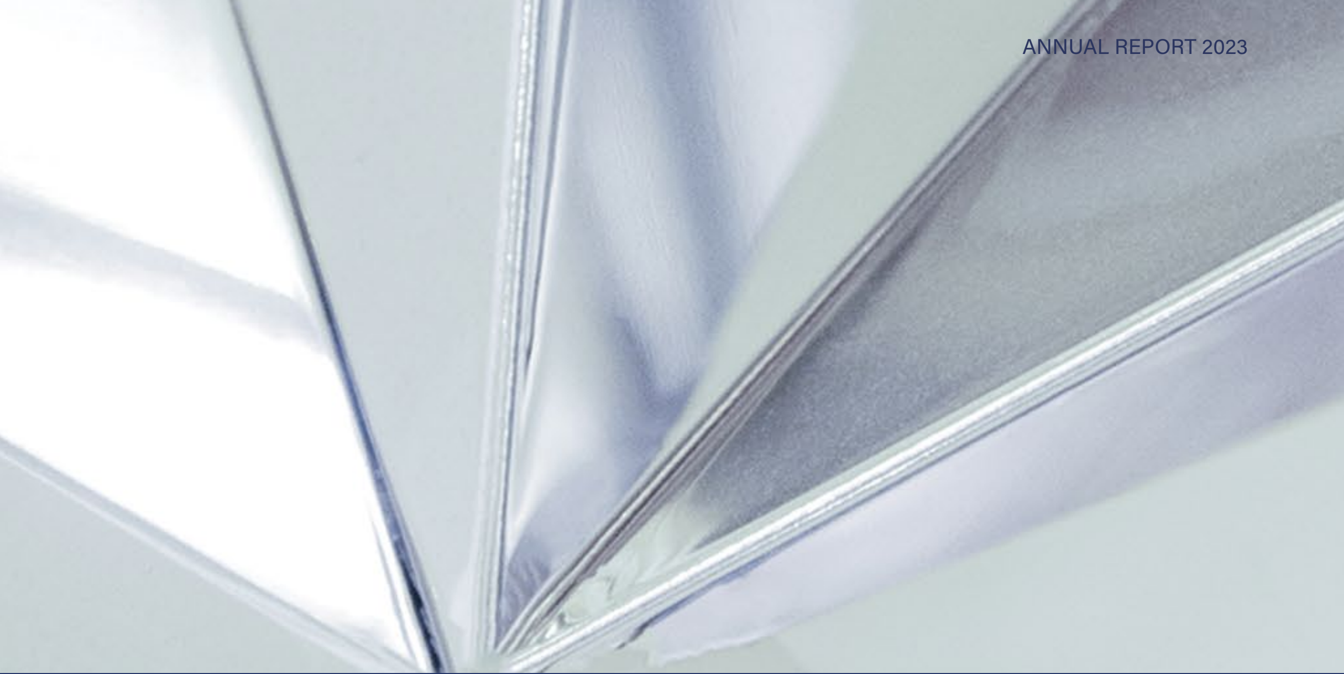
In a year marked by global economic and geo-political challenges, 2023 witnessed a forecasted slowdown in world growth, attributed to high inflation and policy tightening, notably by the US Federal Reserve. Advanced economies led this deceleration, experiencing a more modest expansion of 1.5% in 2023 compared to 2.7% in the previous year. This was primarily influenced by elevated energy prices following Russia's Ukraine invasion, coupled with inflationary pressures.

Latin America and the Caribbean echoed this trend, anticipating a growth deceleration due to the tapering post-pandemic recovery observed in 2022. In the midst of these global dynamics, a Real GDP growth of 2.1% was projected for Trinidad and Tobago in 2023, building on the commendable 2.6% growth of 2022. This outlook hinged on the Non-Energy sector's expansion, which aligned with Government efforts to foster an environment where the manufacturing sector plays a pivotal role in driving economic growth and export diversification.

In October 2023, the Government presented the ninth fiscal budget of the current administration, aligning with the overarching theme of "Building Capacity for Diversification and Growth". Despite the challenges posed by the anticipated decline in hydrocarbon gains, the budget refrained from imposing additional taxes. Instead, it unveiled a series of initiatives designed to bolster disposable income directly, with a noteworthy highlight being the increase in the minimum wage from $17.50 to $20.50, equivalent to a 17.1%.

These measures underscore the collective commitment to nurturing an environment conducive to economic expansion and inclusive growth. The initiatives not only shield our citizens from undue financial burdens but also stimulate consumer spending, thereby fostering a more robust economy.

Nevertheless, we acknowledge that challenges persist on our path to sustained growth. The availability of foreign exchange, food security



concerns, and the issue of crime, are hurdles that demand consistent attention. Yet, in the face of these challenges, we remain resolute in our determination to fortify economic stability and expedite the rate of recovery.

As we reflect on the accomplishments of the past year and look ahead to the promising prospects of 2024, the manufacturing industry and WITCO in particular, stands poised for a positive performance, building upon the foundations laid by the remarkable expansions in the Non-Energy sector.

2023 was a year of stabilization after a period of transformation of product offering and innovation. As we pursued our operational sustainability and effectiveness, we moved on to improvement in our distribution network and optimization of our route to market channels to gain welcomed efficiencies which will continue to materialize moving forward. As a 119-year-old Company, ongoing review of our operations and systems are pivotal to our growth and market position.

The West Indian Tobacco Company Limited recorded Total Comprehensive Income of $279.2 million for the year ended December 31 2023. This represents an increase of $28.1 million or 11.2% over the corresponding period in 2022. Profit for the year was $277.1 million, reflecting an increase of 5.9% or $15.5 million over the previous financial year.

This year also brought with it new markets for supply, as the WITCO factory began supplying the Colombia market with Lucky Strike menthol offers, making this the first time in the 119-year history of the company that it has achieved market penetration outside of the Caribbean region.

On behalf of the Board of Directors, I applaud the WITCO team for their diligence and dedication to the success of the company and the contribution to shareholder value. Our recent years of transformation have presented challenges that have proven our resilience and laid the foundation for new opportunity and growth. We are indeed proud of those who have made it possible.

Directors will recommend to shareholders a final dividend payment of $0.52 per share at the Annual Meeting on Tuesday April 23 2024. When added to the interim dividends totalling $0.52 per share, this would result in a dividend of $1.04 per share for the financial year 2023. The 2023 dividend yield is 11.7%, up from 4.7% of the previous year and a 6% increase in the dividend year over year.

If approved, the final dividend will be paid on May 25 2024 to shareholders of record at the close of business on May 8 2024. The Register of Shareholders will be closed on May 9 and 10 2024 for the processing of transfers.

Ingrid L-A Lashley
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

RAOUL GLYNN – Managing Director

ECONOMIC OVERVIEW

In 2023, Trinidad and Tobago's economy was expected to grow by 2.7% following a 1.5% growth in the previous year. The growth was primarily driven by the expansion in the Non-Energy Sector, despite a slight decline in the Energy Sector. In the first quarter of 2023, the real economic activity expanded by 3.0%, with a marginal growth in the Energy Sector and a more significant 4.2% expansion in the Non-enegery Sector.

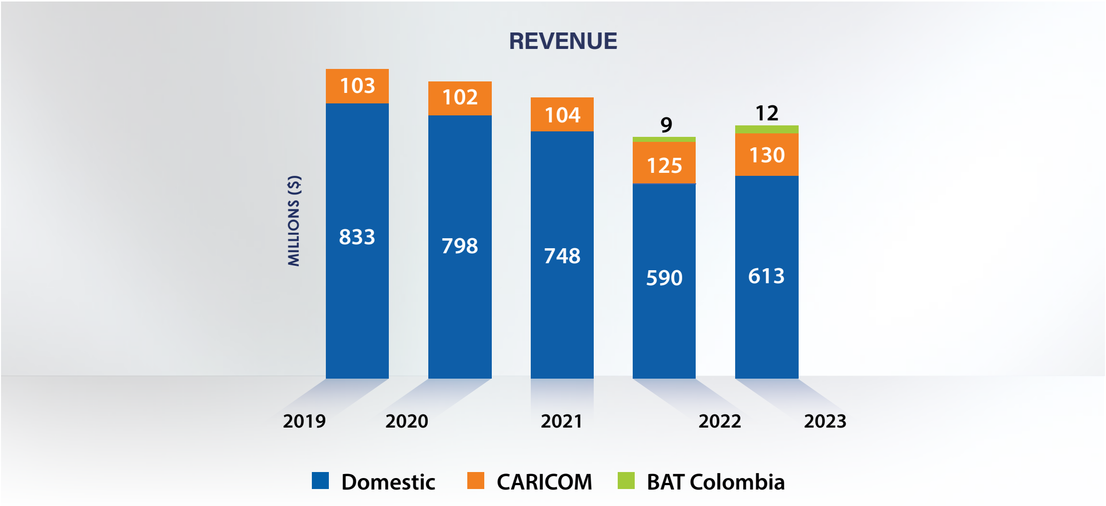
Within the Manufacturing Sector, there were noteworthy performances in various sub-industries, mainly the Food, Beverages, and the Tobacco Products sub-industry which grew over the period. The Non-energy manufacturing sector as a whole exhibited strong performance contributing to the economic growth.

Shift in consumer demands were a major feature during the period 2023 in Trinidad and Tobago, and WITCO was able to show its agility and responsiveness to these prevailing trends. To adapt, the Company revisited its Operations to gain new efficiencies. As a result, we were able to achieve record breaking Key Performance Indicators (KPI) metrics from both our equipment and our personnel.

As we navigate the complex landscape of economic dynamics, we do so with confidence, recognizing that challenges are but stepping stones to greater achievements. Through strategic collaboration and innovative solutions, we are well-positioned to overcome these obstacles and emerge stronger, steering our company towards a future defined by resilience, progress, and prosperity.

PERFORMANCE AND STRATEGY

In 2023, our unwavering commitment to market recovery yielded impressive results, showcasing robust performance despite the substantial efforts required to regain momentum. The strategic consolidation of our portfolio was a pivotal step in the transformative journey, ensuring that both our trade partners and consumers were seamlessly brought along. However, we do acknowledge that some confusion and uncertainty arose among consumers and trade partners during the period.



To address this, we initiated a focused stabilization process, re-establishing closer connections with trade partners and engaging consumers effectively in their preferred spaces. Our aim was clear – to rebuild confidence in our brand portfolio. Key to our success was the strategic collaboration with trade partners, harnessing their influence as brand ambassadors at the point of sale. Our partnership with wholesale and 'elite' volume drivers proved instrumental, providing a vital conduit to spaces crucial for our business, particularly in the highly competitive low and ultra-low-priced segment. As we reflect on 2023 and set our sights on the future, our proactive measures position us confidently for sustained success.

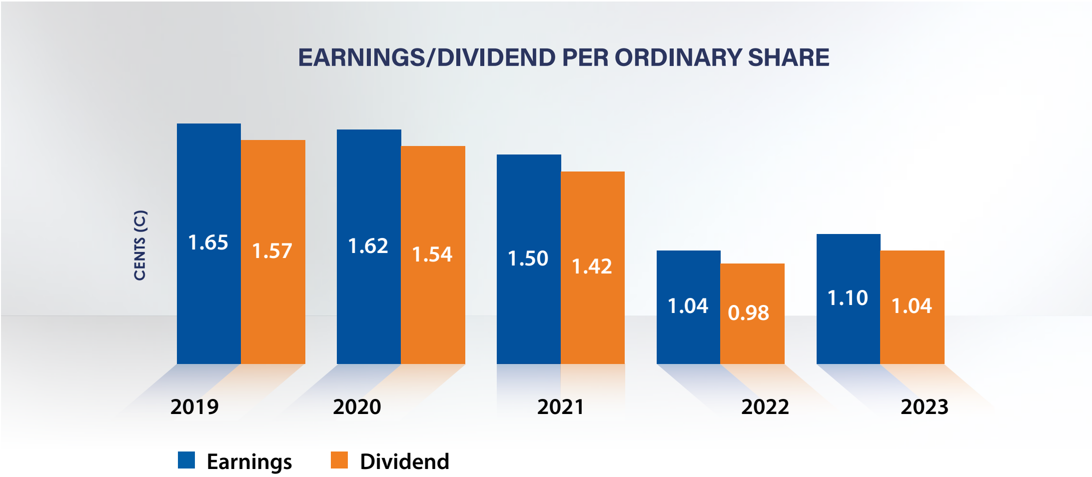
With a strengthened portfolio, which continues to respond to consumer needs, and a stronger presence with the trade, we made the BOLD move to innovate our distribution channels with the appointment of Massy Distribution as the sole distributor in the market. We are now stronger with improved metrics as it relates to reach, coverage, frequency, productivity, effectiveness and receivables.

Over its 119 years of existence, WITCO has earned the position of undisputed leadership in the tobacco industry in Trinidad and Tobago, and its Champs Fleurs factory is the source for the vast majority of cigarettes consumed in the English and Dutch-speaking Caribbean. Our supply footprint was further enhanced during the year with WITCO supplying the needs of the Colombia market and this achievement was no small feat. We fully intend to capitalize on all opportunities for growth as we maintain our leadership position in the future.

REVENUE

In the period under review, our revenue surged by an impressive $31.1 million, marking a 4.3% increase compared to the corresponding period, primarily propelled by heightened sales to export markets. Noteworthy contributors to this success include a strategic reduction in marketing spend on trade rebates and a well-executed price increase during the year.

While domestic volumes remained stable, consumer preferences leaned towards quality products across all value segments. WITCO's strategic positioning,



fortified by a robust portfolio, adeptly caters to the dynamic needs of our consumers. The low-priced segments have been a focal point of our growth, with the Rothmans range emerging as a standout choice for consumers seeking diverse offerings.

Lucky Strike White (formerly Broadway) maintains its stronghold as the preferred choice among consumers in Trinidad and Tobago, resonating across diverse segments. In the Premium & Freshness and Stimulation category, the Dunhill family stands as the undisputed leader, driving innovation and meeting the evolving needs of consumers who prioritize value in their products. As we reflect on these achievements, WITCO remains committed to sustained growth and innovation in response to the ever-changing consumer landscape.

COST OF SALES AND OVERHEADS

There has been an increase in the costs of direct materials and shipping costs driven by inflationary pressures globally resulting in an increase in Cost of Sales of $35.1 million or 15.5% over the same period last year.

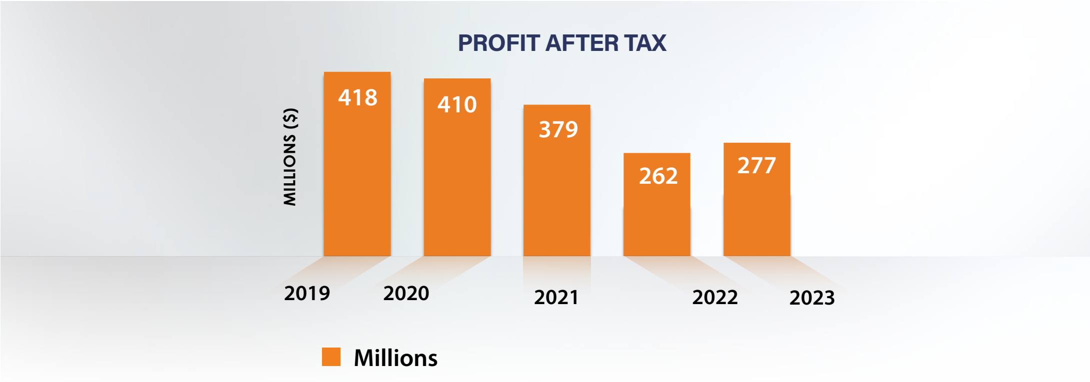
Overheads for the current year decreased by $9.0 million or 7.5% over the same period last year, moving from $119.8 million to $110.8 million. The decrease against prior year is mainly driven by a reduction in Brand Support Expenditure (BSE) in 2023 aligned to Tactical Trade Initiatives combined with Brand Management Plan (BMP) initiatives behind the key brands within the strategic segments. There were also reductions in our Area Charges and Technical & Advisory Service Fee, due to efficiencies across the operating model of the business.

PROFIT AND TOTAL COMPREHENSIVE INCOME

Profit for the Year 2023 is $277.1 million primarily driven by increased revenues coupled with a decline in Operating expenses as we support the acceleration of our portfolio transformation.

Other comprehensive loss net of tax decreased to $1.5 million, down from a loss of $10.5 million recognized in 2022, due to a reduction in our actuarial loss arising from the remeasurement of retirement and post-employment benefit obligations, in accordance and compliance with International Accounting Standard (IAS) 19.

Earnings per share is $1.10 versus $1.04 for 2022, an increase of 5.8%. Dividends per Share for 2023 will be $1.04 based on the financial results once the final dividend is approved at the Annual Meeting.



CASH FLOWS

Cash and Cash Equivalents decreased by $8.3 million by the end of 2023 to $268.1 million, compared to $276.4 million at the end of 2022. Net Cash Generated from Operating Activities decreased by $114.5 million, a result of a net increase in working capital changes as compared to a decrease in 2022, offset by a lower net taxation expense. Dividend payout remained the single largest cash outflow for 2023, totaling $222.1 million.

BALANCE SHEET

Total Assets increased by $109.5 million to $893.0 million at the end of December 2023 due mainly to an increase in Current Assets from $490.9 million to $597.7 million, along with an increase in Non-Current Asset from $292.5 million to $295.3 million. The increase in Current Assets was driven mainly by an increase in Trade and Other Receivables. The Non-Current Asset increase was driven by Deferred Tax Asset. Net Assets per share were $2.13 as at the end of 2023 compared to $1.79 at the end of 2022.

TRANSACTIONS WITH AFFILIATES

The Company is a subsidiary of British American Tobacco (Investments) Limited which holds 50.13% of the issued share capital and whose ultimate parent company is British American Tobacco p.l.c., a company registered in the United Kingdom.

The Company has several transactions and relationships with related parties as defined by IAS 24 Related Party Disclosures, all of which are undertaken in the normal course of business.

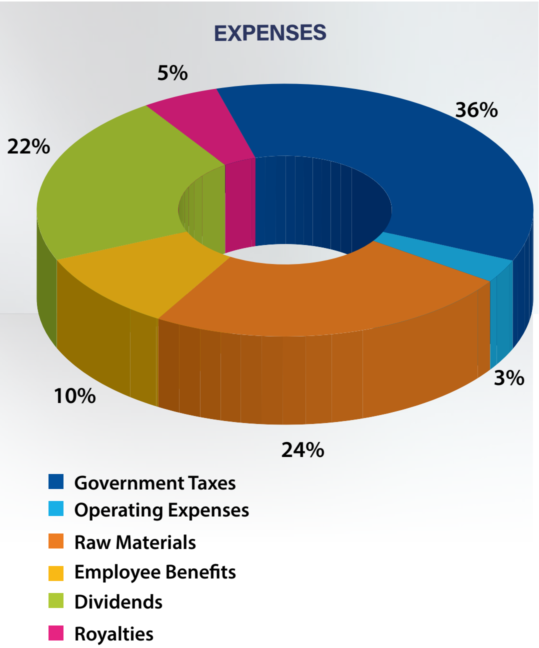
These transactions include the sale and purchase of manufactured cigarettes and raw materials and charges for Royalties, Services and Fees.

ACCOUNTING POLICIES

The Company's principal accounting policies conform to International Financial Reporting Standards (IFRS). Developments related to these standards are actively monitored and all significant accounting policies are disclosed under Note 2 of the Notes to the Audited Financial Statements.

TRADE ENVIRONMENT

WITCO has yet again delivered on a key component of its mission: to sustain its market leadership position of the tobacco industry of Trinidad and Tobago. We remain extremely proud of this feat as it underscores our unwavering commitment to excellence in a transitional and fiercely competitive year. The successful navigation through this transformative period is a testament to our strategic vision, resilience and progress. We extend heartfelt gratitude to Ghany Distribution and Marketing Limited, a valued partner for over 80 years, for their invaluable contribution to our success. As we transition to a sole distributor, Massy Distribution, we eagerly capitalize on emerging opportunities to deliver sustained value to our customers.



Acknowledging the challenges inherent in the market, we are pleased with our favourable results. Despite adversities, our dedicated WITCO team prioritized customer satisfaction for adult consumers opting for our brands. Navigating the complexities of the marketing environment, we adhered steadfastly to our principle of responsible business practices.

Our profound appreciation extends to our distributors and customers, forming the bedrock of our robust business relationships. The collective strength demonstrated by our field force and support staff has been instrumental in fulfilling our commitment to shareholders. Above all, we express deep gratitude to our loyal consumers, whose trust allows us to consistently deliver satisfaction. As we reflect on this transformative journey, WITCO remains resolute in its dedication to innovation, excellence and enduring partnerships.

VOLUME PERFORMANCE

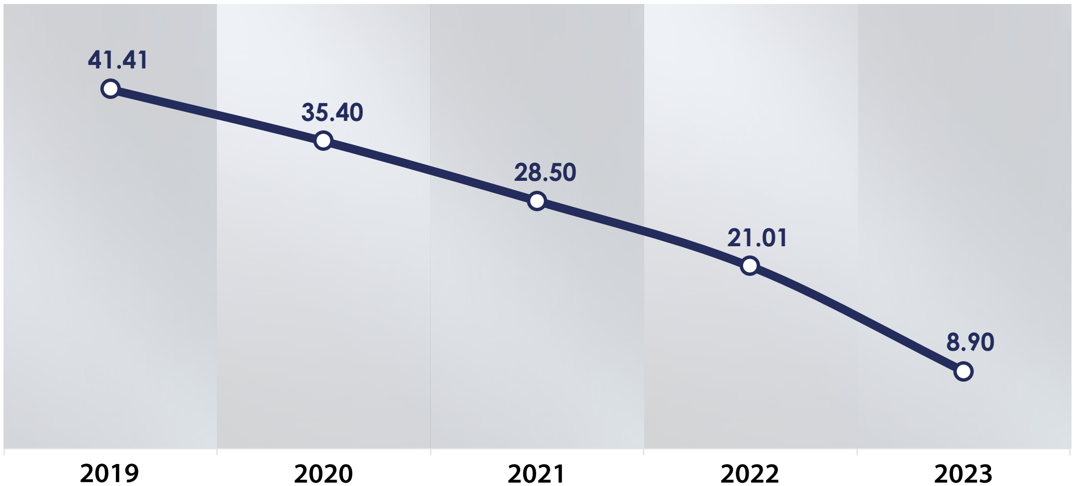
In 2023, our brands delivered forecasted results. This performance was made possible through the enhancement and transformation of our brands' portfolio, the unwavering loyalty of our consumers and the support of our retailers. We are encouraged by their acceptance of our brands, Lucky Strike and Rothmans, and for their continued loyalty to Dunhill. Our results are another testament of the grit and resilience of our teams.

We are cognizant that this sales performance would not have been possible without the hard work and dedication of our sales force, trade marketing and activation teams and the collaboration with our distributors and customers to ensure that our brands remained a priority. In tandem with our optimized route to market strategy, focused on safety, scale and sustainability, the winning mindset of the staff helped us to get closer to the consumer. With this performance, we continue to be the leader in a category that is bedevilled by illicitly traded cigarettes.

ILLICIT THREAT

The presence of illicit cigarettes in the market continues to be the greatest threat to the safety and sustainability of our industry. Illicit products impact safe and regulated consumption while eroding tax revenue and possibly reducing legitimate avenues of employment. In a bid to tackle this menace, we continue to expand our distribution reach to ensure we give consumers the best opportunity to access legitimate products. We continue to depend on the authorities and other relevant stakeholders' support to adhere to the measures that are in place to mitigate against the risks and impact of the illicit trade.

SHARE PRICE in TT DOLLARS



ROUTE TO MARKET IMPROVEMENTS

We continue to optimize our route to market strategy to accelerate volume growth and expand our reach while preserving the safety of our staff and ensuring business sustainability. We are conscious that our success cannot be guaranteed by us doing it alone and we depend heavily on advocacy, partnership and relationship with the trade. This ingrained mindset of ours continues to yield tangible results and mutual benefits.

We used data and analytics to devise increasingly efficient distribution methods to reach sections of the marketplace that we were previously unable to access sustainably. This helped to promote volume growth, increase point of sales reach and importantly, provide consumers, particularly in inner-city spaces, with reliable and consistent access to our high-quality products.

Our mission is to maintain both qualitative and quantitative leadership of the tobacco industry. We remain steadfast to our ethos of being BOLD, FAST, EMPOWERED, DIVERSE and RESPONSIBLE whilst we deliver value to our shareholders, customers and consumers.

PRODUCTIVITY

In 2023, the Operations team faced a fresh array of challenges, primarily stemming from the local macroeconomic environment and heightened competitive pressures. A diminished planned production volume in the first half of the year, coupled with a shift in the local distribution model in second half of the year, led to constrained warehouse capacity. This compelled the strategic decision to intermittently halt factory operations throughout the year.

Furthermore, to adapt to the volatile market demands, the Operations team undertook the task of introducing flexibility, transitioning between a two and three shift hybrid operating model. This dynamic approach aimed to mitigate the impact on manufacturing costs arising from low factory utilization. It also served the dual purpose of providing the necessary leeway for the trade to absorb finished goods stock, thereby freeing up vital warehouse capacity.

As we cross into 2024, our Operations team will persist in their dedicated efforts to optimize factory production to align with current format demand requirements and this will assist with improving operational efficiency resulting in significant cost savings in labour, reduced operational complexity, and an overall enhancement in product quality.

In terms of factory performance, utilization of the Integrated Work Systems (IWS) was accelerated in 2023 to achieve the required step change in the factory key performance metrics. This entailed mechanical adjustments to facilitate the elimination of defects, building operator technical capability and confidence, and embedding the required behavioural change. Notable improvements were made as number of stops per shift were reduced which translated into improved mean time between failure.

"Delivering exceptional results through our people" continues to be the mantra for our factory operations and upgrading the skills and capability of our people remains a primary focus as we were able to utilize the services of external subject matter experts to transfer knowledge and skills to our operators and technicians. Making and Packing Lead roles were also created and filled by our most experienced technical talent to bridge the technology knowledge gap between the engineers, technicians and operators to address losses and capability gaps with a much more laser-focused approach.

BUILDING A BETTER TOMORROW

The hallmark of 2023 was undoubtedly transformation, and the team at West Indian Tobacco rose to the occasion with adaptability and resilience. Amidst volatile market conditions and structural internal and external changes, our engaged and motivated teams responded by upholding our model of high-performance to ensure we were able to reflect progress in our outlook and the continued sustainability of the business. This adherence to the Company's Ethos – Bold, Fast, Empowered, Diverse and Responsible – demonstrates the commitment our team has to our envisioned Better Tomorrow.

With a robust people-driven agenda, HR's strategic priorities included specific emphasis on engagement through cultural transformation. This was supported by the launch of an exciting new Reward & Recognition Platform – Building Tomorrow – which provides both financial and non-financial modes of recognition in alignment with our Ethos. We also consistently delivered employee engagement initiatives through our embedded culture platform – the Power of We.

Through our people initiatives, we captured all facets of the employee experience and sustained meaningful connection among our teams. Significantly, in the third quarter of 2023 we sought to measure employee engagement through the delivery of the Your Voice Survey. While the overall picture it presented is laudable, we are keenly focused on any areas of opportunity as we continue to provide our employees with a fantastic work environment.

In that regard, a key milestone achieved in 2023 was the successful settlement of the negotiations for the 2023-2025 period, in the shortest timeframe in the Company's history and with the lowest settlement in over 70 years. This new Collective Agreement enables us to sustainably deliver benefits and working conditions that are on par with other best-in-class enterprises, and that are competitive and rewarding. We remain committed to collaboration and close engagement with our recognized majority union and look ahead to building on the strength of this relationship for the continued success of our Factory.

Another key area of focus for HR remains Talent Development, of which upskilling is a critical initiative which adds significant value to our teams. This was achieved through a hybrid approach of online and in-person training courses, aligned with the Integrated Work System in the Factory

Operations, and Marketing Skills for our Trade teams. We continued to leverage and accelerate the use of the online learning platform 'The Grid' which provides access to countless high-quality content for professional and technical training. This focus on Learning and Development (L&D) strengthens our internal capacity and talent pipelines, ensuring critical role succession coverage within the organisation. Along with key initiatives such as our Internship and Global Graduate programmes, our L&D delivery also supports our positioning for securing talent export opportunities for team members.

Looking forward to 2024, we will continue to build **A Better Tomorrow™** through our resilient and engaged teams. Incorporating the insights provided by the Your Voice Survey through robust action plans, the Company will continue to deliver a meaningful people agenda in support of its accelerated yet sustainable transformation.

Sustainability

In 2023, a year characterized by significant shifts in the business landscape, our Company navigated the challenges presented by a dynamic market with resilience and determination, ultimately achieving success. Our ability to adapt swiftly to evolving market demands and changing consumer preferences enabled us to maintain our leadership position and uphold our corporate values, particularly with regard to the well-being and safety of our employees. Throughout the year, we remained steadfast in our commitment to realizing our vision and promoting market leadership, embodying the core tenets of our corporate ethos – namely, boldness, agility, empowerment, diversity, and responsibility.

Furthermore, we continued to capitalize on our established corporate reputation to sustain our operations and bolster the prominence of the manufacturing sector within the non-energy industry. Our unwavering support for Corporate Social Investment initiatives not only benefitted the communities in which we operate, but also contributed to the broader national development agenda. Engaging in prominent national events hosted by influential stakeholder organizations such as the Chambers of Commerce and Industry and the Trinidad and Tobago Manufacturers Association, we actively participated in discussions addressing issues of illicit trade, manufacturing, and responsible corporate citizenship.

The Sustainability Team in conjunction with the Engineering team will continue to prioritise and propel initiatives to care for life and the environment through the application and use of standards and best practices that is in the best interest of all stakeholders.

The main agenda for 2024 in the execution of our ESG (Environmental Social Governance) agenda specifically in the areas of:

- **Water Withdrawn:** Implementation of the process and wastewater treatment plan to further reduce the water consumption and increase the water recycle for sanitary usage along with the use of low flow water taps to deliver:
- **Waste to landfill:** Improve the waste recycle to reduce the impact into landfill by having additional initiatives and reach to our target 75%
- **Renewable Energy:** Reduce our scope 1, 2 & 3 emissions by 30% and increase our renewable energy to 100% by 2030.

In line with our commitment to sustainability, we recognize the imperative of conducting our operations in a manner that meets our current needs without compromising the ability of future generations to meet their own needs. As such, our Sustainability focus will continue to encompass efforts and emphasis on reducing the business impact in terms of health and environmental as well as, owning up to our social responsibility while maintaining strict adherence to all legal and regulatory requirements and continuing to deliver with integrity by not compromising our ethical standards.

Look Ahead

Management holds unwavering confidence in the path that lies ahead. The preceding years marked a transformative period, characterized by a resolute emphasis on crafting a more sustainable company, equipped for the present and positioned for the future. A substantial focus was dedicated to comprehending the diverse needs of our consumers, spanning both traditional categories and the emerging realms of new nicotine spaces. Leveraging these insights, along with lessons gleaned from influential neighboring geographies, WITCO now boasts the most robust portfolio of nicotine products and devices, tailored to meet the preferences of consumers across all price segments and variations.

A comprehensive overhaul of the distribution landscape was executed, involving substantial investments to establish a compelling footprint that caters to consumers wherever they work, live, or engage in leisurely activites Our brands have permeated every conceivable space, disseminated through a dedicated network of distribution partners, both direct and indirect. This strategic approach ensures adept management of the supply chain needs within our category.

Above all, WITCO prides itself on possessing an exceptional cadre of individuals who champion its promise. From the highly skilled team crafting products in our Trinidad-based factory to any dynamic talent in the field engaging with consumers and customers daily, our workforce is united in commitment, focus, and readiness to confront the challenges and seize the opportunities of today and the future. The attainment of market leadership was not by chance; it was the product of relentless effort and dedication. We acknowledge the responsibility to hand over to the next generation of leaders an organization even more robust than the one we inherited. This commitment underscores our pledge to continual progress and excellence.

Raoul Glynn
Managing Director

DIRECTORS' REPORT

Dear Shareholder,

We report to you on five critical areas of corporate governance and the foundations on which they are built, together with the Company's performance in these areas.

1. FRAMEWORK FOR EFFECTIVE GOVERNANCE

The Company is headed by a Board of Directors which is collectively responsible for the long-term success of the Company.

The roles and responsibilities of Directors are set out in the Company's Bye-Laws and are governed by the Companies Act Chapter 81.01. The Directors exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In furtherance of this, at the April 2024 Annual Meeting:

- In accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, Messrs Andrea Martini Juan Carlos Restrepo Piedrahita and John De Silva will retire from the Board of Directors and being eligible, offer themselves for re-election.
- In accordance with paragraph 4.7:2(g) of Bye-Law No. 1 of the Company, Mrs Danielle Chow and Ms Ingrid Lashley will retire from the Board of Directors and being eligible under paragraph 4.7.10 of Bye Law No.1, offer themselves for re-election.
- In accordance with paragraph 4.3 of Bye-Law No. 1 of the Company, Messrs Luis Verenzuela, Johan Grosberg, Jason Julien and Eric Gagnon being eligible, offer themselves for election.

2. COMPOSITION AND PERFORMANCE OF BOARD

The balance of independence and diversity of skill, knowledge, experience, perspectives and gender among the Directors allows for the Board to work effectively.

The Board of Directors currently comprises nine Directors. Of the nine Directors seven are Non-Executive Directors and of those seven, four are Independent Directors. The Board is diversified by nationality and gender and represents a strong team with a broad range of professional backgrounds and experience, including financial accounting, production, audit, marketing, legal, corporate governance and corporate affairs.

The Chairman is responsible for leading the Board to ensure effectiveness and robust shareholder engagement Directors oversee the Company's strategy, review management's proposals, monitor performance and they bring an external and specialist perspective and challenge to management. Based on the strategy and policies approved by the Board, the Managing Director is responsible for overseeing the implementation of these strategies, which creates the framework for day-to-day operations.

All Non-Executive Directors receive an induction upon their appointment to the Board, which covers such matters as the operation of the Company, activities of the Board, the role of the Board and management, as well as the Board's governance policies and practices. In 2023, all Directors participated in formal corporate governance training.

Non-Executive Directors are paid a retainer fee as well as an additional fee for attendance at Board and Committee meetings. Executive Directors and Directors who are employees of British American Tobacco or any of its affiliates are not paid fees. All fees payable to Non-Executive Directors are approved by the shareholders.

The Company's Board of Directors meets at least quarterly and attendance and participation at meetings of the Board are considered a critical part of the role of a Director. In 2023, six Board meetings and four Audit Committee meetings were held.

3. LOYALTY AND INDEPENDENCE

The Directors act with integrity and in good faith and in the best interest of the Company ahead of all other interests.

The Chairmen of the Board and the Audit Committee are Independent Non-Executive Directors. This balance of Non-Executive to Executive Directors ensures that the Board is able to exercise independent judgement with sufficient management information to enable proper and objective assessment of issues. The Board is not aware of any relationships or circumstances affecting the Directors' independent judgement.

All Directors are candidates for re-election by shareholders at intervals of no more than three years, subject to continued satisfactory performance. Directors who have attained the age of 65 are candidates for re-election by the shareholders every year.

The Nomination Committee which comprises a majority of independent directors, makes recommendations to the Board on suitable candidates for appointment as Board Directors, the Company Secretary and as members of the Senior Management team, ensuring that both the Board and the Senior Management team have an appropriate balance of expertise and ability. In addition, it is responsible for reviewing the succession plans for the Executive Directors and members of the Senior Management team.

The Company's Standards of Business Conduct applies to all employees, managers and Directors and reflects the Company's commitment to act with high standards of integrity at all times. In accordance with the Company's policy and the Companies Act, all Directors are required to declare any material interest in any transaction or matter directly affecting the Company.

Interests of Directors, Senior Officers and Connected Persons

In accordance with the requirements of our Listing Agreement with The Trinidad and Tobago Stock Exchange Limited ("the TTSE") and Rule 601 of the Rules of the TTSE, we record hereunder details of the beneficial interest of each director and senior officer, together with their connected persons, in the share capital of the Company as at the end of the Company's financial year December 31 2023.

3. LOYALTY AND INDEPENDENCE *(continued)*

DIRECTORS	ORDINARY SHARES	NO. OF SHARES HELD BY CONNECTED PERSONS
Ingrid Lashley	NIL	NIL
Mr Raoul Gynn	5,475	NIL
Mrs Danielle F. Chow	NIL	NIL
Mr John De Silva	NIL	NIL
Mr Andres Lorenzo	NIL	NIL
Mr Andrea Martini	NIL	NIL
Mr Juan Carlos Restrepo Piedrahita	NIL	NIL
Mr Luis Verenzuela	NIL	NIL
Mr. Johan Grosberg	NIL	NIL

There are no other interests held by the Directors. There has been no change in the interests of Directors or connected persons to Directors between the end of the Company's financial year and February 13 2024, the latter being a date not more than one month prior to the date of the notice convening the Company's Annual Meeting.

SENIOR OFFICERS	ORDINARY SHARES	NO. OF SHARES HELD BY CONNECTED PERSONS
Mr Raoul Glynn	5,475	NIL
Ms Kathryn Anne Abdulla	NIL	NIL
Mr Johan Grosberg	NIL	NIL
Ms Daphne Solmer Thom	150	NIL
Mr Luke Gittens	NIL	NIL

Disclosure of Interest of Directors and Officers in any material contracts with the Company (pursuant to Section 93(1)(a) of the Companies Act Ch. 81:01).

At no time during the current financial year has any Director or Officer been a party to a material contract with the Company, or was materially interested in a contract or in a party to a material contract which was significant in relation to the Company's business.

Disclosure of Directors and Officers who are Directors or Officers of Companies that are a party to material contracts with the Company (pursuant to Section 93(1)(b) of the Companies Act Ch. 81:01).

Messrs Raoul Glynn, Managing Director, and Juan Carlos Restrepo Piedrahita, Non- executive Director, are both Directors of an affiliated company, Carreras Limited in Jamaica. Mr Raoul Glynn is also a Director of an affiliated company Demerara Tobacco Company Limited in Guyana and Mr Juan Carlos Restrepo Piedrahita is also a Director of an affiliate Company, British American Tobacco Colombia S.A.S. Mr Andres Lorenzo and Luis Verenzuela, Non-Executive Directors are Directors of the affiliated Companies, British American Tobacco Servicios SA in Mexico, British American Tobacco Mexico, S.A de C. V., British American Tobacco México Comercial, S.A. de C.V., Procesadora de Tabacos de México, S.A. de C.V and Cigarrera La Moderna, S.A. de C.V. Mrs Kathryn Anne Abdulla, Company Secretary, is a Director and the Chairman of an affiliated company, Demerara Tobacco Company Limited in Guyana.

4. RELATIONSHIP WITH SHAREHOLDERS

The Board promotes constructive relationships with all shareholders that facilitate the exercise of their ownership rights and encourage their engagement with the Company.

The Board is committed to facilitating the ownership rights of all shareholders including minority shareholders. Provision is made at Annual Meetings for shareholders to have the opportunity to engage with the Directors and management.

SUBSTANTIAL INTEREST/LARGEST SHAREHOLDERS

In accordance with the requirements of our Listing Agreement with the TTSE and Rule 601 of the Rules of the TTSE, we list below those shareholders with the 10 largest blocks of shares in the Company as at February 13 2024.

Name	Shareholdings	Percentage
BRI AMERICAN TOBACCO (INV) LTD	126,682,956	50.13%
NATIONAL INSURANCE BOARD	22,764,198	9.01%
NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED	13,646,136	5.40%
REPUBLIC BANK LIMITED A/C 1162 01	8,964,006	3.55%
TRINTRUST LIMITED A/C 1088	6,402,595	2.53%
RBC TRUST (TRINIDAD & TOBAGO) LIMITED - T585	4,454,538	1.76%
T & T UNIT TRUST CORPORATION - FUS	4,024,656	1.59%
RBTT TRUST LIMITED - T964	3,777,177	1.49%
TATIL LIFE ASSURANCE LIMITED A/C C	2,891,870	1.14%
REPUBLIC BANK LIMITED A/C 1367	2,607,078	1.03%

The Trinidad and Tobago Central Depository holds the legal interest in shares for and on behalf of several beneficial owners totaling 252,720,000 as at February 13 2024.

5. ACCOUNTABILITY

The Board of Directors presents an accurate, balanced and understandable assessment of the Company's performance.

The Audit Committee meets at least four times a year, including immediately prior to the publication of the full year's Audited Financial Statements and interim results of the Company. The Audit Committee monitors the integrity of the financial statements of the Company and reviews and when appropriate, makes recommendations to the Board on top ten business risks, internal controls and compliance and ensures that adequate mitigating measures are in place. The Committee also reviews the financial

5. **ACCOUNTABILITY** *(continued)*

reporting and audit process, as the Company's risk management and internal control processes strike the balance between fostering entrepreneurship within the Company's business model while safeguarding shareholder investments and the Company's assets.

2023 Financial Highlights

	2023 $'000
Revenue	755,165
Cost of sales	(261,398)
Gross profit	493,767
Expenses	
Distribution costs	(13,474)
Administrative expenses	(66,974)
Other operating expenses	(30,375)
Operating profit	382,944
Finance income	4,428
Finance cost	(504)
Profit before taxation	386,868
Income tax expense	(109,780)
Profit for the year	277,088
Other comprehensive income:	
Items that will not be reclassified to profit or loss	
Re-measurement of retirement and post-employment benefit obligations	(2,082)
Related tax	625
Other comprehensive loss – net of tax	(1,457)
Gain on revaluation of property, plant and equipment	4,176
Related tax	(564)
Other comprehensive income - net of tax	3,612
Total comprehensive income for the year	279,243

Dividends:

Interim No. 1	$0.00	per ordinary share	–
Interim No. 2	$0.26	per ordinary share paid on 29th August 2023	65,707
Interim No. 3	$0.26	per ordinary share paid on 28th November 2023	65,708
Proposed Final	$0.52	per ordinary share to be paid on 25th May 2024	131,414

5. ACCOUNTABILITY *(continued)*

2023 Financial Highlights *(continued)*

The Audit Committee assesses the suitability and independence of external auditors and ensures recommendations made by internal and external auditors are implemented by management. Its members also ensure that the Company's financial statements, as audited by the independent auditors, comply with International Financial Reporting Standards (IFRS) and represent a true and fair view for the respective reporting period.

The Company's external auditing firm KPMG retires and has expressed willingness to be reappointed as auditors at the April 2024 Annual Meeting. KPMG is a licensed member of the Institute of Chartered Accountants of Trinidad and Tobago and is eligible for re-appointment as auditors of the Company under the rules of the said institute.

Financial Calendar

REPORTS

Interim Financial Statements

▪ First Quarter ending 31 March 2024	May 2024
▪ Second Quarter ending 30 June 2024	August 2024
▪ Third Quarter ending 30 September 2024	November 2024

Proposed Dividend Payment Dates

(Payable in accordance with paragraph 16 of Bye-Law No. 1)

Final 2023	May 2024
First Interim 2024	June 2024
Second Interim 2024	September 2024
Third Interim 2024	November 2024
Final 2024	May 2025

By Order of the Board

Kabdulla

Kathryn Anne Abdulla
Company Secretary
March 13 2024

BOARD OF DIRECTORS

INGRID LASHLEY
Chairman

RAOUL GLYNN
Managing Director

DANIELLE F CHOW
Director

JOHN DE SILVA
Director

ANDRES LORENZO
Director

ANDREA MARTINI
Director

JUAN CARLOS RESTREPO PIEDRAHITA
Director

LUIS VERENZUELA
Director

JOHAN GROSBERG
Director

BOARD OF DIRECTORS

INGRID L-A LASHLEY was appointed to the Board of Directors in August 2008, the Chairman of the Audit Committee in March 2009 until March 2022, and the Chairman of the Board of Directors in April 2022.

Having spent several years at the helm in banking, wealth management, merchant banking and mortgage financing, Ms Lashley now serves on the Board of Directors of state, publicly traded and private companies in various business sectors in Trinidad and Tobago, as well as on a number of charitable entities. She also serves on the Disciplinary Committee of the Institute of Chartered Accountants of Trinidad and Tobago.

Ms Lashley has been awarded the Doctor of Laws Degree (Honoris Causa) from the University of the West Indies for her work in Corporate Banking and Finance. She is the holder of a Masters Degree in Business Administration with a concentration in Accounting and Finance from McGill University, Montreal, Canada. She also carries the professional designations of Certified Management Accountant, Certified Public Accountant and Chartered Accountant.

RAOUL GLYNN was appointed Managing Director of West Indian Tobacco in October 2022.

Mr Glynn has over 21 years of experience within the British American Tobacco (BAT) Group. Prior to his appointment, Mr Glynn served in several senior roles within the BAT Group, including the Managing Director of Carreras Limited in Jamaica, the Country Manager for the Carisma Marketing Services Company where he had responsibility for the marketing and distribution of BAT products in 21 markets of the English, French and Dutch speaking Caribbean, Marketing Operations Manager- BAT Iran and Business Development Manager- BAT Central America and the Caribbean, with responsibility for the Trade Marketing, Distribution and brand portfolio activations for the wider geography of Central America and the Caribbean.

Mr Glynn holds a Bachelor of Arts degree from the University of the West Indies.

DANIELLE CHOW was appointed a Director in August 2020, and is also the Chairman of the Board's Remuneration Committee and, a member of the Audit and Nomination Committees. She previously served as an Executive Director for the period July 2004 to August 2019.

Mrs Chow is an Attorney at Law and Senior Business Executive who has operated in the Financial and Audit Services, and Fast Moving Consumer Goods (FMCG) sectors for over 30 years, both locally and within the wider Caribbean. She is a Director and Audit Committee member of another local publicly listed company and has been an Independent Commissioner in a statutorily constituted commission since 2016. Mrs. Chow worked in the tobacco industry for over 20 years where she led the Legal and various Corporate Services functions both locally and regionally.

She holds a Bachelor of Laws from the University of the West Indies, a Legal Education Certificate and is admitted to practise in Trinidad and Tobago.

JOHN DE SILVA was appointed a Director at the April 2022 Annual Shareholders Meeting and Chairman of the Audit Committee in May 2022.

Mr. De Sliva is currently the Managing Director of LASCO Distributors Limited located in Jamaica. He previously held the positions of Nestlé Country Manager and Unilever Managing Director of operating companies in the Anglo-Dutch Caribbean markets. He has over 3 decades of experience in General Management, Supply Chain, Operations and Finance, and has worked in Trinidad and Tobago, Jamaica, Switzerland, the Dominican Republic and Mexico. Mr. De Silva is a Fellow of the Association of Chartered Certified Accountants of the UK and an alumnus of IMD Business School in Switzerland.

ANDRÉS LORENZO was appointed a Director in August 2022.

Mr Lorenzo brings with him over 19 years of experience within the BAT Group, having worked in Argentina, Chile, United Kingdom, US and Mexico. Previous to his current

BOARD OF DIRECTORS

role he held the position of VP Commercial Finance for Trade Marketing and Activation at R. J. Reynolds Tobacco Company in the United States of America. He currently heads the Finance Function for BAT Group's interest in the Caribbean and Northern Latin America.

Mr Lorenzo holds an MBA from IAE Business School in Argentina.

ANDREA MARTINI was appointed a Director at the April 2022 Annual Shareholders Meeting.

Mr Martini is a Non-Executive Director and Consultant in Business Strategy, Marketing, General Management, Leadership and Transformation. His current practice is informed by a distinguished 30 year career in Marketing, General Management and CEO on a global scale (Latin America, Africa, Europe, and North America) in Fast Moving Consumer Goods Companies (food and tobacco). He is currently the CEO of Bauducco, a leading food company in Brazil. He previously held the position of Chief Executive Officer for the BAT Group's interest in Colombia, Mexico and Brazil as well as Regional Marketing Director for the Americas and Sub-Saharan Africa.

Mr Martini holds a degree in Business Administration from the Universita degli Studi di Parma, Italy.

JUAN CARLOS RESTREPO PIEDRAHITA was appointed a Director in November 2019.

Mr Restrepo Piedrahita brings with him over 19 years of experience within the BAT group having worked in Colombia, Venezuela and Brazil in the Legal and External Affairs functions. Mr Restrepo Piedrahita currently heads the External Affairs function for the BAT subsidiary in Colombia. From 2010 to 2018, Mr Restrepo held various positions in the Colombian government, including National Security Advisor to the President, and the Head of the Anti-Narcotic and Intelligence Agencies of the Colombian government. In his capacity as National Security Advisor, Mr Restrepo was the coordinator responsible for implementation of all the pertinent policies and actions for government agencies and private sector contractors in regards to cyber defence and cyber security.

He holds a degree in Law and a postgraduate degree in International Contracting Regime from the Universidad de los Andes in Bogotá, Colombia and a further postgraduate degree in National Defense and Security from Escuela Superior de Guerra de Colombia in Bogotá, Colombia.

LUIS VERENZUELA was appointed a Director in July 2023.

Mr Verenzuela brings with him over 25 years of experience within the BAT Group having worked in local and above market roles based in Venezuela, Brazil, United Kingdom and currently in Mexico. He has extensive experience in tobacco Manufacturing and Supply Chain being exposed to different cultures and way of working across Europe, North America, Asia, Africa and Australia and has actively contributed to productivity initiatives and innovation, cost optimization, inventory management, working capital optimization and new product introduction for FMC and New Categories. He most recently held the position of Operations Director for Beyond Nicotine products at BAT United Kingdom, where he co-founded "The Water Street Collective" for innovation. He currently serves as Area Operations Director for the Caribbean and Northern Latin America for a BAT subsidiary in Mexico.

Mr. Verenzuela has a diverse educational background, including a recent Computer Science Executive Program focused on AI for Business Leaders.

JOHAN GROSBERG was appointed a Director in February 2024.

Mr Grosberg currently heads the finance function at West Indian Tobacco. He brings over 10 years of experience working in the executive finance function, with experience in Corporate and Commercial Finance, Supply Chain Management and Business Development.

He is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds a Bachelor of Science degree from the University of Bristol, UK.

MANAGEMENT TEAMS

CORPORATE SERVICES

RAOUL GLYNN JOHAN GROSBERG KATHRYN ABDULLA GERVON ABRAHAM

OLIVIA BERTRAND ANGELIQUE HOWELL LUKE GITTENS

MANAGEMENT TEAMS

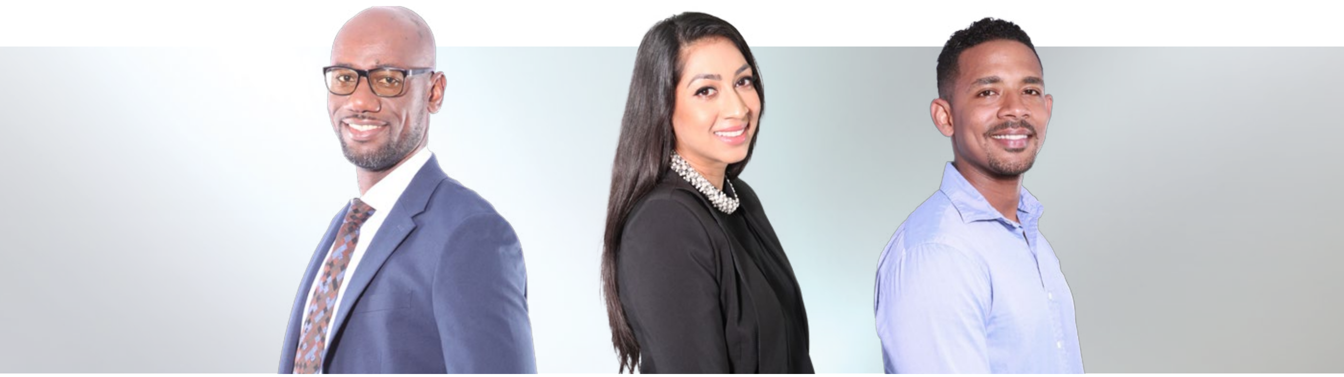
CORPORATE SERVICES

JOSIANE KHAN | TRINELLE SANOIR | ANDRE DE GANNES | ALLYSON CHARLES

PETAL ETTIENNE | KENDEL WARNER | JAMILLE BROOME | CHERYL LAKHAN

MANAGEMENT TEAMS

MARKETING



ANDRE PRYCE | FARAH ALI-RAGBIR | MARC MUNGROO

KHADIJA PONDS | JAMILA ANNISETTE | JULIAN TANG | KEVIN SAMMY

MANAGEMENT TEAMS

OPERATIONS SUPPORT

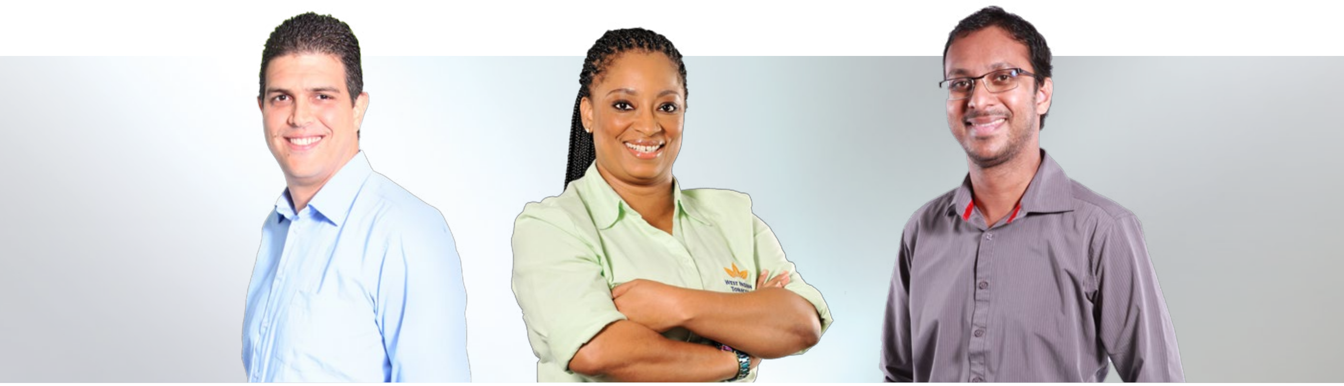
GINA FERGUSON-SPENCER

LEAH ISHMAEL-LYNCH

ANAN BAHADUR

MANAGEMENT TEAMS

MANUFACTURING



ANDRES SOLIMAN

SOLMER THOM

ALLAN MOHAMMED

MALISSA SMITH

MYRNELLE SYLVESTER

HECTOR MARTINEZ

MANAGEMENT TEAMS

MANUFACTURING

BRANDON BODDEN

AVIELLE ALEXIS

RICHARD NIXON

QUINN BESS

MELISSA BOODHOO

DAVID DE FOUR

Reflecting VALUE

As The West Indian Tobacco Company (WITCO) reflects on the achievements and progress made throughout the year, we are pleased to continue to be a sustainable contributor to the socioeconomic landscape of Trinidad and Tobago. As a major local manufacturer and market leader, WITCO continues to play a crucial role in the country's economy whilst also serving as a primary manufacturer to other Caribbean territories.

Raoul Glynn, Managing Director WITCO receives an Award from President of TTMA, Roger Roach and Navin Dookeran, CEO EXIMBANK

In November 2023, WITCO was honoured to receive the Most Successful Market Entrant Award in the large business category at the recently held TTMA President's Dinner and Awards 2023. We dedicate this prestigious award to our team for their undeniable passion and commitment that has been the fuel of our accomplishments. Our people are the force behind this esteemed recognition – a testament to high standards, quality products, and professional excellence – sustainability being at the core of our motivation

In 2023, WITCO had the privilege of commemorating our remarkable 119 years of operation in Trinidad and Tobago with a special breakfast event to honour the dedication and hard work of our exceptional WITCO team. This event served as tribute to our enduring legacy and the pivotal role that each member of our team plays in our continued success. The management of WITCO actively participated by preparing dishes and serving staff. exemplifying leadership through service.

WITCO-lympics 2023

WITCO Staff and the Representative Union, the SWWTU sign the 2023 – 2025 Collective Bargaining Agreement

The breakfast event was a heartfelt celebration of the collective effort and commitment that has propelled WITCO forward for over a century. Management took the opportunity to recognize and express their gratitude to our employees ensuring that they felt appreciated and acknowledged for their hard work. Moreover, WITCO extended its celebration beyond its own walls by organizing a Community Hamper Distribution. A total of 120 hampers were distributed, providing much-needed relief to the local community where WITCO operates. This initiative created a tangible connection between the business and the community, reinforcing WITCO's commitment to both its employees and the people it serves.

During the period, WITCO also hosted an Investor Forum attended by the JMMB. The forum targeted major Shareholders and Brokers in a One-to-One session to allow for conversation and questions to be fully answered in a manner most appropriate to the audience without any competing agendas.

WITCO was able to discuss its strategic activities and align them to the Company's drive for A Better Tomorrow™ and ESG initiatives to inform shareholder conversation and perception as it relates to the Company's performance and sustainability as well as establish a platform for shareholder engagement.

REFLECTING A GREAT PLACE TO WORK THROUGH EMPLOYEE ENGAGEMENT

At WITCO, we remain committed to providing a positive and engaging work environment where all our employees can thrive and succeed. As we reflect on the past year 2023, the Company prioritized employee engagement initiatives to reinforce employees' belief that WITCO is indeed a great place to work. A standout initiative was the Company Sports Day, where employees from different departments came together to compete in friendly games. This event not only encouraged team building but also highlighted the importance of a healthy work-life balance.

As a continued testimony to commitment and value of our people, WITCO was able to successfully complete negotiations with the recognized union, the Seamen and Waterfront Workers' Trade Union (SWWTU) for both the hourly and monthly rated employees, for the period 2023 – 2025. These completed negotiations signify the Company's unwavering commitment to fair compensation, employee satisfaction, and retention — all vital for business sustainability. WITCO continues to prioritize providing the best benefits to its employees, ensuring that it remains a great workplace.

Generally, achievements with the workforce were informed by feedback via the Company's "Your Voice" Survey- a long established confidential survey which captures the views of the employees. The survey was administered by an independent survey specialist organization. The 2023 survey provided us with valuable insights for helping us drive relevant action plans to improve what we do and how we do it. As we persist in our mission of building A Better Tomorrow™, understanding our employees' viewpoints becomes crucial. By doing so, we can enhance our practices and processes, fostering an environment that is agile, progressive, inclusive and collaborative.

WITCO Staff at Beach Clean-up

Sweet Steelpan

REFLECTING ENVIRONMENTAL STEWARDSHIP

At WITCO, we recognize the importance of environmental stewardship and the role we play in promoting sustainability within our work environment and in the broader community. As we reflect over the past year 2023, we are proud to share the initiatives implemented that were aimed at promoting environmental stewardship. Two of our notable activities included:

World Environment Day:

- In June, WITCO celebrated World Environment Day.
- As part of this initiative, staff received seedlings from the Agricultural Society of Trinidad & Tobago.
- A total of 1700 seedlings were distributed, contributing to environmental sustainability.

Community Engagement:

- WITCO extended its efforts externally by organizing a Beach Clean-Up exercise at Coffee Beach, La Brea.
- This activity aligned with the annually recognized International Coastal Clean-up initiative.
- By participating in this event, WITCO demonstrated its concern for the environment beyond its own operations.

In summary, WITCO's proactive approach to safety, environmental awareness, and community involvement underscores its dedication to employee well-being and sustainable practices.

REFLECTING OUR CULTURAL LEADERSHIP LEGACY

At WITCO, our commitment to excellence extends beyond our business operations to encompass the values and principles that define our cultural leadership legacy. As we reflect over the past year 2023, we take immense pride in continuing to support the national instrument and one of the most successful National Steel Orchestras in the country. WITCO's unwavering support for the orchestra continued throughout the year, culminating in the launch of an Institutional Strengthening Project in November 2023 to empower steel pan members and enhance their business and entrepreneurial skills.

REFLECTING RESPONSIBILITY

At WITCO, we understand the importance of responsibility in everything we do. As we reflect on the past year 2023, we are proud to share the progress we have made in upholding our commitment to responsible practices that prioritize the well being of the consumers, employees and the communities we serve. WITCO successfully renewed its license to manufacture, import, export and distribute in accordance with the Tobacco Control Act demonstrating its commitment to ensuring compliance.

Furthermore, during this period, we implemented operational changes to facilitate the successful rotation of Graphic Health Warnings — a significant milestone for us.

THE YEAR AT A GLANCE

	2023	2022	Change
	$'000	**$'000**	**%**
Revenue	755,165	724,090	4.3%
Gross profit	493,767	497,800	-0.8%
Total expenses	(110,823)	(119,840)	-7.5%
Operating profit	382,944	377,960	1.3%
Interest income	4,428	1,277	246.8%
Interest expense	(504)	(254)	98.4%
Profit before taxation	386,868	378,983	2.1%
Taxation	(109,780)	(117,403)	-6.5%
Profit for the year	277,088	261,580	5.9%
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurement of retirement and post-employment benefit obligations	(2,082)	(15,029)	-86.1%
Related tax	625	4,509	-
Other comprehensive loss – net of tax	(1,457)	(10,520)	-86.2%
Gain on revaluation of property, plant and equipment	4,176	-	-
Related tax	(564)	-	-
Other comprehensive income – net of tax	3,612	-	100.0%
Total comprehensive income for the year	279,243	251,060	11.2%

FIVE YEARS AT A GLANCE

	2019	2020	2021	2022	2023
	$'000	$'000	$'000	$'000	$'000
Profit And Taxation					
Profit before taxation TT$	607,762	588,076	537,212	378,983	386,868
Taxation	189,526	178,055	158,183	117,403	109,780
Profit after taxation TT$	418,236	410,021	379,029	261,580	277,088
Dividends	395,927	389,189	365,466	399,180	197,121
Effective rate of taxation (%)	31.2	30.3	29.4	31.0	28.4
Balance Sheet					
Shareholders' equity	451,254	577,462	600,339	452,219	538,151
Deferred Income Tax Liability	40,281	39,568	43,708	41,726	49,087
Non-current liabilties	43,766	24,992	5,563	14,822	10,917
Current liabilities	148,087	166,801	169,470	274,669	294,813
Total Funds Employed	683,388	808,823	819,080	783,436	892,968
Property, plant and equipment	248,485	249,763	264,337	283,503	282,407
Deferred Income Tax Asset	13,294	8,488	466	9,017	12,893
Retirement benefit asset	-	-	3,344	-	-
Inventories	36,627	46,916	50,643	85,298	61,651
Cash at bank and in hand	300,018	447,921	368,496	276,372	268,102
Other current assets	84,964	55,735	131,794	129,246	267,915
Total Assets	683,388	808,823	819,080	783,436	892,968
Statistics					
Issued Share Capital ('000)	252,720	252,720	252,720	252,720	252,720
Earnings per ordinary share ($)	1.65	1.62	1.50	1.04	1.10
Dividends per ordinary share ($)	1.57	1.54	1.42	0.98	1.04
Net assets value per ordinary share ($)	1.79	2.28	2.36	1.79	2.13
Share prices at 31 December ($)	41.41	35.40	28.50	21.01	8.90

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2023 ANNUAL REPORT

FINANCIAL
STATEMENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The West Indian Tobacco Company Limited ("the Company"), which comprise the statement of financial position as at December 31, 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Raoul Glynn
Managing Director

Date: March 14, 2024

Johan Grosberg
Finance Manager/Director

Date: March 14, 2024

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The West Indian Tobacco Company Limited ("the Company"), which comprise the statement of financial position as at December 31, 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of retirement benefit obligation

Accounting Policy note L (I, II and III) to the financial statements and notes 4 and 12 for further disclosures.
$251,895 thousand (2022: $240,432 thousand).

Measurement of retirement benefit obligation (continued)

The Company operates a defined benefit pension plan scheme. The estimation of the retirement benefit obligation is based on significant assumptions and judgements that are disclosed in Note 12 to the financial statements. Small changes in these assumptions can have a material impact on the valuation of the retirement benefit obligation. Of the assumptions disclosure in Note 12, the key judgements relating to the retirement benefit obligation are the judgements applied by the Company around the setting of the discount which are deemed to have most significant impact on the measurement of the retirement benefit obligation.

The use of assumptions and judgments increases the risk that the estimate of the retirement benefit obligation can be materially misstated and required special audit consideration.

The disclosures are also deemed an area of increased levels of audit focus. The notes to the financial statements regarding the Company's application of the accounting standard, and disclosures around sensitivity of assumptions, are key to explaining the key judgements.

How our audit addressed the key audit matter

As part of our procedures, the following were performed:

- Testing the design and operating effectiveness of the Company's controls applicable to the development of the estimate of the retirement benefit obligation.
- Engaging our own actuarial specialists, to assist us in evaluating the methods, assumptions and data used to develop the estimate of the pensions and post-employment benefit obligation by:
  - Applying industry knowledge and experience to compare the methodology used against industry standard actuarial practice;
  - Assessing the appropriateness of the methodology adopted by reference to the requirements of the relevant accounting standards;
  - Challenging the mortality and discount rate assumptions utilised by comparing these to the actual mortality experience of the plan and relevant industry data, and by applying our knowledge of the relevant sector; and
  - Evaluating the adequacy and clarity of the financial statements disclosures, including disclosures of key assumptions, judgements and sensitivities.
- Assessing the reasonableness of the data used in the estimate by selecting a sample of the underlying data and agreeing the items back to the underlying source records.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's annual report such as the management report, director report and chairman's statement, but does not include the financial statements and our auditors' report thereon. The 2023 Annual Report is expected to be made available to us after the date of this auditors' report.

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.

When we read the 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Company's financial statements in accordance with IFRS 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner in charge of the audit resulting in this independent auditors' report is Dushyant Sookram.

KPMG

Chartered Accountants

Port of Spain
Trinidad, and Tobago
March 14, 2024

STATEMENT OF FINANCIAL POSITION

December 31, 2023
(Expressed in Trinidad and Tobago Dollars)

	Notes	2023 $'000	2022 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	282,407	283,503
Deferred income tax asset	6	12,893	9,017
		295,300	292,520
Current assets			
Inventories	7	61,651	85,298
Trade and other receivables	9	266,027	124,277
Taxation recoverable		1,888	4,969
Cash and cash equivalents	10	268,102	276,372
		597,668	490,916
Total assets		892,968	783,436
EQUITY			
Share capital	11	42,120	42,120
Revaluation surplus	5(a)	60,645	57,986
Retained earnings		435,386	352,113
Total equity		538,151	452,219
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	6	49,087	41,726
Retirement benefit obligation	12	2,129	5,969
Post-employment medical benefit obligation	12	4,974	4,867
Lease liabilities	22	3,814	3,986
		60,004	56,548
Current liabilities			
Trade and other payables	13	167,585	124,701
Due to parent company	19(d)	73,618	100,854
Dividends payable		38,310	47,617
Taxation payable		13,173	-
Lease liabilities	22	2,127	1,497
		294,813	274,669
Total liabilities		354,817	331,217
Total equity and liabilities		892,968	783,436

The accompanying notes are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on March 13 2024, and signed on their behalf by:

Chairman ____________ Managing Director ____________

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2023
(Expressed in Trinidad and Tobago Dollars)

	Notes	2023 $'000	2022 $'000
Revenue	14	755,165	724,090
Cost of sales	15	(261,398)	(226,290)
Gross profit		493,767	497,800
Expenses			
Distribution costs	15	(13,474)	(14,653)
Administrative expenses	15	(66,974)	(72,516)
Other operating expenses	15	(30,375)	(32,671)
Operating profit		382,944	377,960
Finance income		4,428	1,277
Finance cost	22	(504)	(254)
Net finance income		3,924	1,023
Profit before taxation		386,868	378,983
Income tax expense	16	(109,780)	(117,403)
Profit for the year		277,088	261,580
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of retirement and post-employment benefit obligations	12	(2,082)	(15,029)
Related tax	6	625	4,509
Other comprehensive loss – net of tax		(1,457)	(10,520)
Gain on revaluation of property, plant and equipment		4,176	-
Related tax		(564)	-
Other comprehensive income – net of tax		3,612	-
Total comprehensive income for the year		279,243	251,060
Basic and diluted earnings per ordinary share	17	1.10	1.04

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2023
(Expressed in Trinidad and Tobago Dollars)

	Notes	Share Capital $'000	Revaluation Surplus $'000	Retained Earnings $'000	Shareholders' Equity $'000
Year ended December 31, 2023					
Balance at January 1, 2023		42,120	57,986	352,113	452,219
Comprehensive income					
Profit for the year		–	–	277,088	277,088
Other comprehensive income					
Re-measurement of retirement and post-employment benefit obligations – net of tax		–	–	(1,457)	(1,457)
Gain on revaluation of land and building		–	3,612	–	3,612
Depreciation transfer on buildings – net of tax	5(a)	–	(953)	953	–
Transactions with owners					
Dividends	18	–	–	(197,122)	(197,122)
Write back of unclaimed dividends		–	–	3,811	3,811
Balance at December 31, 2023		42,120	60,645	435,386	538,151
Year ended December 31, 2022					
Balance at January 1, 2022		42,120	58,936	499,283	600,339
Comprehensive income					
Profit for the year		–	–	261,580	261,580
Other comprehensive income					
Re-measurement of retirement and post-employment benefit obligations – net of tax		–	–	(10,520)	(10,520)
Depreciation transfer on buildings – net of tax	5(a)	-	(950)	950	-
Transactions with owners					
Dividends	18	-	–	(399,180)	(399,180)
Balance at December 31, 2022		42,120	57,986	352,113	452,219

The accompanying notes are an integral part of these financial statement.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023
(Expressed in Trinidad and Tobago Dollars)

	Notes	2023	2022
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		386,868	378,983
Adjustments for:			
Depreciation	5	17,743	14,388
Loss on disposal of property, plant and equipment		–	89
Net decrease in retirement and other post-employment benefit obligations excluding actuarial losses		(5,815)	(5,877)
Interest income		(4,428)	(1,277)
Interest expense	22(iii)	504	254
Operating profit before working capital changes		394,872	386,560
Changes in working capital:			
Decrease/(increase) in inventories		23,647	(34,655)
(Increase)/decrease in trade and other receivables		(150,153)	2,600
Increase in trade and other payables		43,360	678
Increase in due to parent company		686	98,831
Cash generated from operating activities		312,412	454,014
Tax refund received		4,279	-
Interest paid	22(iv)	(504)	(254)
Taxation paid		(94,735)	(117,766)
Net cash from operating activities		221,452	335,994
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(9,883)	(33,643)
Interest received		4,428	1,277
Net cash used in investing activities		(5,455)	(32,366)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid		(222,137)	(394,920)
Lease payment	22(iv)	(2,130)	(832)
Net cash used in financing activities		(224,267)	(395,752)
Net decrease in cash and cash equivalents		(8,270)	(92,124)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		276,372	368,496
CASH AND CASH EQUIVALENTS AT END OF YEAR		268,102	276,372
Represented by:			
Cash at bank	10	268,102	276,372

The accompanying notes are an integral part of these financial statements.

1. Basis of Preparation

(a) General Information

The West Indian Tobacco Company Limited (the Company) is incorporated in the Republic of Trinidad and Tobago.

The Company is listed on the Trinidad and Tobago Stock Exchange. The address of the registered office is Corner Eastern Main Road and Mount D'Or Road, Champs Fleurs, Trinidad, West Indies. It is a subsidiary of British American Tobacco (Investments) Limited, a company registered in the United Kingdom. Its ultimate parent company is British American Tobacco p.l.c., a company registered in the United Kingdom.

The principal business activities of the Company are the manufacture and sale of cigarettes.

(b) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to meet the mandatory repayment terms of its current liabilities. The Company has recognised profits of $277,088,000 after tax for the year ended December 31, 2023, and as at that date, current assets exceed current liabilities by $302,855,000.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(c) Changes in material accounting policies.

The Company adopted Disclosure of Accounting Policies (Amendments to IAS1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, to be able to assist us in providing useful accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies, detailed in Note 2, and made updates to the information disclosed in certain instances, in line with the amendments.

1. Basis of Preparation *(continued)*

(c) Changes in material accounting policies. *(continued)*

A number of new standards are effective from January 1, 2023, but do not have a material effect on the Company's financial statements.

(i) New standards, amendments and interpretations adopted by the Company

The following standards were new standards, amendments and interpretations requiring adoption by the Company for the first time for the financial year beginning on January 1, 2023.

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

These standards did not have a significant impact on the Company's financial statements.

(ii) Forthcoming requirements

The following new standards, amendments and interpretations are required to be applied for annual periods beginning after January 1, 2024 and that are available for early adoption in annual periods beginning on January 1, 2024. These standards are not expected to have a significant impact on the Company's financial statements.

- Non-current Liabilities with Covenants (Amendments to IAS 1).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director and the local management team, who have been identified as the chief operating decision makers. This team is responsible for allocating resources and assessing performance of the operating segments and for making strategic decisions.

(b) Property, plant and equipment

Freehold land and buildings comprise mainly factory and offices and are shown at fair value based on valuations by external independent valuers, less subsequent depreciation for buildings. In line with the company's Fixed Asset policy, independent valuations are performed with sufficient regularity, not exceeding five years, to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at each reporting date. These revaluations are kept up to date, such that the carrying amount of these assets at the reporting date do not differ materially from its fair value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is updated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

Depreciation is calculated to write off the cost/valuation of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Land is not depreciated.

2. **Material Accounting Policies** *(continued)*

(b) *Property, plant and equipment* *(continued)*

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Freehold buildings: - 15 to 50 years
- Plant and machinery: - 20 years on cost
- Furniture and equipment: - 3 to 10 years on cost
- Motor vehicles: - 4 years on cost

The estimated useful life on Freehold buildings is 50 years on cost and 15 years on any improvements to Freehold buildings.

The assets' depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are recognised other operating expenses.

When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

(c) Current and deferred income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets.'

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

2. Material Accounting Policies *(continued)*

(c) Current and deferred income tax *(continued)*

(ii) Deferred tax *(continued)*

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations on buildings and provision for pensions and other post-retirement benefits.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(d) Impairment of Non-Derivative financial assets

The Company recognises loss allowances for expected credit losses (“ECL”) on its receivables, which are disclosed as part of trade and other receivables.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

2. Material Accounting Policies *(continued)*

(e) Impairment of Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there are any indicators of impairment. If such indicators exist, then the assets' recoverable amount is estimated.

For impairment testing the recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

(f) Inventories

Inventories are measured at the lower of cost or net realisable value, allowance having been made for slow moving and obsolete items. Cost is determined on the following bases:

- Raw materials are valued at weighted average cost
- Inventories in process are valued at weighted raw materials cost, labour and production
- Finished goods comprise raw materials plus a portion of labour and production overheads based on normal operating capacity
- Supplies and sundries are valued at weighted average cost
- Goods in Transit are classes of inventory for which the company bears the inventory risk but has not been physically received as at the reporting date. These goods are valued at suppliers' invoice cost plus freight and insurance, as applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. Material Accounting Policies *(continued)*

(g) Financial assets

The financial assets of the Company comprise of cash and cash equivalents and trade and other receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition when they are originated with value initially measured at the transaction price.

– *Recognition and initial measurement*

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

– *Classification*

On initial recognition, a financial asset is classified as measured at amortised cost;

Financial assets are not reclassified, subsequent to their initial recognition, unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

– *Derecognition*

The Company recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not recognised.

2. Material Accounting Policies *(continued)*

(g) ***Financial assets*** *(continued)*

– *Financial Assets at Amortised Costs*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value depending on the classification of the financial asset. The category ‘trade and other receivables’ would have been disclosed net of its expected credit loss as at that date with the Company’s calculation of the credit loss allowance provided in Note 3 (b).

(h) ***Financial liabilities***

Classification

Financial instruments that include contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company are classified as a financial liability.

Measurement

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

The Company recognises financial liabilities when its contractual obligations are discharged or cancelled or expire. The Company also recognises a financial liability when its terms are modified and the cash flows or the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the considerations paid including any non-cash assets transferred or liabilities assumed is recognised in profit and loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2. Material Accounting Policies *(continued)*

(i) Trade and other receivables

Trade and other receivables are carried at amortised cost, less impairment losses. The policy effective January 1, 2018 is to recognise impairment under expected credit loss.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term highly liquid investments with original maturities of three months or less and are carried at amortised cost. These balances are used by the Company in the management of its short-term commitments.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(l) Employee benefits

(i) Long term employee benefits - Retirement benefit plans

The Company operates two retirement benefit plans, a defined benefit plan and a defined contribution plan.

A defined benefit plan is a pension plan that is not a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold enough assets to pay all employees the benefits relating to employee service in the current and prior periods.

The plans are generally funded through employer and employee contributions to insurance companies or trustee-administered funds.

(a) Defined benefit plan

Definition

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of its defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

2. Material Accounting Policies *(continued)*

(l) Employee benefits *(continued)*

(i) Long term employee benefits - Retirement benefit plans (continued)

(a) Defined benefit plan *(continued)*

The discount rate is the yield at the reporting date on Government bonds. Government bonds in Trinidad and Tobago are illiquid and rarely issued in the primary and secondary bonds markets. To address this limited bond market, the Central Bank of Trinidad and Tobago publishes a monthly yield curve based on information from Domestic Market Operations, the Trinidad and Tobago Stock Exchange, Secondary Government Bond Market and market reads from market participants. This yield curve is known as the Standardized Trinidad and Tobago Treasury Yield Curve ("TTTYC"). The discount rate was determined using the weighted-average duration of the Plans' obligations and the government bond yields as at the reporting date, adjusted for current market conditions.

Re-measurements

Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Under this method, the cost of providing pensions is charged to profit or loss so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plan, covering the validity of actuarial assumptions, at least every three years (the last valuation was completed on August 9, 2021; using Valuation of The West Indian Tobacco Company Limited Pension Fund Plan as at December 31, 2020). Roll forward valuations, which are less detailed than full valuations, and covering both the plan assets and the actuarial assumptions, are performed annually, while an abridged version of the less detailed valuation is performed as at June 30, each year. Nonetheless, management ensures that valuations are regular enough for the amounts recognised in the financial statements not to differ materially from the amounts that would be determined at the reporting date. Adjustments are made for material changes/events subsequent to the last valuation up to the reporting date.

When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

2. Material Accounting Policies *(continued)*

(l) Employee benefits *(continued)*

(i) Long term employee benefits - Retirement benefit plans (continued)

(a) Defined benefit plan *(continued)*

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligations at the statement of financial position date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of long-term government securities.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the statement of comprehensive income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

During 2011 the defined benefit plan was closed to new entrants.

(b) Defined contribution plan

The Plan covers all employees joining the Company as of September 2011 and comprises two deferred annuity schemes for each employee: an individual deferred annuity and a corporate deferred annuity. Employees as well as the Company will contribute to the plan for the specific purpose of providing income upon retirement. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due (Note 15(a)). Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Under the terms of the plan, employees as well as the Company will contribute to a defined contribution plan for the specific purpose of providing income upon retirement.

2. Material Accounting Policies *(continued)*

(l) Employee benefits *(continued)*

(ii) Post-employment medical benefit obligation

The Company provides post-employment medical benefits for retirees. The entitlement to this benefit is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The method of accounting used to recognise the liability is similar to that for the defined benefit plan. These obligations are valued annually by independent qualified actuaries. The main additional actuarial assumption is the long-term increase in health costs. The charge for the current year is recognised in profit or loss under employee benefit expense (Note 15(a)). Actuarial gains and losses arising are charged or credited to other comprehensive income in the period in which they arise.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or whenever an employee accepts voluntary separation in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to terminating employment of current employees according to a formal plan without the possibility of withdrawal.

(iv) Short term obligations

(a) Bonus plans

The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for bonus plans are expected to be settled within 12 months.

(b) Vacation liability

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of service rendered by employees up to the statement of financial position date.

(m) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if, payment is due within one year or less. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2. Material Accounting Policies *(continued)*

(n) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The following section provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the Company's revenue recognition.

Sale of goods

The Company manufactures and sells cigarettes. Sales of goods are recognised when the Company has satisfied the performance obligation of passing control of its finished tobacco products over to its customers, which coincides with when the products leave its compound. At this point, the control of goods passes to the customer, and either the customer has accepted the products in accordance with the sales contract or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue excludes duty, excise and other taxes related to sales in the period and is stated after deducting rebates and returns.

(o) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

2. Material Accounting Policies *(continued)*

(o) Leases *(continued)*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- *fixed payments, including in-substance fixed payments;*
- *lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.*

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the re-measurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment.'

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(p) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared by the Company's directors.

Additionally, the Company's Bye-Laws allow for the forfeiture of dividends unclaimed after a period of twelve (12) years. These unclaimed dividends are written back to the retained earnings in equity. Refer to Note 18 for additional details.

(q) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand dollars unless otherwise stated.

2. Material Accounting Policies *(continued)*

(r) Finance income

Finance income is recognised on a time proportioned basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

3. Financial Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk. Risk management is carried out in line with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as market risk, credit risk, and the investment of excess liquidity.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit of the BAT Group. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(a) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company's Market risk comprises foreign exchange risk, cash flow and fair value interest rate risk and price risk.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Euro and British Pound (GBP). Foreign exchange risk arises when recognised financial assets or liabilities are denominated in a currency that is not the entity's functional currency. We manage foreign exchange risks by matching foreign currency assets with liabilities, based on currency.

If the Trinidad and Tobago (TT) dollar depreciates/appreciates by 5% against the US dollar, Euro and British Pound with all other variables held constant, profit for the year would have been impacted as follows:

	2023 Increase	2023 Decrease
Increase (decrease) in profit before taxation		
USD (5% movement)	8,209	(8,209)
GBP (5% movement)	(249)	249
EUR (5% movement)	(4,674)	4674

3. **Financial Risk Management** *(continued)*

Financial risk factors *(continued)*

(a) Market risk *(continued)*

	2022 Increase	2022 Decrease
Increase (decrease) in profit before taxation		
USD (5% movement)	8,887	(8,887)
GBP (5% movement)	(636)	636
EUR (5% movement)	(5,176)	5,176

An analysis of financial instruments by currency is shown in Note 8(a).

The following exchange rates have been applied in calculating the TT dollar equivalent of the financial instruments denominated in foreign currencies:

	Year end spot rates	
	2023	**2022**
USD Currency	6.755	6.758
GBP Currency	8.351	9.297
EUR Currency	7.923	7.863

Cash flow and fair value interest rate risk

As the Company has no significant interest–bearing assets or liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Price risk

The Company is not exposed to price risk as it has no financial interests or investments in equity securities or commodities.

(b) Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers. The Company has a significant concentration of credit risk however, the Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Credit exposures arise from sales to distributors and retail customers, including outstanding receivables.

The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. Management does not expect any losses from non-performance by counterparties. From the reporting date to the date in which the accompanying statements were approved, the Company has collected all of its trade receivables.

3. Financial Risk Management *(continued)*

Financial risk factors *(continued)*

(b) Credit risk (continued)

Historical loss rates of default were determined and adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle their payments when they become due. In developing and analysing the behaviours of the loss rates, the Company considers both internal data and external macroeconomic data.

However, IFRS 9 'Financial instruments', requires consideration of the possibility that a credit loss can occur. The Company has considered at a minimum to use a provision matrix where a fixed provision rate was applied of 0.05% of the invoice value of all external trade receivables in the current bucket. This rate will differ depending on the aging of these balances. The company considers a financial asset to be in default when a debtor is unlikely to pay its credit obligations in full or within a specified time. For trade receivables, the Company has considered that timeframe to be sixty-days. The related parties and accounts receivables with which the company trades are deemed to have low credit risk on the basis of a detailed credit assessment made by management such that ECL was considered to be immaterial.

Cash and deposits are held with a number of reputable financial institutions, based on external credit ratings, with transactional amounts varying between $104,089,868 and $267,476,211 (2022: $94,404,519 and $269,870,541). The maximum limit with any one financial institution is $277,284,480 (2022: $277,284,480). Balances in excess of this limit were held temporarily for periods of no more than one week.

In 2023, the Company proactively reviewed its cash projections and credit exposures ensuring its cash management decisions were prudent and reflective of the economic environment.

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines with our Parent company.

3. **Financial Risk Management** *(continued)*

Financial risk factors *(continued)*

(c) Liquidity risk *(continued)*

The table below analyses the Company's financial liabilities based on the remaining period at the financial position date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances as the impact of discounting is not significant.

	Less than one year	
	2023	**2022**
	$'000	**$'000**
At December 31		
Trade payables and accruals (Note 13)	51,527	70,753
Statutory liabilities (Note 13)	64,478	15,934
Amounts due to related parties/parent company	125,198	139,048
Lease liabilities (Note 22 (ii))	2,127	1,497

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company's capital structure consists of equity and lease liabilities. There is no capital requirement imposed on the Company.

Fair value estimation

The carrying values of all financial instruments held as of the financial position date are assumed to approximate their fair values, as they are short term in nature.

4. Critical Accounting Estimates and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Pensions and post-employment medical benefits

The present value of the pension and medical obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate, amongst other assumptions. Any changes in these key assumptions will impact the carrying amount of obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of long-term Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related liability.

Other key assumptions for pensions and medical obligations are based in part on current market conditions. The nature of these assumptions and related sensitivities to key inputs are described in Note 12.

5. Property, Plant and Equipment

	Freehold Land and Buildings	Plant and Machinery	Furniture and Equipment	Motor Vehicles	Capital Work In Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended December 31, 2023						
Cost						
Opening Balance	134,450	287,673	33,778	7,726	48,945	512,572
Additions	52	5,464	142	2,589	4,224	12,471
Disposals	-	(3,571)	(1,358)	-	-	(4,929)
Transfers	6,828	39,613	1,824	-	(48,265)	-
Revaluation	4,176	-	-	-	-	4,176
Closing Balance	145,506	329,179	34,386	10,315	4,904	524,290
Accumulated Depreciation						
Opening Balance	(22,572)	(173,879)	(30,362)	(2,256)	-	(229,069)
Depreciation	(4,201)	(10,453)	(950)	(2,139)	-	(17,743)
Disposals	-	3,571	1,358	-	-	4,929
Closing Balance	(26,773)	(180,761)	(29,954)	(4,395)	-	(241,883)
Carrying Amount	118,733	148,418	4,432	5,920	4,904	282,407
Year ended December 31, 2022						
Cost						
Opening Balance	134,012	285,409	32,604	4,491	25,612	482,128
Additions	508	1,415	255	5,429	26,036	33,643
Disposals	(70)	(859)	(76)	(2,194)	-	(3,199)
Transfers	-	1,708	995	-	(2,703)	-
Closing Balance	134,450	287,673	33,778	7,726	48,945	512,572
Accumulated Depreciation						
Opening Balance	(20,111)	(164,838)	(29,578)	(3,264)	-	(217,791)
Depreciation	(2,480)	(9,862)	(860)	(1,186)	-	(14,388)
Disposals	19	821	76	2,194	-	3,110
Closing Balance	(22,572)	(173,879)	(30,362)	(2,256)	-	(229,069)
Carrying Amount	111,878	113,794	3,416	5,470	48,945	283,503
Carrying amounts At January 1, 2022	113,901	120,571	3,026	1,227	25,612	264,337
At December 31, 2022	111,878	113,794	3,416	5,470	48,945	283,503
At December 31, 2023	118,733	148,418	4,432	5,920	4,904	282,407

5. Property, Plant and Equipment *(continued)*

Capital Work in Progress consists of the costs directly attributable to the acquisition of plant and machinery for updating the current electrical infrastructure which supports the compressor room equipment, upgrade of the moisture meter model within the manufacturing department, changing the format on three (3) cigarette makers and upgrades to the fire detection system. These projects are currently ongoing and are expected to be completed by October 31, 2024.

	2023	2022
	$'000	$'000
(a) Revaluation surplus		
At beginning of the year	57,986	58,936
Depreciation transfer on buildings – net of tax	(953)	(950)
Gain on revaluation, net of tax	3,612	–
At end of the year	60,645	57,986

The Company's freehold land and buildings are valued every year, by independent valuators, Raymond & Pierre, Chartered Valuation Surveyors. An independent, full valuation is carried out at least every five years (the last full-valuation was completed on November 30, 2023). The valuation surveyors used the Depreciated Replacement Cost Method to determine the values of land and buildings respectively. The valuation adjustment is made when the Fair Value differs materially from its carrying value.

This basis of valuation was deemed appropriate by management considering the nature of the Company's use of these properties. The surplus thus arising was credited to revaluation surplus in shareholders' equity.

COVID-19 has had a negative impact on the economic climate of the country. Despite the aforementioned, property prices have not decreased in such a way that would cause a significant impact on the stated values of the Company's Freehold Land and Building asset class. This is also consistent with observed trends in the country's inflation and interest rates over the period.

Fair value measurements

The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

5. Property, Plant and Equipment *(continued)*

(a) Revaluation surplus *(continued)*

– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Fair value measurements as at December 31, 2023 using:

	Quoted prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	$'000	**$'000**	**$'000**
Recurring fair value measurements			
Land	–	–	35,700
Buildings	–	–	83,033

	Fair Value Hierarchy	Carrying Amount as at January 1, 2023	Additions/ Transfers/ Disposals	Depreciation/ Impairment/ Retirement	Revaluation Gain	Carrying Amount Carried Forward
		$'000	**$'000**	**$'000**	**$'000**	**$'000**
Land	Level 3	33,405	–	–	2,295	35,700
Buildings	Level 3	78,473	6,880	(4,201)	1,881	83,033
		111,878	6,880	(4,201)	4,176	118,733

5. Property, Plant and Equipment *(continued)*

(a) *Revaluation surplus* *(continued)*

Fair value measurements as at December 31, 2022 using:

	Quoted prices in Active Markets For Identical Assets (Level 1) $'000	Significant Other Observable Inputs (Level 2) $'000	Significant Unobservable Inputs (Level 3) $'000
Recurring fair value measurements			
Land	–	–	33,405
Buildings	–	–	78,473

	Fair Value Hierarchy	Carrying Amount as at January 1, 2022 $'000	Additions/ Transfers/ Disposals $'000	Depreciation/ Impairment/ Retirement $'000	Revaluation Gain $'000	Carrying Amount Carried Forward $'000
Land	Level 3	33,405	–	–	–	33,405
Buildings	Level 3	80,496	438	(2,461)	–	78,473
		113,901	438	(2,461)	–	111,878

Transfers between levels 2 and 3

The Company's management annually reviews the latest valuations performed by the independent valuator for financial reporting purposes.

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the most recent valuation report;
- holds discussions with the independent valuator.

5. Property, Plant and Equipment *(continued)*

(a) Revaluation surplus *(continued)*

Transfers between levels 2 and 3 (continued)

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. Changes in Level 2 and 3 fair values are analysed at each reporting date. As part of this assessment, the team reviews the reasons for the fair value movements.

The main level 3 inputs used by the Company are derived and evaluated as follows:

Land

The market approach method was used. In using this method, evidence of arm's length open market transactions of similar lands are analysed and the results applied to the subject lands after taking into consideration appropriate adjustments for location, size and other relevant factors.

Buildings

Buildings are valued using the depreciated replacement cost method. Under this method the gross replacement cost of the buildings and other sites works are then estimated from which appropriate deductions are then made to allow for the age, condition and obsolescence (economic and functional) of the buildings in site works. The total net replacement cost is then added to the estimated value of the land.

Inputs considered in the valuation

(i) Location and neighbourhood – The property easily lends itself to a wide pool of skilled and unskilled labour and facilitates easy access to main highways. The general neighbourhood is characterised by light industrial users.

(ii) Measurements and condition – The square footage of the site is taken into consideration in the valuation. Based on the valuation the buildings also appeared to be structurally sound and in fair to good decorative condition.

The inputs above have not varied significantly in the past, and as such the impact of movements in the variables are not considered significant.

5. Property, Plant and Equipment *(continued)*

(b) *If the freehold land and buildings were stated on the historical cost basis the amounts would be as follows:*

	2023 $'000	2022 $'000
Cost	53,064	46,184
Accumulated depreciation	(16,872)	(15,717)
Net book amount	36,192	30,467

(c) *Depreciation expense is included in statement of profit or loss and other comprehensive income as follows:*

	2023 $'000	2022 $'000
Amount included in cost of sales (Note 15)	11,632	10,961
Amount included in other operating expenses (Note 15)	6,111	3,427
	17,743	14,388

(d) *IFRS16 'Right of Use' assets:*

Property, plant and equipment includes right-of-use assets of $5,992,000 as at December 31, 2023 ($5,962,000 as at December 31, 2022) related to leased vehicles and warehouse connected to trade and merchandising activities. Refer to Note 22 (i) for further details.

6. Deferred Income Tax

Deferred income taxes are calculated in full on temporary differences using the statutory tax rate of 30%.

	2023 $'000	2022 $'000
Deferred income tax asset		
- Retirement benefit obligation (Note 6(a))	11,533	7,997
- Post-retirement medical obligation	1,360	1,020
Deferred income tax asset	12,893	9,017
Deferred income tax liability		
- Revaluation on buildings	10,244	10,467
- Accelerated tax depreciation	38,843	31,259
Deferred income tax liability	49,087	41,726
Net deferred income tax liability	36,194	32,709

6. Deferred Income Tax *(continued)*

(a) The deferred income tax asset on retirement benefit obligation is attributable to the following:

	2023 $'000	2022 $'000
Retirement benefit obligation, excluding deferred lumpsum contribution	3,433	3,542
Deferred lumpsum contribution	8,100	4,455
	11,533	7,997

(b) The movement in the net deferred income tax position in the statement of financial position is attributable to the following:

	Revaluation on Buildings $'000	Accelerated Tax Depreciation $'000	Retirement Benefit $'000	Post Retirement Medical $'000	Total $'000
As at December 31 2023					
Balance at beginning of year	10,467	31,259	(7,997)	(1,020)	32,709
(Credit) charge to profit or loss (Note 16)	(787)	7,584	(3,536)	285	3,546
Tax on actuarial gains recognised in OCI	-	-	-	(625)	(625)
Tax on revaluation of buildings in OCI	564	-	-	-	564
Balance at end of year	10,244	38,843	(11,533)	(1,360)	36,194
As at December 31 2022					
Balance at beginning of year	10,766	32,942	602	(1,068)	43,242
(Credit) charge to profit or loss (Note 16)	(299)	(1,683)	(4,194)	152	(6,024)
Tax on actuarial gains recognised in OCI	-	-	(4,405)	(104)	(4,509)
Balance at end of year	10,467	31,259	(7,997)	(1,020)	32,709

	2023	2022
	$'000	$'000

7. Inventories

	2023 $'000	2022 $'000
Raw materials	45,735	55,580
Goods in transit	83	8,942
Supplies and sundries	3,693	3,146
Finished goods	9,850	13,833
Work in progress	2,290	3,797
	61,651	85,298

The cost of inventories recognised as expense and included in "cost of sales" amounted to $179,429,930 (2022: $161,708,014).

To arrive at the Net Realisable Value of supplies and sundries $9,670,908 (2022: $9,269,011) was deducted from cost, relating to spares.

8. Financial Instruments

(a) Financial instruments by category and currency

	TTD $'000	USD $'000	Euro $'000	GBP $'000	Total $'000
As at December 31, 2023					
Financial assets					
Trade receivables	221,321	–	–	–	221,321
Dividends and other receivables	5,367	–	–	–	5,367
Due from related parties	14,987	23,437	728	408	39,560
Cash and cash equivalents	109,798	159,304	–	–	268,102
	350,473	182,741	728	408	534,350
Financial liabilities					
Trade payables and accruals	33,622	16,277	1,628	–	51,527
Lease liabilities	5,941	–	–	–	5,941
Due to related parties	16,656	10,570	18,959	5,395	51,580
Due to parent company	–	–	73,618	–	73,618
	56,219	26,847	94,205	5,395	182,666

8. Financial Instruments *(continued)*

(a) Financial instruments by category and currency *(continued)*

	TTD $'000	USD $'000	Euro $'000	GBP $'000	Total $'000
As at December 31, 2022					
Financial assets					
Trade receivables	80,193	–	–	–	80,193
Dividends and other receivables	14,298	–	–	–	14,298
Due from related parties	6,029	23,812	–	25	29,866
Cash and cash equivalents	98,948	177,424	–	–	276,372
	199,468	201,236	–	25	400,729
Financial liabilities					
Trade payables and accruals	51,992	7,328	1,155	10,098	70,573
Lease liabilities	5,482	–	–	–	5,482
Due to related parties	17,880	16,160	1,513	2,641	38,194
Due to parent company	–	–	100,854	–	100,854
	75,354	23,488	103,522	12,739	215,103

(b) Maximum exposure to credit risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, with major customers being given credit terms of thirty (30) days, with Contract Manufacture being thirty (30) days, all of which have been received within the credit period. There is trade credit insurance on the outstanding balances of each major customer. As at the reporting date, there has not been any history of write off of bad debts nor has there been any customer balances credit-impaired. The Company's related party receivables constitute its contract manufacture customers, all of which reside within the Caribbean, specifically Jamaica, Guyana and Suriname.

8. Financial Instruments *(continued)*

(b) ***Maximum exposure to credit risk*** *(continued)*

The Company's internal credit committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information, and in some cases bank references. The credit limits as well as credit usage and payment history are reviewed monthly by the Company's credit committee. Any sales exceeding those credit limits or with any outstanding receivables require approval in keeping with the Company's delegation of authority and are reported to the Credit Committee as well.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one month for both its corporate and related party customers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets mentioned below:

	Neither Past Due Nor Impaired	Past Due But Not Impaired (> 30 days)	Total
	$'000	$'000	$'000
As at December 31, 2023			
Trade receivables	221,321	–	221,321
Dividends and other receivables	5,367	–	5,367
Due from related parties	39,560	–	39,560
Cash at bank	268,102	–	268,102
	534,350	–	534,350
As at December 31, 2022			
Trade receivables	80,193	–	80,193
Dividends and other receivables	14,298	–	14,298
Due from related parties	29,866	–	29,866
Cash at bank	276,372	–	276,372
	400,729	–	400,729

The Company does not hold any collateral as security.

8. Financial Instruments *(continued)*

(b) ***Maximum exposure to credit risk*** *(continued)*

Expected credit loss assessment for individual customers

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

	Weighted Average Loss Rate	Gross Carrying Amount	Loss Allowance Amount
As at December 31, 2023		**$'000**	**$'000**
Current (not past due)	0.10%	221,130	221
Items within 30 days overdue	0.12%	51	0
Items over 30 days, within 3 months overdue	0.14%	140	0
As at December 31, 2022			
Current (not past due)	0.10%	80,193	80

(c) ***Credit quality of financial assets***

Financial assets neither past due nor impaired are held with counterparties without an external credit rating. The credit quality of these can be assessed as follows:

– Trade receivables and due from related parties relate to existing customers, with minimal defaults and a history of timely settlement.

– Cash and cash equivalents are held with reputable financial institutions. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures in keeping with IFRS 9. The expected credit loss in relation to cash and cash equivalents as at December 31, 2023 is not material.

9. Trade and Other Receivables

	2023 $'000	2022 $'000
Trade receivables	221,321	80,193
Loss provision	(221)	(80)
Trade receivables (net of loss provision)	221,100	80,113
Dividends and other receivables	5,367	14,298
Receivables from related parties: (Note 19)		
- trade	24,573	25,633
- other	14,987	4,233
	266,027	124,277

	2023 $'000	2022 $'000
10. Cash and Cash Equivalents		
Cash at bank	268,102	276,372

11. Share Capital

Authorised
An unlimited number of ordinary shares of no par value

Issued and fully paid

	2023 $'000	2022 $'000
252,720,000 ordinary shares	42,120	42,120

All ordinary shares rank equally with regard to the Company's residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to vote at the general meetings of the Company in accordance with the Company's Bye-Laws.

12. Pensions and Other Post Retirement Obligations

	2023 $'000	2022 $'000
Statement of Financial Position:		
Retirement benefit obligation (Note 12(i))	(2,129)	(5,969)
Post-employment medical benefit obligation (Note 12 (ii))	(4,974)	(4,867)
Liability in the statement of financial position	(7,103)	(10,836)

(i) Retirement benefits

The amounts recognised in the statement of financial position are as follows:

	2023 $'000	2022 $'000
Fair value of plan assets	249,766	234,463
Present value of funded pension obligation	(251,895)	(240,432)
Deficit of funded plans	(2,129)	(5,969)
Liability in the statement of financial position	(2,129)	(5,969)
Net interest cost	322	(246)
Current service cost	2,586	2,286
Administration Expenses	296	307
Net pension expense (Note 15 (a))	3,204	2,347
Re-measurements:		
From plan assets	2,519	(25,445)
From obligation - funded	(3,543)	10,760
Re-measurement of net asset	(1,024)	(14,685)
Reconciliation of movements in the statement of financial position:		
Net liability recognised as at January 1	(5,969)	3,344
Net pension expense	(3,204)	(2,347)
Re-measurement of net asset	(1,024)	(14,683)
Employer contributions	8,068	7,717
Net liability recognised as at December 31	(2,129)	(5,969)

12. Pensions and Other Post Retirement Obligations *(continued)*

Statement of Financial Position: *(continued)*

(i) Retirement benefits *(continued)*

	2023 $'000	2022 $'000
Changes in fair value of plan assets:		
Fair value of plan assets as at January 1	234,463	246,817
Actual return on plan assets:		
- interest income	14,492	14,768
- re-measurement recognised in OCI	2,520	(25,445)
Company contributions	8,068	7,717
Employee contributions	1,359	1,632
Administration Expenses	(10,840)	(10,719)
Benefit payments	(296)	(307)
Fair value of plan assets as at December 31	249,766	234,463
Changes in present value of the obligation (funded):		
Present value of obligation as at January 1	(240,432)	(243,473)
Interest cost	(14,815)	(14,522)
Current service cost - employer	(2,586)	(2,286)
Current service cost - employee	(1,359)	(1,632)
Benefit payments	10,840	10,721
Re-measurement recognised in OCI:		
- financial assumption changes	(2,833)	6,616
- experience	(710)	4,144
Present value of obligation as at December 31	(251,895)	(240,432)

The principal actuarial assumptions were as follows:

	Per Annum 2023 %	Per Annum 2022 %
Discount rate	6.10	6.20
Future salary increases	5.00	5.00
Future pension increases	3.00	3.00
Mortality	NISTT2012	NISTT2012

The NISTT2012 is a mortality table which was developed using the observed mortality experience from July 1, 2010, to June 30, 2013, of the pensioners receiving benefits under Trinidad and Tobago's National Insurance System ("T&T NIS").

12. Pensions and Other Post Retirement Obligations *(continued)*

Statement of Financial Position: *(continued)*

(i) Retirement benefits *(continued)*

The change in discount rate assumption to 6.1% is consistent with the application of paragraph 83 of IAS 19. This requires reference to market yields on Government bonds such that the currency and term of the bonds are consistent with the currency and estimated term of the benefit obligations.

Expected contributions to post employment benefit plans for the year ending December 31, 2024, are $8,137,000.

Plan assets comprise the following:

	2023		2022	
	$'000	**%**	**$'000**	**%**
Equity investments				
Local	40,057		44,187	
Foreign	52,991		44,651	
	93,018	37	88,838	38
Debt instruments				
Local	88,218		75,563	
Foreign	53,754		44,739	
	141,972	57	120,302	51
Property				
Local	2,846	1	2,864	1
Other				
Local	6,282		16,862	
Foreign	5,618		5,597	
	11,900	5	22,459	10
	249,766	100	234,463	100

The expected return on plan assets is effectively set to be equivalent to the discount rate.

The Insurance Act 2018 (the Act) governs all aspects of a local pension plan. The actuarial valuation is prepared on a tri-annual basis as prescribed by the Act. This report establishes the Plan's liabilities, which is then used to develop and guide long term investment strategies for the Pension Plan.

12. Pensions and Other Post Retirement Obligations *(continued)*

(i) ***Retirement benefits*** *(continued)*

The strategic direction of the Plan is outlined in the Statement of Investment Policy, which can be summarised as follows:

The current strategic allocation consists of 19% foreign equity, 20% domestic equity, 49% long term fixed income and 12% cash and equivalents.

The long-term objective is set with the understanding that some risks (systematic risks) cannot be diversified or avoided. Such risks include interest rate risk (for concentrated holdings), recessions and wars. Under the Act, 70% of the Plan's holdings must originate in Trinidad & Tobago. This represents the single largest systematic risk faced by the Plan and ties the prosperity of the Plan to the prosperity of the local economy.

The Act also limits the ability to actively manage the non-systematic risk. Firstly, by capping the allocation to equity at 50%, the Plan will never be able to take on more risk or mitigate market factors such as the prevailing low interest rate environment. Secondly, the Act specifies criteria that mandate a value bias, which restricts holding in growth-oriented issuers.

The Plan's portfolio of assets consists of local and foreign bonds and equity. Local and foreign equity are traded on public exchanges in active markets, as are foreign bonds and select local bonds. The vast majority of local bonds are privately placed and are not traded. The majority of bonds held are issued by the Government of Trinidad & Tobago, in accordance with the various requirements of the Act, which are currently rated BBB- by S&P. Other local bonds held will have ratings either equal to or lower than this.

12. Pensions and Other Post Retirement Obligations *(continued)*

(ii) Post employment medical benefit obligation

The amount recognised in the statement of financial position is as follows:

	2023	2022
	$'000	$'000
Unfunded post-retirement health care obligation	4,974	4,867
The movement in the defined benefit obligation over the year is as follows:		
Interest cost	278	288
Current service cost	42	43
Post-retirement health care expense (Note 15(a))	320	331
Re-measurements recognised in other comprehensive income:		
From experience adjustments	(1,058)	(344)
Reconciliation of movements in statement of financial position:		
Net liability recognised as at January 1	(4,867)	(5,028)
Net expense	(320)	(331)
Re-measurement of net liability	(1,058)	(344)
Employer premiums for existing retirees/clinic cost	1,271	836
Net liability recognised as at December 31	(4,974)	(4,867)

12. Pensions and Other Post Retirement Obligations *(continued)*

(ii) Post employment medical benefit obligation *(continued)*

	2023 $'000	2022 $'000
Changes in present value of the obligation:		
Present value of obligation as at January 1	(4,867)	(5,028)
Interest cost	(278)	(288)
Current service cost	(42)	(43)
Employer premiums for existing retirees/clinic cost	1,271	836
Re-measurement recognised in OCI:		
- experience	(1,058)	(344)
Present value of obligation as at December 31	(4,974)	(4,867)

The principal actuarial assumptions were as follows:

	2023 %	2022 %
Discount rate	6.40	6.50
Premium/clinic cost escalation	4.00	4.00
% married	90	90
Retiree mortality table	NISTT2012	NISTT2012

Expected contributions to post employment medical benefit plans for the year ending December 31, 2024, are $1,389,000. The change in discount rate for the IAS 19 valuation of Pension (6.1%) and Medical (6.4%) was based on an agreed upon recommendation between Management and the Company's actuaries wherein an extrapolation along the November 30 GOTT yield curve allowed for a range of 6.1% to 6.4% being consistent with the IAS 19 guidelines.

The effect of a 1% movement in the assumed medical cost trend rate is as follows:

	Increase $'000	Decrease $'000
Effect on the aggregate of the current service cost and interest cost	10	(8)
Effect on the defined benefit obligation	511	(434)

12. Pensions and Other Post Retirement Obligations *(continued)*

(iii) Other Information on Defined Benefit Pension Plan

The Company operates a defined benefit pension plan regulated by the Insurance Act, 2018 (as amended by the Insurance (Amendment) Act, 2020) of Trinidad and Tobago. This is a final salary pension plan which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The pension payments are increased by 3% each year. The majority of benefit payments are from trustee administered funds. Plan assets held in trust are governed by local regulations and practice. Responsibility for governance of the plan, including investment decisions lies jointly with the Company and the Board of Trustees. The Board of Trustees must be composed of representatives of the Company and plan participants in accordance with the plan's regulations.

The weighted average duration of the defined benefit obligation is 16.0 years (2022: 16.4).

The weighted average duration of the post-employment medical benefit obligation is 18.4 years (2022: 18.3).

In the case of the funded plan, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

12. Pensions and Other Post Retirement Obligations *(continued)*

(iii) Other Information on Defined Benefit Pension Plan *(continued)*

The statutory valuations of the plan over the last 12 years have reported deficits in funding. The Company has taken measures to reduce the deficit and to date there has been lumpsum injections totalling $31.4 million during the period 2008 to 2012, with $27 million also injected for the period 2019 to 2023. Based on the recommendation of the actuary, the Company continues its higher contributions, and with additional planned measures, anticipates the elimination of the deficit. The statutory valuation is prepared for a different purpose to the IAS 19 valuation and results of the IAS 19 valuation are not necessarily appropriate for making funding decisions.

(iv) Sensitivity of assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2023 Impact on defined benefit obligation (DBO)		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate:	0.50%	Decrease DBO by 6.3%	Increase DBO by 7.0%
Salary growth rate:	0.50%	Increase DBO by 1.9%	Decrease DBO by 1.8%
Pension growth rate:	0.25%	Increase DBO by 2.3%	Decrease DBO by 2.2%

As at December 31, 2023, if the discount rate had been 0.5% higher or lower with all other variables held constant, the carrying amount of pension obligations would have been $15,861,000 lower or $17,723,000 higher (2022: $15,296,000 lower or $17,120,000 higher).

	Increase by 1 Year in Assumption	**Decrease by 1 Year in Assumption**
Life expectancy:	Increase by 3.0%	Decrease by 3.1%

12. Pensions and Other Post Retirement Obligations *(continued)*

(iv) Sensitivity of assumptions *(continued)*

Assumptions regarding future longevity have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

	2023	2022
Member age 65 (current life expectancy)		
Males	17.38	17.34
Females	22.17	22.13
Member age 45 (life expectancy at age 65)		
Males	18.23	18.19
Females	22.98	22.94

At December 31, 2023, the weighted-average duration of the defined benefit obligation was 16.0 years (2022: 16.4 years).

	2022 Impact on defined benefit obligation (DBO)		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate:	0.50%	Decrease DBO by 6.4%	Increase DBO by 7.1%
Salary growth rate:	0.50%	Increase DBO by 1.9%	Decrease DBO by 1.8%
Pension growth rate:	0.25%	Increase DBO by 2.3%	Decrease DBO by 2.2%

	Increase by 1 Year in Assumption	Decrease by 1 Year in Assumption
Life expectancy:	Increase by 3.0%	Decrease by 3.0%

12. **Pensions and Other Post Retirement Obligations** *(continued)*

(iv) Sensitivity of assumptions *(continued)*

The majority of the plans' obligations are to provide benefits for the life of the members, so increases in life expectancy will result in an increase in the plans' liabilities.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The defined benefit pension plan and post-employment medical plan are exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government bond yields (Trinidad and Tobago does not have a deep or liquid market in Government or corporate debt); if plan assets underperform this yield, this will create a deficit. The plan holds a portion of assets in equities (approximately 37% of plan assets), which are expected to outperform Government bonds in the long-term while providing volatility and risk in the short-term.

Changes in bond yields

A decrease in Government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings. Similarly, an increase in Government bond yields will decrease plan liabilities.

Inflation risk

Some of the Company's pension obligations are loosely linked to inflation to the extent that inflation influences salary increases, and higher inflation leads to higher salaries which in turn will lead to higher liabilities. The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation can also increase the deficit.

12. Pensions and Other Post Retirement Obligations *(continued)*

(iv) Sensitivity of assumptions *(continued)*

Pension asset yield curve

The Company has unquoted investments of $141,972,114 (2022: $120,301,818) which are held with low-risk government and financial institutions. If the price in the yield curve were to change by 1 percent there would not be a material impact to the financial statements. A change of such magnitude is unlikely given the current economic environment and the quality of the associated financial instruments.

	2023	2022
	$'000	$'000
13. Trade and Other Payables		
Trade payables and accruals	51,527	70,573
Statutory liabilities	64,478	15,934
Due to related parties (Note 19)		
- trade	41,402	26,418
- other	10,178	11,776
	167,585	124,701
14. Revenue		
Billings excluding VAT – including excise	966,544	941,141
Less excise	(211,379)	(217,051)
	755,165	724,090

Revenue from contracts with customers relate to a point in time. The Company collects excise duty on behalf of the Comptroller of Customs and remits this excise duty to the Comptroller of Customs when a sale is made to a domestic distributor.

15. Expenses by Function

	2023	2022
	$'000	**$'000**
Cost of sales		
- Raw materials and consumables	125,608	110,902
- Employee benefits	44,670	45,368
- Royalties	44,501	26,840
- Manufacturing overheads	34,987	32,219
- Depreciation	11,632	10,961
	261,398	**226,290**
Distribution costs		
- Brand support expenses	2,191	1,819
- Employee benefits	5,538	3,565
- Technical and advisory services	784	1,020
- Inventory write-off	2,622	3,705
- Other distribution costs	2,339	4,544
	13,474	**14,653**
Administrative expenses		
- Technical and advisory services	15,554	23,106
- Employee benefits	14,421	9,989
- IT expenses	10,632	11,532
- Travel and related expenses	678	626
- Professional Fees	359	549
- Other administrative expenses	25,330	26,714
	66,974	**72,516**
Other operating expenses		
- Selling expenses	10,919	14,976
- IT expenses	3,728	1,890
- Employee benefits	4,320	4,529
- Depreciation	6,111	3,427
- Other expenses	5,297	7,849
	30,375	**32,671**

(a) *Employee benefit expense*

	2023	2022
Wages and salaries and other termination benefits	56,953	51,524
Other benefits	12,182	10,488
Pension costs:		
- defined benefit plan (Note 12)	3,204	2,347
- defined contribution plan	850	850
Post-employment medical benefits (Note 12)	320	331
	73,509	65,540

Number of employees as at year end 192 (2022: 200).

	2023	2022
	$'000	**$'000**

16. Taxation

	2023	2022
Corporation tax:		
- current year	107,433	115,517
- adjustment to prior year's estimates	(1,199)	7,910
Deferred income tax (Note 6)	3,546	(6,024)
	109,780	117,403

An adjustment was made in the current year to account for prior year's estimate of Corporation tax, which amounted to $434,544 for income year 2016 and ($1,633,031) for income year 2022. It was immaterial prior to correction and therefore was corrected in the current year's financial statements.

The tax on the Company's profit before tax differs from that calculated at the statutory tax rate applicable to profits of the Company as follows:

	2023	2022
Profit before taxation	386,868	378,983
Tax calculated at 30%	116,060	113,695
Expenses not deductible for tax	(615)	940
Income/allowances not subject to tax	(11)	(12)
Corporation tax – underprovision	(1,199)	7,910
Deferred tax – underprovision of deferred tax assets	(4,455)	(5,130)
	109,780	117,403

An adjustment was made in the current year to account for prior year's estimate of Deferred tax asset, which amounted to $4,455,000. The Deferred tax asset related to the pension lumpsum injections. It was immaterial prior to correction and therefore was corrected in the current year's financial statements.

17. Earnings per Share

Basic earnings per ordinary share are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2023	2022
Profit for the year attributable to equity holders ($'000)	277,088	261,580
Weighted-average number of ordinary shares ('000)	252,720	252,720
Basic and diluted earnings per share	$1.10	$1.04

18. Dividends Paid on Ordinary Shares

	2023	2022
	$'000	$'000
Final dividend – prior year	65,707	217,221
Second interim dividend	65,707	98,561
Third interim dividend	65,708	83,398
	197,122	399,180

A final dividend in respect of 2023 of $0.52 cents per share (2022 of $0.26 cents per share) amounting to $131,414,000 (2022: $65,707,200) is to be proposed at the Annual Meeting to be held on April 23, 2024. If approved, the total dividend per share for the year will be $1.04, 6% higher than the dividend distribution of $0.98 with respect to 2022.

The Company's Bye-Laws allow for the forfeiture of dividends unclaimed after a period of twelve (12) years. The Company undertook to conduct due diligence to ensure that any shareholder who is entitled to dividend payments receive same prior to its forfeiture. Unclaimed dividends of $3.8 million for periods 2009 and 2010 were written back to the retained earnings in equity in 2023. The next review is scheduled to take place in 2025.

19. Related Party Transactions and Balances

The Company is a subsidiary of British American Tobacco (Investments) Limited which owns 50.13% of the issued share capital. The remaining 49.87% of the shares are widely held. Its ultimate parent company is British American Tobacco p.l.c., a company registered in the United Kingdom. The Company has transactions and relationships with related parties as defined by IAS 24 Related Party Disclosures, all of which are undertaken in the normal course of business.

These transactions include the sale and purchase of manufactured cigarettes and raw materials and charges for Royalties, Services and Fees. The recharges of services include reimbursement for shared employee costs and write-offs relating to contract manufacturing.

The following transactions were carried out with related parties:

	2023	2022
	$'000	**$'000**
(a) Sale of goods and services		
Sale of goods - related parties	141,995	133,760
Recharge of services - related parties	30,377	23,817
(b) Purchases of goods and services		
Purchases of goods – related parties	55,721	70,598
Purchases of services – related parties	73,565	32,934
Purchases of services – parent company	11,114	37,879
(c) Key management compensation		
Salaries and other short-term employee benefits	9,002	8,543
Post-retirement medical obligations	8	5
Post-retirement benefits	565	368
(d) Balances with related parties and parent company		
Receivable from related parties (Note 9)	39,560	29,866
Payable to related parties (Note 13)	51,580	38,194
Payable to parent company	73,618	100,854

Related parties as referenced above in (a), (b) and (d) comprise subsidiaries of the Company's parent entity.

19. Related Party Transactions and Balances *(continued)*

(d) Balances with related parties and parent company (continued)

The receivables from related parties arise mainly from sales transactions and are due 30 days after the end of the month in which the invoice is dated. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties (2022: NIL).

The payables to related parties arise mainly from purchase transactions and are due 30 days after the end of the month in which the invoice is dated. The payables bear no interest.

The payable to parent company includes dividends payable and declared for income year 2023.

20. Contingent Liabilities

	2023 $'000	2022 $'000
Customs and immigration bonds	24,952	24,930

These consist of bonds required to be kept by the Company in order to meet legal requirements with the Government of Trinidad and Tobago. The probability of this bond being utilised is remote.

21. Commitments

Capital commitments

	2023	2022
Authorised and contracted for, and not provided for in the financial statements.	2,577	7,032

During 2023, the Company entered into several contracts to purchase property, plant and equipment and upgrade its existing plant and equipment, tentatively to be performed in 2024.

22. IFRS 16 Leases as a Lessee

The Company leases vehicles and a warehouse, both connected to trade and merchandising activities. The leases for the vehicles are for a four-year period. The lease for the warehouse was renewed and renegotiated for a three-year term. The next renewal period would be effective December 1, 2024.

(i) Right-of-use assets

	Vehicle $'000	Warehouse $'000	Total $'000
Balance as at January 1, 2023	5,472	490	5,962
Addition	2,588	–	2,588
Depreciation charge for the year	(2,138)	(420)	(2,558)
Balance as at December 31, 2023	5,922	70	5,992

	2023 $'000	2022 $'000
(ii) Lease Liability		
Balance as at January 1	5,483	1,075
Interest on lease liabilities	504	254
Additions	2,588	5,240
Principal and interest payments	(2,634)	(1,086)
Balance as at December 31	5,941	5,483
Non-current (one to four years)	3,814	3,986
Current (less than one year)	2,127	1,497
(iii) Amounts recognised in profit or loss		
Interest on lease liabilities	504	254
Depreciation expense on right-of-use assets	2,558	1,589
(iv) Amounts recognised in statement of cash flows		
Lease payment	2,130	832
Interest paid	504	254
Total Cash Outflow for Leases	2,634	1,086

23. Segment Information

The Company is organised and managed on the basis of two geographic regions, namely the Domestic market and the Caricom market. Beginning 2022, the company was also contracted as a Contingent supplier to a Non-Caricom market. The Non-Caricom market was included with the Caricom market. These are the reportable segments for the Company as they form the focus of the Company's internal reporting systems and are the basis used by the Managing Director and the local management team, as the chief operating decision makers, for assessing performance and allocating resources.

The Company is a single product business providing cigarettes. While the Company has clearly differentiated brands, segmentation among a wide portfolio of brands is not part of the regular internally reported financial information.

Primary reporting format – geographical segment

With the exception of the Domestic market, no other individual country within the Caricom market contributes more than 10% of total revenue. Information is analysed by segment only where relevant and applicable. Where there is no logical allocation basis, items have been disclosed as unallocated. All the Company's non-current assets are located in Trinidad and Tobago. Revenues from two customers of the Company's Domestic segment represented approximately $608,967,375 (2022: $587,013,776) of the Company's total revenues. This consisted of a 50% split between the two companies up to August 2023. From August to December 2023, the revenue of the Company's Domestic segment was generated from one customer.

The segment results and year end asset position for the year are as follows:

	Domestic	CARICOM& Non-CARICOM	Unallocated	Total
	TT$'000	TT$'000	TT$'000	TT$'000
Year ended December 31, 2023				
Revenue	613,170	141,995	–	755,165
Gross profit	475,716	18,051	–	493,767
Profit or loss for the year includes:				
- Depreciation	-	-	(17,743)	(17,743)
Year ended December 31, 2022				
Revenue	590,330	133,760	–	724,090
Gross profit	472,890	24,910	–	497,800
Profit or loss for the year includes:				
- Depreciation	–	–	(14,388)	(14,388)
Total Segment Assets				
December 31, 2023	264,265	63,413	565,290	892,968
December 31, 2022	131,910	77,665	573,861	783,436

24. Subsequent Events

The Company has evaluated events occurring after December 31, 2023, in order to assess and determine the need for potential recognition or disclosure in these financial statements. Such events were evaluated through March 14, 2024, the date these financial statements were available to be issued. Based upon this evaluation, the Company has not determined any material items to be disclosed.

WITCO
A BETTER TOMORROW

MANAGEMENT PROXY CIRCULAR

REPUBLIC OF TRINIDAD AND TOBAGO

THE COMPANIES ACT, CH.81:01 S.144

1 **Name of Company:**
THE WEST INDIAN TOBACCO COMPANY LIMITED

Company No:
W.17(C)

2 **Particulars of Meeting:**
One Hundred and Nineteenth Annual Meeting of The West Indian Tobacco Company Limited to be held at the Queen's Hall 1-3 St Ann's Road, Port of Spain, Trinidad on Tuesday April 23 2024 at 10:00am.

3 **Solicitation:**
It is intended to vote the Proxy hereby solicited by the Management of the Company (unless the Shareholder directs otherwise) in favour of all resolutions specified in the Proxy Form sent to the Shareholders with this Circular and, in the absence of a specific direction, in the discretion of the Proxy Holder in respect of any other resolution.

4 **Any Director's statement submitted pursuant to Section 76(2):**
No statement has been received from any Director pursuant to Section 76(2) of the Companies Act, Ch.81:01.

5 **Any Auditor's statement submitted pursuant to Section 171(1):**
No statement has been received from the Auditors of the Company pursuant to Section 171(1) of the Companies Act, Ch.81:01.

6 **Any Shareholder's proposal submitted pursuant to Sections 116(a) and 117(2):**
No proposal has been received from any Shareholder pursuant to Sections 116(a) and 117(2) of the Companies Act, Ch 81:01.

DATE	NAME AND TITLE	SIGNATURE
March 13 2024	Kathryn Anne Abdulla Company Secretary and Authorised Signatory	Kabdulla

Proxy Form

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT,
CH. 81:01 s.143(1)

1 Name of Company:
THE WEST INDIAN TOBACCO COMPANY LIMITED

Company No:
W.17 (C)

2 Particulars of Meeting:

One Hundred and NineteenthAnnual Meeting of The West Indian Tobacco Company Limited to be held at the Queen's Hall, 1-3 St Ann's Road, Port of Spain, Trinidad on Tuesday April 23 2024 at 10:00am.

3 I/We ______________________________

(BLOCK LETTERS PLEASE)

of ______________________________

shareholder/s in the above Company appoint:

☐ the Chairman of the Meeting

or failing him

☐ ______________________________ of

to be my/our proxy to vote for me/us and on my/our behalf at the above meeting and any adjournments thereof in the same manner, to the same extent and with the same powers as if I/we was/were present at the said meeting or such adjournment or adjournments thereof and in respect of the resolutions listed below to vote in accordance with my/our instructions.

Please indicate with an "x" in the spaces below and overleaf your instructions on how you wish your votes to be cast. Unless otherwise instructed, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.

Please consider Notes 1 to 6 below for assistance to complete and deposit this Proxy Form.

Proxy Form (CONTINUED)

RESOLUTION		FOR	AGAINST
1	To receive and consider the Audited Financial Statements of the Company for the financial year ended December 31 2023 together with the Reports of the Directors and Auditors thereon.		
2	To declare a Final Dividend for the financial year ended December 31 2023.		
3	To re-elect Mr Juan Carlos Restrepo Piedrahita who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.		
4	To re-elect Mr John De Silva who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye- Law No. 1 for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.		
5	To re-elect Mr Andrea Martini who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.		
6	To re-elect Mrs Danielle Chow who retires in accordance with paragraph 4.7:2(g) of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:10 of Bye-Law No.1 for a term from the date of her election until the close of the next Annual Meeting.		
7	To re-elect Ms Ingrid Lashley who retires in accordance with paragraph 4.7:2(g) of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:10 of Bye-Law No.1 for a term from the date of her election until the close of the next Annual Meeting.		
8	To elect Mr Luis Verenzeula as as a Director of the Company in accordance with paragraph 4.3 of Bye-law No. 1 of the Company, for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.		

Proxy Form (CONTINUED)

RESOLUTION		FOR	AGAINST
9	To elect Mr Johan Grosberg as a Director of the Company in accordance with paragraph 4.3 of Bye-law No. 1 of the Company, for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.		
10	To elect Mr Jason Julien as a Director of the Company in accordance with paragraph 4.3 of Bye-Law No. 1 of the Company for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5		
11	To elect Mr Eric Gagnon as a Director of the Company in accordance with paragraph 4.3 of Bye-Law No. 1 of the Company for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5		
12	To reappoint Messrs KPMG as Auditors of the Company to hold office until the close of the next Annual Meeting.		
13	To consider and, if thought fit, to adopt the following Ordinary Resolution: WHEREAS it is considered expedient and in the best interest of the Company to delete paragraph 24 of Bye-Law No. 1 of the Company and replace with the following paragraph: "24. Signatures The signature of the Chairman, a Deputy Chairman, a Managing Director, the Secretary or an Assistant Secretary or any director of the Company or of any officer or person, appointed pursuant to paragraph 23 hereof by resolution of the directors may, if specifically authorized by resolution of the directors, be (A) printed, engraved, lithographed or otherwise mechanically or electronically reproduced or (B) by way of an electronic signature. Any document or instrument so signed shall be deemed to be as valid to all intents and purposes as if such document or instrument in writing had been signed manually and notwithstanding that the officer or person whose signature is so reproduced has ceased to hold office at the date on which such document or instrument in writing is delivered or issued."		

Proxy Form (CONTINUED)

Signature/s of Shareholder/s ______________________________

____

Dated this ______________ *day of* ______________ *2024.*

NOTES:

1 A shareholder may appoint a proxy of his/her own choice. If such an appointment is made, delete the words “the Chairman of the Meeting” from the Proxy Form and insert the name and address of the person- appointed proxy in the space provided and initial the alteration.

2 If the appointor is a corporation, this Proxy Form must be under its common seal or under the hand of an officer of the corporation or attorney duly authorised in that behalf.

3 A shareholder who is a body corporate may, in lieu of appointing a proxy, authorise an individual by resolution of its directors or governing body to represent it at this Annual Meeting.

4 In the case of joint shareholders, the names of all joint shareholders must be stated on the Proxy Form and all joint shareholders must sign the Proxy Form.

5 If the Proxy Form is returned without any indication as to how the person-appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.

6. To be valid, this Proxy Form must be completed and deposited with the Secretary of the Company at the Registered Office of the Company at the address below at least 48 hours before the time appointed for the Annual Meeting.

Return to: THE COMPANY SECRETARY
THE WEST INDIAN TOBACCO COMPANY LIMITED CORNER
EASTERN MAIN ROAD AND MOUNT D’OR ROAD CHAMPS FLEURS
TRINIDAD, WEST INDIES
Email: kathryn_abdulla@bat.com

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