

**CHAIRMAN'S REVIEW**

Despite strong demand in the export markets in CARICOM and Latin America, challenges in the local market (internal and external) resulted in Profit after Taxation of \$34 million for the three-month period ended 31st March 2023. This represents a decrease of \$58 million or 63% over the corresponding period last year.

This performance reflects an adjustment to the new market reality and new investments that will allow for a return to solid growth in the short to medium term. Improved fundamentals support our confidence in the results to the year-end.

Having reintroduced the regular-sized Lucky Strike Red and completed the restructuring of our overall portfolio, Q1 2023 initiatives begin the transformation journey for the Company and mark a start to maximization of the investments towards an acceleration of performance. The product portfolio was expanded to provide consumers with the best in quality, options and innovation, and retain our place as the preferred supplier to fulfil consumption needs in all segments.

We will continue to invest in our factory, reinforcing our long-established position as a leading manufacturer in the country. It is a responsibility we take seriously and we continue to commit to the Trinidad and Tobago economy as an employer and net foreign exchange earner. We have begun a focus on distribution, which presents many areas for improvement and which will allow us to counter the challenges of illicit trade and other non-compliant commercial activities. This will ensure the widespread availability of our full portfolio of products to all areas of Trinidad and Tobago.

In the face of the current operating circumstances, the Board of Directors has decided not to pay an interim dividend. We anticipate that the fruits of our investments in product and process over the last two quarters will allow for a revised position going forward.



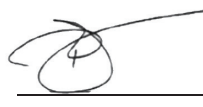
**Ingrid Lashley**  
Chairman  
10 May 2023

**SUMMARY STATEMENT OF FINANCIAL POSITION**

	UNAUDITED 31.03.23 TT\$'000	UNAUDITED 31.03.22 TT\$'000	AUDITED 31.12.22 TT\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	280,164	265,861	283,503
Deferred income tax asset	13,618	4,943	9,017
Retirement benefit asset	-	4,679	-
	<u>293,782</u>	<u>275,483</u>	<u>292,520</u>
<b>Current assets</b>			
Inventories	88,109	50,318	85,298
Trade and other receivables	108,991	152,292	124,277
Taxation recoverable	4,969	4,917	4,969
Cash and cash equivalents	285,640	371,317	276,372
	<u>487,709</u>	<u>578,844</u>	<u>490,916</u>
<b>Total assets</b>	<u>781,491</u>	<u>854,327</u>	<u>783,436</u>
<b>EQUITY</b>			
Share capital	42,120	42,120	42,120
Revaluation surplus	57,746	58,698	57,986
Retained earnings	386,389	551,494	352,113
<b>Total equity</b>	<u>486,255</u>	<u>652,312</u>	<u>452,219</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liability	44,785	47,367	41,726
Retirement benefit obligation	4,695	-	5,969
Post-employment medical benefit obligation	4,729	4,896	4,867
Lease liabilities	3,653	589	3,986
	<u>57,862</u>	<u>52,852</u>	<u>56,548</u>
<b>Current liabilities</b>			
Trade and other payables	101,221	104,425	124,701
Due to parent company	88,475	-	100,854
Dividends payable	46,459	44,454	47,617
Lease liabilities	1,219	284	1,497
	<u>237,374</u>	<u>149,163</u>	<u>274,669</u>
<b>Total liabilities</b>	<u>295,236</u>	<u>202,015</u>	<u>331,217</u>
<b>Total equity and liabilities</b>	<u>781,491</u>	<u>854,327</u>	<u>783,436</u>



**Ingrid Lashley**  
Chairman



**Raoul Glynn**  
Managing Director

**SUMMARY STATEMENT OF COMPREHENSIVE INCOME**

	UNAUDITED Three Months Ended 31.03.23 TT\$'000	UNAUDITED Three Months Ended 31.03.22 TT\$'000
<b>Revenue</b>	<b>124,914</b>	<b>202,055</b>
Cost of sales	(51,504)	(52,793)
<b>Gross profit</b>	<b>73,410</b>	<b>149,262</b>
Distribution costs	(1,729)	(1,102)
Administrative expenses	(16,635)	(13,541)
Other operating expenses	(8,670)	(5,381)
<b>Operating profit</b>	<b>46,376</b>	<b>129,238</b>
Finance income	1,133	47
Finance cost	(110)	(38)
<b>Profit before taxation</b>	<b>47,399</b>	<b>129,247</b>
Taxation	(13,363)	(37,199)
<b>Profit for the period</b>	<b>34,036</b>	<b>92,048</b>
<b>Other comprehensive income:</b>		
Items that will not be reclassified to profit or loss	-	-
<b>Total comprehensive income for the period</b>	<b>34,036</b>	<b>92,048</b>
Earnings per ordinary share	\$0.13	\$0.36

**SUMMARY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Share Capital TT\$'000	Revaluation Surplus TT\$'000	Retained Earnings TT\$'000	Shareholders' Equity TT\$'000
<b>Unaudited Three Months Ended 31 March 2023</b>				
Balance at 1 January 2023	42,120	57,986	352,113	452,219
<b>Comprehensive income</b>				
Profit for the period	-	-	34,036	34,036
<b>Other comprehensive income</b>				
Depreciation transfer on buildings - net of tax	-	(240)	240	-
<b>Balance at 31 March 2023</b>	<b>42,120</b>	<b>57,746</b>	<b>386,389</b>	<b>486,255</b>
<b>Unaudited Three Months Ended 31 March 2022</b>				
Balance at 1 January 2022	42,120	58,936	499,283	600,339
<b>Comprehensive income</b>				
Profit for the period	-	-	92,048	92,048
<b>Other comprehensive income</b>				
Depreciation transfer on buildings - net of tax	-	(238)	238	-
<b>Transactions with owners</b>				
Dividends	-	-	(40,075)	(40,075)
<b>Balance at 31 March 2022</b>	<b>42,120</b>	<b>58,698</b>	<b>551,494</b>	<b>652,312</b>

**SUMMARY STATEMENT OF CASH FLOWS**

	UNAUDITED Three Months Ended 31.03.23 TT\$'000	UNAUDITED Three Months Ended 31.03.22 TT\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	47,399	129,247
Adjustments for:		
Depreciation	4,180	3,595
Net (decrease)/increase in retirement and other post-employment benefit obligations excluding actuarial losses	(1,412)	1,203
Interest income	(1,133)	(47)
Interest expense	110	38
<b>Operating profit before working capital changes</b>	49,144	134,036
Changes in working capital:		
(Increase)/decrease in inventories	(2,811)	325
Decrease/(increase) in trade and other receivables	15,286	(25,415)
Decrease in trade and other payables	(25,808)	(24,330)
Decrease in due to parent company	(12,379)	-
<b>Cash generated from operating activities</b>	23,432	84,616
Interest paid	(110)	(38)
Taxation paid	(11,335)	(37,503)
<b>Net cash from operating activities</b>	11,987	47,075
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(841)	(5,118)
Interest received	(110)	47
<b>Net cash used in investing activities</b>	(951)	(5,071)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Dividends paid	(1,157)	(38,981)
Lease payments	(611)	(202)
<b>Net cash used in financing activities</b>	(1,768)	(39,183)
<b>Net increase in cash and cash equivalents</b>	9,268	2,821
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	276,372	368,496
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>285,640</b>	<b>371,317</b>
<b>Represented by:</b>		
Cash at bank and in hand	143,975	228,861
Short-term deposits	141,665	142,456
	<b>285,640</b>	<b>371,317</b>

**NOTES TO THE SUMMARY INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023**

**Note 1: General Information**

The West Indian Tobacco Company Limited 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.

This summary financial information was approved for issue on 10 May 2023.

**Note 2: Basis of Preparation**

This summary financial information for the three-month period ended 31 March 2023, has been prepared in accordance with International Accounting Standard 34 (IAS34), 'Interim Financial Reporting' as well as the requirements of the Securities Act 2012 which goes beyond IAS 34. The summary interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

**Note 3: Significant Accounting Policies**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and in accordance with International Financial Reporting Standards (IFRS).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those annual financial statements, with the exception of taxes on income in the interim periods, which are accrued using the tax rate that would be applicable to expected total annual earnings.

**Note 4: Segment Information**

Primary reporting format – geographical segment

	CARICOM & Unallocated			Total
	Domestic	Non-CARICOM	Unallocated	
	TT\$'000	TT\$'000	TT\$'000	TT\$'000
<b>Three months ended 31 March 2023</b>				
Revenue	94,989	29,925	-	124,914
Gross Profit	49,371	2,133	-	51,504
Profit for the period includes:				
- Depreciation			(4,180)	(4,180)
<b>Three months ended 31 March 2022</b>				
Revenue	173,613	28,442	-	202,055
Gross Profit	147,303	1,959	-	149,262
Profit for the period includes:				
- Depreciation			(3,595)	(3,595)
<b>Total segment assets</b>				
31 March 2023	119,680	77,781	584,030	781,491
31 March 2022	150,281	50,174	653,872	854,327
Total segment assets include additions to property, plant and equipment as follows:				
31 March 2023			841	841
31 March 2022			5,118	5,118

The Company is organised and managed on the basis of two geographic regions, namely the Domestic market and the CARICOM market. During 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 \$94,989,000 (2022: \$173,613,000) of the Company's total revenues. This consists of a 50% split between the two companies.

	31.03.23 TT\$'000	31.03.22 TT\$'000
<b>Note 5: Related Party Transactions</b>		
<b>Sale of goods and services:</b>		
Sale of goods - related parties	29,925	28,443
Recharge of services - related parties	5,393	7,619
<b>Purchase of goods and services:</b>		
Purchase of goods - related parties	13,528	18,354
Purchase of services - related parties	8,402	13,520
Purchase of services - parent company	3,608	4,141
<b>Period end balances arising from sales/purchases of goods and services:</b>		
Receivables from related parties	25,735	27,474
Payables to related parties	16,661	22,173
<b>Key management compensation</b>		
Salaries and other short-term employee benefits	3,133	3,046
Post retirement medical obligations	1	1
Post retirement benefits	92	46
<b>Note 6: Capital Commitments</b>		
Authorised and contracted for, and not provided for in the financial statements	1,378	7,020
<b>Note 7: Contingent Liabilities</b>		
Customs & immigration bonds	24,930	22,930
<b>Note 8: Dividends Paid On Ordinary Shares</b>		
Final dividend – prior year	65,707	176,904
	<u>65,707</u>	<u>176,904</u>

The Board has taken the decision not to pay an interim dividend for the three months ended 31 March 2023.