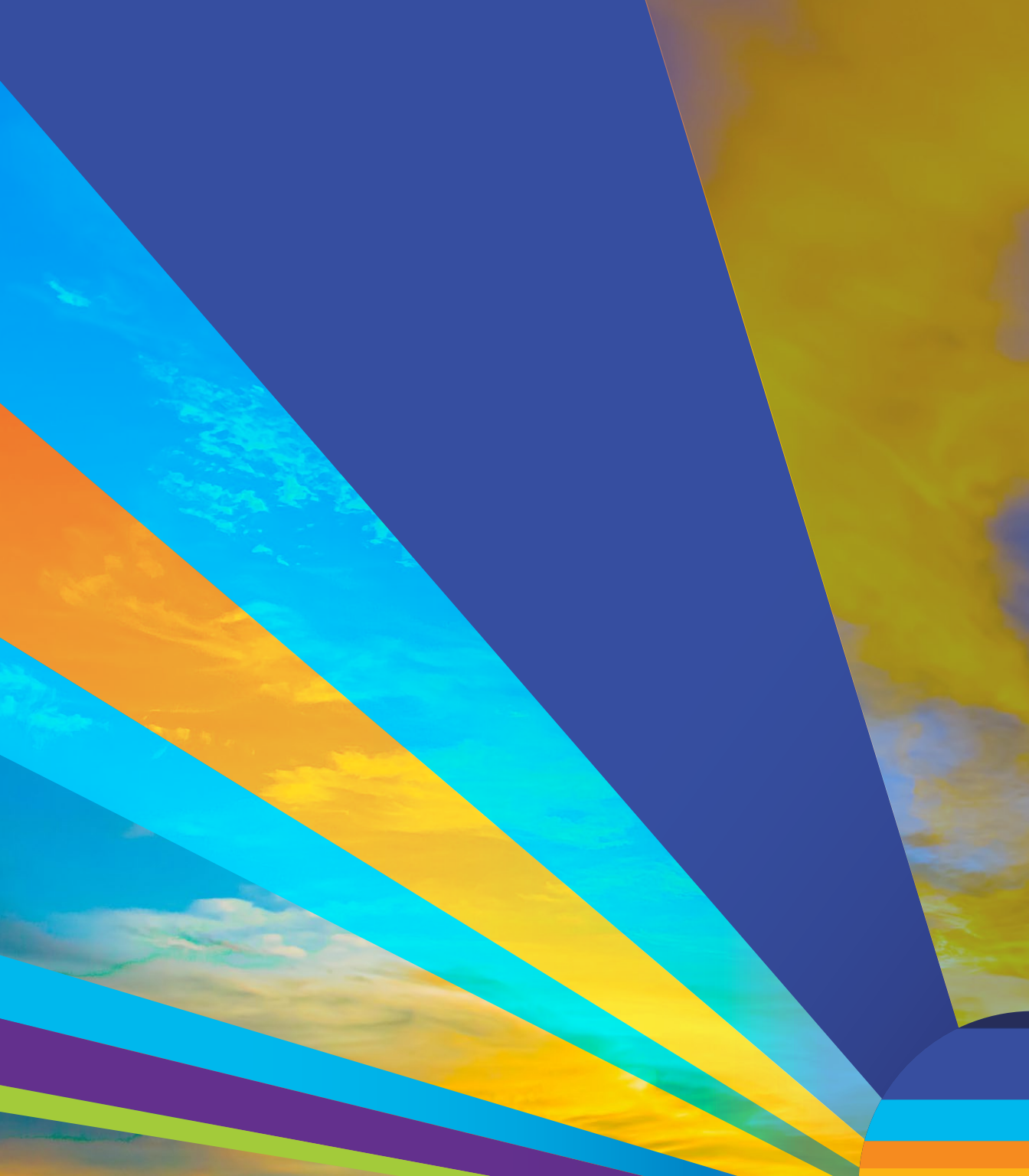


CREATING A BETTER
TOMORROW



ANNUAL REPORT 2022

DEMTOCO
A BETTER TOMORROW



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OUR MISSION

**Our vision is to achieve and maintain
leadership of the Guyanese
tobacco industry in order to create
long-term shareholder value.**



OUR STRATEGY

We hold steadfast to the strategy of creating shareholder value, delivering profit growth and long-term business sustainability. The four pillars of this strategy are Growth, Productivity, Sustainability and developing a Winning Organisation.

1 Growth

Demerara Tobacco Company (DEMTOCO) continues to focus on key strategic segments of the market that offer the best prospects for long-term growth, including driving our premium segment. We also believe it is important to continue to develop and utilise innovative, differentiated products and offer our consumers added value from our brands.

2 Productivity

The Company's overall approach to productivity is about using our global resources to increase profits and generate funds for reinvesting in our business.

3 Sustainability

We will continue to balance our commercial objectives with the expectations of a broad range of stakeholders, thus ensuring a sustainable business.

4 Winning Organisation

We are confident about our strategies for Growth, Productivity and Sustainability, but to deliver our vision we must also have the right people and the right working environment. That is the essence of the Winning Organisation strategy.



OUR BUSINESS PRINCIPLES

Our Business Principles cover the key issues that we believe underpin the way we operate as a tobacco business. Together, the three principles below form the basis on which we expect our business to be run in terms of responsibility.

The Principle of Mutual Benefit

This Principle is the basis on which we build relationships with our stakeholders. We are primarily in business to build long-term shareholder value and we believe the best way to do this is to seek to understand and take account of the needs of all our stakeholders.

The Principle of Responsible Product Stewardship

This Principle is the basis on which we meet consumer demand for a legal product that is generally accepted as a cause of serious diseases. Therefore, our products and brands should be developed, manufactured and marketed in a responsible manner.

The Principle of Good Corporate Conduct

This Principle is the basis on which our business should be managed. Business success brings with it an obligation to high standards of behaviour and integrity in everything we do and wherever we operate. These standards should not be compromised for the sake of results.

OUR ETHOS

In 2020, we transformed the Guiding Principles at DEMTOCO to Our Ethos which forms the core of our culture and guides how we deliver our strategy.



WE ARE BOLD

We dream big and share innovative ideas.
We make tough decisions quickly and proudly stand accountable for them.
We are resilient and fearless in beating the competition.



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.



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.



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.



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

Chairman

Mrs Kathryn Abdulla

Managing Director

Mr Vijay Singh

Other Directors

Ms Patricia Bacchus

Mr Troy Beharry

Mr Raoul Glynn

Mr Andre Pryce

Secretary

Mr Dharmendra Dharmo

Registered Office

Lot 122 Parade Street

Kingston

Georgetown

Attorneys-at-Law

Fraser, Housty & Yearwood

260 Middle Street

North Cummingsburg

Georgetown

Demerara

Mr Ronald Burch-Smith

225 South Road

Lacytown

Georgetown

Auditors

Jack A. Alli, Sons & Co.
Chartered Accountants

145 Crown Street

Queenstown

Georgetown

Bankers

Guyana Bank for Trade & Industry Limited

138 Regent Street

Lacytown

Georgetown

Scotiabank

104 Carmichael Street

North Cummingsburg

Georgetown

Registrar

Trust Company (Guyana) Limited

Lot 11 Lamaha Street

Queenstown

Georgetown

NOTICE OF ANNUAL MEETING

NOTICE is hereby given that the EIGHTY-NINTH ANNUAL GENERAL MEETING ("AGM") of SHAREHOLDERS of DEMERARA TOBACCO COMPANY LIMITED ("the Company") will be held on FRIDAY 21 APRIL 2023 at 2:00PM at GUYANA MARRIOTT HOTEL, BLOCK "A" BATTERY ROAD, KINGSTON, GEORGETOWN, GUYANA for the transaction of the following business:-

1. To receive and consider the Audited Financial Statements of the Company for the year ended 31 December 2022, together with the Report of the Auditors thereon;
2. To declare a Final Dividend of G\$12.83 per share in respect of the year 2022;
3. To re-elect Mr Vijay Singh, who retires as a Director of the Company in accordance with By-Law 18(1) of the Company's By-Laws, as a Director of the Company;
4. To re-elect Mrs Kathryn Abdulla, who retires as a Director of the Company in accordance with By-Law 18(1) of the Company's By-Laws, as a Director of the Company;
5. To fix the remuneration of the Independent Directors;
6. To re-appoint auditors Jack A. Alli, Sons & Co. until the close of the next Annual General Meeting and to authorise the Directors to fix their remuneration;
7. To consider and if thought fit to adopt the following resolution:

WHEREAS it is considered expedient and in the best interest of the Company to amend Article 129 of the Articles of Association of the Company by deleting the said paragraph 129 and replacing it with the following:

"All dividends unclaimed for more than one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared **may** be forfeited and shall revert to the Company."

8. To transact any other business as may be properly brought before the meeting.

BY ORDER OF THE BOARD



Dharmendra Dharmo
Secretary

24 February 2023

NOTICE OF ANNUAL MEETING (CONTINUED)

NOTES:

1. The Directors have not fixed a record date for the determination of Shareholders who are entitled to receive notice of the AGM. In accordance with Section 109(a)(i) of the Companies Act, Cap 89:01 the statutory record date applies. Only Shareholders on record at the close of business on 23 February 2023, the date immediately preceding the date on which the notice is given, are therefore entitled to receive notice of the AGM.
2. A Shareholder entitled to attend and vote at the AGM 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 General Meeting.
3. Any Shareholder who is a body corporate, may in lieu of appointing a proxy, authorise an individual by resolution of its Directors or other governing body, to act as its representative at the Meeting.

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report for the year ended 31 December 2022.

Principal Activities

The principal activities of the Company are the importation, marketing and sale of tobacco products in Guyana, which are manufactured under contract to predetermined specifications.

Financial Results

	G\$'000
Gross Turnover	7,731,961
Cost of Sales	(3,144,852)
Gross Profit	4,587,109
Operating Expenses	(996,177)
Other Income	8,472
Profit Before Taxation	3,599,404
Taxation	(1,522,501)
Profit After Taxation	2,076,903

Cash, Deposits and Capital Expenditure

Cash and Bank Balances as at 31 December 2022 totalled **G\$0.949 billion** compared to **G\$1.027 billion** at the prior year end, a decrease of **G\$78 million**.

Operating activities generated cash of **G\$1.892 billion** for the year under review.

Corporation tax paid during the year amounted to **G\$1.617 billion**. Total dividends paid amounted to **G\$1.921 billion**. Capital Expenditure for the year amounted to **G\$45.1 million** compared to **G\$20.8 million** for the previous year.

Intercompany Loan

The Company did not have any intercompany loan transactions for 2022.

REPORT OF THE DIRECTORS (CONTINUED)

Dividends

In June, August and November 2022, there were three (3) interim dividend payments with a fourth interim dividend payment scheduled for March 2023, totalling **G\$75.92 per share**. A final dividend of **G\$12.83 per share** is proposed by your Directors, making a total payment for the Financial Year 2022 of **G\$88.75 per share**.

Directors

The Board of Directors currently comprises six (6) Directors. Of the six Directors five (5) are Non-Executive Directors and of these, two (2) are independent. The Board is diversified by nationality and gender and represents a strong team with a broad range of professional backgrounds and styles.

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

In accordance with By-Law 18(1) of the Company's By-Laws, Mr Vijay Singh and Mrs Kathryn Abdulla will retire from the Board of Directors and being eligible offer themselves for re-election.

Interests of Directors, Senior Officers and Connected Persons

We record hereunder details of the beneficial interest of each Director, together with their connected persons, in the share capital of the Company as at the end of the Company's financial year 31 December 2022.

DIRECTORS	ORDINARY SHARES	NO. OF SHARES HELD BY CONNECTED PERSONS
Mrs Kathryn Abdulla	NIL	NIL
Mr Vijay Singh	NIL	NIL
Ms Patricia Bacchus	NIL	NIL
Mr Troy Beharry	509	NIL
Mr Raoul Glynn	NIL	NIL
Mr Andre Pryce	NIL	NIL

Mrs Kathryn Abdulla, and Mr Raoul Glynn, both Non-Executive Directors, are respectively the Company Secretary and Managing Director of an affiliated Company, The West Indian Tobacco Company Limited in Trinidad and Tobago.

REPORT OF THE DIRECTORS (CONTINUED)

Auditors

The Auditors, Jack A. Alli, Sons & Co., Chartered Accountants, have retired and are proposed for re-election.

BY ORDER OF THE BOARD



Dharmendra Dharmo
Secretary
24 February 2023

FIVE YEARS AT A GLANCE

GYD \$ 000	2018	2019	2020	2021	2022
<i>Balance Sheet Items</i>					
Non-current Assets	40,880	220,197	221,609	197,220	174,428
Current Assets	1,614,455	1,418,990	2,238,961	2,011,783	2,225,235
Total Assets	1,655,335	1,639,187	2,460,570	2,209,003	2,399,663
Current Liabilities	1,032,754	906,217	1,602,916	1,335,305	1,380,686
Non-current Liabilities	-	122,233	102,988	70,117	30,398
Net Assets	622,581	610,737	754,666	803,581	988,579
Net Assets per Share	26.61	26.10	32.25	34.34	42.25
<i>Profits and Distribution</i>					
Net Profit before Tax	2,884,910	2,844,440	3,051,479	3,474,296	3,599,404
Taxation	1,238,270	1,206,344	1,290,929	1,448,142	1,522,501
Net Profit after Tax	1,646,640	1,638,096	1,760,550	2,026,154	2,076,903
<i>Statistics</i>					
Ordinary Shares in issue ('000)	23,400	23,400	23,400	23,400	23,400
Earning per share	70.37	70.00	75.24	86.59	88.76
Dividends paid per share	65.49	72.52	70.60	85.80	82.11

FINANCIAL CALENDAR

ANNUAL MEETING

21 April 2023

REPORTS:

Interim Report six months to 30 June 2023

August 2023

PROPOSED DIVIDEND PAYOUT DATES

Fourth Interim 2022

March 2023

Final 2022

May 2023

First Interim 2023

June 2023

Second Interim 2023

August 2023

Third Interim 2023

November 2023

Fourth Interim 2023

March 2024

Final 2023

May 2024

BOARD OF DIRECTORS



Kathryn Abdulla

Chairman

Position

Chairman, appointed to the Board of Directors of Demerara Tobacco Company in April 2020.

Skills & Experience

Kathryn is an attorney-at-law with over 20 years' corporate commercial experience. She was also appointed a Notary Public in 2018. She currently holds the position of Head of Legal for the British American Tobacco Group's interest in the Caribbean and Company Secretary of the West Indian Tobacco Company Limited, an affiliate company in Trinidad. She has operated at a strategic level in various functions largely in the private sector. In her current portfolio, Kathryn provides strategic direction to achieve the Company's mandate of sustaining market leadership of tobacco products for the Caribbean, which includes some 24 markets.

Kathryn has provided national service to her country of Trinidad and Tobago as she held the position of Director on the not-for-profit Friends of the Blood Bank Association board until December 2019 and as a Trustee for another charitable committee with responsibility for sustaining local wildlife in Trinidad and Tobago.

Qualifications

Kathryn holds a Bachelor of Laws from The University of the West Indies and a Legal Education Certificate from the Hugh Wooding Law school, as well as a postgraduate certificate in the field of Corporate Governance from the Arthur Lok Jack School of Business. She also holds memberships in the Law Association of Trinidad and Tobago and the Caribbean Corporate Governance Institute.



Vijay Singh
Managing Director

Position

Managing Director, appointed to the Board of Directors of Demerara Tobacco Company in February 2020.

Skills & Experience

Vijay most recently served as the Trade Marketing and Distribution Manager for British American Tobacco's (BAT) interest in the English, Dutch and French-speaking Caribbean. He has been leading in this capacity for the past three years and has been instrumental in driving key business initiatives throughout the Caribbean. Specifically, Vijay was responsible for managing the French Overseas Territories through a turbulent legislative period bringing much-needed stability and clarity to these markets. He also increased and transformed BAT's market share within this cluster. Prior to this, Vijay worked at the West Indian Tobacco Company

Limited for nine years, five of which were spent as Trade Marketing Manager. He credits his beginning as entry-level management for his successful tenure there. During this time, he led his department to achieving ambitious targets which enabled the Company to earn year-on-year double digit profit growth. Vijay's experience of managing large groups has given him a wealth of knowledge and allowed him to develop his solution-based approach to challenges. Overall, his demonstration of sound commercial acumen and delivery of outstanding results, particularly in distributor management and profit growth, has informed this appointment as Managing Director.

Qualifications

Vijay holds a Bachelor's Degree in Business Management from the University of Sunderland.



Position

Non-Executive Director, appointed to the Board of Directors of Demerara Tobacco Company in September 2019.

Skills & Experience

Patricia is an attorney-at-law with over 16 years' experience. She currently holds the position of Managing Director and Board Chairperson of Caribbean Container Inc. (CCI) – a publicly listed company engaged in manufacturing activities. Prior to this, she held several other positions within the Company, including Director of Administration and Chief Operating Officer, since joining CCI in 2006.

Patricia has significant experience stretching across various sectors, having held Directorships on many State Boards and private sector organisations over the last 10 years. Patricia has chaired the Board of the Environmental

Protection Agency and most recently, she chaired the Board of the Guyana Office for Investments (GO-Invest) for four years. She also sat as a Director on the Guyana Gold Board, the Protected Areas Commission Board, the Board of Atlantic Hotel Inc. (Marriott) and the Privatisation Unit Board. She served on the Council and Executive Management Committee of the Private Sector Commission (PSC) and on the Council of the Georgetown Chamber of Commerce and Industry (GCCl). Patricia currently serves as a Director on the Board of the Canada Guyana Chamber of Commerce.

Qualifications

Patricia holds a Bachelor of Laws from the University of Guyana and a Legal Education Certificate of Merit from the Hugh Wooding Law School.



Troy Beharry
Non-Executive Director
(Independent)

Position

Non-Executive Director appointed to the Board of Directors of Demerara Tobacco Company in April 2022.

Skills & Experience

Troy has over 30 years' experience in Accounting, Finance and Audit. He is currently the Vice President and Chief Operating Officer of Massy Distribution (Guyana) Inc./Massy Stores (Guyana) Inc. Over his 30-year career he has proven to be a driven and ambitious change manager dedicated to continuous business improvements that are focused on enhancing revenue and streamlining business operations. He joined the Massy Group in 1997 as a Credit Manager.

In 2000 he was promoted to Accountant and became the Finance Director and Company Secretary in 2003. Prior to his employment at Massy Distribution (Guyana) Inc./Massy Stores (Guyana) Inc. Incorporated he held the position of Senior Auditor at Barcellos, Narine & Company.

Qualifications

Troy holds a Bachelor's Degree in Accountancy from the University of Guyana. He is also a Fellow of the Association of Chartered Certified Accountants of the UK and an alumnus of the Ivey Business School in Canada. Troy is also a member of the Institute of Chartered Accountants of Guyana.



Raoul Glynn

Non-Executive Director

Position

Non-Executive Director appointed to the Board of Directors of Demerara Tobacco Company in February 2017.

Skills & Experience

Raoul has over 20 years of experience with the British American Tobacco (BAT) Group and is currently the Managing Director of the West Indian Tobacco Company Limited, an affiliate company in Trinidad and Tobago. He also serves as the Head of the Caribbean for LANCAR, under the BAT Group. He 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 for BAT Iran and the Business Development Manager for BAT Central America and the Caribbean, with responsibility for the Trade Marketing, Distribution and Activation portfolio across Central America and the Caribbean.

Qualifications

Raoul holds a Bachelor of Arts degree from The University of the West Indies.



Position

Non-Executive Director, appointed to the Board of Directors of Demerara Tobacco Company in October 2021.

Skills & Experience

Andre has over 19 years' experience in the British American Tobacco (BAT) Group and is currently the Head of Trade for Carreras Limited, an affiliate company in Jamaica. He has served in several significant roles within the BAT Group, including Key Accounts Manager, Route to Market Manager, Customer Development Manager and Territory Manager for 31 different territories within the Caribbean, Central America

and South America. He also served as the Business Development Manager where he was a key player in the transition of the BAT Group's interest headquarters in Colombia. Prior to his journey with BAT, Andre held positions in the fields of marketing and teaching. He also served as Board Chairman for the Pesticides Control Authority in Jamaica.

Qualifications

Andre holds a Master of Business Administration in Marketing (with Distinction) and a Bachelor of Arts in English, both from The University of the West Indies.



We remain dedicated to ensuring that our activities yield positive outcomes for the communities in which we operate.

CHAIRMAN'S REVIEW

Dear Shareholders,

The year 2022 will be remembered as the year when the world started its journey back to normalcy. Despite the challenges posed by the changing environment, DEMTOCO remained nimble, adapting its strategies to stay competitive within the industry.

The Board and management exhibited strong leadership, navigating through various challenges and uncertainties, which have further demonstrated the Company's financial resilience. It brings me great pleasure to share with you some of the significant highlights of fiscal year 2022.

The Operating Environment

In 2022, while the global economy showed slow signs of rebounding after the pandemic, Guyana's economy remained remarkably strong, boasting a GDP growth of 62.3%, tripling the 2021 rate of 20.1%.

In this environment and despite the challenges, the Company never wavered in its commitment to delivering superior value across the total portfolio. Leveraging the strength of our brands and innovative strategies that allowed us to quickly pivot and adapt to the changing realities, we achieved positive outcomes for our distributors, customers, and shareholders.

As the Company remains focused on taking advantage of the growing economy, we are well-positioned to emerge as an even stronger company, creating A Better Tomorrow.

Superior Returns for our Shareholders

Our Company delivered earnings per share of G\$88.76 versus G\$86.59 in the prior year and total dividend payments of G\$1.921 billion were distributed in 2022. We generated profit after tax of G\$2.077 billion versus G\$2.026 billion which represented an increase of 2.5%. Overall, the Company saw growth in revenue of 5.8%, with a favourable movement in operating profit of 3.6% mainly driven by increased revenue and efficiencies in operating costs.

Increase Sustainability and Responsibility

DEMTOCO is evolving from solely pursuing "shareholder value" to adopting a broader purpose that benefits all stakeholders. Environmental, Social, and Governance (ESG) objectives are now an essential component of our business, as we collaborate with all parties to tackle critical social, economic, and environmental concerns. We remain dedicated to ensuring that our activities yield positive outcomes for the communities in which we operate.

Fighting Against Illicit Trade

The illegal trade of cigarettes continues to be a pressing issue in Guyana and DEMTOCO has been actively working with relevant authorities to address this ongoing problem.

Illicit traders benefit from this trade by evading taxes, avoiding stringent manufacturing standards and quality controls, infringing on trademarks, and selling non-compliant products. Smugglers are usually well coordinated, and the

CHAIRMAN'S REVIEW (CONTINUED)

illicit trade is linked to more organised criminal networks which in turn are associated with human trafficking, terrorism, drugs, arms and even money laundering.

As a responsible company, DEMTOCO adheres to all local laws and regulations regarding the distribution, marketing and sale of our products and fully supports any initiative aimed at eliminating the illicit tobacco trade. We remain committed to raising awareness about the harmful effects of illicit trade through active engagement with regulators, government, and the private sector.

Governance and Board

At DEMTOCO, we remain unwavering in our commitment to sound governance practices that ensure long-term sustainability and growth. Our aim is to achieve our business objectives with honesty, transparency, and accountability, while maintaining a culture of integrity in all our actions.

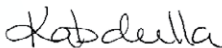
The success of this year's performance is truly a reflection of our collective efforts. We are excited to host our first in-person Annual General Meeting of Shareholders (AGM) since the lifting of COVID-19 restrictions.

In Closing

DEMTOCO has shown remarkable resilience throughout 2022, underscoring our ability to rebound swiftly from adversity and setbacks.

We express our gratitude to our shareholders for their unwavering loyalty and support. On behalf of my fellow Directors, we extend our heartfelt appreciation to the management and staff of DEMTOCO for their extraordinary efforts during the most trying of times. Thank you for your flexibility and dedication as we move forward into the future as an enterprise fit to Create A Better Tomorrow.

Lastly, to our faithful shareholders, we say a special thank you for your continued loyalty and commitment.



Kathryn Abdulla
Chairman



MANAGING DIRECTOR'S REVIEW

Dear Shareholders,

As the Managing Director of DEMTOCO, a resilient company, it is my great privilege to present this year's Annual Report review. Despite the challenges presented by the COVID-19 pandemic, we persevered with hope, determination, and success. With the removal of COVID-19 restrictions in the earlier part of 2022, citizens were finally granted some form of relief from the curfews, lockdowns, and shipping delays that plagued us.

Throughout this challenging period, we remained true to our ETHOS of being Bold, Fast, Diverse, Empowered, and Responsible. Our commitment to these values has helped us to become a stronger and more adaptable company. With the positive momentum within the Guyanese economy, DEMTOCO is well positioned to continue delivering strong and sustainable results in the future.

I am pleased to inform our shareholders that DEMTOCO has achieved another year of strong operational performance with growth in revenue, value, and volume share. Notably, our revenue grew by 5.8% to 7.732 billion, driven primarily by our portfolio mix and volume increase. This success is a testament to our commitment to delivering high-quality products and services to our customers.

MANAGING DIRECTOR'S REVIEW (CONTINUED)

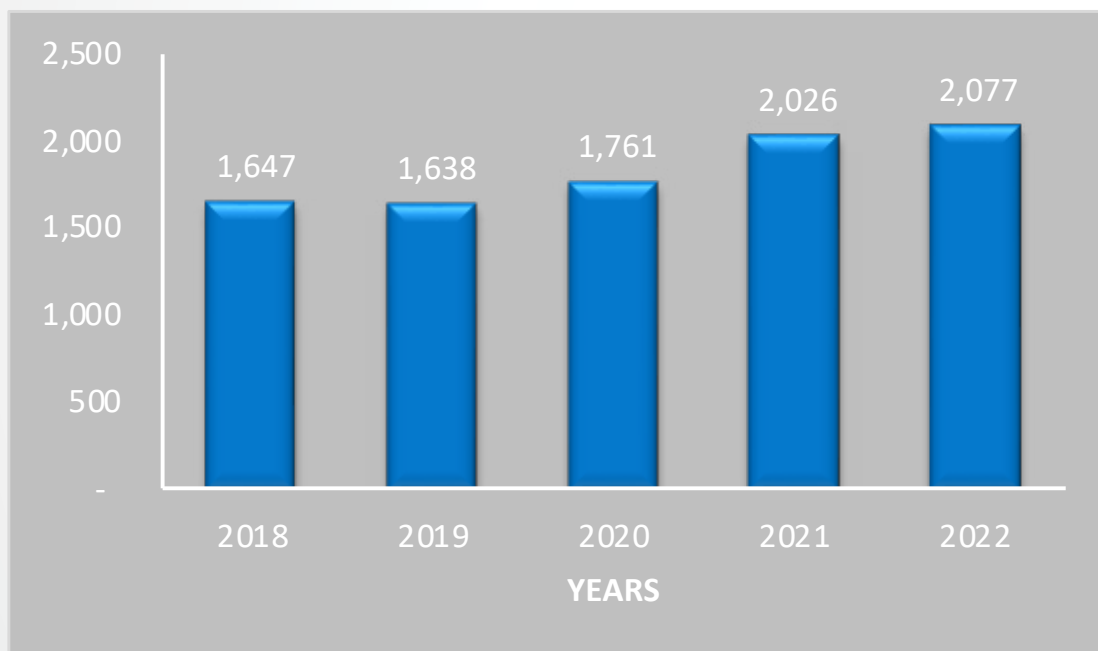
As we look to the future, we remain steadfast in our commitment to our ETHOS and to delivering value to our stakeholders. With the support of our dedicated employees and the unwavering loyalty of our customers, I am confident that DEMTOCO will continue to thrive in the years to come. Thank you for your continued support.

Company performance

As expected, every fiscal year brings new opportunities and even at times uncertainty. At DEMTOCO we are pleased to say we challenge ourselves to use these as catalysts for transformation and empowerment.

Profit After Tax

Profit after tax increased by 2.5% this year, from G\$2.026 billion to G\$2.077 billion. The maintenance of growth was due to the customer-focused and diligent approach of the DEMTOCO team.



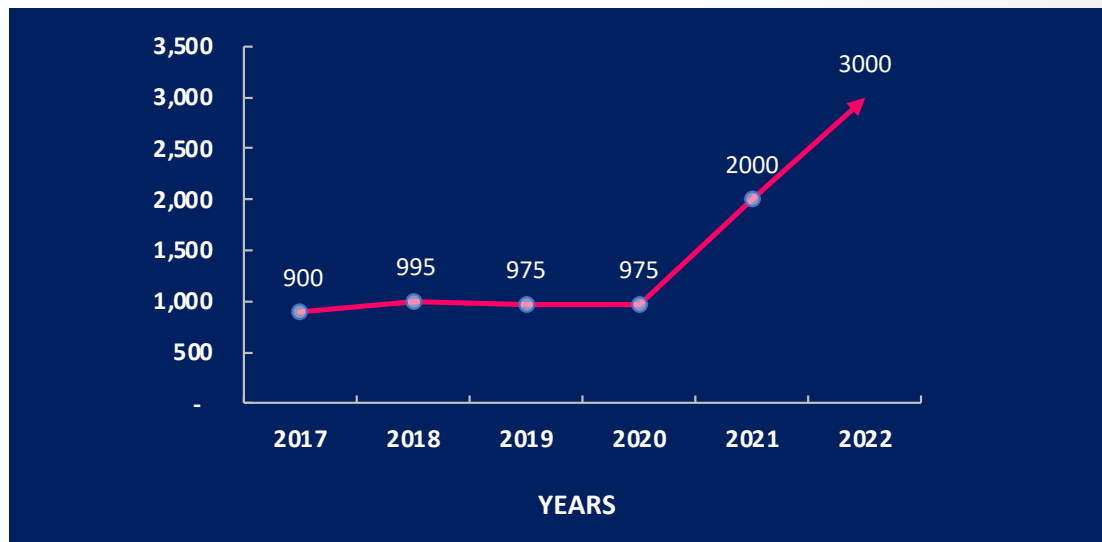
Earnings Per Share

Earnings per share Increased by 2.5% this year from G\$86.59 to G\$88.76



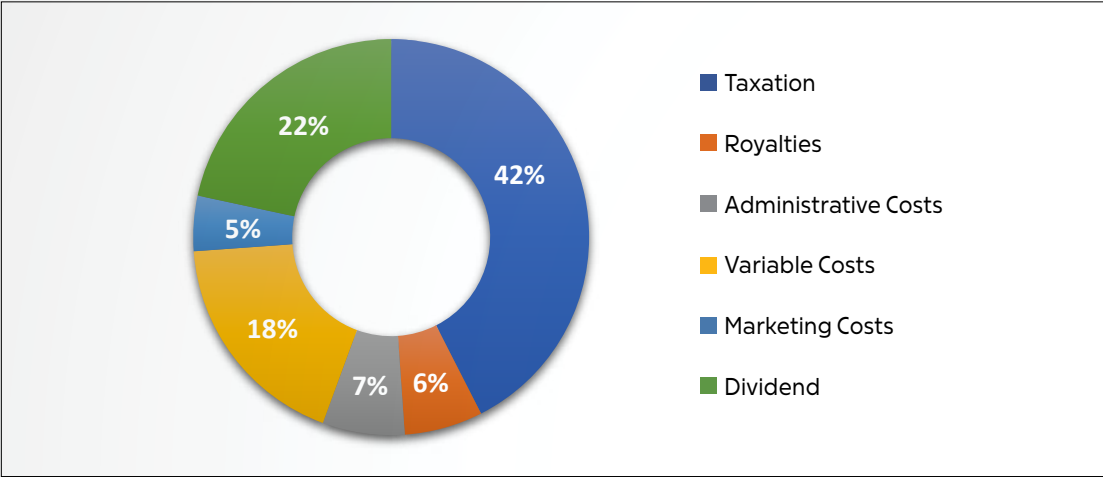
Share Price

Share price increased by 50% in 2022 versus 105% same period last year.



Income Distribution

A look at the distribution of income indicates a significant 42% totaling G\$3.8 billion being allocated to taxation, followed by dividend payments amounting to 22%.

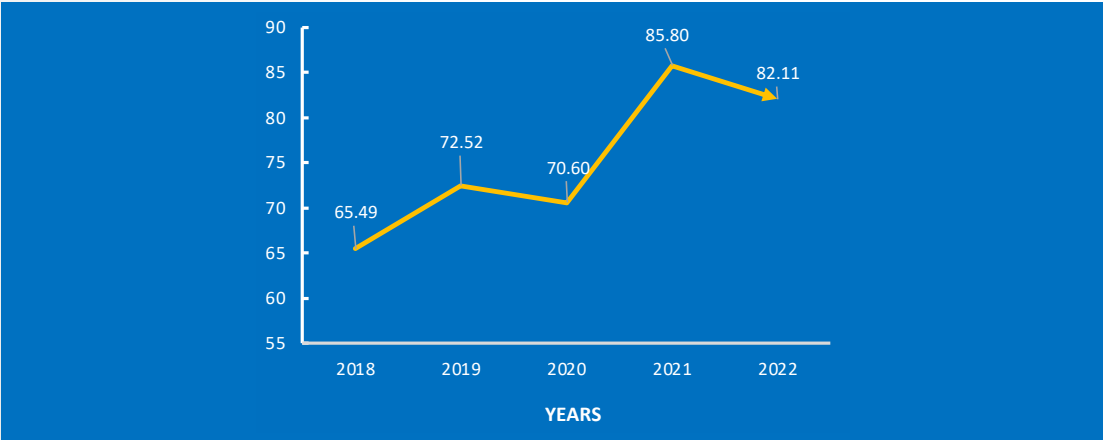


Dividend Payout

2022 brought its unique challenges with significant increases in costs for raw materials acquisition, inflation, and freight. As these costs were absorbed by DEMTOCO, this led to management balancing the increases with finding efficiencies in operations.

Dividend payouts in 2022 decreased by 4.3% to G\$82.11 compared to an increase of 21.5% to G\$85.80 in 2021.

Additional value will be passed to shareholders by way of the fourth and final interim dividends payable in 2023.



MARKETING

The Path of Growth

Demerara Tobacco Company has continued its trajectory of growth, achieving 3.6% growth for the second consecutive year, compared to 2021. This outstanding performance resulted in a total of 441mn sticks being sold, and was made possible through the enhancement and transformation of our brands portfolio, the unwavering loyalty of our customers, and the support of our retailers.

We recognise that this sales performance would not have been possible without the hard work and dedication of our agile and empowered employees, Distributor Sales team, proactive trade integrations across the length and breadth of Guyana, and the collaboration with our wholesalers to ensure that our brands remained a priority.

We placed tremendous emphasis on maintaining the successful performance of our premium category throughout the year. We are delighted to report that our premium category, supported by Dunhill, achieved phenomenal double-digit growth of +11% compared to 2021, driven mainly by our continued innovation and evolution in this portfolio.

At DEMTOCO, we remain committed to delivering strong brands, supported by innovation and quality, to provide value to our consumers, retailers, and shareholders. We are proud of our performance and will continue to work tirelessly to Create a Better Tomorrow.

Illicit Trade

In 2022, we entered the endemic stage, bringing a level of stabilisation. However, it has been noted that globally, the resumption of business activities and increased mobility, coupled with consumer access to black market products, is expected to drive the return of illicit volume growth. Guyana is no exception to this trend. Despite the engagement of key stakeholders and some level of enforcement through seizures and an official notice by the Guyana Revenue Authority, we estimate the illicit cigarette market to be around 10%, with two key brands sold in large quantities nationwide.

Illicit trade undermines tobacco control efforts, as illegal products are disproportionately consumed by low-income populations, including youth, who gain enhanced access to cigarettes distributed via unregulated channels. Illicit traders create an illusion of competitive advantage while depriving the government of its revenue, damaging legitimate retailers and undermining rules on advertising, packaging, and labeling. The trade in illicit goods is a transnational crime run by extensive and complex criminal gangs, with consequences ranging from economic loss from tax evasion and trademark infringements to detrimental quality issues associated with poor manufacturing conditions and national security threats.

To achieve government public health objectives, addressing the size of the illicit market is critical, and DEMTOCO advocates for increased enforcement by both local and regional authorities to disrupt the supply chain to facilitate the creation of A Better Tomorrow.

Employee Engagement

At DEMTOCO, we place a high value on our employees and take great care to ensure their safety and well-being, especially during the recent pandemic. We are proud of our company's ethos of being Bold, Fast, Empowered, Diverse, and Responsible, which our employees embody in their work.

As a premier company to work for in Guyana, we are able to attract and retain the best talent with the necessary skills and experience to Create A Better Tomorrow. Our team has built on the solid foundation laid in 2021 and has made significant strides in optimising performance and delivery.

Our employees have enthusiastically participated in Defensive Driving and Mental Health programmes and have learned valuable skills, including advanced on-road maneuvers and stress management techniques.

We remain committed to investing in our employees' development, as we recognise that they are our most important asset.

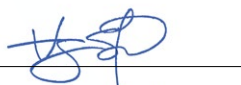
Thank you

Lastly, I would like to express my sincere gratitude to all of our valued retailers and consumers. Your unwavering loyalty and ongoing support serve as our motivation to Create A Better Tomorrow. As we look to the

future, we remain steadfast in our commitment to our ETHOS and to delivering value to our stakeholders. I would also like to extend my thanks to the Chairman and the Board of Directors for their unwavering support during an undoubtedly challenging year. Their experienced leadership and oversight have been critical to the Company's continued success. A special recognition goes out to our management team, who have consistently demonstrated unwavering commitment to excellence, thus serving as a beacon for our company's vision. We remain dedicated to achieving meticulous and results-oriented management, which we consider our top priority.

We would also like to extend our heartfelt appreciation to our distribution team at Edward B. Beharry for their steadfast dedication and invaluable contribution to our year-on-year growth.

In conclusion, we are confident that 2023 will bring us sustained growth as we continue to Create a Better Tomorrow for all our stakeholders. Thank you for your continued support.



Vijay Singh
Managing Director

LEADERSHIP TEAM

Vijay Singh
Managing Director

Dharmendra Dharmo
Finance Controller

Candice Canzius
Area Manager



Solange Pertab
Executive Assistant

Merson Jones
Legal and External Affairs
Executive

Marise Jordan
Marketing Deployment
Executive





REPORT TO SHAREHOLDERS

In 2022, we closed with another strong and successful year, delivering exceptional results, despite still having some challenges associated with the COVID-19 pandemic.

DEMTOCO has been a resilient company throughout the last 88 years within the Guyanese economy. We have learnt a lot along the way including how to successfully respond to economic, societal, and regulatory challenges. We have built a strong foundation over the past 8 decades laying the key corner stones to Create A Better Tomorrow for all our stakeholders. Demerara Tobacco continues to evolve at an accelerated pace with various transformative projects throughout the reporting year which focused on helping our brands remain strong while developing smart business strategies to successfully meet our targets, all being done within the confines of the tobacco regulations to maintain our sterling image and Good Status within Guyana.

Creating an Innovative Portfolio

DEMTOCO is a leading consumer-centric, fast-moving consumer goods business dedicated to providing the products smokers demand. Our portfolio reflects our commitment to meeting the varied needs of Guyana's adult tobacco consumers. Our performance over 2022 is directly related to the strength of our brand portfolio. We invested in brands that have proven value which resulted in overall growth of 3.6% versus 2021.

Our premium brand, Dunhill continues to shine. In 2022, the brand recorded a remarkable performance, increasing volume by 11% over 2021. A major contributor was the introduction of Dunhill Exotic in late 2021. Embracing transformation, Dunhill continued to captivate our consumers by bringing modernity to the family with our Dunhill pack upgrade. Dunhill further created the space for A Better Tomorrow

with the introduction of another doubled capsule product in September 2022, Dunhill Arctic, a menthol cigarette with two (2) menthol capsules allowing for a customisable smoking experience.



In 2022, we accelerated our purpose to create A Better Tomorrow with the completion of the migration process of Bristol to Lucky Strike, an iconic brand with 150 years of heritage. Lucky Strike also offered more value to our consumers with the introduction of a larger, super king-sized format moving this segment from a regular-sized format. The ability to maintain the same taste as Bristol was recognised and appreciated by the consumer who continued to remain loyal to DEMTOCO's offering in this segment. This transformation allowed for the rejuvenation of the Lucky Strike/Bristol brand as we march into A Better Tomorrow.

Pall Mall continued to perform competitively with 7.4% growth versus 2021. This brand continued to do well and is helping us to fight against illicit trade and in the ultra-low-priced space. The Company is aware of the challenging economic times globally, and Pall Mall remains a brand that continues to offer a competitively priced product while maintaining a consistently high quality.

In creating A Better Tomorrow, DEMTOCO strives to add value for our consumers, trade customers and shareholders. We will continue to provide high quality, unique and differentiated products to deliver long-term sustainable value to our stakeholders.

Building a resilient Team

The collective resilience demonstrated by the DEMTOCO team in 2022 underscored how we were able to live our Ethos during globally challenging times. Despite the residual impacts of the COVID-19 Pandemic and an increasingly competitive market, our people were Bold, Fast, Responsible, Diverse and Empowered in delivering the Company's agenda to ensure that we create A Better Tomorrow.



Our People Focus for 2022 was very clear. Engagement was used as an engine for building a high-performance culture and reintegrating our people to the workplace. There was also revitalised emphasis on talent development and preparing the organisation for the future. In 2022, we launched our Mind-to-Mind Mentorship Platform which was designed to provide key talents with close access to senior colleagues who can offer guidance based on their direct knowledge and experience.

Our Caribbean Heroes Reward & Recognition Programme was also introduced to incentivise and reinforce desired behaviours and business outcomes throughout an energising and engaging platform of recognition that is directly supportive of the Ethos and Leadership Capabilities.

Project Olympus, another critical project, actively pursued export and development opportunities for members of our staff. Health and Safety also continued to be critical priorities for the Company as we promoted our Employee Assistance Programme (EAP) and provided coaching on avoiding burnout and maintaining positive mental health.

Our drive to create A Better Tomorrow and uphold the tenets of our Ethos continued to grow as we demonstrated our respect for diversity, celebrating Mashramani, Diwali, Emancipation, Pintero, Lancar Taste of Culture and World Cup Football. Living our Ethos helped to facilitate a friendly atmosphere for

cross-functional and interdisciplinary work, useful for the achievement of consistently high levels of excellence.

Building for a Better Tomorrow- Accelerating Growth

As a company that thrives on its Ethos, and a market leader in the tobacco industry we will continue to work with all our stakeholders as we believe this is the key to creating A Better Tomorrow.

We understand the need to keep adding value for our consumers, trade partners, employees and shareholders. In all that we do we are committed to doing business in a way that meets the expectations of today's society, and the society of tomorrow. Acting responsibly and with integrity underpins our whole approach and forms the foundations of our culture and values as a company allowing us to continue to develop a responsible, successful and sustainable business, Creating A Better Tomorrow.





FINANCIAL STATEMENTS TOGETHER WITH REPORT OF THE AUDITORS



REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF
DEMERARA TOBACCO COMPANY LIMITED

Opinion

We have audited the financial statements of Demerara Tobacco Company Limited which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 42 to 56.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Demerara Tobacco Company Limited as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Guyana Companies Act.

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' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with 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.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition and existence of trade receivables	
The Company recorded revenue for the year of \$7.7 billion and has trade receivables outstanding at the year end of \$802 million. These related amounts are material to the financial statements and therefore considered a key audit matter.	<p>Our audit procedures in relation to this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • testing of internal controls relevant to the recognition of revenue; • sample testing of revenue recognised to supporting invoices and delivery documentation; • sample testing of sales transactions around the year end date to supporting invoices and delivery documentation; • comparison of quantities sold to quantities imported and changes in stock holdings; and • comparison of the trade receivables to confirmation letters received and subsequent collections from customers.
Tax obligations arising on related party transactions	
The Company carries out several significant transactions with related entities based outside of Guyana, as disclosed in Note 9 (b) to the financial statements. These related party transactions give rise to various tax obligations in Guyana, the financial impact of which is material to the Company's financial results and therefore considered a key audit matter.	<p>Our audit procedures in relation to this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • procedures to assess the completeness and accuracy of related party transaction disclosures; • sample testing of related party transactions to supporting documentation including contracts, invoices or delivery records, as applicable; and • assessment of the adequacy of tax liabilities recognised on related party transactions by reference to the provisions of the applicable Guyana tax legislation (including relevant Double Taxation Treaties) and to previous engagements between the Company and the Guyana Revenue Authority.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report but does not include the financial statements and our auditors' report thereon. The Company's 2022 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 will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Guyana Companies Act, 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 these 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.

As part of an audit in accordance with ISAs, we exercise professional judgement 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.

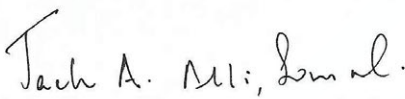
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

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



JACK A. ALLI, SONS & CO.
145 Crown Street, Queenstown
Georgetown, Guyana
24 February 2023

STATEMENT OF FINANCIAL POSITION

31 December 2022

Thousands of Guyana Dollars

	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	98,355	93,452
Right-of-use assets	5	56,622	86,112
Deferred taxation	6	19,451	17,656
		<u>174,428</u>	<u>197,220</u>
Current assets			
Inventories	7	204,466	182,169
Accounts receivable and prepayments	8	858,871	603,470
Amount due from related party	9	13,737	0
Taxation		199,092	199,092
Cash and cash equivalents	10	949,069	1,027,052
		<u>2,225,235</u>	<u>2,011,783</u>
TOTAL ASSETS		<u>2,399,663</u>	<u>2,209,003</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	23,400	23,400
Retained earnings		<u>965,179</u>	<u>780,181</u>
		<u>988,579</u>	<u>803,581</u>
Non-current liability			
Lease liabilities	5	<u>30,398</u>	<u>70,117</u>
Current liabilities			
Accounts payable and accruals	12	810,577	650,666
Amounts due to related parties	9	354,242	377,542
Lease liabilities	5	43,829	32,871
Taxation		123,656	216,529
Provision for other liabilities	13	<u>48,382</u>	<u>57,697</u>
		<u>1,380,686</u>	<u>1,335,305</u>
TOTAL EQUITY AND LIABILITIES		<u>2,399,663</u>	<u>2,209,003</u>

The notes on pages 42 to 56 form an integral part of these financial statements. The Board of Directors approved these financial statements for issue on 24 February 2023.



 Directors

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2022

Thousands of Guyana Dollars	Note	2022	2021
Sales		7,731,961	7,308,347
Cost of sales	14	(3,144,852)	(2,838,434)
Gross profit		4,587,109	4,469,913
Distribution and marketing costs	14	(400,570)	(460,243)
Administrative expenses	14	(595,607)	(538,335)
Other income		8,472	2,961
Profit before taxation		3,599,404	3,474,296
Taxation	17	(1,522,501)	(1,448,142)
Profit for the year		2,076,903	2,026,154
Earnings per share	18	88.76 Dollars	86.59 Dollars

The notes on pages 42 to 56 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2022

Thousands of Guyana Dollars

Note

		Share Capital	Retained Earnings	Total
Year ended 31 December 2021				
As at beginning of year		23,400	731,266	754,666
Profit for the year		0	2,026,154	2,026,154
Dividends paid	19	0	(2,007,720)	(2,007,720)
Forfeiture of unclaimed dividends	19	0	30,481	30,481
As at end of year		23,400	780,181	803,581
Year ended 31 December 2022				
As at beginning of year		23,400	780,181	803,581
Profit for the year		0	2,076,903	2,076,903
Dividends paid	19	0	(1,921,374)	(1,921,374)
Forfeiture of unclaimed dividends	19	0	29,469	29,469
As at end of year		23,400	965,179	988,579

The notes on pages 42 to 56 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2022

Thousands of Guyana Dollars

	Note	2022	2021
OPERATING ACTIVITIES			
Profit before taxation		3,599,404	3,474,296
Adjusted for:			
Depreciation		77,401	67,186
(Gain)/loss on disposal of property, plant and equipment		(3,413)	95
Net movement in provision for other liabilities		(9,315)	5,411
Interest on lease liabilities		12,623	15,816
Operating profit before changes in working capital		3,676,700	3,562,804
(Increase)/decrease in inventories		(22,297)	22,604
Increase in accounts receivable and prepayments		(255,401)	(268,727)
Increase in accounts payable and accruals		159,911	27,778
Decrease in net amount due to related parties		(37,037)	(386,940)
Cash generated from operations		3,521,876	2,957,519
Taxes paid		(1,617,169)	(1,374,379)
Interest paid		(12,623)	(15,816)
Net Cash Inflow - Operating Activities		1,892,084	1,567,324
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(45,186)	(20,806)
Proceeds from sale of property, plant and equipment		7,892	170
Net Cash Outflow - Investing Activities		(37,294)	(20,636)
FINANCING ACTIVITIES			
Dividends paid	19	(1,921,374)	(2,007,720)
Forfeiture of unclaimed dividends	19	29,469	30,481
Payment of lease liabilities - principal portion		(40,868)	(33,594)
Net Cash Outflow - Financing Activities		(1,932,773)	(2,010,833)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(77,983)	(464,145)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR		1,027,052	1,491,197
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	10	949,069	1,027,052

The notes on pages 42 to 56 form an integral part of these financial statements.

1. INCORPORATION AND PRINCIPAL ACTIVITIES

The Company was incorporated in Guyana on 14 June 1934. Its registered office is 122 Parade Street, Georgetown.

The Company is a subsidiary of British American Tobacco International Holdings (UK) Limited, a company registered in the United Kingdom. The ultimate parent company is British American Tobacco plc., a company registered in the United Kingdom.

The principal activities of the Company are the marketing and sale of tobacco products in Guyana, which are manufactured under contract to pre-determined specifications.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention. The Company's accounting policies conform with International Financial Reporting Standards ('IFRS'), as issued by the International Accounting Standards Board ('IASB'), and the Guyana Companies Act.

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. 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 3.

Pronouncements effective in current year

The following amendments and improvements to existing standards have been published and are effective in the current financial year. There was no impact to the Company's financial reporting arising from the adoption of the amendments and improvements.

IAS 16	Amendments - Proceeds before Intended Use
IAS 37	Amendments - Onerous Contracts: Cost of Fulfilling a Contract
IFRS 3	Amendments - Reference to Conceptual Framework
Annual Improvements to IFRS 2018-2020 Cycle:	
	Minor amendments to IFRS 1, IFRS 9
	Amendment to illustrative examples

Pronouncements effective in future years

The following new standard and amendments to existing standards have been published and are effective in future financial years. No significant impact is expected to arise from these new pronouncements.

IFRS 17	Insurance Contracts
IAS 1	Amendments - Classification of Liabilities as Current or Non-current

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

Pronouncements effective in future years (continued))

IAS 1	Amendments – Disclosure of Material Accounting Policies
IAS 1	Amendments – Classification of Debt with Covenants
IAS 8	Amendments – Definition of Accounting Estimates
IAS 12	Amendments – Deferred Tax-related Assets and Liabilities arising from a Single Transaction
IFRS 16	Amendments – Lease Liability in a Sale and Leaseback

(b) Foreign Currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Guyana Dollars, which is the Company’s functional currency.

Transactions and balances

Transactions involving foreign currencies are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end rates are recognised in the statement of comprehensive income.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is calculated on a straight-line basis at rates estimated to write off the assets over their expected useful economic lives. The current rates of depreciation are:

Leasehold improvements	Over the lease term
Plant and machinery	7%
Office and other equipment	
(excluding computers and ancillary equipment)	10 - 20%
Computers and ancillary equipment	33.33%
Motor vehicles	20% - 33.33%

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, Plant and Equipment (continued)

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. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and at least at every reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(d) Intangible Assets (Computer Software)

The costs of acquiring and installing computer software are capitalised and amortised on a straight-line basis over the estimated useful economic life of three years. Costs associated with maintenance of computer software are expensed as incurred.

(e) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a net present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable under residual value guarantees
- exercise price of a purchase option, if option is reasonably certain to be exercised
- payments of penalties for terminating the lease, if option is expected to be exercised

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The Company has applied judgement to determine the lease term for some lease contracts that include renewal options.

The present value is determined by applying the interest rate implicit in the lease, or, if that rate cannot be readily determined, at the Company's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Leases (continued)

The right-of-use asset is measured at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases, which are those with a lease term of 12 months or less, are recognised on a straight-line basis as an expense in profit or loss.

(f) Taxation

The tax expense for the year comprises of current and deferred tax and is recognised in the statement of comprehensive income. The current corporate tax charge is identified on the basis of laws enacted at the reporting date. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company provides for deferred tax using the liability method for all temporary differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred corporate tax. The principal temporary differences arise from depreciation on property, plant and equipment and the treatment of lease expenses.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on an average cost basis and net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(h) Receivables, including amounts due from Related Parties

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less a provision for impairment.

(i) Impairment of Financial Assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets classified at amortised cost. To determine the provision for ECL, the Company applies the simplified approach for trade receivables, as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Given the Company's experience of no credit losses in recent years, the Company has chosen to apply a provision matrix with a minimum provision of 0.10 percent of amounts due from customers which are considered to be highly recoverable.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of Financial Assets (continued)

When a receivable is uncollectible, it was written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the statement of comprehensive income.

(j) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and comprise short-term deposits, other cash at bank and cash in hand.

(k) Share Capital and Dividends

Ordinary shares with discretionary dividends are classified as equity.

Dividends are recognised as a deduction from shareholders' equity in the period in which they are approved by shareholders or, as in the case of interim dividends, when paid by the Directors as authorised under the Company's By-Laws. Dividends unclaimed for six years are forfeited to the Company, as authorised under the Company's By-Laws, and are recovered through shareholders' equity.

(l) Payables, including amounts due to Related Parties

Payables are recognised initially at fair value and subsequently at amortised cost.

(m) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The Company recognises liabilities for bonuses to employees and the distributor.

(n) Revenue Recognition

Under IFRS 15, sales are recognised as performance obligations are satisfied and control of the goods are passed to the customer. Control is deemed to have passed when goods are accepted by the customer or where the Company has objective evidence that all criteria for acceptance have been satisfied. Sales represent the value of goods sold, after deducting sales discounts and marketing payments to customers.

(o) Operating Segments

The Company is managed as a single unit engaged in operations exclusively in Guyana.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also exercises judgement in applying the Company's accounting policies. Areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment are described in this note.

Impairment Losses on Financial Assets

The measurement of the expected credit loss allowance for financial assets under IFRS 9 is an area that requires the use of significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). The ECL provisions generated by the models adopted are influenced by a number of factors, changes in which can result in different outcomes.

Values of Property, Plant and Equipment

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date and estimates made of the values expected to be obtained from disposal of the assets at the end of their useful lives and the expected period over which the assets are expected to be available for use.

Lease Term

Where the leases contain extension options, the period of extension is only taken into account in measuring lease liabilities when the Company is reasonably certain to exercise the option.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

Thousands of Guyana Dollars

4. PROPERTY, PLANT AND EQUIPMENT

	Plant and Machinery	Other Equipment	Motor Vehicles	Leasehold Improvements	Work in Progress	Total
<i>Cost</i>						
As at 01 January 2022	297	59,591	75,103	57,085	14,356	206,432
Additions in the year	0	12,948	0	0	32,238	45,186
Transfers in the year	0	2,836	0	12,217	(15,053)	0
Disposals in the year	(297)	(6,199)	(29,677)	(13,516)	0	(49,689)
As at 31 December 2022	0	69,176	45,426	55,786	31,541	201,929
<i>Accumulated Depreciation</i>						
As at 01 January 2022	(297)	(42,898)	(58,561)	(11,224)	0	(112,980)
Charges for the year	0	(7,769)	(7,301)	(20,734)	0	(35,804)
Written back on disposals	297	5,623	25,927	13,363	0	45,210
As at 31 December 2022	0	(45,044)	(39,935)	(18,595)	0	(103,574)
<i>Net Carrying Amount</i>						
As at 31 December 2022	0	24,132	5,491	37,191	31,541	98,355
<i>Cost</i>						
As at 01 January 2021	297	47,084	75,103	0	65,822	188,306
Reclassification	0	(447)	0	0	447	0
Additions in the year	0	0	0	5,952	14,854	20,806
Transfers in the year	0	15,634	0	51,133	(66,767)	0
Disposals in the year	0	(2,680)	0	0	0	(2,680)
As at 31 December 2021	297	59,591	75,103	57,085	14,356	206,432
<i>Accumulated Depreciation</i>						
As at 01 January 2021	(297)	(39,559)	(46,968)	0	0	(86,824)
Charges for the year	0	(5,754)	(11,593)	(11,224)	0	(28,571)
Written back on disposals	0	2,415	0	0	0	2,415
As at 31 December 2021	(297)	(42,898)	(58,561)	(11,224)	0	(112,980)
<i>Net Carrying Amount</i>						
As at 31 December 2021	0	16,693	16,542	45,861	14,356	93,452

The Company has authorised, but not contracted, capital expenditure on plant and equipment of \$13,000 for the coming year (2021 - \$34,451).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

Thousands of Guyana Dollars

5. LEASES

2022

2021

The Company leases various properties to carry out its activities.

(a) Right-of-use Assets

Cost

As at beginning of year	168,537	154,188
Additions	12,107	14,349
Disposals	(17,033)	0
As at end of year	<u>163,611</u>	<u>168,537</u>

Accumulated Depreciation

As at beginning of year	82,425	43,810
Charge in the year	41,597	38,615
Written back on disposals	(17,033)	0
As at end of year	<u>106,989</u>	<u>82,425</u>

Net Carrying Amount

As at end of year	<u>56,622</u>	<u>86,112</u>
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(b) Lease Liabilities

As at beginning of year	102,988	122,233
New lease	12,107	14,349
Interest expense	12,623	15,816
Payments	(53,491)	(49,410)
As at end of year	<u>74,227</u>	<u>102,988</u>
Current	43,829	32,871
Non-current	30,398	70,117
	<u>74,227</u>	<u>102,988</u>

6. DEFERRED TAXATION

Deferred tax asset:

Accelerated accounts depreciation	12,372	10,906
Lease liability	7,079	6,750
	<u>19,451</u>	<u>17,656</u>

Amount realisable within 12 months

	<u>0</u>	<u>2,421</u>
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

Thousands of Guyana Dollars

7. INVENTORIES

	2022	2021
Goods for resale	86,772	61,013
Goods in transit	117,694	121,156
	<u>204,466</u>	<u>182,169</u>

8. ACCOUNTS RECEIVABLE AND PREPAYMENTS

Trade receivables	802,168	522,842
Other receivables	57,505	67,903
Less provision for impairment	(802)	(523)
Trade and other receivables - net	858,871	590,222
Prepayments	0	13,248
	<u>858,871</u>	<u>603,470</u>

9. RELATED PARTIES

(a) Key management compensation:

Short term benefits	56,046	41,469
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(b) Transactions carried out with related parties:

Acquisition of products from fellow group subsidiary	1,403,796	1,328,044
Royalty charges from fellow group subsidiaries	569,191	526,972
Technical and advisory service charges from fellow group subsidiary	161,608	127,838
Information technology charges from fellow group subsidiaries	91,548	117,364
Area service charges from fellow group subsidiary	73,240	60,482
Research and development charges from fellow group subsidiary	32,837	0
Recharges from fellow group subsidiary	51,473	94,391
Recharges to fellow group subsidiaries	72,448	45,049
Dividends paid to parent	1,349,841	1,410,502

(c) Outstanding balances at year end:

Amount due from fellow group subsidiary	13,737	0
Amounts due to fellow group subsidiaries	<u>354,242</u>	<u>377,542</u>

All balances are interest-free, unsecured and repayable on demand.

10. CASH AND CASH EQUIVALENTS

Short-term deposits	18,635	18,491
Other cash at bank	930,434	1,008,561
	<u>949,069</u>	<u>1,027,052</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

Thousands of Guyana Dollars

	2022	2021
11. SHARE CAPITAL		
<i>Authorised</i>		
23,400,000 ordinary shares of no par value		
<i>Issued and fully paid</i>		
23,400,000 ordinary shares of no par value	23,400	23,400
The Company's ordinary share confers upon its holder the right to (i) vote at any meeting of shareholders, (ii) receive any dividend declared by the Company, and (iii) receive the remaining property of the Company on its dissolution.		
12. ACCOUNTS PAYABLE AND ACCRUALS		
Sundry payables	573,802	466,420
Accruals	236,775	184,246
	810,577	650,666
13. PROVISION FOR OTHER LIABILITIES		
<i>Provision for bonuses:</i>		
As at beginning of year	57,697	52,286
Charged in the year	48,382	57,697
Used in the year	(57,697)	(52,286)
As at end of year	48,382	57,697
14. EXPENSES BY NATURE		
Cost of inventories expensed	3,144,852	2,838,434
Staff costs (note 15)	207,632	202,524
Technical and advisory service charges	161,608	127,838
Area service charges	73,240	60,482
Information technology charges	91,548	117,364
Depreciation	77,401	67,186
Communications expenses	22,836	26,932
Advertising expenses	42,413	48,620
Auditors' remuneration	6,600	6,858
Interest on lease liabilities	12,623	15,816
Directors' remuneration (note 16)	5,572	3,629
Other	294,704	321,329
Total of Cost of Sales, Distribution and Marketing Costs, and Administrative Expenses	4,141,029	3,837,012

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

Thousands of Guyana Dollars

15. STAFF COSTS

	2022	2021
Wages and salaries	171,846	182,346
Other benefits	35,786	20,178
	<u>207,632</u>	<u>202,524</u>

16. DIRECTORS' REMUNERATION

Remuneration paid to Directors for services as directors, included in key management compensation:

Chandradat Chintamani (retired 28 April 2022)	734	1,901
Patricia Bacchus	2,700	1,728
Troy Beharry (appointed 28 April 2022)	2,138	0
	<u>5,572</u>	<u>3,629</u>

Other Directors waived their rights to remuneration for their services as directors.

17. TAXATION

The provisional charge for taxation is made up as follows:

Current tax	1,524,296	1,467,116
Deferred tax	(1,795)	(7,907)
Prior year adjustments	0	(11,067)
	<u>1,522,501</u>	<u>1,448,142</u>

Reconciliation of tax expense and accounting profit:

Profit before taxation	3,599,404	3,474,296
Corporation tax at 40%	1,439,762	1,389,718
Expenses not deductible for tax purposes	77,256	63,326
Property tax	6,910	6,165
Income exempt from corporation tax	(1,427)	0
Prior year adjustments	0	(11,067)
	<u>1,522,501</u>	<u>1,448,142</u>

18. EARNINGS PER SHARE

Profit attributable to shareholders	2,076,903	2,026,154
Weighted average number of ordinary shares in issue	<u>23,400,000</u>	<u>23,400,000</u>
Earnings per share	<u>88.76 Dollars</u>	<u>86.59 Dollars</u>

Thousands of Guyana Dollars

19. DIVIDENDS	2022	2021
Prior year fourth interim paid \$17.30 per share (2021 - \$16.60 per share)	404,820	388,440
Prior year final paid \$9.94 per share (2021 - \$9.85 per share)	232,596	230,490
Interim declared and paid \$15.64 per share (2021 - \$13.50 per share)	365,976	315,900
Interim declared and paid \$20.90 per share (2021 - \$22.60 per share)	489,060	528,840
Interim declared and paid \$18.33 per share (2021 - \$23.25 per share)	428,922	544,050
	<u>1,921,374</u>	<u>2,007,720</u>

A fourth interim dividend in respect of the financial year of \$21.05 per share (2021 - \$17.30), amounting to a total dividend of \$492,570 (2021 - \$404,820) has been declared and paid after the year end. A final dividend in respect of the financial year of \$12.83 per share (2021 - \$9.94 per share), amounting to a total dividend of \$300,222 (2021 - \$232,596), is to be proposed at the Annual General Meeting on 21 April 2023.

In accordance with By-Law 26(6) of the Company's Amended By-Laws, the Company has recorded through equity, a recovery of \$29,469 in forfeited unclaimed dividends (2021 - \$30,481).

20. CONTINGENT LIABILITIES

Bonds in favour of the Comptroller of Customs and Excise	0	19,500
Guarantees	<u>8,000</u>	<u>2,802</u>

21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Financial Instruments

Financial instruments carried at the reporting date include accounts receivable, related parties' balances, cash and cash equivalents, accounts payable, accruals, lease liabilities and provision for liabilities based on contractual obligations.

The classification of financial assets and financial liabilities into IFRS 7 measurement categories is shown in the table below.

Thousands of Guyana Dollars

21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(a) *Financial Instruments (continued)*

	Category	Carrying Amount 2022	Carrying Amount 2021
Financial assets			
Accounts receivable	Amortised cost	858,871	590,222
Related party's balance	Amortised cost	13,737	0
Cash and cash equivalents	Amortised cost	949,069	1,027,052
Financial liabilities			
Accounts payable and accruals	Amortised cost	810,577	650,666
Related parties' balances	Amortised cost	354,242	377,542
Lease liabilities	Amortised cost	74,227	102,988
Provision for other liabilities	Amortised cost	29,017	26,795

(b) *Credit Risk*

Credit risk arises on receivables from customers and related parties and from cash holdings. The maximum exposure to credit risk at the reporting date is represented by the carrying amounts of these financial assets, as shown in notes 8, 9 and 10 to these financial statements. The Company does not hold collateral as security.

The Company's credit risk from customers is managed by restricting credit to between five to ten working days. The majority of the Company's sales are made to a single distributor which management considers to be of good credit quality based on its financial condition, past trading experience and other factors. Revenue earned from this distributor amounted to 99 percent (2021 - 99 percent) of total revenue.

Management considers the credit risk arising on balance due from related party to be minimal given that the entity is controlled by British American Tobacco plc. and is of good financial standing. Cash resources are held with financial institutions licensed in Guyana. While related party balance and cash resources are also subject to the impairment requirements of IFRS 9, the impairment loss is considered to be immaterial.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses for trade and sundry receivables. To measure the lifetime loss allowance, the Company considers the write-off history of the past five years. Given the Company's experience of no credit losses in recent years, the Company has chosen to apply a provision matrix with a minimum provision of 0.10 (2021 - 0.10) percent of amounts due from customers which are considered to be highly recoverable. The minimum ECL level is adjusted for the impact of expected changes in factors such as macroeconomic fundamentals.

Thousands of Guyana Dollars

21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(b) *Credit Risk (continued)*

The following is a summary of the ECL on trade receivables arising from application of the provision matrix:

As at 31 December 2022	Average ECL	Estimated	Expected
Ageing Bucket	rate	exposure	credit loss
Performing (0 to 30 days)	0.10%	802,168	802
Underperforming (31 to 90 days)	0.00%	0	0
Non-performing (over 90 days)	0.00%	0	0
		802,168	802
As at 31 December 2021	Average ECL	Estimated	Expected
Ageing Bucket	rate	exposure	credit loss
Performing (0 to 30 days)	0.10%	522,842	523
Underperforming (31 to 90 days)	0.00%	0	0
Non-performing (over 90 days)	0.00%	0	0
		522,842	523

(c) *Capital Risk Management*

The Company's objectives when managing its capital (ordinary shares) are to safeguard its 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 to reduce the cost of capital. 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.

(d) *Liquidity Risk*

The table below shows the contractual undiscounted cash flows arising on financial liabilities.

	Within	Between 1	Between 3	Between 1	
	1 month	to 3 months	to 12 months	to 5 years	Total
As at 31 December 2022					
Accounts payable and accruals	194,039	616,538	0	0	810,577
Amounts due to related parties	354,242	0	0	0	354,242
Lease liabilities	4,651	9,303	37,259	32,050	83,263
Provision for other liabilities (based on contractual obligations)	0	29,017	0	0	29,017

Thousands of Guyana Dollars

21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity Risk (continued)

	Within 1 month	Between 1 to 3 months	Between 3 to 12 months	Between 1 to 5 years	Total
As at 31 December 2021					
Accounts payable and accruals	133,647	517,019	0	0	650,666
Amounts due to related parties	377,542	0	0	0	377,542
Lease liabilities	4,349	7,836	32,593	78,854	123,632
Provision for other liabilities (based on contractual obligations)	0	26,795	0	0	26,795

The Company manages this risk by monitoring expected cash flows arising on financial instruments.

(e) Foreign Currency Risk

The Company is exposed to foreign currency risk through its holding of financial instruments denominated in the following foreign currencies as expressed in the Guyana dollar equivalent in the table below:

	2022	2021
Assets		
United States Dollars	13,737	0
Liabilities		
United States Dollars	358,138	397,617
British Pound Sterling	0	614

The Company's exposure to foreign exchange risk is limited by the denomination of the underlying transactions in stable foreign currencies.

The Company recognised net exchange gain of \$454 in the year (2021 - \$11,837 loss).

As at the year end, if the Guyana Dollar had weakened/strengthened by 1% against the United States Dollar, with all other variables held constant, post-tax profit for the year would have been \$2,066 (2021 - \$2,385) lower/higher.

(f) Fair Values

The carrying values of financial assets and liabilities approximate to their fair values given their short term maturity.

THE COMPANIES ACT, 1991 - (Section 115)

- 1. Name of Company:**
 DEMERARA TOBACCO COMPANY LIMITED
 Company No:
308
- 2. Particulars of Meeting:**
 Eighty-ninth Annual General Meeting of Demerara Tobacco Company Limited to be held at the Guyana Marriott Hotel, Block A Battery Road, Kingston, Georgetown, Guyana on Friday 21 April 2023.
- 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 72(2):**
 No statement has been received from any Director pursuant to Section 72(2) of the Companies Act, 1991.
- 5. Any Auditor's statement submitted pursuant to Section 178:**
 No statement has been received from any Auditors pursuant to Section 178 of the Companies Act, 1991.
- 6. Any Shareholder's proposal submitted pursuant to Sections 114(a) and 115(2):**
 No statement has been received from any shareholder pursuant to Sections 114(a) and 115(2) of the Companies Act, 1991.

DATE	NAME AND TITLE	SIGNATURE
24 February 2023	Dharmendra Dharmo Secretary and Authorised Signatory Demerara Tobacco Company Limited	

THE COMPANIES ACT, 1991 (Section 114)

1. Name of Company

DEMERARA TOBACCO COMPANY LIMITED

Company No:

308

2. Particulars of Meeting:

Eighty-ninth Annual Meeting of the Demerara Tobacco Company Limited to be held at the Guyana Marriott Hotel, Block A Battery Road, Kingston, Georgetown, Guyana on Friday 21 April 2023 at 2.00 p.m.

3. I/We _____

(BLOCK LETTERS PLEASE)

Of _____

shareholder/s in the above Company appoint:

☐

the Chairman of the Meeting

or failing him

_____ of _____

(NAME IN BLOCK LETTERS)

ADDRESS)

to be my/our proxy to vote for me/us and on my/our behalf at the above meeting and any adjournment 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 overleaf to vote in accordance with my/our instructions.

Please indicate with an "X" in the spaces 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 5 below for assistance to complete and deposit the Proxy Form.

PROXY FORM (CONTINUED)

RESOLUTION	DETAILS	FOR	AGAINST
1	To receive and consider the Audited Financial Statements of the Company for the financial year ended 31st December 2022 together with the Reports of the Directors and Auditors thereon.		
2	To declare a Final Dividend of G\$12.83 per share in respect of the year 2022.		
3	To re-elect Mr Vijay Singh, who retires as a Director of the Company in accordance with By-Law 18(1) of the Company's By-Laws, as a Director of the Company.		
4	To re-elect Mrs Kathryn Abdulla, who retires as a Director of the Company in accordance with By-Law 18(1) of the Company's By-Laws, as a Director of the Company.		
5	To fix the remuneration of the Independent Directors.		
6	To re-appoint auditors Jack A. Alli, Sons & Co. until the close of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
7	<p>To consider and if thought fit to adopt the following resolution:</p> <p>WHEREAS it is considered expedient and in the best interest of the Company to amend Article 129 of the Articles of Association of the Company by deleting the said paragraph 129 and replacing it with the following:</p> <p>"All dividends unclaimed for more than one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared may be forfeited and shall revert to the Company."</p>		

Signature/s _____

Dated this _____ day of _____ 2023.

PROXY FORM (CONTINUED)

Notes:

1. If the appointer 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.
2. 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 General Meeting.
3. In the case of joint shareholders, the names of all the joint shareholders must be stated on the Proxy Form and any one shareholder must sign on the Proxy Form.
4. 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.
5. To be valid, this Proxy Form must be completed and deposited at the Registered Office of the Company at the address below at least 48 hours before the time for holding the Annual General Meeting.

Return to:
THE SECRETARY
DEMERARA TOBACCO COMPANY LIMITED
LOT 122 PARADE STREET, KINGSTON
GEORGETOWN
GUYANA
EMAIL: dharmendra_dharmo@bat.com

NOTES

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