

President and CEO's Report to Audited Financial Statements For the Year Ended December 31, 2019

Record Breaking Profits for 2019

The Supreme Ventures Group (SVG) is pleased to report strong financial results for the year 2019. Our strategic focus on strengthening core business and investing in sustainable development has resulted in solid growth in existing segments, allowing us to continue to deliver value to our customers and stakeholders.

The Group reported net profit of \$2.47 billion representing an increase of \$375 million or 18% over prior year. These profits were achieved from gross ticket sales of \$73.16 billion, representing an increase of \$10.19 billion, or 16.19% over 2018. As a result of the year's strong performance, SVG contributed over \$7.8 billion to Government agencies and related bodies, an increase of almost \$1 Billion over 2018. Total winnings for the year to customers amounted to \$50.77 Billion from 97 million tickets in an adult population of 1.7 million, an increase of 14.96% over prior year. We are indeed "Making Winners Everyday".

During the year, SVL acquired Post to Post Betting Limited (trading as Anybet) which contributed \$39.36 million for the first six months of operations.

Earnings per share of 92.59 cents enabled SVG to pay dividends to external shareholders of 60 cents for the quarter ended September 2019 and a further 20 cents being recommended as the full and final payment for 2019. This will bring the total dividends per share to 80 cents or 86% for 2019, representing an increase of 2.60% in comparison to prior year. It is important to note that a portion of earnings were also reinvested to support the ongoing acquisitions of the Group and capital expenditures.

Total assets attributable to shareholders increased by \$2.81 billion to \$9.42 billion. The major increase is as a result of the acquisition of the assets of Post to Post Betting, deposits on the assets of Champion Gaming, and the implementation of IFRS 16 (Leases) during the year. SVL's number of shareholders grew from 4,308 in 2018 to 5,343 in 2019.

All segments performed well in comparison to the previous financial year reflecting increases of 10 – 15%. Lotteries and Pins segments continued to deliver results above expectations based on the strategic initiatives implemented during the year earning \$3.52 billion, an increase of 17.46% over prior year. The sports betting segment (excluding AnyBet), achieved gross ticket sales of \$1.31 billion and segment results of \$18 million, a significant achievement in a post-World Cup year. The Horseracing segment recorded increased revenues of 14%, an improvement of \$846.59 million over prior year.

TEL: 876 754 6526
FAX: 876 960 2750

communications@svlgrp.com
www.supremeventures.com

4th Floor,
R Danny Williams Building
28-48 Barbados Avenue
Kingston 5, Jamaica W.I.



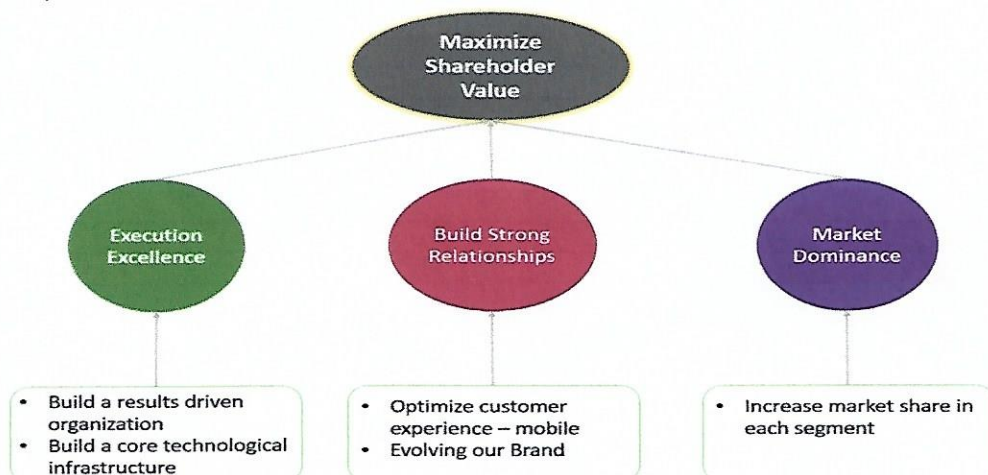
The segment closed the year with a loss of \$214.21 million representing an improvement over prior year of 15%.

In January 2019, we officially launched our Guyana operations with a grand opening and spent the 2019 period focusing on infrastructure buildout through new partnerships, and the rollout of new products. The buildout of the agent network is ongoing in 2020 and will provide a platform for the accelerated growth of the business in tandem with the expected economic growth in the country.

Supreme's mobile offering for lotteries, sports betting and horseracing continues to be seen as an area of opportunity to enhance the customer experience and the ease of doing business. The company also worked closely with our retailer network for a significant part of the year to support their completion of the compliance process for the new due diligence requirements for lottery agents introduced by the BGLC in 2019. We were successful in having a significant majority of our Retailer base deemed compliant.

Our partnership with the Government of Jamaica is extensive as we have directly contributed over \$60 Billion to the Jamaican economy since our inception and ploughed over 97% of our earnings back into the economy. With our contribution in excess of \$17 billion to the government-run CHASE Fund since 2004, today we can proudly say we are the single, longest and largest contributor to this important Fund that is instrumental in implementing vital culture, health, arts, sports and educational programs across the island. SVG also gives back and positively impacts the lives of our communities through the work of our Foundation, which in 2019 launched a critical fire safety program for children in state care as well as Supreme Heroes, our community sustainability program designed to increase capacity in businesses that are directly supporting the social safety net in their communities.

The notable performance of the Group in 2019 was built and sustained using the following strategic pillars:





Our management team and staff of over 500 strong, have worked tirelessly throughout the year to ensure delivery of strong results and must be highly commended. We value and respect all our partnerships, including our regulators who have demonstrated the importance of working together to achieve a common goal, an efficient and effective gaming industry that works for the benefit of all stakeholders. We thank them for their continued professionalism and input to ensure a seamless operation. Our extended family of retailers are also a perfect example of what hard work and teamwork can accomplish as substantiated by the network's growth. We are truly appreciative of their input, feedback and commitment to building the Supreme Ventures brand and loyal customer base.

The Supreme Ventures Group is on a growth trajectory, building today for tomorrow. The company is evolving and keeping pace with the growing demands of customers, while ensuring that value to our stakeholders is maximized. We view our relationships with all our stakeholders as partnerships, and we are committed to strengthening those partnerships to our mutual benefit.

We continue to focus on revenue growth, optimizing cost efficiencies and pushing the boundaries through continued innovation to achieve greater levels of accomplishments. Our growth strategies have been proven and tested. We are optimistic about the future and are confident that the Supreme Ventures Group will continue to increase its profitability and success, as we look forward to another 18 years and beyond.

Ann-Dawn Young Sang (Mrs.)
Group President and CEO
Supreme Ventures Limited