



**Supreme Ventures Group reports historic results and remains the lottery of choice for Jamaicans**

## FINANCIAL PERFORMANCE

**Supreme Ventures Limited is pleased to report a strong net profit of \$601.7 million for the three months ended March 31, 2021.**

This was a truly historic quarter for the Group's operations as against the backdrop of a full twelve months of lagging COVID-19 economic impact, as well as the introduction of new Lottery entrants to the market, we were able to protect and grow our customer base and record the highest revenues in the company's history.

Taking a strategic, customer centric approach, the SV Group produced solid profits and revenue growth in an economic climate that has seen the contraction of strong businesses across the globe. The Group's aggressive product and channel diversification strategy reduced the overall exposure of specific channels and segments from the risks associated with the uncertain COVID-19 environment. We continue to enhance our customer experience and key stakeholder relationships, utilizing tactics that continue to grow the business in addition to maintaining firm cost control measures. Our customers have affirmed their confidence in our products and services, as we continue to see a steady increase in transactions across the various product categories, and we continue to implement new and innovative approaches to how we do business, as guided by our strategic plan.

## QUARTER RESULTS

The Group's unaudited financial statements are presented for the three months ended March 31, 2021. The period net profit of \$601.7 million represented a decline of \$135.1 million or 18.3% when compared to the same period in 2020. This expected reduction in profitability for the three-month period, is a result of several external factors including Government imposed restrictions to contain the spread of COVID-19, higher lottery liabilities during the quarter as compared to Q1, 2020, and the introduction of competition.

Total gross ticket sales for the quarter amounted to \$23.8 billion, representing an increase of 33% over the corresponding period in 2020, as customers welcomed new initiatives that positively impacted their pockets during a difficult economic downturn. Total Gaming income of \$10.7 billion, represents an increase of \$580.5 million or 5.7% when compared to the corresponding period in 2020, driven largely by the significant growth in Sports Betting. With a focus on prudent expense management, we further invested in expanding the business as we prepare for economic recovery. Direct expenses amounted to \$8.7 billion, \$859.6 million or 10.9%, higher than the prior year same period. Total prizes paid for the quarter amounted to \$18.3 billion representing an impactful increase of 40% compared to Q1, 2020, putting more money back into the hands of the consumer to help drive the overall economy.

Gross profit for the quarter amounted to \$2.0 billion, representing a decline of \$279 million or 12.1% in comparison to the first quarter in 2020. This is due to the higher amounts paid to our key partners and Regulators during the quarter.

*Earnings per share for the quarter is 22.46 cents (2020: 28 cents).  
The dividends proposed of 20 cents will be paid on May 21, 2021.*

**2020 Total Assets \$10.2 Billion**



**2021 Total Assets \$14.9 Billion**



The Group's assets at the end of the quarter amounted to \$14.9 billion, representing a decrease of \$663 million or 4.3%. The reduction is mainly impacted by the payment of final dividends in respect of Q4, 2020 of \$738 million and final and estimated statutory taxes of \$445 million. These reductions were offset by the acquisition of fifty-one percent (51%) of the shares of McKayla Financial Services Limited and the additional 29% share ownership in PosttoPost Betting Limited.

## YEAR TO DATE SEGMENT RESULTS

The Lotteries segment achieved results of \$629.9 million. Overall ticket sales grew by \$4.0 billion or 31.3% to close at \$16.9 billion for the quarter. During the quarter, Cash Pot payouts were increased to \$305 for every \$10 bet in comparison to the previous \$260 for every \$10 bet, as we sought to bring greater value to our customers during the current environment.

The Group continues to focus on expanding channel strategies and terminal expansion, which have been well received by the marketplace. SV Games (Mobile/Online) has seen exponential growth in both usage and a growing number of active online users due to the increased number of games that can be played on the platform, as well as strong promotional and product enhancement activities. The launch of the new Supa Sellaz program has provided an additional sales channel for both our customers and our 3rd party retailers and has been successful out of the gate.

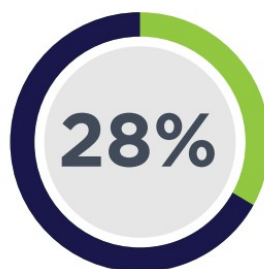
The Sports Betting segment reported results of \$245.8 million and gaming income of \$3.0 billion, an increase of over \$1 billion or 50.6% in comparison to prior year. The growth is due significantly to the attractiveness of the offers and flexibility to game, enhanced by the use of the mobile platforms.

PIN codes sales saw a decline of \$107.9 million or 3.5% for the quarter, achieving segment results of \$46.2 million. The partnerships with our main distributors will continue as we focus on maximizing the touch points and convenience for the consumers.

The Guyana operations is now focused on retailer optimization following the successful recruitment of the targeted base in the network. This has resulted in an improved operation in comparison to Q1, 2020.



**LOTTERIES**



**SPORTS BETTING**



**PIN CODES**

**Segment Revenue%  
Contributions**



## CORPORATE SOCIAL RESPONSIBILITY

The Supreme Ventures Foundation continued to respond to the unique needs that arose as a result of the sustained impact of the COVID-19 pandemic and the effects national mitigation tactics have had on the population. SVL partnered with the online learning platform, Edufocal to launch an education initiative in response to the gaps presented by online education, especially for children in the primary education school system i.e., lack of internet access and the ability to focus during real time online classes. The SVF sponsored 5,000 students from the primary school system to enroll with zero-rated access on the Edufocal platform. This means that students from across the island were able to access the Ministry of Education endorsed content for students in grades four to six without having the barrier of paying for internet service over a three-month period.

The SVF Fire Safety programme for children in State Care was significantly impacted by the restricted access to the homes to prevent outbreaks in the facilities with the onset of COVID-19. During the quarter, four more homes received fire safety installations: St. Augustine, St. Monica, Hansbury and Windsor children's homes. The installations will continue as the fire safety equipment teams work in conjunction with the Child Protection and Family Services Agency for the adherence to national health safety protocols.

The Supreme Heroes program is now in its final phase with all participants having completed their special projects and their training program with the Mona Entrepreneurial and Commercialization Centre. The program, which saw social enterprises being selected to participate in a 6-month training course that taught them the basics of business, filling any gaps that may have been holding back their expansion and sustainability, also included the funding of a community project component that benefitted another community member in need. The results of the program have been documented on video and the wrap up will see the public participating in the selection of an overall program winner who will be awarded a grand prize to close out our first Supreme Heroes cohort.

Supreme Ventures also rolled out a quarterly blood drive initiative in association with the National Blood Transfusion Service (NBTS) to create stockpiles of blood that can be accessed by past and present employees. The quarterly drive is aimed at fostering a spirit of brotherhood and altruism among staff and to practically have blood of all types on standby for team members who may require the life-giving event.

Supreme Ventures is the proud donor of a the much-needed mobile ultrasound unit to the University Hospital of the West Indies which will facilitate the separation of equipment between COVID-19 patients and the general population. The unit is expected to reduce the risk of contracting COVID-19 through equipment cross-contamination. This timely donation helped significantly to alleviate the concerns of the medical staff and assist in patient care and protection.

# CORPORATE SOCIAL RESPONSIBILITY CONT'D



State Minister in the Ministry of Education, Youth and Information, the Hon. Robert Nesta Morgan (left) and Supreme Ventures Foundation Director, Heather Goldson (right) look on as Edufocal CEO, Gordon Swaby shows the content thousands of students will have access to due to the latest initiative by the Foundation. The SVF has provided 5,000 students from grades four to six with data-free access to the Edufocal online learning platform for three months.



State Minister in the Ministry of Education, Youth and Information, the Hon. Robert Nesta Morgan (standing) and Supreme Ventures Foundation Director, Heather Goldson (right) and Edufocal CEO, Gordon Swaby (left) smile after a symbolic signing of a \$12 million deal to provide data-free access on the Edufocal online learning platform to 5,000 primary school students.

Supreme Ventures Senior Vice President, Human Resources and Administration, Toni Spencer (left) and New Horizon Christian Outreach Ministries Executive Director Michael Barnett and Administrator, Sophia Barnett look at the new laptop presented to the organization as part of their participation in the Supreme Ventures Foundation's Supreme Heroes programme.



Supreme Ventures Vice President, Operations and I.T. Services, Aden Whittaker (right) and Everton Roberts (left) from Life Yard take a look at the new laptop presented to Life Yard as part of their participation in the Supreme Ventures Foundation's Supreme Heroes programme. Looking on are Andre Williams (left standing) and Rushane Morgan (right standing).



Executive Chairman of Supreme Ventures, Gary Peart (left) listens as Medical Chief of Staff at the University Hospital of the West Indies and Consultant Neurosurgeon, Dr. Carl Bruce (right) explains how the mobile ultrasound unit donated by Supreme Ventures will assist patients in intensive care. Looking on is Kelvin Metalor, Head of Department, Anesthesia and Intensive Care.



Executive Chairman of Supreme Ventures, Gary Peart (right) and Medical Chief of Staff at the University Hospital of the West Indies and Consultant Neurosurgeon, Dr. Carl Bruce (right) greet each other during a tour of the intensive care unit. Supreme Ventures donated a mobile ultrasound unit to assist patients in intensive care who will have difficulty being moved to the hospital's ultrasound department for life-saving scans.

CEO of Prime Sports (Jamaica) Limited, Xesus Johnston participates in SVL's inaugural Quarterly Blood Drive in association with the National Blood Transfusion Service. The regular blood drive is aimed at creating a bank that can be accessed by current or former SVL employees.



Compliance Officer, Renee Lee-Thompson wears her bandage proudly after making a donation during SVL's inaugural Quarterly Blood Drive in association with the National Blood Transfusion Service.



A member of the Jamaica Fire Brigade demonstrates how to properly use a fire extinguisher during the handover of the newly commissioned \$2.8 Million fire alarm system donated to the Maxfield Park Children's Home by the Supreme Ventures Foundation.



Jamaica Fire Brigade District Officer for Fire Prevention, Dilton Pike provides information on the newly installed panel box, which is part of the newly commissioned \$2.8 Million fire alarm system donated to the Maxfield Park Children's Home by the Supreme Ventures Foundation. Listening are, Director of the Supreme Ventures Foundation, Heather Goldson (left), Maxfield Park Board chairman, Emprezz Golding (right) and CEO of the Child Protection and Family Services Agency Rosalie Gage-Grey.

## OUTLOOK

As we celebrate our 20th anniversary in 2021, the Supreme Ventures Group is humbled by the extent of customer loyalty and the resilience of our business during this tremendously challenging time in world history. The validation of the strategic direction that has been taken over the past few years is gratifying, and we are pleased to see this direction bear fruit and protect our core business from external shocks such as those experienced over the past 12 months. We are extremely excited at the potential of the coming innovations, improvements and the launch of key initiatives that will further support and grow our business. New products will be launched through the retail channel as we continue to expand this critical component, which is a big part of the future of SVG.

As we continue to roll out our channel diversification strategy, our customers will have new options to game at their fingertips in the next few months. The drive to grow our mobile channels across all gaming segments through increased acquisition of customers will see the expansion of the market in general and has already shown significant potential to provide choice during challenging periods. SV Games, JustBet Mobile and MBet are all online channels from which we expect great things to continue the current trajectory. Our Guyana market is showing steady growth, and the improvements in the horse racing product and operations through the use of technology and new product solutions is poised to create a profitable, sustainable business for the first time in the history of Caymanas Park. Our flagship lottery product continues to grow and excite the market, and we are committed to ensuring that this positioning is maintained for the next 20 years to come. Our strong partnership with our retailers will be further strengthened as we launch our new loan product, Evolve, which will allow them access to low-cost funding to grow their businesses.

We also remain committed to working with our key stakeholders and partners to ensure the continuity of our businesses whilst supporting the communities in which we operate. We are committed to maintaining our focus on the growth and sustainability of the Group and as always thank our stockholders, retailers and customers for the confidence they continue to place in us.



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**Gary Peart** (Mr.)  
EXECUTIVE CHAIRMAN  
SUPREME VENTURES LIMITED



**Three Months Ended March 31, 2021**

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**SUPREME VENTURES LIMITED****Consolidated Statement of Profit or Loss and Other Comprehensive Income  
Period Ended March 31, 2021***(Expressed in thousands of Jamaica dollars unless otherwise indicated)*

	Unaudited Three Months Ended March 31, 2021	Unaudited Three Months Ended March 31, 2020
Revenue - Non-fixed odd wagering games, horse racing and pin codes	6,688,992	5,720,575
Income from fixed odd wagering games, net of prizes	<u>4,020,014</u>	<u>4,407,896</u>
<b>Total Gaming Income</b>	10,709,006	10,128,471
Direct Costs	<u>(8,690,790)</u>	<u>(7,831,213)</u>
<b>Gross Profit</b>	2,018,216	2,297,258
Other (Expenses) / Income	55,058	64,292
Selling, general and administrative expenses	<u>(1,320,560)</u>	<u>(1,298,705)</u>
<b>Operating Profit</b>	752,714	1,062,845
Finance costs	<u>11,634</u>	<u>(54,038)</u>
<b>Profit before taxation</b>	764,348	1,008,807
Taxation	<u>(162,644)</u>	<u>(272,020)</u>
<b>Profit for the period</b>	<u>601,704</u>	<u>736,787</u>
<b>Attributable to:</b>		
Stockholders of the parent company	592,262	738,369
Non-controlling interest	<u>9,442</u>	<u>(1,582)</u>
	<b><u>601,704</u></b>	<b><u>736,787</u></b>
<b>Earnings per stock unit</b>		
Basic and diluted	<u>22.46 cents</u>	<u>28.00 cents</u>



**SUPREME VENTURES LIMITED**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2021**

*(Expressed in thousands of Jamaica dollars unless otherwise indicated)*

	Unaudited Three Months Ended March 31, 2021	Audited Year Ended December 31, 2020	Unaudited Three Months Ended March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3,062,224	2,839,201	1,855,937
Investment properties	867,000	867,000	901,946
Goodwill and Intangible assets	3,649,158	3,703,009	1,083,376
Long-term receivables	27,636	27,958	28,186
Financial assets at amortised cost	1,883	1,883	1,883
Deposit on investment	150,437	-	1,417,390
Other investment	16,341	16,341	17,140
Deferred tax assets	-	-	138,412
	<u>7,774,679</u>	<u>7,455,392</u>	<u>5,444,270</u>
<b>Current assets</b>			
Inventories	169,817	335,190	120,573
Trade and other receivables	1,879,636	1,453,888	1,060,754
Current portion of long-term receivables	1,117	1,117	1,117
Taxation recoverable	59,457	23,668	14,080
Debt service reserve	52,932	52,932	-
Cash and cash equivalents	4,967,149	6,255,623	3,578,597
	<u>7,130,108</u>	<u>8,122,418</u>	<u>4,775,121</u>
<b>Current liabilities</b>			
Prize liabilities	650,548	600,455	536,175
Contract liabilities	4,558	4,342	-
Trade and other payables	2,725,209	2,844,938	2,493,411
Dividend payable	-	-	502,788
Current portion of lease liabilities	118,653	181,986	70,575
Current portion of long-term loans	169,747	224,300	94,035
Income tax payable	11,441	261,291	86,190
	<u>3,680,156</u>	<u>4,117,312</u>	<u>3,783,174</u>
Net current assets	<u>3,449,952</u>	<u>4,005,106</u>	<u>991,947</u>
	<u>11,224,631</u>	<u>11,460,498</u>	<u>6,436,217</u>
<b>Equity</b>			
<b>Attributable to Shareholders of the Company</b>			
Share capital	1,967,183	1,967,183	1,967,183
Capital reserves	62,486	62,486	62,486
Other reserve	26,473	45,987	-
Retained earnings	1,975,915	2,122,083	1,877,538
	<u>4,032,057</u>	<u>4,197,739</u>	<u>3,907,207</u>
<b>Non-controlling interests</b>	<u>1,616,334</u>	<u>1,773,600</u>	<u>366,759</u>
	<u>5,648,391</u>	<u>5,971,339</u>	<u>4,273,966</u>
<b>Non-current liabilities</b>			
Long-term payables	4,688,007	4,689,469	1,427,697
Lease liabilities	814,451	740,292	734,554
Deferred tax liability	73,782	59,398	-
	<u>5,576,240</u>	<u>5,489,159</u>	<u>2,162,251</u>
	<u>11,224,631</u>	<u>11,460,498</u>	<u>6,436,217</u>

Approved and authorized for issue by the Board of Directors on April 22, 2021 and signed on its behalf by:

.....  
Gary Peart – Executive Chairman

.....  
Duncan Stewart - Director

**SUPREME VENTURES LIMITED**  
**Consolidated Statement of Changes in Equity**  
**Period Ended March 31, 2021**

*(Expressed in thousands of Jamaica dollars unless otherwise indicated)*

	Number of <u>shares</u> 000	Share <u>capital</u> \$'000	Capital <u>reserves</u> \$'000	Other <u>reserves</u>	Retained <u>earnings</u> \$'000	Non- Controlling <u>interest</u> \$'000	<u>Total</u> \$'000
<b>Unaudited Three Months Ended March 31, 2021</b>							
Balance as at December 31, 2020	2,637,255	1,967,183	62,486	45,987	2,122,083	1,773,600	5,971,339
Profit for the period	-	-	-	-	592,262	9,442	601,704
Other currency translation differences	-	-	-	(19,514)	-	-	(19,514)
Acquisition of additional shares in subsidiary	-	-	-	-	-	(166,709)	(166,709)
<b>Transactions with stockholders</b>							
Distributions	-	-	-	-	(738,430)	-	(738,430)
<b>Balance as at March 31, 2021</b>	<b>2,637,255</b>	<b>1,967,183</b>	<b>62,486</b>	<b>26,473</b>	<b>1,975,915</b>	<b>1,616,333</b>	<b>5,648,390</b>
<b>Unaudited Three Months Ended March 31, 2020</b>							
Balance as at December 31, 2019	2,637,255	1,967,183	62,486	-	1,666,619	368,342	4,064,630
Profit for the period	-	-	-	-	738,369	(1,582)	736,787
<b>Transactions with stockholders</b>							
Distributions	-	-	-	-	(527,451)	-	(527,451)
<b>Balance as at March 31, 2020</b>	<b>2,637,255</b>	<b>1,967,183</b>	<b>62,486</b>	<b>-</b>	<b>1,877,537</b>	<b>366,760</b>	<b>4,273,966</b>

**SUPREME VENTURES LIMITED**  
**Consolidated Statement of Cash Flows**  
**Period Ended March 31, 2021**

*(Expressed in thousands of Jamaica dollars unless otherwise indicated)*

	Unaudited Three Months Ended March 31, 2021	Audited Year Ended December 31, 2020	Unaudited Three Months Ended March 31, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for period/year	601,704	2,420,947	736,787
Adjustments for:			
Depreciation of property and equipment	130,899	470,964	99,390
Amortisation of intangible assets	71,696	255,330	23,390
Write off of property and equipment	-	17,806	-
Share based options	7,928	26,472	-
Gain on disposal of property and equipment	(4,800)	(1,264)	(767)
Revaluation loss/ (gain) on investment property	-	34,946	-
Bad debts recognised	14,111	22,057	362
Net foreign exchange loss/(gain) on cash and cash equivalents	(101,902)	(234,135)	9,668
Interest income	(21,557)	(68,268)	(20,904)
Interest expense	100,910	238,783	54,038
Taxation	162,644	1,178,124	272,020
Operating cash flow before movement in working capital	<u>961,633</u>	<u>4,361,762</u>	<u>1,173,984</u>
Change in non-cash working capital balances			
Inventories	165,373	(143,290)	71,327
Trade and other receivables	(391,427)	167,782	549,738
Trade and other payables	(119,513)	487,383	195,753
Prizes liabilities	50,093	68,282	4,002
Other Investments	-	799	-
Cash generated by operations	<u>666,159</u>	<u>4,942,718</u>	<u>1,994,804</u>
Taxation paid, net	(433,898)	(1,129,724)	(381,246)
Interest paid	<u>(102,390)</u>	<u>(204,026)</u>	<u>(43,144)</u>
Cash provided by operating activities	<u>129,871</u>	<u>3,608,968</u>	<u>1,570,414</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of subsidiary, net of cash acquired	(374,330)	(1,311,609)	(1,417,390)
Acquisition of property and equipment	(356,223)	(1,384,630)	(131,754)
Acquisition of intangible assets	(31,196)	(35,216)	(13,564)
Proceeds on disposal of property and equipment	-	1,264	767
Long-term receivables	322	535	307
Interest received	<u>21,533</u>	<u>65,463</u>	<u>18,350</u>
Cash used in investing activities	<u>(739,894)</u>	<u>(2,664,193)</u>	<u>(1,543,284)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distributions	(738,430)	(1,902,515)	-
Repayment of long term payables	(56,015)	(120,193)	(1,081)
Addition of long-term liabilities	-	3,505,795	-
Finance lease, net	<u>10,826</u>	<u>20,778</u>	<u>(32,323)</u>
Cash provided by financing activities	<u>(783,619)</u>	<u>1,503,865</u>	<u>(33,404)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(1,393,642)</u>	<u>2,448,640</u>	<u>(6,274)</u>
Cash and cash equivalents at the beginning of the year	6,255,623	3,592,465	3,592,465
Effect of exchange rate changes on the balance of cash held in foreign currency	<u>105,168</u>	<u>214,518</u>	<u>(7,594)</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD/YEAR</b>	<u>4,967,149</u>	<u>6,255,623</u>	<u>3,578,597</u>

**SUPREME VENTURES LIMITED  
AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
UNAUDITED THREE MONTHS ENDED MARCH 31, 2021**  
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

1. Identification

Supreme Ventures Limited (the Company) is a public limited liability company which is listed on the Jamaica Stock Exchange. The Company's registered office is located at 9A Retirement Crescent, Kingston 5, Jamaica, W.I.

The Company and its subsidiaries are collectively referred to as "the Group". The main activities of the Group comprise betting, gaming and lottery operations. The main activity of the Company is the management of its subsidiary companies ("subsidiaries").

The subsidiaries that are consolidated and their principal activities are as follows:

Name of company	Principal activity	Country of Incorporation	Percentage Ownership 2021	Percentage Ownership 2020
			%	%
Prime Sports (Jamaica) Limited and its subsidiaries:	Betting, gaming and lottery operations licensed by the Betting Gaming and Lotteries Commission (BGLC)	Jamaica	100	100
Supreme Route Limited (formerly Bingo Investments Limited)	Gaming operations licensed by the BGLC	Jamaica	51	51
Chillout Ventures Limited	Not trading	Jamaica	100	100
Supreme Ventures Lotteries Limited	Not trading	Jamaica	100	100
Transtel Jamaica Limited	Not trading	Jamaica	100	100
Supreme Ventures Services Limited (formerly Big 'A' Track 2003 Limited)	Pin code sales and shared services	Jamaica	100	100
Supreme Ventures Racing and Entertainment Limited	Betting and horse-racing operations licensed by BGLC and Jamaica Racing Commission (JRC)	Jamaica	100	100
Jamaica Lottery Company Holdings Limited	Not trading	Jamaica	100	100
Supreme Group Incorporated	Holding Company	St. Lucia	100	100
Supreme Guyana Incorporated	Holding Company	St. Lucia	100	100
Supreme Ventures Guyana Holdings Inc	Holding Company	Guyana	100	100
Supreme Ventures Enterprise Inc	Betting & Gaming	Guyana	100	100
Post to Post Betting Limited	Betting & Gaming	Jamaica	80	51
Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited) and its subsidiary:	Microfinancing	Jamaica	100	100
McKayla Financial Services Limited	Micro-financing	Jamaica	51	-

On February 11, 2021, Supreme Ventures Limited through its subsidiary Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited) acquired fifty-one percent (51%) of the shares in McKayla Financial Services Limited. (Please see note 3 for further details.)

**SUPREME VENTURES LIMITED  
AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
UNAUDITED THREE MONTHS ENDED MARCH 31, 2021**  
*(Expressed in thousands of Jamaica dollars unless otherwise indicated)*

2. Statement of compliance and basis of preparation

(a) Statement of Compliance

These unaudited interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2020. They do not include all of the information required for a complete set of International Financial Reporting Standards (IFRS) financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements as at and for the year ended December 31, 2020 and corresponding interim reporting period.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for the inclusion of available-for-sale investments and investment property at fair value.

(c) Functional and presentation currency

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in Jamaican Dollars, which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. At the Statement of Financial Position date, monetary assets and liabilities denominated in foreign currencies are translated using the weighted average closing exchange rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the period ended. Although these estimates are based on management's best knowledge of current events and actions, actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2020.

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2. Statement of compliance and basis of preparation (Continued)

- (e) Where necessary, comparative amounts have been reclassified to conform with changes in the presentation in the current reporting period.

3. Acquisitions

On February 11, 2021, the Group through its subsidiary, Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited) acquired fifty-one percent (51%) of the shares in McKayla Financial Services Limited. This transaction was settled with a cash consideration of \$51 million. The related business acquisition costs are \$5.8 million.

The Purchase Price Allocation as required by IFRS 3 (*Business Combination*) for the acquired assets and liabilities is being finalized and the full acquisition accounting will be presented on completion.

During the quarter, the Group finalized the acquisition of the additional twenty-nine percent (29%) shares in PosttoPost Betting Limited. This transaction was settled with a cash consideration of \$374 million. This transaction increases SVL shares to eighty percent (80%) ownership. The additional shares acquired is reflected in the financial statements as at March 31, 2021.

4. Significant events and transactions

Global financial markets have experienced significant volatility resulting from the spread of a novel coronavirus, COVID-19. The outbreak of COVID-19 has resulted in Governments implementing numerous measures including lockdowns and curfews leading to supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on global and local economies, financial markets, and sectors and the specific industry in which the Company operates remains uncertain and has the potential to continue to adversely affect its business, results of operations or financial condition. Our Group companies have provided new opportunities for consumers to access the products and services through new channels including a more robust platform to support Mobile, increased payout options and limits.

Management believes that the Group is well positioned to overcome the challenges brought forth within the current economic impact. Factors contributing to the Group's strong position are:

- a) The Group does not expect to need additional borrowing facilities in the next 12 months to support its current business activities, as a result of its existing facilities and strong liquidity reserves. The Group has headroom to comply with all debt covenants.
- b) The Group's major customers have not experienced financial difficulties, with respect to their obligations to us. Credit quality of trade receivables as at March 31, 2021 remains good.

Overall, the Group is in a strong position and has sufficient capital and liquidity to service its operating activities and debt. The Group's objectives and policies for managing capital, credit risk and liquidity risk are described in its recent annual financial statements.

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5. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group has five main operating segments: Lotteries, Gaming, Horseracing, Sports Betting and Pin Codes.

Segment results are reported to the Group's executive management (collectively considered the chief operating decision maker) which includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. All transactions between business segments are conducted on an arm's length basis, with intersegment revenue and cost eliminated on consolidation.

The format of the segment report was changed during the prior year to include Horseracing and Video Lottery Terminals as part of Sports Betting. This is due to a change in the way in which the business is monitored by the Chief Decision Maker including the reports used to facilitate management of the segments. Each area now has a General Manager with responsibility for tracking performance against targeted objectives and reporting such performance to the Executive Chairman.

Segment performance is determined by recognizing income and expenses directly associated with each segment. The segment result is adjusted for intersegment revenue and costs, taxes and finance cost to arrive at a final position.

	2021				Group
	Lottery	Sports Betting	Pin Codes	Other	
Non-fixed odd wagering games	888,530	2,726,081	2,949,384	124,997	6,688,992
Other revenue	3,732,186	287,828	-	-	4,020,014
<b>Total revenue</b>	<b>4,620,717</b>	<b>3,013,909</b>	<b>2,949,384</b>	<b>124,997</b>	<b>10,709,007</b>
<b>Result</b>					
Segment result	629,866	245,817	46,218	(155,258)	766,643
Interest income					21,557
Other gains					34,994
Net foreign exchange loss					42,063
Finance costs					(100,910)
Profit before taxation					764,348
Taxation					(162,643)
<b>Profit for the year</b>					<b>601,704</b>
<b>Other information</b>					
Capital expenditure	25,225	288,512	-	73,682	387,419
Depreciation, amortisation and write-offs property, plant and equipment	37,392	102,627	-	62,576	202,595
Segment assets	2,610,777	5,987,935	843,263	5,462,812	14,904,787
Segment liabilities	1,827,003	1,354,084	964,841	5,110,466	9,256,396

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5. Segment reporting (continued)

	2020				
	Lottery	Sports Betting	Pin Codes	Other	Group
Non-fixed odd wagering games	777,070	1,803,149	3,057,284	83,072	5,720,575
Other revenue	4,210,904	196,992			4,407,896
<b>Total revenue</b>	<b>4,987,974</b>	<b>2,000,141</b>	<b>3,057,284</b>	<b>83,072</b>	<b>10,128,471</b>
<b>Result</b>					
Segment result	928,180	4,123	69,211	(2,961)	998,553
Interest income					64,292
Net foreign exchange loss					(9,357)
Other gains					-
Impairment Loss					-
Finance costs					(44,681)
Revaluation gain in investment property					-
Other gains and losses					-
Profit before taxation					1,008,807
Taxation					(272,020)
<b>Profit for the year</b>					<b>736,787</b>
<b>Other information</b>					
Capital expenditure	23,750	67,527	-	54,041	145,318
Depreciation, amortisation and write-offs property, plant and equipment	35,118	67,848	-	19,814	122,780
Segment assets	3,059,644	2,069,796	1,041,432	4,048,519	10,219,391
Segment long-term liabilities	1,621,943	1,071,307	812,417	2,439,758	5,945,425

6. Contingencies – Litigations

*EGE Limited (formerly Epsilon Global Equities Limited):*

On December 15, 2008 a civil suit was filed by EGE Limited (then called Epsilon Global Equities Limited) against the Company and its founding stockholders. The matter was decided in 2011, with a judgement in favour of the founding stockholders and the Company. An appeal to the Court of Appeal was also dismissed on 30th May 2017 again in favour of the Company and stockholders. A further appeal has been made to the Judicial Committee of the Privy Council and the hearing is scheduled for the 27th and 28th of April 2021. The attorneys representing the Company expect to succeed and that the appeal will not result in a financial liability to the Company.

*Talisman Capital Alternative Investment Fund and EGE Limited:*

In August 2012, a civil suit was filed in the Courts of Florida, USA, by Talisman Capital Alternative Investment Fund and EGE Limited citing as defendants the Company and certain of its stockholders. This suit is in respect of most of the same issues decided in the Supreme Court in Jamaica in favour of the Company and some of its stockholders (see above).

In April 2013, the Federal Bankruptcy Court in Florida granted a motion by SVL and other defendants to dismiss the complaint. The plaintiffs then filed objections to the dismissal. Subsequently, the court granted a motion by SVL and other defendants to strike out the objections. The plaintiffs then moved for reconsideration of the order. The motions were heard



6. Contingencies – Litigations (continued)

and SVL and other defendants were successful on the motions and were either discharged from the proceedings or the plaintiffs were ordered to re-file the proceedings. The Plaintiffs have appealed the Order. The appeal has been heard and the decision is pending. The attorneys representing SVL expect SVL's position to be upheld by the Appeal Court.



**SUPREME  
VENTURES**  
GROUP

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