

## FINANCIAL PERFORMANCE

**The Group's unaudited financial statements are presented for the three months ended September 30, 2021. In a third quarter marked by COVID-19 driven multi-day lock downs, early evening curfews and social distancing protocols, Supreme Ventures Limited has been able to earn a net profit of \$312.3 million.**

Our aggressive product and channel diversification strategy implemented over the last three years, has been able to somewhat reduce the overall exposure of specific channels and segments to the risks associated with the ongoing uncertain COVID environment. At a time when all business were impacted negatively by the no-movement days and curfews, during the months of August and September, we continue to enhance our customer experience and key stakeholder relationships, utilizing tactics that expand and grow the business in addition to maintaining firm cost control measures.

Our customers have affirmed their confidence in our products and services, as showcased by a steady increase in transactions across our various product categories, and consistent, robust revenue growth in the face of legal and illegal competitive forces. We anticipate improved market conditions as the vaccination numbers continue to rise both in Jamaica and overseas, and the guidelines implemented by the government enable the country to better cope with changes to the pandemic's protocols.

SV Group has done our part to contribute to the vaccination efforts, through our Vax and Win promotion, and vaccination blitz at Caymanas Park, which both initiatives are mentioned below under Corporate Social Responsibility.

Buoyed by a considerably successful first half of the year, we continue to implement new and innovative approaches to how we do business, as guided by our strategic plan.

## QUARTER RESULTS

The period's net profit of \$312.3 million represented a decline of \$310.5 million or 49.9% when compared to 2020. For this quarter, the operations were largely impacted by several external factors including severe Government imposed restrictions and increased lock down days to contain the devastating spread of the Delta variant of COVID-19. The company is grateful to have performed creditably under these challenging conditions.

Total Gaming income of \$10.1 billion, represents a decline of \$264 million or 2.5% when compared to the corresponding period in 2020, driven largely by sizeable pay-outs for Cash Pot. Direct expenses, for the reporting quarter, amounted to \$7.9 billion, \$203 million or 2.5%, lower than the same period in the prior year. Despite the difficult business environment, total prizes paid for the quarter amounted to \$14.7 billion, representing an increase of 5.1% compared to Q3, 2020, as we continue to put more money back into the hands of the consumer, and help to drive the overall economy. Total contributions to Government coffers, including the consolidated fund amounted to \$1.9 billion for the quarter (similar to 2020), despite restricted operations for over fifteen days.

Gross profit for the quarter amounted to \$2.2 billion, representing a decline of \$61 million or 2.8% in comparison to the second quarter in 2020. This marginal decline is due to the partial closure of operations during the quarter based on the restrictive measures.

*Earnings per share for the quarter is 11.80 cents (2020: 22.60 cents).  
The dividends proposed of 11 cents will be paid on November 18, 2021.*

**2020 Total Assets \$15.6 Billion**



**2021 Total Assets \$15.2 Billion**



The Group's assets totalled \$15.2 billion, representing a decrease of \$395.4 million or 2.5% when compared to the assets as at December 31, 2020. The net reduction is mainly impacted by the payment of dividends and estimated statutory taxes paid in Q1, 2021. These reductions were offset by the acquisition of fifty-one percent (51%) of the shares of McKayla Financial Services Limited, 10% shareholding in Main Event Entertainment Group, the additional 29% share ownership in Posttopost Betting Limited and deposits placed for key development projects.

## YEAR TO DATE SEGMENT RESULTS

The business segments contributed an uplift of \$3.8 billion or 13.5% to achieve gaming income of \$31.7 billion for year to date.

The Lotteries segment reported Gaming income of \$14.4 billion and results of \$2.3 billion. This represents an increase of \$388.2 million or 2.8% on gaming income while segment results had a decline of \$626.3 million or 21.5%. This decline is attributed to the higher liability for Cash Pot since the start of the financial year.

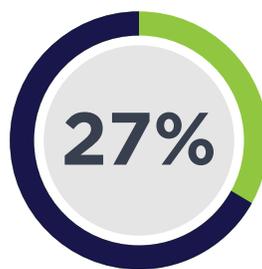
The Group continues to focus on expanding channel strategies and terminal expansion, which have been well received by the marketplace. SV Games (Mobile/Online) has seen exponential growth in both usage and growing the number of active online users, due to the increased number of games that can be played on the platform, as well as strong promotional and product enhancement activities. The expansion of the Supa Sellaz program has provided an additional sales channel for both our customers and third-party retailers. The Retailer initiatives continue to cement our relationship with network and enhance value added to the end customers.

The Sports Betting segment reported results of \$509.3 million and gaming income of \$8.5 billion, an increase of over \$3.2 billion or 61.9% in comparison to prior year. The growth is due significantly to the attractiveness of the offers and flexibility to game, enhanced with the use of the mobile platforms and support of the Ecommerce platform.

PIN codes sales saw a decline of \$69.5 million or 0.8% for the period to close at \$8.5 billion while reporting segment results of \$138.9 million. We are excited about the launch of "ChargeUp" and the extended relationships being offered to our retailers. The partnerships with our main distributors will continue as we focus on maximizing the touch points and convenience for the end consumers.



LOTTERIES



SPORTS BETTING



PIN CODES

**Segment Revenue%  
Contributions**



## CORPORATE SOCIAL RESPONSIBILITY

Despite the challenging conditions presented to the Group's ability to earn, the company ramped up corporate social responsibility activities over the third quarter and increased efforts to support the government's vaccination drive.

The Supreme Ventures Group Vax and Win vaccine lottery promotion which was launched in June has to date seen Jamaicans winning over \$8.9 million in cash and prizes. The campaign allows persons 18 years and older who are vaccinated with either their first or second dose to register for a chance to win up to \$200,000 in cash per week as well as thousands of dollars in grocery and school supply vouchers. We have not only given away almost \$10 Million in prizes in this competition, an additional \$10 Million has been spent on communications encouraging Jamaicans to get vaccinated.

Our efforts to support the national vaccination programme continued with the staging of a three-day vaccination blitz for the residents of Portmore on the grounds of the sprawling Caymanas Park facility. With an investment of over \$3 Million, the Supreme Ventures Foundation and Supreme Ventures and Racing Entertainment Limited (SVREL) partnered with the American Friends of Jamaica and the Southeast Regional Health Authority (SERHA) to provide a convenient location for persons to be vaccinated. Deemed a success, the blitz saw just over 2,000 persons vaccinated with Pfizer and Johnson & Johnson vaccines from Tuesday, September 7 to Thursday, September 9.

To date, twenty-two homes have been completed under the Fire Safety programme, which restarted in Q1 2020 after access was again granted to the homes by the governing body, the Child Protection and Family Services Agency (CPFSA). Access was intermittently restricted due to the COVID-19 pandemic. The Jamaica National Children's Home, City of Refuge Children's Home and Pringle's Home for Girls are the latest homes to have fire systems installed. Work is still underway at the SOS Children's Village. In addition, a robust 3-year maintenance program has been put in place to protect the equipment installed in the homes increasing the impact of the over \$20 million program.

The final phase of the SVF's social enterprise program, Supreme Heroes, intensified in the lead up to end of the first cohort in the third quarter. The SVF invited the public to vote through social media and online along with a formal judging panel comprised of business consultants, members of staff and Board directors, all of whom selected the most impactful Hero as the winner who will be awarded an even greater grant to continue their outreach in the community.

## CORPORATE SOCIAL RESPONSIBILITY CONT'D

The SVF also announced its scholarship programme for state wards who will be pursuing tertiary education this academic year. The announcement of the program was done during our annual general meeting in September, with approximately \$100 million to be spent over four years to provide full scholarships to 20 students who have been accepted by their university or college of choice.

The SVF also donated over a million dollars to the Child Protection and Family Services Agency's National Children's Summit. The contribution went towards the organizing of the event for the thousands of wards of the State who would view the proceedings remotely. The biennial summit has been moved online due to COVID-19 restrictions and will take place in the first quarter of 2022.



**AGM-Gary-Peart** – SVL's Executive Chairman, Gary Peart announced SVL's 20th Anniversary Scholarship programme at the company's Annual General Meeting on September 9.



**Miss Jenny Wrap** – SVF Supreme Hero, Jennifer Brown of Miss Jenny's Shop in Norwood Montego Bay, hands over household items to the beneficiary of her project. Miss Brown constructed a walk in sanitary facility for a disabled neighbour.



**Eaton-McKoy** – A member of the fire safety installation team fits a fire extinguisher into place at one of the 32 homes that were selected to receive upgraded fire safety systems.



## 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. As the pandemic continues, our business has been tested as never before, and the team has risen admirably to this challenge, displaying tremendous fortitude and showcasing the benefits of a solid foundation, visionary diversification and dedicated leadership.

The validation of our strategic direction 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 excited by the potential of coming innovations, improvements and the launch of key initiatives that will further support and grow our business.

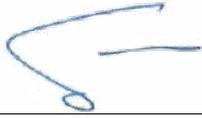
New products will be launched through the retail channel as we provide continuous opportunities to grow with our retail partners, a critical part of the future of SVG. As our channel diversification strategy expands, our customers will have ever increasing options to game at their fingertips. Our mobile channels have proven themselves essential to the convenience and safety of our customers during this difficult period, and we expect customer acquisition across all gaming segments to continue to grow steadily. There has also been significant evidence that the market has expanded due to the provision of these channels, and we have been positively motivated by the gains that have been made. We continue to expect great things from our flagship mobile channels, SV Games, JustBet Mobile and MBet based on the current trajectory.

Our Guyana market is showing steady growth, and the improvements in the horse racing product and operations using technology and new product solutions promises to create a profitable, sustainable business for the first time in the history of Caymanas Park. Our flagship lottery product remains strong and has proven itself as Jamaica's favorite game, exciting the market and satisfying our customers. We are committed to ensuring that this positioning is maintained for the next 20 years to come.

The Group has withstood the external shocks that have crippled less prepared organizations, and as we look to the future for which the groundwork is now being laid, we see a return to normalcy over the short term. As lock downs become less of a norm and our vaccination efforts bear fruit, we expect to see the country return to the growth trajectory that was being embarked on pre-Covid. We will continue to focus on necessary KPIs such as cost reduction and increased efficiency and 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.

## OUTLOOK CONT'D

We will maintain 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



**Nine Months Ended September 30, 2021**

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**SUPREME VENTURES LIMITED**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**Period Ended September 30, 2021**  
*(Expressed in thousands of Jamaica dollars unless otherwise indicated)*

	Unaudited Nine Months Ended September 30, 2021	Unaudited Nine Months Ended September 30, 2020	Unaudited Three Months Ended September 30, 2021	Unaudited Three Months Ended September 30, 2020
Revenue - Non-fixed odd wagering games, horse racing and pin codes	19,259,074	15,943,524	6,307,342	6,265,452
Income from fixed odd wagering games, net of prizes	<u>12,449,382</u>	<u>11,994,949</u>	<u>3,841,948</u>	<u>4,148,125</u>
<b>Total Gaming Income</b>	31,708,456	27,938,473	10,149,290	10,413,577
Direct Costs	<u>(25,168,024)</u>	<u>(21,942,193)</u>	<u>(7,983,404)</u>	<u>(8,186,436)</u>
<b>Gross Profit</b>	6,540,432	5,996,280	2,165,886	2,227,141
Other (Expenses) / Income	102,254	80,978	28,865	22,163
Selling, general and administrative expenses	<u>(4,476,936)</u>	<u>(3,640,836)</u>	<u>(1,604,721)</u>	<u>(1,296,911)</u>
<b>Operating Profit</b>	2,165,750	2,436,422	590,030	952,393
Finance costs	24,819	(159,137)	(57,191)	(83,825)
Fair value gain on shares held for trading	<u>23,400</u>	<u>-</u>	<u>(34,501)</u>	<u>-</u>
<b>Profit before taxation</b>	2,213,969	2,277,285	498,338	868,568
Taxation	<u>(673,306)</u>	<u>(725,494)</u>	<u>(186,037)</u>	<u>(245,736)</u>
<b>Profit for the period</b>	<u>1,540,663</u>	<u>1,551,791</u>	<u>312,301</u>	<u>622,832</u>
<b>Attributable to:</b>				
Stockholders of the parent company	1,520,428	1,540,947	311,256	596,066
Non-controlling interest	<u>20,235</u>	<u>10,844</u>	<u>1,045</u>	<u>26,766</u>
	<u>1,540,663</u>	<u>1,551,791</u>	<u>312,301</u>	<u>622,832</u>
<b>Earnings per stock unit</b>				
Basic and diluted	<u>57.65 cents</u>	<u>58.43 cents</u>	<u>11.80 cents</u>	<u>22.60 cents</u>

**SUPREME VENTURES LIMITED**  
**Consolidated Statement of Financial Position**  
**As at September 30, 2021**

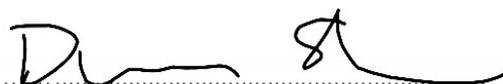
*(Expressed in thousands of Jamaica dollars unless otherwise indicated)*

	Unaudited Nine Months Ended September 30, 2021	Audited Year Ended December 31, 2020	Unaudited Nine Months Ended September 30, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4,163,843	2,839,201	2,751,689
Biological asset	225	-	-
Investment properties	867,000	867,000	901,946
Goodwill and Intangible assets	3,588,099	3,703,009	3,416,642
Long-term receivables	26,744	27,958	27,643
Financial assets at amortised cost	1,883	1,883	1,883
Deposit on investment	150,437	-	-
Other investments	144,743	16,341	17,140
Deferred tax assets	-	-	152,982
	<u>8,942,974</u>	<u>7,455,392</u>	<u>7,269,925</u>
<b>Current assets</b>			
Inventories	130,122	335,190	233,809
Trade and other receivables	2,147,908	1,453,888	1,358,270
Current portion of long-term receivables	1,117	1,117	1,117
Taxation recoverable	33,481	23,668	26,738
Debt service reserve	52,932	52,932	-
Cash and cash equivalents	<u>3,873,913</u>	<u>6,255,623</u>	<u>3,411,191</u>
	6,239,473	8,122,418	5,031,125
<b>Current liabilities</b>			
Prize liabilities	773,187	600,455	659,061
Contract liabilities	12,371	4,342	3,393
Trade and other payables	2,484,453	2,844,938	2,954,585
Current portion of lease liabilities	94,943	181,986	41,270
Current portion of long-term loans	169,053	224,300	39,512
Income tax payable	159,009	261,291	143,512
	<u>3,693,016</u>	<u>4,117,312</u>	<u>3,841,333</u>
Net current assets	<u>2,546,457</u>	<u>4,005,106</u>	<u>1,189,792</u>
	<u>11,489,431</u>	<u>11,460,498</u>	<u>8,459,717</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	49,258	45,987	-
Retained earnings	<u>1,802,368</u>	<u>2,122,083</u>	<u>1,832,653</u>
	3,881,295	4,197,739	3,862,322
<b>Non-controlling interests</b>	<u>1,627,126</u>	<u>1,773,600</u>	<u>1,745,991</u>
	5,508,421	5,971,339	5,608,313
<b>Non-current liabilities</b>			
Long-term payables	5,127,100	4,689,469	1,951,076
Lease liabilities	777,743	740,292	900,328
Deferred tax liability	76,167	59,398	-
	<u>5,981,010</u>	<u>5,489,159</u>	<u>2,851,404</u>
	<u>11,489,431</u>	<u>11,460,498</u>	<u>8,459,717</u>

Approved and authorized for issue by the Board of Directors on October 20, 2021 and signed on its behalf by:



.....  
Gary Peart – Executive Chairman



.....  
Duncan Stewart – Lead Independent Director

**SUPREME VENTURES LIMITED**  
**Consolidated Statement of Changes in Equity**  
**Period Ended September 30, 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 Nine Months Ended September 30, 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	-	-	-	-	1,520,428	20,235	1,540,663
Other currency translation differences	-	-	-	(17,166)	-	-	(17,166)
Acquisition of additional shares in subsidiary	-	-	-	-	-	(166,709)	(166,709)
<b>Transactions with stockholders</b>							
Distributions	-	-	-	-	(1,819,706)	-	(1,819,706)
<b>Balance as at September 30, 2021</b>	<b>2,637,255</b>	<b>1,967,183</b>	<b>62,486</b>	<b>28,821</b>	<b>1,822,805</b>	<b>1,627,126</b>	<b>5,508,421</b>
<b>Unaudited Nine Months Ended September 30, 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	-	-	-	-	1,540,947	10,844	1,551,791
Non controlling interest on acquisition of subsidiary	-	-	-	-	-	1,366,806	1,366,806
<b>Transactions with stockholders</b>							
Distributions	-	-	-	-	(1,374,914)	-	(1,374,914)
<b>Balance as at September 30, 2020</b>	<b>2,637,255</b>	<b>1,967,183</b>	<b>62,486</b>	<b>-</b>	<b>1,832,652</b>	<b>1,745,992</b>	<b>5,608,313</b>

**SUPREME VENTURES LIMITED**  
**Consolidated Statement of Cash Flows**  
**Period Ended September 30, 2021**

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

	Unaudited Nine Months Ended September 30, 2021	Audited Year Ended December 31, 2020	Unaudited Nine Months Ended September 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for period/year	1,540,663	2,420,947	1,551,791
Adjustments for:			
Depreciation of property and equipment	432,053	470,964	349,174
Amortisation of intangible assets	188,990	255,330	101,438
Write off of property and equipment	-	17,806	-
Share based options	16,784	26,472	-
Gain on disposal of property and equipment	(4,800)	(1,264)	(1,045)
Gain on fair value adjustment on held for trading shares	(23,400)	-	-
Revaluation loss on investment property	-	34,946	-
Bad debts recognised	84,557	22,057	8,718
Net foreign exchange loss/(gain) on cash and cash equivalents	(217,724)	(234,135)	109,775
Interest income	(57,200)	(68,268)	(50,652)
Interest expense	302,073	238,783	148,807
Taxation	673,306	1,178,124	725,494
Operating cash flow before movement in working capital	2,935,302	4,361,762	2,943,500
Change in non-cash working capital balances			
Inventories	205,068	(143,290)	(41,909)
Trade and other receivables	(881,047)	167,782	275,499
Trade and other payables	(352,456)	487,383	660,320
Prizes liabilities	172,732	68,282	126,888
Other Investments	128,402	799	-
Cash generated by operations	2,208,001	4,942,718	3,964,298
Taxation paid, net	(739,576)	(1,129,724)	(806,216)
Interest paid	(311,401)	(204,026)	(148,807)
Cash provided by operating activities	1,157,024	3,608,968	3,009,275
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of subsidiary, net of cash acquired	(374,330)	(1,311,609)	(1,341,092)
Acquisition of biological asset	(225)	-	-
Acquisition of property and equipment	(1,742,200)	(1,384,630)	(977,344)
Acquisition of intangible assets	(74,046)	(35,216)	(15,368)
Proceeds on disposal of property and equipment	-	1,264	1,045
Long-term receivables	1,214	535	850
Interest received	58,098	65,463	49,087
Cash used in investing activities	(2,131,489)	(2,664,193)	(2,282,822)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distributions	(1,819,706)	(1,902,515)	(1,374,914)
Repayment of long term payables	(168,616)	(120,193)	(32,225)
Addition of long-term liabilities	551,000	3,505,795	500,000
Finance lease, net	(49,592)	20,778	104,146
Cash (used in)/provided by financing activities	(1,486,914)	1,503,865	(802,993)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(2,461,379)	2,448,640	(76,540)
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	79,670	214,518	(104,734)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD/YEAR</b>	<u>3,873,913</u>	<u>6,255,623</u>	<u>3,411,191</u>

**SUPREME VENTURES LIMITED  
AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
UNAUDITED NINE MONTHS ENDED SEPTEMBER 30, 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 comprises 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	100
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
Postpost 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 NINE MONTHS ENDED SEPTEMBER 30, 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.

4. Significant events and transactions

Global financial markets have experienced significant volatility resulting from the spread of the 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 that will impact their obligations to SVL Group. Credit quality of trade receivables as at September 30, 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.

The format of the segment report was changed during the prior year to include Horseracing and Video Lottery Terminals as part of Sports Betting. 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	2,764,491	7,617,587	8,533,569	343,426	19,259,074
Other revenue	11,592,810	856,572	-	-	12,449,382
<b>Total revenue</b>	<u>14,357,302</u>	<u>8,474,159</u>	<u>8,533,569</u>	<u>343,426</u>	<u>31,708,456</u>
<b>Result</b>					
Segment result	2,281,208	509,314	138,989	(873,074)	2,056,437
Interest income					57,199
Other gains					52,112
Net foreign exchange gain					326,892
Finance costs					(302,073)
Revaluation gain on held for trading shares					23,400
Profit before taxation					<u>2,213,969</u>
Taxation					(673,305)
<b>Profit for the year</b>					<u>1,540,663</u>
<b>Other information</b>					
Capital expenditure	40,814	1,511,149	-	264,283	1,816,246
Depreciation, amortisation and write-offs property, plant and equipment	<u>122,175</u>	<u>337,353</u>	<u>-</u>	<u>161,515</u>	<u>621,043</u>
Segment assets	<u>3,037,537</u>	<u>7,525,943</u>	<u>675,182</u>	<u>3,943,786</u>	<u>15,182,447</u>
Segment liabilities	<u>1,792,865</u>	<u>1,410,691</u>	<u>842,882</u>	<u>5,627,588</u>	<u>9,674,026</u>

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5. Segment reporting (continued)

	2020				
	Lottery	Sports Betting	Pin Codes	Other	Group
Non-fixed odd wagering games	2,400,846	4,806,349	8,603,076	133,253	15,943,524
Other revenue	11,568,296	426,653			11,994,949
<b>Total revenue</b>	<u>13,969,142</u>	<u>5,233,002</u>	<u>8,603,076</u>	<u>133,253</u>	<u>27,938,473</u>
<b>Result</b>					
Segment result	2,907,523	(90,991)	133,206	(594,294)	2,355,444
Interest income					50,652
Net foreign exchange loss					(10,330)
Other gains					30,326
Finance costs					(148,807)
Profit before taxation					2,277,285
Taxation					(725,494)
<b>Profit for the year</b>					<u>1,551,791</u>
<b>Other information</b>					
Capital expenditure	43,422	733,033	-	216,257	992,712
Depreciation, amortisation and write-offs property, plant and equipment	107,686	270,407	-	72,519	450,612
Segment assets	2,508,582	5,693,187	951,940	3,147,341	12,301,050
Segment long-term liabilities	1,988,498	1,420,412	1,252,778	2,031,049	6,692,737

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 which was heard before the Supreme Court and the Court of Appeal and in both instances, judgment was delivered in favour of the founding shareholders and the Company. EGE then appealed to the Privy Council. The parties have however, since the last quarter, amicably resolved and settled the matter with no 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. The issues in this lawsuit were similar in some respect to the lawsuit filed by EGE in Jamaica.

In April 2013, the Federal Bankruptcy Court in Florida granted a motion by SVL and other defendants to dismiss the complaint. The plaintiffs subsequently filed motions against the decision to dismiss the complaint but has been unsuccessful in its attempt to proceed with the matter. During the last quarter however, the parties amicably resolved the matter. The matter was thereafter dismissed with prejudice and therefore can never be brought back by EGE. The resolution of the matter created no liability for the Company.

These matters are therefore at an end.



**SUPREME  
VENTURES**  
GROUP

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