



FINANCIAL PERFORMANCE

Supreme Ventures Limited is extremely delighted to report a strong net profit of \$1.0 billion for the three months ended March 31, 2022.

The performance for the Quarter is a remarkable and historic achievement for the Groups' operations despite the looming residual effects of the Covid-19 pandemic. SVG has been able to protect and grow its market share and record the highest revenues in the company's history, notwithstanding the presence of Lottery competitors in the market.

New and innovative approaches to serving our customers have resulted in the SV Group enjoying one of its best quarters in financial growth through increased revenues and profits even in the current economic climate, which has been recently exacerbated by the effects of the overseas conflict. The Group's agility and ability to meet and respond to customer needs and stakeholder requirements have resulted in opportunities to drive key business strategies and uncover new areas of focus.

The tremendous start to this financial year augurs well for the continued growth in innovation and digitization efforts being undertaken by the Group. We are truly humbled by the confidence placed in SV Group and its products by our esteemed customers. Like them, we look forward to what we will achieve during this financial year.

QUARTER RESULTS

The Group's unaudited financial statements are presented for the three months ended March 31, 2022. The period's net profit of \$1.0 billion represents an increase of \$400.1 million or 66 percent when compared to the same period in 2021. This huge uplift in profitability for the three-month period, is a result of several factors including the hugely successful re-introduction of the popular Instants "Scratchaz" game and our successful implementation of significant cost-savings initiatives.

Total gross ticket sales for the quarter amounted to \$27.7 billion, representing an increase of 164.0 percent over the corresponding period in 2021, as customers welcomed new initiatives that positively impacted their pockets during a difficult economic downturn. Total Gaming income of \$12.7 billion, represents an increase of \$2.0 billion, or 18.7 percent, when compared to the corresponding period in 2021, driven largely by the significant leap in sales in just one full month of marketing of Instants. With a continued focus on expense management, we have further invested in expanding the business as we prepare for the reopening of the economy and the expected upturn that will result. Direct expenses amounted to \$9.8 billion, \$1.2 billion, or 13 percent, higher than the same period prior year. This resulted from the higher amounts paid to our key partners and regulators during the quarter.

Total prizes paid for the quarter amounted to \$20.6 billion, representing an impactful increase of 12.6 percent when compared to Q1 2021, putting more money back into the hands of the consumer to help drive the overall economy.

Gross profit for the quarter amounted to \$2.9 billion, representing an uplift of \$864 million or 42.8 percent when compared to the first quarter of 2021. This is as a direct result of the higher revenue amounts recorded during the quarter.

*Earnings per share for the quarter is 37.79 cents (2021: 22.46 cents).
The dividend approved is 34.01 cents per share payable on May 20, 2022.*

2021 Total Assets \$17.2 Billion



2022 Total Assets \$18.2 Billion



The Group's assets at the end of the quarter stood at \$18.2 billion, representing an increase of \$3.3 billion or 22.1 percent. This increase includes an additional twenty-nine percent acquisition of Supreme Route Limited plus the increased profitability in Q1 2022.

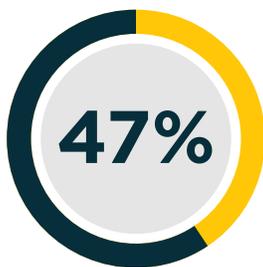
YEAR TO DATE SEGMENT RESULTS

The Lotteries segment reported gaming income of \$6.0 billion and achieved results of \$1.2 billion. This represents an increase of \$1.4 billion, or 31.0 percent, on gaming income while segment results showed an increase of \$517.6 million, or 82.2 percent.

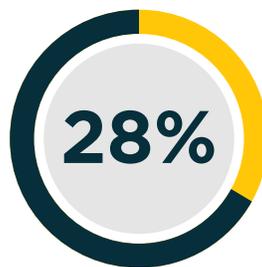
The Group continues to focus on enhancing channel strategies and terminal expansion, which have been well received by the marketplace. SV Games (Mobile/Online) has seen exponential growth in both usage and growing the number of active online users due to the increased number of games that can be played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

The Sports Betting segment reported results of \$287.2 million and gaming income of \$3.5 billion, an increase of \$490.0 million, or 16.6 percent, when compared to the prior year's gaming income. The growth is due significantly to the attractiveness of the offers and flexibility and access to game, enhanced by the use of the mobile platforms.

PIN codes sales saw an increase of \$115.5 million or 3.9 percent for the quarter, achieving segment results of \$84.9 million. The partnerships with our main distributors will continue as we focus on maximizing the touch points and convenience for the end consumers. We continue to be excited about the rollout of "ChargeUp" and the extended relationships being offered to our retailers.



LOTTERIES



SPORTS BETTING



PIN CODES

Segment Revenue%
Contributions



CORPORATE SOCIAL RESPONSIBILITY

As the nation cautiously returns to its new state of normalcy, Supreme Ventures focused on the universal standard of hope and teamwork – sports. Our continued sponsorship of the Jamaica Olympic Association allowed us to provide much needed support to the Jamaica Gymnastics Association's national championships, a non-traditional sport that engenders passion in the spirits of the small group that is representing the activity for Jamaica. The Jamaica Premier League has been another sporting activity that has benefitted from SVL sponsorship as football comes fighting back to the national stage. The League which benefits clubs and talented youth across the country, will be in partnership with SVL for the 2022 season.

During the quarter the United Racehorse Trainers Association of Jamaica received a donation from SVL to support the membership of the organization as they continue to feel the impact of the pandemic. The donation was largely directed at the renewal and maintenance of the trainers' essential membership in the Jamaica Racing Commission. The membership is essential to these professionals being able to ply their trade.

Additional donations were sent to the Kingston Public Hospital as the major renovation project underway at the institution wrapped its final stages, and the University Hospital of the West Indies benefitted from donations of oxygen concentrators, as we continued to do our part to better equip the medical community in the fight against Covid.

The Supreme Ventures Foundation's scholarship program moved into execution mode in earnest during the first quarter as we finalized scholarship payments, accommodations, and introduced the students to their new liaison operating from the offices of the CPFSA. The program will also include SV Executive interactions and social support during the scholarship period.

Along with the issues presented by supply chain delays, the new strain of the Covid virus once again restricted access to the teams to further the implementation of the SVF Fire Safety program for children in State Care. Despite these challenges, the Foundation implemented an additional home during the quarter and put logistics in place to hit the ground running with multiple installations in Q2.

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 service.

CORPORATE SOCIAL RESPONSIBILITY CONT'D



(L-R) Chairman at Supreme Ventures Racing and Entertainment Limited (SVREL), Solomon Sharpe, SVREL General Manager, Lorna Gooden and Supreme Ventures Limited (SVL) CFO, Dennis Chung handover cheque to President of the United Racehorse Trainers' Association of Jamaica (URTAJ), Patrick Smellie. URTAJ General Secretary, Bernard 'Bunny' Vincent and Executive Members of the URTAJ, Michael Beecham, Maurice Crooks and David Powell also join the photo which was taken at Caymanas Park on Friday.



(L-R) Dr. Marsha Chong, consultant Anaesthesia and Intensive Care, Gail Patterson, Principal, Lynshue Design and Build, member of Virgin International, contractors and Heather Goldson, Supreme Ventures Foundation (SVF) Director examine the details of the renovation done at the KPH Doctors' Lounge. The upgrade was made possible through funds donated by SVF as part of its continued efforts to aid in the improvement of the country's healthcare sector.



Destiny Chung, one of the island's top junior gymnasts, is caught airborne during her balance beam routine at the launch of the Supreme Ventures National Gymnastics Classics 2022.

Nordia Francis, PR and Communications Manager at University Hospital of the West Indies and Dr. Phillip Barrow, Consultant Anaesthetist at UHWI accepted the four oxygen concentrators donated by the Supreme Ventures Foundation. The official handover was done by Chloleen Daley-Muschett, Corporate Communications and PR Manager at Supreme Ventures.



(L-R) Dr. Marsha Chong, consultant Anaesthesia and Intensive Care, Dr. Garth McDonald, SMO Victoria Jubilee Hospital (VJH), Heather Goldson, Supreme Ventures Foundation (SVF) Director and Nurse Alicia Adamson, Ward Manager of VJH Operating Theatre at the recent unveiling of the renovated Doctors' lounge at the Kingston Public Hospital. The upgrade was made possible through funds donated by SVF as part of its continued efforts to aid in the improvement of the country's healthcare sector.

OUTLOOK

The validation of the strategic direction that we have undertaken 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 24 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, 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. 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, new product solutions plus enhanced plant refurbishment have begun to create a profitable and 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 several years to come. The rebirth of the Instants Scratchaz product has struck like the proverbial Phoenix rising out of the ashes. We await with bated breath to see where this winged flight propels SVG and to heights still unscaled.

We 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.



Gary Peart (Mr.)
EXECUTIVE CHAIRMAN
SUPREME VENTURES LIMITED



Three Months Ended March 31, 2022

Contents

Financial Statements	Pages
Consolidated Statement of Comprehensive Income	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Changes in Equity	3
Consolidated Statement of Cash Flows	4
Notes to the Financial Statements	5 - 9

SUPREME VENTURES LIMITED**Consolidated Statement of Profit or Loss and Other Comprehensive Income
Period Ended March 31, 2022***(Expressed in thousands of Jamaica dollars unless otherwise indicated)*

	Unaudited Three Months Ended March 31, 2022	Unaudited Three Months Ended March 31, 2021
Revenue - Non-fixed odd wagering games, horse racing and pin codes	7,223,763	6,688,992
Income from fixed odd wagering games, net of prizes	<u>5,491,929</u>	<u>4,020,014</u>
Total Gaming Income	12,715,692	10,709,006
Interest revenue	10,390	-
Direct Costs	<u>(9,843,953)</u>	<u>(8,690,790)</u>
Gross Profit	2,882,129	2,018,216
Other (Expenses) / Income	114,038	55,058
Selling, general and administrative expenses	<u>(1,634,587)</u>	<u>(1,320,560)</u>
Operating Profit	1,361,580	752,714
Finance costs	<u>(98,666)</u>	<u>11,634</u>
Profit before taxation	1,262,914	764,348
Taxation	<u>(260,523)</u>	<u>(162,644)</u>
Profit for the period	1,002,391	601,704
Currency translation differences	<u>(565)</u>	<u>-</u>
Total Comprehensive Income for the period	<u><u>1,001,826</u></u>	<u><u>601,704</u></u>
Net Profit for the period attributable to:		
Stockholders of the parent company	996,727	592,262
Non-controlling interest	<u>5,664</u>	<u>9,442</u>
	<u>1,002,391</u>	<u>601,704</u>
Total Comprehensive Income for the period attributable to:		
Stockholders of the parent company	996,162	592,262
Non-controlling interest	<u>5,664</u>	<u>9,442</u>
	<u>1,001,826</u>	<u>601,704</u>
Earnings per stock unit attributable to owners of the parent during the period		
Basic and fully diluted	<u>37.79 cents</u>	<u>22.46 cents</u>

SUPREME VENTURES LIMITED
Consolidated Statement of Financial Position
As at March 31, 2022

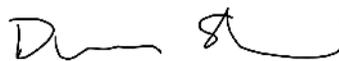
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	Unaudited Three Months Ended March 31, 2022	Audited Year Ended December 31, 2021	Unaudited Three Months Ended March 31, 2021
ASSETS			
Non-current assets			
Property and equipment	4,760,690	4,199,401	3,062,224
Biological asset	225	225	-
Investment properties	848,257	848,257	867,000
Goodwill and Intangible assets	4,264,076	4,247,733	3,649,158
Loans and advances	18,432	18,432	-
Long-term receivables	25,143	26,288	27,636
Financial assets at amortised cost	1,883	1,883	1,883
Financial assets at fair value	376,884	135,002	-
Deposit on investment	-	-	150,437
Other investments	16,341	16,341	16,341
Deferred tax assets	309,094	188,753	-
	<u>10,621,025</u>	<u>9,682,315</u>	<u>7,774,679</u>
Current assets			
Inventories	306,247	301,658	169,817
Trade and other receivables	3,575,301	2,570,418	1,879,636
Loans and advances - Current portion	177,468	189,896	-
Current portion of long-term receivables	1,117	1,117	1,117
Taxation recoverable	30,557	64,997	59,457
Debt service reserve	52,932	52,932	52,932
Cash and cash equivalents	3,426,071	4,371,216	4,967,149
	<u>7,569,693</u>	<u>7,552,234</u>	<u>7,130,108</u>
Current liabilities			
Prize liabilities	971,028	774,785	650,548
Contract liabilities	12,900	19,485	4,558
Trade and other payables	4,179,061	3,493,093	2,725,209
Current portion of lease liabilities	205,483	220,376	118,653
Current portion of long-term loans	237,069	306,307	169,747
Income tax payable	94,629	336,915	11,441
	<u>5,700,170</u>	<u>5,150,961</u>	<u>3,680,156</u>
Net current assets	<u>1,869,523</u>	<u>2,401,273</u>	<u>3,449,952</u>
	<u>12,490,548</u>	<u>12,083,588</u>	<u>11,224,631</u>
Equity			
Attributable to Shareholders of the Company			
Share capital	1,967,183	1,967,183	1,967,183
Capital reserves	62,486	62,486	62,486
Other reserve	(94,707)	(105,208)	26,473
Retained earnings	2,614,191	2,303,150	1,975,915
	<u>4,549,153</u>	<u>4,227,611</u>	<u>4,032,057</u>
Non-controlling interests	<u>1,725,237</u>	<u>1,719,573</u>	<u>1,616,334</u>
	<u>6,274,390</u>	<u>5,947,184</u>	<u>5,648,391</u>
Non-current liabilities			
Long-term payables	5,218,452	5,107,910	4,688,007
Lease liabilities	789,088	819,873	814,451
Deferred tax liability	208,618	208,621	73,782
	<u>6,216,158</u>	<u>6,136,404</u>	<u>5,576,240</u>
	<u>12,490,548</u>	<u>12,083,588</u>	<u>11,224,631</u>

Approved and authorized for issue by the Board of Directors on 21 April, 2022 and signed on its behalf by:



.....
Gary Peart – Chairman



.....
Duncan Stewart

SUPREME VENTURES LIMITED
Consolidated Statement of Changes in Equity
Period Ended March 31, 2022

(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
Unaudited Three Months Ended March 31, 2022							
Balance as at December 31, 2021	2,637,255	1,967,183	62,486	(105,208)	2,303,150	1,719,573	5,947,184
Profit for the period	-	-	-	-	996,727	5,664	1,002,391
Currency translation differences	-	-	-	(565)	-	-	(565)
Employee share scheme	-	-	-	11,066	-	-	11,066
Transactions with stockholders							
Distributions	-	-	-	-	(685,686)	-	(685,686)
Balance as at March 31, 2022	2,637,255	1,967,183	62,486	(94,707)	2,614,191	1,725,237	6,274,390
Unaudited Three Months Ended March 31, 2021							
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)
Transactions with stockholders							
Distributions	-	-	-	-	(738,430)	-	(738,430)
Balance as at March 31, 2021	2,637,255	1,967,183	62,486	26,473	1,975,915	1,616,333	5,648,390

SUPREME VENTURES LIMITED
Consolidated Statement of Cash Flows
Period Ended March 31, 2022

(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	Unaudited Three Months Ended March 31, 2022	Audited Year Ended December 31, 2021	Unaudited Three Months Ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	1,002,391	2,325,731	601,704
Adjustments for:			
Depreciation of property and equipment	170,282	605,605	130,899
Amortisation of intangible assets	80,302	342,996	71,696
Write off of property and equipment	-	7,424	-
Share based options	5,611	24,711	7,928
Gain on disposal of property and equipment	(0)	(5,094)	(4,800)
Gain on fair value adjustment on held for trading shares	(87,601)	(30,001)	-
Revaluation loss on investment property	-	18,743	-
Bad debts recognised	18,813	120,226	14,111
Net foreign exchange gain on cash and cash equivalents	9,697	(71,574)	(101,902)
Interest income	(8,804)	(63,881)	(21,557)
Interest expense	103,454	404,135	100,910
Taxation	260,523	951,378	162,644
Operating cash flow before movement in working capital	<u>1,554,668</u>	<u>4,630,399</u>	<u>961,633</u>
Change in non-cash working capital balances			
Inventories	(4,589)	33,532	165,373
Trade and other receivables	(819,553)	(1,239,264)	(391,427)
Loans and advances	12,428	(208,328)	-
Trade and other payables	694,526	681,391	(119,513)
Prizes liabilities	196,243	174,330	50,093
Cash generated by operations	<u>1,633,723</u>	<u>4,072,060</u>	<u>666,159</u>
Taxation paid, net	(588,713)	(909,275)	(433,898)
Interest paid	(116,498)	(413,116)	(102,390)
Cash provided by operating activities	<u>928,512</u>	<u>2,749,669</u>	<u>129,871</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of subsidiary, net of cash acquired	-	(26,353)	(374,330)
Payment for additional shares in subsidiary	(201,492)	(374,330)	-
Payment for financial assets at fair value through profit or loss	(154,280)	(105,001)	-
Acquisition of biological asset	-	(225)	-
Acquisition of property and equipment	(730,672)	(1,850,768)	(356,223)
Acquisition of intangible assets	(94,754)	(869,173)	(31,196)
Proceeds on disposal of property and equipment	-	12,544	-
Long-term receivables	1,145	1,671	322
Interest received	6,153	66,389	21,533
Cash used in investing activities	<u>(1,173,900)</u>	<u>(3,145,246)</u>	<u>(739,894)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions	(685,686)	(2,109,804)	(738,430)
Long term liabilities, net	41,304	494,962	(56,015)
Finance lease, net	(45,678)	29,484	10,826
Cash used in financing activities	<u>(690,060)</u>	<u>(1,585,358)</u>	<u>(783,619)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(935,448)</u>	<u>(1,980,935)</u>	<u>(1,393,642)</u>
Cash and cash equivalents at the beginning of the year	4,371,216	6,255,623	6,255,623
Effect of exchange rate changes on the balance of cash held in foreign currency	<u>(9,697)</u>	<u>96,528</u>	<u>105,168</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>3,426,071</u>	<u>4,371,216</u>	<u>4,967,149</u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED MARCH 31, 2022**
(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 micro-financing, 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 2022	Percentage Ownership 2021
			%	%
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	80	51
Chillout Ventures Limited	Not trading	Jamaica	100	100
SV REIT Limited (formerly Supreme Ventures Lotteries Limited)	Real Estate	Jamaica	100	100
McKayla Financial Services Limited	Micro-financing		51	51
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:	Sale of charge up and micro-financing	Jamaica	100	100

The shareholdings for all subsidiaries are the same as they were in the prior year with the exception of Supreme Route Limited which was 51%. On March 1, 2022, Supreme Ventures Lotteries Limited was reactivated and renamed to SV REIT Limited. The main activity of this subsidiary is Real Estate.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED MARCH 31, 2022**
(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, 2021. 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, 2021, 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, 2021.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED MARCH 31, 2022**
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

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 23, 2022, the Group through its subsidiary, Prime Sports (Jamaica) Limited acquired an additional twenty-nine percent (29%) of the shares in Supreme Route Limited. This transaction will be settled with a step consideration of \$806 million and increases SVL shares to eighty percent (80%) ownership. The additional shares acquired is reflected in the financial statements as at March 31, 2022.

4. Significant events and transactions

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 March 31, 2022 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.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED MARCH 31, 2022**
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

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.

	2022				
	Lottery	Sports Betting	Pin Codes	Other	Group
Non-fixed odd wagering games	864,761	3,191,830	3,064,999	102,173	7,223,763
Other revenue	5,170,881	321,048	-	-	5,491,929
Total revenue	<u>6,035,643</u>	<u>3,512,878</u>	<u>3,064,999</u>	<u>102,173</u>	<u>12,715,693</u>
Result					
Segment result	1,147,456	287,221	84,291	(281,816)	1,237,153
Loan interest revenue					10,390
Interest income					8,919
Other gains					105,119
Net foreign exchange gain					5,132
Finance costs					(103,798)
Profit before taxation					<u>1,262,914</u>
Taxation					(260,523)
Profit for the year					<u>1,002,391</u>
Other information					
Capital expenditure	86,347	541,046	-	198,033	825,426
Depreciation, amortisation and write-offs property, plant and equipment	54,134	143,095	-	53,354	250,584
Segment assets	<u>3,586,231</u>	<u>8,006,987</u>	<u>878,657</u>	<u>5,718,842</u>	<u>18,190,718</u>
Segment liabilities	<u>3,469,571</u>	<u>1,226,789</u>	<u>1,122,038</u>	<u>6,097,930</u>	<u>11,916,328</u>

SUPREME VENTURES LIMITED
ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED MARCH 31, 2022
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

5. Segment reporting (continued)

	2021				
	Lottery	Sports Betting	Pin Codes	Other	Group
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
Total revenue	4,620,716	3,013,909	2,949,384	124,997	10,709,006
Result					
Segment result	629,866	245,817	46,218	(155,258)	766,643
Interest income					21,557
Net foreign exchange loss					42,063
Other gains					34,994
Impairment Loss					-
Finance costs					(100,910)
Revaluation loss in investment property					-
Other gains and losses					-
Profit before taxation					764,347
Taxation					(162,643)
Profit for the year					601,704
Other information					
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	14,904,788
Segment long-term liabilities	1,827,003	1,354,084	964,841	5,110,466	9,256,394



**SUPREME
VENTURES**
GROUP

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