



FINANCIAL PERFORMANCE

Supreme Ventures Limited is pleased to report a net profit of \$630 million for the three months ended June 30, 2022.

Strategic and innovative customer centric approaches have resulted in the SV Group maintaining its key leadership position through increased revenues and profits even in the current economic climate, which continues to be adversely affected by the effects of the overseas conflict. As a consequence, high fuel prices combined with increasingly more difficult logistical challenges have contributed to high inflationary trends and increased cost of living.

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. And this is embodied in our approach to change management and captured in our theme, Winning @supreme Speed.

QUARTER RESULTS

The Group's unaudited financial statements are presented for the three months ended June 30, 2022. The period's net profit of \$630 million represents an increase of \$3.5 million or 0.56 percent when compared to the same period in 2021.

Total gross ticket sales for the quarter amounted to \$28.3 billion, representing an increase of 21.3 percent over the corresponding period in 2021, as customers continue to support new initiatives that positively impact their pockets during stringent economic times. Total Gaming income of \$12.8 billion, represents an increase of \$1.91 billion, or 17.6 percent, when compared to the prior period in 2021, driven largely by lottery sales with strong performances from Cash Pot and Instants. Direct expenses amounted to \$10.4 billion, \$1.8 billion, or 22 percent, higher than the same period prior year. This resulted from the higher amounts paid to our key partners and regulators during the quarter, as prize pay-outs trended higher for some games in comparison to prior year.

Total prizes paid for the quarter amounted to \$19.5 billion, representing an impactful increase of 18.9 percent when compared to Q2 2021, placing more money back into the hands of the consumer to help fuel the overall economy.

Gross profit for the quarter amounted to \$2.4 billion, representing an increase of \$43.7 million or 2% when compared to the 2nd quarter of 2021. This is as a direct attributable of the higher revenue amounts recorded during the quarter.

Earnings per share for the quarter is 23.58 cents (2021: 23.39 cents). The dividend approved is 18.40 cents per share.

2021 Total Assets \$17.2 Billion



2022 Total Assets \$18.3 Billion



The Group's assets at the end of the quarter stood at \$18.3 billion, representing an increase of \$1.1 billion or 6.4% when compared to the position as at December 31, 2021. This increase includes an additional twenty-nine percent (29 percent) acquisition of Supreme Route Limited plus the increased profitability for the 1st half of 2022.

YEAR TO DATE SEGMENT RESULTS

The respective business segments contributed an uplift of \$3.9 billion or 18% to achieve gaming income of \$25.5 billion year to date ending June 30, 2022.

The Lotteries segment reported gaming income of \$12.1 billion and achieved results of \$2.0 billion. This represents an increase of \$2.2 billion, or 22 percent, on gaming income while the segment results showed an increase of \$482.0 million, or 31.3 percent.

The Group continues to focus on enhancing channel strategies and terminal expansion, which have been well received by the marketplace. 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 \$857.5 million and gaming income of \$7.1 billion, an increase of \$139.0 million, or 24.2 percent, when compared to the prior year's gaming income. Continued improvement is expected in all product lines as the World Cup qualifiers are swinging into full gear, and the resumption of the major sporting football leagues like the EPL and Champions League.

PIN codes sales saw an increase of \$324 million or 5.6% over the same period last year, achieving segment results of \$146.1 million, an increase of \$50.9 million (53.5%). 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 ramp up our recruitment of Greenfield retailers to extend our network of "ChargeUp" terminals.





CORPORATE SOCIAL RESPONSIBILITY

With the country's pandemic recovery continuing its positive trajectory, Supreme Ventures remained focused on supporting those vulnerable segments of society who are more susceptible to the economic shifts and are more at risk of experiencing a slower return to normalcy.

The continued philanthropic efforts of the Supreme Ventures Foundation (SVF) in the island's network of children's homes were amplified with our Labour Day initiative. The team worked hard to identify projects that would improve the quality of life and have a lasting impact on the lives of our children in state care.

Recognizing the nutritional gap that could arise due to inflation and reduction of resources available to the home, the SVF rolled out its vegetable garden box project on Labour Day. The project involved the installation of multiple vegetable garden boxes at both the Homestead Place of Safety and SOS Childrens' Village in Stony Hill, St. Andrew. The objective of the project is to provide each home with nutritious, economical, and sustainable meal options, while simultaneously providing an interactive activity to stimulate learning and teamwork among the wards. The SVF team also planted fruit trees at both homes that will serve not only as food sources in the future but will also positively impact their physical environment and that of the surrounding community. We are also pleased to contribute to the national goal of planting three million trees in three years.

Our support for the children in state care extended to their caregivers. Acknowledging the tremendous and often unheralded efforts of the men and women who work in children's homes to provide stability, guidance and love to these vulnerable children, the SVF provided over eighty caregivers with care packages as tokens of appreciation in recognition of Mother's Day and Father's Day this year. These tokens were an acknowledgement of the role of defacto parents that many of the caregivers undertake on a daily basis, and the increased demands they endured during the pandemic.

SVF's support of children continued during the quarter with the participation in national reading day activities. A team of volunteers spent hours sharing the joy of reading with students from the Independence Park Primary. Books were also donated to the school's library.

The company's philanthropic efforts for the quarter also extended to arguably Jamaica's greatest beacon of unity and excellence – sports. Supreme Ventures, through our continued sponsorship of the Jamaica Olympic Association, returned as a major sponsor of the National Junior and Senior Athletic Championships and the Major & Minor Netball Leagues. This sponsorship allowed us to provide much needed support to the island's athletes in their quest for personal

CORPORATE SOCIAL RESPONSIBILITY CONT'D

and national glory on the international stage. The Jamaica Premier League has been another sporting activity that has benefitted from SVL sponsorship as the 2022 football season roared back to life. The League which culminated in July saw a resurgence of benefits for clubs and talented youth across the country.

We will maintain our high level of commitment to the improvement of the communities in which we operate as we move into the second half of the year.



SVL Corporate Communications and PR Manager Chloleen Daley-Muschett poses with members of the Mico 'A' team who were crowned champions of the SVL Major League Netball 2022.

Supreme Ventures Foundation celebrated over 40 house fathers within the CPFSA network of children's homes by providing gifts sets from local natural skin care company Morgan's Creek. The official presentation of the gifts was made at the Sunbeam Children's Home in Spring Village, St. Catherine.



Administrative Assistant Kaydian Thomas had the rapt attention of the children at the Independence Park Primary during her animated reading session as part of SV Foundation's National Reading Day activities.



Manager of the Homestead Place of Safety, Sellieann Barracks (left), and SVF Director and SVS Deputy CEO, Heather Goldson, planting vegetable seedlings in the garden boxes at the Homestead Place of Safety in Stony Hill, St Andrew.



OUTLOOK

The Supreme Ventures Group is humbled by the extent of customer loyalty and the resilience of our business during this unprecedented challenging time in world history.

The Group looks forward to the continuation of improvements, the launch of key initiatives and products through our retail channel, the continued drive to grow our mobile channels through increased penetration across our gaming segments, the continued build out of our business in Guyana and the improvement in the horse racing product through technological and new product initiatives. Our Lottery portfolio continues to be a primary focus while improving and strengthening our internal infrastructure and capabilities.

We are committed to maintaining our focus on the growth and sustainability of the Group. As always, we thank our stockholders, retailers and customers for the confidence they continue to place in us.



Gary Peart (Mr.)
EXECUTIVE CHAIRMAN
SUPREME VENTURES LIMITED



Six Months Ended June 30, 2022

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SUPREME VENTURES LIMITED

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
Period Ended June 30, 2022**

(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	Unaudited Six Months Ended June 30, 2022	Unaudited Six Months Ended June 30, 2021	Unaudited Three Months Ended June 30, 2022	Unaudited Three Months Ended June 30, 2021
Revenue - Non-fixed odd wagering games, horse racing and pin codes	14,524,822	12,951,733	7,301,059	6,262,741
Income from fixed odd wagering games, net of prizes	<u>10,946,516</u>	<u>8,607,434</u>	<u>5,454,587</u>	<u>4,587,420</u>
Total Gaming Income	25,471,338	21,559,167	12,755,646	10,850,161
Interest revenue	13,653	-	3,263	-
Direct Costs	<u>(20,202,863)</u>	<u>(17,184,620)</u>	<u>(10,358,910)</u>	<u>(8,493,830)</u>
Gross Profit	5,282,128	4,374,547	2,399,999	2,356,331
Other (Expenses) / Income	123,184	131,291	9,146	76,233
Selling, general and administrative expenses	<u>(3,181,221)</u>	<u>(2,872,217)</u>	<u>(1,546,634)</u>	<u>(1,551,657)</u>
Operating Profit	2,224,091	1,633,621	862,511	880,907
Finance costs	<u>(180,176)</u>	<u>82,009</u>	<u>(81,509)</u>	<u>70,375</u>
Profit before taxation	2,043,915	1,715,630	781,002	951,282
Taxation	<u>(411,356)</u>	<u>(487,269)</u>	<u>(150,833)</u>	<u>(324,625)</u>
Profit for the period	1,632,558	1,228,361	630,168	626,657
Currency translation differences	<u>10,669</u>	<u>-</u>	<u>10,104</u>	<u>-</u>
Total Comprehensive Income for the period	<u>1,643,227</u>	<u>1,228,361</u>	<u>640,272</u>	<u>626,657</u>
Net Profit for the period attributable to:				
Stockholders of the parent company	1,618,685	1,209,172	621,958	616,910
Non-controlling interest	<u>13,873</u>	<u>19,189</u>	<u>8,210</u>	<u>9,747</u>
	<u>1,632,558</u>	<u>1,228,361</u>	<u>630,168</u>	<u>626,657</u>
Total Comprehensive Income for the period attributable to:				
Stockholders of the parent company	1,629,354	1,209,172	632,062	607,163
Non-controlling interest	<u>13,873</u>	<u>19,189</u>	<u>8,210</u>	<u>9,747</u>
	<u>1,643,227</u>	<u>1,228,361</u>	<u>640,272</u>	<u>616,910</u>
Earnings per stock unit attributable to owners of the parent during the period				
Basic and fully diluted	<u>61.38 cents</u>	<u>45.85 cents</u>	<u>23.58 cents</u>	<u>23.39 cents</u>

SUPREME VENTURES LIMITED
Consolidated Statement of Financial Position
As at June 30, 2022

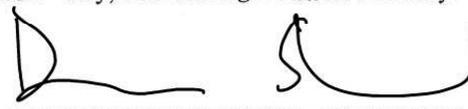
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	Unaudited Six Months Ended June 30, 2022	Audited Year Ended December 31, 2021	Unaudited Six Months Ended June 30, 2021
ASSETS			
Non-current assets			
Property and equipment	4,974,412	4,199,401	4,105,076
Biological asset	325	225	225.00
Investment properties	848,257	848,257	867,000
Goodwill and Intangible assets	4,232,296	4,247,733	3,634,799
Loans and advances	18,432	18,432	-
Long-term receivables	24,914	26,288	27,636
Financial assets at amortised cost	1,883	1,883	1,883
Financial assets at fair value	354,383	135,002	162,903
Deposit on investment	-	-	150,437
Other investments	16,341	16,341	16,341
Deferred tax assets	412,767	188,753	-
	<u>10,884,010</u>	<u>9,682,315</u>	<u>8,966,300</u>
Current assets			
Inventories	260,092	301,658	163,999
Trade and other receivables	3,596,842	2,570,418	2,128,387
Loans and advances - Current portion	210,518	189,896	-
Current portion of long-term receivables	1,117	1,117	1,117
Taxation recoverable	32,787	64,997	33,565
Debt service reserve	52,932	52,932	52,932
Cash and cash equivalents	<u>3,289,298</u>	<u>4,371,216</u>	<u>4,129,077</u>
	7,443,586	7,552,234	6,509,077
Current liabilities			
Prize liabilities	1,384,710	774,785	857,919
Contract liabilities	13,177	19,485	11,517
Trade and other payables	4,037,139	3,493,093	2,955,649
Current portion of lease liabilities	191,784	220,376	127,012
Current portion of long-term loans	182,591	306,307	223,637
Income tax payable	338,576	336,915	98,409
	<u>6,147,977</u>	<u>5,150,961</u>	<u>4,274,143</u>
Net current assets	<u>1,295,609</u>	<u>2,401,273</u>	<u>2,234,934</u>
	<u>12,179,619</u>	<u>12,083,588</u>	<u>11,201,234</u>
Equity			
Attributable to Shareholders of the Company			
Share capital	1,967,183	1,967,183	1,967,183
Capital reserves	62,485	62,486	62,486
Other reserve	(83,473)	(105,208)	22,606
Retained earnings	<u>2,325,345</u>	<u>2,303,150</u>	<u>2,065,375</u>
	4,271,540	4,227,611	4,117,650
Non-controlling interests	<u>1,733,448</u>	<u>1,719,573</u>	<u>1,626,080</u>
	6,004,988	5,947,184	5,743,730
Non-current liabilities			
Long-term payables	5,211,561	5,107,910	4,577,643
Lease liabilities	754,452	819,873	772,815
Deferred tax liability	208,618	208,621	107,046
	<u>6,174,631</u>	<u>6,136,404</u>	<u>5,457,504</u>
	<u>12,179,619</u>	<u>12,083,588</u>	<u>11,201,234</u>

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



.....
 Gary Peart – Chairman



.....
 Duncan Stewart

SUPREME VENTURES LIMITED
Consolidated Statement of Changes in Equity
Period Ended June 30, 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 Six Months Ended June 30, 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	-	-	-	-	1,618,685	13,873	1,632,558
Currency translation differences	-	-	-	10,669	-	-	10,669
Employee share scheme	-	-	-	11,066	-	-	11,066
Transactions with stockholders							
Distributions	-	-	-	-	(1,596,491)	-	(1,596,491)
Balance as at June 30, 2022	2,637,255	1,967,183	62,486	(83,473)	2,325,344	1,733,446	6,004,986
Unaudited Six Months Ended June 30, 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	-	-	-	-	1,209,172	19,189	1,228,361
Other currency translation differences	-	-	-	(23,379)	-	-	(23,379)
Acquisition of additional shares in subsidiary	-	-	-	-	-	(166,709)	(166,709)
Transactions with stockholders							
Distributions	-	-	-	-	(1,265,882)	-	(1,265,882)
Balance as at June 30, 2021	2,637,255	1,967,183	62,486	22,608	2,065,373	1,626,080	5,743,730

SUPREME VENTURES LIMITED
Consolidated Statement of Cash Flows
Period Ended June 30, 2022

(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	Unaudited Six Months Ended June 30, 2022	Audited Year Ended December 31, 2021	Unaudited Six Months Ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	1,632,559	2,325,731	1,228,362
Adjustments for:			
Depreciation of property and equipment	339,591	605,605	270,478
Amortisation of intangible assets	159,323	342,996	122,242
Write off of property and equipment	-	7,424	-
Share based options	11,223	24,711	15,856
Gain on disposal of property and equipment	(0)	(5,094)	(4,800)
Gain on fair value adjustment on held for trading shares	(65,101)	(30,001)	(57,901)
Revaluation loss on investment property	-	18,743	-
Bad debts recognised	37,734	120,226	48,641
Net foreign exchange gain on cash and cash equivalents	17,831	(71,574)	(124,308)
Interest income	(10,605)	(63,881)	(41,076)
Interest expense	203,283	404,135	204,334
Taxation	411,356	951,378	487,269
Operating cash flow before movement in working capital	<u>2,737,195</u>	<u>4,630,399</u>	<u>2,149,097</u>
Change in non-cash working capital balances			
Inventories	41,566	33,532	171,191
Trade and other receivables	(1,064,840)	(1,239,264)	(955,388)
Loans and advances	(20,622)	(208,328)	-
Trade and other payables	552,881	681,391	117,886
Prizes liabilities	609,925	174,330	257,464
Other Investments	-	-	162,903
Cash generated by operations	<u>2,856,105</u>	<u>4,072,060</u>	<u>1,903,153</u>
Taxation paid, net	(432,692)	(909,275)	(613,093)
Interest paid	(216,327)	(413,116)	(199,104)
Cash provided by operating activities	<u>2,207,085</u>	<u>2,749,669</u>	<u>1,090,956</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	(100)	(225)	(225)
Acquisition of property and equipment	(1,072,014)	(1,850,768)	(1,512,059)
Acquisition of intangible assets	(145,379)	(869,173)	(90,308)
Proceeds on disposal of property and equipment	-	12,544	-
Long-term receivables	1,374	1,671	322
Interest received	11,287	66,389	42,832
Cash used in investing activities	<u>(1,560,604)</u>	<u>(3,145,246)</u>	<u>(1,933,768)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions	(1,596,491)	(2,109,804)	(1,265,882)
Long term liabilities, net	(20,065)	494,962	(112,489)
Finance lease, net	(94,013)	29,484	(22,451)
Cash used in financing activities	<u>(1,710,569)</u>	<u>(1,585,358)</u>	<u>(1,400,822)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,064,088)</u>	<u>(1,980,935)</u>	<u>(2,243,634)</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>(17,831)</u>	<u>96,528</u>	<u>117,089</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>3,289,298</u>	<u>4,371,216</u>	<u>4,129,077</u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 30, 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 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
Posttopost Betting Limited	Betting & Gaming	Jamaica	80	80
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 except for 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 SIX MONTHS ENDED JUNE 30, 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 SIX MONTHS ENDED JUNE 30, 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.

In February 2022 the Group purchased a stake in Keo World, a BNPB digital solutions company for a cash consideration of \$154 million.

4. Significant events and transactions

Management believes that the Group is well positioned to overcome the challenges brought forth within the current economic climate. 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 June 30, 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 SIX MONTHS ENDED JUNE 30, 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	1,736,436	6,510,531	6,058,619	219,236	14,524,822
Other revenue	10,325,298	621,218	-	-	10,946,516
Total revenue	12,061,735	7,131,749	6,058,619	219,236	25,471,338
Result					
Segment result	2,020,013	857,460	146,092	(924,161)	2,099,405
Loan interest revenue				✔	13,653
Interest income				✔	10,854
Other gains				✔	107,490
Net foreign exchange gain					15,992
Finance costs					(203,479)
Gain on fair value adjustment on financial asset					
Gain on acquisition of subsidiary					
Revaluation loss in investment property					-
Profit before taxation					2,043,914
Taxation					(411,356)
Profit for the year					1,632,558
Other information					
Capital expenditure	207,439	763,469	-	246,486	1,217,393
Depreciation, amortisation and write-offs property, plant and equipment	110,109	285,131	-	103,674	498,914
Segment assets	4,537,085	8,562,237	766,915	4,461,360	18,327,596
Segment liabilities	6,026,798	1,395,711	919,279	3,980,819	12,322,608

SUPREME VENTURES LIMITED
ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 30, 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	1,857,150	5,161,545	5,734,631	198,407	12,951,733
Other revenue	8,027,342	580,092			8,607,434
Total revenue	<u>9,884,492</u>	<u>5,741,637</u>	<u>5,734,631</u>	<u>198,407</u>	<u>21,559,167</u>
Result					
Segment result	1,537,744	402,808	95,243	(533,286)	1,502,509
Interest income					41,076
Net foreign exchange loss					286,343
Other gains					32,339
Impairment Loss					-
Finance costs					(204,538)
Revaluation loss in investment property					-
Revaluation gain on held for trading shares					57,901
Other gains and losses					-
Profit before taxation					<u>1,715,630</u>
Taxation					(487,269)
Profit for the year					<u>1,228,361</u>
Other information					
Capital expenditure	32,234	1,440,040	-	130,093	1,602,367
Depreciation, amortisation and write-offs property, plant and equipment	<u>78,553</u>	<u>210,217</u>	<u>-</u>	<u>103,950</u>	<u>392,720</u>
Segment assets	<u>2,831,021</u>	<u>8,205,345</u>	<u>805,815</u>	<u>3,633,195</u>	<u>15,475,377</u>
Segment long-term liabilities	<u>1,972,201</u>	<u>1,417,135</u>	<u>1,162,770</u>	<u>5,179,541</u>	<u>9,731,647</u>



**SUPREME
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GROUP

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