



Twelve Months Ended December 31, 2022

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

	2022 \$'000	2021 \$'000
Revenue - Non-fixed odd wagering games, horse racing and pin codes	29,470,319	26,390,758
Income from fixed odd wagering games, net of prizes	21,301,832	17,525,589
Total Gaming Income	<u>50,772,151</u>	<u>43,916,347</u>
Interest revenue	93,617	56,279
Revenues	<u>50,865,768</u>	<u>43,972,626</u>
Direct Costs	<u>(39,598,483)</u>	<u>(34,590,887)</u>
Gross Profit	11,267,285	9,381,739
Other income	239,301	221,778
Selling, general and administrative expenses	(6,976,353)	(6,157,043)
Net Impairment losses on financial assets	<u>(145,390)</u>	<u>(120,226)</u>
Operating Profit	4,384,843	3,326,248
Finance costs	(535,195)	(30,396)
Revaluation gain/(loss) on investment properties	9,743	(18,743)
Profit before Taxation	<u>3,859,391</u>	<u>3,277,109</u>
Taxation	<u>(781,340)</u>	<u>(951,378)</u>
Net Profit for the year	3,078,051	2,325,731
Other comprehensive income		
<i>Items that may be subsequently reclassified to profit or loss -</i>		
Currency translation differences	<u>(35,704)</u>	<u>47,401</u>
TOTAL COMPREHENSIVE INCOME	<u><u>3,042,347</u></u>	<u><u>2,373,132</u></u>
Net Profit for the year is		
Attributable to:		
Shareholders of the Company	3,039,899	2,290,871
Non-controlling interest	<u>38,152</u>	<u>34,860</u>
	<u><u>3,078,051</u></u>	<u><u>2,325,731</u></u>
Total Comprehensive Income for the Year is Attributable to:		
Shareholders of the Company	3,004,195	2,338,272
Non-controlling interest	<u>38,152</u>	<u>34,860</u>
	<u><u>3,042,347</u></u>	<u><u>2,373,132</u></u>

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


(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	2022 \$'000	2021 \$'000
Non-Current Assets		
Property, plant and equipment	4,864,374	4,199,401
Biological asset	14,530	225
Investment properties	858,001	848,257
Goodwill and intangible assets	4,366,641	4,247,733
Loans and advances, net of provision for credit losses	14,192	18,432
Long-term receivables	24,087	26,288
Financial assets at amortised cost	1,883	1,883
Financial assets at fair value	501,397	135,002
Other investments	16,340	16,341
Deferred tax asset	653,423	188,753
Total non-current assets	<u>11,314,868</u>	<u>9,682,315</u>
Current Assets		
Inventories	313,456	301,658
Trade and other receivables	3,269,014	2,570,418
Current portion of loans and advances, net of provision for credit losses	391,013	189,896
Current portion of long-term receivables	1,117	1,117
Taxation recoverable	36,132	64,997
Restricted cash	79,401	52,932
Cash and cash equivalents	2,968,468	4,371,216
Total current assets	<u>7,058,601</u>	<u>7,552,234</u>
Current liabilities		
Prize and other liabilities	1,865,413	774,785
Contract liabilities	12,469	19,485
Trade and other payables	3,744,968	3,493,093
Current portion of lease liabilities	180,679	220,376
Current portion of long-term loans and payables	359,652	306,307
Income tax payable	604,334	336,915
Total current liabilities	<u>6,767,515</u>	<u>5,150,961</u>
Net Current Assets	<u>291,086</u>	<u>2,401,273</u>
	<u>11,605,954</u>	<u>12,083,588</u>

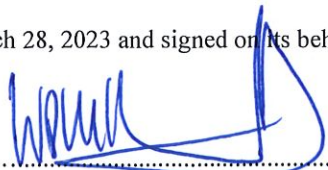
SUPREME VENTURES LIMITED
Consolidated Statement of Financial Position (Continued)
As at December 31, 2022
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	2022 \$'000	2021 \$'000
Equity		
Attributable to Shareholders of the Company		
Share capital	1,967,183	1,967,183
Treasury Shares	(130,743)	-
Capital reserves	62,486	62,486
Other reserve	(47,656)	(105,208)
Retained earnings	<u>2,834,078</u>	<u>2,303,150</u>
Equity attributable to Shareholders of the Company	4,685,348	4,227,611
Non-controlling interests	<u>879,545</u>	<u>1,719,573</u>
Total equity	<u>5,564,893</u>	<u>5,947,184</u>
Non-current liabilities		
Long term loans and payables	5,072,211	5,107,910
Lease liabilities	767,347	819,873
Deferred tax liability	<u>201,503</u>	<u>208,621</u>
Total non-current liabilities	<u>6,041,061</u>	<u>6,136,404</u>
Total equity and liabilities	<u><u>11,605,954</u></u>	<u><u>12,083,588</u></u>

Approved and authorized for issue by the Board of Directors March 28, 2023 and signed on its behalf by:



 Gary Peart – Chairman



 David McConnell - Director

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

(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	Attributable to Shareholders' of the Company						Non-Controlling Interests \$'000	Total \$'000
	Number of Shares '000	Share Capital \$'000	Treasury Shares \$'000	Capital Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000		
Balance at 31 December 2020	2,637,255	1,967,183	-	62,486	45,987	2,122,083	1,773,600	5,971,339
Net Profit for the year	-	-	-	-	-	2,290,871	34,860	2,325,731
Currency translation differences	-	-	-	-	47,401	-	-	47,401
Total Comprehensive Income	-	-	-	-	47,401	2,290,871	34,860	2,373,132
Non-controlling interests on acquisition of subsidiary (note 36)	-	-	-	-	-	-	84,521	84,521
Employee share scheme (note 40)	-	-	-	-	9,326	-	-	9,326
Acquisition of additional shares in a subsidiary (note 36)	-	-	-	-	(207,922)	-	(173,408)	(381,330)
Transactions with shareholders								
Distributions (note 34)	-	-	-	-	-	(2,109,804)	-	(2,109,804)
Balance at 31 December 2021	2,637,255	1,967,183	-	62,486	(105,208)	2,303,150	1,719,573	5,947,184
Net Profit for the year	-	-	-	-	-	3,039,899	38,152	3,078,051
Currency translation differences	-	-	-	-	(35,704)	-	-	(35,704)
Total Comprehensive Income	-	-	-	-	(35,704)	3,039,899	38,152	3,042,347
Acquisition of additional shares in subsidiary (note 36a and 36b)	-	-	-	-	65,489	(57,694)	(878,180)	(870,385)
Employee share scheme (note 40)	-	-	-	-	27,767	-	-	27,767
Transactions with shareholders								
Purchase of shares (note 28)	-	-	(130,743)	-	-	-	-	(130,743)
Distributions (note 34)	-	-	-	-	-	(2,451,277)	-	(2,451,277)
Balance at 31 December 2022	2,637,255	1,967,183	(130,743)	62,486	(47,656)	2,834,078	879,545	5,564,893

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

(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	2022	2021
	\$'000	\$'000
Cash Flows from Operating Activities		
Net Profit for the year	3,078,051	2,325,731
Adjustments for:		
Depreciation of property and equipment	694,950	605,605
Amortisation of intangible assets	316,033	342,996
Disposal of property and equipment	(34,132)	7,424
Share based option	(114,730)	24,711
Gain on disposal property and equipment	-	(5,094)
Gain on fair value adjustment of financial asset	(134,702)	(30,001)
Revaluation (gain)/loss on investment property	(9,743)	18,743
Bad debts recognised	145,422	120,226
Net foreign exchange gain on cash and cash equivalents	92,260	(71,574)
Interest income	(20,753)	(63,881)
Interest expense	454,175	404,135
Taxation	781,340	951,378
Operating cash flow before movement in working capital	<u>5,248,171</u>	<u>4,630,399</u>
Change in non-cash working capital balances:		
Inventories	(11,798)	33,532
Trade and other receivables	(844,227)	(1,239,264)
Loans and advances	(196,877)	(208,328)
Trade and other payables	(355,108)	681,391
Prize liabilities	1,090,628	174,330
Cash generated by operations	<u>4,930,789</u>	<u>4,072,060</u>
Interest paid	(956,844)	(413,116)
Taxation paid, net	<u>(310,467)</u>	<u>(909,275)</u>
Cash provided by operating activities	<u>3,663,478</u>	<u>2,749,669</u>
Cash Flows from Investing Activities		
Payment for acquisition of subsidiary, net of cash acquired		(26,353)
Buyback of shares	(130,743)	
Payment for additional shares in subsidiary	(208,251)	(374,330)
Payment for financial asset at fair value through profit or loss	(231,693)	(105,001)
Acquisition of biological asset	(14,305)	(225)
Acquisition of property and equipment	(1,459,440)	(1,850,768)
Acquisition of intangible assets	(335,653)	(869,173)
Proceeds on disposal of property and equipment	12,000	12,544
Long-term receivables	2,201	1,671
Interest received	20,962	66,389
Cash used in investing activities	<u>(2,344,902)</u>	<u>(3,145,246)</u>
Cash flows provided by/(used in) operating and investing activities carried forward to page 6	<u>1,318,556</u>	<u>(395,577)</u>

SUPREME VENTURES LIMITED
Consolidated Statement of Cash Flows (Continued)
Period Ended December 31, 2022
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	2022	2021
	\$'000	\$'000
Cash flows provided by/(used in) operating and investing activities carried forward to page 6	<u>1,318,556</u>	<u>(395,577)</u>
Cash Flows from Financing Activities		
Distributions	(2,451,328)	(2,109,804)
Repayment of long-term payables	(287,444)	(307,658)
Addition of long-term liabilities	263,531	802,620
Additions to lease liabilities	28,873	266,125
Repayment of lease liabilities	<u>(286,058)</u>	<u>(236,641)</u>
Cash used in financing activities	<u>(2,732,476)</u>	<u>(1,585,358)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,413,870)	(1,980,935)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	11,122	119,425
Cash and cash equivalents at the beginning of the year	<u>4,371,216</u>	<u>6,255,623</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>2,968,468</u>	<u>4,371,216</u>

There were no non-cash transactions during the financial year.

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

1. Identification and Activity

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, sale of pin codes, betting, shared services, gaming and lottery operations.

The subsidiaries and their principal activities are as follows:

Name of company	Principal activity	Country of Incorporation	Percentage Ownership	Percentage Ownership
			2022 %	2021 %
Supreme Ventures Gaming Limited and its subsidiaries: (formerly Prime Sports (Jamaica) Limited)	Betting, gaming and lottery operations licensed by the Betting, Gaming and Lotteries Commission (BGLC)	Jamaica	100	100
Supreme Route Limited (formerly Bingo Investments Limited)	Betting & Gaming	Jamaica	80	51
Chillout Ventures Limited	Not trading	Jamaica	100	100
Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited)	Sales of charge up and micro-financing	Jamaica	100	100
McKayla Financial Services Limited	Micro-financing	Jamaica	56	51
Supreme Ventures REIT Limited (formerly 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 A 2003 Limited)	Sale of pin codes and shared services	Jamaica	100	100
Supreme Ventures Racing and Entertainment Limited	Betting and horse-racing operations licensed by BGLC and Jamaica Racing Commission (JRC)	Jamaica	100	100
Jamaica Lottery Company Holdings Limited	Not trading	Jamaica	100	100
Supreme Group Incorporated	Holding Company	St. Lucia	100	100
Supreme Guyana Incorporated	Holding Company	St. Lucia	100	100
Supreme Ventures Guyana Holdings Inc	Holding Company	Guyana	100	100
Supreme Ventures Enterprise Inc	Betting & Gaming	Guyana	100	100
Post to Post Betting Limited	Betting & Gaming	Jamaica	80	80

The shareholdings for all subsidiaries are the same as they were in the prior year, with the exception of Supreme Route Limited which was a 51% subsidiary, and McKayla Financial Services Limited which was a 51% subsidiary. Note 36 provide further details of the acquisition of additional shares in Supreme Route Limited and McKayla Financial Services Limited.

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

2. Statement of compliance and basis of preparation

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of IFRS Interpretations Committee (IFRIC IC) applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain items of investment property.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in 1(d).

(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, 2022.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED TWELVE MONTHS ENDED DECEMBER 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

- (a) Acquisition of additional shares in Supreme Route Limited

On February 23, 2022, the Group through its subsidiary Supreme Ventures Gaming Limited (formerly Prime sports Jamaica Limited) acquired 29% additional shares in Supreme Route Limited at a cost of \$806 million. Increasing the number of shares from 51% to 80% and reducing the value of non-controlling interest to \$871 million.

- (b) Acquisition of additional shares in McKayla Financial Services Limited

During May 2022, the Group through its subsidiary Supreme Ventures Fintech Limited acquired an additional 5% of shares in McKayla Financial Services Limited at a cost of \$2.2 million. Increasing the number of shares from 51% to 56% and reducing the value of non-controlling interest to \$7.18 million.

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 December 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 TWELVE MONTHS ENDED DECEMBER 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	Unallocated	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
Non-fixed odd wagering games	3,721,972	12,988,183	12,253,710	506,454	29,470,319
Income from fixed odd wagering games	19,900,108	1,401,724	-	-	21,301,832
Total gaming income	<u>23,622,080</u>	<u>14,389,907</u>	<u>12,253,710</u>	<u>506,454</u>	<u>50,772,151</u>
Result					
Segment result	5,109,673	1,174,169	333,180	(2,565,097)	4,051,925
Loan interest revenue	-	-	-	-	93,617
Interest income	-	-	-	-	20,753
Other gains	-	-	-	-	218,548
Net foreign exchange gain	-	-	-	-	(82,483)
Finance costs	-	-	-	-	(452,712)
Revaluation gain on investment property	-	-	-	-	9,743
Profit before taxation	-	-	-	-	3,859,391
Taxation	-	-	-	-	(781,340)
Profit for the year	-	-	-	-	<u>3,078,051</u>
Other information	-	-	-	-	-
Capital expenditure	315,471	922,073	-	550,726	1,788,270
Depreciation and amortisation	<u>228,402</u>	<u>570,195</u>	<u>-</u>	<u>214,978</u>	<u>1,013,575</u>
Segment assets	3,709,652	6,240,501	769,755	7,653,561	18,373,469
Segment liabilities	<u>3,381,423</u>	<u>1,844,560</u>	<u>889,408</u>	<u>6,693,185</u>	<u>12,808,576</u>

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

5. Segment reporting (continued)

	2021				
	Lottery \$'000	Sports Betting \$'000	Pin Codes \$'000	Unallocated \$'000	Group \$'000
Non-fixed odd wagering games	3,587,316	10,764,822	11,625,600	413,020	26,390,758
Income from fixed odd wagering games	16,262,092	1,263,497	-	-	17,525,589
Total gaming income	<u>19,849,408</u>	<u>12,028,319</u>	<u>11,625,600</u>	<u>413,020</u>	<u>43,916,347</u>
Result					
Segment result	3,284,350	681,286	214,133	(1,131,577)	3,048,192
Loan interest revenue	-	-	-	-	56,279
Interest income	-	-	-	-	63,881
Other gains	-	-	-	-	157,896
Net foreign exchange gain	-	-	-	-	373,739
Finance costs	-	-	-	-	(404,136)
Revaluation loss on investment property	-	-	-	-	(18,743)
Profit before taxation	-	-	-	-	3,277,108
Taxation	-	-	-	-	(951,378)
Profit for the year	-	-	-	-	<u>2,325,730</u>
Other information	-	-	-	-	-
Capital expenditure	<u>368,242</u>	<u>1,563,540</u>	-	<u>788,159</u>	<u>2,719,941</u>
Depreciation, amortisation and write-offs	<u>172,972</u>	<u>527,399</u>	-	<u>248,229</u>	<u>948,600</u>
Segment assets	3,211,659	7,758,576	1,081,790	5,182,524	17,234,549
Segment liabilities	<u>2,555,473</u>	<u>1,304,443</u>	<u>1,277,020</u>	<u>6,150,428</u>	<u>11,287,364</u>