



**SUPREME
VENTURES**
GROUP



LIMITLESS VISION
ANNUAL REPORT 2022

INTRODUCING THE NEW

MONEY POT FAMILY PLAY ALL 3 TOGETHER



40 CHANCES TO WIN
YOUR SHARE OF
\$1 BILLION



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OUR MISSION

Create value for our stakeholders through innovative gaming solutions for the Caribbean.

OUR PURPOSE

Making Winners Everyday

OUR VISION

Providing the most desired games and everyday transactions consistently, simply, efficiently, and conveniently.

CORE VALUES



Winning Attitude

We approach every situation with a positive mindset. We include and depend on our team members to find the best solutions that deliver the most favourable outcomes in the shortest possible time.



Passion and Fun

We are enthusiastic about creating and maintaining an enjoyable work environment by deliberate acts of playfulness.



Continuously Innovate

We work every day on improving what currently exists by testing our products and processes for our market, as well as for more efficient and effective ways of doing business for both our internal and external customers.



Holding Ourselves Accountable

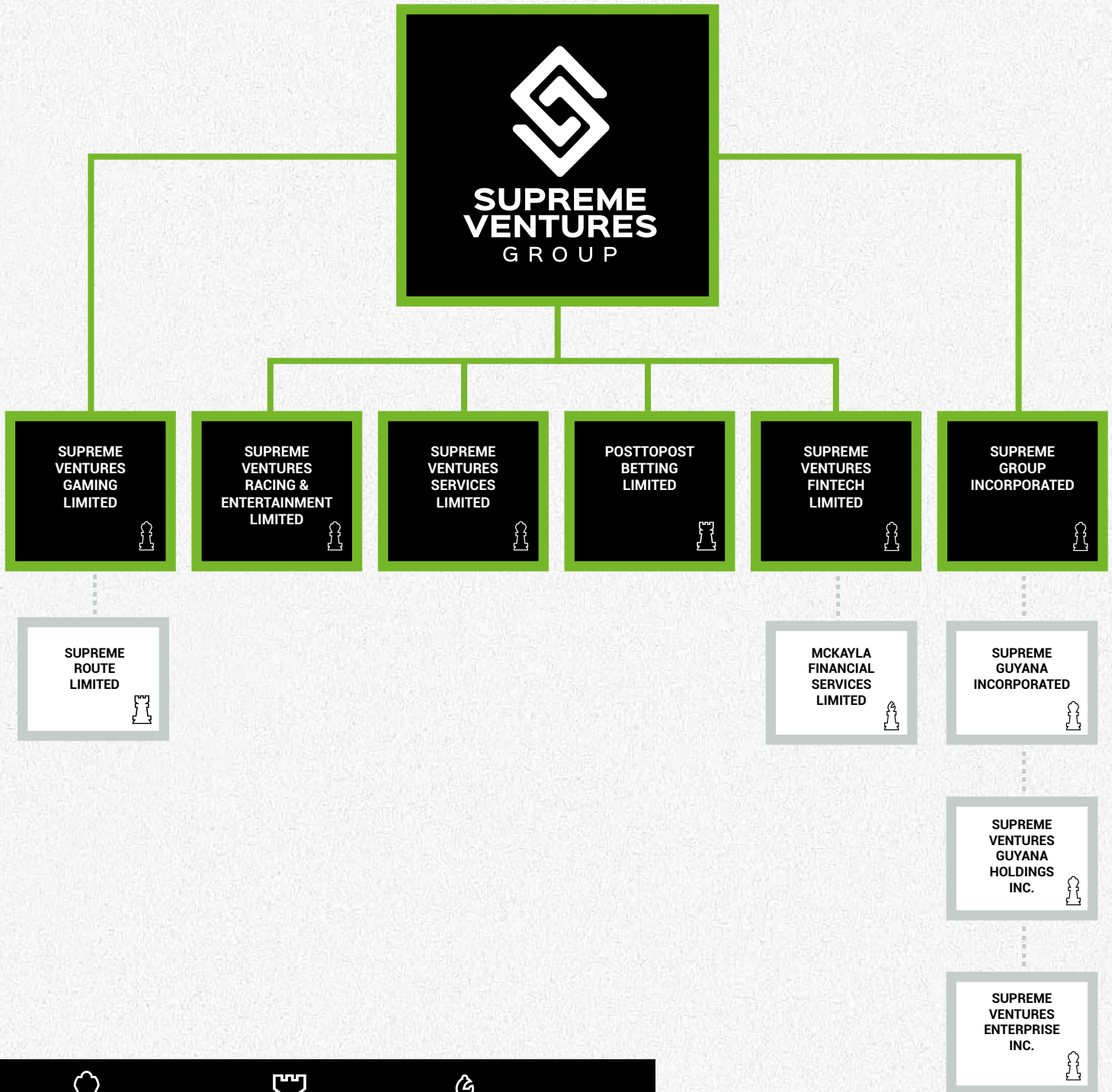
We first admit to the part we play when things go wrong, and quickly fix it instead of blaming others. We then seek feedback and look for opportunities to learn and grow.



Straightforward

We communicate with others in a genuine and caring manner that promotes well-being, especially when providing feedback. We care enough for each other to be gently truthful, to ensure that unfavourable behaviour is not repeated.

GROUP STRUCTURE



WHO WE ARE

Twenty-one years ago, we opened our doors, with just three games and a vision to become one of Jamaica's leading companies. Today, Supreme Ventures Limited stands as a testament to that vision, having realised exponential growth since 1995 through continuous product and geographic expansion. Now boasting 11 draw based numbers games, instant win scratch games, sports betting, video lottery terminals, phone top up, mobile and online betting across multiple product categories and of course our flagship gaming lounge, the Acropolis, SVL is Jamaica's and arguably the region's premier gaming and entertainment company. As a full-service lottery and gaming operator, SVL has provided not only the Jamaican market with its favourite games but has expanded its offerings outside of Jamaica to include Guyana and South Africa.

The next paradigm of SVL's evolution is already underway with the establishment of the Supreme Ventures Fintech subsidiary and the introduction of financially based products such as bill payment services and lending solutions through our micro-finance subsidiary. The Group continues to grow and evolve, with the needs of our retailers and customers at the heart of every decision we make.

Of course, our success as a Group is due in no small part to the strong drive of entrepreneurial Jamaicans who have been the engine behind the growth of Supreme Ventures into an iconic brand. We are grateful to the over 1200 people who operate outlets in every nook and cranny of Jamaica and who represent one of the largest retail networks in the country.

At the heart of the business and the key factor for our success is the over 500 strong members of #TeamSupreme. They are the living embodiment of our values, and we appreciate their hard work and their relentless pursuit of excellence; we raise our glasses to all of you!



WHO WE ARE

Contributing to the development of Jamaica has been one of the key pillars for Supreme Ventures and this we demonstrate not only through our support of the small and micro entrepreneurs who make up our formidable retail network, but also by contributing over \$1 Billion annually to the arts, culture, sports, health and education through the consolidated fund.

We recognize that our success is meaningless without ensuring we support the most vulnerable in society. With this perspective, our Supreme Ventures Foundation remained committed to transforming lives and communities by creating sustainable social impact through various initiatives. Its main strategic areas of focus, children in state care and social sustainability in communities, were front and centre during the year. Projects such as Supreme Heroes and Fire Safety moved into their next phases, and new sustainable initiatives such as planting vegetable

gardens and food trees were introduced. In a year where concerns around the capabilities of the institutions across the country's health care system are in sharp focus, further investments were made in the major renovation projects in the public health system reaffirming our commitment to country and community.

Supreme Ventures is proud of the strides we've made over the past two decades and we're even more excited about the possibilities that the future holds not only for us but for our team, our retailers, our customers, and our country. Our vision for our next chapters is limitless!



EXECUTIVE CHAIRMAN'S REPORT



Supreme Ventures Limited has completed another successful year, maintaining our position as the undisputed leader of the local leading gaming and entertainment industry. I'm honoured to present our Annual Report for 2022. It is with considerable pride that I reflect on the performance of the Group over the past year and salute the team for the amazing resilience displayed to place the effects of the global pandemic firmly in the rear view.

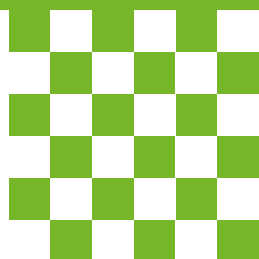
We started the year firmly focused on achieving our strategic goals outlined in our 3-year plan; to innovate and introduce new points of interaction for our retailer network and customers and to cement Supreme Ventures Limited as one of the major economic drivers of Jamaica's economy. Even while focused on achieving our goals, we challenged ourselves to exceed them. From our perspective, the possibilities for growth and innovation were bounded only by our vision, we therefore adopted an approach of limitless vision. By focusing on what could be, rather than what already is, we have been able to create new opportunities for our customers and ourselves.

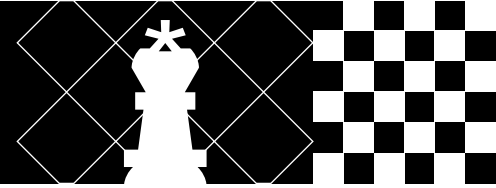


The possibilities for growth and innovation were bounded only by our vision, we therefore adopted an approach of limitless vision.



GARY PEART | Executive Chairman
Supreme Ventures Limited





Buoyed by the launch of the game-changing instant win scratch cards, Supreme Scratchaz, the Group's lottery segment started the year on a strong note and maintained its momentum with the launch of the Monsta Ball feature to Cash Pot and Money Time, enabling players to win even bigger with each draw. The segment continues to contribute the lion's share of overall result, showing a segment result of \$5.1 billion.

Sports betting was not to be left out. Led by JustBet, the segment claimed the top spot as the fastest growing market segment in terms of revenue growth with revenues growing 20%. While the 2022 performance was influenced by World Cup activations and betting options that enticed football fans, we expect that this trend will continue due to its target market appeal and the improved distribution channels.

As we continued to explore ways to bring fresh and exciting experiences to our customers, we expanded our proprietary, multi-product top up platform, ChargeUp through strategic partnerships with EduFocal and the JGRA. These partnerships offered our customers greater access to top up their phones and other PIN code accounts through a wider distribution network. The segment produced a positive result of \$333.2 million as a result of the increased activity and promotions throughout the year.

Our investments in the digital and mobile platforms also continued to reap rewards with recorded improvements in usage of our SV Games app and Acropolis Online. The performance of our Video Lottery terminals also saw improvement as a direct result of marketing efforts and investments in new gaming equipment and software.

Even with the expansion of digital accessibility to our customers, we also continued to invest in expanding our brick and mortar operations and in 2022, opened the doors to our state of the art, centrally located, Supreme Ventures Flagship Store in the Twin Gates Plaza. The contemporary space is the 10th company owned location and the first to offer the full suite of products in the Group's portfolio under one roof.

One of the products introduced at the Flagship Store gave the clearest signal of the Group's intention to move beyond the limits of gaming and expand into the technology space using our transactions processing platform under the

Supreme Ventures Fintech umbrella. Expanding the Evolve product brand, Supreme Ventures Fintech introduced the bill payment service, Evolve Pay. We are excited about the development in this business segment and the new customer segments it will bring into the SVL ecosystem.

In this fast-paced, competitive market, our vision for expansion is not limited to the region. In 2022, we explored new opportunities including expansion in Africa by hosting a delegation from National Lottery Authority of Ghana (NLA). The NLA is both an operator and the regulator of the National Lottery of Ghana. We are excited about the potential for collaboration and to expand our footprint in the continent.

Overall, the company's core business continued to deliver positive results with major KPIs heading in the right direction. Gross Ticket Sales recorded 17.4% growth over 2021 with our flagship lottery products remaining Jamaica's favourite games while sports betting revenues grew by 20% maintaining the positive trajectory from 2021. Based on our overall performance, we were able to pay dividends amounting to \$2.4B to stockholders during the year, representing a dividend yield of 3.11%.

Gross Ticket Sales recorded growth of

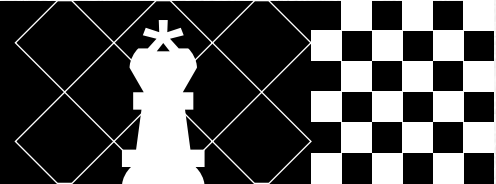
17.4%

The company's earnings enabled us to issue dividends of 115.42 cents per share, totalling

\$2.4B

For 2022, the Group paid over approximately \$10.4 Billion in fees and taxes to the Government, representing an increase of 15.59% over 2021. The amount paid to the Government is 3.4 times more than the Group Profit After Tax, signifying the important contribution SVL makes to the Government's coffers in general.

SVL is a key contributor to the Jamaican economy, and we will continue to serve our communities in which we operate not only through our contribution to the Government's coffers but also through the transformational work of the Supreme Ventures Foundation.



Through the Foundation, the company has embarked on multiple transformational projects including the Supreme Heroes project, the 21st anniversary scholarship programme and continued support to children's homes as they continue to equip various state care facilities with the necessities to ensure fire safety in all children's homes. Other work undertaken by the Foundation last year included the refurbishing of the doctors' lounge, nurses lounge at administrative office, Department of Anaesthesia and Intensive Care at the Kingston Public Hospital valued at \$13 million.

Caymanas Park continued its steady pace towards sustainability and profitability under the stewardship of Supreme Ventures Racing and Entertainment Limited. The operations continue to show tremendous growth after the fall out due to COVID19 lockdowns in the previous years. The Caymanas Park team must be commended for their sustained efforts to implement strategies to raise the standard of the horseracing product right across the board with advances like the export of the local Horseracing product to North America, investment in key infrastructure and staging of marquee race days, most notably of them being the Mouttet Mile Invitational.

Once again, the Group has been given the nod by an independent, regional rating agency in 2022.

TYPE OF RATING	RATINGS ASSIGNED		
Issuer/ Corporate Credit Rating	Foreign Currency	Local Currency	National Scale
	CariBBB+	CariA-	jmAA-

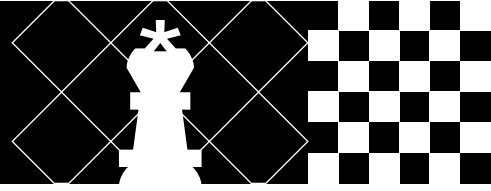
In all of our efforts, we remain true to our core values of holding ourselves accountable, having a winning attitude, continuous innovation, being straightforward and of course doing it all with passion and fun. We believe that by staying true to these values, we can continue to drive innovation and growth, and position ourselves as a leader in the global gaming and entertainment industry.

In my capacity as Executive Chairman, I am honoured to lead a dynamic team with a diverse skillset spanning across the entire organization, from the Boardroom to the storefront. Our team is driven by a shared passion and commitment to achieve excellence for our company and delivering on our mission of making winners everyday.

On behalf of the Board, I express my heartfelt appreciation to all members of #TeamSupreme for their unwavering resilience in the face of challenges and for consistently demonstrating an indomitable spirit to achieve outstanding results under pressure. I am excited to continue this journey with you all!

I wish to extend my sincere gratitude to our Board of Directors for their valuable time, professional advice, and guidance in shaping our strategic direction and major decisions. Each member brings a unique perspective and vision, contributing towards the company's growth and success.

EXECUTIVE CHAIRMAN'S REPORT



1. SVL Executive Chairman Gary Peart, greets Samuel Awuku Director General of the National Lottery Authority of Ghana who was in Jamaica with a delegation to observe SVL's operations, monitor best practices in the Jamaican lottery industry and to discuss opportunities for possible collaboration.

2. SVL Executive Chairman Presents the SVL Anniversary trophy to Roall Silvera and Gary Subratie, winning connections of Duke who was first past the finishing post in the feature race.

3. SVL Executive Chairman Gary Peart along with (L-R) muralist Bonito 'DonDada' Thompson, SVL Director Eroleen Anderson, SV Gaming CEO Xesus Johnston and PSOJ President Keith Duncan captured the celebratory moments after the unveiling of the 50ft augmented reality mural at the official opening of the Supreme Ventures Flagship Store at Twin Gates Plaza

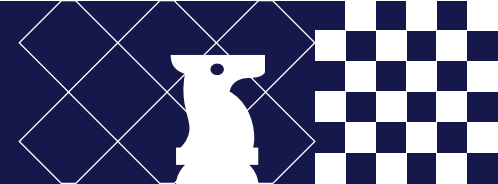
4. The Supreme Ventures executive team hosted a delegation from National Lottery Authority of Ghana to a welcome dinner. The NLA delegation was in Jamaica to observe SVL's operations, monitor best practices in the Jamaican lottery industry and to discuss opportunities for possible collaboration.

5. Champion Boy Robeano Davis (centre) is joined by SVL Exec Chairman Gary Peart and Halls of Learning Founder Marvin Hall as he celebrates being awarded for his outstanding performances at the SVF Junior Creators Robotics Camp held in August 2022.





MD&A



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

The presentation and content of this Management Discussion and Analysis (MD&A) is the responsibility of the management of Supreme Ventures Limited and its subsidiaries ("SV Group", "the Supreme Ventures Group", "the Group", "we" and "our"). Our management maintains the accounting and reporting framework, which includes the internal controls required to ensure that transactions are properly maintained and recorded in accordance with the appropriate standards. The objective of this MD&A is to provide more context for the Group's performance for its 2022 financial year relative to previous years as well as to highlight significant components of the Group's financial position as at 31 December 2022. This MD&A should be read in conjunction with the Group's financial statements and accompanying notes which have been prepared in accordance with International Financial Reporting Standards (IFRS) and audited by PricewaterhouseCoopers. All amounts are represented in Jamaica dollars, unless otherwise indicated.

INTRODUCTION

Supreme Ventures Limited, Jamaica's premier gaming and entertainment company was incorporated in 1995 and began operations in June 2001 with three online games, Cash Pot, Lucky 5 and Dollaz and further expanded to add eight games to the suite of products. The Group has seen exponential growth over the past 20 years with its offering of Lotteries, Sports Betting, Gaming and other entertainment offerings. This is made possible through our partnership with a retailer base of over 1200 persons. In 2022, we acquired an additional 29% stake in Supreme Route Limited and a further 5% stake in McKayla Financial Services Limited. These acquisitions confirm our commitment to the growth and strengthening of our market share for the respective companies.

The success of our operation is due to continued support from strategic partnerships with key service providers, complemented by an over "500" strong team working to deliver world class products and channels to SVL retailers and customers. The Group prides itself on being an innovator and market leader in the delivery of mobile betting options across our various business segments. As the Group continues to solidify its leading position in the market, the focus remains on the timely execution of strategic initiatives

to provide favourable returns to our stakeholders. We will continue to support the growth and development of the economies in which we operate and impact the lives of our customers. The Group rebounded from the effects of the pandemic, having restored normal operations early in 2022 following the discontinuation of the government measures. This underscores the importance of adaptability, innovation, and transformation in the delivery of products and services to our stakeholders. These principles have always been a part of our organisation and will continue to be the driving force forward.

MACRO-ECONOMIC ENVIRONMENT

The Jamaican economy has shown positive signs of recovery following the aftermath of the global pandemic and is estimated to have grown in the range of 3 - 5% for the December 2022 quarter, a slower pace of growth relative to the previous quarter. From the perspective of aggregate supply, there was estimated growth in all industries for the year when compared to 2021. Over the medium term (up to three years), GDP growth is projected to average in the range 1-2% per year. This growth largely reflects the normalization of economic activity following the rebound from the impact of the pandemic in all sectors.

Jamaica's unemployment rate as at October 2022 was 6.5%, a marginal improvement of 0.6%. The decline in the unemployment rate reflected an increase of 2.9% (35,906) in the number of people employed, as well as a growth of 2.3% (30,227) in the labour force.

The annual point to point inflation closed December 2022 at 9.4%, reflecting a 2.1% increase when compared to the same period in prior year. The higher inflation resulted from supply chain disruptions, higher oil and commodity prices, and increased demand with economies reopening. Inflation is expected to remain high in the short term, with BoJ predicting a range of 5.5% to 6.5% for the periods up to December 2024.

The exchange rate market saw the continuation of two-way movements in the exchange rate with its major trading counter parts, United States Dollars. There was an average appreciation of 0.5% closing at \$154.30 in December 2022.

Business and consumer confidence indices continue to see



favourable movements, reflecting economic and social recoveries as the Government continues to implement measures to boost economic activity.

Local stock markets reflected a decline when compared to the similar period in 2021. The main JSE index closed 2022 at 355,896.64 (2021: 396,155.61) points representing a decline of 10.2% over prior year.

Summary of key Macroeconomic indicators as at December 2022:

Macroeconomic Indicators

Indicator	2022	2021	Change
GDP Growth (estimated)	5.20%	7.00%	-1.80pp
Debt to GDP	86.23%	110.10%	-23.87%
Inflation	9.40%	7.30%	-2.10pp
Debt	2.20Tn	2.250Tn	-0.01%
Exchange Rate	\$154.30	\$155.09	-0.51%
NIR	US\$3,978.00mn	US\$3,999.74mn	-0.70%
Unemployment Rate	6.60%	7.10%	0.50pp
Stock Market Performance (Main Market)	355,896.64	396,155.61	-10.16%
Business & Consumer Confidence	144.8 & 165.5	125 & 140	+19.80pp & +25.50 pp

1. GDP is at market prices at 2021/2022 fiscal year end (March) and Debt is measured at September 2022.

2. Unemployment rate was last measured at October 2022



FIVE YEAR STATISTICAL REVIEW

	2022	2021	2020	2019	2018
Consolidated Income Statement Summary J\$'000					
Net Profit	3,078,050	2,325,731	2,420,947	2,473,634	2,098,408
Gross Ticket Sales	109,635,665	93,571,434	76,314,994	73,157,007	62,960,996
Gross Profit	11,265,285	9,381,739	8,751,754	7,902,274	6,492,047
Net interest income	20,753	63,881	68,268	69,231	63,476
Non-interest income	218,548	157,897	58,400	104,876	160,569
Operating Expenses (1)	6,108,168	5,328,668	4,248,240	4,013,983	3,550,247
Depreciation, amortisation and lease finance cost	1,013,575	948,601	805,185	568,708	349,907
EBITDA	5,398,418	4,274,849	4,595,237	4,020,972	3,165,845
Taxation expenses	781,340	951,378	1,178,124	988,076	790,030

Consolidated Statement of Financial Position Summary J\$'000

Total Assets	18,373,470	17,234,548	15,577,810	9,421,680	6,615,444
Long Term Liabilities	6,041,061	6,136,404	5,489,159	2,161,331	503,220
Working Capital	291,087	2,401,274	4,005,106	2,253,657	1,107,164
Stockholders Equity	4,685,348	4,227,611	4,197,739	3,696,288	3,285,158
Trade and Other Receivables	3,269,019	2,570,418	1,453,888	1,640,922	805,333
Cash and Cash Equivalents	2,968,469	4,371,216	6,255,623	3,592,465	2,979,524
Retained Earnings	2,834,078	2,303,150	2,122,083	1,666,619	1,255,489
Cash provided by Operating Activities	3,663,478	2,749,669	3,608,968	2,163,361	2,679,408
Capital Expenditure	1,788,270	2,719,941	1,419,846	635,115	423,052

Profitability Ratios %

Return on Equity	65.70%	55.00%	56.64%	66.06%	63.88%
Return on Assets	16.75%	13.49%	15.54%	26.25%	31.72%
Current Ratio	1.04	1.47	1.97	1.71	1.39
Effective Tax Rate	20.25%	29.03%	32.73%	29.36%	27.35%
Operating Expenses Ratio	12.03%	12.13%	5.57%	5.49%	5.64%

Stock Unit Information (J\$, unless otherwise stated)

Earnings per stock (cents)	115.42	86.87	90.15	92.59	79.57
Dividends per stock (cents)	93.07	80.00	72.14	77.00	78.00
Book Value Per Stock (\$)	\$2.11	\$1.60	\$1.59	\$1.40	\$1.25
Closing share price at December 31 - Jamaica Stock Exchange (JSE) (*)	\$29.93	\$18.50	\$17.75	\$25.50	\$17.28
Percentage change in stock price	61.78%	4.23%	-30.39%	47.57%	49.87%
Price Earnings Ratio	25.93	21.30	19.69	27.54	21.72
Dividends paid(2) (J\$'000)	2,451,277	2,109,804	1,902,515	2,030,686	1,819,706
Special Dividends (J\$'000)	-	-	-	-	237,353
Dividend Yield [%]	3.11%	4.32%	4.06%	3.02%	4.51%
Dividend Payout Ratio [%]	80.64%	92.09%	80.02%	83.16%	86.72%
Total annual shareholders return [%]	65.70%	8.73%	-27.56%	52.03%	

Consolidated Statement of Financial Position Ratios (%)

Fixed and intangible assets as a percentage of total assets	50.24%	42.00%	42.00%	31.01%	23.22%
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Other Statistics

Inflation Rate (Twelve months ended December 31) [%]	9.40%	7.30%	1.3%	6.2%	2.4%
USD foreign exchange rate at December 31	\$154.30	\$155.09	\$142.65	\$133.26	\$128.62
JSE Index at December 31 (**)	355,896.64	396,155.61	395,614.93	509,916.44	379,790.86
JSE Index annual movement (Twelve months ended December 31) [%] (***)	-10.16%	0.14%	0.51%	0.57%	2.71%
Cash Pot Liability	75.52%	76.06%	70.75%	72.18%	71.38%

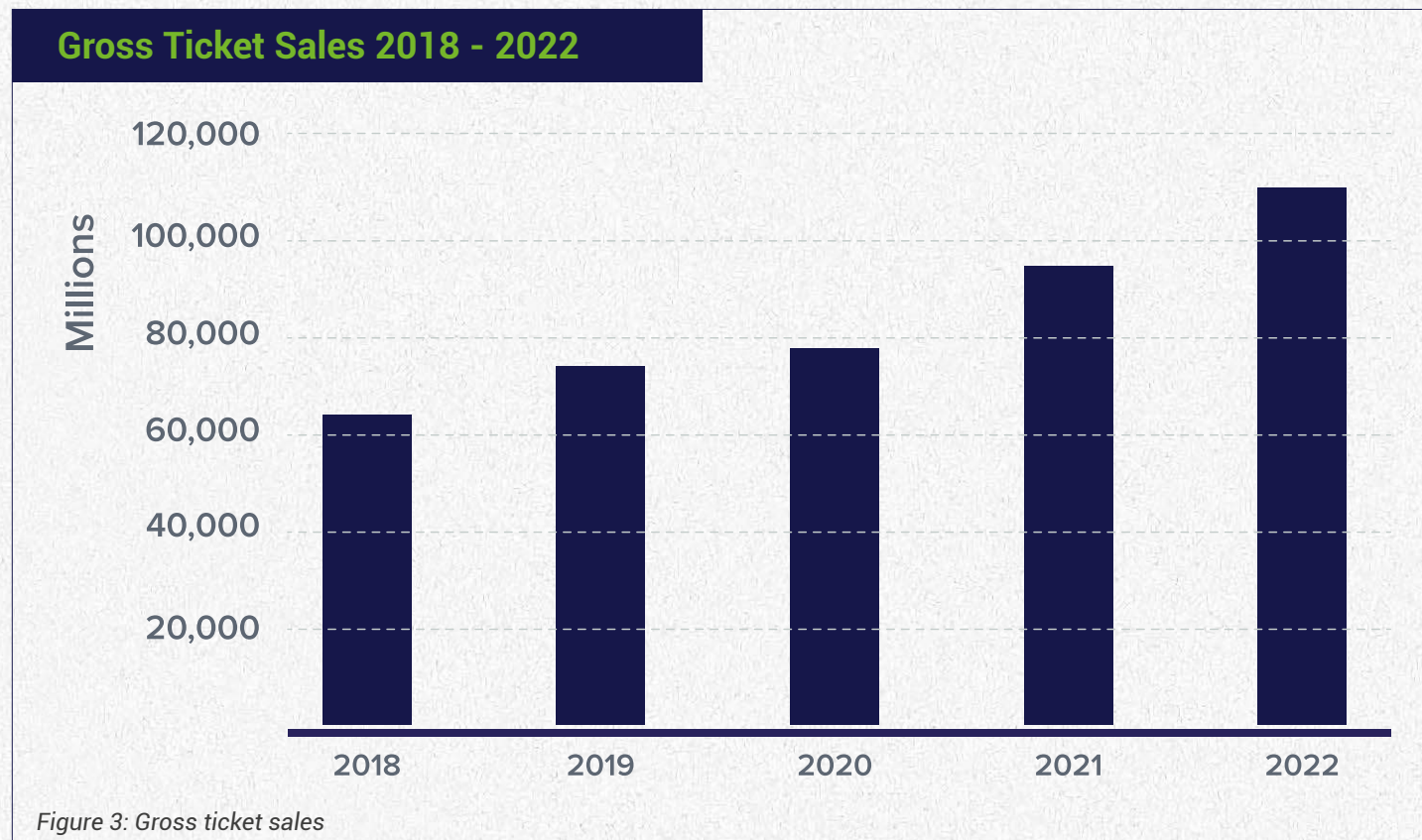
(1) Operating Expenses excludes depreciation & amortization

(2) Dividends represented here reflect the amounts declared and paid in respect of each year



REVIEW OF FINANCIAL PERFORMANCE

The SV Group remained solid and delivered a strong performance across most of its subsidiaries.



For 2022, the Group recorded Gross Ticket Sales of \$109 Billion, a 17.17% growth over 2021. The increase in Gross Ticket Sales of \$16.2 Billion, year over year, was driven mainly by Lottery (\$11.8 Billion, 18.5%) and an increase of \$3.6 billion or 18.6% in Sports betting revenues. Profit After Taxation (Total Comprehensive Income) for the Group recorded an increase of \$752.3 million, coming in at \$3.08 Billion. This Profit After Tax, resulted from EBITDA of \$5.4 Billion, an increase of 26% over 2021.

For 2022, the Group paid over approximately \$10.4 Billion in fees and taxes to the Government, representing an increase of 15.6% over 2021. The amount paid to the Government is 1.3 times more than the Group Profit After Tax, signifying the important contribution SVL makes to the Government's

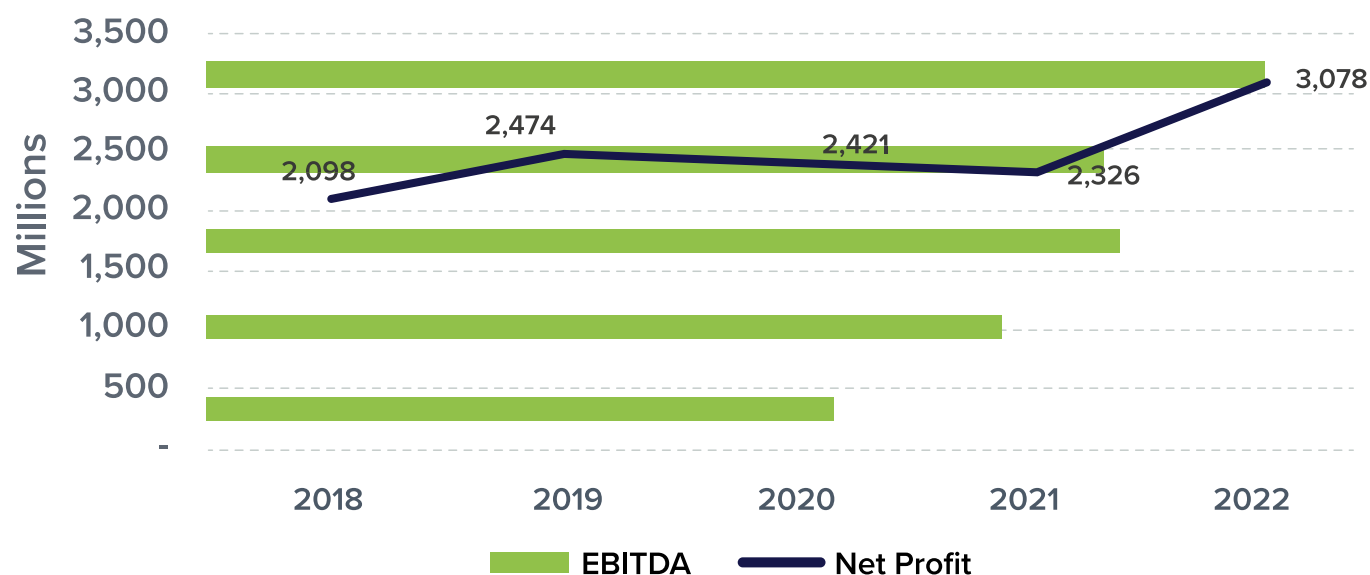
offers in general. SVL is a key contributor to the Jamaican economy, and we will continue to serve our communities in which we operate.

The Lottery segment, which is the core of the Group's operation continues to perform well and we expect this trend to continue with SVL maintaining its position as the market leader.

Similarly, we saw significant year over year growth in the Sports Betting operations, with revenues climbing to \$21.4 billion (2021: \$17.7 billion). Sports Betting has proven to be the fastest growing market segment in terms of revenue growth, and we expect that this trend will continue due to its target market appeal and the improved distribution channels.



EBITDA & NET PROFIT

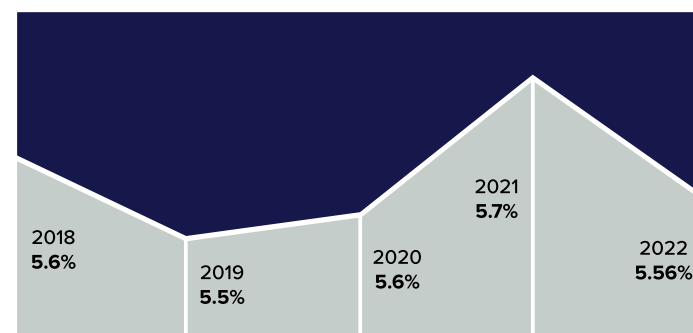


The Group's performance was driven by deliberate actions aimed at improving revenue growth and cost containment. These initiatives included the following:

- i. Continued focus on expanding the footprint for our lottery products throughout Jamaica, supported by marketing and promotional efforts.
- ii. Export of the local Horseracing product to North America, made possible by the previous implementation of a state-of-the-art Tote system, which has also improved our tracking and reporting capabilities.
- iii. The continued efforts to improve the operational efficiencies at SVREL.
- iv. Strategic initiatives in Sports Betting as one of the fastest growing gaming segments globally and locally:
 - a. capturing a higher market share among younger millennials; the mobile platform user base increased exponentially during the year
 - b. greater focus on cost management and creating operational efficiencies improvements internally

The Group's Operating Expense Efficiency (excluding depreciation and impairment) ratio was 5.6%, compared to 5.6% in 2021. We remained focused on key cost management practices, and this has yielded positive results for the year.

OPEX EFFICIENCY RATIO



During the year, we incurred costs relating to business acquisitions and infrastructural changes, both of which will set a platform for exponential growth within the Group.

Our continued focus on Human Resource capacity, marketing and business development has delivered significant results with respect to our positioning as the market leader.

Selling General & Administrative Expenses	6,976,353
Less: Depreciation & Amortization	(1,013,575)
Add: Impairment Losses	145,390
Operating Expenses	6,108,168

MANAGEMENT DISCUSSION AND ANALYSIS



Our cash balances showed a reduction of \$1.4 billion during the year, which is directly attributable to the key business acquisitions, while maintaining an enviable dividend payment record. We continue to maintain a healthy Current

Ratio at 1.0 and Return on Equity of 54.5% and Return on Assets of 16.8%, in 2022. The current ratio would have been impacted by the increase in other payables as a result the current year acquisitions.

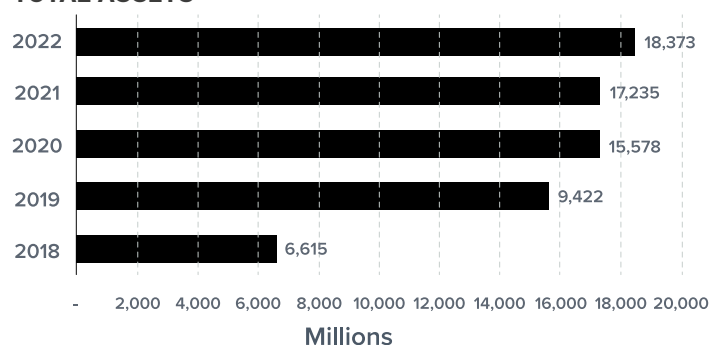
FIVE YEAR FINANCIAL PERFORMANCE					
	2022 A	2021 A	2020 A	2019 A	2018 A
Revenue - Non-fixed odd wagering games, horse racing and pin codes	29,470,319	26,390,758	22,846,440	23,289,501	19,484,179
Income from fixed odd wagering games, net of prizes	21,301,832	17,525,589	16,513,756	15,226,809	13,451,851
Total Gaming Income	<u>50,772,151</u>	<u>43,916,348</u>	<u>39,360,196</u>	<u>38,516,310</u>	<u>32,936,030</u>
Direct Costs	(39,598,483)	(34,590,887)	(30,608,442)	(30,614,036)	(26,443,983)
Gross profit	11,173,668	9,325,461	8,751,754	7,902,274	6,492,047
Other Income	239,301	278,056	126,668	174,107	224,045
Selling, general and administrative expenses	(6,976,353)	(6,157,043)	(4,952,476)	(4,436,894)	(3,844,128)
Net Impairment losses on financial assests	(145,390)	(120,226)	(22,057)	(41,426)	-
Operating Profit	<u>4,291,226</u>	<u>3,269,969</u>	<u>3,903,889</u>	<u>3,598,061</u>	<u>2,871,964</u>
Finance costs	(535,195)	(30,396)	(269,872)	(145,797)	(56,026)
Revaluation gain investment property	9,743	(18,743)	(34,946)	9,446	72,500
Profit before taxation	3,859,390	3,277,109	3,599,071	3,461,710	2,888,438
Taxation	(781,340)	(951,378)	(1,178,124)	(988,076)	(790,030)
Net Profit, being Total Comprehensive Income for the Year	<u>3,078,050</u>	<u>2,325,731</u>	<u>2,420,947</u>	<u>2,473,634</u>	<u>2,098,408</u>
Net Profit, being Total Comprehensive Income for the Year is Attributable to:					
Stockholders of parent company	3,039,898	2,290,871	2,377,494	2,441,816	2,098,408
Non-controlling interest	38,152	34,860	43,453	31,818	
	<u>3,078,050</u>	<u>2,325,731</u>	<u>2,420,947</u>	<u>2,473,634</u>	<u>2,098,408</u>
Earnings per Stock (Cents)	115.42 cents	86.87 cents	90.15 cents	92.59 cents	79.57 cents

MANAGEMENT DISCUSSION AND ANALYSIS



Total Assets increased by \$1.1 billion to \$18.4 billion. The significant increase in assets is attributable to the current year acquisitions for gaming equipment and related software. Trade and Other Receivables increased by \$699 million to close at \$3.3 billion. Of this amount, \$1.8 billion represents activities within the normal trade and are due to the increase in our Gross Revenues over prior year of \$16.2 billion, or 17.4%. The Group continued their focus on receivables management to include new measures that will create greater efficiencies and accountability.

TOTAL ASSETS

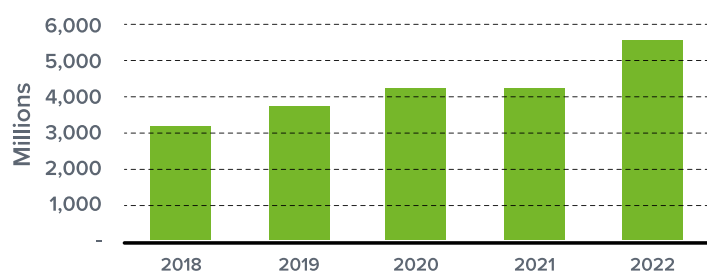


Cash and cash equivalents remained strong despite acquisitions, dividends payments, payment of taxes, servicing of long-term loans, funding the operations and capital requirements for machinery and equipment during the year, and disruptions to the operations from the lockdown and curfew measures. There was no default on debts and obligations during the year and cash generated from operations were sufficient to meet all ongoing operational needs.

Prize liabilities and trade and other payables increased, year over year, due to the increased activity in the operations.

The equity attributable to stockholders of the company grew by \$457.7 million or 10.8% to close at \$4.7 billion (2021: \$4.2 billion). The return on equity for the Group closed at 54.4%, reflected healthy growth for the year.

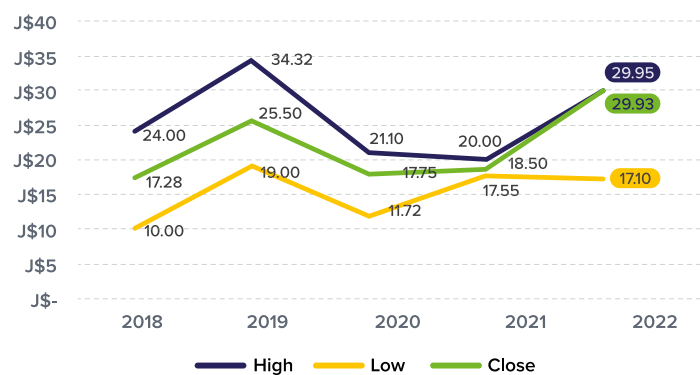
EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT



DIVIDENDS & STOCKHOLDERS' RETURNS

The total earning per share of 115.42 cents allowed shareholders to receive dividends of \$1.01 cents (includes proposed dividends of 34 cents). Total dividends paid to stockholders during the year amounted to \$2.4 billion, representing a dividend yield of 3.11%. The share price, increased to \$29.93 reflecting the trends in the Equity market during the year (2021: \$18.50).

DIVIDENDS & STOCKHOLDERS' RETURNS



SEGMENT RESULTS

All segments performed exceptionally well for 2022. The continued focus on digital innovations such as our lottery online platform SV Games, access to sports betting online through Just Bet Mobile, casino type games with Acropolis Online and horseracing through MBet are all growing mobile channels, from which we expect great things to continue. In addition, SVL has introduced the universal top up channel, "Charge Up" which will ultimately become the source of top up for a variety of products and services from education to transportation. The SVL group's digitization is comprehensive and its potential for growth is exponential.

LOTTERY

The Lottery segment continued to be the greatest contributor to Group revenues, with Gross Ticket sales accounting for 68.8% of overall Gross Sales, compared to 68.1% in 2021. The segment recorded an increase of 18.5%, fuelled by new product launch, other key initiatives and promotions throughout the year. Our flagship lottery products continue to grow and remains a favourite to our customers.

In March 2022, the Group rebirthed the enviable "Scratchaz" instant games, Instant scratch cards are the fastest growing gaming category globally. The instant gratification nature of the cards provided an element of fun and thrills that clearly



differentiated the product from the other gaming options which are based on a scheduled draw. The products were well received by our gamers and several new millionaires were created in 2022 living up to our mantra of “making winners everyday”.

In Q2, 2022, the Group launched the Monsta Ball feature to Cash Pot and Money Time, enabling players to win even bigger with each draw.

The Group continued its distribution network expansion and promotional activities aimed at bringing greater access and awareness to the Lottery games. The attractiveness of the promotions plus easier access, contributed to the growth in Lottery with most games recording double digit increases during the year.

Based on the performance of the Lottery segment, there is no doubt that it remains of significant value and a very attractive entertainment offering to the public. The segment continues to contribute the lion's share of overall result, showing a segment result of \$5.1 billion (2021: \$3.3 billion), whilst earning gross revenues of approximately \$75.6 billion (2021: \$63.8 billion).

SPORTS BETTING

The Segment recorded results of \$1.2 billion (2021: \$681.3 million), an increase of \$491.8 million over prior year. The product has continued to show increasing popularity among gamers seeking more skills-based games and more engagement. This is an important market segment for the Group as there is greater customer loyalty and potential for increases in average disposable income levels over time.

The World Cup season was in full swing with thrilling and unpredictable matches, and for the first time it coincided with the Yuletide season. Through the JustBet brand, the Group hosted several watch parties and provided exciting betting options for football fans.

Our Horseracing operations continue to show tremendous growth after the fall out due to covid lockdowns in the previous years. The inaugural Mouttet Mile Invitational that featured the largest purse in the English-speaking Caribbean was staged at the Caymanas Park in December 2022 and recorded one of the highest revenues in a single race day in

2022. The “Reggae 6”, and other innovate bet type offering continue to create many new millionaires.

The performance of the Video Lottery terminals, popularly referred to as slot or gaming machines, and Acropolis Online also recorded improvements as a direct result of marketing efforts and investments in new gaming equipment and software.

The growth rates have showed the resilience of the operations and we continue to build further capacity and drive the momentum for continuous growth.

PIN CODES

Revenues from the PIN Codes segment represent sale of phone credit from telecommunications providers. We recorded revenues of \$12.3 billion (2021: \$11.6 billion) during the year, which reflects an increase of 6% year over year. The segment produced a positive segment result of \$333.2 million (\$214.1 million in 2021), as a result of the increased activity and promotions throughout the year.

The “Charge Up” platform continue to show steady growth and gives our customers greater access to phone tops through a wider distribution network.

UNALLOCATED

‘Unallocated’ includes all revenues and costs not tied directly to a segment. It includes net rental income from investment properties as well as income, expenses associated with sub-leased properties. Also, assets and liabilities not assigned to a segment.

STRATEGIC OUTLOOK

The Supreme Ventures Group delivered strong results in 2022, a year of continued and dynamic growth, strategic priorities, and new directions. The company's core purpose “making winners everyday” was achieved through historically high pay-outs to our customers, increased investment in the social welfare of the communities we serve, historically high contributions to the Government through taxes and fees, and the countless small and micro entrepreneurs who make their living by being part of our retail network. The impact of our own growth maximizes the returns for all our stakeholders, and the SVL Group is committed to ensuring the continued delivery of double-digit growth each year.



For 2022, we have remained focused on the three main strategic themes per our three-year strategic plan:

Execution Excellence

Building Strong Relationships

Market Dominance

These themes will govern, guide, and inform our goals and objectives, which will fall within the following main strategic initiatives:

1. Strengthening the Group's institutional capacity, innovative and competitive capabilities to sustain or improve our competitive advantage in all market segments for example.
 - a. Driving digital optimization and enhanced technological platforms
 - b. New opportunities for the world of online, interactive gaming
2. Strengthening and leveraging the SV Group brand through effective corporate social responsibility (CSR) – for example
 - a. Maximizing the presence of the Group's Foundation to increase our social impact in the country
 - b. Strengthening the Group's Brand Architecture to maximize its impact and appeal

3. Achieving profitability in the non-profitable segments through product improvement and content delivery while ensuring mobile betting channel development in each segment.

4. Prepare the Group for entering new markets by streamlining products, delivery channels and core infrastructure
 - a. Continued investment in leadership training; governance and risk management focus; business diversification and new product/channel development

CREDIT RATING

Supreme Ventures Limited (the Group) was rated by an independent, regional rating agency in 2022. This rating provides an independent, balanced assessment of the Group's financial strength and credit quality, using distinctive methodologies that guide their assessment and evaluation of our companies.

Rating agencies develop their own unique methodologies for assessing our creditworthiness and that of our obligations for long-term debt. Both qualitative and quantitative factors are considered when reviewing our credit rating, including financial strength, performance, prospects, operations, asset quality, capitalization, and liquidity position as well as factors not under our control. From time to time, these rating methodologies, supported by financial modelling, are subject to change and this can impact the rating assigned to SVL. The most recent rating is summarized as follows:

TYPE OF RATING	RATINGS ASSIGNED		
	Foreign Currency	Local Currency	National Scale
Issuer/ Corporate Credit Rating	CariBBB+	CariA-	jmAA-

The stable outlook was maintained for the Group.



**RISK
MANAGEMENT**



RISK MANAGEMENT

OUR APPROACH

We consider risk as anything that could significantly affect the achievement of our business objectives. Therefore, the Group is exposed to many different types of risks through the various activities performed in fulfilment of its objectives. We classify our business objectives into four main areas:

1. **Strategic Objectives – high-level organizational goals, aligned with the Group's vision and mission**
2. **Operating Objectives – internal standards of efficiency and effectiveness**
3. **Financial Reporting Objectives – internal and external reporting requirements**
4. **Compliance Objectives – adherence to statutory and regulatory requirements**

Our risk management framework is geared towards effective management of the risks related to the above objectives. The Group takes an enterprise-wide approach to the identification, assessment, treatment and communication of risks. The framework is developed based on the nature and extent of the Group's activities and takes authoritative reference and/or guidance from the following sources:

- ▶ Companies Act, 2004
- ▶ Jamaica Stock Exchange rules and regulations
- ▶ Other local statutory and regulatory requirements
- ▶ Sarbanes Oxley Act (particularly, sections 302 and 404)
- ▶ COSO Framework
- ▶ ISO 31000:2009

OUR RISK MANAGEMENT STRUCTURE

One of the main objectives of our risk management framework is to enhance our confidence and risk intelligence in seeking to maximize stakeholder returns while safeguarding existing assets. The framework is administered through its different components, which are:

- ▶ Board of Directors including its Audit, Risk and Compliance Committee
- ▶ Internal Audit department
- ▶ Senior Management & Business Units

RISK MANAGEMENT FUNCTION

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. One of the Board's critical responsibilities is to set the Group's risk appetite, which includes managing the

risks affecting the Group's strategic objectives. The Board's risk management mandate is carried out primarily through its Audit, Risk and Compliance Committee (ARCC).

The ARC Committee has oversight for the management of risks relating to the Group's financial reporting and internal control objectives. This includes monitoring the systems for ensuring the integrity of the financial statements, reviewing the effectiveness of the systems of internal control, overseeing the risk management program as well as setting and monitoring risk limits and controls. Risk limits and controls are integral to the risk management process, as they characterize the Board's risk tolerance as well as that of the regulators. The ARC receives quarterly updates from the management team on the status of key risks and planned responses being implemented.

Senior management and the Group's business units support the entity's risk management framework, promote compliance with its risk appetite, and manage risks within their spheres of responsibility based on risk limits set by the Board's Audit, Risk and Compliance Committee. Business units are responsible for the day-to-day identification and response to risk exposures within their limits and the prompt communication of issues to senior management. The Group's business units are intimate with the changing nature of risks facing our business and are often the first point of engagement, thereby being best able to act on our behalf in managing and mitigating those risks.

The Group's Regulatory and Compliance function provides specific oversight and management of the Group's adherence to regulatory requirements, including compliance with provisions of our trade licences, anti-money laundering requirements, reporting to the competent authority and overall effective engagement of regulatory bodies.

The scope and direction of all internal audit work is set and reviewed by the Board's ARCC, which is carried out by our internal auditors. A key responsibility of our Internal Audit function is to provide objective assurance to the Board (through ARCC) on the effectiveness of the Group's risk management activities, to verify that key business risks are being managed appropriately and that the system of internal control is operating effectively.



Therefore, internal audit plays a key role in evaluating the Group's risk management processes and advocating their continued improvement. However, to preserve its organizational independence and objectivity, the internal audit function does not take any direct responsibility for making risk management decisions or executing the risk management processes. Other key elements of the Group's operational and strategic risk management framework include:

- ▶ Core values
- ▶ Business Continuity Planning, including succession planning and emergency preparedness & recovery plan
- ▶ Systems security – Information and Physical

CORE VALUES

Our core values guide our activities and actions and are at the heart of the Group's risk management policy.

The Group's core values are:

- ▶ A Winning Attitude
- ▶ Passion & Fun
- ▶ Continuously Innovate
- ▶ Holding Ourselves Accountable
- ▶ Be Straightforward

Integral to our success, sustainability and vision, is operating with integrity with the highest ethical standards and using world-class business practices.

BUSINESS CONTINUITY PLANNING

The Group's business continuity framework includes succession planning, emergency preparedness and recovery planning, insurance risk management, business impact and scenario analyses. Our approach to business continuity planning (BCP) is to identify risks that can cause damage to the business and implement steps to mitigate these risks. We are continuously enhancing these activities and currently engaging with a consultant to provide a detailed assessment and updates to existing documentation.

EMERGENCY PREPAREDNESS & RECOVERY PLANNING

In practical terms, a disaster is anything that can cause a disruption in the normal operations of a business. The Group's emergency preparedness tools range from HR disaster and recovery plan, information technology security

and redundancy plans, and physical security systems. For business continuity, consideration is given to all critical resources required to keep our business going. These considerations include the health and safety of our people, the integrity and stability of our product distribution systems, the security of our facilities and physical environment, and the reliability and safety of our information systems.

SUCCESSION PLANNING

The Group continuously develops its talent pool, building levels of feeder-groups across the entire leadership progression. Our succession planning process includes the following key elements:

1. **Identification of key roles for succession planning**
2. **Definition of competencies and personnel profile required to perform effectively in these roles**
3. **Identify pools of talent with potential to perform effectively in these roles**
4. **Develop pools of talented employees for progression into these roles – experience and skill sets**

Our succession planning not only incorporates planned availability, as people get promoted or retire, but it also includes unplanned vacancies due to resignations, terminations or even death. Our Management Trainee Program is a major initiative that was launched to support ongoing people development and areas of the planning efforts

SECURITY CONTROLS – INFORMATION & PHYSICAL SYSTEMS

The Group classifies its general and information security controls in different ways to increase the resilience and agility of our systems. Controls are classified and assessed by the timing of when they are activated relative to the occurrence of a security incident:

- a. before the event (preventive)
- b. during the event (detective)
- c. after the event (corrective)

The Group also classifies and assesses its security controls by their nature:

- a. Physical controls, i.e. locks, doors, physical storage of critical resources, etc.



RISK MANAGEMENT

- b.** Procedural controls, i.e. incident response protocols, security awareness and training, management review systems, etc.
- c.** Technical controls, i.e. user authentication (login) and logical access controls, anti-virus software, firewalls, etc.
- d.** Legal, regulatory and compliance controls e.g. data confidentiality, privacy laws, human rights, etc.

The effectiveness of the Group's information security systems is a critical part of the annual audit programme. Recommendations are implemented on a timely basis and follow-up reviews are done by the internal auditors to confirm that changes are done in accordance with the objectives. Information systems security checks include:

- ▶ user access controls
- ▶ password controls
- ▶ data back-up
- ▶ incident response
- ▶ system and information integrity

The Group also places strong emphasis on physical security, incorporating the use of several layers of interlocking systems which include onsite and remote surveillance systems, armed and unarmed security guards, protective barriers, access control protocols and strategic collaborations with the armed forces.

Our physical security systems are generally designed to:

- 1. Deter potential intruders, e.g. warning signs, restricted access points, perimeter markings**
- 2. Detect intrusions and monitor intruders e.g. alarms, CCTV systems, and**
- 3. Trigger appropriate incident responses (e.g. by Group security personnel, guards and police.)**

THE ROLE OF POLICIES & PROCEDURES

The Group is governed by a strong set of policies approved by its Board of Directors. Our policies and procedures, guided by applicable laws, regulations, codes of ethics and best practices, provide a framework for effective decision making at all levels. Policies define and express the Group's overall risk appetite and are developed based on the risk culture of our business units, and subject to the relevant regulatory requirements. Policies set the boundaries on

the types of risks the Group is prepared to assume and specify the manner in which the Group assumes these risks. Group policies are approved by the ARCC, for further recommendation to the Board.

MANAGEMENT OF BUSINESS RISKS

The main risks faced by the Supreme Ventures Group are identified as: financial risk (including credit risk, market risk, and liquidity risk), strategic risk, operational risk, regulatory and legal risk, political risk and reputational risk. These are described below.

STRATEGIC RISK

Strategic Risk is the current and prospective impact on the Group's financial position arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. The key elements of strategic risk are related to the political, economic, regulatory environment, global market conditions, legal risk, changing customer needs, and Group entities' strategic performance measures.

OPERATIONAL RISK

Operational risk is the risk arising from execution of the Group's business functions and focuses on the risks arising from the people, technology, systems and processes employed across the Group. This includes reporting systems, human and resources management systems. In managing this risk, we maintain a formal enterprise-wide operational risk management framework that emphasizes a strong risk management and internal control culture throughout the Group.

REGULATORY AND LEGAL RISK

Regulatory risk is the risk of not complying with the regulatory and comparable requirements. Legal risk is the risk of non-compliance with legal requirements, including the effectiveness of preventing and handling litigations. The Betting, Gaming and Lotteries industries are among the most closely regulated industries, locally and internationally, and the management of our business is expected to meet high standards in all business dealings and transactions. Failure to meet regulatory and legal requirements not only poses a risk of censure and penalty but is a serious reputational risk. Business units are responsible for managing day-to-day regulatory and legal risk, while the Compliance and Finance



Units along with our external advisory teams assist them by providing advice and oversight.

REPUTATIONAL RISK

Reputational Risk is the current or prospective risk to the Group's reputation and financial position arising from adverse perception of the image of the various entities in the Group on the part of customers, counterparties, or regulators.

COMPLIANCE RISK

Compliance Risk is the risk of legal or regulatory sanctions, financial loss, or loss on the subsidiaries / entities in the Group may suffer to its reputation as a result of its failure to comply with all applicable laws, regulations, and codes of conduct and standards of good practice (together, laws, rules and standards").

As a condition of the Betting, Gaming and Lotteries licensing requirements, Supreme Venturres Gaming Limited (SVG) is required to establish a dedicated bank account into which funds are deposited to ensure that on a continuous basis throughout the term of the licence, the credit balance on that account is not less than 100% of the aggregate amount of its liabilities, which include prize liabilities, fees payable to BGLC, gaming taxes payable to the Government of Jamaica. At the reporting date, the balances in the dedicated bank accounts totalled \$1.43 billion (2021: \$1.18 billion), which is in excess of the reserve requirement of \$1.27 billion (2021: \$774 million).

MANAGEMENT OF FINANCIAL RISKS

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, currency risk and price risk. Information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk is detailed below.

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the business and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and

minimise potential adverse effects on the Group's financial performance.

The Group's financial risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

An enterprise-wide risk management approach is adopted which involves employees at all levels. This framework is supported by sound risk management practices which include the establishment of enterprise-wide policies, procedures and limits, monitoring and measurement of exposure against established limits, ongoing realignment of business strategies and activities and the reporting of significant exposures to senior management and the Board of Directors.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board's risk management mandate is principally carried out through the ARCC.

The ARCC has oversight for the integrity of the financial statements and reviews the adequacy and effectiveness of internal controls and risk management procedures. The Committee also ensures compliance with internal, legal and regulatory policies, identifying, monitoring, measuring and reporting significant risk exposure and making recommendations in relation to management of risk.

This Committee also oversees the management of financial instrument risk which includes credit, market and liquidity risks.

CREDIT RISK

The Group is exposed to credit risk, which is the risk that its customers or counterparties may default and could cause a financial loss for the Group by failure to discharge their contractual obligations. This arises principally from cash and cash equivalents, trade receivables, and long-term receivables. Credit risk is an important risk for the Group's business and management therefore carefully monitors its exposure to credit risk.



RISK MANAGEMENT

The Group controls credit exposure by maintaining a strict collection process. Lottery sale agents are required to remit cash collections weekly which are monitored on a weekly basis by identification and transfer to designated bank accounts. A process of suppression of agent activity is triggered for non-compliance.

The Group's credit risk is managed through a framework, with particular emphasis on the following items:

Cash and cash equivalents - The Group maintains cash resources with reputable financial institutions. The credit risk is considered to be low.

Trade and long-term receivables - The Group establishes policies and procedures which govern standards for granting credit and the process of continuous monitoring and measurement in relation to credit quality through industry delinquency and debt recovery management. Trade receivables are monitored and managed by the Finance Department in collaboration with the Business Development and Customer Support teams, which has responsibility for, amongst other things, liaising with the sales agents.

TRADE RECEIVABLES AGEING

Ageing	2022	2021
Up to 30 days	77.43%	92.75%
31 – 60 days	9.97%	5.08%
61 – 90 days	5.64%	2.30%
Over 90 days	6.96%	-0.13%
	100.00%	100.00%

MARKET RISK

Market risk arises from changes in market prices and rates (including interest rates and foreign exchange rates), the correlations among them and their levels of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Board and management have responsibility for the monitoring of market risk exposures by way of measurements through sensitivity analysis. Market information and additional analysis are also used to manage risk exposure and mitigate the limitation of sensitivity analysis.

SUMMARY OF FOREIGN EXCHANGE RISK EXPOSURE

	2022 USD'000	2021 USD'000
Assets	9,743	10,009
Liabilities	(738)	(1,198)
Net exposure	9,005	8,811

There has been no material change to the Group's exposure to market risks or the manner in which it manages and measures risk.

LIQUIDITY RISK

Liquidity risk is the risk that the Group is unable to meet its financial obligations in a timely manner at reasonable prices. Financial obligations include prize liabilities, other trade payables, long-term loans and leases. Effective liquidity risk management is essential in order to maintain the confidence of our customers and counterparties, and improves our ability to continue to generate revenue, even under adverse conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Board of Directors approves the Group's liquidity and funding management policies and establishes risk limits.

The Finance function has direct responsibility for the management of the day-to-day liquidity. The ARCC provides added oversight over the Group's liquidity risk exposure, within the policy and limits frameworks established by the Board.

The management of liquidity risk is carried out through various methods which include:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met;**
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow within the local and international markets;**
- Monitoring statement of financial position liquidity ratios against internal and regulatory requirements; and**
- Maintenance of liquidity and funding contingency plans.**



CORPORATE GOVERNANCE REPORT



INTRODUCTION

The Board of Directors of Supreme Ventures Limited (SVL) remains committed to maintaining and abiding by the highest standards of good corporate governance principles and has established a robust governance framework as we recognise that this is critical to the Group's long-term success, sustainability and the engendering of trust and confidence in our shareholders and many stakeholders.

The Board has instituted a corporate governance framework of prudent and effective controls to inform and guide its leadership and strategic direction of the Group. A proactive and collaborative approach is adopted by the Board in enhancing the framework through ongoing assessment and improvement to ensure that governance standards continue to be relevant, comply with laws and regulations and respond to any changes in our business environment and operating structure.

This report provides an overview of the corporate governance structures, principles, policies and practices of the Board of SVL which enables the Group to meet the governance expectations of its stakeholders.

ROLE OF THE BOARD

The Board establishes the Group's strategic plan and provides direction and oversight throughout the year to Management in its execution and achievement of the agreed company goals and objectives. In executing its collective responsibility, our Directors are expected to exercise sound, independent business judgement in the interests of the Company and to offer fresh perspectives informed by their respective skills and experience while balancing stakeholders' interests.

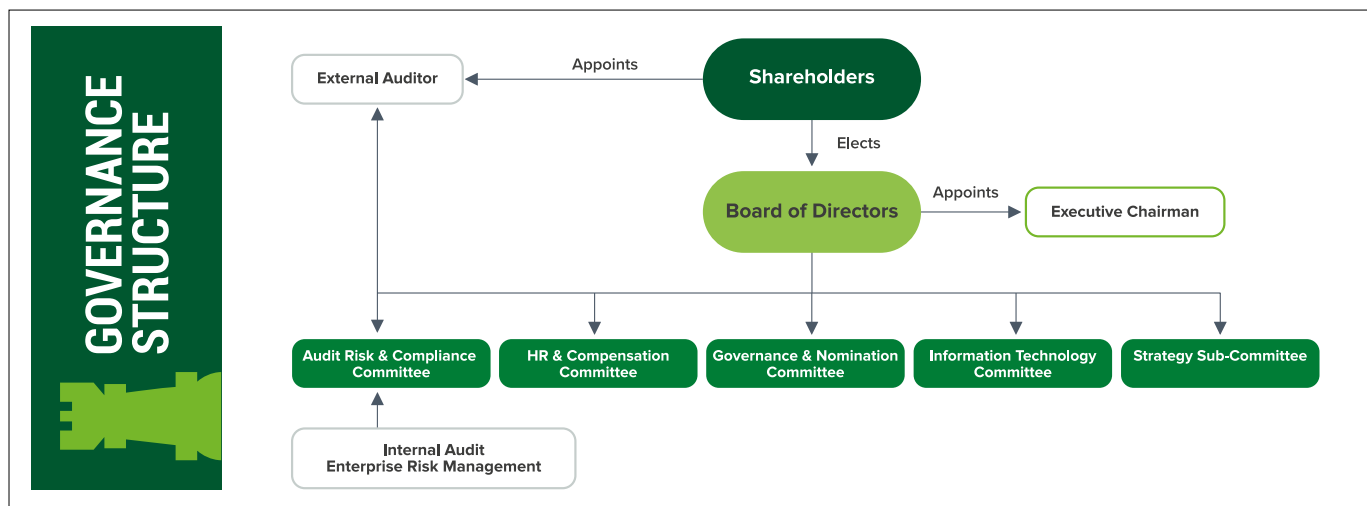
As part of our governance framework and in the pursuit of our strategic objectives, the Board considers the interests and any emerging areas affecting our stakeholders including shareholders, employees, customers and the wider community.

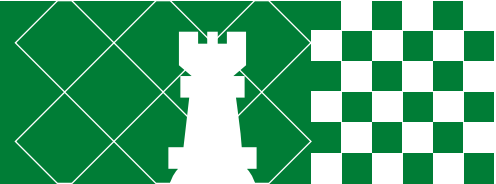
The Board actively engages with the Management of the company, and our valued stakeholders, to ensure that we are operating within an environment where challenges and risks are understood, and opportunities for growth and continued success are maximized. As the pivotal point for governance, we believe that this involved approach is important in preserving shareholder value and engendering confidence in the Group.

MAIN ACTIVITIES OF THE BOARD FOR THE YEAR

For the year under review, the Board deliberated on several key matters in keeping with its core mandate. These include:

- ▶ Execution of the Group's strategy and long-term outlook
- ▶ Financial and operational performance against approved plans
- ▶ Group expansion
- ▶ External Financing
- ▶ Review and approval of group-wide policies
- ▶ Optimization of Group Structure
- ▶ Payment of dividends
- ▶ Integrity of internal controls
- ▶ Risk management
- ▶ Business Continuity and Disaster Recovery Planning
- ▶ Regulatory and Compliance matters
- ▶ Financial reporting
- ▶ Data Protection





SUBSIDIARY GOVERNANCE

The Board adopts a comprehensive approach to subsidiary governance by the implementation of a uniformed governance framework applicable to the Group of companies.

Within this framework, all operating subsidiaries are expected to implement Group policies and are governed by active Boards of Directors which meet regularly to oversee subsidiary performance against established targets and initiatives.

During the year, the Company established the following Group Policies to guide its subsidiaries:

- ▶ Data Protection Policies
- ▶ Enterprise Risk Management Policy & Framework

BOARD COMPOSITION

The size and composition of the Board are determined based on the Company's Articles of Incorporation and the need for Directors to collectively bring an appropriate balance of expertise, professionalism, skills, independence and diversity to the Board.

The Company's Articles permit a maximum of fifteen (15) Directors to be appointed to the Board. As at December 31, 2022, the Board's membership consisted of ten (10) Directors. The Board has an optimal balance of Non-executive and executive Directors, with nine Non-executive Directors and one Executive Director being the Executive Chairman Mr. Gary Peart. A Non-executive Director has no executive responsibilities in the Company while an Executive Director is involved in the day-to-day management of the company's affairs.

The Non-executive Independent Directors on the Board consist of half of the membership which is consistent with governance best practices.

50% Independent Non-executive (5 persons)
40% Non-executive (4 persons)
10% Executive (1 person)

EXECUTIVE CHAIRMAN

The Executive Chairman is primarily responsible for leading the Board and ensuring that its operations allow for the effective execution of its responsibilities. He also has executive duties in the day-to-day management of

the Company's affairs and provides a quarterly report to the Board on the key developments within the Group. The Board believes that although the Executive Chairman is not an independent Director according to our criteria, there is a suitable mix of Non-executive (including independent members) Directors such that there is an appropriate level of challenge and independence brought to the Board's decision-making.

LEAD INDEPENDENT DIRECTOR

The PSOJ's Corporate Governance Code recommends that where the Chairman is not independent, the Board should appoint a Lead Independent Director.

Mr. Duncan Stewart as lead independent Director, is responsible to be a sounding board to the Executive Chairman, and to be an intermediary with other Directors where necessary.

INDEPENDENCE

The Board has adopted best practices in establishing the criteria for assessing Directors' independence. The Board is responsible to identify the Non-executive Directors which it considers to be independent by considering a number of factors which are relevant in ascertaining whether there are any relationships or circumstances which are likely to affect or could appear to affect the director's judgment. Directors are required to update the Board with any new information in relation to interests or relationships relevant to his or her independence. The factors set out in our Corporate Governance Policy are whether the Director:

- ▶ Is or has been an employee or Executive of the Group within the last three (3) years;
- ▶ Has or had within the past year a material business relationship with the Company or its subsidiaries, particularly as a significant client, supplier or consultant of the Company or as a partner, shareholder or Board member, or Senior Executive of an entity that has such a relationship with the Company or its subsidiaries;
- ▶ Material business means income exceeding 1% of the revenue gross of the company;
- ▶ Has been the external auditor of the Company or its subsidiaries or has been a partner or employee of a firm that provides external auditing services to the Company or its subsidiaries within the last three (3) years;
- ▶ Holds cross directorships or has significant links with



other directors through involvement in other companies or bodies;

- ▶ Controls directly or indirectly through connected/related parties, more than 20% of the voting rights of the Company or represents a significant shareholder of the Company or its subsidiaries. For the duration of their term, independent Directors should not hold more than 20% of the share capital of the Company, whether directly or indirectly;
- ▶ Has a second degree kinship with or is the spouse of a non-independent Director, Senior Executive, adviser or significant shareholder of the Company or its subsidiaries;

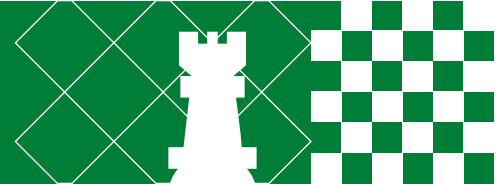
The Board has identified the following Non-executive Directors as independent-

- ▶ Duncan Stewart
- ▶ Eroleen Anderson
- ▶ Lance Hylton
- ▶ W. David McConnell
- ▶ Peter McConnell

BOARD EXPERTISE

Our Directors are drawn from diverse backgrounds and industries thereby ensuring that the Board's composition is aligned with the Company's long-term strategy. Directors are recognized as knowledgeable leaders in their respective fields. In their roles, they are expected to make positive contributions to the Board to support effective decision-making and challenge.

	GENERAL ADMINISTRATION	STRATEGIC MANAGEMENT	RISK MANAGEMENT	FINANCE/AUDIT	LEGAL EXPERTISE	REGULATORY COMPLIANCE	INDUSTRY KNOWLEDGE	CORPORATE GOVERNANCE	INFORMATION TECHNOLOGY
Gary Peart	♁	♁	♁	♁		♁	♁	♁	♁
Duncan Stewart	♁	♁	♁	♁				♁	
W.D. McConnell	♁	♁	♁	♁			♁		
Brent Sankar	♁	♁	♁	♁		♁	♁	♁	♁
Christopher Berry	♁	♁	♁	♁		♁	♁	♁	♁
Damian Chin-You	♁						♁		♁
Eroleen Anderson	♁	♁							
Lance Hylton	♁	♁			♁	♁		♁	
Nicholas Mouttet	♁	♁		♁		♁	♁	♁	♁
Peter McConnell	♁	♁							



CHANGES IN DIRECTORSHIP

There were no changes in Directorship for the period under review.

TERM LIMITS

The Board utilizes term limits as a way of infusing fresh perspectives and refreshing its membership. Under the Company's Corporate Governance Policy, Non-executive Independent Directors can serve on the Board for a period of seven years, after which the Director should resign or not offer themselves up for re-election. The policy also outlines the retirement policy of the Board for Directors who attain the age of seventy-five (75) years.

BOARD EVALUATION

As part of our continuing efforts to improve the Board's efficiency and value, our annual evaluation was conducted to assess the operations and performance of the Board and its Committees, and to allow Directors to self-assess their performance.

The evaluation was facilitated internally by the Company Secretary and administered in the form of an electronic survey which assessed the following areas:

- ▶ Governance
- ▶ Information and meetings
- ▶ Structure and dynamics
- ▶ Board and committee operations
- ▶ Relationship with management and performance
- ▶ Internal Controls, Risk Management and Financial reporting
- ▶ Individual member performance

The results of the survey showed that Directors remained generally satisfied with the performance of the Board. Areas for greater focus and attention were identified and presented to the Board for discussion along with actions to be taken for improvements in those areas.

INDUCTION AND CONTINUING DEVELOPMENT

Newly appointed Directors to the Board are required to participate in an induction programme aimed at deepening their understanding of the business, structure, strategic plans, and material risks of the Company, along with their rights, duties and responsibilities, the roles of Board Committees, and responsibilities of Senior Executives. This process is guided by an established Induction Checklist.

It is the responsibility of the Board to ensure that there is appropriate training of Directors each year to enable them to continually update their skills and knowledge necessary to fulfil their role on the Board and Board Committees. Training and development of Directors may take the form of attendance at workshops or conferences, presentations at Board meetings or sharing of publications. Training may be provided on any area considered to be relevant or useful for Directors including corporate governance, director duties, board responsibilities, the regulatory landscape affecting the Company and industry developments.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS FOR THE YEAR

During the financial year, the Board of Directors surpassed its minimum meeting requirements of four per year and convened six meetings to carry out its mandate, one of which was a dedicated Strategic Planning Session with Senior Management.



The attendance record of our Directors is presented below.

	BOARD	AUDIT, RISK & COMPLIANCE COMMITTEE	HUMAN RESOURCES & COMPENSATION COMMITTEE	GOVERNANCE & NOMINATION COMMITTEE	INFORMATION TECHNOLOGY COMMITTEE	STRATEGY SUB-COMMITTEE	ANNUAL GENERAL MEETING
Number of Meetings	6	7	2	1	1	-	1*
GARY PEART	6/6	-	-	-	1	-	1
W. DAVID MCCONNELL	5/6	7/7	-	-	-	-	-
BRENT SANKAR	6/6	7/7	-	1	-	-	-
CHRISTOPHER BERRY	5/6	-	2/2	1	-	-	-
DAMIAN CHIN-YOU	5/6	-	-	-	1	-	-
DUNCAN STEWART	5/6	7/7	2/2	-	-	-	1
EROLEEN ANDERSON	6/6	-	-	1	-	-	1
LANCE HYLTON	6/6	-	2/2	-	-	-	-
NICHOLAS MOUTTET	6/6	-	2/2	-	1	-	-
PETER MCCONNELL	6/6	7/7	-	-	-	-	-

** Directors in physical attendance at AGM.
With the lifting of the COVID-19 restrictions, the Company reverted to holding its AGM in the physical format, access was also provided via live-stream*

DIRECTORS' COMPENSATION

The HR & Compensation Committee is responsible for establishing the compensation structure for Non-executive Directors across the Group taking into consideration a number of factors:

- ▶ Time commitment and expected workload of Directors
- ▶ Size and business of company;
- ▶ Fairness and competitiveness to attract skilled and experienced Directors

There are no share options or profit-sharing elements applicable to Non-executive Directors. Executives who serve as Directors within the Group do not receive directors' remuneration.

Directors' compensation for the year under review is to be approved by the shareholders of the Company at the next Annual General Meeting.

Directors' fees paid to SVL Directors	J \$77,087,000
Total Directors' fees paid across Group	J \$166,943,000



COMMITTEES OF THE BOARD

To assist in the effective discharge of its responsibilities of oversight and governance, the Board has established five standing Committees. Each Committee has delegated responsibilities over specific areas which are critical to the continued success and good governance of the Group. The authority, functions and responsibilities of each Committee are clearly outlined in its own Committee Charter which are available on the Company's website at www.supremeventures.com.

REPORT FROM THE AUDIT, RISK & COMPLIANCE COMMITTEE

Composition:

- ▶ W. David McConnell | Chairman / Independent Non-Executive Director
- ▶ Peter McConnell | Independent Non-Executive Director
- ▶ Duncan Stewart | Lead Independent Director
- ▶ Brent Sankar | Non-Executive Director

In keeping with best standards, the Audit, Risk & Compliance Committee (ARCC) comprises four Non-Executive Directors, three of whom are independent including the Committee Chairman. The quorum for all meetings of this Committee is three, two of whom must be independent Non-Executive Directors.

Purpose:

The Committee plays an integral role in assisting the Board in fulfilling its oversight responsibilities of the Group's financial processes and reporting; internal systems of control; risk management systems, external audit process and compliance with relevant laws and regulations.

During the year, the Committee convened seven meetings in executing its mandate.

Functions:

- ▶ Ensuring that there is compliance with relevant laws and regulations;
- ▶ Monitoring the integrity of the financial reporting of the Group in keeping with accounting standards;
- ▶ Reviewing the annual and interim financial statements and related accounting policies and assumptions and making recommendations to the Board as required;
- ▶ Reviewing findings of the external auditors and in particular initiating discussions with Management and the auditors as necessary on issues which may have arisen during the

audit, including accounting and auditing judgements and levels of errors identified;

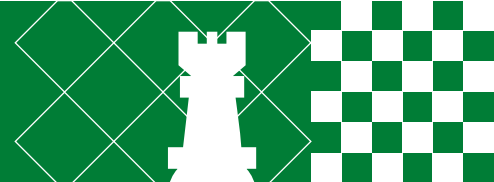
- ▶ Monitoring and reviewing the effectiveness, objectivity and independence of the external auditor and the internal audit function;
- ▶ Considering and making recommendations where necessary to the Board with respect to matters for approval at General Meetings including the appointment, re-appointment and removal of the external auditors;
- ▶ Overseeing the selection process for new auditors and investigating any issues which may affect the independence of the auditors or events leading to any resignation;
- ▶ Monitoring and reviewing the adequacy and effectiveness of established systems of internal controls and risk management which involves examining steps taken by the Board and Executive Management to address areas of concern and to control or mitigate any risk exposures;
- ▶ Approving the annual internal audit plan and ensuring that the function operates with the appropriate levels of resources, independence and autonomy;
- ▶ Reviewing significant related party transactions;

FINANCIAL REPORTING

The quarterly unaudited financial statements and the annual audited financial statements were reviewed by the Committee and recommended to the Board for approval and disclosure. In so doing, the Committee satisfied itself that financial results were reported fairly and in accordance with IFRS and other standards. The Committee also reviewed accompanying reports to stockholders. Proposed dividend payments to shareholders were reviewed by the Committee to ensure conformity with the Company's Dividend Policy.

INTERNAL CONTROL

The internal audit department provides independent, risk-based and objective assurance and assists with the enhancement and protection of the Group's organizational value. In accordance with the Company's governance structure, the activities of the internal audit function are guided by a Charter approved by the ARCC and reports were submitted to the Committee in keeping with the Internal Audit Plan for 2022. In addition to the internal audit plan, reports were carried out as may be requested. The internal audit department is committed to helping the Company accomplish its objectives by bringing a systematic, innovative and disciplined approach to evaluate and improve effectiveness of governance, risk management and control processes.



ENTERPRISE RISK MANAGEMENT

The Company remained agile and proactive in its approach to the Group's Enterprise Risk Management Framework. The established risk registers significantly resulted in high risk areas being identified, assessed and timelines implemented to manage these risks.

BUSINESS CONTINUITY PLAN

There was continued emphasis on the strengthening and build-out of the Group's business continuity plan (BCP) and disaster recovery planning. This was achieved through the engagement of the consultancy services of PricewaterhouseCoopers (PwC) to assess the state of BCP readiness Groupwide. The assessment included a diagnostic test around the eight core competencies defined in PwC's BCP Maturity Assessment Framework and gaps were identified for impact analysis.

REVIEW OF POLICIES

The Committee reviewed and recommended the following policies to the Board for approval:

- ▶ Amendment to Delegated Authority Policy
- ▶ Data Privacy Policies

OTHER ACTIVITIES

The Committee reviewed proposals at the request of Management on strategic geographical expansion and made recommendations to the Board for approval.

The reporting on Group regulatory compliance matters to include areas affecting AML/CFT compliance was provided to the Committee on a quarterly basis.

The Enterprise Risk Management report highlighted a summary of risks identified across the Group was submitted quarterly for review by the Committee.

All significant related party transactions were presented to the Committee for their review and recommendations made to the Board for final approval.

EXTERNAL AUDITOR

At the last Annual General Meeting of the Company, the shareholders approved the re-appointment of the external auditors PwC to continue in office. The proposed scope and fees for PwC to carry out the audit of the Group's year-end financial statements were reviewed and approved by the Committee.

As part of the Committee's oversight of the external audit process, the Lead Audit Partner and PwC team met with the Committee during the year without Management present to discuss the audit process and any issues that may have arisen.

The Committee reviewed the work undertaken by the external auditor and each year assesses its independence, objectivity and performance. In doing so, it takes into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services. The Committee monitors the auditor's compliance with relevant regulatory, ethical and professional guidance on the rotation of partners, as well as assessing annually its qualifications, expertise, resources and the effectiveness of the audit process. As part of our review exercise, we also routinely tender for audit services to allow for natural rotation of our auditors.

The Committee recommends the re-appointment of PwC to continue as the external auditor for the subsequent financial year.

W. David McConnell

Chairman

Audit, Risk and Compliance Committee



REPORT FROM THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

Composition:

- | | |
|---------------------|------------------------------------|
| ▶ Christopher Berry | Chairman / Non-Executive Director |
| ▶ Lance Hylton | Independent Non-Executive Director |
| ▶ Duncan Stewart | Lead Independent Director |
| ▶ Nicholas Mouttet | Non-Executive Director |

The Committee comprises four Non-Executive Directors, two of whom are independent. The quorum for all meetings of this Committee is majority and such majority shall include an independent Non-Executive Director.

Purpose:

The Committee assists the Board in its oversight of the effectiveness and integrity of the administration of compensation policies and programmes for Directors, Executives and general staff. The Committee monitors adherence to established principles and policies within the Group, specifically as it concerns fair and competitive compensation structure to Directors and Executives, and general administration of material employee benefits, compensation plans and programmes.

The Committee convened two meetings during the year to carry out its work.

Summary of the Committee's activities for FY 2022:

- ▶ Revised its Committee Charter
- ▶ Reviewed recommendations for performance incentive payment to staff
- ▶ Made recommendations for amendments to policies including Performance Management Incentive and Staff Loan
- ▶ Reviewed recommendations for hiring of Executives and renewal of Executive contracts
- ▶ Reviewed proposed Succession Policy

REPORT FROM THE GOVERNANCE AND NOMINATION COMMITTEE

Composition:

- ▶ Christopher Berry | Committee Chairman
- ▶ Eroleen Anderson | Non-Executive Independent Director
- ▶ Brent Sankar | Non-Executive Director

The Committee is comprised of three non-executive Directors which includes one independent Director.

Purpose:

The Committee assists the Board in ensuring that its composition, structure, policies and processes are suitable to meet its needs, legal and regulatory requirements and also gives oversight of the governance framework to ensure the adoption of best practices and standards.

During the year, the Committee convened one meeting.

Summary of the Committee's activities for the FY 2022:

- ▶ Considered and approved recommendation on Consultant to execute external Board evaluation exercise
- ▶ Reviewed proposed Director training and updating of Director induction process

REPORT FROM THE INFORMATION TECHNOLOGY COMMITTEE

Composition:

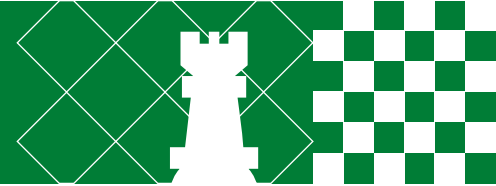
- ▶ Damian Chin-You | Chairman
- ▶ Christopher Berry | Non-Executive Director
- ▶ Nicholas Mouttet | Non-Executive Director

The Committee comprises three Non-Executive Directors.

Purpose:

The Information Technology Committee oversees the quality and effectiveness of the information technology infrastructure and is established to assist the Board in ensuring that the Company's technology and information systems programs aligns with the Company's overall business strategy, cyber security and information security requirements. The Committee monitors the performance of implemented structures and mechanisms to ensure that risks and disaster recovery capabilities are effectively managed and that systems and policies are in place to provide appropriate levels of security, privacy and control.

The Committee convened one meeting for the year.



Summary of the Committee's activities for FY 2022:

- ▶ Reviewed the progress of the Group's digital strategy and roadmap
- ▶ Assessed the standard of security controls implemented to ensure information systems are protected and to minimize the risks
- ▶ Reviewed the progress of the development and improvement of gaming platforms
- ▶ Reviewed the rollout of proposed Fintech products

STRATEGY SUB-COMMITTEE

Composition:

- ▶ Christopher Berry | Chairman
- ▶ Gary Peart | Executive Director
- ▶ Duncan Stewart | Non-Executive Director
- ▶ Paul Mouttet | Non-Director
- ▶ Shubh Singh | Non-Director

The Committee comprises two Non-Executive Directors, one Executive Director and two Non-Directors.

Purpose:

The Committee was established to assist the Board with its oversight of the implementation of key business strategies and projects by Executive Management and to effectively translate those strategies into actionable programs and deliver on expected performance results.

Overview:

During the year, the Board was kept abreast on the progress of key strategic projects. Matters concerning strategy were collectively discussed by the Board and actions were recommended where necessary to achieve projected performance targets.

OUR STAKEHOLDERS SHAREHOLDERS

As the stewards of shareholder value, the Board is constantly seeking to engage deeper with the owners of the business and to ensure that there is timely dissemination of information which is of interest to our shareholders. The Directors encourage open dialogue with our shareholders to garner greater insight and understanding of their views on the performance and direction of the Group and to foster a relationship of trust and transparency.

The Board is constantly evaluating channels of engagement and uses its Annual General Meeting as its primary opportunity to communicate with our shareholders to understand their views on the performance and long-term strategy of the Group.

ACCESS TO INFORMATION

There are multiple avenues available to shareholders to keep abreast of the company's financial performance, business highlights and governance policies. Information is made available in the following ways:

- ▶ Investor Centre on our website www.supremeventures.com
- ▶ Disclosures on the Jamaica Stock Exchange's website
- ▶ Media releases
- ▶ Press conferences and radio interviews

A shareholder may request a copy of the Minutes of the Company's Annual General Meeting by sending an email to svlsecretariat@svlgrp.com

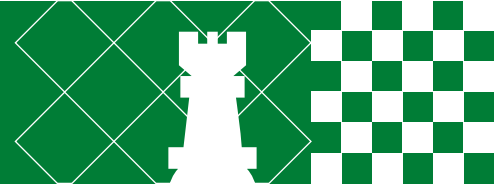
For investor relations, shareholders may send their communication to our Company Secretary at email svlsecretariat@svlgrp.com

EMPLOYEES

Our employees are our most critical resource and play an important role in organizational governance, culture, strategy and success. The workplace behaviours which employees are encouraged and expected to display are guided by the Company's Code of Conduct which establishes the framework of ethical practices, professional standards and values governing the relationship with staff, business partners, customers and the public at large.

CUSTOMERS

The Group has regard to its many customers in ensuring that good relationships are fostered, and that there are appropriate levels of engagement in understanding customers' views and the impact of decisions on the interests of these stakeholders.



COMMUNITY

The Board recognizes the importance of the community and environment and through our Supreme Ventures Foundation, focus is given to embarking on initiatives and projects which will bring lasting and positive impact to those affected by our operations and the persons living in communities in which we operate.

OUR POLICIES

CORPORATE GOVERNANCE POLICY

The Board has an approved Corporate Governance Policy which establishes the overarching principles and standards guiding the operations and governance practices of the Board.

CODE OF CONDUCT

In keeping with our philosophy of sound governance and to reflect the high standards of how we do business, the Board has approved a Code of Conduct which applies to all Directors and employees within the Group. The Code is made available to all employees on onboarding.

The Code of Conduct is centred on the following key ethical values which underpin and inform the behaviours and practices that are expected within all levels of the organization:

Integrity

Responsibility

Respect

Compliance

Confidentiality

Trust

TRAINING IN ETHICS AND COMPLIANCE

We operate within a regulated industry, and as part of the orientation process of team members, it is the policy of the Company that there is mandatory training on the business operations of the Company.

This involves an introduction to employees of our compliance obligations within the relevant legislative framework within which we operate, namely betting gaming and lotteries with particular focus on regulatory obligations relating to Anti-money Laundering / Countering-financing of terrorism.

WHISTLE-BLOWING POLICY

The Company has an approved Protected Disclosures Policy and Procedure which provides a mechanism for employees to disclose events of suspected fraud, bribery, unethical conduct, illegal activities and other forms of improprieties. The Policy outlines the safeguards for the protection of employees and their rights under the Protected Disclosures Act and establishes suitable arrangements for proper investigation of any such disclosures.

DIVIDEND POLICY

The Board has an approved Dividend Policy which outlines its approach to distributing dividends to shareholders. Dividends are declared to shareholders at the discretion of the Board of Directors and are paid out of retained earnings. Through this Policy, the Board reflects its commitment to preserve shareholder value and to maximise returns in a prudent and transparent manner. We have established a dividend pay-out rate in any given year of ninety percent (90%) of profit after tax (less any non-cash adjustments), paid quarterly. Final adjustments are made at year-end to conform with this rate. In ensuring prudence in capital management, the policy reflects set dates for record date and payment date.

HUMAN RESOURCES POLICIES

There is an established framework of policies and programmes reflecting our standards and guiding principles for effective and efficient management of our valuable human resources. This framework is applied consistently across the Group and facilitates an environment within which employees are valued, treated equitably and high productivity is encouraged. Our policies govern key themes including: Workplace Expectations; Employee Benefits; Workplace Safety; Performance Management; Use of social media and Staff Training and Development.



SUSTAINABILITY POLICY

The Company has an approved Sustainability Policy which outlines its approach and commitment to being a corporate citizen operating in a responsible, prudent and ethical manner in the conduct of its business affairs. This commitment is manifested in our social, environmental, and economic values and practices. Our principles of sustainability inform how it is that we:

- ▶ Create a safe, healthy and conducive environment to promote the welfare and productivity of our employees.
- ▶ Maintain awareness of our environmental impact with focus on environmental awareness and responsibility.
- ▶ Support our community through philanthropy.
- ▶ Provide long-term value to our shareholders by achieving financial objectives.

ACCESS TO POLICIES

You may access our Policies and the Company's Articles of Incorporation from the Investor Centre on our website: www.supremeventures.com





DIRECTORS' REPORT



For The Year Ended December 31, 2022

The Directors of Supreme Ventures Limited are pleased to present their report and to submit the Consolidated Income Statement and the Consolidated Statement of Financial Position of the Company and its subsidiaries for the year ended 31st December 2022.

OPERATING RESULTS	\$'000
	<u>\$'000</u>
Gross Profit	11,267,285
Profit before taxation	3,859,391
Taxation	<u>(781,340)</u>
Profit for the year	<u>3,078,051</u>
Earnings per stock	<u>115.42</u> cents

DIVIDENDS

The following interim dividends were declared for the year under review:

- ▶ 34.01 cents per stock unit paid on May 20, 2022
- ▶ 18.40 cents per stock unit paid on September 22, 2022
- ▶ 14.54 cents per stock unit paid on December 15, 2022
- ▶ 0.34 cents per stock unit to be paid on May 2, 2023

The Directors recommend that the interim dividends be ratified and declared as final and that no further dividend be paid in respect of the year under review.

The Board of **Directors as at December 31, 2022** were:

Mr. Gary Peart- Executive Chairman
 Mr. Duncan Stewart– Lead Independent Director
 Mr. W. David McConnell
 Mr. Brent Sankar
 Mr. Christopher Berry
 Mr. Damian Chin-You
 Ms. Eroleen Anderson
 Mr. Lance Hylton
 Mr. Nicholas Mouttet
 Mr. Peter McConnell

Pursuant to Articles 105 and 106 of the Company's Articles of Incorporation, one-third of the Directors (or the number nearest to one-third) will retire at the Annual General Meeting. The Directors retiring, who being eligible, offer themselves for re-election are Messrs. Christopher Berry and Nicholas Mouttet and Mrs. Eroleen Anderson.

EXTERNAL AUDITORS

The Auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and offer themselves for re-appointment.

ACKNOWLEDGEMENT

The Board of Directors expresses its gratitude and appreciation to our shareholders, stakeholders, customers and staff for their commitment and partnership in making 2022 a winning year.

BY ORDER OF THE BOARD

Dated this 28th day of March 2023

Dionne Reid
 Company Secretary



HUMAN RESOURCES REPORT



HUMAN RESOURCES REPORT

HUMAN RESOURCES REPORT

The Human Resources and Administration Department of the Supreme Ventures Group is focused on ensuring that the strategic goals of the Group are achieved through its most important resource, its people! This is accomplished by having an effective recruitment process, strong policies and procedures, and effective management of team members across the Group.

Operating within a shared service structure, HR focuses on meeting the expectations of all its stakeholders and to effectively support the Group with the capacity necessary to expand its products and services while simultaneously expanding its footprint locally and regionally. The Human Resources department strives to create a high-performance workforce by fostering a healthy, secure, and productive work environment. The department operates in accordance with the Group's Board-approved Strategic Scorecard, which is incorporated into both the subsidiary's scorecard and each employee's scorecard. The areas of focus aligned with our scorecard perspectives are as follows:

1). Financial:

- ▶ Drive cost efficiency

2). Customer:

- ▶ Meet or exceed expectations on survey of internal customer

3). Internal Processes:

- ▶ Automate internal processes

4). Organizational Capacity:

- ▶ Build a high performance team and effective structure

COST EFFICIENCY

Emerging from the pandemic, through careful management, the Human Resource and Administration managed its costs and has kept the operational efficiency ratio within target.

INTERNAL PROCESSES

Continuing automation of internal processes allows for increased learning and career advancement opportunities for staff.

ORGANIZATIONAL CAPACITY

Continuing focus on building a high-performance team and effective structure through systematic recruitment, succession planning, training and development.

We continue to strive for the right fit for every hire. With that in mind we have reassessed the roles and job function throughout the organization by continuing the process of upgrading job descriptions and adding criteria such as standard competencies and mindsets for all positions company wide, requiring relevant education and experience relative to all positions.

Building on the drafting of a succession plan policy in 2021, the HR department continued the thrust of creating succession plans throughout the organization in each department. Succession planning prepares the next level of management which allows us to create tiers within the departments and better equip these tiers with more relevant information, to facilitate a better flow of information, greater communication channels, building responsibility and accountability with a goal of greater efficiencies.

TRAINING & DEVELOPMENT

Human Resources continues to build a culture of life-long learning and upskilling learning with the development of team members through identifying areas for development. Greater emphasis has been placed on the areas of the performance appraisals that require improvement and based on this we continue to encourage managers to enroll members in training sessions to enhance their skills while at the same time providing coaching to develop staff members. In addition, the Company continued its staff engagement activities through the Annual staff meeting and the intra-company quarterly e-magazine, Supreme Pulse, continued to keep the team updated on all the events and successes of the Group.



Running for Dreams - #TeamSupreme was out to support the UWI/ CB Group 5K Run/Walk 2022. Proceeds from the race go towards the development of sports and the education of the most talented and in-need students at UWI.



**BOARD OF
DIRECTORS**

MA



GARY PEART | Executive Chairman

Gary H. Peart is the Executive Chairman of the Board of Directors. He is also the Chief Executive Officer of Mayberry Investments Limited and a member of the Board of Mayberry Group Limited. He has over 20 years of corporate finance experience in the Jamaican Financial Industry. Mr. Peart also currently serves as a Director on the Boards of the Jamaica Stock Exchange, Lasco Distributors Limited and Ironrock Insurance.

Executive Director | Appointment: October 23, 2017



DUNCAN STEWART | Lead Independent Director

Duncan Stewart has over 30 years of experience in Sales, Marketing, Finance and Fixed-Operations. He played an integral role in expanding Stewart Automotive Group of Companies and held several high-level positions including Director and General Manager.

Duncan currently serves on several boards within the Stewart's Automotive Group of Companies. He also holds directorship on the boards of Automobile Dealers Association, Barita Investments Limited, Precision Logistics Limited, Pure National Limited and General Accident Insurance Company Limited.

Independent Non-Executive Director | Appointment: December 1, 2018



W. DAVID McCONNELL

W. David McConnell is Co-Managing Director and Co-Founder of Select Brands Limited, a leading Wines and Spirits Company in Jamaica. He also sits on the Boards of Scotia Group Jamaica, Scotia Investments Jamaica Limited and IronRock Insurance Company Limited amongst others.

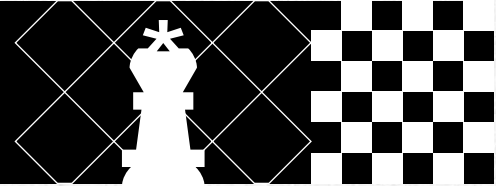
Independent Non-Executive Director | Appointment: November 7, 2017



BRENT SANKAR

Trinidadian Brent Sankar has over 32 years' experience in the financial, accounting and auditing industries. He held the position of Partner/Director in a consultancy company, as well as Finance Director of one of the largest private companies in Trinidad. He had an integral part of the restructuring of various companies within that Group. He is the Chief Financial Officer of a Trinidadian entity with investments throughout the Caribbean.

Non-Executive Director | Appointment: November 3, 2016



CHRISTOPHER BERRY

Christopher is the Executive Chairman of Mayberry Investments Limited and also serves on the Boards of Apex Health Care Associates Limited, Apex Pharmacy Limited, Caribbean Producers Limited, IronRock Insurance Company Limited and Mayberry Jamaican Equities Limited and others.

Non-Executive Director | Appointment: October 23, 2017



DAMIAN CHIN-YOU

Damian Chin-You is the Chairman of Post to Post Betting Limited, Supreme Route Limited, and Chairman and Co-Founder of Champion Gaming Company Limited. He has over 20 years' experience in the betting & gaming sector. In 2013, he was at the helm of Post to Post during the merger of three (3) other betting companies which saw the company becoming the largest bookmaker in Jamaica.

Non-Executive Director | Appointment: June 13, 2019



EROLEEN ANDERSON

Eroleen Anderson is the Chief Executive Officer of Interiors by Eroleen Limited, a property management, interior design, construction and garment manufacturing company. She is also the CEO of Resortwear by Eroleen a brick and mortar retail outlet with a retail website serving world wide

She brings to the Board over thirty years' experience in numerous areas including business development, project and property management, human resources, strategic planning, interior design, construction, and overseeing a variety of buildings and real estate assets across various countries. She also serves on several Homeowners Associations and Proprietor Strata Plans and on the Land Development and Utilization Commission under the Ministry of Economic Growth and Job Creation.

Independent Non-Executive Director | Appointment: February 28, 2020



LANCE HYLTON

Lance Hylton is senior partner of Hylton & Hylton Attorneys-at-Law and specializes in commercial and trust law. He has served as a director of several listed companies and government agencies or corporations. He is vice chairman of the Jamaica College Board of Governors and a Past President of Rotary.

Independent Non-Executive Director | Appointment: April 1, 2018



NICHOLAS MOUTTET

Nicholas brings a wealth of knowledge and experience in business management and strategy.

He is a Director of Agri-Link Ltd which is a major supplier in the poultry and swine industries in Trinidad and Tobago and the wider Caribbean. Nicholas is the owner of Tropical Self Storage and serves as a Director of Zodiac International Investments & Holdings Limited.

He is also a Director and Shareholder of Green Clean Caribbean Limited, a supplier of green cleaning chemicals, and Glass Unlimited, a supplier of high-end glass fixtures and enclosures.

Non-Executive Director | Appointment: November 1, 2019



PETER McCONNELL

Peter McConnell is the Managing Director of Trade Winds Citrus Ltd. and the Chairman of Worthy Park Estates Ltd. His service to the nation includes Chairmanship of the Linstead Public Hospital, the Jamaica Citrus Protection Agency and the Supreme Ventures Foundation. He also serves as a Director to the Sugar Industry Authority Board and was recently appointed as a member of the AMC Complex (Privitisation) Enterprise Team.

Independent Non-Executive Director | Appointment: November 7, 2017

SENIOR

MANAGEMENT

O



SENIOR MANAGEMENT



SENIOR MANAGEMENT



NICKESHA EULETTE - SVP
FINANCE



TONI SPENCER - SVP
HUMAN RESOURCES & ADMINISTRATION



DWAYNE TULLOCH - SVP
RETAIL & CUSTOMER OPERATIONS



STEFAN MILLER - SVP
PRODUCT MANAGEMENT & BUSINESS DEVELOPMENT



DELROY ANDERSON - SVP
CHIEF INNOVATION OFFICER



ADEN WHITTAKER - VP
OPERATIONS & I.T. SERVICES

SENIOR MANAGEMENT



MICHELLE YEO - VP
HUMAN RESOURCES & ADMINISTRATION



ANDREW BROMLEY - VP
SECURITY & SURVEILLANCE



KRISTA-GAYE FISHER - VP
LEGAL



JEAN-PIERRE ROBINSON - VP
SUPREME VENTURES FINTECH LIMITED



PRESTON CHIN - GENERAL MANAGER
SUPREME ROUTE LIMITED



DELOY JOSEPHS - MANAGING DIRECTOR
MCKAYLA FINANCIAL SERVICES LIMITED

SENIOR MANAGEMENT



**CHANTAL SIMPSON - GENERAL MANAGER
ADMINISTRATION**
SUPREME VENTURES ENTERPRISE INC.



LORNA GOODEN - GENERAL MANAGER
SUPREME VENTURES RACING &
ENTERTAINMENT LIMITED



DON MARK SMITH - GENERAL MANAGER
POSTTOPOST BETTING LIMITED



RICHARD PETERS
FINANCIAL CONTROLLER

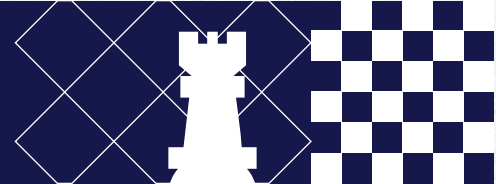


DIONNE REID - COMPANY SECRETARY
SUPREME VENTURES LIMITED

NOTE: MARIA WALTERS - SVP FINANCE | APRIL 2022 - OCTOBER 2022



SHAREHOLDING REPORT



SUPREME VENTURES LIMITED TOP 10 SHAREHOLDING As at December 31, 2022

NAME	VOLUME	PERCENTAGE
Zodiac Caribbean Ventures Limited	788,627,234	29.903
Mayberry Jamaican Equities Limited	485,637,230	18.414
Ian Kent Levy	334,541,171	12.685
Janette Stewart	166,698,219	6.321
Stephen Castagne	94,052,136	3.566
St. Elizabeth International Limited	61,258,495	2.323
Sagicor Pooled Equity Fund	48,950,421	1.856
Sunfisher Corporation	24,648,118	0.935
JCSD Trustee Services Sigma Equity	21,617,139	0.820
Lurline Binns	20,170,700	0.765
Total Combined Holding	2,046,200,863	77.588

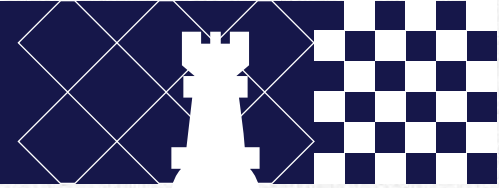
SHAREHOLDING REPORT



SUPREME VENTURES LIMITED DIRECTORS' SHAREHOLDINGS As at December 31, 2022

DIRECTOR NAME	PRIMARY HOLDER	JOINT HOLDER/CONNECTED INTERESTS	VOLUME	PERCENTAGE
Gary Peart	Gary Peart	Self	2,556,477	0.0969
	VDWSD Ltd	Shareholder	-	-
	Mayberry Jamaican Equities Limited	Connected	485,637,230	18.4145
	Mayberry Investments Limited Pension Scheme	Connected	2,413,603	0.0915
	Mayberry Investments Limited Retirement Scheme	Connected	1,237,133	0.0469
	Mayberry Investments Limited	Connected	-	-
	Mayberry Pension Limited I.R.P	Connected	1,530,612	0.0580
	Mayberry Managed Clients Account	Connected	8,169,730	0.3098
	The Mayberry Foundation Ltd.	Connected	3,000,504	0.1138
	Ironrock Insurance Company Limited	Director / Shareholder	650,000	0.0246
	Lasco Distributors Ltd	Director / Shareholder	5,000,000	0.1896
	Mayberry Managed Employee Portfolio	Connected	-	-
	AVK Professional Services	Shareholder	-	-
	Solairx Services Ltd.	Shareholder	-	-
	Cheryl Peart	Connected	5,386	0.0002
			510,200,675	19.3459
W David McConnell	W David McConnell	Self	-	-
	St. Elizabeth International Ltd	Director / Shareholder	61,258,495	2.3228
	Ironrock Insurance Company Limited	Director / Shareholder	650,000	0.0246
	St. Elizabeth Holding Ltd	Director / Shareholder	-	-
			61,908,495	2.3475
Peter McConnell	Peter McConnell	Stephanie McConnell	6,320,366	0.2397
	United Estates Ltd Pension Plan	Connected	638,224	0.0242
	Trade Winds Citrus Ltd, Pension Fund	Connected	591,121	0.0224
	Wakefield Farms Ltd.	Connected	2,000,000	0.0758
	Worthy Park Estate	Director / Shareholder	-	-
	RSF Holdings	Director / Shareholder	-	-
			9,549,711	0.3621
Brent Sankar	Brent Sankar	Self	-	-
			-	-
Eroleen Anderson	Eroleen Anderson	Self	-	-
	Interiors by Eroleen Limited	Director	-	-
			-	-
Damian Chin-You	Damian Chin-You	Self	1,500,000	0.0569
			1,500,000	0.0569
Duncan Stewart	Duncan Stewart	Self	-	-
	San Dollars Investments Limited	Director	13,526,316	0.5129
			13,526,316	0.5129
Lance Hylton	Lance Hylton	Self	-	-
	Hylton & Hylton Attorneys-At-Law	Connected	-	-
			-	-

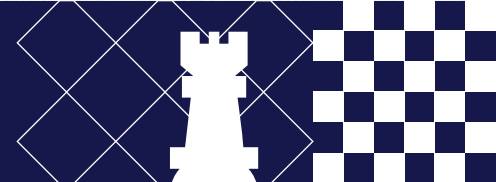
SHAREHOLDING REPORT



SUPREME VENTURES LIMITED DIRECTORS' SHAREHOLDINGS CONT'D As at December 31, 2022

DIRECTOR NAME	PRIMARY HOLDER	JOINT HOLDER/CONNECTED INTERESTS	VOLUME	PERCENTAGE
Christopher Berry	Christopher Berry	Self	-	-
	Mayberry Jamaican Equities Limited	Director	485,637,230	18.4145
	PWL Bamboo Group Holdings Limited	Director	38,319	0.0015
	Apex Pharmacy	Shareholder	5,000,000	0.1896
	Apex Health Care	Shareholder	-	-
	Konrad Limited	Connected	2,000,000	0.0758
	Broadleaf Properties	Connected	-	-
	Konrad Berry	Connected	-	-
	A+ Plus Medical Centre Ltd	Shareholder	500,000	0.0190
	Mayberry Investments Ltd	Director	-	-
	Caribbean Producers Jamaica	Director	-	-
	Ho Choi Ltd	Shareholder	12,565,400	0.4765
	Mayberry Investments Limited Pension Scheme	Sponsor Trustee	2,413,603	0.0915
	Mayberry Investments Limited Retirement Scheme	Sponsor Trustee	1,237,133	0.0469
	Mayberry Pension Limited I.R.P	Sponsor Trustee	1,530,612	0.0580
	Mayberry Managed Clients Account	Connected	8,169,730	0.3098
	The Mayberry Foundation Ltd.	Connected	3,000,504	0.1138
	Mayberry Managed Employee Portfolio	Connected	-	-
	Ironrock Insurance Company Limited	Director	650,000	0.0246
	Green Shoots Jamaica Limited	Chairman	-	-
Patricia Yap	Connected	-	-	
William Berry	Connected	-	-	
Lauren Berry	Connected	-	-	
			522,742,531	19.8215
Nicholas Mouttet	Nicholas Mouttet	Self	-	-
	Agri-Link Limited	Director	-	-
	Tropical Self Storage	Director	-	-
	Nika Limited	Director/ Shareholder	-	-
	Colin Mouttet	Connected	13,814,664	0.5238
	Zodiac International Investments & Holdings	Director	-	-
	Zodiac Caribbean Ventures Limited	Director/ Shareholder	788,627,234	29.9033
			802,441,898	30.4272
		Total Combined Holding	1,418,580,814	53.7901

SHAREHOLDING REPORT



SUPREME VENTURES LIMITED SENIOR MANAGEMENT'S SHAREHOLDINGS As at December 31, 2022

NAME	JOINT HOLDER/CONNECTED INTERESTS	VOLUME	PERCENTAGE
Clair-Ann Kennedy	Self	-	-
Heather Goldson	David L Goldson	990,200	0.0375
Lorna Gooden	Gregory Paul Anthony Gooden	8,300	0.0003
	Self	18,300	0.0007
		26,600	0.0010
Katherine P.C. Francis	Self	375,000	0.0142
Xesus Johnston	Self	384,738	0.0146
	Franklin Johnston	34,700	0.0013
		419,438	0.0159
Dionne Reid	Self	-	-
Don-Mark Smith	Self	500	0.0000
Preston Chin	Self	-	-
Delroy Josephs	Self	25,521	0.0010
	Andre Josephs	12,300	0.0005
	Decon Josephs	4,130	0.0002
		41,951	0.0017
Stefan Miller	Self	25,006	0.0009
	Self	120,000	0.0046
		145,006	0.0055
Dwayne Tulloch	Self	41,238	0.0016
Delroy Anderson	Michelle Anderson	1,581	0.0001
	Total Combined Holding	2,041,514	0.0774



**CORPORATE
LISTING**



BOARD OF DIRECTORS

Gary Peart (**Executive Chairman**)
Duncan Stewart
W. David McConnell
Brent Sankar
Christopher Berry
Damian Chin-You
Eroleen Anderson
Lance Hylton
Nicholas Mouttet
Peter McConnell

COMPANY SECRETARY

Dionne Reid

**REGISTRAR AND
TRANSFER AGENT**

**Jamaica Central Securities
Depository Limited**
40 Harbour Street
Kingston, Jamaica

EXTERNAL AUDITOR

PricewaterhouseCoopers
Scotia Centre
Cnr. Duke & Port Royal Streets
Kingston, Jamaica, W.I.

BANKERS

**Bank of Nova Scotia
Jamaica Limited**
2 Knutsford Boulevard
Kingston 5, Jamaica, W.I.

**National Commercial Bank
Jamaica Limited**
Private Banking
32 Trafalgar Road
Kingston 10, Jamaica, W.I.

**CIBC First Caribbean
International Bank**
23 Knutsford Boulevard
Kingston 5, Jamaica, W.I.

Sagicor Bank
17 Dominica Drive
Kingston 5, Jamaica, W.I.

JMMB Bank
6-8 Grenada Way
Kingston 5, Jamaica, W.I.

Citizens Bank Guyana
Lot 231-233 Camp Street
and South Road
Lacytown, Georgetown
Guyana

INVESTMENT BANKERS

Barita Investments Limited
60 Knutsford Boulevard
7th Floor, Kingston 5

Mayberry Investments Ltd
1-1/2 Oxford Road
Kingston 5, Jamaica

JMMB Bank
6-8 Grenada Way
Kingston 5

Sagicor Investments Jamaica Limited
17 Dominica Drive
Kingston 5



ATTORNEYS

Walter H. Scott, Q.C.

Attorney-at-Law
22 Trafalgar Road, Suite #13
2nd Floor
Kingston 10, Jamaica, W.I.

Livingston Alexander & Levy

72 Harbour Street
Kingston, Jamaica, W.I.

Hylton & Hylton

19 Norwood Avenue
Kingston 5, Jamaica, W.I.

Phillips Malcolm Rattray

Attorneys-at-Law
Lee Gore Business Centre
Unit 17, 31 Upper Waterloo Road,
Kingston 10, Jamaica, W.I.

Hylton Powell

Attorneys-at-Law
11A Oxford Road
Kingston 5, Jamaica, W.I.

CORPORATE OFFICES

Supreme Ventures Limited

Registered Office:

Supreme Ventures Gaming Limited
9A Retirement Crescent
Kingston 5, Jamaica, W.I.
Tel: (876) 754-6526
Fax: (876) 754-2143

Posttopost Betting Limited

9 Barbados Avenue
Kingston 5, Jamaica, W.I.
Tel: (876) 929-0370-3

Supreme Route Limited

Registered Office:

9A Retirement Crescent
Kingston 5, Jamaica, W.I.

Business Operations:

Sovereign Commercial Center
9-11 Barbican Road, Unit 6
Kingston 6, Jamaica, W.I.
Tel: (876) 620-6859 / (876) 622-8073

Supreme Ventures Services Limited

9A Retirement Crescent
Kingston 5, Jamaica, W.I.
Tel: (876) 754-6526
Fax: (876) 754-2143

Supreme Ventures Racing & Entertainment Limited

Registered Office:

9A Retirement Crescent
Kingston 5, Jamaica, W.I.
Tel: (876) 754-6526
Fax: (876) 754-2143

Business Operations:

Caymanas Park
Gregory Park, Portmore
St. Catherine, Jamaica, W.I.
Tel: (876) 988-2524-6
Fax: (876) 988-7781

McKayla Financial Services Limited

7 Lismore Avenue
Kingston 5, Jamaica, W.I.
Tel: (876) 960-5541-3

Supreme Ventures Fintech Limited

9A Retirement Crescent
Kingston 5, Jamaica, W.I.
Tel: (876) 754-6526

REGISTERED OFFICES OF OVERSEAS SUBSIDIARIES

Supreme Group Incorporated

Supreme Guyana Incorporated (St Lucian International Business Companies)

C/O PKF Corporate Services Limited
Meridian Place, Choc Estate
P.O. Box Choc 8243
Castries LC02 801
Saint Lucia

Supreme Ventures Guyana Holdings Inc.

Supreme Ventures Enterprise

17B Croal Street
Stabroek
Georgetown, Guyana
South America



RETAIL CENTRES

Supreme Ventures Flagship

Store:

Twin Gates Plaza.
25 ½ Constant Spring Road
Kingston 10
Tel: (876) 754-6526

Portmore:

Shop #6, McMaster Centre
Portmore Town Centre,
Portmore,
St. Catherine, Jamaica, W.I.
Tel: (876) 622-1426

Half Way Tree:

State Mall
15 Half Way Tree Road
Kingston 5, Jamaica, W.I.
Tel: (876) 920-3500
Fax: (876) 960-9417

Montego Bay:

Shop #40
City Centre Mall
St. James Street
St. James, Jamaica, W.I.
Tel: (876) 622-7783

Shop #6C

Annex Plaza, Fairview
St. James, Jamaica, W.I.
Tel: (876) 979-8564

Ocho Rios:

Shop #3
Ocean Village Shopping Centre
Main Street, Ocho Rios
St. Ann, Jamaica, W.I.
Tel: (876) 630-7985

Acropolis Barbican:

Barbican Centre
29 East Kings House Road
Kingston 5, Jamaica, W.I.
Tel: (876) 978-1299
Fax: (876) 946-9896

Spanish Town:

37 Young Street Spanish Town
St. Catherine, Jamaica, W.I.
Tel: (876) 618-9384

Savanna-la-Mar:

Shop 16A, Hendon Mall
Savanna-la-Mar,
Westmoreland, Jamaica, W.I.
Tel: (876) 918-0232
Fax: (876) 918-0233



**SUPREME AT
A GLANCE**



**MAKING
WINNERS
EVERYDAY**



**SUPREME
VENTURES
FOUNDATION**



**CAYMANAS
PARK**



**SUPREME
VENTURES
GAMING**



SUPREME AT A GLANCE

Making Winners Everyday

Supreme Ventures Limited owes much of its incredible accomplishments of the last two decades to the aspirations and dreams of our players. We have offered thrilling games of chance to people of all backgrounds. Our games have become integral to the communities in

which we operate, bringing both life-changing opportunities and daily joy with small but meaningful wins. In 2022, our customers walked away with a staggering 53 Billion in winnings. True to our promise of "Making Winners Every Day," the victories continued throughout the year.



1.

Lotto

We kicked off the year creating our first multimillionaire in February.

Supreme Ventures' first Lotto winner for 2022 was C. Codner who hit the \$61 Million jackpot on February 16. An elated Codner says he has been playing Lotto since the start of the game over 20 years ago. Like many other winners before him, he used the same set of lucky numbers played over the years, Codner hit the jackpot with 9, 10, 11, 19, 30, 31. Aden Whittaker, VP, Operations & IT Services presented Mr. Codner with his winnings.

2.

E. Jones, a retiree from Western Jamaica became a Lotto millionaire after hitting the jackpot on April 9, 2022. Jones' win was extra special as it was first one for the newly opened Supreme Ventures Retail Centre in Fairview, Montego Bay.

Dwayne Tulloch, SVP Retail and Customer Operations presented Ms. Jones with her \$53 million jackpot.

"I had gone with a friend to the Supreme Ventures store who wanted to buy the new Scratchaz ticket and on a whim, I bought a Lotto ticket. Never in my wildest dreams did I expect to win!" said the winner.

3.

Christmas 2022 was extra special for A. Lewis who hit the \$190 Million jackpot, the largest for the year, on December 7. Like many players before him, Lewis saw the winning numbers 05, 15, 16, 22, 23 and 24 in a dream. "I saw the numbers in a dream over three months ago and I started to buy them every week. I used to play a different set of numbers before but ever since I got the dream, I changed them." Heather Goldson, Chief Marketing Officer joined Mr. Lewis in toasting to his good fortune during the official handover.

4.

Supreme Scratchaz

Supreme Scratchaz, the new instant scratch card game made its first instant millionaire in March. The lucky customer won J\$5 Million Dollars after purchasing a \$500 ticket. J. McDermoth was beaming after claiming her winnings, "I am always buying Supreme Ventures games so when the Scratchaz came out, I started buying those tickets. I hoped to win some money but didn't expect to win \$5 million. I am overjoyed!" Supreme Ventures Gaming CEO Xesus Johnston and IGT General Manager Debbie Green were on hand for the official celebration and handover.



Supreme Ventures Gaming

For more than 20 years, Supreme Ventures Limited has stood as Jamaica's leading provider of gaming and lottery services, with a focus on innovation and driving industry growth. In 2022, the company continued its strategic

expansion, launching new products and adding great new features to old favourites in order to improve the customer experience, extend the company's reach into new segments and deepen the relationship with our loyal customers

New Name, Same Winning Focus



Xesus Johnston, Supreme Ventures Gaming CEO joins Debbie Green, General Manager IGT, Heather Goldson, Chief Marketing Officer and Dennis Chung, Supreme Ventures Services CEO for a toast to the successful launch of the company's new instant win product, Supreme Scratchaz.

In recent years, Supreme Ventures has been rebranding its corporate identity and introduced a modern and sleek new logo that captures the company's contemporary approach to gaming, as well as its forays into complementary business lines. As part of this effort, the company's principal operating subsidiary, Prime Sports (Jamaica) Limited, was renamed Supreme Ventures Gaming Limited in 2022, a move designed to better streamline the branding of the company's various subsidiaries.

Innovation has been a driving force for Supreme Ventures, as evidenced by the introduction of new games and promotions over the years. Supreme Scratchaz, a line of instant win scratch off tickets introduced in the first quarter of 2022. Scratchaz provided an exciting new option for gaming fans looking for instant gratification. The product quickly gained popularity with Jamaicans from all walks of life, and the immediate interest exceeded expectations resulting in a strong Q1 performance for the business. Never satisfied with resting on its laurels, the company followed

SUPREME AT A GLANCE

up the Supreme Scratchz with a series of new promotions, including the addition of the Monsta Ball feature to Cash Pot and Money Time, enabling players to win even bigger with each draw.

The company's mobile gaming platform, that comprises original technology which is the intellectual property of SVL, was tested and certified by international gaming and testing company Gaming Laboratories International (GLI). This makes SVL the only regional gaming operator to have its own GLI certified gaming platform. The endorsement of SVL's innovations by a reputable international testing company such as GLI is a significant achievement for the company and strengthens the company's reputation as a leader in the gaming and entertainment industry.

Expanding Footprint

As Supreme Ventures continues to grow and innovate, its commitment to economic growth investing in Jamaica's growth remains firmly in place. Nowhere was this more apparent than with the opening of the Supreme Ventures Flagship Store, the 10th company owned location. Located in the heart of the bustling St. Andrew business district, the Supreme Ventures Flagship Store boasts the company's full suite of product offerings under one roof in a contemporary and spacious location. In addition to playing their favourite numbers games, customers can purchase phone credit and other top up products on the ChargeUp platform; play video lottery terminals or poker boxes in the Gaming Lounge; access loans from the microlending company McKayla Financial Services; and utilize one of SVL's latest innovations, bill payment through Evolve Pay powered by Supreme Ventures Fintech.

In addition to the new store, 145 retail locations were added to the network bringing the total to over 1500 stores.

Expanding our footprint means more touchpoints with our retailers and gamers and the need to deliver even better service to them. With that in mind, a few digital solutions were introduced to increase efficiency of conducting transactions and improving communication.

The SV Retailer Hub, an app designed exclusively for our retailers, was rolled out in Q1. The app allows retailers to access their account and have real time information available at their convenience.

A new omni channel customer support solution was also introduced to improve communication capabilities for managing customer queries and general interactions with our retailers. The upgraded customer service solution is available through a virtual assistant on Facebook, Instagram and on the Supreme Ventures website as well as through email and live agent support from 7am – 9pm daily.



**WELCOME TO
TWIN GATES!**



Innovative Partnerships

As part of its strategic vision to offer more convenience to customers, Supreme Ventures has introduced a game changing option for micro business operators – lottery kiosks. The eye-catching units can be seen across multiple parishes making Jamaica's favourite games even more accessible and further cements the company's position as a major economic driver of the Jamaican economy.



The company has also forged new strategic partnerships to continue expanding its reach and offering more value to its customers. In addition to the existing phone top up products currently available on the ChargeUp platform, an EduFocal top up option has been added. EduFocal is an online learning and exam preparation platform for Grades 4 – 6 students.



Xesus Johnston (second left), CEO of Supreme Ventures Gaming and Dianne Parram, JGRA president seal the deal to have service stations offer Supreme Ventures' phone top up and SV lottery games products. Witness to the signing were Stefan Miller (left), senior vice president – Product Management and Business Development at Supreme Ventures; Errol Edwards, JGRA 1st vice-president and Sandra Kenny, JGRA director.

An MOU was also signed with the Jamaica Gasoline Retailers Association (JGRA) that will give JGRA members the opportunity to sell SVL products at their service stations. The agreement has the new distribution channel

being able to offer both phone top up and SV lottery games, widening the network and accessibility of Supreme Ventures products.



Supreme Ventures Foundation

In 2022, with the country's pandemic recovery continuing its positive trajectory, the Supreme Ventures Foundation 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. Our main strategic areas of focus, children in state care and social sustainability in communities, were front and center during the year; projects such as Supreme Heroes and Fire Safety moved into their next phases, and new sustainable initiatives such as planting vegetable gardens and food trees.

Treasuring Our Most Vulnerable-Children

The continued philanthropic efforts of the Supreme Ventures Foundation (SVF) across the island's network of children's homes were amplified and 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.



The Foundation has committed to contributing to the national goal of planting three million trees in three years, and looks forward to the positive impact on the country's environment.

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 for the second consecutive 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.



SUPREME AT A GLANCE



As part of its 20th-anniversary celebrations last year, the Foundation awarded twenty university and college students who are transitioning from state care with financial aid that covered all expenses related to tuition, boarding, and other educational costs throughout their tertiary level academic programs.

The Foundation recently held a Pep Up luncheon to fete, motivate and engage with the scholarship recipients on a more personal level than the standard payment of tuition.



Senior Marketing Manager Kajay Rowe presents a custom Breshah bag to Caribbean Maritime University Kimani Howard during the Supreme Ventures Foundation's Pep Up event for its scholarship awardees.

After a two-year hiatus due to the pandemic, the SVF Junior Creators Robotics Camp had a triumphant return in August.

The rebooted camp, that was again staged in partnership with Halls of Learning, was held over five days at the Ardenne High School. The camp saw over 80 children at the primary level—ages 8–11 years of age—exposed to the design, creation, and operation of Lego and robotic engineering while learning the value and enjoyment of teamwork. The 2022 edition of the camp was extra special as the cohort included children from state care in addition to students from the Independence City, Waterford and St. Francis Primary Schools.

Not only were the children engaged in the STEM fields of Robotics, Coding, Engineering, and Computer Science, but also in life-changing sessions with SV's responsible gaming partner, RISE Life Management, who conducted a self-empowering session with the campers. Also, JustBet ambassador and Jamaican racing driver Fraser McConnell, made a special visit during which he interacted with the campers, delivered a short motivational message to them, and encouraged their interest in his sport.



SUPREME AT A GLANCE



The camp ended with an award ceremony where campers received recognition for excellence in varying categories. The categories included best pair, best attitude, camper award, and finally the Super Achievers who received educational grants valued at \$200,000 from the Supreme Ventures Foundation. The SVF brought the curtains down on 2022 with 'North Pole Supreme' a themed Christmas treat filled with games, activities and gifts on December 7, 2022 at the Hope Zoo. The

treat brought early Christmas cheer to 100 children in state care from the Glenhope, City of Refuge, Strathmore Gardens, and The Nest Children's Homes. The children were engaged in activities, ranging from Christmas cookie decoration to arts & craft sessions, to being able to pet and interact with the animals at the zoo. The SVF left no stones unturned to ensure the children had nothing less than an amazing day.



Draw Officer Lisa McDonald was on duty as one of Santa's elves helping children with their Christmas themed art activities during the Supreme Ventures Foundation North Pole Supreme' themed Christmas treat at the Hope Zoo.



Camel feeding was a hit for the children who were feted at the Supreme Ventures Foundation North Pole Supreme' themed Christmas treat at the Hope Zoo.

Enabling Jamaica's Passion-Sports

SVL's philanthropic efforts 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 and Jamaica Gymnastics Association's national championships, a non-traditional sport that has captured the hearts of a small group representing Jamaica. This sponsorship allowed us to provide much needed support to the island's athletes in their quest for personal and national glory on the international stage.



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

SUPREME AT A GLANCE



After doing a week of physical challenges, #TeamSupreme along with instructors of the Trainfit Club jumped for joy after completing the final event of the 2022 Supreme Fitness challenge - a 5K run/walk at the Calabar High track in support of the Sagicor Sigma Virtual Run.



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. national championships, a non-traditional sport that has captured the hearts of a small group representing Jamaica. This sponsorship allowed us to provide much needed support to the island's athletes in their quest for personal and national glory on the international stage.



Boosting Our Health Services

In a year where concerns around the capabilities of the institutions across the country's health care system are in sharp focus, further investments were made in the major renovation projects underway at the Kingston Public Hospital, and additional commitments made to project across the wider institution. The University Hospital of the West Indies benefitted from donations of oxygen concentrators, and critical equipment for the NICU were delivered based on our previous donations. Supreme Ventures also rolled out a quarterly blood drive initiative in association with the National Blood Transfusion Service (NBTS), becoming one of the most consistent contributors to this critical essential service.



(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.



Saddled up for Success

Caymanas Park continued its steady pace towards sustainability and profitability as Supreme Ventures Racing and Entertainment Limited stayed focused on delivering on their promise of elevating the racing experience for punters. Thanks to the guidance of Executive Chairman Solomon Sharpe and General Manager Lorna Gooden, who demitted the post after a stellar 3.5 year tenure, the Caymanas Park team continued to implement strategies to raise the standard of the horseracing product right across the board. With another productive year in the transformation of the Caymanas Park complete, the iconic St. Catherine location showcased its resilience and affirmed its commitment to strengthening Jamaica's horseracing industry.

Many marquee moments occurred at Caymanas Park in 2022, the most prominent of them being the return of pomp, pageantry and a punters' paradise with the inaugural staging of the Mouttet Mile Invitational. Billed as the race with the richest purse ever in the English-speaking Caribbean, the

Mouttet Mile attracted hundreds of patrons and punters for the ultra-premium event. The feature race lived up to the hype when the Philip Feanny trained, Excessive Force upset the pre-race favourites and produced a late surge on the inside rails to find glory, claiming the major share of the historic US\$ 125,000 purse and putting the cap on a thrilling day of racing action.

In addition to the Mouttet Mile, there were other marquee race days including the Jamaica Cup, the 3YO Triple Crown, the 2YO Triple Crown and The Portmore and The Kingston.

Punters enjoyed the packed racing calendar and with the exotic mandatory payouts on both live racing and simulcasts, many were regularly swept into a million-dollar winning frenzy. They also continued to enjoy the popular Reggae 6, Ketch 9 and Twilight 6 bet types, winning big and driving increases in revenue.



Heather Goldson, Chief Marketing Officer at Supreme Ventures Limited and Eroleen Anderson, SVL Director donned ensembles depicting the 'Bridgerton Meets Tropical' theme for the inaugural Mouttet Mile Invitational



In another game changing effort, SVREL and key industry stakeholders arrived at a milestone agreement last year whereby purses will be 49% of gross gaming revenue on live racing. This agreement will bring a measure of stability to the industry.

In the latter part of the year, through a partnership with Australia based BetMakers Technology Group, fixed-odds betting made its debut at the Mouttet Mile Invitational in December. This addition to the bet types menu not only provides another attractive option for seasoned punters but also offers a simpler and more accessible option for those relatively new to the sport of horse racing.

The brand also took the initial steps to make inroads in the North American market by signing a contract with the largest advanced deposit wagering platform, TVG FanDuel, in December 2022.

SVREL also entered a new era in the broadcast of live racing by delivering Caymanas Park's unique and electrifying

SUPREME AT A GLANCE



atmosphere directly into the homes of the Jamaican diaspora in New York, Toronto and the United Kingdom. This connection was made possible through a partnership with Jamaica based Bridge FM and its broadcast partner station, NY based Irie Jam FM.

Another major milestone achieved in 2022 was the completion of the installation of the new state of the art digital screen that replaced the original, traditional tote board. In true Supreme style, the bar has been set as the 60' x 40' digital screen is currently the only one of its size and kind on the island. The new screen has not only enhanced the viewing experience at Caymanas Park, but will also serve as much-needed sponsorship and advertising real estate for the company.

The SVREL team also continued to reaffirm the company's commitment to horse racing and the long-term sustainability of Caymanas Park through major infrastructural investments aimed at improving operational efficiencies.

The Caymanas Park Solar Energy project was completed after the installation of 3000 solar panels that are slated to generate 1.6MW across three phases, which will significantly reduce the Company's carbon footprint. It will also provide SVREL with some cushion from the constant fluctuations in energy prices.



The water distribution system received a much-needed boost with the commissioning of a new well and an overhead tank providing the precious resource necessary for the horsemen, the track maintenance and general operations of the track.

In a testament to the quality of the work done to drive the company forward, the SVREL team was recognised by the Jamaica Institute of Engineers with both the solar project and the digital screen project being nominated for engineering project of the year.

As SVREL looks ahead to 2023 and beyond, we are well on our way to realising the Caymanas Park vision, to see the iconic heartbeat of the industry become a beacon of excellence in horse racing and sports for the region and the world.



CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022





Supreme Ventures Limited

**Consolidated Financial Statements
31 December 2022**

Supreme Ventures Limited

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Independent auditor's report

To the Members of Supreme Ventures Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Supreme Ventures Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2022, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2022;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises the Company and 15 other components (4 components representing inactive entities) of which, we selected 6 components for testing.

Full scope audits were performed for Supreme Ventures Limited, Supreme Ventures Gaming Limited (formerly Prime Sport (Jamaica) Limited), Supreme Ventures Racing and Entertainment Limited, and Supreme Ventures Services Limited, as they were determined to be individually financially significant and represent the principal business units within the Group. All other entities, individually, represent less than 5% of the Group's profit before taxation. Additionally, based on our professional judgement, Supreme Route Limited (formerly Bingo Investments Limited) and PosttoPost Betting Limited were selected and audit procedures were performed on specific account transactions and balances due to the significance or risk to the consolidated financial statements associated with certain individual amounts. All the in-scope components were audited by PwC Jamaica.

In establishing the overall Group audit strategy and plan, we determined the type of work required to be performed at the component level by the Group engagement team and by the component auditors. The team members on the component audit teams performing the full scope audits were also the same as those on the Group engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How our audit addressed the key audit matter
<p data-bbox="324 396 816 451">Impairment Assessment of Goodwill (Group & Company)</p> <p data-bbox="324 459 892 567"><i>Refer to notes 2(h), 4(ii) and 19 to the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements, estimates and balances.</i></p> <p data-bbox="324 596 892 678">Goodwill accounts for \$2,054 million or 11.2% of total assets for the Group and \$190 million or 2.3% of total assets for the Company as at 31 December 2022.</p> <p data-bbox="324 707 878 814">Management performs an annual impairment analysis over the goodwill balance. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.</p> <p data-bbox="324 844 858 951">We focused on this area as the assessment of the carrying value of goodwill involves significant judgement and estimation, and is sensitive to changes in key assumptions.</p> <p data-bbox="324 980 752 1035">The key assumptions were assessed by management as being:</p> <ul data-bbox="324 1064 803 1146" style="list-style-type: none"> • Pre-tax discount rate; • Terminal value growth rate; and • EBITDA growth rate in the terminal year. 	<p data-bbox="950 596 1552 678">Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures amongst others:</p> <ul data-bbox="950 699 1552 1682" style="list-style-type: none"> • Obtained management's discounted cash flow model including qualitative and quantitative analyses and obtained an understanding of the process used by management to determine value-in-use of each cash generating unit. • Agreed the 31 December 2022 base year financial information to current year results and compared the previous forecasts to actual results to assess the performance of the business and the accuracy of management's forecasting. • Tested management's key assumptions as follows: <ul data-bbox="976 1052 1552 1528" style="list-style-type: none"> ➢ <i>Pre-tax discount rate</i> – evaluated the reasonableness of management's determined rate by developing an independent expectation of the rate. ➢ <i>Terminal value growth rate</i> – evaluated management's terminal value, whereby we developed a range of parameters using available market inputs and historical information and performed sensitivity analyses using these parameters to determine the reasonableness of management's assumptions. ➢ <i>EBITDA growth rate in the terminal year</i> – compared the growth rates to historical EBITDA growth and evaluated management's estimated future growth rates which included an assessment of management's business plans. • We further checked management's impairment testing model calculations for mathematical accuracy and considered the sensitivity of the calculation by varying the key assumptions and adjustments within management's forecast. <p data-bbox="925 1698 1552 1780">Based on the procedures performed, management's assumptions and judgements relating to the carrying value of goodwill, in our view, were not unreasonable.</p>



Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Investment Properties (Group) <i>Refer to notes 2(g), 4(i) and 18 to the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements, estimates and balances.</i></p> <p>Investment properties represent \$858 million or 4.7% of total assets for the Group as at 31 December 2022.</p> <p>The determination of the fair value of investment properties requires significant judgement and is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental income for each property. This, combined with the fact that a small percentage difference in individual property valuation assumptions, when aggregated, could result in a material misstatement, is why we have focused on this area.</p> <p>Management, with the assistance of independent valuation experts, used different methods to value the Group's two investment properties as follows:</p> <p>For the first property, the market comparison approach was combined with a residual approach to determine the fair value. The market comparison approach relies on suitable and substantial sales evidence of comparable properties within the geographic location, adjusting for certain pertinent factors, to form a basis for comparison. The residual approach is based on the residue or difference between the gross development value of the 'highest and best use' development of the site less its gross development costs.</p> <p>For the second property, the investment approach was used. The investment approach capitalizes the net income from the investment over its projected useful life and takes into consideration a number of factors which require estimation and judgement. The key factors include estimation of rental income, determination of a capitalization rate, and discount rates.</p>	<p>Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures amongst others:</p> <ul style="list-style-type: none"> • Evaluated the competence and objectivity of management's experts. This included confirming that they are appropriately qualified and not affiliated to the Group. • Obtained an understanding of the valuation methods used by management along with significant developments within the industry. This included evaluating the appropriateness of the valuation methodology used and its suitability for determining market value in accordance with the financial reporting framework. • Evaluated management's assumptions for the market comparison approach by performing comparisons to properties within similar geographical locations. • Assessed the appropriateness of the inputs used in the residual approach in determining the gross development value and the gross development costs focusing on the capital value per square foot and basic building costs. This involved evaluating the inputs against suitable market information. • Agreed the inputs used in the investment approach to relevant market information for the key factors being the estimation of rental income, the capitalization factor and the discount rates. <p>Based on the procedures performed, management's assumptions and judgements relating to the valuation of investment properties, in our view, were not unreasonable.</p>



Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Tricia-Ann Smith DaSilva.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

Chartered Accountants
Kingston, Jamaica
28 March 2023

Supreme Ventures Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Revenue - Non-fixed odd wagering games, horse racing and pin codes	6	29,470,319	26,390,758
Income from fixed odd wagering games, net of prizes	7	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	9	(39,598,483)	(34,590,887)
Gross Profit		<u>11,267,285</u>	<u>9,381,739</u>
Other income	10	239,301	221,778
Selling, general and administrative expenses	11	(6,976,353)	(6,157,043)
Net Impairment losses on financial assets	11	(145,390)	(120,226)
Operating Profit		<u>4,384,843</u>	<u>3,326,248</u>
Finance costs	13	(535,195)	(30,396)
Revaluation gain/(loss) on investment properties	18	9,743	(18,743)
Profit before Taxation		<u>3,859,391</u>	<u>3,277,109</u>
Taxation	14	(781,340)	(951,378)
Net Profit for the year		<u>3,078,051</u>	<u>2,325,731</u>
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss -</i>			
Currency translation differences		(35,704)	47,401
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		38,152	34,860
		<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		38,152	34,860
		<u><u>3,042,347</u></u>	<u><u>2,373,132</u></u>
Earnings per stock unit attributable to owners of the parent during the year			
Basic and fully diluted	16	<u>115.42 cents</u>	<u>86.87 cents</u>

Supreme Ventures Limited

Consolidated Statement of Financial Position

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Non-Current Assets			
Property, plant and equipment	17	4,864,374	4,199,401
Biological asset		14,530	225
Investment properties	18	858,001	848,257
Goodwill and intangible assets	19	4,366,641	4,247,733
Loans and advances, net of provision for credit losses	41	14,192	18,432
Long-term receivables	20	24,087	26,288
Financial assets at amortised cost		1,883	1,883
Financial assets at fair value	42	501,397	135,002
Other investments	21	16,340	16,341
Deferred tax asset	22	653,423	188,753
Total non-current assets		11,314,868	9,682,315
Current Assets			
Inventories	23	313,456	301,658
Trade and other receivables	24	3,269,014	2,570,418
Current portion of loans and advances, net of provision for credit losses	41	391,136	189,896
Current portion of long-term receivables	20	1,117	1,117
Taxation recoverable		36,009	64,997
Restricted cash	40	79,401	52,932
Cash and cash equivalents	25	2,968,468	4,371,216
Total current assets		7,058,601	7,552,234
Current liabilities			
Prize and other liabilities	26	1,865,413	774,785
Contract liabilities		12,469	19,485
Trade and other payables	27	3,744,968	3,493,093
Current portion of lease liabilities	31	180,679	220,376
Current portion of long-term loans and payables	30	359,652	306,307
Income tax payable		604,334	336,915
Total current liabilities		6,767,515	5,150,961
Net Current Assets		291,086	2,401,273
		11,605,954	12,083,588

Supreme Ventures Limited

Consolidated Statement of Financial Position (Continued)

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Equity			
Attributable to Shareholders of the Company			
Share capital	28	1,967,183	1,967,183
Treasury Shares	28	(130,743)	-
Capital reserves	29	62,486	62,486
Other reserve		(47,656)	(105,208)
Retained earnings	15	2,834,078	2,303,150
Equity attributable to Shareholders of the Company		4,685,348	4,227,611
Non-controlling interests		879,545	1,719,573
Total equity		5,564,893	5,947,184
Non-current liabilities			
Long term loans and payables	30	5,072,211	5,107,910
Lease liabilities	31	767,347	819,873
Deferred tax liability	22	201,503	208,621
Total non-current liabilities		6,041,061	6,136,404
Total equity and liabilities		11,605,954	12,083,588

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

Gary Peart

Director

Duncan Stewart

Director

Supreme Ventures Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Attributable to Shareholders' of the Company							Total \$'000
	Number of Shares '000	Share Capital \$'000	Treasury Shares \$'000	Capital Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Non- Controlling Interests \$'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

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Cash Flows from Operating Activities			
Net Profit for the year		3,078,051	2,325,731
Adjustments for:			
Depreciation of property and equipment	17	694,950	605,605
Amortisation of intangible assets	19	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	10	-	(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	10	(20,753)	(63,881)
Interest expense	13	454,175	404,135
Taxation	14	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		(310,467)	(413,116)
Taxation paid, net		<u>(956,844)</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		(1,482,825)	(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>(2,368,307)</u>	<u>(3,145,246)</u>
Cash flows provided by/(used in) operating and investing activities carried forward to page 6		<u>1,295,171</u>	<u>(395,577)</u>

Supreme Ventures Limited

Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	2022 \$'000	2021 \$'000
Cash flows provided by/(used in) operating and investing activities carried forward to page 6	<u>1,295,171</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>(2,732,426)</u>	<u>(1,585,358)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,437,255)	(1,980,935)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	34,507	96,528
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	25	2,968,468
	<u><u>2,968,468</u></u>	<u><u>4,371,216</u></u>

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

Supreme Ventures Limited

Company Statement of Comprehensive Income

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Income	8	3,299,424	2,113,978
Operating expenses	11	(737,931)	(704,028)
Net impairment losses on financial assets		(30,641)	-
Operating profit		2,530,852	1,409,950
Other income	10	235,617	156,115
Finance costs	13	(340,592)	(37,765)
Profit before taxation		2,425,877	1,528,300
Taxation	14	27,378	25,067
Net Profit for the year, being Total Comprehensive Income		<u>2,453,255</u>	<u>1,553,367</u>

Supreme Ventures Limited
 Company Statement of Financial Position
31 December 2022
 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Non-Current Assets			
Property, plant and equipment	17	725,755	636,926
Investment in subsidiaries	32	3,828,955	3,585,442
Goodwill and intangible assets	19	512,323	491,470
Long-term receivables	20	1,288,752	1,498,416
Financial assets at amortised cost		1,883	1,883
Financial assets at fair value	42	501,397	135,002
Deferred tax assets	22	92,741	65,363
Total non-current assets		<u>6,951,806</u>	<u>6,414,502</u>
Current Assets			
Income tax recoverable		15,443	14,450
Due from subsidiaries	33	453,052	228,445
Trade and other receivables	24	230,345	200,510
Current portion of long-term receivables	20	88,327	88,326
Restricted cash	40	52,932	52,932
Cash and cash equivalents	25	431,957	972,005
Total current assets		<u>1,272,056</u>	<u>1,556,668</u>
Current liabilities			
Trade and other payables	27	209,244	161,277
Due to Subsidiaries	33	481,938	54,971
Current portion of lease liabilities	31	7,461	10,420
Current portion of long-term loans		259,669	216,044
Total current liabilities		<u>958,312</u>	<u>442,712</u>
Net Current Assets		<u>313,744</u>	<u>1,113,956</u>
		<u>7,265,550</u>	<u>7,528,458</u>
Equity			
Share capital	28	1,967,183	1,967,183
Capital reserve	29	62,486	62,486
Retained earnings	15	538,960	536,982
Equity attributable to Shareholders of the Company		<u>2,568,629</u>	<u>2,566,651</u>
Non-Current liabilities			
Long-term loans	30	4,696,921	4,956,597
Lease liabilities	31	-	5,210
Total non-current liabilities		<u>4,696,921</u>	<u>4,961,807</u>
Total equity and liabilities		<u>7,265,550</u>	<u>7,528,458</u>

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



Gary Peart

Director



Duncan Stewart

Director

Supreme Ventures Limited

Company Statement of Changes in Equity

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 31 December 2020	2,637,255	1,967,183	62,486	1,093,419	3,123,088
Net Profit for the year, being Total Comprehensive Income	-	-	-	1,553,367	1,553,367
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	536,982	2,566,651
Net Profit for the year, being Total Comprehensive Income	-	-	-	2,453,255	2,453,255
Transactions with shareholders					
Distributions (note 34)	-	-	-	(2,451,277)	(2,451,277)
Balance at 31 December 2022	2,637,255	1,967,183	62,486	538,960	2,568,629

Supreme Ventures Limited

Company Statement of Cash Flows

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		2,453,255	1,553,367
Items not affecting cash:			
Depreciation	17	16,605	17,054
Amortisation of intangible assets	19	35,286	27,329
Dividend income	8	(2,700,783)	(1,672,000)
Net foreign exchange gain on cash and cash equivalents		(2,081)	(162,104)
Impairment losses recognised on trade receivables		30,641	-
Gain on fair value adjustment on financial asset		(134,702)	(30,001)
Interest income	10	(100,915)	(126,114)
Interest expense	13	363,635	323,284
Taxation	14	(27,378)	(25,067)
Operating cash flow before movement in working capital		(66,437)	(94,252)
Change in non-cash working capital balances:			
Due from subsidiaries		(93,864)	(213,484)
Trade and other receivables		(14,317)	(92,448)
Income tax recoverable		(55,750)	(76,736)
Due to subsidiaries		426,967	(148,598)
Trade and other payables		53,223	4,608
Cash used in by operations		249,822	(620,910)
Interest paid		(319,993)	(306,620)
Cash used in operating activities		(70,171)	(927,530)
Cash Flows from Investing Activities			
Payment for acquisition of subsidiary		-	(374,330)
Payment for acquisition of additional shares in subsidiary		(201,492)	-
Buyback of shares		(130,743)	-
Payment for financial assets at fair value through profit or loss		(231,693)	(105,001)
Acquisition of property and equipment		(105,434)	(539,881)
Acquisition of intangible assets		(56,138)	(101,501)
Issuance of long-term receivables		(78,969)	-
Collection of long-term receivables		247,191	(443,938)
Dividends received		2,700,783	1,672,000
Interest received		85,396	116,354
Cash provided by investing activities		2,228,901	223,703
Cash flows from operating and investing activities carried forward		2,158,730	(703,827)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(2,451,328)	(2,109,804)
Addition of long-term liabilities			551,005
Repayment of lease liabilities		(10,125)	(9,202)
Loan repaid		(216,049)	(218,583)
Cash used in financing activities		(2,677,502)	(1,786,584)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(518,772)	(2,490,411)
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		(21,277)	163,178
Cash and cash equivalents at the beginning of the year		972,006	3,299,238
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	431,957	972,005

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican 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

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements, herein after referred to as the financial statements, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(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 Note 4.

Standards, interpretations and amendments to published standards effective in current year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has effected the following, which are immediately relevant to its operations:

Amendments to IAS 16, 'Property, Plant and Equipment: Proceeds before intended use', (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The amendment did not have a significant impact on the Group's financial statements.

Amendments to IAS 37, 'Onerous Contracts – Cost of Fulfilling a Contract', (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The amendment did not have a significant impact on the Group's financial statements.

Amendments to IFRS 3, 'Business Combination', reference to the Conceptual Framework, (effective for annual periods beginning on or after 1 January 2022). Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The amendment did not have a significant impact on the Group's financial statements.

Annual Improvements to IFRS Standards 2018-2020 (effective for annual periods beginning on or after 1 January 2022). The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

The adoption of the standard did not have any significant impact on the operations of the Group.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group

The Group has concluded that the following standards which are published but not yet effective, are relevant to its operations and will impact the Group's accounting policies and financial disclosures as discussed below. These standards and amendments to existing standards are mandatory for the Group's accounting periods beginning after 1 January 2023, and the Group has not early adopted them.

The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

Amendments to IAS 1, 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-current, (effective for annual periods beginning on or after 1 January 2023). The narrow-scope amendments to IAS 1, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Since approving these amendments, the IASB has issued an exposure draft proposing further changes and the deferral of the amendments until at least 1 January 2024. It is not anticipated that the amendment will have a significant impact on the Group's financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2, 'Disclosure of Accounting Policies', (effective for annual periods beginning on or after 1 January 2023). The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. Management is in the process of assessing if the amendment will have a significant impact on the Group's financial statements.

Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates, (effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 8 clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. It is not anticipated that the amendment will have a significant impact on the Group's financial statements.

Amendments to IAS 12, 'Income Taxes', - Deferred Tax related to Assets and Liabilities arising from a Single Transaction, (effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12 require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group (continued)

Amendments to IAS 12, 'Income Taxes', - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued)

temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments. It is not anticipated that the amendment will have a significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28, 'Investments in Associates and Joint Ventures', Sale or contribution of assets between an investor and its associate or joint venture. The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method. It is not anticipated that the amendment will have a significant impact on the Group's financial statements.

There are no other new or amended standards and interpretations that are published but not yet effective that would be expected to have an impact on the accounting policies or financial disclosures of the Group.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(b) Consolidation

(i) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations involving third parties by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of previously held interest, plus fair value of consideration transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

For business combination achieved in stages, which is also referred to as a 'step acquisition', the Group remeasures the previous non-controlling interest at its acquisition-date fair value and any resulting gain or loss recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss, in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment.

(ii) *Business combination under common control*

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in other reserve within equity attributable to owners of the Company.

Acquisitions from entities under common control are determined by the substance and any specific facts and circumstances surrounding any particular business combination under common control. A consistent policy will be applied to transactions of a similar nature.

(iii) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(b) Consolidation (continued)

(iii) Disposal of subsidiaries (continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Foreign currency translation

(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 year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated as follows:

- a) Assets and liabilities for each statement of financial position presented are translated at year end rates,
- b) Items affecting the statement of comprehensive income are translated at average rates, and
- c) The resultant gains or losses are recognised in other comprehensive income as translation gains or losses.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(d) Revenue recognition

Revenue is measured at the fair value consideration received or receivable for sale of goods and services in the ordinary course of the Group's activities and comprise the following elements:

(i) Lottery

Lottery games comprise non fixed odd wagering and fixed odd wagering games for both of which income is recognized on a draw by draw basis, at the point the draw takes place. Income for non-fixed odd games is recorded at the gross ticket sales amount and for fixed odd games at the gross ticket sales amount net of prize payouts. Fixed odd wagering games relates to games where the customer is placing a bet with the Group (at a particular win rate) and is therefore entering into a derivative. No particular good or service is provided to a customer as the customer is taking a position against the Group.

Fixed odd wagering games are the games in which the winning amount is known to the player at the time of play while non-fixed odd wagering games are the games in which the winning amount is unknown to the player at the time of play.

Where players wager in advance, this income is deferred and only recognised in the Statement of Comprehensive Income once the draw has taken place. Lottery tickets are sold to players by contracted retail agents and company owned locations.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(d) Revenue recognition (continued)

Unclaimed prizes- as outlined in clause number 28 of the lottery licence held by SV Gaming Limited, winning tickets must be redeemed within 90 days of the relevant draw unless otherwise notified. Any valid winning ticket presented after expiration of this period maybe paid provided payment is made within 180 days of the draw, after which prizes may be paid only with the written approval of the BGLC. Fifty percent (50%) of unclaimed prizes (net of taxes where applicable) is paid over to the Consolidated Fund and the remaining fifty percent (50%) paid to the BGLC.

(ii) *Video Lottery Terminal (VLT) gaming*

VLT games are offered at gaming lounges and food and beverage operations. Income is recognized as the net win from gaming activities, which is the difference between gaming wins and losses before deducting costs and expenses at the end of each gaming day.

(iii) Slots

Slots revenue is considered fixed odd wagering game. Income is recognized as the net win from gaming activities which is the difference between gaming wins and losses before deducting costs and expenses.

(iv) Horseracing

Sales from the pari-mutuel pools operated at the track and off-track, are recognised upon sale of tote tickets or on performance of the underlying service.

(v) *Sports betting*

Sports betting relates to wagers on local and international sporting events offered through the agents' network. Revenue represents the net winnings from bets taken on the local and international sporting events at all branches and agents, net of refunds. Revenue is recognised when the events have taken place.

(vi) *Pin codes*

Pin codes are sold to the public by contracted retail agents. Revenue is recognized gross when pin codes are sold.

(vii) *Hospitality and related services*

Hospitality and related services include beverage sales and are recognised when the goods/services are provided.

(viii) *Management fees*

The Group provides management services to its subsidiaries. Fees are recognised when services are provided.

(ix) *Interest income*

Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the expected rate that exactly discounts estimated future cash receipts through the life of the financial asset to that asset's net carrying amount. Interest income include interest from investments and cash at bank.

(x) *Rental income*

Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease.

(xi) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(xii) *Loan interest income and expense*

Interest income and expense are recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective interest method of a financial asset or financial liability. Interest income include interest from loan advances.

The effective interest rate is a method of calculating the amortised cost of a financial asset or a financial liability and allocating the interest income or interest expenses over the relevant period. When calculating the effective interest rate, the Group estimates cashflows considering the contractual terms of the financial instrument but does not consider future credit losses.

Supreme Ventures Limited

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2. Significant Accounting Policies (Continued)

(e) Loans and advances and provisions for credit losses

Loans and advances are recognised when cash is advanced to borrowers. They are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision for credit losses are determined under the requirements of IFRS.

(f) Property, plant and equipment

Land and buildings comprise mainly offices. Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

The assets residual values and useful lives are revisited and adjusted if appropriate, at the end of each reporting period.

Land, art and paintings are not depreciated as they are deemed to have indefinite lives. For all other property, plant and equipment, depreciation is calculated at annual rates on the straight-line basis to write-off the cost of the assets to their residual values over their estimated annual useful lives as follows:

Freehold buildings	20-40 years
Video lottery terminal equipment	5-10 years
Furniture, fixtures machinery & equipment	3-10 years
Computer equipment	3-5 years
Motor vehicles	5-8 years
Signs & posters	5-10 years
Leased assets	Shorter of lease term and useful lives
Leasehold improvements	Shorter of lease term and useful lives

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit.

Repairs and maintenance expenditure is charged to profit or loss during the financial period in which it is incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

(g) Investment properties

Investment properties, comprising freehold lands and buildings, are held for long-term rental yields. They are carried at fair value. Changes in fair values are presented in profit or loss as part of other income.

(h) Intangible assets

(i) Goodwill

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the Group's interest in the fair value of the Group's share of the net identifiable assets and liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill on acquisition of subsidiaries is included in intangible assets. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Supreme Ventures Limited

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2. Significant Accounting Policies (Continued)

(h) Intangible assets (continued)

(ii) Trademarks and licences

Trademarks and licences with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate, with the effect of any changes in estimate being accounted for on a prospective basis. Amortisation is charged on the straight-line basis over the estimated useful lives. Useful lives are currently estimated as follows:

Licenses and permits	5 years
Trademarks	10 - 15 years

Trademarks, licences and permits with indefinite useful lives are measured at cost less accumulated impairment losses. The useful lives of such assets are reviewed at each reporting date to determine whether events and circumstances continue to support an indefinite useful life assessment for those assets. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

(iii) Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on the straight-line basis over its estimated useful life. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate, with the effect of any changes in the estimate being accounted for on a prospective basis.

The amortisation rates are as follows:

Computer software	1 - 3 years
Gaming software	5 – 10 years
Software usage rights	10 years
Branch Network	11 Years
Non-Competitive Agreement	2 - 3 years
Contract based intangible asset	10 years

(iv) Derecognition of goodwill and intangible assets

Intangible assets (excluding goodwill) are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the derecognition of intangible assets, measured as the difference between the net proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(i) Impairment of Financial assets

The Group applies an impairment model that recognises expected credit losses (“ECL”) on financial assets measured at amortised cost and FVOCI and financial guarantees.

At initial recognition, an allowance is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) (‘12-month ECL’).

In the event of a significant increase in credit risk (SICR) an allowance is required for ECL resulting from all possible default events over the expected life of the financial instrument (‘lifetime ECL’). Financial assets where 12-month ECL is recognised are considered to be ‘stage 1’; financial assets which are considered to have experienced a significant increase in credit risk are in ‘stage 2’; and financial assets for which there is objective evidence of impairment and are therefore considered to be in default or otherwise credit-impaired are in stage 3’.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available, including information from the past as well as forward-looking information. Factors such as whether payments of principal and interest are in delinquency, an adverse change in credit rating of the borrower and adverse changes in the borrower’s industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

Supreme Ventures Limited

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(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(i) Impairment of Financial assets (Continued)

Definition of default

The Group determines that a financial instrument is in default, credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikelihood to pay is not identified at an earlier stage, it is deemed to occur when an exposure is greater than 90 days past due.

Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery.

Recognition and Measurement of ECL

The general approach to recognising and measuring ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are calculated by multiplying the following three main components:

- the probability of default ("PD")
- the loss given default ("LGD") and
- the exposure at default ("EAD"), discounted at the original effective interest rate.

Management has calculated these inputs based on the estimated forward looking economic and historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition. For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed periodically. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in modelling and for the incorporation of scenarios which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are subjective and sensitive to risk factors, in particular to changes in economic and credit conditions across geographical areas. Many of the risk factors have a high degree of interdependency and there is no single factor to which impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and these results are not extrapolated to the wider population of financial assets.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(i) Impairment of Financial assets (continued)

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected life-time losses is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information

The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the expected credit loss calculation have forecasts of the relevant macroeconomic variables. The estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario is based on macroeconomic forecasts that are publicly available. Upside and downside scenarios are set relative to the base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios occurs on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to the best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights are updated on an annual basis or more frequently as warranted. The base scenario reflects the most likely outcome and is assigned the highest weighting.

The weightings assigned to each economic scenario as at 31 December 2022 is as follows:

Scenarios	Base 90%	Optimistic 100%	No default 97%	Pessimistic 95%
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Impairment on financial assets measured at amortized cost and FVOCI, recognize impairment gains and losses are recognized in the statement of comprehensive income. Unrealised gains and losses arising from changes in fair value on FVOCI assets are measured in other comprehensive income and the loss allowance is recycled to profit and loss in the credit loss provision line. When the asset is sold, the cumulative gain or loss is reclassified to investment income and the impairment on these financial assets will be reversed to provision for credit losses in the profit and loss.

Supreme Ventures Limited

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2. Significant Accounting Policies (Continued)

(j) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

The Group's financial assets comprise cash and cash equivalents and other investments, trade and other receivables, long term receivables and amounts due from related parties.

Financial liabilities

The Group's financial liabilities comprise payables, contract liabilities, prize liabilities, lease liabilities, amounts due to related parties and borrowings.

(i) Classification of financial instruments

The Group classifies its financial assets as those to be measured at amortised cost or fair value through profit or loss.

The classification depends on the business model used for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group classifies its debt instruments at amortised cost.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in the income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of comprehensive income.

Prize and other liabilities, Contract liabilities, Trade and other payables, and Due to subsidiaries are measured at amortised cost.

Lottery and sports betting prizes

All prizes are recorded at the actual amount except for the annuity-funded prize (PayDay), which is paid out on a deferred basis. The actual prize expense for this type of prize is based on the present value of an annuity using the interest yield on the investment acquired to fund the annuity.

Application of the Simplified Approach

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information.

Supreme Ventures Limited

Notes to the Financial Statements

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2. Significant Accounting Policies (Continued)

(k) Financial liabilities

The Group's financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned to inventories by the method most appropriate to the particular class of inventory, being valued on a first-in, first-out basis (FIFO). Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(m) Trade receivables

Trade receivables are carried at original invoice amount less provision made for expected credit losses of these receivables based on a review of all outstanding amounts at the year-end. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. Details about the Company's impairment policies and the calculation of the loss allowance are provided in Note 3(a).

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits with original maturities of three months or less, net of bank overdrafts. In the consolidated statement of cash flows, cash and cash equivalents include cash in hand and at bank and short-term bank deposits. Bank overdrafts are shown in current liabilities on the statement of financial position.

(o) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted or substantively enacted tax rates are used in the determination of deferred income tax.

Supreme Ventures Limited

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2. Significant Accounting Policies (Continued)

(o) Income taxes (continued)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income, in which case, deferred tax is also dealt with in other comprehensive income.

(p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(q) Share capital

Ordinary stock units are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new stock units or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(r) Borrowings

Borrowings are recognised initially at cost, being their issue proceeds, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(s) Employee benefit costs

- (i) The Group is the sponsoring employer of a defined contribution pension scheme under the control of trustees and administered by a licensed organisation. Contributions are recognised as an expense by the employer as incurred.
- (ii) Employee leave entitlements are recognised when they accrue to employees. A provision is made for the estimated liability for vacation leave as a result of services rendered by employees up to the reporting date.
- (iii) The Board of Directors has approved a long-term incentive plan for its senior managers and above (excluding executive Directors). Under the plan, participants are granted allotted shares which only vest if certain performance standards are met. An expense is recognised in the profit or loss statement for these shared based payments.

Supreme Ventures Limited

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2. Significant Accounting Policies (Continued)

(t) Leases

Lessee

The Group leases various retail locations and equipment. Rental contracts are typically made for fixed periods of five years but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rates, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term (note 18). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

(u) Finance costs

Finance costs includes interest payable on borrowings calculated using the effective interest method, interest on finance leases, material bank charges and foreign exchange gains and losses recognised in profit or loss.

Supreme Ventures Limited

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2. Significant Accounting Policies (Continued)

(v) Dividend distribution

Dividend distribution is recognised as equity in the financial statements in which the dividends are approved by the shareholders of the Group.

(w) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(x) Earnings per share

Earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(y) 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.

Segment results are reported to the Group's executive management (collectively considered the chief operating decision maker) which includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

All transactions between business segments are conducted on an arm's length basis, with intersegment revenue and cost eliminated on consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

Overseas entities are not considered material at this time.

The presentation of the segments was adjusted due to changes in how the segments are managed. The current year disclosure notes have been updated to reflect these Group changes and the prior year has been restated.

The Group's reportable segments under IFRS 8 are as follows:

- | | | | |
|-------|----------------|---|--|
| (i) | Lottery | - | Lottery games offered through the agents' network. |
| (ii) | Sports betting | - | Wagers on local and international sporting events offered through the agents' network, local horseracing races, and simulcast horseracing races, Video Lottery Terminal (VLT) games offered at gaming lounges, and food and beverage operations. |
| (iii) | Pin codes | - | Sale of pin codes through the agents' network. |
| (iv) | Other | - | All other income. |

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3. Financial Risk Management

Financial risk factors

Financial risk management objectives

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, and currency risk. Information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk is detailed below.

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the business and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

A risk management approach is adopted which involves employees at all levels. This framework is supported by sound risk management practices which include the establishment of enterprise-wide policies, procedures and limits, monitoring and measurement of exposure against established limits, ongoing realignment of business strategies and activities and the reporting of significant exposures to senior management and the Board of Directors.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board's risk management mandate is principally carried out through the Audit Committee.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee has oversight for the integrity of the financial statements and reviews the adequacy and effectiveness of internal controls and risk management procedures. The Committee also ensures compliance with internal, legal and regulatory policies, identifying, monitoring, measuring and reporting significant risk exposure and making recommendations in relation to management of risk.

This Board Committee also has direct responsibility for the management of financial instrument risk which includes credit, liquidity and market risks.

(a) Credit risk

The Group is exposed to credit risk, which is the risk that its customers or counterparties may default and could cause a financial loss for the Group by failure to discharge their contractual obligations. This arises principally from cash and cash equivalents, trade receivables, other investment and long-term receivables. Credit risk is an important risk for the Group's business and management therefore carefully monitors its exposure to credit risk.

Supreme Ventures Limited

Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

The Group controls credit exposure by maintaining a strict collection process. Lottery sale agents are required to remit cash collections weekly which are monitored on a weekly basis by identification and transfer to designated bank accounts. A process of suppression of agent activity is triggered for non-compliance.

Credit review process

The Group has five types of financial assets that are subject to the expected credit loss model:

- i. trade receivables,
- ii. long term receivables,
- iii. loans and advances,
- iv. Intercompany and related party balances, and
- v. other debt instruments carried at amortised cost.

While cash at bank is also subject to the impairment requirements of IFRS 9, the identified expected credit loss was immaterial.

The Group's credit risk is managed through a framework which incorporates the following:

(i) Cash and cash equivalents

The Group maintains cash resources with reputable financial institutions. The credit risk is considered to be low.

(ii) Trade and long-term receivables

The Group establishes policies and procedures which govern standards for granting credit and the process of continuous monitoring and measurement in relation to credit quality through industry delinquency and debt recovery management.

Trade receivables are monitored and managed by the Finance Department in collaboration with the Field Area Management team, which has responsibility for liaising with the sales agents.

The Group's average credit period on the sales of services is seven days. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, the Group first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on an internal risk rating system considering various qualitative and quantitative factors. All other non-specific trade receivables are then Grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 1 January 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic and other factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP growth to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

On that basis, the loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows for trade receivables:

		More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2022	Current				
Expected loss rate	2.05%	8.38%	14.27%	71.59%	17.37%
Gross carrying amount \$'000 – trade receivables	1,411,661	194,237	117,521	437,569	2,160,988
Loss allowance provision \$'000	<u>28,980</u>	<u>16,284</u>	<u>16,769</u>	<u>313,273</u>	<u>375,306</u>
		More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2021	Current				
Expected loss rate	0.00%	22.22%	26.86%	100.00%	13.80%
Gross carrying amount \$'000 – trade receivables	1,331,613	93,741	42,694	197,588	1,665,636
Loss allowance provision \$'000	<u>-</u>	<u>20,829</u>	<u>11,467</u>	<u>197,588</u>	<u>229,884</u>

The closing loss allowance provision for trade receivables as at 31 December 2022 reconciles to the opening loss allowance for that provision as follows:

	2022 \$'000	2021 \$'000
Opening loss allowance at 1 January	229,884	112,189
Increase in loss allowance recognised in profit or loss during the period	145,422	120,226
Receivables written off during the year as uncollectible	-	(2,531)
Closing loss allowance at 31 December	<u>375,306</u>	<u>229,884</u>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst other, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 360 days past due.

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Trade receivables (continued)

Expected credit losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The ageing analysis of trade receivables is as follows:

	2022	2021
	\$'000	\$'000
Current	993,032	1,021,405
8 to 30 days	418,629	310,208
31 to 60 days	194,237	93,741
61 to 90 days	117,522	42,694
Over 90 days	437,568	197,588
	<u>2,160,988</u>	<u>1,665,636</u>

Other debt instruments at amortised cost

Other financial assets at amortised cost include balances due from related parties, long term receivables, loans and advances, short term investments and other receivables.

All of the entity's debt instruments at amortised cost are considered to have low credit risk and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management considers these instruments 'low credit risk' when there is a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

There was no opening loss allowances calculated on balances due from related parties and short term investments and no movement during the current year. The loss allowance for other debt instruments at amortised cost as at 31 December reconciles to the opening loss allowance as follows:

Long term receivables

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Opening loss allowance at 1 January	-	-	16,207	16,207
Increase in loss allowance recognised in profit or loss during the period	-	-	30,641	-
Closing loss allowance at 31 December	<u>-</u>	<u>-</u>	<u>46,848</u>	<u>16,207</u>

Supreme Ventures Limited

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loans and advances

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Opening loss allowance at 1 January	65,614	-	-	-
Increase in loss allowance recognised in profit or loss during the period	-	65,614	-	-
Closing loss allowance at 31 December	<u>65,614</u>	<u>65,614</u>	<u>-</u>	<u>-</u>

Credit exposure for trade receivables

The credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector, was as follows:

	The Group	
	2022	2021
	\$'000	\$'000
Lottery Retailers	1,223,808	1,211,275
VLT Gaming Customers	21,505	10,614
Sports Betting Retailers	244,046	88,028
Off-Track Betting Parlours	594,959	291,536
Loan and Charge Up Retailers	<u>76,670</u>	<u>64,183</u>
	2,160,988	1,665,636
Less: Provision for expected credit losses	<u>(375,306)</u>	<u>(229,884)</u>
	<u>1,785,682</u>	<u>1,435,752</u>

Credit exposure for long-term receivables

The credit exposure for long-term receivables at its carrying amount, as categorised by the related party, was as follows:

	The Company	
	2022	2021
	\$'000	\$'000
Supreme Ventures Racing and Entertainment Limited	1,423,927	1,602,949
Less: Provision for expected credit losses	<u>(46,848)</u>	<u>(16,207)</u>
	<u>1,377,079</u>	<u>1,586,742</u>

Supreme Ventures Limited

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3. Financial Risk Management (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

There has been no material change in the Group's exposure to liquidity risk or the manner in which it measures and manages liquidity risk.

(i) Management of liquidity risk

The Board of Directors approves the Group's liquidity and funding management policies and establishes risk limits.

The Group's Finance Department has direct responsibility for the management of the day-to-day liquidity. The Audit Committee provides added oversight over the Group's liquidity risk exposure, within the policy and limits frameworks established by the Board.

The management of liquidity risk is carried out through various methods which include:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow within the local and international markets;
- Monitoring statement of financial position liquidity ratios against internal and regulatory requirements; and
- Maintenance of liquidity and funding contingency plans.

An analysis of the undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturity is presented below. The analysis provided is by estimating timing of the amounts recognised in the statement of financial position. The Group does not expect that its creditors will demand the payment of funds at the earliest date possible.

	The Group					Total Contractual Cashflows \$'000	Carrying amount (assets)/ Liabilities \$'000
	Less than 6 Months \$'000	6-12 Months \$'000	1-2 Years \$'000	2-5 Years \$'000	Over 5 Years \$'000		
	2022						
Prize liabilities	1,865,413	-	-	-	-	1,865,413	1,865,413
Trade and other payables	3,317,031	-	-	-	-	3,317,031	3,317,031
Contract liabilities	12,469	-	-	-	-	12,469	12,469
Long term loans and payables	327,026	368,094	535,154	4,234,788	951,360	6,416,422	5,431,863
Lease liabilities	142,075	91,660	158,149	262,411	491,035	1,145,330	948,026
	<u>5,664,014</u>	<u>459,754</u>	<u>693,303</u>	<u>4,497,199</u>	<u>1,442,395</u>	<u>12,756,665</u>	<u>11,574,802</u>
	2021						
Prize liabilities	774,785	-	-	-	-	774,785	774,785
Trade and other payables	3,264,106	-	-	-	-	3,264,106	3,264,106
Contract liabilities	19,485	-	-	-	-	19,485	19,485
Long term loans and payables	529,405	769,544	1,239,700	2,185,087	902,144	5,625,880	5,414,217
Lease liabilities	143,786	129,676	326,930	329,466	494,772	1,424,630	1,040,249
	<u>4,731,567</u>	<u>899,220</u>	<u>1,566,630</u>	<u>2,514,553</u>	<u>1,396,916</u>	<u>11,108,886</u>	<u>10,512,842</u>

Supreme Ventures Limited

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Company					Total Contractual Cashflows \$'000	Carrying Amount (assets)/ Liabilities \$'000
	Less than 6 Months \$'000	6-12 Months \$'000	1-2 Years \$'000	2-5 Years \$'000	Over 5 Years \$'000		
	2022						
Trade and other payables	208,834	-	-	-	-	208,834	208,834
Due to related party	481,938	-	-	-	-	481,938	481,938
Long term loans and payables	218,021	342,046	489,343	4,143,415	939,369	6,132,194	4,956,592
Lease liabilities	4,518	4,888	-	-	-	9,406	7,461
	<u>913,311</u>	<u>346,934</u>	<u>489,343</u>	<u>4,143,415</u>	<u>939,369</u>	<u>6,832,372</u>	<u>5,654,825</u>
	2021						
Trade and other payables	159,444	-	-	-	-	159,444	159,444
Due to related party	54,971	-	-	-	-	54,971	54,971
Long term loans and payables	491,565	688,190	1,179,755	2,133,123	871,291	5,363,924	5,172,641
Lease liabilities	4,175	5,069	6,837	-	-	16,081	15,630
	<u>710,155</u>	<u>693,259</u>	<u>1,186,592</u>	<u>2,133,123</u>	<u>871,291</u>	<u>5,594,420</u>	<u>5,402,686</u>

(c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Board and management have responsibility for the monitoring of market risk exposures by way of measurements through sensitivity analysis. Market information and additional analysis are also used to manage risk exposure and mitigate the limitation of sensitivity analysis.

There has been no material change to the Group's exposure to market risks or the manner in which it manages and measures risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign currency risk as a result of transactions that are denominated in a currency other than the Jamaica dollar. The main currency giving rise to the exposure in the current year was the United States dollar.

Foreign currency risk management

The Group manages its foreign currency risk by ensuring that the net exposure in foreign currency denominated assets and liabilities is kept to an acceptable level by monitoring currency positions.

Supreme Ventures Limited

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The following table summarises the Group's exposure to foreign currency exchange rate risk:

	The Group	
	2022	2021
	USD J\$'000	USD J\$'000
Assets		
Cash and cash equivalents	1,483,544	1,552,283
	<u>1,483,544</u>	<u>1,552,283</u>
Liabilities		
Trade and other payables	(112,303)	(185,813)
	<u>(112,303)</u>	<u>(185,813)</u>
Net exposure	<u>1,371,241</u>	<u>1,366,470</u>

	The Company	
	2022	2021
	USD J\$'000	USD J\$'000
Assets		
Cash and cash equivalents	9,864	303,390
Liability		
Trade and other payables	(31,390)	(110,454)
Net exposure	<u>(21,526)</u>	<u>192,936</u>

Supreme Ventures Limited

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

The Group's sensitivity to a 1% revaluation or 4% devaluation (2021: 2% revaluation or 6% devaluation) of the Jamaica dollar against the USD is demonstrated below and represents management's assessment of the possible change in foreign exchange rates.

The increase or decrease in the relative value of the Jamaica dollar on the foreign currency exposure would have an effect on profit/loss before tax as reflected below:

	The Group			
	2022		2021	
	Devaluation	Revaluation	Devaluation	Revaluation
	4%	(1%)	6%	(2%)
	\$'000	\$'000	\$'000	\$'000
USD	54,850	(13,712)	109,318	(27,239)

	The Company			
	2022		2021	
	Devaluation	Revaluation	Devaluation	Revaluation
	4%	(1%)	8%	(2%)
	\$'000	\$'000	\$'000	\$'000
USD	(861)	215	15,435	(3,859)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in interest rates. The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Mismatch of positions between assets and liabilities in periods of rising or declining interest rates may also result in loss of earnings. Management sets limits on the level of mismatch of interest rate re-pricing that may be undertaken. This is monitored on a periodic basis.

Supreme Ventures Limited

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

Management of interest rate risk

Interest rate risk exposure is measured using sensitivity analysis.

	The Group		The Company	
	Carrying value		Carrying value	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments:				
Financial assets	957,368	1,364,451	214,794	91,088
Financial liabilities	7,093,318	6,376,047	4,964,053	5,188,271
Variable rate:				
Financial assets	333,113	629,962	174,324	324,574

The variable rate financial assets have an exposure of 0 – 12 months for the Group and Company.

Interest rate sensitivity analysis

Interest rate sensitivity has been determined based on the exposure to interest rates for the Group's long-term loan receivable, loans payable and short-term deposits at the end of the reporting period as these are substantially the interest sensitive instruments impacting the Group's financial results. For floating rate assets, the analysis assumes the amount of asset outstanding at the statement of financial position date was outstanding for the whole period. A 100 basis point increase or 50 basis point decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If market interest rates had been 100 basis points higher or lower and all other variables were held constant, the effect on the Group's profit before tax would have been as follows:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Effect of increase of 100 basis points (2021:100 basis points on profit) on profit	3,495	6,300	1,743	3,246
Effect of decrease of 50 basis points (2021:100 basis points on profit) on profit	(1,747)	(6,300)	(872)	(3,246)

Supreme Ventures Limited

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

i. Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, other than those arising from currency or interest rate risk, whether those changes are caused by factors specific to the instrument or affecting all similar instruments in the market.

The Group is exposed to equity securities price risk because of investments held by the Group and classified as Fair Value Through Profit and Loss (FVTPL). To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group.

The Group's investments in equity securities are publicly traded on the Jamaica Stock Exchange.

Sensitivity analysis arising from a decline in equity prices.

The Group is sensitive to fair value risk on its financial assets at FVTPL equity securities. The effects of an increase by 6% and a decrease by 6% in equity prices at the year-end date are set out below.

	The Group and The Company	
	Pre-Tax effect of 6% decrease at 31 December 2022	Pre-Tax effect of 6% increase as at 31 December 2022
	\$'000	\$'000
Financial assets at fair value through profit or loss equity securities:		
Jamaica Stock Exchange – increase 6% (2022 -	(16,182)	16,182
Jamaica Stock Exchange – decrease 6% (2021 -	(6,750)	6,750

(d) Capital management

The capital structure of the Group consists of equity attributable to the shareholders of the Company comprising issued capital, reserves and retained earnings.

The Group's objectives when managing its capital structure, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- (i) To comply with the capital and cash reserve requirements set by the regulators;
- (ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- (iii) To maintain a strong capital base to support the development of its business in accordance with licensing requirements.

There were no other material changes to the Group's approach to capital management during the year. The Group is exposed to externally imposed capital requirements through debt covenants as outlined in the loan agreement with Sagicor, Barita Investments, Development Bank of Jamaica, Mayberry Investments and Micro Investment Development Agency. The financial covenants include: the Minimum debt service coverage ratio, Current ratio, maximum leverage ratio, maintenance of minimum cash balance, minimum interest coverage and maximum debt to Earnings before Interest, Tax, Depreciation and Amortization. The Group was in compliance with the financial covenants as at the year end.

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3. Financial Risk Management (Continued)

(e) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the fair value of an instrument is measured by using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, valuation techniques are used that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received. If it is determined that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted market price (unadjusted) in an active market for identical assets or liabilities.
- Level 2 – Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Supreme Ventures Limited

Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(e) Fair value measurement

Valuation processes

The finance department of the group performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The Team reports to the SVP Finance and the Audit, Compliance and Risk Committee (ARCC). The details of the valuation process is discussed with the Executive Chairman and detailed calculations are done on an annual basis.

The main level 3 inputs used by the group are derived and evaluated as follows:

- Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk gradings determined by the external financial advisors and reviewed by Supreme Ventures Group.
- Earnings growth factors for unlisted equity securities are estimated based on market information for similar types of companies.

Contingent consideration expected cash inflows are estimated based on the terms of the sale contract.

Changes in level 3 fair values are analysed at the end of each reporting period. Any changes in fair values are communicated to the ARCC with appropriate explanations.

Supreme Ventures Limited

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3. Financial Risk Management (Continued)

(e) Fair value measurement (continued)

The Group and Company 2022				
Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Quoted equities	42	269,704	-	-
Unquoted equities		-	231,693	231,693
Total Assets		269,704	-	231,693

The Group and Company 2021				
Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Quoted equities	42	135,002	-	-
Total Assets		135,002	-	135,002

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads, and other premiums used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

Supreme Ventures Limited

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3. Financial Risk Management (Continued)

(e) Fair value measurement(continued)

The following methods and assumptions have been used:

- (i) The fair value of cash and cash equivalents, trade and other receivable, other investment and trade and other payable are assumed to approximate their carrying values due to their relatively short-term nature.
- (ii) The carrying value of long-term receivables, contingent consideration payable, long-term payables and prize liabilities approximate their fair values as they are carried at amortised cost and the interest rates are reflective of current market rates for similar transactions.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The key sources of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements, or which have a risk of material adjustment in the next year, are as follows:

(i) *Revaluation of investment properties*

The Group uses a professional valuator to determine the fair value of its investment properties. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumptions chosen.

(ii) *Impairment of goodwill and intangible assets*

Impairment of goodwill and intangible assets is dependent upon management's internal assessment of future cash flows from the cash-generating units that gave rise to the goodwill and intangible assets. That internal assessment determines the amount recoverable from future use of those units. In addition, the estimate of the amount recoverable from future use of those units is sensitive to the discount rates used.

(iii) *Allowance for expected credit losses on receivables*

The loss allowances for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.

(iv) *Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of administrative offices, retail stores and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

Supreme Ventures Limited

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty_(Continued)

(v) **Income taxes**

The Group is subject to income taxes in the jurisdictions it operates. Significant judgement is required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The Group has recognised deferred tax assets on tax losses carried forward as it anticipates making future taxable income to offset these losses. The Group continues to assess the impact of the losses carried forward for those amounts not currently recognized in the financial statements.

(vi) **Asset acquisition versus Business Combination**

Acquisition of assets from Ice Jamaica

In 2014, the Group partnered with ICE Jamaica to earn and share revenues generated from the operation of slot machines in various locations across Jamaica. During February 2021 the Group through SV Gamaing Limited entered into Agreements with ICE Jamaica for the supply of a number of gaming machines and cash drawers, desks and communication equipment. The consideration was paid by cash of US\$8.5M which comprised \$3.5m for the above listed assets and a termination cost of US\$5M. The gaming machines and cash drawers, desks and communication equipment have been recognised as Property, plant and equipment (Note. 17). The Agreements terminated the revenue sharing arrangements and prohibits ICE Jamaica from carrying on any similar business for which the machines purchased are fit for the same purpose to that of the Group. As such with this termination clause and future economic benefits that would be derived, a Contract Based Intangible Asset has been identified with an estimated useful life of 10 years. Based on the agreements, the Group assessed the transaction to be an asset acquisition and accounted for it as such (Note. 19).

Acquisition of Champion Gaming business

In determining if the acquisition of selected assets of Champion Gaming met the definition of a business, the Group assessed the inputs, processes, and outputs and whether or not Supreme Route Limited has significant control over these activities. The Group treated the transaction as a business combination in accordance with IFRS 3 – Business Combination standard.

Supreme Route Limited) acquired a number of gaming machines with the gaming software which operates these machines. The machines are branded “Champion” to which the agent network and customers are familiar, and this trade name was retained as a part of the acquisition. The acquisition came with the following:

- existing agent network of a number of locations which sells the product as well as the existing human resource from the prior entity, and the operating processes and protocols for machine operation and maintenance as well as the processes surrounding revenue generation via the machines and recognition and reconciliation processes based on the activity of the machine.

(vii) **Revenue recognition – distribution of telecommunication products**

A portion of the Group’s revenue arises from the distribution of airtime (via phone cards and electronic pins) for certain telecommunications companies. Management has considered the guidance in IFRS 15, ‘Revenue from Contracts with Customers’, to determine whether the Group is acting as a principal or an agent in the distribution of these products.

Management has determined that the Group is acting as principal and the gross presentation of revenue more faithfully represents the substance of the arrangements for distribution of airtime as:

- i. The entity is primarily responsible for fulfilling the promise to provide the specified good or service. This typically includes responsibilities for acceptability of the specified good or service (for example, primary responsibility for the good or service meeting customer specification);
- ii. The entity has inventory risk before the specified good or service has been transferred to a customer, or after transferring the control to the customer (for example, if the customer has a right of return);
- iii. The entity has discretion in establishing the prices for the specified goods or services.

Supreme Ventures Limited

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty_(Continued)

(vii) Revenue recognition – distribution of telecommunication products (continued)

This determination involves the exercise of significant judgement. Had management determined that the Group was acting in the capacity of an agent in the distribution of airtime, revenue and direct expenses would have been reported on a net basis as commission income. Accordingly, revenue and direct expenses would have been reduced by \$11,372,529 (2021: \$11,625,600) and \$10,462,727 (2021: \$10,757,087).

(viii) Fair value of unquoted equities

In the absence of quoted market prices, the fair values of the Group's financial instruments are determined using a generally accepted alternative method. Judgement is required in interpreting market data to arrive at estimates of fair values.

Management uses its judgment in selecting appropriate evaluation techniques to determine fair value of investment securities. These techniques are described in Note 42.

Supreme Ventures Limited

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(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting

	2022				
	Lottery \$'000	Sports Betting \$'000	Pin Codes \$'000	Unallocated \$'000	Group \$'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	23,622,080	14,389,907	12,253,710	506,454	50,772,151
Result					
Segment result	5,109,497	1,173,104	333,180	(2,563,856)	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	-	-	-	-	3,078,051
Other information	-	-	-	-	-
Capital expenditure	315,471	922,073	-	550,726	1,788,270
Depreciation and amortisation	228,402	570,195	-	214,978	1,013,575
Segment assets	3,709,652	6,240,501	769,755	7,653,561	18,373,469
Segment liabilities	3,381,423	1,844,560	889,408	6,693,185	12,808,576

Supreme Ventures Limited

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5. Segment Reporting (Continued)

	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	19,849,408	12,028,319	11,625,600	413,020	43,916,347
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	-	-	-	-	2,325,730
Other information	-	-	-	-	-
Capital expenditure	368,242	1,563,540	-	788,159	2,719,941
Depreciation, amortisation and write-offs	172,972	527,399	-	248,229	948,600
Segment assets	3,211,659	7,758,576	1,081,790	5,182,524	17,234,549
Segment liabilities	2,555,473	1,304,443	1,277,020	6,150,428	11,287,364

Supreme Ventures Limited

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5. Segment Reporting (Continued)

	Segment Results		Segment Assets		Segment Liabilities	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Total for reportable segments	6,615,781	4,179,769	10,719,908	12,052,026	6,115,392	5,136,937
Unallocated amounts:						
Selling, general and administrative expenses	(2,564,127)	(1,131,274)	-	-	-	-
Direct costs	(4,311)	(1,406)	-	-	-	-
Revenue from non-fixed odd wagering games	4,582	1,102	-	-	-	-
Property, plant and equipment	-	-	1,566,015	925,482	-	-
Investment properties	-	-	858,001	848,257	-	-
Goodwill and intangible assets	-	-	3,367,619	1,220,072	-	-
Financial assets at amortised cost	-	-	1,883	1,883	-	-
Financial assets at fair value	-	-	501,397	135,002	-	-
Deferred tax asset	-	-	204,952	188,753	-	-
Inventories	-	-	521	909	-	-
Trade and other receivables	-	-	708,817	664,140	-	-
Taxation recoverable	-	-	29,363	42,052	-	-
Restricted cash	-	-	52,932	52,932	-	-
Cash and cash equivalents	-	-	362,061	1,103,040	-	-
Trade and other payables	-	-	-	-	408,920	644,612
Current portion of lease liabilities	-	-	-	-	11,867	10,420
Current portion of long-term loans	-	-	-	-	281,895	216,044
Income tax payable	-	-	-	-	5,398	-
Long-term payables	-	-	-	-	4,841,327	5,056,547
Lease liabilities	-	-	-	-	948,026	14,183
Deferred tax liability	-	-	-	-	195,751	208,621
Total unallocated amounts	(2,563,856)	(1,131,577)	7,653,561	5,182,522	6,693,184	6,150,427
Total per financial statements	4,051,925	3,048,192	18,373,469	17,234,548	12,808,576	11,287,364

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6. Revenue - Non-Fixed Odd Wagering Games, Horse Racing and Pin Codes

The group recognised non-fixed odds revenue of \$29.47 billion in 2022 (2021: \$26.39 billion).

Revenue is recognised at a point in time. Tickets purchased prior to year end for which draws remain open have been reflected as contract liabilities.

7. Income from Fixed Odd Wagering Games

The group recognised gross sales from fixed odds wagering games of \$80.17 billion (2021: \$67.18billion) and after prize pay-outs of \$58.86 billion (2021: \$49.66 billion), resulting in net gaming income of \$21.30 billion (2021: \$17.53 billion)

Positions placed during the year for which draws have not been completed at the year end are reflected as contract liabilities.

8. Income

	The Company	
	2022	2021
	\$'000	\$'000
Management fee income	598,641	441,978
Dividend income	<u>2,700,783</u>	<u>1,672,000</u>
	<u><u>3,299,424</u></u>	<u><u>2,113,978</u></u>

Supreme Ventures Limited

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9. Direct Costs

	<u>The Group</u>	
	2022	2021
	\$'000	\$'000
Lottery and Sports betting prizes	1,691,200	1,631,449
Horseracing dividends	7,493,665	6,316,626
Pin Codes	11,278,198	10,757,087
Gross Profit surcharge	4,775,677	3,990,107
Agents' commissions	5,775,546	4,706,515
Service contractor fees	3,173,276	2,617,408
Good cause fees	2,784,417	2,341,022
Contributions to Guyana Gaming Authority	119	4,414
Contributions to BGLC	1,440,197	1,187,287
Horseracing purse fees	800,016	708,897
Horseracing satellite services	194,329	125,474
Contributions to JRC	109,516	87,936
Others	82,327	116,665
	<u>39,598,483</u>	<u>34,590,887</u>

10. Other Income

	<u>The Group</u>		<u>The Company</u>	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest income	20,753	63,881	100,915	126,114
Rental income	40,080	41,652	-	-
Gain on financial asset at fair value	134,702	30,001	134,702	30,001
Gain on disposal of property, plant and equipment	629	5,094	-	-
Miscellaneous income	43,137	81,150	-	-
	<u>239,301</u>	<u>221,778</u>	<u>235,617</u>	<u>156,115</u>

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11. Expenses by Nature/ Selling, General and Administrative Expenses

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Staff costs (Note 12)	2,325,880	2,087,877	143,298	126,083
Rental and utilities	520,146	370,167	3,045	5,521
Auditors' remuneration	60,824	54,123	20,491	20,932
Depreciation and amortisation (Note 17 & 19)	1,013,575	948,601	51,920	44,383
Professional fees	328,150	307,941	207,413	237,288
Marketing and business development	1,015,483	789,550	66,744	31,099
Draw expenses	303,459	281,087	-	-
Subscription and donations	37,833	170,705	19,082	4,004
GCT irrecoverable	191,106	162,953	19,527	25,951
Security	163,503	126,537	13,927	9,262
Licences and other fees	149,820	138,232	304	97
Local and foreign travel	108,980	52,987	28,001	26,820
Repairs and maintenance	256,757	206,760	828	1,322
Equipment and motor vehicle expenses	63,438	53,015	1,549	1,903
Directors' fees	166,943	172,020	74,282	77,087
Bank charges	70,466	66,748	785	730
Administrative expenses	88,371	131,841	21,486	25,919
Insurance	38,606	29,348	1,427	1,427
Shared Services Recharge	-	-	62,346	62,346
Others	73,013	6,551	1,476	1,854
Total Selling, general and administrative expenses/ Operating Expenses	6,976,353	6,157,043	737,931	704,028
Net impairment losses on financial assets	145,390	120,226	30,641	-
	<u>7,121,743</u>	<u>6,277,269</u>	<u>768,572</u>	<u>704,028</u>

Supreme Ventures Limited

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12. Staff Costs

Staff costs comprise:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Salaries and wages	1,691,901	1,497,731	104,385	77,715
Payroll taxes – employer's portion	205,229	171,017	11,826	9,782
Pension costs – defined contribution	55,350	51,425	-	-
Long-term incentive plan	46,546	24,711	-	-
Allowances and benefits	254,889	244,349	6,278	5,923
Other	71,965	98,644	20,809	32,663
	<u>2,325,880</u>	<u>2,087,877</u>	<u>143,298</u>	<u>126,083</u>

Included in allowances and benefits are staff meals, and health and life insurance costs.

13. Finance Costs

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Interest on bank overdraft and long-term loans	366,804	322,323	362,703	321,903
Interest expense for lease liabilities	85,908	81,812	932	1,381
Net foreign exchange losses /(gains)	82,483	(373,739)	(23,043)	(285,519)
	<u>535,195</u>	<u>30,396</u>	<u>340,592</u>	<u>37,765</u>

14. Taxation

Taxation is based on profit before tax and comprises:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current tax	1,253,128	963,970	-	-
Deferred tax (Note 22)	(471,788)	(12,592)	(27,378)	(25,067)
	<u>781,340</u>	<u>951,378</u>	<u>(27,378)</u>	<u>(25,067)</u>

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14. Taxation (Continued)

The tax on the profit before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Profit before tax	3,859,391	3,277,109	2,425,876	1,528,300
Tax calculated at 25%	964,848	819,277	606,469	382,075
Expenses not deductible for tax purposes	49,335	24,812	63,502	20,244
Income not subject to tax	(16,314)	-	(675,196)	(418,000)
Tax in respect of prior years	(19,197)	(13,189)	-	-
Net employment tax credit (ETC clawback)	-	37,704	-	-
Tax losses recognised for a certain subsidiary	(202,569)	-	-	-
Tax losses not recognised	56,126	82,038	-	-
Reconciliation differences due to difference in tax rates	4,981	6,082	-	-
Other charges and credits	(55,870)	(5,346)	(22,153)	(9,386)
Tax charge	781,340	951,378	(27,378)	(25,067)

- (a) Tax losses of the Group amounting to \$1.95 billion (2021: \$1.61 billion) subject to agreement with tax authorities in Jamaica and Guyana are available for set-off against future taxable profits of certain subsidiaries. Unutilised tax losses for the Jamaican entities can be carried forward indefinitely and can be used to offset up to 50% of each year's taxable profits.
- (b) A deferred tax asset of \$217.4 million (2021: \$403.5 million) in certain subsidiaries has not been recognised, as directors and management are of the view that the entities are in the development phase and the strategies initiated to utilise the deferred tax asset are still in progress.
- (c) During the year, a certain subsidiary recognised a deferred tax asset on tax losses that were not recognised in the prior years. The directors and management have concluded that the strategies implemented in recent years have impacted the operations positively and projects a positive profit performance in the foreseeable future. On this basis, it is anticipated that the losses will be utilized in the future and are therefore reflected on the statement of financial position.

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15. Net Profit and Retained Earnings

The net profit and retained earnings attributable to the shareholders of the Group are reflected in the accounts of the Company and its subsidiaries as follows:

	2022 \$'000	2021 \$'000
Net profit for the Year		
The Company	2,453,255	1,553,367
Add Shared Service Charge expenses	62,346	62,346
Less Dividend Income from subsidiaries	(2,700,783)	(1,672,000)
Less Management fee income from subsidiaries	(598,641)	(441,978)
Less Interest income from subsidiaries	<u>(91,857)</u>	<u>(98,615)</u>
The Company	(875,680)	(596,880)
Subsidiaries	<u>3,915,579</u>	<u>2,887,751</u>
	<u>3,039,899</u>	<u>2,290,871</u>
	2022 \$'000	2021 \$'000
Retained earnings		
The Company	538,960	536,982
Subsidiaries	<u>2,295,118</u>	<u>1,766,168</u>
	<u>2,834,078</u>	<u>2,303,150</u>

16. Earnings per Stock Unit

Earnings per stock unit is calculated by dividing the net profit attributable to shareholders, by the weighted average number of ordinary shares in issue during the year.

	2022 \$'000	2021 \$'000
Net Profit for the year attributable to ordinary shareholders	<u>3,039,899</u>	<u>2,290,871</u>
Weighted average number of shares	<u>2,633,803</u>	<u>2,637,255</u>
Total earnings per share attributable to ordinary share holders	<u>115.42 cents</u>	<u>86.87 cents</u>

Included in the calculation of the weighted average number of shares are treasury shares purchased at different intervals during the year.

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17. Property Plant and Equipment

The Group

	Freehold Land \$'000	Freehold Buildings \$'000	Leased Property \$'000	Leasehold Improvements \$'000	Leased Total Equipment \$'000	Video Lottery Terminal Equipment \$'000	Furniture, Fixtures, Machinery & Equipment \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Arts & Paintings \$'000	Signs & Posters \$'000	Capital Work-in-Progress \$'000	Total \$'000
Cost													
31 December 2020	13,000	193,071	1,117,768	540,177	101,185	684,768	1,649,129	260,027	211,294	2,850	32,394	221,330	5,026,993
Additions	-	-	238,173	70,721	-	-	122,621	52,421	90,489	-	30,281	1,246,062	1,850,768
Acquisitions through business combinations (Note 36)	50,000	73,000	10,328	-	-	-	5,481	7,665	7,100	-	-	-	153,574
Foreign exchange adjustment	-	-	6,353	4,028	-	-	6,259	3,542	600	-	1,247	118	22,147
Transfers (i)	-	-	-	5,760	-	299,801	1,144	45	-	-	-	(306,750)	-
Disposals/Write-offs	(50,000)	-	(7,673)	-	-	-	(51)	(53)	(33,595)	-	-	-	(91,372)
31 December 2021	13,000	266,071	1,364,949	620,686	101,185	984,569	1,794,583	323,647	275,888	2,850	63,922	1,160,760	6,962,110
Additions	-	-	30,805	259,953	-	12,817	172,701	55,910	37,427	-	52,685	860,527	1,482,825
Foreign exchange adjustment	-	-	840	254	-	-	466	241	-	-	-	588	2,399
Transfers (i)	-	-	-	-	-	-	(210)	-	(446)	-	(699)	(102,024)	(103,379)
Disposals/Write-offs	-	-	-	-	-	-	-	-	(40,026)	-	-	(24,803)	(64,829)
31 December 2022	13,000	266,071	1,396,594	880,893	101,185	997,386	1,957,540	379,798	272,843	2,850	115,908	1,895,058	8,279,126
Accumulated depreciation													
31 December 2020	-	18,257	309,884	400,329	48,906	371,402	783,306	154,924	86,853	-	13,931	-	2,187,792
Depreciation	-	4,846	157,133	49,707	20,237	22,664	248,576	49,452	45,300	-	7,690	-	605,605
Acquisition through business combination (Note 36)	-	94	5,478	-	-	-	3,817	7,665	7,100	-	-	-	24,154
Foreign exchange adjustment	-	-	5,685	724	-	-	1,006	384	203	-	305	-	8,307
Disposals/Write-offs	-	-	(96,874)	-	-	-	(51)	(53)	(26,171)	-	-	-	(63,149)
31 December 2021	-	23,197	441,306	450,760	69,143	394,066	1,036,654	212,372	113,285	-	21,926	-	2,762,709
Depreciation	-	4,818	190,690	50,280	20,237	12,121	295,412	52,989	52,803	-	15,600	-	694,950
Foreign exchange adjustment	-	-	-	-	-	-	(210)	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(210)
Disposals/write-offs	-	-	(16,097)	-	-	-	-	-	(26,600)	-	-	-	(42,697)
31 December 2022	-	28,015	615,899	501,040	89,380	406,187	1,331,856	265,361	139,488	2,850	37,526	-	3,414,752
Net book values													
31 December 2022	13,000	238,056	780,695	379,853	11,805	591,199	625,684	114,437	133,355	2,850	78,382	1,895,058	4,864,374
31 December 2021	13,000	242,874	923,643	169,926	32,042	590,503	747,929	111,275	162,603	2,850	41,996	1,160,760	4,199,401

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17. Property Plant and Equipment (Continued)

	The Company									
	Freehold Land \$'000	Freehold Buildings \$'000	Leased Property \$'000	Leasehold Improvements \$'000	Machinery & Equipment \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Art & Paintings \$'000	Capital Work in Progress \$'000	Total \$'000
Cost										
31 December 2020	13,000	69,990	25,718	9,216	27,705	557	981	2,543	495	150,205
Additions	-	-	-	69	-	-	-	-	539,812	539,881
31 December 2021	13,000	69,990	25,718	9,285	27,705	557	981	2,543	540,307	690,086
Additions	-	-	-	-	4,121	-	-	-	101,313	105,434
31 December 2022	13,000	69,990	25,718	9,285	31,826	557	981	2,543	641,620	795,520
Accumulated depreciation										
31 December 2020	-	13,414	2,858	656	17,955	242	981	-	-	36,106
Depreciation	-	1,749	8,573	3,102	3,465	165	-	-	-	17,054
31 December 2021	-	15,163	11,431	3,758	21,420	407	981	-	-	53,160
Depreciation	-	1,722	8,572	3,333	2,828	150	-	-	-	16,605
31 December 2022	-	16,885	20,003	7,091	24,248	557	981	-	-	69,765
Net book values										
31 December 2022	13,000	53,105	5,715	2,194	7,578	-	-	2,543	641,620	725,755
31 December 2021	13,000	54,827	14,287	5,527	6,285	150	-	2,543	540,307	636,926

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17. Property and Equipment (Continued)

Rights-of-use assets

(i) *Amounts recognised in the statement of financial position*

a) The statement of financial position shows the following amounts relating to leases:

	The Group	
	2022	2021
Right-of-use assets	\$'000	\$'000
Buildings	780,695	923,643
Equipment	11,805	32,042
	<u>792,500</u>	<u>955,685</u>

	The Company	
	2022	2021
Right-of-use assets	\$'000	\$'000
Buildings	5,715	14,287
	<u>5,715</u>	<u>14,287</u>

b) Capital Work in Progress was transferred during the year as follows:

	The Group	
	2022	2021
	\$'000	\$'000
Property Plant & equipment	102,024	306,750
Transferred Amount	<u>102,024</u>	<u>306,750</u>

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17. Property and Equipment (Continued)

Rights-of-use assets (continued)

(ii) Amounts recognised in the statement of profit or loss

The Statement of Comprehensive Income shows the following amounts relating to leases:

	2022	2021
	\$'000	\$'000
Depreciation charge of right-of-use assets		
Buildings	190,690	162,611
Equipment	<u>20,237</u>	<u>20,237</u>
	<u>210,927</u>	<u>182,848</u>

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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18. Investment Properties

(i) Non-current assets at fair value

	2022 \$'000	2021 \$'000
Opening balance at 1 January	848,258	867,000
Loss from fair value adjustments	9,743	(18,743)
Closing balance at 31 December	<u>858,001</u>	<u>848,257</u>

Investment properties include the Group's interest in freehold land held by Jonepar Development Limited, a related party, amounting to \$65 million (2021: \$65.0 million). The properties were valued by independent valuers, Allison Pitter & Company as at November 16, 2022, who estimated a value of \$858 million (2021: \$848 million). This is categorised as level 3 in the fair value hierarchy.

The Group has leased its investment property to Exodus Gaming and Entertainment Limited (Exodus) for an initial period of fifteen years commencing on August 11, 2015 with an option to renew the lease for a further fifteen years.

Exodus also has the option to purchase the property at any time after the fifth anniversary of the commencement date at a price to be agreed between Exodus and SV Gaming within sixty days of the option notice being served. If no agreement is reached within the stipulated time, then the price will be the higher of US\$4,500,000 or the market value on the date of the option notice, as determined by independent valuers.

Rental income of \$30.07 million (2021: \$29.9 million) was earned from investment properties for the current reporting period. Direct operating expenses incurred during the year in relation to investment properties amounted to \$7.55 million (2021: \$4.06 million).

The following table analyses the investment properties carried at fair value, by valuation method.

Fair value at December 2022 \$'000	Fair value at December 2021 \$'000	Valuation Technique (s)	Unobservable inputs	Range of unobservable inputs (Probability- weighted average)	Relationship of unobservable inputs to fair value	Sensitivity \$'000
		Investment approach	Capitalization rate	• 8% - 9%	If the capitalization rate increases/decreases by 1%, the fair value will decrease/increase by	50
793,001	783,257		Discount rates	• 7% - 8.5%	If the discount rate increases/decreases by 1%, the fair value will decrease/increase by	45
		Market comparison approach with a residual approach	Capital value per square foot	• \$32,400 - \$40,000 capital value per square foot	If the capital value per square foot increases/decreases by 1%, the fair value will increase/decrease by	10
65,000	65,000		Basic building cost	• \$16,000 per square foot	If the basic building cost increases/decreases by 1%, the fair value will decrease/increase by	7
<u>858,001</u>	<u>848,257</u>					

Supreme Ventures Limited

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18. Investment Properties (Continued)

Lessor arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for the contract include CPI increases of 2% annually, but there are no other variable lease payments that depend on an index or rate.

Although the Group is exposed to changes in the residual value at the end of the current lease, the current lease arrangement states that the original term of the lease is fifteen (15) years with an option to renew the lease for a further fifteen (15) years.

Expectations about the future residual values are reflected in the fair value of the properties

Minimum lease payments receivable on leases of investment properties are as follows

	2022	2021
	\$'000	\$'000
Within 1 Year	36,597	35,812
Between 1 and 2 years	37,329	36,528
Between 2 and 3 years	38,076	37,259
Between 3 and 4 years	38,837	38,004
Between 4 and 5 years	39,614	38,764
Later than 5 years	114,871	154,193
	<u>305,324</u>	<u>340,560</u>

Supreme Ventures Limited
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19. Goodwill and Intangible Assets

	The Group							The Company				
	Computer & Gaming Software \$'000	Contract based intangible \$'000	Trademarks & Licences \$'000	Branch Network \$'000	Non-Competitive Agreement \$'000	Software Usage Rights \$'000	Goodwill \$'000	Total \$'000	Computer Software \$'000	Trademarks \$'000	Goodwill \$'000	Total \$'000
Cost												
31 December 2020	612,962	-	666,320	1,027,000	128,000	80,558	2,053,939	4,568,779	244,903	190	189,953	435,046
Acquisition of subsidiary (Note 36)	5,249	-	2,100	11,600	-	-	-	18,949	-	-	-	-
Additions	148,058	720,306	809	-	-	-	-	869,173	101,414	87	-	101,501
Foreign exchange adjustment	65	-	-	-	-	-	-	65	-	-	-	-
31 December 2021	766,334	720,306	669,229	1,038,600	128,000	80,558	2,053,939	5,456,966	346,317	277	189,953	536,547
Additions	333,641	-	2,012	-	-	-	-	335,653	56,125	13	-	56,138
Transfer from Property, plant and equipment	99,292	-	-	-	-	-	-	99,292	-	-	-	-
31 December 2022	1,199,267	720,306	671,241	1,038,600	128,000	80,558	2,053,939	5,891,911	402,442	290	189,953	592,685
Accumulated Amortisation												
31 December 2020	172,215	-	431,499	117,498	64,000	80,558	-	865,770	17,699	49	-	17,748
Amortisation	94,241	60,026	30,900	100,329	57,500	-	-	342,996	27,310	19	-	27,329
Acquisition of subsidiary (Note 36)	437	-	-	-	-	-	-	437	-	-	-	-
Foreign exchange adjustment	30	-	-	-	-	-	-	30	-	-	-	-
31 December 2021	266,923	60,026	462,399	217,827	121,500	80,558	-	1,209,233	45,009	68	-	45,077
Amortisation	118,858	72,031	18,194	100,450	6,500	-	-	316,033	35,265	21	-	35,286
Foreign exchange adjustment	4	-	-	-	-	-	-	4	-	-	-	-
31 December 2022	385,785	132,057	480,593	318,277	128,000	80,558	-	1,525,270	80,274	89	-	80,363
Carrying values												
31 December 2022	813,482	588,249	190,648	720,323	-	-	2,053,939	4,366,641	322,168	201	189,953	512,322
31 December 2021	499,411	660,280	206,830	820,773	6,500	-	2,053,939	4,247,733	301,308	209	189,953	491,470

Supreme Ventures Limited

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19. Goodwill and Intangible Assets (Continued)

(a) The amortisation of computer software, trademarks and licences, branch network, non-competitive agreement and software usage rights is included in operating expenses (note 11).

(b) Goodwill

	The Group	
	2022 \$'000	2021 \$'000
Lotteries	189,953	189,953
Post to Post Betting Limited	261,360	261,360
Supreme Route Limited	1,602,626	1,602,626
	<u>2,053,939</u>	<u>2,053,939</u>

	The Company	
	2022 \$'000	2021 \$'000
Lotteries	<u>189,953</u>	<u>189,953</u>

The goodwill impairment test is carried out by comparing the recoverable amount of the Group's cash-generating unit (CGU) to which goodwill has been allocated, to the carrying amount of that CGU. The CGU recognising goodwill for the Group are Lottery, Post to Post Betting Limited and Supreme Route Limited.

Management has determined that goodwill at 31 December 2022 is not impaired based on an assessment of the recoverable amount of the CGU. The recoverable amount of the CGU was determined based on value-in-use calculations. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows.

These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The key assumptions used in the estimation of value-in-use were as follows:

(c) In 2021, if the terminal value revenue growth rate had been 2% lower than management's estimates for the Supreme Route Limited CGU, the Group would have an excess over the carrying value of goodwill and intangible assets of \$32,510,000 and therefore no impairment would have been recognised. If the pre-tax discount rate had been 2% higher than management's estimates, the Group would have impairment of \$76,782,000.

	The Group and the Company					
	Supreme Route Limited		Post to Post Betting Limited		Lottery	
	2022	2021	2022	2021	2022	2021
Pre-tax discount rate	23.5%	22.2%	23.8%	22.1%	24.8%	28.9%
Terminal value growth rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EBITDA growth rate in terminal year	9.5%	3.0%	5.0%	3.0%	0.8%	3.0%

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20. Long-Term Receivables

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
(a) Island Holdings Limited	25,204	27,405	-	-
(b) Supreme Ventures Racing & Entertainment Limited	-	-	415,038	433,694
Less Provision for expected credit losses	-	-	(46,848)	(16,207)
	25,204	27,405	368,190	417,487
Supreme Route Limited	-	-	164,573	154,632
Supreme Ventures Real Estate	-	-	80,000	80,000
Supreme Ventures Enterprise Incorporated	-	-	-	69,246
McKayla Financial Services	-	-	78,236	-
(c) SV Gaming Limited	-	-	686,080	865,377
	25,204	27,405	1,377,079	1,586,742
Less: Current portion	(1,117)	(1,117)	(88,327)	(88,326)
	<u>24,087</u>	<u>26,288</u>	<u>1,288,752</u>	<u>1,498,416</u>

(a) Island Holdings Limited (IHL)

On April 27, 2015, IHL purchased the shares of Exodus Gaming and Entertainment Limited (Exodus), which was incorporated by SV Gaming on February 20, 2015, for US\$300,000.

As the receivable is interest-free it has been re-measured in accordance with IFRS 9, with interest being imputed based on an appropriate market rate. The imputed interest is being amortised over the repayment period and the amount shown is net of the unamortised discount of \$2.1 million (2021: \$2.7 million) at the reporting date using the effective interest method.

The balance outstanding is secured by a charge on the shares in Exodus. The sale agreement also requires an option to purchase in which IHL or its nominee was granted an option to purchase at an option price of US\$1.00, SV Gaming's interest in Jonepar Development Limited and a licence agreement permitting IHL or its nominee to use lands owned by Jonepar for parking purposes (note 18).

(b) Supreme Ventures Racing & Entertainment Limited

This represents intercompany balance from subsidiary Supreme Ventures Racing & Entertainment Limited which was converted to a loan facility with interest accruing at a rate of 4% per annum. Principal payments are to be made on a quarterly basis and is expected to mature in 2046.

(c) SV Gaming Limited

This represents loan facility with subsidiary SV Gaming Limited which was used to support the acquisition of the majority shareholdings which was converted to a loan facility with interest accruing at a rate of 7.50% per annum. Principal payments are made on a quarterly basis and is expected to mature in 2029.

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20. Long-Term Receivables (Continued)

- (d) Supreme Ventures Real Estate Limited (formerly Supreme Ventures Lotteries Limited)

This represents loan facility with subsidiary Supreme Ventures Real Estate Limited which was used purchase property owned by McKayla Financial Services Limited at an interest rate of 11% per annum for 120 months at a reducing balance monthly payment.

- (e) Supreme Ventures Enterprise Incorporated

This represents interest bearing funding to subsidiary Supreme Ventures Enterprise Incorporated to support their operational activities with interest accruing at a rate of 11% per annum. Principal payments are made on a quarterly basis.

21. Other Investments

This represents cash invested by the Group to fund prize liabilities associated with the PayDay game. The Group has contracted with a licensed security dealer to act as the investment manager and paying agent to fulfil the prize liability stream consequent on PayDay wins. At the reporting date, the sums were invested in a resale agreement, the fair value of underlying securities of which was \$16,340,000 (2021: \$16,274,400).

22. Deferred Tax Balances

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Deferred tax asset	653,423	188,753	92,741	65,363
Deferred tax liabilities	(201,503)	(208,621)	-	-
Net asset /(liability)	<u>451,920</u>	<u>(19,868)</u>	<u>92,741</u>	<u>65,363</u>

Deferred tax asset and deferred tax liability are shown separately on the Statement of Financial Position.

Deferred taxation is attributable to the following:

- (a) Group

	2022	2021
	\$'000	\$'000
Property and equipment	198,476	104,428
Investment properties	38,210	30,592
Intangible assets	(235,433)	(279,101)
Trade and other receivables	20,937	(1,007)
Trade and other payables	43,538	151
Tax losses	362,325	101,674
Other	23,867	23,395
Net Asset/ (liability)	<u>451,920</u>	<u>(19,868)</u>

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22. Deferred Tax Balances (Continued)

(ii) Movement in the deferred tax assets and liabilities during the year are as follows:

	Balance at 1 January	2022	
		Recognised in profit/loss \$'000	Balance at 31 December \$'000
Property and equipment	104,428	94,048	198,476
Investment properties	30,592	7,618	38,210
Intangible assets	(279,101)	43,668	(235,433)
Trade and other receivables	(1,007)	21,944	20,937
Trade and other payables	151	43,388	43,539
Tax losses	101,674	260,652	362,326
Other	23,395	470	23,865
Total	(19,868)	471,788	451,920

	Balance at 1 January \$'000	2021		
		Acquisition of subsidiary	Recognised in profit/loss \$'000	Balance at 31 December \$'000
Property and equipment	101,387	75	2,966	104,428
Investment properties	36,257	-	(5,665)	30,592
Intangible assets	(277,800)	-	(1,301)	(279,101)
Trade and other receivables	(85)	-	(922)	(1,007)
Trade and other payables	(805)	-	956	151
Tax losses	50,559	26,863	24,252	101,674
Other	31,089	-	(7,694)	23,395
Total	(59,398)	26,938	12,592	(19,868)

(b) Company

	2022 \$'000	2021 \$'000
Property and equipment	(3,330)	(1,951)
Trade and other payables	22,389	-
Trade and other receivables	(648)	(10,216)
Tax losses	72,896	73,477
Other	1,434	4,053
Net asset	92,741	65,363

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22. Deferred Tax Balances (Continued)

Movements in net temporary differences during the year are as follows:

	Balance at 1 January \$'000	2022 Recognised in profit/loss \$'000	Balance at 31 December \$'000
Property and equipment	(1,951)	(1,379)	(3,330)
Trade and other payables	-	22,389	22,389
Trade and other receivables	(10,216)	9,568	(648)
Tax losses	73,477	(581)	72,896
Other	4,053	(2,619)	1,434
Total	65,363	27,378	92,741

	Balance at 1 January \$'000	2021 Recognised in profit/loss \$'000	Balance at 31 December \$'000
Property and equipment	(5,859)	3,908	(1,951)
Trade and other receivables	(1,111)	(9,105)	(10,216)
Tax losses	38,715	34,762	73,477
Other	8,551	(4,498)	4,053
Total	40,296	25,067	65,363

23. Inventories

	The Group	
	2022 \$'000	2021 \$'000
Pin codes	269,104	272,345
Operational inventory	39,051	24,997
Food and beverage	5,301	4,316
	313,456	301,658

The cost of inventories recognised as direct expense during the year for the Group was \$11.28 billion (2021: \$10.76 billion).

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24. Trade and Other Receivables

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables from contracts with customers (Note a)	2,160,988	1,665,636	-	-
Less: provision for credit losses	(375,306)	(229,884)	-	-
	1,785,682	1,435,752	-	-
Other receivables and prepayments (Note b)	1,478,169	1,129,294	225,490	195,841
Accrued interest	5,163	5,372	4,855	4,669
	<u>3,269,014</u>	<u>2,570,418</u>	<u>230,345</u>	<u>200,510</u>

(a) Included in trade receivables are amounts of \$1.40 billion (2021: \$1.25 billion) representing amounts receivable from agents that support lottery and sports betting sales.

(b) Other receivables and prepayments for the Group and Company includes GCT recoverable and vendor prepayments totaling \$635 million (2021: \$789 million). In 2021, \$563 million was paid towards the acquisition of Champion Gaming Limited. (refer to Note 36)

25. Cash and Cash Equivalents

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash in hand and at bank	2,708,451	3,874,572	270,095	933,849
Certificate of deposits	260,017	385,445	161,862	38,156
Resale agreements	-	111,199	-	-
	<u>2,968,468</u>	<u>4,371,216</u>	<u>431,957</u>	<u>972,005</u>

(a) As at 31 December 2022, the fair value of the underlying securities of resale agreements amounted to nil (2021: \$111,199,000).

(b) The weighted average interest rate on the Certificate of deposits at the year end is 3.00% (2021: 3.16%).

(c) Special accounts for operational purposes to pay prizes includes the following:

(i) An amount of \$20 million (2021: \$20 million), which is the minimum regulatory requirement to fund the Lucky 5 and Top Draw game, was set aside as a reserve by Supreme Ventures Gaming Limited (SVG), a subsidiary.

Supreme Ventures Limited

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25. Cash and Cash Equivalents (Continued)

- (ii) As a condition of its lottery licence, SVG is required to establish a dedicated bank account into which funds are deposited to ensure that on a continuous basis throughout the term of the licence, the credit balance on that account is not less than 100% of the aggregate amount of its liabilities, which include prize liabilities, fees payable to BGLC, gaming taxes payable to the Government of Jamaica. At the reporting date, the balances in the dedicated bank accounts totalled \$1.43 billion (2021: \$1.18 billion), which is in excess of the reserve requirement of \$1.27 billion (2021: \$774 million).
- (iii) An amount of \$5.8 million (2021: \$5.8 million) is required to facilitate a guarantee issued in favour of Jamaica Public Service Company Limited for the provision of electricity services.
- (iv) An amount of \$56.2 million (2021: \$20.2 million) was set aside as a performance bond guarantee arrangement by SV Gaming Limited. This is a requirement of the Betting, Gaming and Lotteries Act granting a Bookmaker's permit to SV Gaming.
- (v) Cash and cash equivalents include \$10.35 million (2021: \$27.2 million) is managed by Supreme Ventures Racing & Entertainment Limited on behalf of racehorse owners and are used to claim/buy horses from other owners.

26. Prize and Other Liabilities

	The Group	
	2022	2021
	\$'000	\$'000
Local lottery games ((a) below)	445,625	172,190
Multi-jurisdictional lottery game ((b) below)	434,561	280,061
Horse-racing Dividends	344,853	193,519
Sports Betting	45,531	12,997
	1,270,570	658,767
Multi-jurisdictional lottery game - Other ((c) below)	594,843	116,018
	1,865,413	774,785

- (a) This represents the prize liabilities associated with the local lottery games operated under licence by the subsidiary, Supreme Ventures Gaming Limited, including an amount accrued for the advertised jackpot of \$39 million (2021: \$37 million).
- (b) The Super Lotto game is a multi-jurisdictional game with the following countries being a party to the Super Lotto agreement entered into by the Company on July 27, 2009: Anguilla, Antigua and Barbuda, Barbados, Bermuda, Jamaica, St. Kitts and Nevis, St. Maarten, United States Virgin Islands, Dominican Republic (up to February 27, 2015) and Paraguay (since April 7, 2014). Under the rules of the Super Lotto game, and as agreed by BGLC, jackpot contributions are calculated and accumulated based on a specified portion of every bet. The advertised jackpot on December 31, 2022 was \$434.5 million (2021: \$280 million)
- (c) Super Lotto jackpot contributions above the advertised jackpot are accrued for in accordance with the terms of the Super Lotto agreement. These amounts are used to fund the prizes payable as they fall due.

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27. Trade and Other Payables

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade payables	1,927,364	2,065,214	-	-
Contributions payable to the BGLC	20,699	77,154	-	-
Government taxes payable	150,874	150,574	-	-
Accruals	412,572	536,190	15,719	46,792
Other payables	1,233,459	663,961	215,443	114,485
	<u>3,744,968</u>	<u>3,493,093</u>	<u>231,162</u>	<u>161,277</u>

- (i) Included in Other Payables for the Group are amounts totaling \$160 million (2021 - \$375 million), which represents payables for credit card, payroll, General Consumption Tax and non-trading activity liabilities. In addition, an amount of \$605 million payable in respect of shares acquired by Supreme Route Limited. Included in Other Payables for the Company are amounts totaling \$64 million (2021 - \$68 million). This represents payables for credit card, payroll, and non-trading activity liabilities.

28. Share Capital

Authorised:

3,000,000,000 ordinary stock units at no par value

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Stated capital:				
2,637,254,926 ordinary stock units, issued and fully paid	1,967,183	1,967,183	-	-
Treasury shares				
4,762,736 (2021 – nil)	<u>(130,743)</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company bought back 4,762,736 units of Treasury shares valued at \$130,743,000.

29. Capital Reserve

This includes gains arising on the scheme of reorganisation and amalgamation of subsidiaries within the Group in 2008.

The reserve is stated net of costs associated with the reorganisation and amalgamation and capital distributions.

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30. Long-term Loans and Payables

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
(a) PayDay prize liability	16,341	16,341	-	-
(b) BM Soat Auto Sales Limited	471	1,735	-	-
(c) Champion Gaming Limited	74,731	74,730	-	-
(d) Sagicor Bank Jamaica Limited	1,122,690	1,170,456	905,592	1,121,636
(e) Jamaica Central Services Depository (As Trustees)	3,000,000	3,000,000	3,000,000	3,000,000
(f) Jamaica Money Market Brokers Limited	100,000	-	-	-
(g) Barita Investments Limited	500,000	500,000	500,000	500,000
(h) Mayberry Investments Limited	30,000	581,005	-	551,005
(i) Micro Investment Development Agency	-	12,318	-	-
(j) Development Bank of Jamaica	587,630	57,632	551,000	-
	<u>5,431,863</u>	<u>5,414,217</u>	<u>4,956,592</u>	<u>5,172,641</u>
Less: current portion	<u>(359,652)</u>	<u>(306,307)</u>	<u>(259,668)</u>	<u>(216,044)</u>
	<u><u>5,072,211</u></u>	<u><u>5,107,910</u></u>	<u><u>4,696,924</u></u>	<u><u>4,956,597</u></u>

- (a) **PayDay prize liability** – This liability represents the present value of a monthly prize annuity of \$150,000 due and payable for twenty (20) years, expiring 25 October 2036. It is stated net of an unamortised discount of \$13.99 million (2021: \$12 million). The liability is secured by an investment held with Sagicor Investments Limited (Note 21).
- (b) **BM Soat Auto Sales Limited** – Four-year motor vehicle loan for Supreme Ventures Enterprise Incorporated from BM Soat Auto Sales Limited. The loan has interest accruing at a rate of 14.58% per annum. Payments are made monthly and is expected to mature in 2023. The motor vehicle was used as security for the facility.
- (c) **Champion Gaming Limited** – This liability represents an unsecured loan for the purchase of gaming machines of US\$535k with interest accruing at 6% per annum. A moratorium of three years was agreed with repayment due in April 2024. The machines became operational in 2022.
- (d) **Sagicor Bank Jamaica Limited** – This relates to four loan facilities as follows:
- A mortgage loan from Sagicor Bank Jamaica Limited to purchase building which houses Post to Post Betting Limited Head Office with interest accruing at a rate of 9.5% per annum, for 10 years with a maturity date of 31 December 2028. The property was used as a security for the facility.
 - Motor vehicle loan from Sagicor Bank Jamaica Limited. The loan facility has interest accruing at a rate of 7.25% per annum for three (3) years with a maturity date of 30 September 2023. Interest rate on this product was increased to 8.5% effective July 2022. The motor vehicle was used as security for the facility.
 - Unsecured credit facility of \$450 million from Sagicor Bank Jamaica Limited, to support the Group's acquisition of Post-to-Post Betting Limited operations (note 39). The loan facility includes a moratorium of 12 months on principal payments, with interest accruing at a rate of 6.35% per annum, for five (5) years with a maturity date of 14 June 2024.

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30. Long-term Loans and Payables (Continued)

- (iv) Unsecured Syndicated Loan facility of \$1 billion administered by Sagicor Bank Jamaica Limited, to support the Group's plans for future acquisition. The loan facility includes a moratorium of 6 months on principal payments, with interest accruing at a rate of 6.5% for the first five (5) years and thereafter a variable rate with a ceiling of 9.5%, for five (5) years with a maturity date of 30 December 2029.
- (e) **Jamaica Central Services Depository (As Trustees)**- Unsecured Bond facility of \$3 billion arranged by Sagicor Investments, to cover the Group's costs for targeted acquisitions in Post-to-Post Betting Limited and Supreme Route Limited with a maturity date of 30 October 2025. These proceeds will also be used to fund targeted acquisitions that are being assessed for finalization. As part of the requirements of the bond facility, a special deposit of \$52 million, equivalent to one month interest has been deposited to a cash reserve account.
- (f) **Jamaica Money Market Brokers Limited** - Unsecured facility of \$100 million used for working capital support. The loan facility includes a moratorium of 12 months on principal payments, with interest accruing at a rate of 7.50% per annum, for five (5) years with a maturity date of July 2027.
- (g) **Barita Investments Limited** – Senior secured bond facility of \$500 million from Barita Investments, to support the Group's plan for the acquisition of a gaming entity and assets. The principal on the facility is due on maturity on 11 December 2025 with interest accruing at a rate of 6.50% per annum. As a condition of the Barita bond, the following Guarantees were executed:
- i) First Legal Guarantor's Mortgage ("Guarantor's Mortgage") endorsed on Certificate of Title for Coral Cliff property
 - ii) Guarantee and Postponement of Claims Agreement issued by SV Gaming Limited, an affiliate of the Borrower (the "Guarantor"), in favor of the Lender (the "Guarantee");
 - iii) Deed of Assignment of Commercial All Risk Policy issued by the Borrower and/ Guarantor in favor of the Lender for the full replacement value of the Mortgaged Premises (the "Assignment of Insurance").
- (h) **Mayberry Investments Limited** – This relates to two facilities as follows:
- (i) This represents a 12-month unsecured loan facility for McKayla Financial Services Limited which was received in June 2022 with interest accruing at a rate of 9.5% per annum.
 - (ii) Unsecured loan facility for Supreme Ventures Limited unsecured by Development Bank of Jamaica through Mayberry Investments Limited to support the Group's Solar System project with a fixed interest rate accruing at 7.70% for the first five (5) years of the ten (10) year facility and thereafter for the next five (5) years with interest accruing at the 6 months WATBY rate plus 6.20% per annum on the reducing balance.
- (i) **Micro Investment Development Agency (M.I.D.A.)** – This represents an unsecured revolving loan facility for McKayla Financial Services Limited which was received in February 2014 and is a revolving loan facility with interest accruing at a rate of 10% per annum and is repayable over 180 months.
- (j) **Development Bank of Jamaica** – This relates to an unsecured revolving loan facility for McKayla Financial Services Limited which was received in May 2014 and is a revolving loan facility with interest accruing at a rate of 10% per annum and is repayable over 180 months.

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying Amounts		Fair Values	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Non-current borrowings	5,072,211	5,107,910	4,612,287	4,375,539

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

31. Lease Liabilities

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

Lease liabilities	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current	180,679	220,376	7,461	10,420
Non-current	767,347	819,873	-	5,210
	<u>948,026</u>	<u>1,040,249</u>	<u>7,461</u>	<u>15,630</u>

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Interest expense (included in finance cost)	85,909	81,812	932	1,381
Expenses relating to short term leases (included in selling, general and administrative expenses)	8,789	7,086	-	-
	<u>94,698</u>	<u>88,898</u>	<u>932</u>	<u>1,381</u>

The total cash outflow for leases in 2022 was \$157,703,000 (2021: \$236,641,000) for the Group and \$10,125,000 (2021: \$9,202,000) for the Company.

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

31. Lease Liabilities (Continued)

(iii) Incremental borrowing rate

The incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by our bankers as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g. term, country, currency and security

(iv) Lease payments

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(v) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$26 million.

32. Investment in Subsidiaries

	<u>The Company</u>	
	2022	2021
	\$'000	\$'000
SV Gaming Limited	1,938,651	1,938,651
Supreme Ventures Racing and Entertainment Limited	150,000	150,000
Supreme Ventures Services Limited (formerly Big A Track 2003 Limited)	5,759	5,760
Post to Post Betting Limited (Note b)	946,548	946,548
Supreme Group Incorporated	787,996	544,482
Transtel Jamaica Limited	1	1
	<u>3,828,955</u>	<u>3,585,442</u>

(a) On February 11, 2021, the Group under its subsidiary Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited), acquired 51% of the shares in McKayla Financial Services Limited for a cash consideration of \$51 million. The transaction resulted in a bargain purchase of \$36.97 million. (Refer to note 36).

(b) On January 18, 2021, the Group acquired an additional 29% shareholdings in PosttoPost Betting Limited. (Refer to note 36).

(c) On February 6, 2022, the Group acquired an additional 29% shareholdings in Supreme Route Limited. (Refer to note 36).

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

33. Related Party Transactions and Balances

	The Company	
	2022 \$'000	2021 \$'000
(a) Long term receivables (Loans) – Note 20		
McKayla Financial Services Limited	68,245	-
Supreme Ventures Racing and Entertainment Limited	368,190	408,927
Supreme Route Limited	164,573	153,849
Supreme Ventures Enterprise Incorporated	-	68,597
Supreme Ventures Real Estate (formerly Supreme Ventures Lotteries Limited)	80,000	80,000
SV Gaming Limited	607,744	787,043
	<u>1,288,752</u>	<u>1,498,416</u>
(b) Due from subsidiaries:		
Supreme Ventures Enterprise Incorporated	35,640	52,885
Supreme Route Limited	8,807	-
Supreme Ventures Racing and Entertainment Limited	87,610	20,711
McKayla Financial Services Limited	6,592	5,566
SV Gaming Limited	-	28,255
Post to Post Betting Limited	20,763	-
SVG Stakeholder Trust Limited	130,743	-
Supreme Venture Guyana Holdings Incorporated	40,500	59,844
Supreme Venture Fintech Services Limited (formerly Supreme Ventures Lotteries Limited)	122,397	61,184
	<u>453,052</u>	<u>228,445</u>
(c) Due to subsidiaries		
Supreme Route Limited	-	9,087
Supreme Ventures Real Estate Limited	148,531	-
SV Gaming) Limited	200,905	1,434
Supreme Ventures Services Limited (Big 'A' Track 2003 Limited)	132,502	44,450
	<u>481,938</u>	<u>54,971</u>

(i) Identity of related parties

The Company has a related party relationship with its directors, subsidiaries and companies with common directors. "Key management personnel" represents directors of the Company and certain members of the Group's executive management.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

33. Related Party Transactions and Balances (Continued)

- (ii) The Consolidated and Company Statement of Comprehensive Income include the following transactions with related parties:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Subsidiaries -				
Management fees	-	-	598,641	441,978
Interest income	-	-	91,857	98,615
Dividend income	-	-	2,700,783	1,672,000
Shared services recharge expense	-	-	62,346	62,346
Other related parties -				
Other expenses	25,487	76,004	-	-

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

33. Related Party Balances and Transactions (Continued)

- (d) Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Management remuneration	734,847	622,837	124,389	102,833
Post-employment benefits	21,151	28,884	-	-
	<u>755,998</u>	<u>651,721</u>	<u>124,389</u>	<u>102,833</u>

- (e) The following have been charged in arriving at profit before income tax:

	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Directors' emoluments -				
Director's Fees	166,943	172,020	77,087	77,087
Management remuneration	104,385	77,715	104,385	77,715

- (f) Provisions or write-offs

No provisions or write-offs have been recognised for amounts advanced to key management or related parties.

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

34. Distributions

(a) Distributions to shareholders of the Company

		2022	2021
		\$'000	\$'000
Final dividend for 2020 paid 23 March 2021 -	28¢	-	738,431
First interim dividend paid 21 May 2021 -	20¢	-	527,451
Second interim dividend paid 24 August 2021 -	21¢	-	553,824
Third interim dividend paid 18 November 2021 -	11¢	-	290,098
Final dividend for 2021, paid 29 March 2022 -	26¢	685,686	-
First interim dividend paid 20 May 2022 -	34¢	896,930	-
Second interim dividend paid 16 September 2022-	18.40¢	485,255	-
Third interim dividend paid 15 December 2022 -	14.54¢	383,406	-
		<u>2,451,277</u>	<u>2,109,804</u>

(b) Proposed

At a meeting of the Board of Directors held on March 28, 2023, a dividend of 34 cents per share was declared.

Supreme Ventures Limited

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35. Contingencies and Commitments

(a) Contingencies - Guarantees

Pursuant to the Articles of Incorporation of the Company and a resolution of the directors, the Company has issued a duly executed and stamped deed of debenture and a duly executed guarantee to the Betting, Gaming and Lotteries Commission (BGLC). The Company and the BGLC have agreed that the secured debenture and the guarantee constitute compliance by the subsidiary, SV Gaming), with the requirements of the licence granted by BGLC that the equity capitalisation of SV Gaming be not greater than \$500 million, and SV Gaming will accordingly be treated as having \$500 million of shareholders' equity for the purpose of the condition of the BGLC licence that refers to shareholders' equity. Accordingly, BGLC will hold the Company responsible and liable for any breaches of the licence by its subsidiary, SV Gaming.

(b) Contingencies – SV Gaming Limited

In accordance with the requirements of the Betting, Gaming and Lotteries Act granting a Bookmaker's permit to SV Gaming, a performance bond guarantee arrangement was executed with The Bank of Nova Scotia Jamaica Limited (BNS) for an amount of \$20.2 million (2021: \$20.2 million). Under the said performance bond covering the period 24 December 2021 to 2 January 2025, BNS would pay on demand any sums which may from time to time be demanded by the BGLC up to a maximum aggregate sum of \$20.2 million. The bank guarantee is secured by a hypothecated term deposit in the amount of \$20.2 million.

(c) Contingencies - Super Lotto Jackpot Liability

As required under Condition 7 attached to the approval granted by the BGLC to promote the multi-jurisdictional game, 'Super Lotto', the Company, as the applicant, has made arrangements for a stand-by financing facility of \$600 million from BNS. Under the said stand-by facility, which is renewable annually, BGLC has been identified as the beneficiary in order to ensure that a Super Lotto jackpot winner in Jamaica is settled with the prize money and also to ensure that the necessary taxes on such a prize payment are settled with the revenue authorities in Jamaica.

(d) Commitment - Licence fees to the Betting, Gaming and Lotteries Commission (BGLC)

In accordance with conditions attached to the lottery, sports betting and VLT licences granted by the BGLC, annual licence fees aggregating \$93.2 million (2021: \$39.6 million) fall due for payment each year.

(e) Capital commitments

	The Group	
	2022	2021
	\$'000	\$'000
Machinery and equipment	25,505	-
Leasehold improvements	81,400	-
Furniture, fixtures, machinery and equipment	4,526	12,535
Signs and posters	3,118	-
Computer equipment	39,387	-
Computer software	130,532	80,217
	<u>284,468</u>	<u>92,752</u>

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

35. Contingencies and Commitments (Continued)

(f) Sponsorship commitments

Commitments pursuant to sponsorship agreements entered into by the Group are as follows:

	The Group	
	2022	2021
	\$'000	\$'000
2022	-	12,000
2023	27,000	-
	<u>27,000</u>	<u>12,000</u>

Supreme Ventures Limited

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(expressed in Jamaican dollars unless otherwise indicated)

36. Acquisition of Subsidiaries

(a) Acquisition of additional shares in Supreme Route Limited

On February 23, 2022, the Group through its subsidiary Supreme Ventures Gaming 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.

(c) Acquisition of McKayla Financial Services Limited – Prior year

On February 11, 2021, the Group through its subsidiary Supreme Ventures Fintech Limited acquired selected assets of McKayla Financial Services Limited for a value of \$172 million. The consideration was paid by cash of \$51 million.

The acquisition has increased the group's market share in the industry and provides access to customers using various mediums including the recently added mobile application.

Since the date of acquisition, the operations have contributed net revenue of \$49 million and attributable post-acquisition net loss of \$12 million to the Group's results in the period to 31 December 2022. If the operations were owned for the entire year, it would have contributed net revenue of \$82 million and attributable post-acquisition net loss of \$19 million to the Group's results in the period to 31 December 2022.

The following summarises the fair value of the identifiable assets and liabilities recognised by the Group at the date of acquisition:

(i) Identifiable assets acquired

	2021 \$'000
Cash at bank	22,897
Investment securities	3,523
Loans and advances	198,671
Property, plant and equipment	124,570
Right of use assets	4,850
Deferred tax	26,938
Computer software	4,812
Other assets	1,011
Accounts payables and accruals	(18,082)
Long-term loans	(176,885)
Other liabilities	(10,521)
Shareholder's loan	(22,992)
Customer relationship	11,600
Trademark	2,100
Net identifiable assets acquired	<u>172,492</u>
Non-Controlling Interest	84,521
Cash Consideration transferred	51,000
Less net identifiable assets acquired	<u>(172,492)</u>
Negative Goodwill	<u>(36,971)</u>

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

36. Acquisition of Subsidiaries (Continued)

(c) Acquisition of McKayla Financial Services Limited (continued)

- The terms of the shareholder agreement with McKayla Financial Services included provisions for the settlement of the shareholder loans using land and buildings valued at \$26.40 million. A motor vehicle originally purchased for \$7.1 million with net book value of nil was also transferred to the shareholder for \$1.
- Included in other liabilities acquired is lease liabilities of \$5.6 million.

(ii) Cashflow on acquisition

Outflow of cash to acquire subsidiary, net of cash acquired	2021 \$'000
Outflow of cash to acquire subsidiary	
Cash consideration	51,000
Less:	
Cash	
Transfer fees	(1,750)
Net outflow of cash	<u>49,250</u>

(iii) The fair value of certain material asset categories was established as follows:

1. Property and equipment:

The value of property and equipment were assessed as net book values as at the date of acquisition.

2. Intangible assets:

The value of customer relationships was assessed based on an estimation of revenue attributable to the existing customer base.

The value of trademark was assessed through market benchmarking information provided by independent data specialists through the relief from royalty method in estimating the value of tradename performed by a qualified independent valuator.

3. Loan receivable

The value of loan receivable was assessed, and it was concluded that the carrying value of the loan book equated to its fair value at the acquisition date.

(iv) Acquisition-related costs

In 2021, the Group incurred acquisition-related costs of \$5.8 million which was fully incurred by the Company. These costs have been included in professional fees expenses in profit for the current period.

(v) Accounting policy choice for non-controlling interests

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interest in McKayla Financial Services Limited, the Group elected to recognise the non-controlling interests at its fair value. See note 2(b)(i) for the Group's accounting policies for business combinations.

(d) Acquisition of additional shares in PosttoPost Betting – Prior Year

On January 18, 2021, Supreme Ventures Limited acquired 29% additional shares in PostToPost Betting Limited at a cost of \$381.3 million. Increasing the number of shares from 51% to 80% and reducing the value of non-controlling interest to \$173.4 million.

Supreme Ventures Limited

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31 December 2021

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37. Net Debt Reconciliation

	Group		Company			
	Lease Liabilities \$'000	Long term loans and payables \$'000	Total \$'000	Lease Liabilities \$'000	Loan Liabilities \$'000	Total \$'000
Net debt as at 1 January 2021	(922,278)	(4,913,769)	(5,836,047)	(22,378)	(4,840,219)	(4,862,597)
Cash flows						
Acquisition through business combination (Note 36)	(5,577)	(176,885)	(182,462)	-	-	-
Addition	(260,548)	(625,735)	(886,283)	-	(551,005)	(551,005)
Interest	(81,812)	(313,209)	(395,021)	(1,381)	(312,789)	(314,170)
Repayment	236,641	307,587	544,228	9,202	218,583	227,785
Foreign exchange adjustment	(6,675)	(285)	(6,960)	(1,073)	-	(1,073)
Interest payable	-	16,662	16,662	-	16,662	16,662
Interest paid	-	291,417	291,417	-	296,127	296,127
Net debt as at 31 December 2021	(1,040,249)	(5,414,217)	(6,454,466)	(15,630)	(5,172,641)	(5,188,271)
Cashflows						
Addition	(28,873)	(290,000)	(318,873)	-	-	-
Interest	(85,908)	(368,267)	(454,175)	(932)	(362,703)	(363,636)
Repayment	286,058	287,444	573,502	10,125	216,049	226,174
Foreign exchange adjustment	(79,054)		(79,054)	(1,024)	-	(1,024)
Interest payable	-	42,710	42,710	-	42,710	42,709
Interest paid	-	310,467	310,467	-	319,993	319,993
Net debt as at 31 December 2022	(948,026)	(5,431,863)	(6,379,889)	(7,461)	(4,956,592)	(4,964,055)

Supreme Ventures Limited

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38. Non-Controlling Interest

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Company do not differ from the proportion of ordinary shares held.

The total non-controlling interest as at the year end was:

	2022	2021
	\$'000	\$'000
PosttoPost Betting Limited	190,228	176,484
Supreme Route Limited	637,862	1,465,414
McKayla Financial Services Limited	51,455	77,675
Total Minority Interest	<u>879,545</u>	<u>1,719,573</u>

The table below shows the summarised financial information for PosttoPost Betting Limited that has a non-controlling interest:

Statement of financial position	2022	2021
	\$'000	\$'000
Total assets	612,574	551,393
Total liabilities	(386,681)	(365,029)
Net assets	<u>225,893</u>	<u>186,364</u>
Non-controlling interest	<u>190,228</u>	<u>176,484</u>
Statement of comprehensive income		
Revenue	1,866,576	1,778,081
Net Profit for the period/total comprehensive income	<u>68,722</u>	<u>19,158</u>
Profit allocated to non-controlling interest	13,744	3,832
Adjustment allocated to non-controlling interest	(4,005)	(3,661)
Accumulated non-controlling interest	<u>9,739</u>	<u>171</u>

The table below shows the summarised financial information for Supreme Route Limited that has a non-controlling interest:

Statement of financial position	2022	2021
	\$'000	\$'000
Total assets	4,606,127	4,167,664
Total liabilities	(1,416,819)	(1,176,808)
Net assets	<u>3,189,308</u>	<u>2,990,856</u>
Non-controlling interest	<u>637,862</u>	<u>1,465,414</u>
Statement of comprehensive income		
Revenue	1,550,636	1,233,780
Net Profit for the year/ Total comprehensive income	<u>198,453</u>	<u>84,765</u>
Profit allocated to non-controlling interest	<u>39,691</u>	<u>41,535</u>

Supreme Ventures Limited

Notes to the Financial Statements

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38. Non-Controlling Interest (Continued)

The table below shows the summarised financial information for McKayla Financial Services Limited that has a non-controlling interest:

Statement of financial position	2022	2021
	\$'000	\$'000
Total assets	285,673	264,337
Total liabilities	(181,661)	(140,090)
Net assets	<u>104,012</u>	<u>124,247</u>
Non-controlling interest	<u>51,455</u>	<u>77,675</u>
Statement of comprehensive income		
Revenue	<u>82,449</u>	<u>53,414</u>
Loss for the period	(19,193)	(13,971)
Total Comprehensive Income for the period	<u>(19,193)</u>	<u>44,584</u>
Loss allocated to non-controlling interest	(8,445)	(6,846)
Total comprehensive income to non-controlling interest	<u>(8,445)</u>	<u>21,846</u>

Supreme Ventures Limited

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39. Long Term Incentive Plan

The expense recognised in the Statement of Comprehensive Income for share-based payments was \$46,546,000. The establishment of the long-term incentive plan was approved by the Board of Directors in June 2020. The plan is designed to provide long-term incentives for senior managers and above (excluding non-Executive Directors) to deliver long-term shareholder returns. Under the plan, participants are granted allotted shares which only vest if certain performance objectives are met. Participation in the plan is at the Board's discretion, no individual has a contractual right to participate in the plan or receive any guaranteed benefits.

The amount of allotted shares that will vest depends on the employee's performance within the Company each year based on the set predetermined objectives. The allotted shares will vest for a period of 2 years, with 50% due in April of the following year and the remaining 50% in Year 2. At the end of each financial year, the applicable shares will be purchased for the benefit of the specific senior managers as per the obligations outlined in employee contracts.

There were no options granted or expired during the year. Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Share options
1 April 2023	2,244,210
1 April 2024	1,602,105
	<u>3,846,315</u>

The weighted average remaining contractual life of options outstanding at the end of the period is 3.84 years.

- (g) The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 December 2022 included:

- (a) Options vest based on defined service period.
- (b) Vested options are exercisable for a period of two years after vesting.
- (c) Exercise price: \$0
- (d) Grant date: April 1
- (e) Expiry date: 1 April 2024
- (f) Share price: \$29.00
- (g) Expected price volatility: 56.35% (based on historic volatility)
- (h) Expected dividend yield: 5.00%
- (i) Risk-free interest rate: 8.04%

Supreme Ventures Limited

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39. Long Term Incentive Plan (Continued)

(iii) Fair value of shares allotted

The assessed fair value at grant date of the shares allotted during the year ended 31 December 2022 was \$29.93 per share (2021 –\$17.57). The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

40. Restricted Cash

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Restricted cash	79,401	52,932	52,932	52,932

As a condition of the \$3 billion bond facility issued in October 2021, a special deposit of \$52 million, equivalent to one month interest has been deposited to a cash reserve account. The account is held at Sagicor Bank and is an interest-bearing account.

As a condition of the loan to SV REIT by Sagicor, a deposit of \$26.4 million is maintained on account at Sagicor. This is an interest-bearing account.

41. Loans and Advances

Loans and advances are comprised of, and mature as follows:

	2022	2021
	\$'000	\$'000
Within 12 months	456,750	255,510
Over 12 months	14,192	18,432
Gross loans and advances	470,942	273,942
Less: provision for credit losses	(65,614)	(65,614)
Net loans and advances	405,328	208,328
Non-current portion	14,192	18,432
Current portion	391,136	189,896
	405,328	208,328

Supreme Ventures Limited

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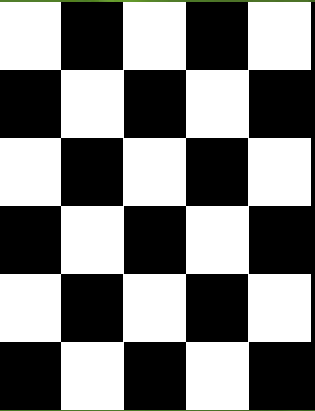
42. Financial Asset at Fair Value through profit or loss

On April 30, 2022, the Group purchased a ten percent (10%) shareholding in Main Event Entertainment Group, an events production Company for a cash consideration of \$105 million.

	The Group and The Company	
	2022	2021
	\$'000	\$'000
Fair value through profit and loss securities – at fair value		
Quoted equity	269,704	135,002
Unquoted equity	231,693	-
	<u>501,397</u>	<u>135,002</u>
During the year the following gains were recognised in profit or loss		
	134,702	30,001
	<u>134,702</u>	<u>30,001</u>

The following table analyses the unquoted equity carried at fair value, by valuation method.

Fair value at December 2022 \$'000	Fair value at December 2021 \$'000	Valuation Technique (s)	Unobservable inputs	Range of unobservable inputs (Probability-weighted average)	Relationship of unobservable inputs to fair value	Sensitivity \$'000
231,693	-	Capitalization of earnings method	Capitalization rate (earnings multiple)	<ul style="list-style-type: none"> Multiple of 6.3 times Probability – 37% 	If the capitalization rate increases/decreases by 1%, the fair value will decrease/increase by	1,595
<u>231,693</u>	<u>-</u>					

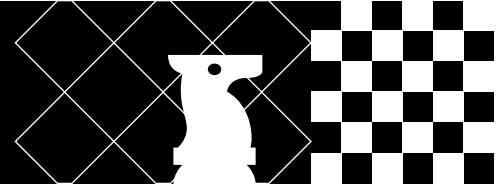


NOTICE OF ANNUAL GENERAL MEETING



**SUPREME
VENTURES**
GROUP

NOTICE OF ANNUAL GENERAL MEETING



NOTICE is hereby given that the Annual General Meeting of SUPREME VENTURES LIMITED will be held on Wednesday, May 31, 2023, commencing at 10:00 a.m. at the AC Hotel by Marriott, (Rocksteady I & II), 38-42 Lady Musgrave Road, Kingston 5 to transact the following business and to consider and if thought fit, to pass the resolutions set out below:

ORDINARY RESOLUTIONS

1. To receive the Reports of the Directors and Auditors and Audited Accounts for the year ended December 31, 2022 circulated herewith

RESOLUTION 1:

"THAT the Audited Group Accounts for the year ended December 31, 2022 and the Reports of the Directors and Auditors circulated with the Notice convening the meeting, be and are hereby adopted."

2. To ratify Interim Dividends and declare as final

RESOLUTION 2:

"THAT the interim dividends per stock unit of 34.01 cents per stock unit paid on May 20, 2022, 18.40 cents per stock unit paid on September 22, 2022, 14.54 cents per stock unit paid on December 15, 2022 and 0.34 cents per stock unit paid on May 2, 2023 be and are hereby ratified and declared as final on the recommendation of the Directors and that no further dividend be paid in respect of the year under review."

3. To elect Directors

(i) In accordance with Articles 105 and 106 of the Company's Articles of Incorporation, the Directors retiring from office by rotation are **Messrs. Christopher Berry, Nicholas Mouttet and Mrs. Eroleen Anderson**, and being eligible, offer themselves for re-election:

RESOLUTION 3(a):

"THAT Mr. Christopher Berry, retiring pursuant to Articles 105 and 106 of the Articles of Incorporation, be and is hereby re-elected."

RESOLUTION 3(b):

"THAT Mr. Nicholas Mouttet, retiring pursuant to Articles 105 and 106 of the Articles of Incorporation, be and is hereby re-elected."

RESOLUTION 3(c):

"THAT Mrs. Eroleen Anderson, retiring pursuant to Articles 105 and 106 of the Articles of Incorporation, be and is hereby re-elected."

4. To approve Directors' Remuneration

RESOLUTION 4(a):

"THAT the Directors be and are hereby empowered to fix the remuneration of the Executive Director."

RESOLUTION 4(b):

"THAT the amount shown in the Audited Accounts of the Company for the year ended December 31, 2022, as remuneration of the Directors for their services, be and is hereby approved."

5. To appoint Auditors and authorise the Directors to fix their Remuneration

RESOLUTION 5:

"THAT PricewaterhouseCoopers, having signified their willingness to serve, be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting, at a remuneration to be fixed by the Directors."

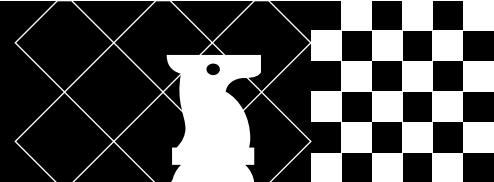
A member of the Company, entitled to attend and vote, is entitled to appoint a Proxy to attend and vote in his stead, and a Proxy need not be a member.

If you are unable to attend the Meeting, a Form of Proxy is enclosed for your convenience. When completed, this Form should be deposited with the Registrar of the Company at 40 Harbour Street, Kingston, Jamaica not less than 48 hours before the time appointed for the meeting. The Proxy Form should bear stamp duty of J\$100.00 or its equivalent, before being signed. The stamp duty may be paid by adhesive stamps, which are to be cancelled by the person signing the Proxy.

Dated 28th the day of March 2023

BY ORDER OF THE BOARD

Dionne Reid
Company Secretary

PROXY FORM

Place J\$100
adhesive stamp
here

I/we _____

NAME OF SHAREHOLDER(S)

of _____

ADDRESS

being a Member/Members of the Company, **SUPREME VENTURES LIMITED**, hereby appoint

_____ as my/our Proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held at AC Hotel by Marriott, 38-42 Lady Musgrave Road, Kingston 5 on the 31st day of May, 2023 at 10:00 a.m. and at any adjournment thereof.

RESOLUTIONS		FOR	AGAINST
Resolution 1	Adoption of the Directors and Auditors and Audited Accounts for the year ended December 31, 2022		
Resolution 2	Ratification of Interim Dividends		
Resolution 3(a)	Re-election of Director retiring by rotation - Christopher Berry		
Resolution 3(b)	Re-election of Director retiring by rotation - Nicholas Mouttet		
Resolution 3(c)	Re-election of Director retiring by rotation - Eroleen Anderson		
Resolution 4(a)	Approve Directors' Remuneration - Executive Director		
Resolution 4(b)	Approve Directors' Remuneration reported in the Accounts of the Company for the year ended December 31, 2022		
Resolution 5	Appoint Auditors and authorize the Directors to fix the remuneration of the Auditors		

Dated the _____ day of _____ 2022

Signed: _____

NOTES:

1. This Form of Proxy must be received by the Registrar of the Company, Jamaica Central Securities Depository at 40 Harbour Street, Kingston, Jamaica not less than 48 hours before the time appointed for the meeting.
2. This Form of Proxy should bear stamp duty of J\$100.00 or its equivalent. Adhesive stamps are to be cancelled by the person signing the Proxy.
3. If the person appointing a Proxy is a Corporation, this Form of Proxy must be executed under the Common Seal or under the hand of an officer or attorney duly authorized in writing.



INTRODUCES

MONSTA BALL

WIN EVEN BIGGER UP TO AN EXTRA \$1000



MATCH & WIN

WIN TYPE	REGULAR \$10 PAYOUT	MEGA BALL \$10 PAYOUT	MONSTA BALL \$10 PAYOUT	TOTAL WINNINGS
WIN MEGA	\$290 +	\$700 +	\$0	WIN \$1990
WIN MEGA + MONSTA	\$290 +	\$700 +	\$1000	
WIN MONSTA	\$290 +	\$0 +	\$300	



MATCH 1-36 & WIN

WIN TYPE	REGULAR \$10 PAYOUT	MEGA BALL \$10 PAYOUT	MONSTA BALL \$10 PAYOUT	TOTAL WINNINGS
WIN MEGA	\$260 +	\$700 +	\$0	WIN \$1960
WIN MEGA + MONSTA	\$260 +	\$700 +	\$1000	
WIN MONSTA	\$260 +	\$0 +	\$300	



SCAN TO LEARN HOW TO PLAY

MONSTA YUH WINNINGS!
 FIRST YUH BUY MEGA, DEN YUH CAN BUY MONSTA!
 MONSTA BET CANNOT EXCEED MEGA BET



LIMITLESS VISION 

