

FINANCIAL PERFORMANCE

The Board of Directors is pleased to present the financial performance of Supreme Ventures Limited for Q2 ended June 30, 2023. The Group reported a net profit of \$1.006 billion representing an increase of \$369 million or 58% compared to the same period in 2022. The increased profits were due to higher gross profit margins by \$984 million or 40%. This is driven by lower direct costs of \$2.4 billion or 17% when compared to Q2 2022.

The Group recognized gross revenues of \$14.9 billion, a decline of \$1.4 billion or 9% over Q2 2022, corresponding with a similar decline in gross ticket sales, which were \$25.73 billion for Q2 2023. During the quarter we realigned responsibilities with our lottery software provider which generated an additional \$420.7 million of income before taxes.

Direct costs amounted to \$11.5 billion, a decline of \$2.4 billion or 17% over Q2 2022. This was attributable to lower prize winnings of \$1.45 billion or 25%. Total costs for Q2 include contributions to government agencies and related bodies of over \$2.83 billion. Supreme Ventures Limited continues to be one of the largest contributors to the government coffers at multiple times our profitability.

QUARTER RESULTS

The earnings per share of 37.72 cents for Q2 ending June 30, 2023, enabled the Group to propose interim dividends to external shareholders of 26.45 cents for the three months ending June 30, 2023. Total assets attributable to shareholders ended the quarter at \$17.78 billion.

Total operating segments year to date recorded results of \$2.37 billion, an increase of \$278 million or 13% compared with 2022, largely led by solid performance of the lottery segment. Our customers continue to achieve record winnings as we focus on increasing customer engagement across the base. This investment will result in long-term customer loyalty and positive results in the medium to long term.

Caymanas Park continued its steady pace towards sustainability and profitability under the stewardship of Supreme Ventures Racing and Entertainment Limited. However, the company experienced a net loss before tax for the six months ending June 20, 2023 of \$93 million due significantly to the required foreign exchange revaluation of the leased property liability to the tune of \$78.0 million and an increase in the bad debt provision to \$24.6 million. In addition, track purses paid increased by \$15.2 million from \$352.3 million to \$367.5 million and there was an under performance of race sponsorship in 2023 when compared to the budget. In comparison, prior year results for 2022 were \$68.5 million profit before tax.

The Group generated positive cash flows from operations



QUARTER RESULTS

of \$933 million to close on June 30, 2023, with a balance of \$2.09 billion, representing a decrease of \$882 million compared to year end 2022. The Group met all requirements and covenants under the terms of agreement with bondholders and other credit facilities during the quarter.

Selling general and administrative expenses (including depreciation and amortization) for the six months ending June 2023 were \$700 million above the same period in 2022. The main drivers were staffing costs, foreign travel, marketing & business development, professional services, bad debt expenses and subscriptions & donations. Much of this expenditure was directly linked to our expansion into other territories and automation projects being implemented to drive the digitization of the Group. We increased our bad debt provision to safeguard against an increase in trade accounts receivable, however collection efforts remain a focus of the Group and recoveries are expected as the measures implemented continue to make an impact.

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. Our flagship lottery products continue to grow and the introduction of the “Scratchaz” games has been an overwhelming success. The SVL group’s digitization is comprehensive and its potential for growth is exponential.

We continue to put back over 93.00% of our earnings into the Jamaican economy via prizes, fees, taxes, and operational payments. Today, we can proudly say that since 2004 we have contributed \$25.7 billion to the government for good causes.

CORPORATE SOCIAL RESPONSIBILITY

During the second quarter of 2023, our dedication to philanthropy shifted into high gear. We seized the opportunities presented during May, recognized as Child’s Month in Jamaica, and the month during which Labour Day, Mother’s Day and National Read Across Jamaica Day are observed, to amplify our efforts in supporting the youth and children’s homes across the island through the Supreme Ventures Foundation (SVF).

SVF organised Labour Day projects at two children’s home - City of Refuge Children’s Home in Gordon Town, St Andrew and Sunbeam Plus Children’s Home in Spanish Town, St. Catherine. Over 25 SVF volunteers spent the day painting and conducting general clean up at both homes.

Building on the food safety initiative for children’s homes launched last year, SVF also installed vegetable garden boxes at both facilities as part of its Labour Day activities. This project, started in 2022, aims to address potential nutritional gaps resulting from inflation and reduced resources available to the homes. The objective is to provide nutritious, cost-effective, and sustainable meal options while promoting interactive activities to stimulate learning and teamwork among the children.

Our support of the children’s homes extended to the caregivers. SVF rolled out a special activity for the female and male caregivers in the state care facilities in recognition of Mother’s and Father’s Day. The initiative to show appreciation for the immeasurable love and dedication of these often unsung heroes and to honour their roles as parental figures.

50 men and 20 women were treated to a day of pampering at Totally Male and The Face Place respectively. The men received a facial and shave and trim treatment and the women indulged in a manicure, pedicure, and a shoulder massage. Staff across the island at all CPFSA run facilities who were unable to attend the pampering sessions in person all received gift packages and gift certificates.

Mark Archer, Technical Support Manager tapped into his farming skills as he prepared the soil for the planting of vegetables at the City of Refuge Children’s Home in Gordon Town on Labour Day.



Glowing with joy: (From left to right) Carlene Dyer, Supervisor of Glenhope Nursery, Sashana Leith, Health and Social Care Assistant at the Glenhope Nursery, and The Wortley home Supervisor Marjorie Copeland and caregiver Anmarie Pottinger, beam with delight after indulging in a pampering mani-pedi session courtesy of the Supreme Ventures Foundation (SVF) at the luxurious Face Place Spa in Kingston on Thursday.

CORPORATE SOCIAL RESPONSIBILITY

SVF's support of children continued during the quarter with the participation in national reading day activities. Our volunteers spent hours sharing the joy of reading with students from Grades 1 -3 at Melrose Primary School in Kingston and Waterford Primary in Portmore, St. Catherine on Read Across Jamaica Day.

At Melrose Primary School, children's author Nicolette Peterkin joined the SVF team to read to Grade 1 students. SVF donated 30 books to each school's library to promote the advancement of reading and literacy across Jamaica. Further underscoring the SVF's commitment to improving literacy level, later in the month, SVF provided book vouchers to the top performers in Melrose Primary's Annual Reading Competition.

McKayla Financial Services, a subsidiary of SVL, also contributed to the children and literacy-focused philanthropy by enriching the library of St. Francis Primary School with a carefully curated collection of books.



Acting General Manager of Supreme Ventures Racing and Entertainment Limited (SVREL), Aswanda Stoddart, poses alongside Payment Service Clerk Christopher Cain, Customer Service Supervisor Monique Fyffe, and SVL's Assistant Manager of Communications and Sponsorship, Kerry-Ann Levene, after spending time sharing the joy of reading with students in Grades 1 – 3 at Waterford Primary School on Read Across Jamaica Day



Senior Loan Officer at McKayla Financial Services Carlton Bolton (left) makes the official presentation of books and book vouchers to Patricia Remikie Gordon, Librarian of St. Francis Primary School.

CORPORATE SOCIAL RESPONSIBILITY

As a Group, we hope our collective efforts will act as a catalyst for academic excellence and help to foster a passion for reading and learning among our country's next generation of leaders.

The company's philanthropic efforts for the quarter also extended to arguably Jamaica's greatest beacon of unity and excellence – sports. Supreme Ventures, through our continued sponsorship of the Jamaica Olympic Association, returned as a sponsor of the National Junior and Senior Athletic Championships and the Netball Major & Minor Leagues. 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.

The Jamaica Premier League has been another sporting activity that has benefitted from SVL sponsorship as the 2023 football season continued its strong momentum after its 2022 return. The League which culminated in July saw a resurgence of benefits for clubs and talented youth across the country.

In addition, SVF made donations to and supported various NGOs and nonprofit groups to enhance their community outreach activities. Some of the notable contributions included:

- Donation to the St. Patrick Foundation for tree cutting, general yard maintenance, and upkeep.
- Contribution to and team participation in the Tru Juice 5K Run/Walk.
- Contribution to and team participation in the Jamaica Cancer Society Relay for Life.
- Contribution to the UWI Development and Endowment Fund.

As we enter the second half of the year, we remain fully committed to uplifting the communities in which we operate. Our dedication to improving lives and making a positive impact will continue to guide our actions.



Gary Peart (Mr.)
EXECUTIVE CHAIRMAN
SUPREME VENTURES LIMITED



**SUPREME
VENTURES**
GROUP

Six Months Ended June 30, 2023

Contents

Financial Statements	Pages
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12 - 16

SUPREME VENTURES LIMITED
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Six Months Ended June 30, 2023
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	Unaudited Six Months Ended June 30, 2023	Unaudited Six Months Ended June 30, 2022	Unaudited Three Months Ended June 30, 2023	Unaudited Three Months Ended June 30, 2022
Revenue - Non-fixed odd wagering games, horse racing and pin codes	17,910,105	17,782,478	9,283,099	9,331,973
Income from fixed odd wagering games, net of prizes	<u>12,084,846</u>	<u>13,401,624</u>	<u>5,617,901</u>	<u>6,971,875</u>
Total Gaming Income	29,994,950	31,184,102	14,901,000	16,303,848
Interest revenue	95,877	13,653	61,775	32,772
Direct Costs	<u>(23,775,881)</u>	<u>(25,915,628)</u>	<u>(11,533,172)</u>	<u>(13,891,425)</u>
Gross Profit	6,314,947	5,282,127	3,429,603	2,445,195
Other (Expenses) / Income	174,426	123,184	115,791	15,849
Selling, general and administrative expenses	<u>(3,881,107)</u>	<u>(3,181,221)</u>	<u>(2,010,220)</u>	<u>(1,554,781)</u>
Operating Profit	2,608,266	2,224,090	1,535,174	906,263
Finance costs	<u>(306,241)</u>	<u>(180,176)</u>	<u>(161,754)</u>	<u>(129,307)</u>
Profit before taxation	2,302,025	2,043,914	1,373,420	776,956
Taxation	<u>(580,009)</u>	<u>(411,356)</u>	<u>(367,913)</u>	<u>(150,834)</u>
Profit for the period	1,722,016	1,632,558	1,005,507	626,122
Currency translation differences	<u>13,001</u>	<u>10,669</u>	<u>-</u>	<u>10,104</u>
Total Comprehensive Income for the period	<u><u>1,735,017</u></u>	<u><u>1,643,227</u></u>	<u><u>1,005,507</u></u>	<u><u>636,226</u></u>
Net Profit for the period attributable to:				
Stockholders of the parent company	1,696,145	1,618,685	995,306	621,958
Non-controlling interest	<u>25,871</u>	<u>13,873</u>	<u>10,201</u>	<u>8,210</u>
	<u><u>1,722,016</u></u>	<u><u>1,632,558</u></u>	<u><u>1,005,507</u></u>	<u><u>630,168</u></u>
Total Comprehensive Income for the period attributable to:				
Stockholders of the parent company	1,709,146	1,629,354	995,306	632,062
Non-controlling interest	<u>25,871</u>	<u>13,873</u>	<u>10,201</u>	<u>8,210</u>
	<u><u>1,735,017</u></u>	<u><u>1,643,227</u></u>	<u><u>1,005,507</u></u>	<u><u>640,272</u></u>
Earnings per stock unit attributable to owners of the parent during the period				
Basic and fully diluted	<u>64.31 cents</u>	<u>61.38 cents</u>	<u>37.72 cents</u>	<u>23.58 cents</u>

SUPREME VENTURES LIMITED
Consolidated Statement of Financial Position
As at June 30, 2023

(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	Unaudited Six Months Ended June 30, 2023	Audited Year Ended December 31, 2022	Unaudited Six Months Ended June 30, 2022
ASSETS			
Non-current assets			
Property and equipment	4,845,961	4,864,374	4,974,412
Biological asset	14,530	14,530	325
Investment properties	858,001	858,001	848,257
Goodwill and Intangible assets	4,377,186	4,366,641	4,232,296
Loans and advances	14,991	14,192	18,432
Long-term receivables	22,482	24,087	24,914
Financial assets at amortised cost	1,883	1,883	1,883
Financial assets at fair value	721,000	501,397	354,383
Other investments	16,341	16,340	16,341
Deferred tax assets	842,393	653,423	412,767
	<u>11,714,767</u>	<u>11,314,868</u>	<u>10,884,010</u>
Current assets			
Inventories	234,759	313,456	260,092
Trade and other receivables	3,165,214	3,269,014	3,596,842
Loans and advances - Current portion	449,371	391,136	210,518
Current portion of long-term receivables	1,117	1,117	1,117
Taxation recoverable	47,565	36,009	32,787
Debt service reserve	79,401	79,401	52,932
Cash and cash equivalents	2,086,509	2,968,469	3,289,298
	<u>6,063,936</u>	<u>7,058,601</u>	<u>7,443,586</u>
Current liabilities			
Prize liabilities	885,549	1,865,413	1,384,710
Contract liabilities	12,926	12,469	13,177
Trade and other payables	2,850,532	3,744,968	4,037,139
Current portion of lease liabilities	45,269	180,679	191,784
Current portion of long-term loans	241,411	359,652	182,591
Income tax payable	829,526	604,334	338,576
	<u>4,865,213</u>	<u>6,767,515</u>	<u>6,147,977</u>
Net current assets	<u>1,198,724</u>	<u>291,086</u>	<u>1,295,609</u>
	<u>12,913,491</u>	<u>11,605,954</u>	<u>12,179,619</u>
Equity			
Attributable to Shareholders of the Company			
Share capital	1,967,183	1,967,183	1,967,183
Capital reserves	62,486	62,486	62,485
Other reserve	(46,092)	(47,656)	(83,473)
Treasury Shares	(130,743)	(130,743)	
Retained earnings	3,001,196	2,834,078	2,325,345
	<u>4,854,030</u>	<u>4,685,348</u>	<u>4,271,540</u>
Non-controlling interests	<u>844,556</u>	<u>879,545</u>	<u>1,733,448</u>
	<u>5,698,586</u>	<u>5,564,893</u>	<u>6,004,988</u>
Non-current liabilities			
Long-term payables	6,134,058	5,072,211	5,211,561
Lease liabilities	914,620	767,347	754,452
Deferred tax liability	166,227	201,503	208,618
	<u>7,214,905</u>	<u>6,041,061</u>	<u>6,174,631</u>
	<u>12,913,491</u>	<u>11,605,954</u>	<u>12,179,619</u>

SUPREME VENTURES LIMITED
Consolidated Statement of Changes in Equity
Six Months Ended June 30, 2023


(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	Number of shares 000	Share capital \$'000	Capital reserves \$'000	Other reserves \$'000	Treasury shares \$'000	Retained earnings \$'000	Non- Controlling interest \$'000	Total \$'000
Unaudited Six Months Ended June 30, 2023								
Balance as at December 31, 2022	2,637,255	1,967,183	62,486	(47,656)	(130,743)	2,834,078	879,545	5,564,893
Profit for the period	-	-	-	-	-	1,696,145	25,871	1,722,016
Acquisition of additional shares in subsidiary						-	(60,860)	(60,860)
Currency translation differences	-	-	-	13,001	-	-	-	13,001
Employee share scheme	-	-	-	(11,437)	-	-	-	(11,437)
Transactions with stockholders								
Distributions	-	-	-	-	-	(1,529,027)	-	(1,529,027)
Balance as at June 30, 2023	2,637,255	1,967,183	62,486	(46,092)	(130,743)	3,001,196	844,556	5,698,586
Unaudited Six Months Ended June 30, 2022								
Balance as at December 31, 2021	2,637,255	1,967,183	62,486	(105,208)	-	2,303,150	1,719,573	5,947,184
Profit for the period	-	-	-	-	-	1,618,685	13,873	1,632,558
Currency translation differences	-	-	-	10,669	-	-	-	10,669
Employee share scheme	-	-	-	11,066	-	-	-	11,066
Transactions with stockholders								
Distributions	-	-	-	-	-	(1,596,491)	-	(1,596,491)
Balance as at June 30, 2022	2,637,255	1,967,183	62,486	(83,473)	-	2,325,344	1,733,446	6,004,988

Approved and authorized for issue by the Board of Directors on July 20, 2023 and signed on its behalf by:



.....
 Gary Peart – Chairman



.....
 Duncan Stewart

SUPREME VENTURES LIMITED
Consolidated Statement of Cash Flows
Six Months Ended June 30, 2023

(Expressed in thousands of Jamaica dollars unless otherwise indicated)

	Unaudited Six Months Ended June 30, 2023	Audited Year Ended December 31, 2022	Unaudited Six Months Ended June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	1,722,016	3,078,051	1,632,559
Adjustments for:			
Depreciation of property and equipment	363,884	694,950	339,591
Amortisation of intangible assets	155,950	316,033	159,323
Write off of property and equipment	-	(34,132)	-
Share based options	5,611	(114,730)	11,223
Gain on disposal of property and equipment	(0)	-	(0)
Gain on fair value adjustment on held for trading shares	(219,604)	(134,702)	(65,101)
Revaluation loss on investment property	-	(9,743)	-
Bad debts recognised	111,192	145,422	37,734
Net foreign exchange gain on cash and cash equivalents	(12,940)	92,260	17,831
Interest income	(95,877)	(20,753)	(10,605)
Interest expense	306,241	454,175	203,283
Taxation	580,009	781,340	411,356
Operating cash flow before movement in working capital	<u>2,916,481</u>	<u>5,248,170</u>	<u>2,737,195</u>
Change in non-cash working capital balances			
Inventories	78,697	(11,798)	41,566
Trade and other receivables	196,751	(844,227)	(1,064,840)
Loans and advances	(59,034)	(196,877)	(20,622)
Trade and other payables	(310,428)	(355,108)	552,881
Prizes liabilities	(979,864)	1,090,628	609,925
Cash generated by operations	<u>1,842,604</u>	<u>4,930,789</u>	<u>2,856,105</u>
Taxation paid, net	(590,620)	(956,844)	(432,692)
Interest paid	(319,285)	(310,467)	(216,327)
Cash provided by operating activities	<u>932,699</u>	<u>3,663,478</u>	<u>2,207,085</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Buyback of shares	-	(130,743)	-
Payment for additional shares in subsidiary	(68,000)	(208,251)	(201,492)
Payment for financial assets at fair value through profit or loss	-	(231,693)	(154,280)
Acquisition of biological asset	-	(14,305)	(100)
Acquisition of property and equipment	(520,469)	(1,482,825)	(1,072,014)
Acquisition of intangible assets	(110,403)	(335,653)	(145,379)
Proceeds on disposal of property and equipment	-	12,001	-
Long-term receivables	1,605	2,200	1,374
Interest received	93,226	20,962	11,287
Cash used in investing activities	<u>(604,041)</u>	<u>(2,368,307)</u>	<u>(1,560,604)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions	(1,529,027)	(2,451,328)	(1,596,491)
Long term liabilities, net	293,605	(287,444)	(20,065)
Addition of long-term liabilities	-	263,531	-
Finance lease, net	11,864	(257,185)	(94,013)
Cash used in financing activities	<u>(1,223,558)</u>	<u>(2,732,426)</u>	<u>(1,710,569)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(894,900)	(1,437,254)	(1,064,088)
Cash and cash equivalents at the beginning of the year	2,968,469	4,371,216	4,371,216
Effect of exchange rate changes on the balance of cash held in foreign currency	12,940	34,507	(17,831)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>2,086,509</u>	<u>2,968,469</u>	<u>3,289,298</u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 30, 2023**

(Expressed in thousands of Jamaica dollars unless otherwise indicated)

1. Identification

Supreme Ventures Limited (the Company) is a public limited liability company which is listed on the Jamaica Stock Exchange. The Company's registered office is located at 9A Retirement Crescent, Kingston 5, Jamaica, W.I.

The Company and its subsidiaries are collectively referred to as "the Group". The main activities of the Group comprise micro-financing, betting, gaming and lottery operations. The main activity of the Company is the management of its subsidiary companies ("subsidiaries").

The subsidiaries that are consolidated and their principal activities are as follows:

Name of company	Principal activity	Country of Incorporation	Percentage Ownership 2023	Percentage Ownership 2022
			%	%
Supreme Ventures Gaming formerly Prime Sports (Jamaica) Limited and its subsidiaries:	Betting, gaming and lottery operations licensed by the Betting Gaming and Lotteries Commission (BGLC)	Jamaica	100	100
Supreme Route Limited (formerly Bingo Investments Limited)	Gaming operations licensed by the BGLC	Jamaica	80	51
Chillout Ventures Limited	Not trading	Jamaica	100	100
SV REIT Limited (formerly Supreme Ventures Lotteries Limited)	Real Estate	Jamaica	100	100
McKayla Financial Services Limited	Micro-financing		100	100
Transtel Jamaica Limited	Not trading	Jamaica	100	100
Supreme Ventures Services Limited (formerly Big 'A' Track 2003 Limited)	Pin code sales and shared services	Jamaica	100	100
Supreme Ventures Racing and Entertainment Limited	Betting and horse-racing operations licensed by BGLC and Jamaica Racing Commission (JRC)	Jamaica	100	100
Jamaica Lottery Company Holdings Limited	Not trading	Jamaica	100	100
Supreme Group Incorporated	Holding Company	St. Lucia	100	100
Supreme Guyana Incorporated	Holding Company	St. Lucia	100	100
Supreme Ventures Guyana Holdings Inc	Holding Company	Guyana	100	100
Supreme Ventures Enterprise Inc	Betting & Gaming	Guyana	100	100
Post to post Betting Limited	Betting & Gaming	Jamaica	80	80
Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited) and its subsidiary:	Sale of charge up and micro-financing	Jamaica	100	100

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 31, 2023**

(Expressed in thousands of Jamaica dollars unless otherwise indicated)

2. Statement of compliance and basis of preparation

(a) Statement of Compliance

These unaudited interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2022. They do not include all of the information required for a complete set of International Financial Reporting Standards (IFRS) financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements as at and for the year ended December 31, 2022, and corresponding interim reporting period.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for the inclusion of available-for-sale investments and investment property at fair value.

(c) Functional and presentation currency

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in Jamaican Dollars, which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. At the Statement of Financial Position date, monetary assets and liabilities denominated in foreign currencies are translated using the weighted average closing exchange rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the period ended. Although these estimates are based on management's best knowledge of current events and actions, actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2022.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 31, 2023**
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

2. Statement of compliance and basis of preparation (Continued)

- (e) Where necessary, comparative amounts have been reclassified to conform with changes in the presentation in the current reporting period.

3. Significant events and transactions

Management believes that the Group is well positioned to overcome the challenges brought forth within the current economic impact. Factors contributing to the Group's strong position are:

- a) The Group's major customers have not experienced financial difficulties that will impact their obligations to SVL Group. Credit quality of trade receivables as at June 30, 2023 remains good.
- b) The Group is in compliance with all debt covenants.

Overall, the Group is in a strong position and has sufficient capital and liquidity to service its operating activities and debt. The Group's objectives and policies for managing capital, credit risk and liquidity risk are described in its recent annual financial statements.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 31, 2023**

(Expressed in thousands of Jamaica dollars unless otherwise indicated)

4. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group's main operating segments are Lotteries, Sports Betting and Pin Codes.

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

The format of the segment report was changed during the prior year to include Horseracing and Video Lottery Terminals as part of Sports Betting. Each area now has a General Manager with responsibility for tracking performance against targeted objectives and reporting such performance to the Executive Chairman.

Segment performance is determined by recognizing income and expenses directly associated with each segment. The segment result is adjusted for intersegment revenue and costs, taxes, and finance cost to arrive at a final position.

	2023				Group
	Lotteries	Sports Betting	Pin Codes	Other	
Revenue from non-fixed odd wagering					
Non-fixed odd wagering games	3,602,117	7,883,365	5,945,926	478,697	17,910,105
Other revenue	11,204,584	714,161	-	166,101	12,084,846
Total revenue	14,806,701	8,597,526	5,945,926	644,798	29,994,950
Result					
Segment result	2,455,255	577,528	159,293	(814,843)	2,377,233
Loan interest revenue					83,291
Interest income					12,586
Other gains					219,604
Net foreign exchange (loss)					(84,447)
Finance costs					(306,241)
Profit before taxation					2,302,025
Taxation					(580,009)
Net Profit for the period					1,722,016
Other information					
Capital expenditure	102,718	370,436	-	157,718	630,872
Depreciation, amortisation and write-offs property, plant and equipment	157,191	314,380	2,690	45,573	519,834
Segment assets	3,945,916	6,397,926	570,043	6,864,818	17,778,704
Segment liabilities	3,273,140	4,746,679	867,460	3,192,838	12,080,117

SUPREME VENTURES LIMITED
ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 30, 2023
(Expressed in thousands of Jamaica dollars unless otherwise indicated)

5. Segment reporting (continued)

	2022				
	Sports				
	Lotteries	Betting	Pin Codes	Other	Group
Non-fixed odd wagering games	3,545,086	7,787,246	6,058,619	391,527	17,782,478
Other revenue	12,481,078	920,546	0	0	13,401,624
Total revenue	16,026,164	8,707,792	6,058,619	391,527	31,184,102
Result					
Segment result	2,020,013	857,460	146,092	(924,161)	2,099,405
Interest revenue					13,653
Interest income					10,854
Net foreign exchange gain					107,490
Other gains					15,992
Finance costs					(180,176)
Profit before taxation					2,043,914
Taxation					(411,356)
Profit for the year					1,632,558
Other information					
Capital expenditure	207,439	763,469	-	246,486	1,217,393
Depreciation, amortisation and write-offs property, plant and equipment	110,109	285,131	-	103,674	498,914
Segment assets	4,537,085	8,562,237	766,915	4,461,360	18,327,596
Segment long-term liabilities	6,026,798	1,395,711	919,279	3,980,819	12,322,608



**SUPREME
VENTURES**
GROUP

Supreme Ventures Limited

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

Tel: (876) 656-9310 | Fax: (876) 906-3305

Email: svlsecretariat@svlgrp.com

Website: www.supremeventures.com