



CHAIRMAN'S UPDATE TO STOCKHOLDERS OF SUPREME VENTURES LIMITED

The Board of Directors are pleased to present the financial performance of Supreme Ventures Limited Group for the year ended December 31, 2023. The Group reported net profit after tax of \$2.44 billion representing a decrease of \$636.3 million or 20.6% over prior year. These profits were achieved from gaming income of \$49.9 billion, which was relatively flat compared to prior year of \$50.8B, down slightly by 1.7% or \$0.87 billion. During Q4 we recorded materially higher prizes liabilities on our lottery products relative to last year which reduced the Gross Gaming Revenue (GGR) for the final quarter.

Gross Profits improved by \$736.6 million or 6.5% from \$11.3B to \$12B. The increase in selling, general and admin expenses of \$1.46B was main driver for lower profits over 2022. The launch of an international subsidiary, Ibet SV Ghana, new revenue and product streams such as Remittance and Bill Pay required significant investments in business development and marketing, professional & consultancy fees.

Chairman's update to Stockholders of Supreme Ventures Limited Cont'd

Direct costs amounted to \$38.10 billion, a savings of \$1.5 billion or 3.8% over prior year and attributable to cost efficiency and reduction initiatives implemented by management. Direct costs include contributions to Government agencies and related bodies is consistent at \$10.1B compared to \$10.4 billion in 2022. Supreme Ventures Limited continues to be one of the largest contributors to the Government coffers at multiple times our profitability.

During the year, the Group acquired an additional stake of 44% in McKayla Financial through its subsidiary, Supreme Ventures Fintech Limited to achieve 100% ownership of that company.

In July 2023, SVL acquired a 15% stake in Dolla Financial Services Limited. At December 31, 2023 the unrealized gain to date was \$378.75 million.

The Group continues to leverage our distribution network by investing in new complimentary businesses and product lines both local and internationally. On August 1, 2023, Game Park Limited was officially launched in Ghana. Ibet SV, our subsidiary provides technical and professional management services to Game Park. Through our subsidiary SV Fintech Limited, Remittance licensed was received from BOJ in November 2023 and opened for business in February 2024.

Total assets attributable to shareholders increased by \$2.5 billion to \$20.9 billion. The major increase is attributable to the acquisition of gaming machinery, equipment, software, Dolla Financial Services Limited and investments in Ghana through subsidiary IBet SV Ghana.

The operating segments recorded results of \$2.96 billion, a decrease of \$1.09 billion or 26.9% in relation to the prior year. The 3 key business segments had slightly higher results compared to 2022. However, the unallocated segment declined by \$1.17 billion or 45.7% compared to the previous year, of which the main driver an increase in selling, general & admin expenses of \$1.46 billion which was partly offset by higher other income of \$457 million.

The Group generated positive cash flows from operations of \$1.3 billion and closed on December 31st, 2023, with a balance of \$2.45 billion representing a decrease of \$521 million over the prior year. This decrease is attributable to the business acquisitions (Dolla Financial and McKayla Financial Services) completed during the year, purchase of property, plant and Equipment,, payment of dividends and taxes. The Group met all requirements and covenants under the terms of agreement with bondholders and other credit facilities during the year.

We continue to put back over 95.00% of our gross earnings into the Jamaican economy via prizes, fees, taxes, and operational payments. Today, we can proudly say that since 2004 we have contributed more than \$27 billion to the government for good causes.

Chairman's update to Stockholders of Supreme Ventures Limited Cont'd

CORPORATE SOCIAL RESPONSIBILITY

In the spirit of giving back to the community and fulfilling our corporate social responsibility (CSR), SVL continued its commitment to making a positive impact during the year. Our initiatives aimed to spread goodwill and joy particularly during the festive season, promote safety, and empower young minds.

As part of our ongoing efforts to provide memorable and impactful experiences to the children who reside in state care, the Supreme Ventures Foundation (SVF) organized an extra special Christmas treat dubbed the Dream Supreme Plane Ride Experience. This initiative aimed to bring delight to 100 wards of the state from homes in Kingston, St. Andrew and St. Catherine who might not have had the opportunity to experience air travel before and to inspire them that no dream is too big to be realized.

Our support of children in state care was further extended to CPFSA run transitional living home Matthew25. In the spirit of the holiday season, the SVF hosted a Christmas luncheon at Matthew25. The event not only served to spread cheer and warmth during the festive season but also served as the official handover of a state-of-the-art fire alarm and detection system installed at the home courtesy of the SVF.

The Foundation's flagship capacity building programme for micro and small entrepreneurs, Supreme Heroes, went into the final phases in the fourth quarter. The four candidates completed their training facilitated by the Mona Entrepreneurial and Commercialization Centre (MECC) based at the UWI Mona Campus. The shortlisted Heroes also embarked on a community project to impact someone in their community. After the projects were completed, and voting by the public, Anesha Miller was declared the ultimate Supreme Hero – winner of cohort 2. In addition to the title of Supreme Hero. Ms. Miller won additional grant funding to benefit her community project in Papine, St. Andrew.

Earlier in the quarter, the SVF continued its tradition of engaging and inspiring its cohort of 20th Anniversary Scholarship recipients with a "Pep Up" session designed to engage them in interactive discussions, receive mentorship, and gain valuable insights into their academic and career. Hosted under the theme 'Let's Get Ready for the Road', the event was marked by meaningful presentations and especially focused on road safety preparedness. Each student received ten complimentary driving sessions from Grennell's Driving School courtesy of SVF to set them on the path to acquiring their drivers' license.

Getting their minds and bodies ready for the road ahead was also of paramount importance and so the scholars engaged in a rejuvenating yoga session lead by Yoga practitioner Joanna Taylor of TrainFit Club.

One of SVL key strategic initiatives has been the development and growth of its microfinance brands - Evolve and McKayla Financial Services under SVL subsidiary, Supreme Ventures Fintech (SVFL).

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Since acquiring 100% of McKayla Financial Services in 2023, the SVFL team has been focused on expanding the product offering and gaining more market share in the growing microfinance market.

An instrumental development in 2023 was the granting of a remittance license to SVFL by the Bank of Jamaica. Following the acquisition of this license, SVFL has forged a strategic partnership with Ria Money Transfer and in 2024 will be rolling out Evolve Money Transfer, allowing customers to receive Ria remittances from select SVFL locations. Evolve Money Transfer will give Jamaicans significantly more options to safely and conveniently receive money from anywhere Ria Money Transfer is offered globally or its range of mobile and online money transfer channels.

Even while remittance services remains high priority, the team remains keen on expanding the Evolve suite of products and giving our retailers more revenue channels. SVFL has already rolled our **Evolve Pay**, our bill payment service and **Charge Up** that allows retailers to sell top up products including phone top-up or credit (Digicel & Flow) as well as credit for the ReadyTV product suite on a mobile point of sale device.

Undoubtedly, one of the standout achievements of the year was the successful staging of the 2nd Running of the Mouttet Mile Invitational (Gr. 1) meet at Caymanas Park. Boasting a historic purse of US \$150,000, attracted increased international participation and garnered attention through a groundbreaking partnership with the New York Racing Association (NYRA), resulting in a live broadcast on FOX Sports.

In its second year, the Mouttet Mile attracted more sponsors, larger crowds and is a solid answer to revitalizing classic races and preserving Jamaica's horse racing heritage. The Supreme Ventures Racing and Entertainment Limited (SVREL) team reports that its marquee event generated record sales of over US\$230,000 on intertote wagering platforms such as TVG/FanDuel, the largest advanced deposit wagering (ADW) platform in North America, NYRABet and ExpressBet/FirstBet. The meet also resulted in record handle of J\$95M generated in one day on live racing at the Park.

We are humbled and indeed grateful at the extent of our customers' loyalty and our commitment to provide excellent customer service to all our stakeholders occupy pride of place in our deliberations and endeavours. As always, we thank our stockholders, retailers and customers for their demonstrated commitment and confidence they continue to place in us.



Gary Peart (Mr.)

**EXECUTIVE CHAIRMAN
SUPREME VENTURES LIMITED**