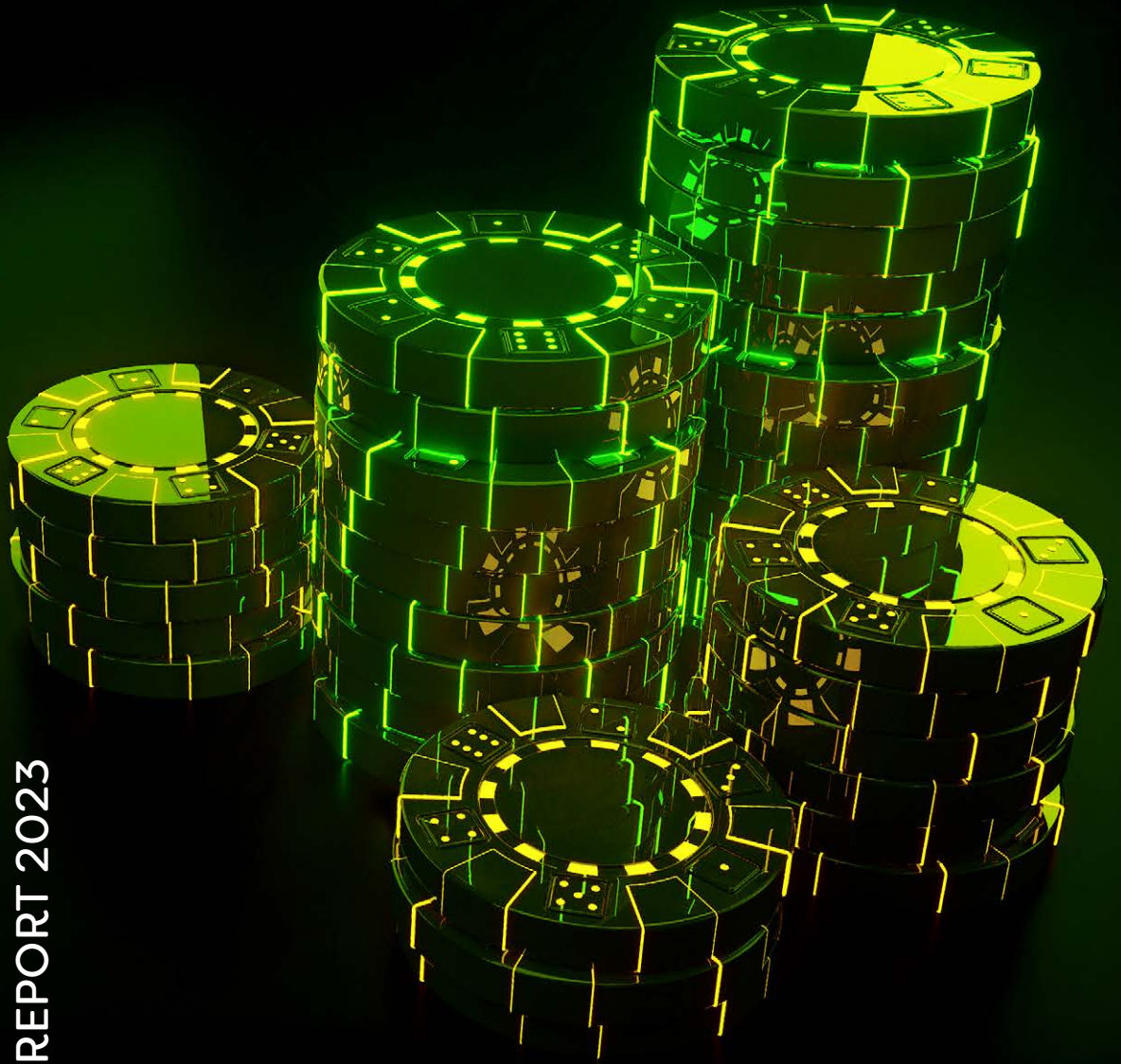


POWER PLAYS

ANNUAL REPORT 2023



Your all in one
Gaming Destination!



Enjoy Sports, Lottery and Horse
Racing all in **ONE APP**



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supremegames.com

Must be 18 years and older to game. Game responsibly.

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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

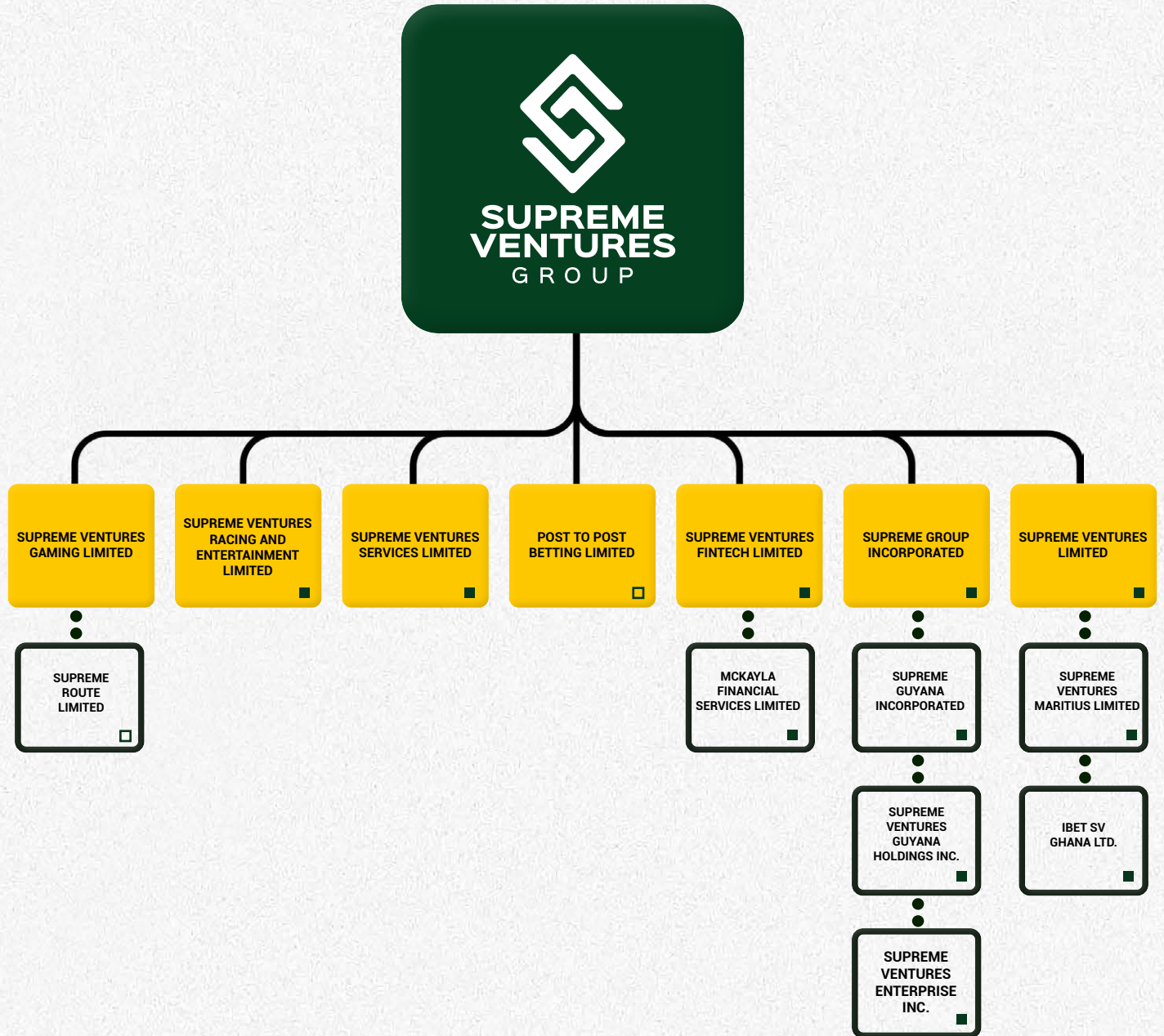
We first admit to the part we play when things go wrong, and quickly fix it instead of blaming others. We then seek feedback and look for opportunities to learn and grow.



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



KEY ■ 100% OWNED □ 80% OWNED

WHO WE ARE

Supreme Ventures Limited has been making winners every day for 22 years, standing tall as the premier gaming and entertainment company in the region. What started as an ambitious venture into the lottery business with just three games in 1995 has blossomed into an expansive conglomerate offering a diverse array of gaming options across Jamaica and beyond.

Today, SVL proudly presents 11 draw-based numbers games, instant win scratch games, sports betting, video lottery terminals, phone top-up services, mobile and online betting products, horse racing, and our flagship gaming lounge, Acropolis. As a full-service lottery and gaming operator, SVL has not only delighted the Jamaican market with its beloved games but has also extended its reach beyond Jamaica, including operations in Guyana and Ghana.

In a groundbreaking move in 2023, SVL ventured into new territory by becoming the exclusive technical services provider to Ghana-based lottery operator Game Park Limited through our subsidiary, iBET SV Ghana. This strategic alliance harnesses our GLI-certified proprietary software and high-quality live draw capabilities, positioning SVL to introduce its world-class gaming products and technology to other regions of Africa and eventually to jurisdictions worldwide.

While SVL continues to broaden the horizons of its lottery business, it is also evolving into a comprehensive transaction company. Through its subsidiary, Supreme Ventures Fintech Limited, the company has introduced a range of financially oriented products, including bill payment services and lending solutions including micro-financing. Moreover, the



WHO WE ARE

subsidiary has received approval from the Bank of Jamaica to offer remittance services and has initiated a partnership with international money transfer giant, RIA Money Transfer.

As a proudly homegrown enterprise that continues to thrive, we recognize that our success is largely due to the dedication of the hundreds of entrepreneurs who operate outlets throughout Jamaica. We remain deeply appreciative of our robust retail network, which embodies the resilience and determination of the Jamaican spirit.

Over our two decades of operation, SVL has become deeply ingrained in the fabric of Jamaican society. The company annually contributes over \$1 billion to arts, culture, sports, health, and education through the consolidated fund.

Through our Foundation, we have established sustainable social impact programs that cater to the most vulnerable members of society, with initiatives such as Supreme Heroes, the Children's Homes Fire Safety Program, and the 20th Anniversary Scholarship Program, all focusing on children in state care.

Supreme Ventures remains steadfast in its mission of growth and evolution, committed to making positive contributions to the communities and countries in which we operate. SVL continues to lead the game with innovation and excellence, always staying ahead of the curve.





GARY PEART | EXECUTIVE CHAIRMAN
Supreme Ventures Limited

EXECUTIVE CHAIRMAN'S REPORT



I'm pleased to present our 2023 Annual Report, and I want to commend our team for their resilience, innovation, and unwavering commitment to our vision despite the challenges we've faced.



As we look back on Supreme Ventures Limited's performance in 2023, our dedication to becoming a global player in the gaming and transaction industries remains steadfast. Throughout the year, we've undertaken strategic initiatives aimed at laying the groundwork for future growth, diversification, and operational excellence.

While our annual results may have reported a temporary decline in net profit, it's crucial to acknowledge that the strategic initiatives we've implemented lay the foundation to drive the SVL group's global expansion. We are optimistic that these measures will not only serve as the cornerstone for our future success but also lay a solid groundwork for achieving our goals.

I'm pleased to present our 2023 Annual Report, and I want to commend our team for their resilience, innovation, and unwavering commitment to our vision despite the challenges we've faced.

During the first three quarters of 2023, our performance was on track to surpass the previous year. However, by year-end, we experienced a 21% decrease in net profit compared to 2022. Despite this, we declared a dividend payout of \$2.47 Billion to our shareholders.

Several factors contributed to this decline, including lower gaming income, particularly from our Instants product, increased liabilities, and higher provisions for bad debt as we conducted a thorough review of receivables. Additionally,

EXECUTIVE CHAIRMAN'S REPORT

expenses such as travel, and consultancy fees rose due to our expansion activities.

Our year-end results reflect significant investments in various subsidiaries within the Group. Importantly, our lottery and numbers players enjoyed substantial winnings, with over \$48 Billion in prizes awarded during the year. Notably, our Lotto and Super Lotto games produced five winners, including one who claimed the largest-ever Super Lotto jackpot of \$542 Million.

These successes extended beyond our lottery offerings, with numerous millionaires created across the Group. Our sports betting platforms, Just Bet and Any Bet, also saw impressive growth, with customers winning approximately \$8.6 Billion in 2023, despite a revenue dip in October.

The total winnings in numbers games and lotteries was

\$48 Billion

The total winnings in Sports Betting was

\$8.6 Billion

At Caymanas Park, we've celebrated an average of five millionaires per month, with simulcast revenue witnessing a notable 6.05% increase, offsetting declines in live racing revenue due to operational disruptions.

We take pride in celebrating these moments with our customers and ensuring prompt and efficient payouts. This commitment is particularly vital given the challenges posed by illegal gaming activities and new market entrants.

In addition to the direct winnings from SVL products and services, Jamaicans also continue to benefit from SVL's general operations through billions of dollars in taxes and fees. The Jamaica government again came out a big winner in 2023, with SVL paying over \$8 Billion in taxes and fees. Our pride in the positive ongoing impact that our operations have on the running of the society at large is immense, and further motivates us to grow and strengthen our business.

In total, SVL paid \$75 Billion in dividends, fees, commissions and payouts across the Group, a hefty give back to all our stakeholders across our operational ecosystem, and further testament to our continued focus on operational excellence.

Some of the strategic plays to take SVL to the next level materialized in early 2023. SVL, through our subsidiary iBET SV Ghana, signed an agreement to become the exclusive technical services provider to Ghanaian lottery operator Game Park Limited, the promoter of our Pick 1 and Pick 4 lottery games in Ghana. This partnership marks a significant and historic milestone in our expansion strategy. Leveraging our GLI certified proprietary software and best in class live draws, we aim to bring our world-class gaming products and technology to other parts of Africa and eventually other jurisdictions around the world.

Back home in Jamaica, we continued to make bold moves aligned with SVL's growth strategy in complimentary industries. Our financial transactions subsidiary Supreme Ventures Fintech Limited (SVFL), became the majority shareholder of McKayla Financial Services Limited after acquiring the remaining 49% shares bringing its total shareholding to 100%. This was followed by the acquisition of a 15% shareholding in Dolla Financial Services Limited. Later in the year, SVFL was granted approval for two important licences - a Microcredit licence and the approval to engage in the operation of a remittance service in Jamaica. These important steps have positioned us to expand our product offerings through our partnership with international money transfer providers RIA, as well as increase our penetration in other areas of the financial transaction space.

Supreme Ventures Gaming Ltd, the backbone of the group, continues to innovate and provide our loyal customers with enhanced product features and increased value. The newly minted "Supreme Scratchaz" instantly product introduced our first non-cash jackpot prize in the form of new cars, the Haval H6. In addition, features such as the Mega and Monsta balls continue their own growth trajectory, increasing in participation in Cash Pot by 16% and in Money Time by 28% over 2022. Our flagship online gaming platform SV Games is also on a growth trajectory, with increases in usage and acquisition at 21% and 28% respectively.

Our overall digital transformation continues with plans to expand SV Games to become the gateway to all online products across the group in 2024, giving convenient single sign on access to our customers. This significant step will allow easier cross platform betting and deepen our share of wallet across various segments.

In 2022, Caymanas Park marked a significant milestone by achieving profitability for the first time since Supreme Ventures Racing and Entertainment Limited (SVREL) assumed operations. Although the profit realized in 2022 was not repeated in 2023, we maintain an optimistic outlook for the entity's future performance. The Caymanas Park team deserves commendation for their ongoing efforts to enhance the quality of the horseracing product across the board. This includes initiatives such as exporting the local horseracing product to North America, investing in vital infrastructure, and hosting prestigious race days, notably the Mouttet Mile Invitational.

As our group expands and our business operations grow, our dedication to upholding global standards remains steadfast. This commitment is evident in SVL's recent achievement of the esteemed Responsible Gaming Framework - Level 2 Certification from the World Lottery Association. This certification underscores our unwavering commitment to promoting responsible gaming across all our business sectors. It serves as evidence of our efforts to implement tailored measures and tools to ensure the safety and support of our players. Additionally, CariCRIS has once again recognized SVL's strong framework and creditworthiness by awarding us an A- rating, acknowledging the resilience and promise of our business.

Being a responsible corporate citizen, supporting our communities and the most vulnerable in society remains a priority for us through the transformational work of the Supreme Ventures Foundation.

The Foundation has spearheaded numerous transformative endeavours, such as the Supreme Heroes project and ongoing support in various areas to children's homes operated by the Child Protection and Family Services Agency. Among these impactful initiatives are the Back to School Dental Clinic, continued investment in Fire Safety, and providing academic and life support tertiary scholarships to

former wards. In addition, our support of the country's health care infrastructure has included the upgrade and renovation of key areas in the Kingston Public and Jubilee Hospitals to enable the Doctors and Nurses to have appropriate conditions for rest and recovery while at work.

As the Executive Chairman of Supreme Ventures Limited, I am privileged to lead a dynamic team characterized by a diverse skillset spanning across our entire organization, from the Boardroom to the storefront. Our team is united by a shared passion and commitment to excellence, dedicated to realizing our company's mission of creating winners every day.

On behalf of the Board, I extend sincere appreciation to all members of #TeamSupreme for their unwavering resilience in overcoming challenges and consistently demonstrating an indomitable spirit to achieve outstanding results, even under pressure. I am eagerly looking forward to continuing this journey with each and every one of you.

I would like to express heartfelt gratitude to our esteemed Board of Directors for their invaluable time, professional advice, and guidance in shaping our strategic direction and pivotal decisions. Each member brings a unique perspective and vision, contributing significantly to the growth and success of our company. We welcome our newest Board Members, Directors Mr. Leighton McKnight, CD and Dr. The Hon. Usain Bolt, OJ who bring a wealth of expertise, experience, and diverse perspectives that will further strengthen our company's leadership and strategic direction.

To our shareholders, I extend sincere thanks for your continued support and belief in the vision and potential of Supreme Ventures Limited. Together, we have the power to accomplish remarkable feats and create lasting value for all stakeholders.

At Supreme Ventures, we continue to embrace a limitless vision as crucial to our success. Witnessing firsthand how our company flourishes when we push the boundaries of innovation and think beyond what is deemed possible is truly inspiring. However, this success hinges on our collaborative efforts. United, we can achieve greatness, leveraging our collective strengths and executing strategic power plays.

EXECUTIVE CHAIRMAN'S REPORT



The background features a repeating pattern of green gears and coins. The gears are interlocking and have a textured, metallic appearance. The coins are scattered throughout, some showing their faces and others showing their edges. The overall color scheme is various shades of green, from dark forest green to a lighter, almost white green.

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION AND 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 2023 financial year relative to previous years as well as to highlight significant components of the Group's financial position as at 31 December 2023. 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 Jamaican 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 21 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. During the year, the Group acquired the remaining 49% stake 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. Both acquisitions are aligned with SVL's growth strategy which has expanded beyond the gaming market and is now making headway into growth industries such as the micro-lending space which has significant potential to meet the ever-growing needs of an extensive customer base. Through our subsidiary SV Fintech Limited, a remittance license was received from the BOJ in November 2023 and opened for business in February 2024. These acquisitions confirm our commitment to the growth and strengthening of our market share for the respective companies. On August 1, 2023, Game Park Limited was officially launched in Ghana. ibet SV Ghana, our subsidiary, provides technical and

professional management services to Game Park Limited.

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 going 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 2% - 3% for the December 2023 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 2022. Over the medium term (up to three years), GDP growth is projected to average in the range 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 2023 was 4.2%, an improvement of 2.4%. The improvement in the unemployment rate reflected an increase of 4.1% in the number of people employed, as well as a growth of 1.4% in the labour force.

The annual point to point inflation closed December 2023 at 6.9% (2022:9.4%), reflecting a 2.5% decrease when compared to the same period in prior year. The lower inflation resulted from improvements in the worldwide supply chain,

MANAGEMENT DISCUSSION AND ANALYSIS

stabilization of oil and commodity prices, and stable FX rates. Inflation is expected to be close to the 2023 rate with the 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 counterpart, United States Dollar. There was an average depreciation of 0.7% closing at \$154.99 in December 2023 (2022: \$154.30).

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 December 2022. The main JSE index closed 2023 at 339,162 (2022: 355,896.64) points representing a decline of 4.7% over prior year.

Summary of key Macroeconomic indicators as at December 2023:

Figure 1: Macroeconomic Indicators

Indicator	2023	2022	Change
GDP Growth (estimated)	2.00%	5.20%	-3.20%
Debt to GDP	82.10%	86.23%	-4.13%
Inflation	6.90%	9.40%	-2.50%
Debt	2.25Tn	2.20Tn	-0.01%
Exchange Rate	\$154.99	\$154.30	0.45%
NIR	US\$4748.14 mn	US\$3,978.00mn	16.22%
Unemployment Rate	4.20%	6.60%	-2.40%
Stock Market Performance (Main Market)	339,162.00	355,896.64	-4.70%
Business & Consumer Confidence	139.1 & 174.7	144.8 & 165.5	-5.7pp & +9.2pp

1. GDP is at market prices at 2022/2023 fiscal year end (March) and Debt is measured at September 2023.
2. Unemployment rate was last measured at October 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

FIVE YEAR STATISTICAL REVIEW

	2023	2022	2021	2020	2019
Consolidated Income Statement Summary J\$'000					
Net Profit	2,441,701	3,078,050	2,325,731	2,420,947	2,473,634
Gross Ticket Sales	105,580,753	109,812,925	93,571,434	76,314,994	73,157,007
Gross Profit	11,800,250	11,173,668	9,381,739	8,751,754	7,902,274
Net interest income	204,684	93,617	56,279	68,268	69,231
Non-interest income	696,152	239,301	221,778	58,400	104,876
Operating Expenses (1)	7,836,336	6,108,168	5,328,668	4,248,240	4,013,983
Depreciation, amortisation and lease finance cost	1,067,611	1,015,483	948,601	805,185	568,708
EBITDA	4,948,750	5,400,325	4,549,434	4,595,237	4,020,972
Taxation expenses	830,084	781,340	951,378	1,178,124	988,076

	2023	2022	2021	2020	2019
Consolidated Statement of Financial Position Summary J\$'000					
Total Assets	20,872,512	18,373,470	17,234,548	15,577,810	9,421,680
Long Term Liabilities	9,193,064	6,041,061	6,136,404	5,489,159	2,161,331
Working Capital	990,530	291,087	2,401,274	4,005,106	2,253,657
Stockholders Equity	5,096,019	5,564,893	4,227,611	4,197,739	3,696,288
Trade and Other Receivables	3,611,522	3,269,019	2,570,418	1,453,888	1,640,922
Cash and Cash Equivalents	2,447,708	2,968,469	4,371,216	6,255,623	3,592,465
Retained Earnings	2,789,118	2,834,078	2,303,150	2,122,083	1,666,619
Cash provided by Operating Activities	1,091,766	3,663,478	2,749,669	3,608,968	2,163,361
Capital Expenditure	1,328,091	1,788,270	2,719,941	1,419,846	635,115

	2023	2022	2021	2020	2019
Profitability Ratios %					
Return on Equity	47.06%	54.53%	53.99%	56.64%	66.06%
Return on Assets	11.70%	16.75%	13.49%	15.54%	26.25%
Current Ratio	1.15	1.04	1.47	1.97	1.71
Effective Tax Rate	25.37%	20.25%	29.03%	32.73%	29.36%
Operating Expenses Ratio	7.42%	5.56%	5.69%	5.57%	5.49%

	2023	2022	2021	2020	2019
Stock Unit Information (J\$, unless otherwise stated)					
Earnings per stock (cents)	91.78	115.42	86.87	90.15	92.59
Dividends per stock (cents)	93.73	92.95	80.00	72.14	77.00
Book Value Per Stock (\$)	\$1.93	\$2.11	\$1.60	\$1.59	\$1.40
Closing share price at December 31 - Jamaica Stock Exchange (JSE) (*)	\$27.10	\$29.93	\$18.50	\$17.75	\$25.50
Percentage change in stock price	-9.46%	61.78%	4.23%	-30.39%	817.27%
Price Earnings Ratio	29.53	25.93	21.30	19.69	27.54
Dividends paid(2) (J\$'000)	2,471,817	2,451,227	2,109,804	1,902,515	2,030,686
Special Dividends (J\$'000)	-	-	-	-	-
Dividend Yield [%]	3.46%	3.11%	4.32%	4.06%	3.02%
Dividend Payout Ratio [%]	102.12%	80.53%	92.09%	80.02%	83.16%
Total annual shareholders return [%]	-6.32%	66.81%	8.73%	-27.56%	844.96%

	2023	2022	2021	2020	2019
Consolidated Statement of Financial Position Ratios (%)					
Fixed and intangible assets as a percentage of total assets	45.96%	50.24%	40.19%	42.00%	31.01%

	2023	2022	2021	2020	2019
Other Statistics					
Inflation Rate (Twelve months ended December 31) [%]	6.90%	9.40%	7.30%	1.3%	6.2%
USD foreign exchange rate at December 31	\$154.99	\$154.30	\$155.09	\$142.65	\$133.26
JSE Index at December 31	339,162.00	355,896.64	396,155.61	395,614.93	509,916.44
JSE Index annual movement (Twelve months ended December 31) [%]	-4.70%	-10.16%	0.14%	0.51%	0.57%
Cash Pot Liability	73.92%	75.52%	76.06%	70.75%	72.18%

(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.

Gross Ticket Sales 2019 - 2023

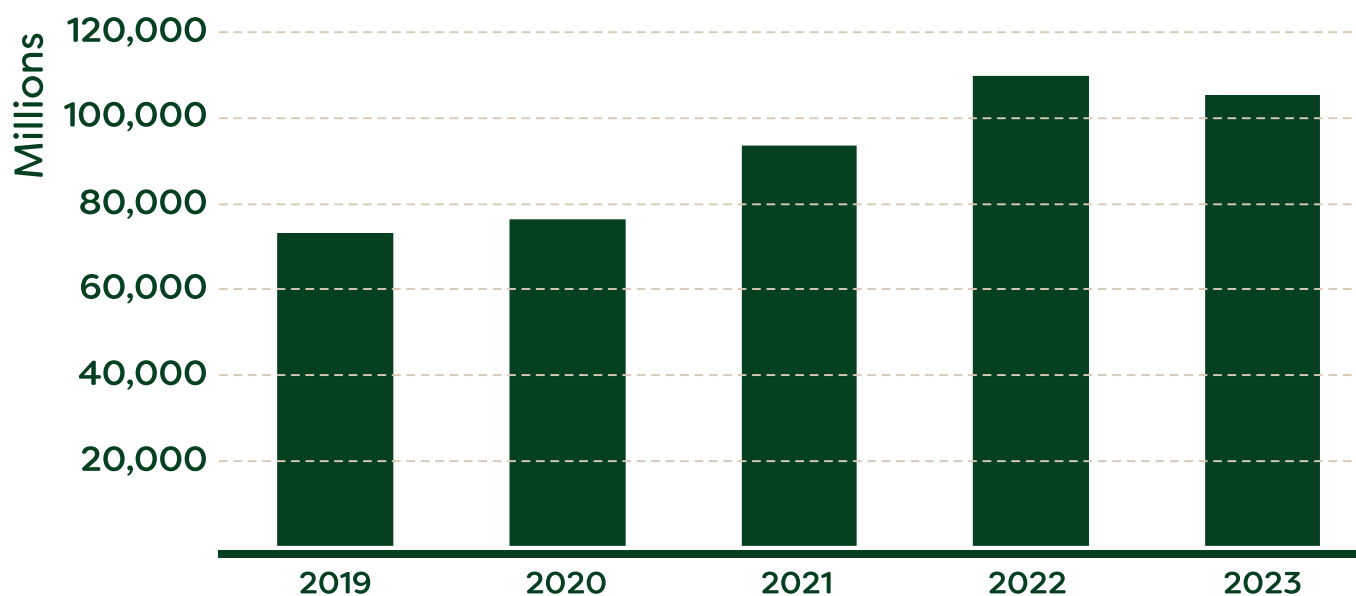


Figure 3: Gross ticket sales

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

For 2023, the Group recorded Gross Ticket Sales of \$106B, a 3.8% lower outturn than 2022. The small decline in Gross Ticket Sales of \$4.2 Billion, was driven mainly by lower Instant in the Lottery segment (\$7.6 Billion, 10.1%) offset by increase of \$1.8 billion or 20.3% in Sports Betting revenues. Profit After Taxation (Total Comprehensive Income) for the Group recorded a decline of \$636.3 million, coming in at \$2.44 Billion (2022:\$3.08 Billion). This Profit After Tax, resulted from EBITDA of \$4.9B (2022:\$5.4 Billion), a decrease of 6.2% over 2022.

For 2023, the Group paid over approximately \$10.1 Billion in fees and taxes to the Government, representing a decline of 2.8% over 2022. The amount paid to the Government is 4.1 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.

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, the Group saw significant year over year growth in the Sports Betting operations, with revenues growing to \$24.2 billion, an increase of \$2.8B or 13.2% (2022: \$21.4 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.

MANAGEMENT DISCUSSION AND ANALYSIS

EBITDA & NET PROFIT

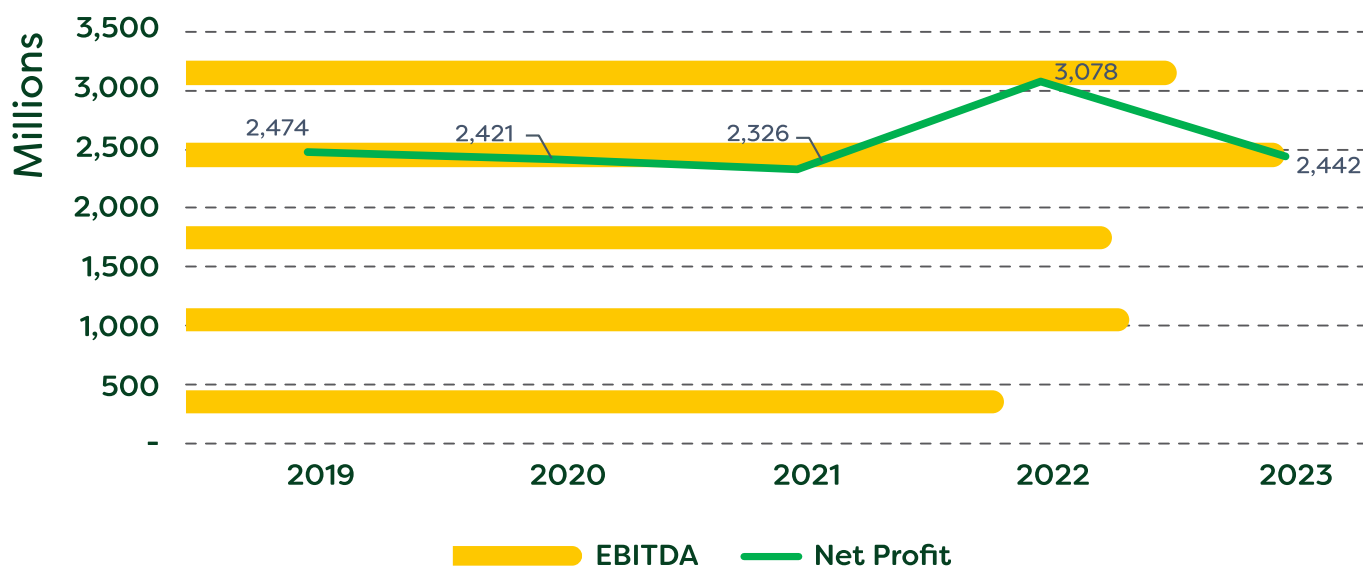


Figure 4: EBITDA and PAT

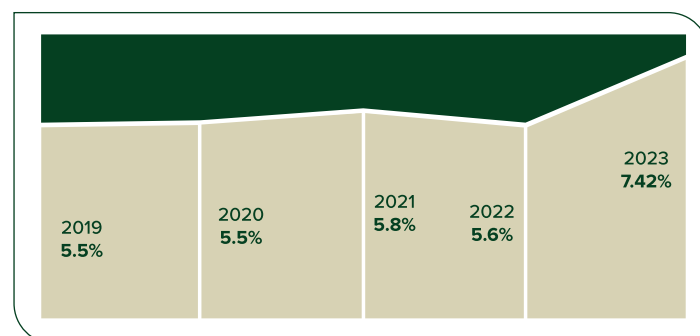
The Group's performance was driven by deliberate actions aimed at improving revenue growth and cost containment. These initiatives included the following:

- 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 efficiency improvements internally

The Group's Operating Expense Efficiency (excluding depreciation and impairment) ratio was 7.4% compared to 5.6% in 2022. The Group remained focused on key cost management practices, however during the year, costs

relating to credit provisions, business acquisitions and infrastructural changes were incurred, both of which will set a platform for exponential growth within the our various business lines.

OPEX EFFICIENCY RATIO



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	8,440,833
Less: Depreciation & Amortization	(1,067,611)
Add: Impairment Losses	463,113
Operating Expenses	7,836,336

MANAGEMENT DISCUSSION AND ANALYSIS

Our cash balances showed a reduction of \$520.7 million during the year, which is directly attributable to the key business acquisitions, while maintaining an enviable

dividend payment record. Our Current Ratio has improved significantly to 1.15 from 1.04 in 2022, with Return on Equity of 47.1% and Return on Assets of 11.7%, in 2023.

FIVE YEAR FINANCIAL PERFORMANCE

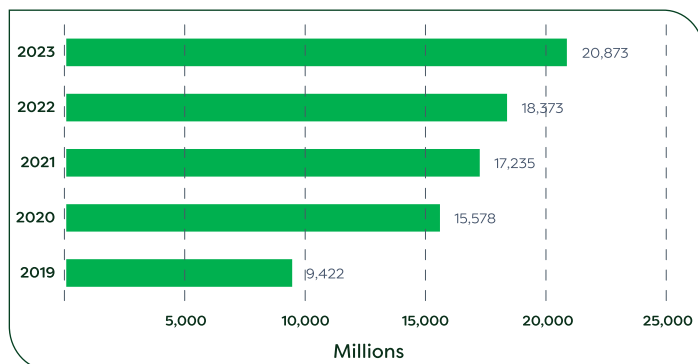
	2023 A	2022 A	2021 A	2020 A	2019 A
Revenue - Non-fixed odd wagering games, horse racing and pin codes	30,009,619	29,470,319	26,390,758	22,846,440	23,289,501
Income from fixed odd wagering games, net of prizes	19,895,313	21,301,832	17,525,589	16,513,756	15,226,809
Total Gaming Income	<u>49,904,932</u>	<u>50,772,151</u>	<u>43,916,348</u>	<u>39,360,196</u>	<u>38,516,310</u>
Direct Costs	(38,104,682)	(39,598,483)	(34,590,887)	(30,608,442)	(30,614,036)
Gross profit	11,800,250	11,173,668	9,325,461	8,751,754	7,902,274
Other Income	900,836	332,918	278,056	126,668	174,107
Selling, general and administrative expenses	(8,440,833)	(6,976,353)	(6,157,043)	(4,952,476)	(4,436,894)
Net Impairment losses on financial assests	(463,113)	(145,390)	(120,226)	(22,057)	(41,426)
Operating Profit	<u>3,797,139</u>	<u>4,384,843</u>	<u>3,326,248</u>	<u>3,903,889</u>	<u>3,598,061</u>
Finance costs	(609,354)	(535,195)	(30,396)	(269,872)	(145,797)
Revaluation gain investment property	83,999	9,743	(18,743)	(34,946)	9,446
Profit before taxation	3,271,785	3,859,390	3,277,109	3,599,071	3,461,710
Taxation	(830,084)	(781,340)	(951,378)	(1,178,124)	(988,076)
Net Profit, being Total Comprehensive Income for the Year	<u>2,441,701</u>	<u>3,078,050</u>	<u>2,325,731</u>	<u>2,420,947</u>	<u>2,473,634</u>
Net Profit, being Total Comprehensive Income for the Year is Attributable to:					
Stockholders of parent company	2,420,491	3,039,898	2,290,871	2,377,494	2,441,816
Non-controlling interest	21,210	38,152	34,860	43,453	31,818
	<u>2,441,701</u>	<u>3,078,050</u>	<u>2,325,731</u>	<u>2,420,947</u>	<u>2,473,634</u>
Earnings per Stock (Cents)	91.78 cents	115.42 cents	86.87 cents	90.15 cents	92.59 cents

Total Assets increased by \$2.5 billion to \$20.9 billion. The significant increase in assets is attributable to the purchase of additional shares in subsidiary McKayla Financial Services to 100% ownership, acquisition of equity holdings in Dolla Financial Services Limited, investments in Ghana through subsidiary IBet SV Ghana along with current year

acquisition of gaming machinery, equipment and software. Gains on equity investments was \$526.1 million for the year. In late 2023, 2 tranches of Bond instruments totalling \$3 billion was received through Sagicor Bank Limited to assist in the funding of these major acquisitions.

MANAGEMENT DISCUSSION AND ANALYSIS

TOTAL ASSETS



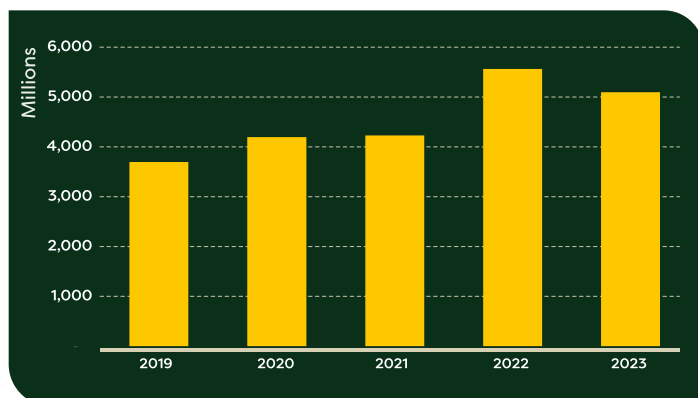
Cash and cash equivalents remained strong despite acquisition of subsidiaries and equity holdings, set up of gaming operations in Ghana, dividend payments and other operational considerations.

There was no default on debts and obligations during the year and cash generated from operations were sufficient to meet all ongoing operational needs.

Trade and other payables increased, year over year, due to the increased activity in the operations.

The equity attributable to stockholders of the company closed at **\$4.3B compared to \$4.7 billion** in 2022. The return on equity for the Group closed at 47.1%, reflected healthy growth for the year.

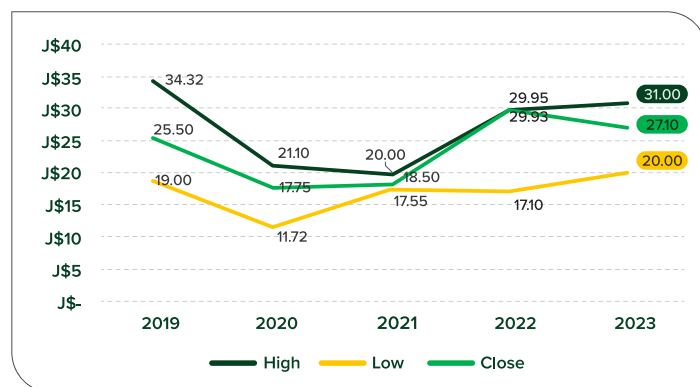
EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT



DIVIDENDS & STOCKHOLDERS' RETURNS

The total earning per share of 91.78 cents allowed shareholders to receive dividends of 71.83 cents which is net of unrealised gains on equity investments and includes proposed dividends of 10.88 cents. Total dividends paid to stockholders during the year amounted to \$2.4 billion, representing a dividend yield of 3.11%. The share price, in line with the decline of stocks on the Jamaica Stock Exchange fell to \$27.10 from the 2022 closing price of \$29.93.

DIVIDENDS & STOCKHOLDERS' RETURNS



SEGMENT RESULTS

All segments had strong performance for 2023. 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 Bill Payments and Remittances which are poised to bring tremendous value within the SVL Group and provide significantly more options and benefits to our customers. 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 64.3% of overall Gross Sales. The segment's operating profits increased from \$5.11B to \$5.21B, despite a decrease in revenues from our Instants product. The year over year increase was aided by a \$218M growth in revenues from our core product Cash Pot.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

SPORTS BETTING

The Segment recorded consistent results of \$1.13 billion compared to 2022 of \$1.17 billion. Sports Betting revenues have increased from \$14.3 billion to \$14.8 billion, a 3% year over year increase. 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.

Our Horseracing operations continue to show tremendous growth after the fall out due to covid lockdowns in the previous years. The second renewal of the Mouttet Mile Invitational which features the largest purse in the English-speaking Caribbean was staged at the Caymanas Park in December 2023 and recorded the highest revenues in a single race day in 2023. 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 as the Group continues 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. The Group recorded revenues of \$12.3 billion which was relatively in-line with the prior year. The segment produced a positive

result of \$359.3 million (\$333.2 million in 2022), resulting from the increased activity and promotions throughout the year.

The "Charge Up" platform continued to show steady growth and gives our customers greater access to phone top up 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 other income and expenses associated with sub-leased properties. Also, assets and liabilities not assigned to a segment are included.

STRATEGIC OUTLOOK

The Supreme Ventures Group delivered strong results in 2023, a year of continued strong performance, balance sheet 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 2023, 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

MANAGEMENT DISCUSSION AND ANALYSIS

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, for example:-

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 2023. 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:

The regional scale ratings were upgraded by 1 notch over the last review in 2022, while the national scale ratings were reaffirmed. The one-notch upgrade on the regional scale ratings is attributed to the improvement in the credit risk profile of the sovereign over the last 12 months following the lifting of the coronavirus (COVID-19) pandemic restrictions.

TYPE OF RATING	RATINGS ASSIGNED	
	Issuer/ Corporate Credit Rating	Foreign Currency Regional Scale
CariA-		CariA
National Scale		National Scale
jmA+		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.

RISK MANAGEMENT

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

RISK MANAGEMENT

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 Ventures 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 \$863 million (2022: \$1.43 billion)

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	2023	2022
Up to 30 days	67.74%	77.43%
31 – 60 days	2.08%	10%
61 – 90 days	0.92%	6%
Over 90 days	29.26%	6.96%
	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.

	2023 USD'000	2022 USD'000
Assets	6,233	9,743
Liabilities	(1,890)	(738)
Net exposure	4,343	9,005

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

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Board of Directors of Supreme Ventures Limited (SVL) remains dedicated to upholding and abiding by the highest standards of good corporate governance principles and recognises that an established robust governance framework 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.

RECOGNITION

As a testament of the company's commitment to excellence in maximizing value to our shareholders, SVL was honoured to be awarded the 2nd Runner Up in the category of Best Performing Company – Main Market at the JSE Best Practices Awards held in December 2023.

OUR APPROACH TO GOVERNANCE

A pro-active 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.

The Board is guided by sound governance standards and principles which are fundamental elements in discharging its fiduciary obligations, to act in the best interest of our shareholders and stakeholders, in a manner that aligns with the Group's strategy and risk appetite.

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, including its Regulators.

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.

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 enhancing confidence in the Group.

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.

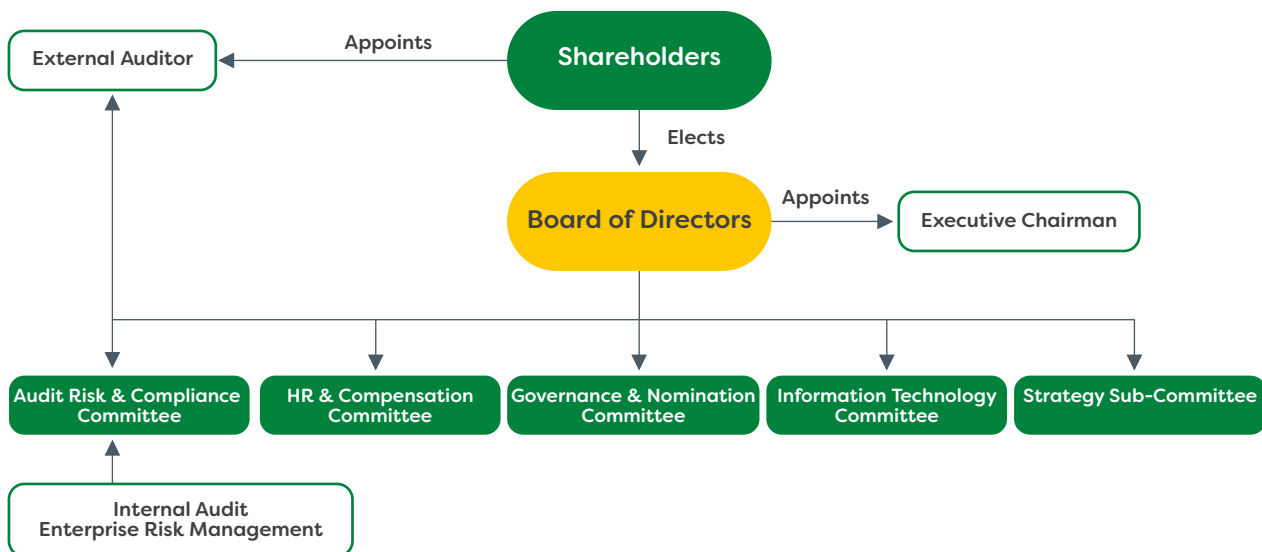
MAIN ACTIVITIES OF THE BOARD FOR THE YEAR

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

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

CORPORATE GOVERNANCE REPORT

GOVERNANCE STRUCTURE



SUBSIDIARY GOVERNANCE

The Board adopts an enterprise-wide 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.

The Board is kept apprised on the performance and activities of the respective subsidiaries through quarterly reports.

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, 2023, the Board's membership consisted of twelve (12) Directors. The Board has an optimal balance of Non-executive and Executive Directors, with eleven 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 a majority of the membership which is consistent with governance best practices.

70% Independent Non-executive (7 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) and executive Directors such that there is an appropriate level of challenge and independence brought to the Board's decision-making.

CORPORATE GOVERNANCE REPORT

LEAD INDEPENDENT DIRECTOR

The PSOJ's Corporate Governance Code 2021 recommends that where the Chairman is not an Independent Non-Executive Director, the Board should appoint a Lead Independent Director.

The responsibilities of Mr. Duncan Stewart as lead independent Director, include providing a sounding board to the Executive Chairman, chairing meetings of the Board where the Chairman is absent 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
- ▶ Leighton McKnight
- ▶ Usain Bolt

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.

CORPORATE GOVERNANCE REPORT

	GENERAL ADMINISTRATION	STRATEGIC MANAGEMENT	RISK MANAGEMENT	FINANCE/AUDIT	LEGAL EXPERTISE	REGULATORY COMPLIANCE	INDUSTRY KNOWLEDGE	CORPORATE GOVERNANCE	INFORMATION TECHNOLOGY
GARY PEART	○	○	○	○		○	○	○	○
DUNCAN STEWART	○	○	○	○				○	
W. DAVID MCCONNELL	○	○	○	○			○		
BRENT SANKAR	○	○	○	○		○	○	○	○
CHRISTOPHER BERRY	○	○	○	○		○	○	○	○
DAMIAN CHIN-YOU	○						○		○
EROLEEN ANDERSON	○	○							
LANCE HYLTON	○	○			○	○		○	
NICHOLAS MOUTTET	○	○		○		○	○	○	○
PETER MCCONNELL	○	○							
LEIGHTON MCKNIGHT	○	○	○	○		○	○	○	
USAIN BOLT	○	○							

SUBSIDIARY GOVERNANCE

Changes in Directorship:

- ▶ Mr. Leighton McKnight was appointed to the Board on June 13, 2023
- ▶ Dr. the Honourable Usain Bolt was appointed to the Board on June 16, 2023

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, the annual board evaluation exercise was conducted. The evaluation was facilitated externally by a Consultant and administered in the form of an electronic survey which was comprised of two activities

- ▶ Directors' Peer Review Evaluation in which Directors evaluate themselves and each other.
- ▶ A collective Board/Board Committees/CEO/Secretary Survey in which the objective was to determine how directors perceive the effectiveness of the Board, selected committees and its interactions with the Executive Chairman and Corporate Secretary

A Board evaluation report is critical in producing the key findings to include the strengths and weaknesses of the

CORPORATE GOVERNANCE REPORT

Board. The outcome of the evaluation exercise is important for gauging a Director's contribution, demonstrates commitment to the Board and helps to determine what areas may be appropriate for training in the following year.

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 five 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	5	8	1	1	3	-	1*
GARY PEART	5/5	8/8	-	-	3/3	-	1*
W. DAVID MCCONNELL	5/5	8/8	-	-	-	-	1
BRENT SANKAR	5/5	8/8	-	1	-	-	1*
CHRISTOPHER BERRY	4/5	1/8	1	1	3/3	-	1
DAMIAN CHIN-YOU	5/5	1/8	-	-	3/3	-	1
DUNCAN STEWART	3/5	6/8	1	-	2/3	-	1
EROLEEN ANDERSON	5/5	1/8	-	1	-	-	1
LANCE HYLTON	4/5	1/8	-	-	-	-	1*
NICHOLAS MOUTTET	5/5	1/8	1	-	3/3	-	1
PETER MCCONNELL	4/5	6/8	-	-	-	-	-
LEIGHTON MCKNIGHT	3/5	4/8	-	-	-	-	-
USAIN BOLT	1/5	-	-	-	-	-	-

The AGM was in the form of a physical meeting and access was also provided via live-stream.
 *Directors in physical attendance at AGM
 Mr. Leighton McKnight was appointed to the Board on June 13, 2023
 Dr. the Hon. Usain Bolt was appointed to the Board on June 16, 2023
 Mr. Leighton McKnight was appointed a member of the Audit Risk and Compliance Committee on July 20, 2023

CORPORATE GOVERNANCE REPORT

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 \$84,720,000
Total Directors' fees paid across Group	J \$169,403,000

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:

In keeping with best standards, the Audit, Risk & Compliance Committee (ARCC) is comprised of five (5) Non-Executive Directors, four (4) of whom are independent including the Committee Chairman. All members are financially knowledgeable and at least two (2) possess financial expertise in the understanding of financial statements, applicable accounting principles and experience in the preparation of audits, examination of or evaluating financial statements.

The quorum for all meetings of this Committee is three, two of whom must be independent Non-Executive Directors.

REPORT FROM THE AUDIT, RISK & COMPLIANCE COMMITTEE

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

The following changes occurred during the year:

- ▶ Mr. Leighton McKnight was appointed as a member of the Audit, Risk & Compliance Committee on July 20, 2023

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 eight (8) meetings in executing its mandate.

Following each meeting, a written report is submitted to the Board, outlining the significant matters discussed and recommendations made by the Committee to the Board for final approval.

The Committee has the authority to engage at the Company's expense, external legal, accounting and other professional expertise, when deemed necessary for the effective discharge of its responsibilities.

Functions:

- ▶ Monitoring the integrity of the financial reporting of the Group in keeping with accounting standards;
- ▶ Ensuring that there is compliance with relevant laws and regulations;
- ▶ Monitoring and reviewing the effectiveness, objectivity and independence of the external auditor and the internal audit function;
- ▶ 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;
- ▶ Considering and making recommendations where necessary to the Board with respect to matters for

CORPORATE GOVERNANCE REPORT

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 is guided by a Charter approved by the ARCC and reports were submitted to the Committee in keeping with the Internal Audit Plan for 2023. The Audit Committee authorizes the audit department to have unrestricted access to all functions, records, property and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.

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.

REVIEW OF CHARTER & POLICIES

The Committee reviewed and recommended changes to the Internal Audit Charter to ensure that it was in line with internal audit standards. In addition, the Committee reviewed and recommended the following policies to the Board for approval:

- ▶ Financial Policies and Procedures
- ▶ Point of Sale & Cash Management Operating Policies and Procedures
- ▶ Procurement Policy

OTHER ACTIVITIES

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

The reporting on Group regulatory compliance matters to include areas affecting AML/CFT/CPF compliance, significant tax and legal matters was provided to the Committee on a quarterly basis.

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 and discussed PwC's internal control memorandum with Management and the actions required to address their recommendations.

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

CORPORATE GOVERNANCE REPORT

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:

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.

Human Resources & Compensation Committee Members

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

Purpose:

The Committee assists the Board in its oversight of the effectiveness and integrity in 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 Director, Executives, and the general administration of material employee benefits, compensation plans and programmes.

The Committee convened one meeting during the year to carry out its mandate.

Summary of the Committee's activities for FY 2023:

- ▶ Assessed and made recommendations for the renewal of Executive contracts
- ▶ Reviewed recommendations for performance incentive payment to staff
- ▶ Reviewed proposed recommendation for the adoption of a groupwide policy on base compensation rate for minimum wage
- ▶ Reviewed and made recommendations for the implementation of a Sexual Harassment Policy

REPORT FROM THE GOVERNANCE AND NOMINATION COMMITTEE

Composition:

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

CORPORATE GOVERNANCE REPORT

Governance & Nomination Committee Members

- ▶ Christopher Berry - Committee Chairman
- ▶ Eroleen Anderson - Non-Executive Independent Director
- ▶ Brent Sankar - Non-Executive 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. It also gives oversight of the governance framework to ensure the adoption of best practices/ standards and enhances the long term value of the Company.

During the year, the Committee convened one meeting.

Summary of the Committee's activities for the FY 2023:

- ▶ Reviewed and recommended the appointment of Directors to the Board
- ▶ Discussed term limits for Independent Directors as per the Corporate Governance Policy of the Company

REPORT FROM THE INFORMATION TECHNOLOGY COMMITTEE

Composition:

The Committee comprises three Non-Executive Directors.

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

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 effectiveness of IT infrastructure 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 three meetings for the year.

Summary of the Committee's activities for FY 2023:

- ▶ Reviewed online payment platform options
- ▶ Assessed the progress of the Group's digital strategy and roadmap of projects

- ▶ Reviewed the adequacy of implemented security protocols to ensure information systems are protected and to guarantee optimal performance of applications
- ▶ Evaluate the Group's effectiveness on Cloud adoption
- ▶ Assessed the progress of the launched Fintech products

STRATEGY SUB-COMMITTEE

Composition:

The Committee is comprised of three Non-Executive Directors which includes one Independent Director.

Strategy Sub-Committee Members:

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

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 of 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 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, as well as 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.

CORPORATE GOVERNANCE REPORT

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/Counteracting-financing of terrorism.

CORPORATE GOVERNANCE REPORT

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, 2023

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 2023.

OPERATING RESULTS

	<u>\$'000</u>
Gross Profit	12,004,934
Profit before taxation	3,271,785
Taxation	<u>(830,084)</u>
Profit for the year	<u>2,441,701</u>
Earnings per stock	<u>91.78 cents</u>

DIVIDENDS

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

- ▶ 23.94 cents per stock unit paid on August 15, 2023
- ▶ 26.45 cents per stock unit paid on October 2, 2023
- ▶ 9.36 cents per stock unit paid on December 6, 2023
- ▶ 10.88 cents per stock unit paid on May 8, 2024

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, 2023** 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
 Mr. Leighton McKnight
 Dr. The Hon. Usain Bolt

During the year under review the following were the Board changes:

Mr. Leighton McKnight was appointed to the Board on June 13, 2023

Dr. the Honourable Usain Bolt was appointed to the Board on June 16, 2023

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. Damian Chin-You, Duncan Stewart and Gary Peart.

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 2023 a winning year.

BY ORDER OF THE BOARD

Dated this 28th day of March 2024



Dionne Reid
 Company Secretary



HUMAN RESOURCE REPORT

HUMAN RESOURCES REPORT

HUMAN RESOURCES REPORT

The achievement of the strategic goals of any organization depends heavily on its most valuable resource, its people. It's no different at Supreme Ventures Limited.

The Human Resources and Administration Department is charged with developing strategies to effectively support the Group by recruiting, retaining and upskilling #TeamSupreme. This is accomplished by having an effective recruitment process, developing strong policies and procedures, deploying employee engagement activities, and offering continuous learning and development opportunities across the Group.

Operating within a shared service structure, the HR&A 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. Customers

- ▶ Meet or exceed expectations on survey of internal customer

3. Internal Processes

- ▶ Automate internal processes

4. Organizational Capacity

- ▶ Build a high-performance team and an effective structure

COST EFFICIENCY

Through careful management, the Human Resource and Administration continues to manage 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

Employee development is a strategic priority for us, and so the HR team 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 a training programme is currently being developed in partnership EduFocal to provide team members access to online training sessions to enhance their skills.

STAFF ENGAGEMENT

In 2023, the HR team ramped up its staff engagement activities. For the first time, a company-wide Sports Day was held with all staff involved. The company also reintroduced a Christmas Party that was well attended. Seasonal engagements were also rolled out throughout the year to engage and incentivise the members of #TeamSupreme. We continue to keep the team updated on all the events and successes of the Group through the company biweekly newsletter – Supreme Pulse.





BOARD OF DIRECTORS

BOARD OF DIRECTORS



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

BOARD OF DIRECTORS



CHRISTOPHER BERRY

Christopher Berry 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.

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 customers 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 and 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

BOARD OF DIRECTORS



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 (Privatisation) Enterprise Team.

INDEPENDENT NON-EXECUTIVE DIRECTOR | APPOINTMENT: NOVEMBER 7, 2017



LEIGHTON MCKNIGHT

Leighton McKnight, CD, is a Chartered Accountant by profession and is currently an Executive in Residence at the UWI Mona School of Business and Management. He also serves on the boards of a number of listed companies and is the current Chairman for the Independent Commission for the Judiciary. He has received national and international recognition for his service including the Order of Distinction in the rank of Commander (CD) from the Government of Jamaica.

Mr. McKnight, a past president of the Institute of Chartered Accountants of Jamaica, recently retired as the Territory Leader of PricewaterhouseCoopers in Jamaica and also as the firm's Caribbean regional Diversity, Equity & Inclusion leader and Regional Advisory Services leader.

NON-EXECUTIVE DIRECTOR | APPOINTMENT: JUNE 13, 2023



DR. THE HON. USAIN BOLT

Usain Bolt is a world-renowned sports icon. In his illustrious track career, Bolt became the fastest man in the world and is arguably the most naturally gifted athlete in history. He is an eight (8) time Olympic champion and currently holds the world records in the 100m, 200m and 4x100m.

Since his retirement from athletics, Mr. Bolt has successfully established himself as an entrepreneur and a philanthropist, supporting numerous charitable efforts through his Usain Bolt Foundation.

NON-EXECUTIVE DIRECTOR | APPOINTMENT: JUNE 16, 2023

The background features a repeating pattern of green gears and coins. The gears are interlocking and have a textured, metallic appearance. The coins are scattered throughout, some showing their faces and others showing their edges. The overall color scheme is various shades of green, with a yellow horizontal bar at the bottom left.

SENIOR MANAGEMENT

SENIOR MANAGEMENT



GARY PEART
EXECUTIVE CHAIRMAN
SUPREME VENTURES LIMITED



XESUS JOHNSTON
CHIEF EXECUTIVE OFFICER
SUPREME VENTURES GAMING LIMITED



CLAIR-ANN KENNEDY
CHIEF EXECUTIVE OFFICER
SUPREME VENTURES SERVICES LIMITED
IBET SV GHANA



NADANI CHUNG
GROUP CHIEF FINANCIAL OFFICER
SUPREME VENTURES LIMITED



HEATHER GOLDSON
CHIEF MARKETING OFFICER (GROUP)
SUPREME VENTURES SERVICES LIMITED



DELROY ANDERSON
CHIEF INNOVATION OFFICER
SUPREME VENTURES FINTECH LIMITED

SENIOR MANAGEMENT



DON-MARK SMITH
GENERAL MANAGER
POST-TO-POST



PRESTON CHIN
GENERAL MANAGER
SUPREME ROUTE LIMITED



DWAYNE TULLOCH
SVP-RETAIL & CUSTOMER OPERATIONS
SUPREME VENTURES GAMING LIMITED



STEFAN MILLER
SVP-PRODUCT MANAGEMENT & BUSINESS
DEVELOPMENT
SUPREME VENTURES GAMING LIMITED



KRISTA-GAYE FISHER
VP LEGAL
SUPREME VENTURES SERVICES LIMITED

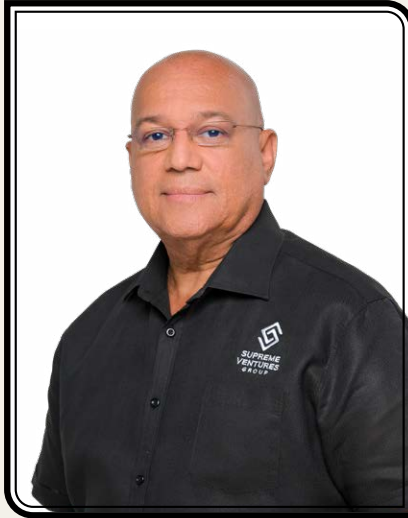


ADEN WHITTAKER
VP, OPERATIONS & IT SERVICES
SUPREME VENTURES SERVICES LIMITED

SENIOR MANAGEMENT



CHRISTOPHER WILLS
VP, OPERATIONS
SUPREME VENTURES RACING &
ENTERTAINMENT LIMITED



ANDREW BROMLEY
VP, GROUP SECURITY & SURVEILLANCE
SUPREME VENTURES SERVICES LIMITED



JEAN-PIERRE ROBINSON
VP, OPERATIONS
SUPREME VENTURES FINTECH LIMITED



SASHA-KAY BURKE
HEAD OF HR & ADMINISTRATION
SUPREME VENTURES LIMITED



ANTHONY LITCHMORE
HEAD OF FINANCE
SUPREME VENTURES SERVICES LIMITED



SHAUNA ISAACS
FINANCIAL CONTROLLER
SUPREME VENTURES SERVICES LIMITED

SENIOR MANAGEMENT



OKEENO GRANT
FINANCIAL CONTROLLER
SUPREME VENTURES LIMITED



ABIGAIL PRIMO-CHASE
DEPUTY GENERAL MANAGER
iBET SUPREME



DIONNE REID
COMPANY SECRETARY
SUPREME VENTURES LIMITED

*NOTE: LORNA GOODEN - GENERAL MANAGER SVREL | TENURE ENDED JANUARY 2023
MICHELLE YEO - VP, HR & ADMIN | TENURE ENDED JANUARY 2023
KATHERINE PC FRANCIS - SVP- LEGAL, REGULATORY & COMPLIANCE | TENURE ENDED OCTOBER 2023*



SHAREHOLDING REPORT

SHAREHOLDING REPORT

SUPREME VENTURES LIMITED TOP 10 SHAREHOLDING As at December 31, 2023

NAME	VOLUME	PERCENTAGE
Zodiac Caribbean Ventures Limited	788,513,572	29.899
Mayberry Jamaican Equities Limited	489,149,834	18.5477
Ian Kent Levy	334,541,171	12.6852
Janette Stewart	164,698,219	6.2451
Stephen R. Castagne	94,832,136	3.5959
St. Elizabeth International Limited	61,258,495	2.3228
Sagicor Pooled Equity Fund	47,450,421	1.7992
Sunfisher Corporation	24,648,118	0.9346
JCSD Trustee Services Sigma Equity	19,917,139	0.7552
Guardian Life Limited- Pooled Pension Fund	19,609,039	0.7435
Total Combined Holding	2,044,618,039	77.5283

SHAREHOLDING REPORT

SUPREME VENTURES LIMITED DIRECTORS' SHAREHOLDINGS As at December 31, 2023

DIRECTOR NAME	PRIMARY HOLDER	JOINT HOLDER/ CONNECTED INTERESTS	VOLUME	PERCENTAGE
Gary Peart	Gary Peart	Self	6,464,563	0.2451
	VDWSD Ltd	Shareholder	-	-
	Mayberry Jamaican Equities Limited	Connected	489,149,834	18.5477
	Mayberry Investments Limited Pension Scheme	Connected	2,493,603	0.0946
	Mayberry Investments Limited Retirement Scheme	Connected	1,400,000	0.0531
	Mayberry Investments Limited	Connected	-	-
	Mayberry Pension Limited I.R.P	Connected	1,530,612	0.058
	Mayberry Managed Clients Account	Connected	7,205,249	0.2732
	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
Mayberry Investments LTD. A/C 09022	Connected	255,065	0.0097	
			517,154,816	19.6096
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, 2023

DIRECTOR NAME	PRIMARY HOLDER	JOINT HOLDER/ CONNECTED INTERESTS	VOLUME	PERCENTAGE
Christopher Berry	Christopher Berry	Self	3,000,000	0.1138
	Mayberry Jamaican Equities Limited	Director	489,149,834	18.5477
	PWL Bamboo Group Holdings Limited	Director	38,319	0.0015
	Apex Pharmacy	Shareholder	-	-
	Apex Health Care	Shareholder	-	-
	Konrad Limited	Connected	2,000,000	0.0758
	Lasco Financial	Director	-	-
	Broadleaf Properties	Connected	-	-
	Konrad Berry	Connected	19,000	0.0007
	A+ Plus Medical Centre Ltd	Shareholder	500,000	0.019
	Mayberry Investments Ltd	Director	-	-
	Caribbean Producers Jamaica	Director	-	-
	Ho Choi Ltd	Shareholder	12,565,400	0.4765
	Mayberry Investments Limited Pension Scheme	Sponsor Trustee	2,493,603	0.0946
	Mayberry Investments Limited Retirement Scheme	Sponsor Trustee	1,400,000	0.0531
	Mayberry Pension Limited I.R.P	Sponsor Trustee	1,530,612	0.058
	Mayberry Managed Clients Account	Connected	7,205,249	0.2732
	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	-	-	
			523,552,521	19.8522
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	788,513,572	29.899
			802,328,236	30.4229
Leighton McKnight	Leighton McKnight	Self	188,000	0.0071
			188,000	0.0071
Usain Bolt	Usain Bolt	Self	-	-
	WellJen Limited	Director/ Shareholder	1,240,000	0.047
			1,240,000	0.047
		Total Combined Holding	1,424,868,293	54.0285

SHAREHOLDING REPORT

SUPREME VENTURES LIMITED SENIOR MANAGEMENT'S SHAREHOLDINGS As at December 31, 2023

NAME	JOINT HOLDER/CONNECTED INTERESTS	VOLUME	PERCENTAGE
Clair-Ann Kennedy	Self	-	-
Heather Goldson	David L Goldson	1,215,200	0.0461
Nadani Chung	Self	-	-
Krista-Gaye Fisher	Self	-	-
Xesus Johnston	Self	573,068	0.0217
	Franklin Johnston	34,700	0.0013
		607,768	0.023
Dionne Reid	Self	-	-
Don-Mark Smith	Self	1,500	0.0001
Preston Chin	Self	-	-
Stefan Miller	Self	-	-
Dwayne Tulloch	Self	38,372	0.0015
Delroy Anderson	Self	144,000	0.0055
	Michelle Anderson	1,581	0.0001
		145,581	0.0055
	Total Combined Holding	2,008,421	0.0762



CORPORATE LISTING

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

United Bank for Africa (Ghana) Ltd
Heritage Tower
Ambassadorial Enclave
GA 077 1906, Ridge,
Accra, Ghana

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

CAYMANAS
PARK

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iBET
SUPREME

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MAKING MORE
MILLIONAIRES

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SUPREME
VENTURES
FOUNDATION

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CAYMANAS PARK

GALLOPING TOWARDS GREATNESS

Under the stewardship of Supreme Ventures Racing and Entertainment Limited (SVREL), Caymanas Park has continued to advance towards profitability and sustainability while striving to become the premier destination for sports and entertainment in Jamaica and the wider region. The team's dedication to strengthening Jamaica's horseracing industry is evident through strategic initiatives and partnerships aimed at elevating the racing experience for enthusiasts.

ELEVATING THE RACING PRODUCT

Throughout the year, Caymanas Park forged key partnerships aimed at enhancing the overall racing product and expanding its reach. The debut of renowned race announcer Peter Aiello at the SVL sponsored Jamaica Cup highlighted the track's ambition to become a world-class racing venue. Corporate sponsorships from entities like TruShake and Lasco iCool demonstrated the growing appeal of horseracing as a platform for brand exposure and engagement. These partnerships not only enhance the racing experience but also contribute to Caymanas Park's mission of becoming the entertainment hub of the Caribbean.



PRESTIGE AT THE PARK

Undoubtedly, the standout achievement of the year was the successful staging of the 2nd Running of the Mouttet Mile Invitational (Gr. 1) meet. This marquee event, 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 anchored by renowned international analyst, Andy Serling. The presence of esteemed sponsors such as the Jamaica Tourist Board further elevated the event's prestige,

drawing larger crowds and adding glamour to the occasion. The thrilling races and captivating atmosphere reaffirmed Caymanas Park's commitment to revitalizing classic races and preserving Jamaica's horse racing heritage.

The 2023 edition of the Mouttet Mile proved to be a record-breaking event for Caymanas Park. It generated sales of over US\$230,000, doubling the 2022 performance for intertote wagering on platforms such as TVG/FanDuel, the largest advanced deposit wagering (ADW) platform in North America, NYRABet and ExpressBet/1/ST BET. The signal was also transmitted to Gulfstream, Aqueduct and Woodbine racetracks, as well as hotels and casinos and other wagering locations in North America on the local front, a record handle of J\$95M was generated on live racing at the Park.

The feature race was won by the imported thoroughbred Rough Entry, ridden by French-born jockey Julien Leparoux, trained by Rohan Crichton, owned by Rohan Crichton, Daniel Walters & Dennis Smith, and groomed by Raymond Irwin, further solidifying the international appeal of Caymanas Park's events.





MAKING MORE MILLIONAIRES

In line with its commitment to rewarding patrons, Caymanas Park continued its tradition of creating millionaires through various bet types and mandatory payouts. In 2023, 68 punters cashed in big through wagers on simulcasts and live racing, underscoring the track's dedication to providing lucrative opportunities for bettors and fostering excitement among patrons.

The year 2023 has been characterized by significant milestones and achievements for Caymanas Park, reflecting its ongoing efforts to deliver world-class racing experiences and drive growth within the industry. Through strategic partnerships, the revival of classic races, and the creation of innovative betting opportunities, Caymanas Park remains at the forefront of Jamaica's horseracing scene, poised to continue its journey towards greatness.

iBET SUPREME

With a strategic vision of international growth, and to establish iBet Supreme as the gaming destination of choice in Guyana, the company invested in a new state-of-the-art retail facility situated on Charlotte Street in the Guyanese capital of Georgetown.

The leadership also took the opportunity to undertake restructuring of its product offerings in that market to align with customer trends in the South American country. After thorough market research and analysis, the decision to transition away from numbers games and focus on sports betting, online gaming and VLTs was taken.

In another move to expand its customer base in the market and to improve the gaming experience for existing

customers, iBet Supreme formed a strategic alliance with popular digital wallet provider Mobile Money Guyana Inc. (MMG) to facilitate top ups and cash out on their platform. With its extensive network, MMG will increase accessibility and convenience for iBet customers to play and enjoy their favourite online games.

The outlook on Guyana remains positive and additional strategic investment will be made in the market to increase brand awareness and to capitalize on the expanding Guyanese economy.



SUPREME VENTURES GAMING

STAYING AHEAD OF THE GAME

For over two decades, Supreme Ventures Gaming (SVG) has maintained its position as the undisputed leader of gaming and related entertainment in Jamaica.

An unwavering commitment to innovation, partnership, and responsible gaming has propelled the company to new heights in 2023. As SVG continues its journey of growth and evolution, it remains dedicated to staying ahead of the game, enriching the gaming experience for players while upholding the highest standards of integrity and responsibility.

RELENTLESSLY INNOVATING

Innovation stands as a cornerstone of SVG's operations. Throughout the year, the company introduced exciting enhancements to its existing offerings, aiming to provide players with more opportunities to win.

Celebrating its 22nd anniversary, SVG unveiled the Cash Pot Tun Up Di Pot feature, enhancing its iconic numbers game. Additionally, the Money Train feature was incorporated into the Money Time game, enriching gameplay experiences. Both additions were met with enthusiasm from gamers. Furthermore, SVG extended its reach and strengthened its linkages to entertainment by offering Cash Pot players exclusive opportunities to win concert tickets, further creating value for these loyal gamers.

Notably, the introduction of a non-cash top prize on a Supreme Scratchaz ticket marked a historic milestone for the company. The instant win game, Supreme Wheels, offered gamers the opportunity to win one of several 2024 GVM Haval H6s.



In line with this commitment to technological advancement, SVG embarked on a project to develop a unified sign-on platform for its online gaming products, enhancing accessibility and user experience across platforms. Players can now conveniently access lottery games, the Just Bet sports betting platform, and horse racing with one sign on into SV Games.



SUPREME VENTURES GAMING

RES



In 2023, Supreme Ventures Gaming successfully fulfilled its mission of making winners everyday. Through its innovations and consistent delivery of Jamaica's favourite games, the company created more millionaires thereby enhancing the lives of players across its diverse range of games.

With five Lotto jackpot and three Super Lotto jackpot wins including the largest ever jackpot in history of J\$542M or US\$3.5M, it was a great year for major jackpot wins. Sports betting also maintained its position as the fastest growing segment, delivering a 14% increase in payout when compared to the previous year.

Collectively, the company paid out over J\$49 Billion in winnings across all its numbers games further solidifying its reputation as the company delivering the most and biggest wins.

BUILDING RELATIONSHIPS

Recognizing the tremendous contribution of its >1000 strong retail network, SVG has consistently rewarded those retailers who've performed exceptionally well. This year, the company took the recognition of these retailers to another level with the staging of an inaugural awards ceremony to honor top retailers collectively. This event not only celebrated their achievements but also strengthened the bond between SVG and its partners, laying the foundation for future collaborations.

GAMING RESPONSIBLY

As SVG continues to thrive in the lottery industry both locally and overseas, it remains steadfast in its dedication to responsible gaming practices. The company's efforts in this regard have been globally recognized, as evidenced by the prestigious Responsible Gaming Framework - Level 2 Certification from the World Lottery Association (WLA). This certification underscores SVG's commitment to implementing measures and tools to promote safe and supportive gaming environments across all business segments, prioritizing the well-being of players.

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

Supreme Ventures Foundation (SVF), the philanthropic arm of SVL continued its commitment to corporate social responsibility, focusing on powering the dreams of community heroes and the most vulnerable Jamaicans by investing in numerous impactful initiatives.

POWERING DREAMS OF THE NEXT GENERATION

The SVF has long recognised the importance of investing in the next generation of Jamaicans as empowered youth will result in an empowered nation.

With this mission, the Foundation undertook a number of initiatives aimed at supporting youth, with particular emphasis on those who reside in state care.

The SVF seized the opportunities presented during May, recognized as Child's Month in Jamaica, to amplify our efforts in supporting the youth and children's homes across

the island through the Supreme Ventures Foundation (SVF). In recognition of National Read Across Jamaica Day, SVF volunteers shared the joy of reading with students from Grades 1 -3 at Melrose Primary School in Kingston and Waterford Primary in Portmore, St. Catherine. The Foundation also donated 30 books to each school's library to promote the advancement of reading and literacy in the children. Further underscoring the SVF's commitment to improving literacy levels, the SVF supported Melrose Primary's Annual Reading Competition later in the month by contributing book vouchers to the top performers in the 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.

The work with children continued with Labour Day projects at two children's homes - 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.



SUPREME VENTURES FOUNDATION

The focus on children continued into the summer months. The annual Supreme Ventures Foundation Junior Creators Robotics Camp staged in partnership with Halls of Learning was once again a resounding success. Over 100 young participants, including over 40 children who reside within state care facilities overseen by the Child Protection and Family Services Agency (CPFSA), were provided with a week-long immersion in robotics, coding and Lego engineering. The Foundation continues to invest in the Camp as the Board believes that exposure to robotics, coding and the other elements of the curriculum is a great way to stimulate

interest in STEM in the next generation of Jamaica's leaders and innovators. By extending this opportunity to children in state care, the SVF strives to empower them with skills and experiences that can significantly impact their personal growth and future success regardless of their circumstances. This year each participant was provided with one-month free access to online game-based lessons in coding. The camp culminated with an awards ceremony where each child received a backpack with school supplies and the four top performers were awarded an education grant of J\$50,000 for the week's achievements.



Last year the SVF introduced another impactful initiative for children, the SVF partnered with Dent-Care Smile Clinic to give more than 100 children in state care free teeth cleaning. Beyond the dental care that was provided, the children residing in CPFSA-operated homes Summerfield Children's Home in Clarendon and Homestead Place of Safety in St. Andrew all received book vouchers and essential school supplies to help ease the increasing back to school expenses.



SUPREME VENTURES FOUNDATION

SVF's support of children literally soared to new heights in Christmas with an extraordinary Christmas activity. More than 80 wards of the state were taken on a plane ride experience dubbed 'Dream Supreme'. The special activity was designed to inspire the children to never limit their dreams and to demonstrate that even the sky is no limit. With

eager faces, filled with anticipation and wonder, the children, hailing from various CPFSA homes such as Homestead, Wortley Homes, The Nest, Annie Dawson Sunbeam, SOS, Yadel, and St Andrew Hostel, embarked on a chartered flight from Montego Bay back to Kingston capping a fun-filled and unforgettable day.



BOARDING PASS

DESTINATION:
DREAMING SUPREME!

Our 20th Anniversary scholarship recipients were not to be left out of the yearlong focus on youth. In addition to covering their tuition, accommodation costs and other education expenses, the SVF hosts a "Pep Up" session each year designed to engage, rejuvenate and inspire its scholarship awardees. This year's session included information on road safety preparedness and general wellness activities. SVF set the cohort on the path to learning to drive and acquiring their first drivers' license, all expenses paid.

Our support of Children in State Care also extended to the often-overlooked caregivers. In recognition of Mother's and Father's Day, SVF pampered all the caregivers across the system with a special spa day to help them relax and rejuvenate and to show appreciation for their yeoman's work.



SUPREME VENTURES FOUNDATION

POWERING COMMUNITIES

SVF's flagship capacity building programme for micro and small entrepreneurs Supreme Heroes returned with its second cohort in 2023.

This second cohort of Supreme Heroes are Kerr's Decor n More, operated by Andrea Kerr-Finakin and Bamboo Fever Restaurant, operated by Emeelia McCallum, both based in Mount Salem, St James, as well as FarmerDex Wholesale, operated by Aneisha Miller, and Jamaica Bike Life, run by Matthew Prendergast, both located in St Andrew. The project was once again facilitated through Changemakers Limited, which did considerable background research to validate the new cohort.

The four finalists were exposed to capacity building training programme with the University of the West Indies Mona Entrepreneurial and Commercialization Center (MECC). After weeks of full immersions in the sessions, the Heroes graduated and their successful efforts were recognized with a certificate of achievement from MECC.

The cohort then moved on to the second phase of the programme, the implementation of 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.

Further cementing a continuing partnership SVL partnered with the National Blood Transfusion Service (NBTS) to undertake a major blood drive at Caymanas Park to involve the wider Portmore community. These efforts aimed to boost blood bank reserves and foster a spirit of brotherhood within the community. Additionally, SVL collaborated with NBTS to organize blood drives as part of the Supreme Master Domino Series, maximizing participation and awareness about the importance of blood donation.

Playing an active role in sustainable transformation at a national level, the Foundation made donations to a number of social intervention projects targeting vulnerable communities and groups across the island. The Foundation signed on as an official donor to Project STAR, a social and economic transformation initiative created by the Private Sector Organisation of Jamaica (PSOJ) in partnership with the Jamaica Constabulary Force (JCF) and driven by communities to bring about societal transformation through targeted interventions in under-resourced areas of Jamaica.

Peace management and conflict resolution is a key factor in social transformation and so the Foundation also supported the Peace and Love in Schools (PALS) programme with the staging of their Peace Month activities in March.

POWERING SPORTING DREAMS

The company'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 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.

It was therefore a natural progression to participate in a reward programme for the Netball World Championship bronze medal winning team whose performance brought pride and joy to a nation. Each Sunshine Girl was rewarded with a J\$1 Million Dollar Investment account at Mayberry Investments. This account was partially funded by the Supreme Ventures Foundation. The Sunshine Girls were also invited to Caymanas Park as special guests and were honoured with a race named after them, the Sunshine Sprint, sharing the focus on the 10-race card honouring Winston "Fanna" Griffiths, the Caribbean's winningest jockey.



SUPREME VENTURES FOUNDATION



Meanwhile, the local Netball Major and Minor Leagues sponsored by Supreme Ventures culminated in July. SVL congratulates the winning teams Upsetter A and Raven B in the Major League and Minor League, respectively.

The Jamaica Premier League has been another sporting activity that has benefitted from sponsorship from SVL. The League, which benefits clubs and talented youth across the country, has been restructured over the past few years to increase governance and improve the training and qualifications opportunities for the participants. The partnership will continue for the 2023/2024 season.

Team SUPREME!



Winners!!



CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023



Supreme Ventures Limited

**Consolidated Financial Statements
31 December 2023**

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 2023, 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 IFRS Accounting Standards 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 2023;
- 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 2023;
- 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, comprising material accounting policy information 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 18 other components (4 components representing inactive entities) of which, we selected 9 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), Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited), McKayla Financial Services Limited, PosttoPost Betting Limited and IBET Ghana 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><i>Impairment Assessment of Goodwill (Group & Company)</i></p> <p><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>Goodwill accounts for \$2,054 million or 9.84% of total assets for the Group and \$190 million or 1.54% of total assets for the Company as at 31 December 2023.</p> <p>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>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>The key assumptions were assessed by management as being:</p> <ul style="list-style-type: none"> • Pre-tax discount rate; • Terminal value growth rate; and • EBITDA growth rate in the terminal year. 	<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"> • 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 2023 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 style="list-style-type: none"> ➢ Pre-tax discount rate – evaluated the reasonableness of management's determined rate by developing an independent expectation of the rate. ➢ Terminal value growth rate – 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. ➢ EBITDA growth rate in the terminal year – 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.



Key audit matter	How our audit addressed the key audit matter
<p data-bbox="275 495 833 634"><i>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.</p> <p data-bbox="275 663 782 743">Investment properties represent \$942 million or 4.51% of total assets for the Group as at 31 December 2023.</p> <p data-bbox="275 772 809 1045">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 data-bbox="275 1075 809 1155">Management, with the assistance of independent valuation experts, used different methods to value the Group's two investment properties as follows:</p> <p data-bbox="275 1184 833 1486">For the one of the two properties, 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 data-bbox="275 1516 826 1734">For the other 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 data-bbox="863 394 1488 474">Based on the procedures performed, management's assumptions and judgements relating to the carrying value of goodwill, in our view, were not unreasonable.</p> <p data-bbox="863 663 1498 743">Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures amongst others:</p> <ul data-bbox="863 772 1505 1495" 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 data-bbox="863 1524 1488 1604">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 Accounting Standards 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 2024

Supreme Ventures Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
Revenue - Non-fixed odd wagering games, horse racing and pin codes	6	30,009,619	29,470,319
Income from fixed odd wagering games, net of prizes	7	19,895,313	21,301,832
Total Gaming Income		<u>49,904,932</u>	<u>50,772,151</u>
Interest revenue		204,684	93,617
Revenues		<u>50,109,616</u>	<u>50,865,768</u>
Direct Costs	9	(38,104,682)	(39,598,483)
Gross Profit		<u>12,004,934</u>	<u>11,267,285</u>
Other income	10	696,152	239,301
Revaluation gain on investment properties	18	83,999	9,743
Selling, general and administrative expenses	11	(8,440,833)	(6,976,353)
Net Impairment losses on financial assets	11	(463,113)	(145,390)
Operating Profit		<u>3,881,139</u>	<u>4,394,586</u>
Finance costs	13	(609,354)	(535,195)
Profit before Taxation		<u>3,271,785</u>	<u>3,859,391</u>
Taxation	14	(830,084)	(781,340)
Net Profit for the year		<u>2,441,701</u>	<u>3,078,051</u>
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss -</i>			
Currency translation differences		22,219	(35,704)
TOTAL COMPREHENSIVE INCOME		<u><u>2,463,920</u></u>	<u><u>3,042,347</u></u>
Net Profit for the year is			
Attributable to:			
Shareholders of the Company		2,420,491	3,039,899
Non-controlling interest		21,210	38,152
		<u><u>2,441,701</u></u>	<u><u>3,078,051</u></u>
Total Comprehensive Income for the Year is Attributable to:			
Shareholders of the Company		2,442,710	3,004,195
Non-controlling interest		21,210	38,152
		<u><u>2,463,920</u></u>	<u><u>3,042,347</u></u>
Earnings per stock unit during the year			
Basic and fully diluted	16	91.78 cents	115.42 cents

Supreme Ventures Limited

Consolidated Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
Non-Current Assets			
Property, plant and equipment	17	5,580,294	4,864,374
Biological asset		16,389	14,530
Investment properties	18	942,000	858,001
Goodwill and intangible assets	19	4,012,911	4,366,641
Loans and advances, net of provision for credit losses	41	151,363	14,192
Long-term receivables	20	21,557	24,087
Financial assets at amortised cost		1,883	1,883
Financial assets at fair value	42	1,664,949	501,397
Other investments	21	16,764	16,340
Deferred tax asset	22	890,443	653,423
Total non-current assets		13,298,553	11,314,868
Current Assets			
Inventories	23	257,613	313,456
Trade and other receivables	24	3,611,522	3,269,014
Current portion of loans and advances, net of provision for credit losses	41	1,036,839	391,136
Current portion of long-term receivables	20	1,117	1,117
Taxation recoverable		41,021	36,009
Restricted cash	40	178,139	79,401
Cash and cash equivalents	25	2,447,708	2,968,468
Total current assets		7,573,959	7,058,601
Current liabilities			
Prize and other liabilities	26	1,476,867	1,865,413
Contract liabilities		25,594	12,469
Trade and other payables	27	4,327,039	3,744,968
Current portion of lease liabilities	31	250,157	180,679
Current portion of long-term loans and payables	30	290,938	359,652
Income tax payable		212,834	604,334
Total current liabilities		6,583,429	6,767,515
Net Current Assets		990,530	291,086
Capital Employed		14,289,083	11,605,954

Supreme Ventures Limited

Consolidated Statement of Financial Position (Continued)

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
Equity			
Attributable to Shareholders of the Company			
Share capital	28	1,967,183	1,967,183
Treasury shares	28	(353,703)	(130,743)
Capital reserves	29	62,486	62,486
Other reserve		(204,312)	(47,656)
Retained earnings	15	2,789,118	2,834,078
Equity attributable to shareholders of the Company		4,260,772	4,685,348
Non-controlling interests		835,247	879,545
Total equity		5,096,019	5,564,893
Non-current liabilities			
Long term loans and payables	30	8,423,704	5,072,211
Lease liabilities	31	603,894	767,347
Deferred tax liability	22	165,466	201,503
Total non-current liabilities		9,193,064	6,041,061
Total equity and non-current liabilities		14,289,083	11,605,954

Approved for issue by the Board of Directors on 28 March 2024 and signed on its behalf:



Gary Peart

Director



Duncan Stewart

Director

Supreme Ventures Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Attributable to Shareholders' of the Company									
	Number of Shares '000	Share Capital \$'000	Treasury Shares \$'000	Capital Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Controlling Interests \$'000	Non-Controlling Interests \$'000	Total \$'000	
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		
Net Profit for the year	-	-	-	-	-	2,420,491	21,210	2,441,701		
Currency translation differences	-	-	-	-	22,219	-	-	22,219		
Total Comprehensive Income	-	-	-	-	22,219	2,420,491	21,210	2,463,920		
Acquisition of additional shares in subsidiary (note 36a and 36b)	-	-	-	-	-	6,366	(50,722)	(44,356)		
Employee share scheme (note 40)	-	-	-	-	(178,875)	-	-	(178,875)		
Transactions with shareholders										
Purchase of shares (note 28)	-	-	(222,960)	-	-	-	-	(222,960)		
Distributions (note 34)	-	-	-	-	-	(2,471,817)	(14,786)	(2,486,603)		
Balance at 31 December 2023	2,637,255	1,967,183	(353,703)	62,486	(204,312)	2,789,118	835,247	5,096,019		

Supreme Ventures Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
Cash Flows from Operating Activities			
Net Profit for the year		2,441,701	3,078,051
Adjustments for:			
Depreciation of property and equipment	17	742,686	694,950
Amortisation of intangible assets	19	301,690	316,033
Adjustment of property and equipment		(54,896)	(34,132)
Share based option		(178,875)	(114,730)
Gain on fair value adjustment of financial asset		(526,052)	(134,702)
Revaluation gain on investment property		(83,999)	(9,743)
Bad debts recognised		463,113	145,422
Net foreign exchange (gain)/loss		(8,499)	92,260
Interest income	10	(45,028)	(20,753)
Interest expense	13	655,244	454,175
Taxation	14	830,084	781,340
Operating cash flow before movement in working capital		<u>4,537,169</u>	<u>5,248,171</u>
Change in non-cash working capital balances:			
Inventories		55,843	(11,798)
Trade and other receivables		(620,297)	(844,227)
Loans and advances		(966,557)	(196,877)
Trade and other payables		456,003	(355,108)
Prize liabilities		(388,546)	1,090,628
Cash generated by operations		<u>3,073,615</u>	<u>4,930,789</u>
Interest paid		(482,196)	(956,844)
Taxation paid, net		<u>(1,499,653)</u>	<u>(310,467)</u>
Cash provided by operating activities		<u>1,091,766</u>	<u>3,663,478</u>
Cash Flows from Investing Activities			
Buyback shares		(222,960)	(130,743)
Payment for additional shares in subsidiary		(67,980)	(208,251)
Payment for financial asset at fair value through profit or loss		(637,500)	(231,693)
Acquisition of biological asset		(1,859)	(14,305)
Acquisition of property and equipment		(1,005,888)	(1,482,825)
Acquisition of intangible assets		(322,204)	(335,653)
Proceeds on disposal of property and equipment		-	12,000
Long-term receivables		2,530	2,201
Interest received		43,387	20,962
Cash used in investing activities		<u>(2,212,474)</u>	<u>(2,368,307)</u>
Cash flows (used in)/provided by operating and investing activities carried forward to page 6		<u>(1,120,708)</u>	<u>1,295,171</u>

Supreme Ventures Limited

Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	2023 \$'000	2022 \$'000
Cash flows (used in)/provided by operating and investing activities brought forward from page 5	(1,120,708)	1,295,171
Cash Flows from Financing Activities		
Distributions	(2,468,603)	(2,451,328)
Repayment of long-term payables	(155,011)	(287,444)
Addition of long-term liabilities	3,381,762	263,531
Additions to lease liabilities	(94,949)	28,873
Repayment of lease liabilities	(244,960)	(286,058)
Cash provided by/(used in) financing activities	590,137	(2,732,426)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(530,571)	(1,437,255)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	9,811	34,507
Cash and cash equivalents at the beginning of the year	2,968,468	4,371,216
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25 <u>2,447,708</u>	<u>2,968,468</u>

Supreme Ventures Limited

Company Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
Income	8	4,466,053	3,299,424
Operating expenses	11	(1,094,157)	(737,931)
Net impairment losses on financial assets		-	(30,641)
Operating profit		<u>3,371,896</u>	<u>2,530,852</u>
Other income	10	640,991	235,617
Finance costs	13	(565,499)	(340,592)
Profit before taxation		<u>3,447,388</u>	<u>2,425,877</u>
Taxation	14	88,024	27,378
Net Profit for the year, being Total Comprehensive Income		<u><u>3,535,412</u></u>	<u><u>2,453,255</u></u>

Supreme Ventures Limited

Company Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)


	Note	2023 \$'000	2022 \$'000
Non-Current Assets			
Property, plant and equipment	17	729,021	725,755
Investment in subsidiaries	32	3,995,792	3,828,955
Goodwill and intangible assets	19	500,797	512,323
Long-term receivables	20	527,028	1,288,752
Financial assets at amortised cost		1,883	1,883
Financial assets at fair value	42	1,664,949	501,397
Deferred tax assets	22	180,766	92,741
		<u>7,600,236</u>	<u>6,951,806</u>
Current Assets			
Income tax recoverable		18,162	15,443
Due from subsidiaries	33	3,876,188	453,052
Trade and other receivables	24	264,855	230,345
Current portion of long-term receivables	20	151,851	88,327
Restricted cash	40	151,670	52,932
Cash and cash equivalents	25	181,259	431,957
		<u>4,643,985</u>	<u>1,272,056</u>
Current liabilities			
Trade and other payables	27	240,087	209,244
Due to Subsidiaries	33	147,490	481,938
Current portion of lease liabilities	31	-	7,461
Current portion of long-term loans	30	203,898	259,669
		<u>591,475</u>	<u>958,312</u>
Net Current Assets			
Capital Employed		<u>4,052,510</u>	<u>313,744</u>
		<u>11,652,746</u>	<u>7,265,550</u>
Equity			
Share capital	28	1,967,183	1,967,183
Capital reserve	29	70,616	62,486
Retained earnings	15	1,602,555	538,960
Equity attributable to Shareholders of the Company		<u>3,640,354</u>	<u>2,568,629</u>
Non-Current liabilities			
Long-term loans	30	8,012,392	4,696,921
Total non-current liabilities		<u>8,012,392</u>	<u>4,696,921</u>
Total equity and non-current liabilities		<u>11,652,746</u>	<u>7,265,550</u>

Approved for issue by the Board of Directors on 28 March 2024 and signed on its behalf:



Gary Peart

Director



Duncan Stewart

Director

Supreme Ventures Limited

Company Statement of Changes in Equity

Year ended 31 December 2023

(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 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
Net Profit for the year, being Total Comprehensive Income	-	-	-	3,535,412	3,535,412
Transactions with shareholders					
Employee Share Scheme	-	-	8,130	-	8,130
Distributions (note 34)	-	-	-	(2,471,817)	(2,471,817)
Balance at 31 December 2023	2,637,255	1,967,183	70,616	1,602,555	3,640,354

Supreme Ventures Limited

Company Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		3,535,412	2,453,255
Items not affecting cash:			
Depreciation	17	16,933	16,605
Amortisation of intangible assets	19	35,226	35,286
Dividend income	8	(3,493,817)	(2,700,783)
Gain on disposal of property and equipment		(82)	-
Net foreign exchange gain on cash and cash equivalents		(30)	(2,081)
Impairment losses recognised on trade receivables		-	30,641
Gain on fair value adjustment on financial asset		(526,052)	(134,702)
Interest income	10	(114,939)	(100,915)
Interest expense	13	566,530	363,635
Share-based compensation		8,130	-
Taxation	14	(88,024)	(27,378)
Operating cash flow before movement in working capital		<u>(60,713)</u>	<u>(66,437)</u>
Change in non-cash working capital balances:			
Due from subsidiaries		(3,367,013)	(93,864)
Trade and other receivables		(28,466)	(14,317)
Income tax recoverable		(2,719)	(55,750)
Due to subsidiaries		(334,448)	426,967
Trade and other payables		<u>(106,955)</u>	<u>53,223</u>
Cash (used in)/ generated by operations		<u>(3,900,314)</u>	<u>249,822</u>
Interest paid		<u>(471,059)</u>	<u>(319,993)</u>
Cash used in operating activities		<u>(4,371,373)</u>	<u>(70,171)</u>
Cash Flows from Investing Activities			
Payment for acquisition of additional shares in subsidiary		-	(201,492)
Buyback of shares		(222,960)	(130,743)
Payment for financial assets at fair value through profit or loss		(637,500)	(231,693)
Acquisition of property and equipment		(20,199)	(105,434)
Acquisition of intangible assets		(23,701)	(56,138)
Issuance of long-term receivables		-	(78,969)
Collection of long-term receivables		698,201	247,191
Dividends received		3,493,817	2,700,783
Interest received		108,895	85,396
Cash provided by investing activities		<u>3,396,553</u>	<u>2,228,901</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(2,471,817)	(2,451,328)
Addition of long-term liabilities		3,381,762	-
Repayment of lease liabilities		(7,758)	(10,125)
Loan repaid		<u>(178,095)</u>	<u>(216,049)</u>
Cash provided by/(used in) financing activities		<u>724,092</u>	<u>(2,677,502)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(250,728)</u>	<u>(518,772)</u>
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		30	(21,277)
Cash and cash equivalents at the beginning of the year		431,957	972,006
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	<u>181,259</u>	<u>431,957</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(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, betting, gaming and lottery operations.

The subsidiaries and their principal activities are as follows:

Name of Company	Principal Activity	Country of Incorporation	Percentage Ownership 2023 %
Supreme Ventures Gaming Limited and its subsidiary: (formerly Prime Sports Jamaica Limited)	Betting, gaming and lottery operations licenced by the Betting, Gaming and Lotteri Commission (BGLC)	Jamaica	100
Supreme Route Limited (formerly Bingo Investments Limited)	Betting & Gaming	Jamaica	80
Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited) and its subsidiary:	Sales of charge up and micro-financing	Jamaica	100
McKayla Financial Services Limited	Micro-financing	Jamaica	100
Supreme Ventures Services Limited (formerly Big A Track A 2003 Limited)	Sale of pin codes and shared services	Jamaica	100
Supreme Ventures Racing and Entertainment Limited	Betting and horse-racing operations licenced by the BGLC and Jamaica Racing Commission (JRC)	Jamaica	100
Supreme Group Incorporated	Holding Company	St. Lucia	100
Supreme Guyana Incorporated	Holding Company	St. Lucia	100
Supreme Ventures Guyana Holdings Inc	Holding Company	Guyana	100
Supreme Ventures Enterprise Inc	Betting & Gaming	Guyana	100
Post to Post Betting Limited	Betting & Gaming	Jamaica	80
Supreme Ventures Mauritius and its subsidiary:	Holding Company	Mauritius	100
IBET Ghana Limited	Management & Technology Services	Ghana	100

The Group also has 100% shareholdings in non-trading entities, Chillout Ventures Limited, Supreme Ventures REIT Limited (formerly Supreme Ventures Lotteries Limited), Jamaica Lottery Company Holdings Limited and Transtel Jamaica Limited, all incorporated in Jamaica.

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

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activity (Continued)

Supreme Ventures Mauritius Limited was incorporated on 31 July 2023 as a wholly owned subsidiary of Supreme Ventures Limited and the holding company for IBET Ghana Limited.

SVG Stakeholder Trust Limited

On March 4, 2022, the Board of Directors established a share participation scheme which may involve, from time to time, employees, retailers, officers, agents, directors and other stakeholders of the Company and its subsidiaries and affiliates.

The Group has no voting rights in the Trust created for plan participants. However, under the Trust agreement, it instructs the trustee as to the sale and purchase of Company shares and payments to beneficiaries, gives the Trust money to buy Company shares, assumes vesting variability, and ensures that the Trust holds a sufficient number of shares to meet its obligations to the beneficiaries. For these reasons, the Trust is considered a structured entity as per IFRS 10. The Group consolidates the Trust in its Financial Statements.

2. Material Accounting Policy Information

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

(i) *Compliance with IFRS*

The consolidated financial statements of the Supreme Ventures Group have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standard Interpretations Committee (SIC Interpretations)

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 1, 'Presentation of Financial Statements' - Classification of Liabilities as Current or Noncurrent, (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. 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 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(a) Basis of preparation (continued)

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

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

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

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 2024, and the Group has not early adopted them.

Amendment to IFRS 16 – Leases on sale and leaseback, (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The adoption of the standard is not anticipated to have any significant impact on the operations of the Group.

Amendment to IAS 1 – Non-current liabilities with covenants, (effective for annual periods beginning on or after 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The adoption of the standard is not anticipated to have any significant impact on the operations of the Group.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(a) Basis of preparation (continued)

Amendment to IAS 7 and IFRS 7 - Supplier finance (effective for annual periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The adoption of the standard is not anticipated to have any significant impact on the operations of the Group.

Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The adoption of the standard is not anticipated to have any significant impact on the operations of the Group.

New IFRS sustainability disclosure standards effective after 1 January 2024 (effective for annual periods beginning on or after 1 January 2024).

This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The Group is assessing the impact of the standard on its operations.

(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 in profit or loss. 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(b) Consolidation (continued)

(ii) 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.

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 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(d) Revenue recognition (continued)

(i) *Lottery*

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.

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

VLT games are offered at gaming lounges and food and beverage operations. Income is recognised 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. Income is 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(d) Revenue recognition (continued)

(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.

(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
Right of use 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. The Investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis.

Supreme Ventures Limited

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(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.

(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.

Supreme Ventures Limited

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(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.

An allowance is required for ECL resulting from default events that are possible within the next 12 months (‘12-month ECL’). Financial assets where 12-month ECL is recognised are considered to be ‘stage 1’

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 which are considered to have experienced a significant increase in credit risk are in ‘stage 2’.

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. 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’.

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.

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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(i) Impairment of Financial assets (continued)

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.

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 2023 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, recognize impairment gains and losses are recognized in the statement of comprehensive income.

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.

(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 investment securities, trade and other receivables, long term receivables and amounts due from related parties.

Financial liabilities

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

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(j) Financial instruments (continued)

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.

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.

Prize 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 and/or estimated amount. On a weekly basis, an accrual percentage is made based on the game design, and applied from the previous weekly sales and recorded as prize liability until there is a winner. The only exception is 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. The estimated liability is reassessed annually.

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.

(k) 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.

(l) 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).

(m) 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.

(n) Restricted cash

Restricted cash includes cash on hand that is legally restricted as to withdrawal or usage. The Group holds various restricted cash obligations with other financial institutions as a result financing arrangements. In the consolidated statement of cash flows, any movement in restricted cash is classified under financial activities.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

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2. Material Accounting Policy Information (Continued)

(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.

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, 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) 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

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(s) 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.

(t) 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

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(u) Dividend distribution

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

(v) 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.

(w) 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.

(x) 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 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.

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

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.

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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

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 2022 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit review process (continued)

Trade and long-term receivables (continued)

On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 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 2023	Current				
Expected loss rate	1.09%	22.97%	42.91%	48.33%	22.74%
Gross carrying amount \$'000 – trade receivables	1,523,562	60,088	35,952	1,259,817	2,879,419
Loss allowance provision \$'000	<u>16,646</u>	<u>13,804</u>	<u>15,426</u>	<u>608,860</u>	<u>654,736</u>
		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%	12.27%	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>

The closing loss allowance provision for trade receivables as at 31 December 2023 reconciles to the opening loss allowance for that provision as follows:

	2023 \$'000	2022 \$'000
Opening loss allowance at 1 January	375,306	229,884
Increase in loss allowance recognised in profit or loss during the period	<u>279,430</u>	<u>145,422</u>
Closing loss allowance at 31 December	<u>654,736</u>	<u>375,306</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

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit review process (continued)

Trade and long-term 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:

	2023	2022
	\$'000	\$'000
Current	1,045,581	993,032
8 to 30 days	477,981	418,629
31 to 60 days	60,088	194,237
61 to 90 days	35,952	117,522
Over 90 days	1,259,817	437,568
	<u>2,879,419</u>	<u>2,160,988</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 Company	
	2023	2022
	\$'000	\$'000
Opening loss allowance at 1 January	46,848	16,207
Increase in loss allowance recognised in profit or loss during the period	-	30,641
Closing loss allowance at 31 December	<u>46,848</u>	<u>46,848</u>

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)

Loans and advances

	The Group	
	2023	2022
	\$'000	\$'000
Opening loss allowance at 1 January	65,614	-
Increase in loss allowance recognised in profit or loss during the period	183,683	65,614
Closing loss allowance at 31 December	<u>249,297</u>	<u>65,614</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	
	2023	2022
	\$'000	\$'000
Lottery Retailers	1,843,429	1,223,808
VLT Gaming Customers	2,066	21,505
Sports Betting Retailers	229,601	244,046
Off-Track Betting Parlours	739,810	594,959
Loan and Charge Up Retailers	64,513	76,670
	<u>2,879,419</u>	<u>2,160,988</u>
Less: Provision for expected credit losses	<u>(654,736)</u>	<u>(375,306)</u>
	<u>2,224,683</u>	<u>1,785,682</u>

Credit exposure for long-term receivables

The credit exposure for long-term receivables at its carrying amount is disclosed in Note 20.

Supreme Ventures Limited

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31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

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	Carrying amount (assets)/ Liabilities \$'000
	Less than 6 Months	6-12 Months	1-2 Years	2-5 Years	Over 5 Years		
	\$'000	\$'000	\$'000	\$'000	\$'000		
	2023						
Prize liabilities	1,476,867	-	-	-	-	1,476,867	1,476,867
Trade and other payables	4,190,908	-	-	-	-	4,190,908	4,190,908
Contract Liabilities	25,594	-	-	-	-	25,594	25,594
Long term loans and payables	568,915	593,333	4,336,693	3,415,864	1,898,295	10,813,100	8,714,642
Lease liabilities	127,667	122,273	224,286	197,488	818,421	1,490,135	854,051
	6,389,931	715,606	4,560,979	3,613,352	2,716,716	17,996,604	15,236,468
	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
	5,664,014	459,754	693,303	4,497,199	1,442,395	12,756,665	11,574,802

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		
	2023						
Trade and other payables	224,393	-	-	-	-	224,393	224,393
Due to related party	147,490	-	-	-	-	147,490	147,490
Long term loans and payables	487,142	430,549	4,279,550	3,380,015	1,886,428	10,463,684	8,228,510
	858,025	430,549	4,279,550	3,380,015	1,886,428	10,835,567	8,600,393
	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	4,956,589
Lease liabilities	4,518	4,888	-	-	-	9,406	7,461
	913,311	346,934	489,343	4,143,415	939,369	6,832,372	5,654,822

(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.

(ii) 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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31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

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	
	2023	2022
	USD J\$'000	USD J\$'000
Assets		
Cash and cash equivalents	957,252	1,483,544
	<u>957,252</u>	<u>1,483,544</u>
Liabilities		
Trade and other payables	(291,242)	(112,303)
	<u>(291,242)</u>	<u>(112,303)</u>
Net exposure	<u>666,010</u>	<u>1,371,241</u>

	The Company	
	2023	2022
	USD J\$'000	USD J\$'000
Assets		
Cash and cash equivalents	11,558	9,864
Liability		
Trade and other payables	(1,441)	(31,390)
Net exposure	<u>10,117</u>	<u>(21,526)</u>

Supreme Ventures Limited

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

The Group's sensitivity to a 1% revaluation or 4% devaluation (2022: 1% revaluation or 4% 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 sensitivity analysis includes only outstanding foreign-currency-denominated monetary items and adjusts the translation at period end for a 1% increase or 4% decrease (2022: 2% increase or 8% decrease) in the 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			
	2023		2022	
	Devaluation	Revaluation	Devaluation	Revaluation
	4%	1%	4%	1%
	\$'000	\$'000	\$'000	\$'000
USD	<u>26,640</u>	<u>(6,660)</u>	<u>54,850</u>	<u>(13,712)</u>

	The Company			
	2023		2022	
	Devaluation	Revaluation	Devaluation	Revaluation
	4%	1%	4%	1%
	\$'000	\$'000	\$'000	\$'000
USD	<u>(405)</u>	<u>101</u>	<u>(861)</u>	<u>215</u>

(i) 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

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Management of interest rate risk

Interest rate risk exposure is measured using sensitivity analysis.

	The Group		The Company	
	Carrying value		Carrying value	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments:				
Financial assets	1,190,661	957,368	179,406	214,794
Financial liabilities	9,331,376	7,093,318	8,216,289	4,964,053
Variable rate:				
Financial assets	120,401	333,113	2,900	174,324

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 25 basis point increase or 25 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Effect of increase of 25 basis points (2022:100 basis points on profit) on profit	301	3,495	7	1,743
Effect of decrease of 25 basis points (2022:100 basis points on profit) on profit	<u>(301)</u>	<u>(1,747)</u>	<u>(7)</u>	<u>(872)</u>

(iii) 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 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 investment 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 3% in equity prices at the year-end date are set out below.

	The Group and The Company	
	Pre-Tax effect of 3% decrease at 31 December 2023 \$'000	Pre-Tax effect of 6% increase at 31 December 2023 \$'000
Financial assets at fair value through profit or loss equity securities:		
Jamaica Stock Exchange – increase 6% (2023)	85,995	99,897
Jamaica Stock Exchange – decrease 6% (2022)	<u>(42,998)</u>	<u>16,182</u>

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(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.

Supreme Ventures Limited

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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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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(e) Fair value measurement (continued)

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.

The Group and Company				
2023				
Note	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Quoted equities	42	1,433,257	-	-
Unquoted equities		-	-	231,692
Total Assets		1,433,257	-	231,692
		1,433,257	-	231,692
				1,664,949

The Group and Company				
2022				
Note	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Quoted equities	42	269,704	-	-
Unquoted equities		-	-	231,693
Total Assets		269,704	-	231,693
		269,704	-	231,693
				501,397

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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31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

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.

As at the reporting date, the Group has contingent consideration payable under the Caymanas Track Limited deed. (See note 35)

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(a).

(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

Notes to the Financial Statements

31 December 2023

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

(iv) *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.

(v) *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.

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 \$11,485,317 (2022: \$11,372,529) and \$10,535,428 (2022: \$10,462,727).

Supreme Ventures Limited

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5. Segment Reporting

	2023					Group \$'000
	Lottery \$'000	Sports Betting \$'000	Pin Codes \$'000	Unallocated \$'000		
Non-fixed odd wagering games	4,086,763	13,090,538	12,335,910	496,408		30,009,619
Income from fixed odd wagering games	18,200,737	1,694,576	-	-		19,895,313
Total gaming income	22,287,500	14,785,114	12,335,910	496,408		49,904,932
Result						
Segment result	5,206,628	1,132,243	359,264	(3,736,770)		2,961,365
Loan interest revenue	-	-	-	-		204,684
Interest income	-	-	-	-		45,028
Other income/gains	-	-	-	-		586,062
Net foreign exchange gain/(loss)	-	-	-	-		45,890
Finance costs	-	-	-	-		(655,244)
Revaluation gain on investment property	-	-	-	-		83,999
Profit before taxation						3,271,785
Taxation						(830,084)
Profit for the year						2,441,701
Other information						
Capital expenditure	178,777	703,964	-	445,350		1,328,091
Depreciation, amortisation and write-offs; property, plant and equipment	253,563	607,664	-	206,384		1,067,611
Segment assets	3,698,028	6,712,919	721,320	9,740,245		20,872,512
Segment liabilities	2,485,475	1,173,977	1,027,538	11,089,504		15,776,494

Supreme Ventures Limited

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5. Segment Reporting (Continued)

	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 loss 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, amortisation and write-offs	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	12,801,176

Supreme Ventures Limited

Notes to the Financial Statements

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5. Segment Reporting (Continued)

	Segment Results		Segment Assets		Segment Liabilities	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Total for reportable segments	6,698,135	6,615,781	11,132,267	10,719,908	5,056,250	6,115,392
Unallocated amounts:						
Selling, general and administrative expenses	(3,733,314)	(2,564,127)	-	-	-	-
Direct costs	(9,339)	(4,311)	-	-	-	-
Revenue from non-fixed odd wagering games	5,883	4,582	-	-	-	-
Property, plant and equipment	-	-	1,033,176	1,566,015	-	-
Investment properties	-	-	942,000	858,001	-	-
Goodwill and intangible assets	-	-	3,577,320	3,367,619	-	-
Long-term receivables	-	-	21,557	-	-	-
Financial assets at amortised cost	-	-	1,883	1,883	-	-
Financial assets at fair value	-	-	1,664,949	501,397	-	-
Deferred tax asset	-	-	394,897	204,952	-	-
Inventories	-	-	12	521	-	-
Trade and other receivables	-	-	391,084	708,817	-	-
Loans and advances	-	-	1,188,203	-	-	-
Taxation recoverable	-	-	32,224	29,363	-	-
Restricted cash	-	-	151,670	52,932	-	-
Cash and cash equivalents	-	-	341,270	362,061	-	-
Trade and other payables	-	-	-	-	855,345	408,920
Current portion of lease liabilities	-	-	-	-	250,157	11,867
Current portion of long-term loans	-	-	-	-	241,118	281,895
Income tax payable	-	-	-	-	8,218	5,398
Long-term payables	-	-	-	-	8,172,334	4,841,327
Lease liabilities	-	-	-	-	603,893	948,026
Deferred tax liability	-	-	-	-	958,439	195,751
Total unallocated amounts	(3,736,770)	(2,563,856)	9,740,245	7,653,561	11,089,504	6,693,184
Total per financial statements	2,961,365	4,051,925	20,872,512	18,373,469	15,776,494	12,808,576

Supreme Ventures Limited

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

The group recognised non-fixed odds revenue of \$30.00 billion in 2023 (2022: \$29.47 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.

In 2023, the Group recorded to revenue a surplus of \$420.68 million in the Super Lotto Jackpot fund, in keeping with the contractual arrangements as the Operator of the Super Lotto game in Jamaica.

7. Income from Fixed Odd Wagering Games

The group recognised gross sales from fixed odds wagering games of \$75.39 billion (2022: \$80.17 billion) and after prize pay-outs of \$55.50 billion (2022: \$58.86 billion), resulting in net gaming income of \$19.9 billion (2022: \$21.30 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	
	2023	2022
	\$'000	\$'000
Management fee income	960,266	598,641
Dividend income	3,493,817	2,700,783
Miscellaneous income	11,970	-
	<u>4,466,053</u>	<u>3,299,424</u>

Supreme Ventures Limited

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9. Direct Costs

	<u>The Group</u>	
	2023	2022
	\$'000	\$'000
Lottery and Sports betting prizes	1,747,351	1,691,200
Horseracing dividends	7,398,341	7,493,665
Pin Codes	11,329,722	11,278,198
Gross Profit surcharge	4,407,954	4,775,677
Agents' commissions	5,416,991	5,775,546
Service contractor fees	2,890,549	3,173,276
Good cause fees	2,496,359	2,784,417
Contributions to Guyana Gaming Authority	56	119
Contributions to BGLC	1,270,378	1,440,197
Horseracing purse fees	801,116	800,016
Horseracing satellite services	165,512	194,329
Contributions to JRC	98,741	109,516
Others	81,612	82,327
	<u>38,104,682</u>	<u>39,598,483</u>

10. Other Income

	<u>The Group</u>		<u>The Company</u>	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest income	45,028	20,753	114,939	100,915
Rental income	35,781	40,080	-	-
Gain on financial asset at fair value	526,052	134,702	526,052	134,702
Gain on disposal of property, plant and equipment	14,620	629	-	-
Miscellaneous income	74,671	43,137	-	-
	<u>696,152</u>	<u>239,301</u>	<u>640,991</u>	<u>235,617</u>

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

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Staff costs (Note 12)	2,527,668	2,325,880	187,930	143,298
Rental and utilities	564,570	520,146	5,831	3,045
Auditors' remuneration	75,824	60,824	18,000	20,491
Depreciation and amortisation (Note 17 & 19)	1,067,611	1,013,575	52,158	51,920
Professional fees	449,899	328,150	312,524	207,413
Marketing and business development	1,160,170	1,015,483	101,650	66,744
Draw expenses	303,694	303,459	-	-
Subscription and donations	327,399	37,833	35,361	19,082
GCT irrecoverable	198,722	191,106	27,136	19,527
Security	220,410	163,503	14,418	13,927
Licences and other fees	227,076	149,820	104	304
Local and foreign travel	250,377	108,980	72,191	28,001
Repairs and maintenance	328,650	256,757	763	828
Equipment and motor vehicle expenses	92,312	63,438	1,535	1,549
Directors' fees	169,403	166,943	84,720	74,282
Bank charges	136,675	70,466	2,553	785
Administrative expenses	129,511	88,371	44,656	21,486
Insurance	110,070	38,606	38,703	1,427
Shared Services Recharge	-	-	86,832	62,346
Others	100,792	73,013	7,092	1,476
Total Selling, general and administrative expenses/ Operating Expenses	8,440,833	6,976,353	1,094,157	737,931
Net impairment losses on financial assets	463,113	145,390	-	30,641
	<u>8,903,946</u>	<u>7,121,743</u>	<u>1,094,157</u>	<u>768,572</u>

Audit fees for the year ended 31 December 2023 totalled \$75,824,000(2022: \$60,824,000) for the Group and \$18,000,000 (2022: \$20,491,000) for the Company. Other fees paid to the auditor (and related network firms) for non-assurance services totalled \$46,069,000 (2022: \$49,577,000) for the Group and \$834,000(2022: \$890,000) for the Company.

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12. Staff Costs

Staff costs comprise:

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Salaries and wages	1,847,262	1,691,901	149,482	104,385
Payroll taxes – employer's portion	219,878	205,229	14,291	11,826
Pension costs – defined contribution	57,748	55,350	2,750	-
Long-term incentive plan	(12,039)	46,546	8,130	-
Allowances and benefits	305,428	254,889	7,041	6,278
Other	109,391	71,965	6,236	20,809
	<u>2,527,668</u>	<u>2,325,880</u>	<u>187,930</u>	<u>143,298</u>

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

13. Finance Costs

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest on bank overdraft and long-term loans	577,664	366,804	566,530	362,703
Interest expense for lease liabilities	77,580	85,908	698	932
Net foreign exchange (gains)/losses	(45,890)	82,483	(1,729)	(23,043)
	<u>609,354</u>	<u>535,195</u>	<u>565,499</u>	<u>340,592</u>

14. Taxation

Taxation is based on profit before tax and comprises:

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current tax	1,103,141	1,253,128	-	-
Deferred tax (Note 22)	(273,057)	(471,788)	(88,024)	(27,378)
	<u>830,084</u>	<u>781,340</u>	<u>(88,024)</u>	<u>(27,378)</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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Profit before tax	3,271,785	3,859,391	3,447,388	2,425,877
Tax calculated at 25%	817,946	964,848	861,847	606,469
Expenses not deductible for tax purposes	114,221	49,335	77,136	63,502
Income not subject to tax	(134,888)	(16,314)	(1,008,342)	(675,196)
Tax in respect of prior years	-	(19,197)	-	-
Net employment tax credit (ETC clawback)	(14,884)	-	-	-
Tax losses recognised for a certain subsidiary	-	(202,569)	-	-
Tax losses not recognised	74,319	56,126	-	-
Reconciliation differences due to difference in tax rates	(5,632)	4,981	-	-
Other charges and credits	(20,998)	(55,870)	(18,665)	(22,153)
Tax charge	830,084	781,340	(88,024)	(27,378)

- (a) Tax losses of the Group amounting to \$2.14 billion (2022: \$1.95 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 \$485.1 million (2022: \$217.4 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.

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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:

	2023	2022
	\$'000	\$'000
Net profit for the Year		
The Company	3,535,412	2,453,255
Add Shared Service Charge expenses	86,832	62,346
Less Dividend Income from subsidiaries	(3,493,817)	(2,700,783)
Less Management fee income from subsidiaries	(960,266)	(598,641)
Less Interest income from subsidiaries	(93,167)	(91,857)
The Company	(925,006)	(875,680)
Subsidiaries	3,345,497	3,915,579
	<u>2,420,491</u>	<u>3,039,899</u>
	2023	2022
	\$'000	\$'000
Retained earnings		
The Company	1,602,555	538,960
Subsidiaries	1,186,563	2,295,118
	<u>2,789,118</u>	<u>2,834,078</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.

	2023	2022
	\$'000	\$'000
Net Profit for the year attributable to ordinary shareholders	<u>2,420,491</u>	<u>3,039,899</u>
Weighted average number of shares	<u>2,637,255</u>	<u>2,633,803</u>
Total earnings per share attributable to ordinary share holders	<u>91.78 cents</u>	<u>115.42 cents</u>

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

Supreme Ventures Limited

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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 2021	13,000	266,071	1,364,949	620,686	101,185	984,569	1,784,583	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	-	-	-	598	2,399
Transfers ((b))	-	-	-	-	-	-	(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
Additions	-	-	(59,653)	54,941	-	8,907	80,719	86,081	92,682	-	15,211	581,433	860,321
Transfers ((b))	-	-	-	-	(101,185)	-	-	-	-	-	-	374,198	374,198
Disposals/Write-offs	-	-	(6,514)	-	-	-	1,151	-	(11,000)	-	-	(10,778)	(128,326)
31 December 2023	13,000	266,071	1,330,427	935,834	-	1,006,293	2,039,410	465,879	354,525	2,850	131,119	2,839,911	9,385,319
Accumulated depreciation													
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
Transfers	-	-	-	-	-	-	(210)	-	-	-	-	-	(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	-	37,526	-	3,414,752
Depreciation	-	9,132	179,265	81,496	12,356	202,344	137,254	42,755	54,619	-	23,465	-	742,686
Disposals/write-offs	-	-	(239,853)	-	(101,736)	-	(557)	-	(10,267)	-	-	-	(352,413)
31 December 2023	-	37,147	555,311	582,536	-	608,531	1,468,553	308,116	183,840	-	60,991	-	3,805,025
Net book values													
31 December 2021	13,000	228,924	775,116	353,298	-	397,762	570,857	157,763	170,685	2,850	70,128	2,839,911	5,580,294
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

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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 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
Additions	-	-	-	1,930	18,269	-	-	-	-	20,199
31 December 2023	13,000	69,990	25,718	11,215	50,095	557	981	2,543	641,620	815,719
Accumulated depreciation										
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
Depreciation	-	6,036	5,715	1,860	3,322	-	-	-	-	16,933
31 December 2023	-	22,921	25,718	8,951	27,570	557	981	-	-	86,698
Net book values										
31 December 2023	13,000	47,069	-	2,264	22,525	-	-	2,543	641,620	729,021
31 December 2022	13,000	53,105	5,715	2,194	7,578	-	-	2,543	641,620	725,755

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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	
	2023	2022
	\$'000	\$'000
Right-of-use assets		
Buildings	775,116	780,695
Equipment	-	11,805
	<u>775,116</u>	<u>792,500</u>

	The Company	
	2023	2022
	\$'000	\$'000
Right-of-use assets		
Buildings	-	5,715
	<u>-</u>	<u>5,715</u>

b) Capital work in progress was transferred during the year as follows:

	The Group	
	2023	2022
	\$'000	\$'000
Property plant & equipment	(374,198)	102,024
Transferred amount	<u>(374,198)</u>	<u>102,024</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:

	2023	2022
	\$'000	\$'000
Depreciation charge of right-of-use assets		
Buildings	179,265	190,690
Equipment	12,356	20,237
	<u>191,621</u>	<u>210,927</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

	2023 \$'000	2022 \$'000
Opening balance at 1 January	858,001	848,258
Gain from fair value adjustments	83,999	9,743
Closing balance at 31 December	<u>942,000</u>	<u>858,001</u>

Investment properties include the Group's interest in freehold land held by Jonepar Development Limited, a related party, amounting to \$70 million (2022: \$65.0 million). The properties were valued by independent valuers, Allison Pitter & Company as at November 16, 2023, who estimated a value of \$942 million (2022: \$858 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 SVG 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 \$29.87 million (2022: \$30.07 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 \$0.83 million (2022: \$7.55 million).

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

Fair value at December 2023 \$'000	Fair value at December 2022 \$'000	Valuation Technique (s)	Unobservable inputs	Range of unobservable inputs (Probability-weighted average)	Relationship of unobservable inputs to fair value	Sensitivity \$'000
872,000	793,001	Investment approach	Capitalization rate	• 8% - 9%	If the capitalization rate increases/decreases by 1%, the fair value will decrease/increase by	4,534
			Discount rates	• 7% - 8.5%	If the discount rate increases/decreases by 1%, the fair value will decrease/increase by	4,464
70,000	65,000	Market comparison approach with a residual approach	Capital value per square foot	• \$40,000 - \$48,000	If the capital value per square foot increases/decreases by 1%, the fair value will increase/decrease by	3,836
			Basic building cost	• \$17,000 per square foot	If the basic building cost increases/decreases by 1%, the fair value will decrease/increase by	1,344
<u>942,000</u>	<u>858,001</u>					

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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

	2023	2022
	\$'000	\$'000
Within 1 Year	37,350	36,597
Between 1 and 2 years	38,097	37,329
Between 2 and 3 years	38,859	38,076
Between 3 and 4 years	39,636	38,837
Between 4 and 5 years	40,429	39,614
Later than 5 years	83,301	114,871
	<u>277,672</u>	<u>305,324</u>

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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 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
Transfers	99,292	-	-	-	-	-	-	99,292	-	-	-	-
Disposals/Write-off	-	-	-	-	-	-	-	-	-	-	-	-
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
Additions	318,405	-	3,798	-	-	-	-	322,203	23,564	137	-	23,701
Transfers	(374,243)	-	-	-	-	-	-	(374,243)	-	-	-	-
31 December 2023	1,143,429	720,306	675,039	1,038,600	128,000	80,558	2,053,939	5,839,871	426,006	427	189,953	616,386
Accumulated Amortisation												
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
Amortisation	159,372	72,031	8,287	62,000	-	-	-	301,690	35,200	26	-	35,226
31 December 2023	545,157	204,088	488,880	380,277	128,000	80,558	-	1,826,960	115,474	115	-	115,589
Carrying values												
31 December 2023	598,272	516,218	186,159	658,323	-	-	2,053,939	4,012,911	310,532	312	189,953	500,797
31 December 2022	813,482	588,249	190,648	720,323	-	-	2,053,939	4,366,641	322,168	201	189,953	512,322

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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	
	2023	2022
	\$'000	\$'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	
	2023	2022
	\$'000	\$'000
Lotteries	189,953	189,953

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 2023 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 2023, 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 \$134,500,000 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 \$16,800,000.

	The Group and the Company					
	Supreme Route Limited		Post to Post Betting Limited		Lottery	
	2023	2022	2023	2022	2023	2022
Pre-tax discount rate	23.0%	23.5%	22.5%	23.8%	22.4%	24.8%
Terminal value growth rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EBITDA growth rate in terminal year	8.0%	9.5%	5.0%	5.0%	4.0%	0.8%

Supreme Ventures Limited

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(expressed in Jamaican dollars unless otherwise indicated)

20. Long-Term Receivables

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(a) Island Holdings Limited	22,674	25,204	-	-
(b) Supreme Ventures Racing & Entertainment Limited	-	-	416,614	415,038
Less Provision for expected credit losses	-	-	(46,848)	(46,848)
	<u>22,674</u>	<u>25,204</u>	<u>369,766</u>	<u>368,190</u>
(c) Supreme Ventures Gaming Limited	-	-	783	686,080
Supreme Route Limited	-	-	162,617	164,573
(d) Supreme Ventures Real Estate	-	-	80,000	80,000
(e) Supreme Ventures Enterprise Incorporated	-	-	649	-
McKayla Financial Services	-	-	65,064	78,236
	<u>22,674</u>	<u>25,204</u>	<u>678,879</u>	<u>1,377,079</u>
Less: Current portion	(1,117)	(1,117)	(151,851)	(88,327)
	<u><u>21,557</u></u>	<u><u>24,087</u></u>	<u><u>527,028</u></u>	<u><u>1,288,752</u></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 SVG 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 (2022: \$2.1 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, SVG'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) Supreme Ventures 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.

Supreme Ventures Limited

Notes to the Financial Statements

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20. Long-Term Receivables (Continued)

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

This represents loan facility with subsidiary Supreme Ventures Real Estate Limited at an interest rate of 11% per annum for 120 months at a reducing balance monthly payment.

- (b) 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 \$16,764,000 (2022: \$16,340,000).

22. Deferred Tax Balances

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Deferred tax asset	890,443	653,423	180,766	92,741
Deferred tax liabilities	(165,466)	(201,503)	-	-
Net asset	724,977	451,920	180,766	92,741

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

	2023	2022
	\$'000	\$'000
Property and equipment	119,517	198,476
Investment properties	110,312	38,210
Intangible assets	(183,180)	(235,433)
Trade and other receivables	50,340	20,937
Trade and other payables	65,089	43,538
Tax losses	560,174	362,325
Other	2,725	23,867
Net Asset	724,977	451,920

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

22. Deferred Tax Balances (Continued)

(a) Group (continued)

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

	2023		
	Balance at 1 January \$'000	Recognised in profit/loss \$'000	Balance at 31 December \$'000
Property and equipment	198,476	(78,959)	119,517
Investment properties	38,210	72,102	110,312
Intangible assets	(235,433)	52,253	(183,180)
Trade and other receivables	20,937	29,403	50,340
Trade and other payables	43,539	21,550	65,089
Tax losses	362,326	197,848	560,174
Other	23,865	(21,140)	2,725
Total	451,920	273,057	724,977

	2022		
	Balance at 1 January \$'000	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

Supreme Ventures Limited

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22. Deferred Tax Balances (Continued)

(b) Company

	2023	2022
	\$'000	\$'000
Property and equipment	8,792	(3,330)
Trade and other payables	45,037	22,389
Trade and other receivables	4,686	(648)
Tax losses	122,251	72,896
Other	-	1,434
Net asset	<u>180,766</u>	<u>92,741</u>

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

	Balance at 1 January	2023 Recognised in profit/loss	Balance at 31 December
	\$'000	\$'000	\$'000
Property and equipment	(3,330)	12,122	8,792
Trade and other payables	22,389	22,648	45,037
Trade and other receivables	(648)	5,334	4,686
Tax losses	72,896	49,355	122,251
Other	1,434	(1,434)	-
Total	<u>92,741</u>	<u>88,025</u>	<u>180,766</u>
	Balance at 1 January	2022 Recognised in profit/loss	Balance at 31 December
	\$'000	\$'000	\$'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	<u>65,363</u>	<u>27,378</u>	<u>92,741</u>

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

23. Inventories

	The Group	
	2023	2022
	\$'000	\$'000
Pin codes	202,040	269,104
Operational inventory	48,491	39,051
Food and beverage	7,082	5,301
	<u>257,613</u>	<u>313,456</u>

The cost of inventories recognised as direct expense during the year for the Group was \$11.3 billion (2022: \$11.28 billion).

24. Trade and Other Receivables

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current assets				
Trade receivables from contracts with customers (Note a)	2,879,419	2,160,988	-	-
Less: provision for credit losses	(654,736)	(375,306)	-	-
	<u>2,224,683</u>	<u>1,785,682</u>	-	-
Other receivables and prepayments (Note b)	1,380,035	1,478,169	260,174	225,490
Accrued interest	6,804	5,163	4,681	4,855
	<u>3,611,522</u>	<u>3,269,014</u>	<u>264,855</u>	<u>230,345</u>

(a) Included in trade receivables are amounts of \$1.94 billion (2022: \$1.40 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 \$475 million (2022: \$789 million). In 2022, \$563 million was paid towards the acquisition of Champion Gaming Limited. (refer to Note 36)

Supreme Ventures Limited

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25. Cash and Cash Equivalents

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash in hand and at bank	2,199,500	2,708,451	64,248	270,095
Certificate of deposits	248,208	260,017	117,011	161,862
	<u>2,447,708</u>	<u>2,968,468</u>	<u>181,259</u>	<u>431,957</u>

- (a) The weighted average interest rate on the Certificate of deposits at the year end is 4% (2022: 3.00%).
- (b) Special accounts for operational purposes to pay prizes includes the following:
- (i) An amount of \$20 million (2022: \$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.
 - (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 \$863 million (2022: \$1.43 billion).
 - (iii) An amount of \$5.8 million (2022: \$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 \$31.3 million (2022: \$56.2 million) was set aside as a performance bond guarantee arrangement by SVG. This is a requirement of the Betting, Gaming and Lotteries Act granting a Bookmaker's permit to SVG.
 - (v) Cash and cash equivalents include \$5.81 million (2022: \$10.35 million) is managed by Supreme Ventures Racing & Entertainment Limited on behalf of racehorse owners and are used to claim/buy horses from other owners.

Supreme Ventures Limited

Notes to the Financial Statements

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26. Prize Liabilities

	The Group	
	2023	2022
	\$'000	\$'000
Local lottery games ((a) below)	515,426	445,625
Multi-jurisdictional lottery game ((b) below)	242,500	434,561
Horse-racing Dividends	240,509	344,853
Sports Betting	280,278	45,531
	1,278,713	1,270,570
Multi-jurisdictional lottery game – Other ((c) below)	198,154	594,843
	1,476,867	1,865,413

- (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 \$69 million (2022: \$39 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, 2023 was \$242.5 million (2022: \$434.5 million)
- (c) Super Lotto jackpot contributions above the advertised jackpot are accrued in accordance with the terms of the Super Lotto agreement. These amounts are used to fund the prizes payable as they fall due.

27. Trade and Other Payables

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade payables	2,769,391	1,927,364	9,637	-
Contributions payable to the BGLC	32	20,699	-	-
Government taxes payable	28,924	150,874	-	-
Accruals	979,393	412,572	27,594	15,719
Other payables	549,299	1,233,459	202,856	193,525
	4,327,039	3,744,968	240,087	209,244

- (i) Included in Other Payables for the Group are amounts totaling \$276 million (2022 - \$160 million). This represents payables for credit card, payroll, General Consumption Tax and non-trading activity liabilities. Included in other Payables for the Company are amounts totaling \$44 million (2022 - \$64 million). This represents payables for credit card, payroll, and other liabilities.

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28. Share Capital

Authorised:

3,000,000,000 ordinary stock units at no par value

	2023	2022
	\$'000	\$'000
Stated capital:		
2,637,254,926 ordinary stock units, issued and fully paid	1,967,183	1,967,183
Treasury shares 10,941,867 (2022 – 4,762,736)	<u>(353,703)</u>	<u>(130,743)</u>

During the prior year, the Company bought back 6,179,131 units of Treasury shares valued at \$222,959,115.

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.

30. Long-term Loans and Payables

	<u>The Group</u>		<u>The Company</u>	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(a) PayDay prize liability	16,341	16,341	-	-
(b) BM Soat Auto Sales Limited	-	471	-	-
(c) Champion Gaming Limited	74,730	74,731	-	-
(d) Sagicor Bank Jamaica Limited	905,505	1,122,690	695,386	905,589
(e) Jamaica Central Services Depository (As Trustess)	6,480,500	3,000,000	6,480,500	3,000,000
(f) Jamaica Money Market Brokers Limited	81,250	100,000	-	-
(g) Barita Investments Limited	500,000	500,000	500,000	500,000
(h) Mayberry Investments Limited	100,000	30,000	-	-
(i) Development Bank of Jamaica	556,316	587,630	540,404	551,000
	<u>8,714,642</u>	<u>5,431,863</u>	<u>8,216,290</u>	<u>4,956,589</u>
Less: current portion	<u>(290,938)</u>	<u>(359,652)</u>	<u>(203,898)</u>	<u>(259,668)</u>
	<u>8,423,704</u>	<u>5,072,211</u>	<u>8,012,392</u>	<u>4,696,921</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 \$12.88 million (2022: \$13.99 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 matured 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 J\$74,730,435.68 or its equivalent US\$535,000 with interest accruing at 6% per annum. A moratorium of three years was agreed with the repayment due in April 2024. The machines became operational in 2022.

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30. Long-term Loans and Payables (Continued)

(d) **Sagicor Bank Jamaica Limited** – This relates to four loan facilities as follows:

- (i) 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.
- (ii) A 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 2023. The motor vehicle was used as security for the facility.
- (iii) An unsecured credit facility of \$450 million from Sagicor Bank Jamaica Limited, to support the Group's acquisition of Post-to-Post Betting Limited operations. 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.
- (iv) An 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)**- This relates to two unsecured bond facilities as follows:

- (i) Unsecured Bond facility of \$3 billion arranged by Sagicor Investments in 2020, 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. 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.
- (ii) Unsecured Bond facility of \$3.48 billion arranged by Sagicor Investments in 2023, to cover the Group's costs for targeted acquisition in Ghana as well as Operational and Marketing Expenses with Tranche 1 maturity date of 30 July 2026 and Tranche II maturity date of 30 April 2029. As part of the requirements of the bond facility, a special deposit of \$100 million, 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 Supreme Ventures 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 2023 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.

Supreme Ventures Limited

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30. Long-term Loans and Payables (Continued)

- (i) **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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Non-current borrowings	8,423,704	5,072,211	7,905,531	4,612,287

31. Lease Liabilities

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

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

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Lease liabilities				
Current	250,157	180,679	-	7,461
Non-current	603,894	767,347	-	-
	854,051	948,026	-	7,461

- (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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest expense (included in finance cost)	77,580	85,908	698	932
Expenses relating to short term leases (included in selling, general and administrative expenses)	4,749	8,790	-	-
	82,329	94,698	698	932

The total cash outflow for leases in 2023 was \$244,399,000 (2022: \$157,703,000) for the Group and \$7,758,000 (2022: \$10,125,000) for the Company.

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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

	The Company	
	2023	2022
	\$'000	\$'000
Supreme Ventures Gaming Limited	1,524,918	1,524,918
Supreme Ventures Services Limited	580,570	413,733
Supreme Ventures Racing and Entertainment Limited	150,000	150,000
SV Fintech Limited	5,759	5,759
PosttoPost Betting Limited (Note b)	946,548	946,548
Supreme Group Incorporated	787,996	787,996
Transtel Jamaica Limited	1	1
	<u>3,995,792</u>	<u>3,828,955</u>

(a) On March 27, 2023, the Group under its subsidiary Supreme Ventures Fintech Limited (formerly Supreme Ventures Lotteries Limited, acquired the remaining 49% of the shares in McKayla Financial Services Limited for a cash consideration of \$67.98 million. On February 11, 2022, the Group under its subsidiary Supreme Ventures Fintech Limited (formerly Supreme Ventures Lotteries 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, 2022, the Group acquired an additional 29% shareholdings in PosttoPost Betting Limited. (Refer to note 36).

On February 6, 2023, the Group, through its subsidiary Supreme Ventures Gaming Limited acquired an additional 29% shareholdings in Supreme Route Limited. (Refer to note 36).

Supreme Ventures Limited

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33. Related Party Transactions and Balances

	The Company	
	2023	2022
	\$'000	\$'000
(a) Long term receivables – Note 20		
McKayla Financial Services Limited	65,064	68,245
Supreme Ventures Racing and Entertainment Limited	361,206	368,190
Supreme Route Limited	20,758	164,573
Supreme Ventures Real Estate	80,000	80,000
Supreme Ventures Gaming Limited	-	607,744
	<u>527,028</u>	<u>1,288,752</u>
(b) Due from subsidiaries:		
Supreme Ventures Enterprise Incorporated	52,326	35,640
Supreme Route Limited	30,598	8,807
Supreme Ventures Racing and Entertainment Limited	172,847	87,610
McKayla Financial Services Limited	-	6,592
Supreme Ventures Gaming Limited	2,977,223	-
PosttoPost Betting Limited	35,481	20,763
SVG Stakeholder Trust Limited	364,672	130,743
Supreme Venture Guyana Holdings Incorporated	40,500	40,500
Supreme Venture Fintech Services Limited	202,541	122,397
	<u>3,876,188</u>	<u>453,052</u>
(c) Due to subsidiaries		
McKayla Financial Services Limited	5,175	-
Supreme Route Limited	449	-
Supreme Ventures Real Estate Limited	122,226	148,531
Supreme Ventures Gaming Limited	-	200,905
Supreme Ventures Services Limited	19,640	132,502
	<u>147,490</u>	<u>481,938</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 2023

(expressed in Jamaican dollars unless otherwise indicated)

33. Related Party Transactions and Balances (Continued)

(c) Due to subsidiaries (continued)

(ii) The Consolidated and Company Statement of Comprehensive Income include the following transactions with related parties:

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Subsidiaries:				
Management fees	-	-	960,266	598,641
Interest income	-	-	93,167	91,857
Dividend income	-	-	3,493,817	2,700,783
Shared services recharge expense	-	-	86,832	62,346
Other related parties:				
Other expenses	30,480	25,487	-	-

(d) Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Management remuneration	705,335	734,847	141,358	124,389
Post-employment benefits	18,153	21,151	1,875	-
	<u>723,488</u>	<u>755,998</u>	<u>143,233</u>	<u>124,389</u>

(e) The following have been charged in arriving at profit before income tax:

	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Directors' emoluments -				
Director's Fees	169,403	166,943	84,720	77,087
Management remuneration	<u>149,482</u>	<u>104,385</u>	<u>149,482</u>	<u>104,385</u>

(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

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

34. Distributions

(a) Distributions to shareholders of the Company

		2023	2022
		\$'000	\$'000
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 September 16, 2022 -	18.40¢	-	485,255
Third interim dividend paid 15 December 2022 -	14.54¢	-	383,406
Final dividend for 2022, paid 2 May 2023 -	34¢	896,000	-
First interim dividend paid 15 August 2023 -	23.94¢	631,360	-
Second interim dividend paid 2 October 2023 -	26.45¢	697,610	-
Third interim dividend paid 6 December 2023 -	9.36¢	246,847	-
		<u>2,471,817</u>	<u>2,451,277</u>

During the year the Group, through its subsidiary Post to Post limited paid dividends of \$2.29 and \$2.86 per share on March 31, 2023 and September 8, 2023, totalling \$73.93 million, of which \$14.79 million related to minority interest.

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, Supreme Ventures Gaming Limited (SVG), with the requirements of the licence granted by BGLC that the equity capitalisation of SVG be not greater than \$500 million, and SVG 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, SVG.

(b) Contingencies – Supreme Ventures Gaming Limited

In accordance with the requirements of the Betting, Gaming and Lotteries Act granting a Bookmaker's permit to Supreme Ventures Gaming (SVG), a performance bond guarantee arrangement was executed with The Bank of Nova Scotia Jamaica Limited (BNS) for an amount of \$20.2 million (2022: \$20.2 million). Under the said performance bond covering the period 24 December 2022 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

35. Contingencies and Commitments (Continued)

- (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 \$77.2 million (2022: \$93.2 million) fall due for payment each year.

- (e) Capital commitments

	<u>The Group</u>	
	2023	2022
	\$'000	\$'000
Machinery and equipment	208	25,505
Leasehold improvements	32,700	81,400
Furniture, fixtures, machinery and equipment	2,106	4,526
Signs and posters	497	3,118
Computer equipment	16,056	39,387
Computer software	136,755	130,532
	<u>188,322</u>	<u>284,468</u>

- (f) Sponsorship commitments

Commitments pursuant to sponsorship agreements entered into by the Group are as follows:

	<u>The Group</u>	
	2023	2022
	\$'000	\$'000
2023	-	27,000
	<u>-</u>	<u>27,000</u>

- (g) Contingent commitment

The Group has a commitment to develop and modernize the Caymanas Park, which involves the following outlays:

Milestone	Implementation period from commencement date	\$'000
Phase 1	Within two (2) years	200,000
Phase 2	Between year three (3) and year (5)	300,000
		<u>500,000</u>

As of 31 December 2023, the Group has invested \$930 million towards the development and modernization of Caymanas Park.

36. Acquisition of Subsidiaries

On March 27, 2023, the Group through its subsidiary Supreme Ventures Fintech Limited acquired 49% additional shares in Mckayla Financial Services Limited at a cost of \$63.31 million. This increased the number of shares from 51% to 100%, to become a wholly owned subsidiary.

The acquisition is aligned with SVL's growth strategy, which has expanded beyond the gaming market and is now making headway into other growth industries, such as the micro-lending space, with significant potential to meet the ever-growing needs of an extensive consumer base.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

37. Net Debt Reconciliation

	Group			Company		
	Lease Liabilities \$'000	Loan liabilities \$'000	Total \$'000	Lease Liabilities \$'000	Loan Liabilities \$'000	Total \$'000
Net debt as at 1 January 2022	(1,040,249)	(5,414,217)	(6,454,466)	(15,630)	(5,172,641)	(5,188,271)
Cash flows						
Addition	(28,873)	(290,000)	(318,873)	-	-	-
Interest	(85,908)	(368,267)	(454,175)	(932)	(362,703)	(363,635)
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	42,710
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)	(4,964,053)
Cashflows						
Addition	(94,949)	(3,480,500)	(3,575,449)	-	(3,480,500)	(3,480,500)
Interest	(77,580)	(577,664)	(655,244)	(698)	(566,530)	(567,228)
Repayment	244,960	155,011	399,971	7,758	178,095	185,853
Foreign exchange adjustment	21,544	-	21,544	401	-	401
Interest payable	-	138,178	138,178	-	138,178	138,178
Interest paid	-	482,196	482,196	-	471,059	471,059
Net debt as at 31 December 2023	(854,051)	(8,714,642)	(9,568,693)	-	(8,216,290)	(8,216,290)

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

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:

	2023	2022
	\$'000	\$'000
PosttoPost Betting Limited	184,386	190,228
Supreme Route Limited	650,861	637,862
McKayla Financial Services Limited	-	51,455
	<u> </u>	<u> </u>
Total Minority Interest	<u>835,247</u>	<u>879,545</u>

The table below shows the summarised financial information for PosttoPost Betting Limited that has a non-controlling interest:

Statement of financial position	2023	2022
	\$'000	\$'000
Total assets	543,213	612,574
Total liabilities	(346,581)	(386,681)
Net assets	<u>196,632</u>	<u>225,893</u>
	<u> </u>	<u> </u>
Non-controlling interest	<u>184,386</u>	<u>190,228</u>
	<u> </u>	<u> </u>
Statement of comprehensive income		
Revenue	<u>1,742,226</u>	<u>1,866,576</u>
Net profit for the year/ total comprehensive income	<u>44,718</u>	<u>68,722</u>
	<u> </u>	<u> </u>
Profit allocated to non-controlling interest	8,944	13,744
Adjustment allocated to non-controlling interest	-	(4,005)
Dividend distributed to non-controlling interest	<u>(14,786)</u>	<u> </u>
Accumulated non-controlling interest	<u>(5,842)</u>	<u>9,739</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

38. Non-Controlling Interest (continued)

The table below shows the summarised financial information for Supreme Route Limited that has a non-controlling interest:

Statement of financial position	2023	2022
	\$'000	\$'000
Total assets	4,669,875	4,606,127
Total liabilities	<u>(1,415,570)</u>	<u>(1,416,819)</u>
Net assets	<u>3,254,305</u>	<u>3,189,308</u>
 Non-controlling interest	 <u>650,861</u>	 <u>637,862</u>
 Statement of comprehensive income		
Revenue	<u>1,587,780</u>	<u>1,550,636</u>
Net profit for the year/ total comprehensive income	<u>65,000</u>	<u>198,453</u>
 Profit allocated to non-controlling interest	 <u>13,000</u>	 <u>39,691</u>

39. Long Term Incentive Plan

The expense recognised in the Statement of Comprehensive Income for share-based payments was \$76,635,413. 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.

Share options of 1,775,250 were granted and options totaling 543,480 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 2024	1,775,250
1 April 2025	<u>2,105,250</u>
	<u>3,880,500</u>

The weighted average remaining contractual life of options outstanding at the end of the period is 3.84 years.

- (a) 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

39. Long Term Incentive Plan (Continued)

The model inputs for options granted during the year ended 31 December 2023 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 2025
- (f) Share price: \$27.10
- (g) Expected price volatility: 54.69% (based on historic volatility)
- (h) Expected dividend yield: 4.72%
- (i) Risk-free interest rate: 8.10%

Fair value of shares allotted

The assessed fair value at grant date of the shares allotted during the year ended 31 December 2023 was \$27.10. per share (2022 – \$29.93). 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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Restricted cash	178,139	79,401	151,670	52,932

As a condition of the \$3.4 billion bond facility issued in July 2023, a special deposit of \$98 million, equivalent to three-month interest has been deposited to a cash reserve account. The account is held at Sagicor Bank and is an investment trust account.

As a condition of the \$3 billion bond facility issued in October 2022, 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

41. Loans and Advances

Loans and advances are comprised of, and mature as follows:

	2023	2022
	\$'000	\$'000
Within 12 months	1,286,137	456,750
Over 12 months	151,362	14,192
Gross loans and advances	1,437,499	470,942
Less: provision for credit losses	(249,297)	(65,614)
Net loans and advances	<u>1,188,202</u>	<u>405,328</u>
Non-current portion	151,363	14,192
Current portion	1,036,839	391,136
	<u>1,188,202</u>	<u>405,328</u>

During the year the Group, through its subsidiary Supreme Ventures Gaming Limited, on lent a loan of \$730.26 million to Gamepark Limited. Gamepark Limited is the lotteries and gaming company which operates in Ghana for which the Group, through its subsidiary IBet Ghana provides management and technical services. The amount is due within one year.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

42. Financial Asset at Fair Value through Profit and Loss

On July 24, 2023, the Group purchased a ten percent (15%) shareholding in Dolla Financial Services Limited.

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.

	<u>The Group and The Company</u>	
	2023	2022
	\$'000	\$'000
Fair value through profit and loss securities		
Equity quoted	1,433,257	269,704
Equity unquoted	231,692	231,693
	<u>1,664,949</u>	<u>501,397</u>
During the year the following gains were recognised in profit or loss		
	526,052	134,702
	<u>526,052</u>	<u>134,702</u>

The following table analyses the unquoted equity carried at fair value, by valuation method.

Fair value at December 2023 \$'000	Fair value at December 2022 \$'000	Valuation Technique(s)	Unobservable inputs	Range of unobservable inputs (Probability – weighted average)	Relationship of unobservable inputs to fair value	Sensitivity \$'000
231,692	231,692	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>231,692</u>	<u>231,692</u>					

Supreme Ventures Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

43. Offsetting of Financial Assets and Liabilities

There are no offsetting arrangements within the Company, except for certain related party balances. As such, financial assets and liabilities are not 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 assets and settle the liabilities simultaneously.

The following table presents the recognised receivable and payable balances that are offset. The column 'net amount' shows the impact on the Company's Statement of Financial Position if all set-off rights were exercised:

	The Company		
	2023		
	Gross Amounts \$'000	Gross amounts set off in the statement of financial position \$'000	Net amounts presented in the statement of financial position \$'000
Financial assets			
Long term loans receivables	1,221,385	(694,357)	527,028
	<u>1,221,385</u>	<u>(694,357)</u>	<u>527,028</u>
Financial liabilities			
Due to related party	841,847	(694,357)	147,490
	<u>841,847</u>	<u>(694,357)</u>	<u>147,490</u>
The Company			
2022			
	Gross Amounts \$'000	Gross amounts set off in the statement of financial position \$'000	Net amounts presented in the statement of financial position \$'000
Financial assets			
Long term loans receivables	1,558,661	(269,909)	1,288,752
	<u>1,558,661</u>	<u>(269,909)</u>	<u>1,288,752</u>
Financial liabilities			
Due to related party	751,847	(269,909)	481,938
	<u>751,847</u>	<u>(269,909)</u>	<u>481,938</u>



NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of SUPREME VENTURES LIMITED will be held on Thursday, May 30, 2024, 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, 2023 circulated herewith

RESOLUTION 1:

"THAT the Audited Group Accounts for the year ended December 31, 2023 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 of 23.94 cents per stock unit paid on August 15, 2023, 26.45 cents per stock unit paid on October 2, 2023, 9.36 cents per stock unit paid on December 6, 2023 and 10.88 cents per stock unit paid on May 8, 2024 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 Article 103 of the Company's Articles of Incorporation. Mr. Leighton McKnight and Dr. the Honourable Usain Bolt, having been appointed as Directors since the last Annual General Meeting, shall retire, and being eligible, offer themselves for election:

RESOLUTION 3(a):

"THAT Mr. Leighton McKnight, retiring pursuant to Article 103 of the Company's Articles of Incorporation, be and is hereby elected."

RESOLUTION 3(b):

"THAT Dr. The Honourable Usain Bolt, retiring pursuant to Article 103 of the Company's Articles of Incorporation, be and is hereby elected."

(ii) In accordance with Articles 105 and 106 of the Company's Articles of Incorporation, the Directors retiring from office by rotation are Messrs. Damian Chin-You, Duncan Stewart and Gary Peart and being eligible, offer themselves for re-election:

RESOLUTION 3(c):

"THAT Mr. Damian Chin-You, retiring pursuant to Articles 105 and 106 of the Articles of Incorporation, be and is hereby re-elected."

RESOLUTION 3(d):

"THAT Mr. Duncan Stewart, retiring pursuant to Articles 105 and 106 of the Articles of Incorporation, be and is hereby re-elected."

RESOLUTION 3(e):

"THAT Mr. Gary Peart, 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, 2023, 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 2024

BY ORDER OF THE BOARD



Dionne Reid
Company Secretary

PROXY FORM

I/we _____

NAME OF SHAREHOLDER(S)

of _____

ADDRESS

Place J\$100
adhesive stamp
here

being a Member/Members of the Company, **SUPREME VENTURES LIMITED**, hereby appoint _____ of _____ or failing him/her _____ of _____ 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 **30th day of May, 2024 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, 2023		
Resolution 2	Ratification of Interim Dividends		
Resolution 3(a)	Election of Director – Leighton McKnight		
Resolution 3(b)	Election of Director – Usain Bolt		
Resolution 3(c)	Re-election of Director retiring by rotation – Damian Chin-You		
Resolution 3(d)	Re-election of Director retiring by rotation – Duncan Stewart		
Resolution 3(e)	Re-election of Director retiring by rotation – Gary Peart		
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, 2023		
Resolution 5	Appoint Auditors and authorize the Directors to fix the remuneration of the Auditors		

Dated the _____ day of _____ 2024

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.



MOUTTET MILE

SAVE THE DATE FOR THE

THE 3RD RUNNING OF THE

**MOUTTET
MILE**

★ ★ ★ **2024** ★ ★ ★

BOUNTY: USD\$250,000

DECEMBER 07, 2024

**WILD WEST WEAR:
BOOTS, CHAPS & COWBOY HATS**



CAYMANAS PARK

MEMBER OF THE SUPREME VENTURES GROUP

