



Supreme Ventures Limited

**Consolidated Financial Statements
31 December 2024**

Supreme Ventures Limited

Index

31 December 2024

Page

Independent Auditor's Report to the Members

Financial Statements

Consolidated statement of comprehensive income	1
Consolidated statement of financial position	2-3
Consolidated statement of changes in equity	4
Consolidated statement of cash flows	5-6
Company statement of comprehensive income	7
Company statement of financial position	8
Company statement of changes in equity	9
Company statement of cash flows	10
Notes to the financial statements	11 - 96



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 2024, 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 2024;
- 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 2024;
- 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 10 components for testing.

Full scope audits were performed for Supreme Ventures Limited, Supreme Ventures Gaming Limited (formerly Prime Sport (Jamaica) Limited) and Supreme Ventures Racing and Entertainment Limited, as they were determined to be individually significant based on risk or size and represent the principal business units within the Group. All other entities, individually, represent less than 15% of the Group's profit before taxation. Additionally, based on our professional judgement, Supreme Ventures Services Limited, Supreme Route Limited (formerly Bingo Investments Limited), Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited), McKayla Financial Services Limited, PosttoPost Betting Limited, IBET Ghana Limited and SVG Stakeholder Trust 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. We have determined that there are no key audit matters, as it pertains to the stand-alone financial statements, in our report.

Key audit matter	How our audit addressed the key audit matter
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Goodwill Impairment Assessment (Group)

Refer to notes 2(h), 4(ii) and 19 to the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and balances.

Goodwill accounts for \$2,054 million or 10% of total assets for the Group as at 31 December 2024.

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, which results in a higher recoverable amount when compared to the fair value less cost to sell valuation model.

We focused on this area as the assessment of the carrying value of goodwill involves significant judgement, estimation uncertainty and is sensitive to changes in key assumptions.

The key assumptions were assessed by management as being:

- Pre-tax discount rate;
- Terminal value growth rate; and
- EBITDA growth rate in the terminal year.

Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures amongst others:

- Evaluated the accounting policies for any material changes.
- Evaluated management's discounted cash flow model including qualitative and quantitative analyses and updated our understanding of the process used by management to determine value-in-use of each cash generating unit.
- Agreed the 31 December 2024 base year financial budgets 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:
 - 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.
- Tested management's impairment model calculations for mathematical accuracy and considered the sensitivity of the calculation by varying the key assumptions and adjustments within management's forecast.



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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Pricewaterhouse Coopers
Chartered Accountants
Kingston, Jamaica
3 March 2025

Supreme Ventures Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	Restated 2023 \$'000
Revenue - Non-fixed odd wagering games, horse racing and pin codes	6	32,629,629	30,984,536
Income from fixed odd wagering games, net of prizes	7	20,039,163	19,895,313
Total Gaming Income		<u>52,668,792</u>	<u>50,879,849</u>
Direct costs	9	(40,323,945)	(39,079,599)
Gross Profit		<u>12,344,847</u>	<u>11,800,250</u>
Other income	10	667,186	900,836
Selling, General and Administrative expenses	11	(9,113,079)	(8,440,833)
Revaluation gain on investment properties	18	118,000	83,999
Net impairment losses on financial assets	11	(457,310)	(463,113)
Operating Profit		<u>3,559,644</u>	<u>3,881,139</u>
Finance costs	13	(876,955)	(609,354)
Profit before Taxation		<u>2,682,689</u>	<u>3,271,785</u>
Taxation	14	(906,711)	(830,084)
Net Profit		<u>1,775,978</u>	<u>2,441,701</u>
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss -</i>			
Currency translation differences		8,516	22,219
COMPREHENSIVE INCOME		<u>1,784,494</u>	<u>2,463,920</u>
Net Profit for the year is			
Attributable to:			
Shareholders of the Company		1,794,178	2,420,491
Non-controlling interest		(18,200)	21,210
		<u>1,775,978</u>	<u>2,441,701</u>
Comprehensive Income for the Year is Attributable to:			
Shareholders of the Company		1,802,694	2,442,710
Non-controlling interest		(18,200)	21,210
		<u>1,784,494</u>	<u>2,463,920</u>
Earnings Per Stock Unit	16	<u>68.03 cents</u>	<u>91.78 cents</u>

Supreme Ventures Limited

Consolidated Statement of Financial Position

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	Restated 2023 \$'000	Restated 2022 \$'000
Non-Current Assets				
Property, plant and equipment	17	5,643,145	5,596,683	4,878,904
Investment properties	18	1,060,000	942,000	858,001
Goodwill and intangible assets	19	3,778,092	4,012,911	4,366,641
Loans and advances, net of provision for credit losses	20	345,105	151,363	14,192
Long-term receivables	21	19,227	21,557	24,087
Financial assets at fair value	22	1,817,966	1,664,949	501,397
Other investments		17,318	18,647	18,223
Deferred tax asset	23	1,108,898	890,443	653,423
Total non-current assets		<u>13,789,751</u>	<u>13,298,553</u>	<u>11,314,868</u>
Current Assets				
Inventories	24	266,116	257,613	313,456
Trade and other receivables	25	3,991,409	3,611,522	3,269,014
Current portion of loans and advances, net of provision for credit losses	20	1,366,569	1,036,839	391,136
Current portion of long-term receivables	21	1,117	1,117	1,117
Taxation recoverable		44,384	41,021	36,009
Restricted cash	26	182,309	178,139	79,401
Cash and cash equivalents	27	1,407,547	1,865,005	2,653,106
Total current assets		<u>7,259,451</u>	<u>6,991,256</u>	<u>6,743,239</u>
Current liabilities				
Prize and other liabilities	28	520,350	894,164	1,550,051
Contract liabilities		23,955	25,594	12,469
Trade and other payables	29	4,990,487	4,327,039	3,744,968
Current portion of lease liabilities	30	210,861	250,157	180,679
Current portion of long-term loans and payables	31	4,696,469	290,938	359,652
Income tax payable		457,358	212,834	604,334
Total current liabilities		<u>10,899,480</u>	<u>6,000,726</u>	<u>6,452,153</u>
Net Current (Liabilities)/Assets		<u>(3,640,029)</u>	<u>990,530</u>	<u>291,086</u>
Capital Employed		<u>10,149,722</u>	<u>14,289,083</u>	<u>11,605,954</u>

Supreme Ventures Limited

Consolidated Statement of Financial Position (Continued)

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	Restated 2023 \$'000	Restated 2022 \$'000
Equity				
Attributable to Shareholders of the Company				
Share capital	33	1,967,183	1,967,183	1,967,183
Treasury shares	33	(176,044)	(353,703)	(130,743)
Capital reserves	34	62,486	62,486	62,486
Other reserve	35	(246,924)	(204,312)	(47,656)
Retained earnings	15	3,035,098	2,789,118	2,834,078
Equity attributable to shareholders of the Company		4,641,799	4,260,772	4,685,348
Non-controlling interests	38	671,987	835,247	879,545
Total equity		<u>5,313,786</u>	<u>5,096,019</u>	<u>5,564,893</u>
Non-current liabilities				
Lease liabilities	30	525,489	603,894	5,072,211
Long-term loans and payables	31	4,155,083	8,423,704	767,347
Deferred tax liability	23	155,364	165,466	201,503
Total non-current liabilities		<u>4,835,936</u>	<u>9,193,064</u>	<u>6,041,061</u>
Total equity and non-current liabilities		<u>10,149,722</u>	<u>14,289,083</u>	<u>11,605,954</u>

Approved for issue by the Board of Directors on 27 February 2025 and signed on its behalf:



Gary Peart

Director



Duncan Stewart

Director

Supreme Ventures Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

(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	Non-Controlling Interests \$'000	Total \$'000
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 36)	-	-	-	-	-	6,366	(50,722)	(44,356)
Employee share scheme (note 40)	-	-	-	-	(178,875)	-	-	(178,875)
Transactions with shareholders								
Purchase of shares (note 33)	-	-	(222,960)	-	-	-	-	(222,960)
Distributions (note 39)	-	-	-	-	-	(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
Net Profit for the year	-	-	-	-	-	1,794,178	(18,200)	1,775,978
Currency translation differences	-	-	-	-	8,516	-	-	8,516
Total Comprehensive Income	-	-	-	-	8,516	1,794,178	(18,200)	1,784,494
Transactions with non-controlling interests	-	-	-	-	-	95,842	(145,060)	(49,218)
Employee share scheme (note 40)	-	-	-	-	(51,128)	-	-	(51,128)
Transactions with shareholders								
Sale of shares (note 33)	-	-	177,659	-	-	-	-	177,659
Distributions (note 39)	-	-	-	-	-	(1,644,040)	-	(1,644,040)
Balance at 31 December 2024	2,637,255	1,967,183	(176,044)	62,486	(246,924)	3,035,098	671,987	5,313,786

Supreme Ventures Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	Restated 2023 \$'000
Cash Flows from Operating Activities			
Net Profit for the year		1,775,978	2,441,701
Adjustments for:			
Depreciation of property and equipment	17	943,609	742,686
Amortisation of intangible assets	19	314,001	301,690
Adjustment of property and equipment Employee Share Scheme	12	-	(54,896)
Gain on disposal of property and equipment		(51,128)	(178,875)
Gain on fair value adjustment of financial asset		(2,861)	-
Revaluation gain on investment property		(153,017)	(526,052)
Bad debts recognised		(118,000)	(83,999)
Net foreign exchange gain		457,310	463,113
Interest income	10	(32,533)	(8,499)
Interest expense	13	(40,004)	(45,028)
Dividend income	10	909,486	655,244
Taxation	14	(43,929)	-
Operating cash flow before movement in working capital		906,711	830,084
		<u>4,865,623</u>	<u>4,537,169</u>
Change in non-cash working capital balances:			
Inventories		(8,503)	55,843
Trade and other receivables		(887,208)	(620,297)
Loans and advances		(523,472)	(966,557)
Trade and other payables		319,729	456,003
Prize liabilities		(373,813)	(655,887)
Cash generated by operations		<u>3,392,356</u>	<u>2,806,274</u>
Interest paid		(803,183)	(482,196)
Taxation paid, net		(894,107)	(1,499,653)
Cash provided by operating activities		<u>1,695,066</u>	<u>824,425</u>
Cash Flows from Investing Activities			
Payment for financial asset at fair value through profit or loss		-	(637,500)
Acquisition of property and equipment		(1,048,964)	(1,007,747)
Acquisition of intangible assets		(79,182)	(322,204)
Proceeds on disposal of property and equipment		81,372	-
Long-term receivables		2,331	2,530
Short-term investments		1,328	-
Dividend received		43,929	-
Interest received		40,797	43,387
Cash used in investing activities		<u>(958,389)</u>	<u>(1,921,534)</u>
Cash flows provided by/(used in) operating and investing activities carried forward to page 6		<u>736,677</u>	<u>(1,097,109)</u>

Supreme Ventures Limited

Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	2024	Restated
	\$'000	2023
		\$'000
Cash flows provided by/(used in) operating and investing activities brought forward from page 5	736,677	(1,097,109)
Cash Flows from Financing Activities		
Distributions	(1,410,477)	(2,468,603)
Payment for acquisition of subsidiary, net of cash acquired	-	(67,980)
Sale/ (Buyback) of shares	177,659	(222,960)
Repayment of long-term payables	(743,863)	(155,011)
Addition of long-term liabilities	1,046,780	3,553,660
Additions to lease liabilities	-	(94,949)
Repayment of lease liabilities	(243,197)	(244,960)
Cash (used in)/provided by financing activities	(1,173,098)	299,197
NET DECREASE IN CASH AND CASH EQUIVALENTS	(436,421)	(797,912)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	(21,037)	9,811
Cash and cash equivalents at the beginning of the year	1,865,005	2,653,106
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	27 <u>1,407,547</u>	<u>1,865,005</u>

Supreme Ventures Limited

Company Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Income	8	3,919,686	4,466,053
Operating expenses		(947,507)	(1,094,157)
Net impairment losses on financial assets		(45,278)	-
Operating profit		<u>2,926,901</u>	<u>3,371,896</u>
Other income	10	275,873	640,991
Finance costs	13	(766,380)	(565,499)
Profit before taxation		<u>2,436,394</u>	<u>3,447,388</u>
Taxation	14	115,902	88,024
Net Profit for the year and Comprehensive Income		<u><u>2,552,296</u></u>	<u><u>3,535,412</u></u>

Supreme Ventures Limited
Company Statement of Financial Position
31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Non-Current Assets			
Property, plant and equipment	17	796,723	729,021
Investment in subsidiaries	36	4,090,813	3,995,792
Intangible assets	19	469,428	500,797
Long-term receivables	21	662,136	527,028
Financial assets at amortised cost		1,883	1,883
Financial assets at fair value	22	1,817,966	1,664,949
Deferred tax assets	23	296,668	180,766
		<u>8,135,617</u>	<u>7,600,236</u>
Current Assets			
Income tax recoverable		21,254	18,162
Due from subsidiaries	37	4,942,440	3,876,188
Trade and other receivables	25	110,109	264,855
Current portion of long-term receivables	21	49,763	151,851
Restricted cash	26	154,466	151,670
Cash and cash equivalents	27	177,401	181,259
		<u>5,455,433</u>	<u>4,643,985</u>
Current liabilities			
Trade and other payables	29	479,764	240,087
Due to Subsidiaries	37	111,595	147,490
Current portion of lease liabilities	30	6,770	-
Current portion of long-term loans and payables	31	4,496,961	203,898
		<u>5,095,090</u>	<u>591,475</u>
Net Current Assets			
Capital Employed		<u>8,495,960</u>	<u>11,652,746</u>
Equity			
Share capital	33	1,967,183	1,967,183
Capital reserve	34	73,614	70,616
Retained earnings	15	2,510,811	1,602,555
Equity attributable to Shareholders of the Company		<u>4,551,608</u>	<u>3,640,354</u>
Non-Current liabilities			
Long-term loans and payables	31	3,936,135	8,012,392
Lease liabilities	30	8,217	-
Total non-current liabilities		<u>3,944,352</u>	<u>8,012,392</u>
Total equity and non-current liabilities		<u>8,495,960</u>	<u>11,652,746</u>

Approved for issue by the Board of Directors on 27 February 2025 and signed on its behalf:



Gary Peart

Director



Duncan Stewart

Director

Supreme Ventures Limited

Company Statement of Changes in Equity

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares	Share Capital	Capital Reserve	Retained Earnings	Total
	'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2022	2,637,255	1,967,183	62,486	538,960	2,568,629
Net Profit for the year and Comprehensive Income	-	-	-	3,535,412	3,535,412
Transactions with shareholders					
Employee Share Scheme	-	-	8,130	-	8,130
Distributions (note 39)	-	-	-	(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
Net Profit for the year and Comprehensive Income	-	-	-	2,552,296	2,552,296
Transactions with shareholders					
Employee Share Scheme	-	-	2,998	-	2,998
Distributions (note 39)	-	-	-	(1,644,040)	(1,644,040)
Balance at 31 December 2024	2,637,255	1,967,183	73,614	2,510,811	4,551,608

Supreme Ventures Limited

Company Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		2,552,296	3,535,412
Items not affecting cash:			
Dividend income	8	(3,174,087)	(3,493,817)
Interest income	10	(78,927)	(114,939)
Interest expense	13	766,511	566,530
Taxation	14	(115,902)	(88,024)
Depreciation	17	16,922	16,933
Amortisation of intangible assets	19	37,333	35,226
Gain on disposal of property and equipment		-	(82)
Net foreign exchange gain on cash and cash equivalents		3,707	(30)
Impairment losses recognised on trade receivables		45,278	-
Gain on fair value adjustment on financial asset		(153,017)	(526,052)
Employee Share Scheme		2,999	8,130
Operating cash flow before movement in working capital		<u>(96,887)</u>	<u>(60,713)</u>
Change in non-cash working capital balances:			
Due from subsidiaries		(1,338,932)	(3,367,013)
Trade and other receivables		178,695	(28,466)
Income tax recoverable		(3,092)	(2,719)
Due to subsidiaries		(35,897)	(334,448)
Trade and other payables		214,482	(106,955)
Cash used in operations		<u>(1,081,631)</u>	<u>(3,900,314)</u>
Interest paid		<u>(739,883)</u>	<u>(471,059)</u>
Cash used in operating activities		<u>(1,821,514)</u>	<u>(4,371,373)</u>
Cash Flows from Investing Activities			
Reimbursement for/ (investment in) employee share scheme		177,659	(222,960)
Payment for financial assets at fair value through profit or loss		-	(637,500)
Acquisition of property and equipment		(65,010)	(20,199)
Acquisition of intangible assets		(5,964)	(23,701)
Collection of long-term receivables		(78,298)	698,201
Dividends received		3,174,087	3,493,817
Interest received		54,978	108,895
Cash provided by investing activities		<u>3,257,452</u>	<u>3,396,553</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,644,040)	(2,471,817)
Addition of long-term liabilities		1,003,132	3,381,762
Repayment of lease liabilities		(9,799)	(7,758)
Loan repaid		(780,665)	(178,095)
Cash (used in)/provided by financing activities		<u>(1,431,372)</u>	<u>724,092</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		4,566	(250,728)
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		(8,424)	30
Cash and cash equivalents at the beginning of the year		181,259	431,957
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	27	<u>177,401</u>	<u>181,259</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(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, its subsidiaries and structured entities 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 2024 %
Supreme Ventures Gaming Limited and its subsidiary: (formerly Prime Sports Jamaica Limited)	Betting, gaming and lottery operations licenced by the Betting, Gaming and Lotteries 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 licensed 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activity (Continued)

Structured entity

On March 4, 2022, through the formation of SVG Stakeholder Trust Limited, 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 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 Accounting Standards (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:

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(a) Basis of preparation (continued)

Lease liability in sale and leaseback – Amendments to IFRS 16 (effective for annual periods beginning on or after 1 January 2024). In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. There was no material impact on the Group on adoption of this amendment.

Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2024). Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 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 (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. There was no material impact on the Group on adoption of this amendment.

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. There was no material impact on the Group on adoption of this amendment.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(a) Basis of preparation (continued)

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

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 2025, and the Group has not early adopted them.

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.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026). On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. The adoption of the standard is not anticipated to have any significant impact on the operations of the Group.

IFRS 18, Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027). This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

The Group is assessing the impact of the standard on its operations.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(a) Basis of preparation (continued)

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

Annual improvements to IFRS – Volume 11 (effective for annual periods beginning on or after 1 January 2026). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards, as applicable to the Group and Company:

- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(b) Consolidation (continued)

(i) *Subsidiaries (continued)*

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.

(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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(c) Foreign currency translation (continued)

(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.

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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(d) Revenue recognition (continued)

(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 (airtime) 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.

(xii) *Loan interest income and expense*

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

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

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(e) Loans and advances and provisions for credit losses

Loans and advances are recognised when cash is advanced to borrowers. They are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method. Impairment is covered in note 2(i).

(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

Notes to the Financial Statements

31 December 2024

(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	10 years
Contract based intangible asset	

(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

Notes to the Financial Statements

31 December 2024

(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 2024

(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 2024 is as follows:

Intercompany

	Base	Optimistic	No default	Pessimistic
Scenarios	90%	2%	3%	5%

Loans and advances

	2024 and 2023		
	Base	Upside	Downside
Lending portfolio	50%	20%	30%

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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(i) Impairment of financial assets (continued)

Loans and Advances

Loans and advances are monitored and followed up on a regular basis and provisions made as deemed necessary based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each borrower. Management has established a credit policy under which each borrower is analysed individually for credit worthiness prior to the Group offering loan facilities.

The Group uses three categories for loans which reflect their credit risk and how the loan loss provision is determined for each of those categories.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Definition of Category	Basis for recognition of ECL
Performing	<ul style="list-style-type: none"> Loans for which there is no evidence of a SICR since the origination date. Loans that are due to mature within 12 months of the reporting date providing that such loans are not in a state of default. 	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1).
Underperforming	<ul style="list-style-type: none"> Loans past due between 30 to 89 days Loans that experienced a SICR even if the 30 days past due days threshold is not met 	Lifetime expected losses (stage 2).
Non-Performing (credit impaired)	<ul style="list-style-type: none"> Loans that are past due 90 days and over Loans for which the maturity date has elapsed Loans that show evidence of impairment even if the 90 days past due threshold is not met 	Lifetime expected losses (stage 3).

Over the term of the loans, the Group accounts for its credit risk by appropriately providing for ECLs on a timely basis.

Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to loans experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new loans recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and lifetime ECL; and
- Impacts on the measurement of ECL due to changes made to models and assumptions.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(j) Financial instruments

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

Financial assets

The Group's financial assets comprise cash and cash equivalents and investment securities, trade and other receivables, long term receivables and amounts due from related parties. At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial liabilities

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

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. For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The group reclassifies debt instruments only when its business model for managing those assets changes.

Recognition and derecognition

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

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.

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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(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(1).

(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.

(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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(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.

(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. 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policy Information (Continued)

(s) Leases (continued)

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.

(u) Dividend distribution

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

(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 stock unit

Earnings per stock unit 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(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 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit review process

The Group and/or the Company has four 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. 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 2023 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 2024

(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 2024 and 31 December 2023 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 2024	Current				
Expected loss rate	0.95%	11.34%	33.60%	66.49%	31.13%
Gross carrying amount \$'000 – trade receivables	1,426,437	146,881	132,046	1,290,278	2,995,642
Loss allowance provision \$'000	<u>13,516</u>	<u>16,662</u>	<u>44,362</u>	<u>857,883</u>	<u>932,423</u>
		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>

The closing loss allowance provision for trade receivables as at 31 December 2024 reconciles to the opening loss allowance for that provision as follows:

	2024 \$'000	2023 \$'000
Opening loss allowance at 1 January	654,736	375,306
Increase in loss allowance recognised in profit or loss during the period	307,687	279,430
Unused amounts reversed	<u>(30,000)</u>	<u>-</u>
Closing loss allowance at 31 December	<u>932,423</u>	<u>654,736</u>

Trade receivables are written off when there is no reasonable expectation of recovery.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(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)

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	
	2024	2023
	\$'000	\$'000
Lottery Retailers	2,089,071	1,843,429
VLT Gaming Customers	-	2,066
Sports Betting Retailers	185,873	229,601
Off-Track Betting Parlours	652,701	739,810
Loan and Charge Up Retailers	67,997	64,513
	<u>2,995,642</u>	<u>2,879,419</u>
Less: Provision for expected credit losses	<u>(932,423)</u>	<u>(654,736)</u>
	<u><u>2,063,219</u></u>	<u><u>2,224,683</u></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 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	
	2024	2023
	\$'000	\$'000
Opening and closing loss allowance at 1 January	<u>46,848</u>	<u>46,848</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Due from subsidiaries

	The Company	
	2024	2023
	\$'000	\$'000
Opening loss allowance at 1 January	-	-
Increase in loss allowance recognised in profit or loss during the period	45,278	-
Closing loss allowance at 31 December	<u>45,278</u>	<u>-</u>

Loans and advances

The following table sets out the staging of the Group's Loans and Advances, exposed to credit risk, and shows their maximum exposure to credit risk. The amounts shown in the tables reconcile to the carrying values less the loan and advances to Gamepark as shown in Note 20 of the financial statements

	The Group	
	2024	2023
	\$'000	\$'000
Gross loans and advances	532,847	537,612
Loan interest and other receivables	28,380	11,987
Less: Provision for Expected Credit Loss	<u>(180,140)</u>	<u>(205,739)</u>
	<u>381,087</u>	<u>343,860</u>
Current portion of loans:		
Gross loans and advances	261,158	149,088
Loan interest and other receivables	2,718	8,556
Less: Provision for Expected Credit Loss	<u>(125,541)</u>	<u>(43,558)</u>
	<u>138,336</u>	<u>114,086</u>
Total	<u>519,422</u>	<u>457,946</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

	<u>The Group</u>	
	2024	2023
	\$'000	\$'000
Opening loss allowance at 1 January	249,297	65,614
Increase in loss allowance recognised in profit or loss during the period	<u>56,384</u>	<u>183,683</u>
Closing loss allowance at 31 December	<u><u>305,681</u></u>	<u><u>249,297</u></u>
	<u>The Group</u>	
	2024	2023
	\$'000	\$'000
Increase on loan loss provision during the year	<u>56,384</u>	<u>183,683</u>
Charged to profit or loss during the year	<u><u>56,384</u></u>	<u><u>183,683</u></u>

A summary of the 'three-stage' model for impairment based on changes in credit quality since the initial recognition as at 31 December 2024 and 31 December 2023 were as follows:

	<u>The Group</u>			
	<u>ECL Staging</u>			
	12-month ECL	Stage 2 – Lifetime ECL	Stage 3 – Lifetime ECL	Total
	2024			
	\$'000	\$'000	\$'000	\$'000
As at 31-Dec				
Loans receivable				
Gross carrying amount	269,769	165,849	389,485	825,103
Provision for Expected Credit Losses (ECL)	<u>(41,222)</u>	<u>(65,740)</u>	<u>(198,719)</u>	<u>(305,681)</u>
Gross carrying amount, net of Provision for ECL	<u><u>228,547</u></u>	<u><u>100,109</u></u>	<u><u>190,766</u></u>	<u><u>519,422</u></u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit exposure for Loans and advances (continued)

	The Group			Total
	ECL Staging			
	12-month ECL	Stage 2 – Lifetime ECL	Stage 3 – Lifetime ECL	
	2023			
	\$'000	\$'000	\$'000	\$'000
As at 31-Dec				
Gross carrying amount	255,166	100,658	351,419	707,243
Provision for Expected Credit Losses	(43,929)	(59,032)	(146,336)	(249,297)
Gross carrying amount, net of ECL	<u>211,237</u>	<u>41,626</u>	<u>205,083</u>	<u>457,946</u>

Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to loans experiencing significant increases or decreases of credit risk or becoming credit-impaired during the period;
- Additional allowances for new loans recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and lifetime ECL; and
- Impacts on the measurement of ECL due to changes made to models and assumptions.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowances (continued)

	The Group			
	ECL Staging			
	12-month ECL	Stage 2 – Lifetime ECL	Stage 3 – Lifetime ECL	Total
	2024			
	\$'000	\$'000	\$'000	\$'000
Loans and advances				
Gross carrying amount as at				
1 January	255,166	100,658	351,419	707,243
New financial assets originated	235,547	129,066	80,639	445,252
Transfer from Stage 1 to Stage 2	(48,359)	48,359	-	-
Transfer from Stage 1 to Stage 3	(44,213)	-	44,213	-
Transfer from Stage 2 to Stage 1	2,022	(2,022)	-	-
Transfer from Stage 2 to Stage 3	-	(29,247)	29,247	-
Financial assets fully derecognised during the period	(83,717)	(18,142)	(127,469)	(229,328)
Net remeasurement of loss allowance	(46,677)	(62,823)	11,436	(98,064)
Gross carrying amount as at				
31 December	269,769	165,849	389,485	825,103

	The Group			
	ECL Staging			
	12-month ECL	Stage 2 – Lifetime ECL	Stage 3 – Lifetime ECL	Total
	2023			
	\$'000	\$'000	\$'000	\$'000
Loans and advances				
Gross carrying amount as at				
1 January	74,483	54,744	341,715	470,942
New financial assets originated	228,063	46,137	44,328	318,528
Transfer from Stage 1 to Stage 2	(999)	999	-	-
Transfer from Stage 1 to Stage 3	(9,525)	-	9,525	-
Transfer from Stage 2 to Stage 1	131	(131)	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Financial assets fully derecognised during the period	-	(13,009)	13,009	-
Net remeasurement of loss allowance	(36,987)	11,918	(57,158)	(82,227)
Gross carrying amount as at				
31 December	255,166	100,658	351,419	707,243

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit exposure for Loans and advances (continued)

	<u>The Group</u> ECL Staging			2024 Total
	12-month ECL	Stage 2 – Lifetime ECL	Stage 3 – Lifetime ECL	
	2024			
Loans and advances	\$'000	\$'000	\$'000	\$'000
Loss allowance as at 1 January	43,929	59,032	146,336	249,297
New financial assets originated	38,257	67,780	30,061	136,098
Transfer from Stage 1 to Stage 2	(2,195)	2,195	-	-
Transfer from Stage 1 to Stage 3	(5,775)	-	5,775	-
Transfer from Stage 2 to Stage 1	669	(669)	-	-
Transfer from Stage 2 to Stage 3	-	(8,905)	8,905	-
Financial assets fully derecognised during the period	(30,271)	(45,337)	(136,260)	(211,868)
Net remeasurement of loss allowance	(3,392)	(8,356)	143,902	132,154
Gross carrying amount as at 31 December	41,222	65,740	198,719	305,681

	<u>The Group</u> ECL Staging			2023 Total
	12-month ECL	Stage 2 – Lifetime ECL	Stage 3 – Lifetime ECL	
	2023			
Loans and advances	\$'000	\$'000	\$'000	\$'000
Loss allowance as at 1 January	23,673	9,338	32,603	65,614
New financial assets originated	19,900	8,455	40,838	69,193
Transfer from Stage 1 to Stage 2	(96)	96	-	-
Transfer from Stage 1 to Stage 3	(9,351)	-	9,351	-
Transfer from Stage 2 to Stage 1	12	(12)	-	-
Transfer from Stage 2 to Stage 3	-	(12,933)	12,933	-
Financial assets fully derecognised during the period	-	-	-	-
Net remeasurement of loss allowance	9,791	54,087	50,612	114,490
Gross carrying amount as at 31 December	43,929	59,031	146,337	249,297

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit exposure for Loans and advances (continued)

The gross carrying amount of loan receivables, and thus the maximum exposure to loss, is as follows:

	The Group	
	2024	2023
	\$'000	\$'000
Performing	269,769	255,166
Underperforming	165,849	100,658
Non-Performing (credit impaired)	389,485	351,419
Total gross loan receivables	<u>825,103</u>	<u>707,243</u>
Less: Loan loss allowance	(305,681)	(249,297)
Loan receivables net of expected credit losses	<u><u>519,422</u></u>	<u><u>457,946</u></u>

Collateral

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

Loans and advances – Residential properties, charges over equipment and motor vehicles. Fair value of properties held as collateral is mainly based on obtained valuations from third parties and management's assessment of comparative sales, where valuations are not available.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held for loans issued by Mckayla Financial Services Limited (MFS). As at 31 December 2024, management estimates the fair value of collateral held to be \$383.72M (2023 - \$108.31M) for loans issued by MFS.

Repossessed collateral

The Group can obtain assets by taking possession of collateral held as security. Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness

Economic variable assumptions for exposure The Group has adopted the scorecard approach for forward looking adjustments which is based on qualitative assessment. Macroeconomic variables that affect the performance of the portfolio the most are chosen and its significance (weighting) assigned. Each macroeconomic variable is then given a state, depending on management expectation.

Each state is assigned a corresponding multiplier which indicates the impact of the state on the portfolio. The multipliers determine the range of ECL fluctuation. If the range is narrow, it means that the portfolio is less prone to macro-economic conditions. If the range is wide, the portfolio is more easily affected by the indicators identified.

This exercise is performed for all scenarios which represent different macroeconomic outlooks. The set of variables remain the same however the states may vary depending on each specific scenario.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit exposure for Loans and advances (continued)

Collateral (continued)

The three scenarios are weighted based on the range of macroeconomic scenarios they cover. The score and probability of impact of each scenario are multiplied, and the results are summed for all 3 scenarios. The assumptions and the related macroeconomic variables used by the Group for its loans and advances net of provisions for credit losses are as follows:

- Inflation – Given a weight of 27.5% (2023 – 27.5%)
- Interest rates – Given a weight of 25% (2023 – 25%)
- Gross Domestic Product (GDP) – Given a weight of 20% (2023 – 20%)
- Unemployment – Given a weight of 27.5% (2023 – 27.5%)

The scenarios used and the weight assigned are as follows:

- Base case – 50% (2023 – 50%)
- Upside – 20% (2023 – 20%)
- Downside – 30% (2023 - 30%)

The multipliers used for the various outlook forecasts are as follows:

- Positive – Multiplier of 0.6x (2023 – 0.6x)
- Stable – Multiplier of 1.1x (2023 – 1.1x)
- Negative – Multiplier of 1.6x (2023 – 1.6x)

Sensitivity analysis

The below sensitivity analyses are based on a change in the forward-looking information (FLI) while holding all other assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

% Change in FLI Factor		FLI factor Applied		ECL	
2024	2023	2024	2023	2024	2023
(6.52%)	(3.72%)	1.09	1.1	\$'000	\$'000
				305,681	249,297

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit exposure for Loans and advances (continued)

Collateral (continued)

		Group 2024								
Variables	Weight	Base Case Scenario			Upside Scenario			Downside Scenario		
		Outlook	Multiplier	Score	Outlook	Multiplier	Score	Outlook	Multiplier	Score
Inflation	27.50%	Stable	1.05	0.3	Positive	0.6	0.2	Negative	1.6	0.4
Interested Rate	25.00%	Stable	1.05	0.3	Stable	1.05	0.3	Negative	1.6	0.4
GDP	20.00%	Stable	1.05	0.2	Positive	0.6	0.1	Negative	1.6	0.3
Unemployment	27.50%	Positive	0.6	0.2	Positive	0.6	0.2	Negative	1.6	0.4
SCORE				0.93			0.71			1.6
Profitability of Impact				50%			20%			30%
Weighted Average PD Adjustment Factor		1.09		0.46			0.14			0.48

		Group 2023								
Variables	Weight	Base Case Scenario			Upside Scenario			Downside Scenario		
		Outlook	Multiplier	Score	Outlook	Multiplier	Score	Outlook	Multiplier	Score
Inflation	27.50%	Stable	1.05	0.3	Positive	0.6	0.2	Negative	1.6	0.4
Interested Rate	25.00%	Stable	1.05	0.3	Stable	1.05	0.3	Negative	1.6	0.4
GDP	20.00%	Stable	1.05	0.2	Positive	0.6	0.1	Negative	1.6	0.3
Unemployment	27.50%	Positive	0.6	0.2	Positive	0.6	0.2	Negative	1.6	0.4
SCORE				0.93			0.71			1.6
Profitability of Impact				50%			20%			30%
Weighted Average PD Adjustment Factor		1.1		0.46			0.14			0.48

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit exposure for Loan Receivable (continued)

Collateral (continued)

Through its subsidiary Supreme Ventures Gaming Limited, the Group has on lent a loan of \$1.19 billion (2023: \$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.

In accordance with the group's accounting policy on Financial Assets, an impairment assessment was done for this loan balance. The loan is measured on 12-month expected credit losses using the below assumptions:

- Loss given default - 24%
- Probability of default - 4.92%
- FLI factor - 3%

There was no material credit loss identified.

(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; and
- Maintaining a portfolio of marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow within the local and international markets;

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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Group						Carrying amount \$'000
	Less than 6 Months \$'000	6 - 12 Months \$'000	1 - 2 Years \$'000	2 - 5 Years \$'000	Over 5 Years \$'000	Total Contractual Cashflows \$'000	
	2024						
Prize liabilities	520,350	-	-	-	-	520,350	520,350
Trade and other payables	4,845,071	-	-	-	-	4,845,071	4,990,487
Long-term loans and payables	1,444,563	3,440,141	2,857,683	2,317,812	268,999	10,329,198	8,851,552
Lease liabilities	122,389	102,566	215,883	197,577	826,227	1,464,642	736,350
	6,932,373	3,542,707	3,073,566	2,515,389	1,095,226	17,159,261	15,098,739
	Restated 2023						
Prize liabilities	894,164	-	-	-	-	894,164	894,164
Trade and other payables	4,190,908	-	-	-	-	4,190,908	4,190,908
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
	5,781,654	715,606	4,560,979	3,613,352	2,716,716	17,388,307	14,653,765
	The Company						
	Less than 6 Months \$'000	6 - 12 Months \$'000	1 - 2 Years \$'000	2 - 5 Years \$'000	Over 5 Years \$'000	Total Contractual Cashflows \$'000	Carrying amount \$'000
	2024						
Trade and other payables	474,086	-	-	-	-	474,086	479,764
Due to related party	111,595	-	-	-	-	111,595	111,595
Long-term loans and payables	1,353,336	3,354,474	2,700,962	2,308,349	257,133	9,974,254	8,433,096
Lease Liabilities	3,956	3,877	5,057	-	-	12,890	14,987
	1,942,973	3,358,351	2,706,019	2,308,349	257,133	10,572,825	9,039,442
	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	8,216,290
	859,025	430,549	4,279,550	3,380,015	1,886,428	10,835,567	8,588,173

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(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

Notes to the Financial Statements

31 December 2024

(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	
	2024	2023
	USD	USD
	J\$'000	J\$'000
Assets:		
Cash and cash equivalents	<u>369,839</u>	<u>957,252</u>
	<u>369,839</u>	<u>957,252</u>
Liabilities:		
Trade and other payables	<u>(767,537)</u>	<u>(291,242)</u>
	<u>(767,537)</u>	<u>(291,242)</u>
Net exposure	<u><u>(397,698)</u></u>	<u><u>666,010</u></u>
	The Company	
	2024	2023
	USD	USD
	J\$'000	J\$'000
Assets:		
Cash and cash equivalents	2,291	11,558
Liabilities:		
Trade and other payables	<u>(4,519)</u>	<u>(1,441)</u>
Net exposure	<u><u>(2,228)</u></u>	<u><u>10,117</u></u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(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 (2023: 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 (2023: 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			
		2024		2023	
		Devaluation	Revaluation	Devaluation	Revaluation
		4%	1%	4%	1%
		\$'000	\$'000	\$'000	\$'000
USD		<u>(15,908)</u>	<u>(3,977)</u>	<u>26,640</u>	<u>(6,660)</u>
		The Company			
		2024		2023	
		Devaluation	Revaluation	Devaluation	Revaluation
		4%	1%	4%	1%
		\$'000	\$'000	\$'000	\$'000
USD		<u>(189)</u>	<u>(22)</u>	<u>(405)</u>	<u>101</u>

(i) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments:				
Financial assets	609,527	1,160,661	172,781	179,406
Financial liabilities	9,623,987	9,331,376	8,439,865	8,216,289
Variable rate:				
Financial assets	109,765	120,401	5,679	2,900

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 100 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 2024

(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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Effect of increase of 25 basis points (2023:100 basis points on profit) on profit	274	301	14	7
Effect of decrease of 100 basis points (2023:100 basis points on profit) on profit	<u>(1,098)</u>	<u>(301)</u>	<u>(57)</u>	<u>(7)</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 8% and a decrease by 2% in equity prices at the year-end date are set out below.

	The Group and The Company	
	31 December 2024	31 December 2024
	\$'000	\$'000
Financial assets at fair value through profit or loss equity securities:		
Jamaica Stock Exchange – increase 8% (2024)	118,680	85,995
Jamaica Stock Exchange – decrease 2% (2023)	<u>(29,670)</u>	<u>(42,998)</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(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
- (ii) 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. In keeping with the going concern objective and to optimise its cost of capital, the Group's capital management is designed to continuously exceed the contractual requirements arising from debt covenants as outlined in the loan agreement with Sagicor, Barita Investments, Development Bank of Jamaica and Mayberry Investments. 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.

Certain loan agreements of the Company, which were classified as non-current during the year, contain covenant clauses that require the Company to maintain specific financial ratios. The Company failed to meet the Current ratio and the debt/equity ratio stipulated in the agreement for certain loan facilities. A waiver letter was obtained prior to the year end for the Current ratio for a specific loan facility. As a result of the other covenant breach, the lenders have the contractual right to demand immediate repayment of the outstanding loan balance. . Consequently, the outstanding amount of \$919,000,000 is classified as a current liability as of 31 December 2024. Although the banks have not requested early repayment, they have agreed to waive the breached covenants until the end of November 2025.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

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

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 by IFRS. An explanation of each level follows underneath the table.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(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 the 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				
2024				
Note	Level 1	Level 2	Level 3	Total
22	\$'000	\$'000	\$'000	\$'000
Financial assets				
Quoted equities	1,483,506	-	-	1,483,506
Unquoted equities	-	-	334,460	334,460
Total Assets	1,483,506	-	334,460	1,817,966

The Group and Company				
2023				
Note	Level 1	Level 2	Level 3	Total
22	\$'000	\$'000	\$'000	\$'000
Financial assets				
Quoted equities	1,433,257	-	-	1,433,257
Unquoted equities	-	-	231,692	231,692
Total Assets	1,433,257	-	231,692	1,664,949

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

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(e) Fair value measurement (continued)

The following is a reconciliation of the movement of level 2 and 3 financial assets during the reporting period:

Financial assets	2024	2023
	\$'000	\$'000
<u>Quoted equities</u>		
Opening balance	1,433,257	269,705
Purchases	-	637,500
Gains recognised in the profit or loss	50,249	526,052
Closing balance	<u>1,483,506</u>	<u>1,433,257</u>
<u>Unquoted equities</u>		
Opening balance	231,692	231,692
Gains recognised in the profit or loss	102,768	-
Closing balance	<u>334,460</u>	<u>231,692</u>
	<u>1,817,966</u>	<u>1,664,949</u>

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 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 contingencies under the Caymanas Track Limited deed. (See note 42)

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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

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

(iii) 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.

(iv) 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 2024

(expressed in Jamaican dollars unless otherwise indicated)

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

(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 \$12,726,952,000 (2023: \$11,485,317,000) and \$11,729,057,000 (2023: \$10,535,428,000).

(vi) *Provision for lottery tax payable*

As a licensed lottery promoter, the Group, through its subsidiary Supreme Ventures Gaming Limited (SVGL) is required by Section 59A of the Betting, Gaming & Lotteries Act (BGLA) to account for lottery tax in respect of its declared lotteries (being the Lotto and Super Lotto draws) at the rate of 25% of "*gross weekly revenue*" (as defined by the BGLA) derived from each game held. This lottery tax (along with other prescribed taxes and levies) is required to be remitted on a weekly basis along with a Weekly Return of Lottery Sales, Winnings, Tax and Levy Payable (Form LT01). Since 2016, this Return has been filed online through Tax Administration Jamaica's (TAJ) Tax Portal.

There was a difference in interpretation as it relates to the manner in which "*gross weekly revenue*" is to be calculated (and in turn the associated lottery tax payable thereon) between SVGL and TAJ when these returns were established by TAJ on the online platform. SVGL was of the view that the methodology prescribed by the online Form LT01 was not in accordance with the provisions of the BGLA.

A formal submission on the matter was made by SVGL to TAJ following which an extensive review was conducted by both TAJ and the Ministry of Finance (MOF) in consultation with the Betting, Gaming & Lotteries Commission (BGLC). Consequent on further deliberations with SVGL, the MOF advised in December 2024 that it was in agreement with the SVGL's interpretation of the BGLA.

It further instructed that SVGL should work to TAJ to determine its correct liability to lottery tax in respect of declared lotteries between 2016-2024 in accordance with the agreed interpretation of the BGLA and methodology to calculate lottery tax payable.

Subject to verification with TAJ, the Group has estimated a net refundable lottery tax credit of \$553,000,000 for the period 2016 to 2024. This has been recorded as a recoverable balance in Trade and other receivables.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting

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 activities.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting (continued)

	2024				
	Lottery \$'000	Sports Betting \$'000	Pin Codes \$'000	Unallocated \$'000	Group \$'000
Non-fixed odd wagering games	3,842,570	14,781,396	13,606,265	399,398	32,629,629
Income from fixed odd wagering games	18,418,798	1,620,365	-	-	20,039,163
Direct Expenses	(14,618,740)	(12,450,751)	(13,241,106)	(13,348)	(40,323,945)
Operating Expenses	(1,866,222)	(2,948,568)	9,921	(4,765,520)	(9,570,389)
Segment Result	5,776,406	1,002,442	375,080	(4,379,470)	2,774,458
Loan interest revenue	-	-	-	-	237,680
Interest income	-	-	-	-	40,004
Other income	-	-	-	-	389,501
Net foreign exchange gain	-	-	-	-	32,532
Finance costs	-	-	-	-	(909,486)
Revaluation gain on investment property	-	-	-	-	118,000
Profit before taxation	-	-	-	-	2,682,689
Taxation	-	-	-	-	(906,711)
Net Profit	-	-	-	-	1,775,978
Other information:					
Capital expenditure	211,769	498,323	-	437,671	1,147,763
Depreciation, amortisation and write-offs; property, plant and equipment	130,774	903,121	-	223,715	1,257,610
Segment assets	3,073,578	8,341,714	96,826	9,537,084	21,049,202
Segment liabilities	3,012,198	1,083,787	1,080,249	10,559,182	15,735,416

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting (Continued)

	Restated 2023				
	Lottery \$'000	Sports Betting \$'000	Pin Codes \$'000	Unallocated \$'000	Group \$'000
Non-fixed odd wagering games	4,086,763	14,156,815	12,335,910	405,048	30,984,536
Income from fixed odd wagering games	18,200,737	1,694,576	-	-	19,895,313
Direct Expenses	(14,996,792)	(12,065,957)	(11,976,646)	(40,204)	(39,079,599)
Operating Expenses	(2,084,080)	(2,626,892)	-	(4,192,974)	(8,903,946)
Segment result	5,206,628	1,158,542	359,264	(3,828,130)	2,896,304
Loan interest revenue	-	-	-	-	204,684
Interest income	-	-	-	-	45,028
Other gains	-	-	-	-	651,124
Net foreign exchange gain	-	-	-	-	45,890
Finance costs	-	-	-	-	(655,244)
Revaluation gain on investment property	-	-	-	-	83,999
Profit before taxation	-	-	-	-	3,271,785
Taxation	-	-	-	-	(830,084)
Net Profit	-	-	-	-	<u>2,441,701</u>
Other information:					
Capital expenditure	178,777	703,964	-	445,350	1,328,091
Depreciation, amortisation and write-offs	253,563	607,664	-	206,384	1,067,611
Segment assets	3,698,028	6,860,472	721,320	9,009,989	20,289,809
Segment liabilities	2,485,475	591,273	1,027,538	11,089,504	15,193,790

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting (Continued)

	Segment Results		Segment Assets		Segment Liabilities	
	2024 \$'000	Restated 2023 \$'000	2024 \$'000	Restated 2023 \$'000	2024 \$'000	Restated 2023 \$'000
Total for reportable segments	7,153,927	6,724,434	11,512,118	11,279,820	5,176,234	4,104,286
Unallocated amounts:						
Selling, general and administrative expenses	(4,765,519)	(4,192,974)	-	-	-	-
Direct costs	(13,348)	(40,204)	-	-	-	-
Revenue from non-fixed odd wagering games	399,398	405,048	-	-	-	-
Property, plant and equipment	-	-	1,863,785	1,033,176	-	-
Investment properties	-	-	1,060,000	942,000	-	-
Goodwill and intangible assets	-	-	1,396,161	3,577,320	-	-
Long-term receivables	-	-	-	21,557	-	-
Financial assets at amortised cost	-	-	1,883	1,883	-	-
Financial assets at fair value	-	-	1,817,966	1,664,949	-	-
Deferred tax asset	-	-	886,717	394,897	-	-
Inventories	-	-	759	12	-	-
Trade and other receivables	-	-	1,209,935	391,084	-	-
Loans and advances	-	-	517,545	457,947	-	-
Taxation recoverable	-	-	34,904	32,224	-	-
Restricted cash	-	-	182,309	151,670	-	-
Cash and cash equivalents	-	-	565,120	341,270	-	-
Prize liabilities	-	-	-	-	36,003	-
Trade and other payables	-	-	-	-	1,908,091	1,762,511
Current portion of lease liabilities	-	-	-	-	33,803	250,157
Current portion of long-term loans	-	-	-	-	3,750,136	241,118
Income tax payable	-	-	-	-	-	8,217
Long-term payables	-	-	-	-	4,620,938	8,012,393
Lease liabilities	-	-	-	-	62,868	603,893
Deferred tax liability	-	-	-	-	147,343	211,215
Total unallocated amounts	(4,379,469)	(3,828,130)	9,537,084	9,009,989	10,559,182	11,089,504
Total per financial statements	2,774,458	2,896,304	21,049,202	20,289,809	15,735,416	15,193,790

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

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

The Group recognised non-fixed odds revenue of \$32.63 billion in 2024 (2023: \$30.98 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 2024, the Group recorded to revenue a deficit of \$0.97 million (2023 - \$420.68 million surplus) 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, net of prizes

The group recognised gross sales from fixed odds wagering games of \$74.28 billion (2023: \$75.39 billion) and after prize pay-outs of \$54.25 billion (2023: \$55.50 billion), resulting in net gaming income of \$20.04 billion (2023: \$19.9 billion).

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

8. Income

	<u>The Company</u>	
	2024	2023
	\$'000	\$'000
Management fee income	733,712	960,266
Dividend income	3,174,087	3,493,817
Miscellaneous income	11,887	11,970
	<u>3,919,686</u>	<u>4,466,053</u>

9. Direct Costs

	<u>The Group</u>	
	2024	Restated 2023
	\$'000	\$'000
Lottery and Sports betting prizes	1,786,358	1,747,351
Horseracing dividends	8,862,991	8,373,258
Pin Codes	12,538,026	11,329,722
Gross Profit surcharge (i)	3,997,630	4,407,954
Agents' commissions	5,341,734	5,416,991
Service contractor fees	2,947,990	2,890,549
Good cause fees	2,444,986	2,496,359
Contributions to Guyana Gaming Authority	88	56
Contributions to BGLC	1,249,337	1,270,378
Horseracing purse fees	798,289	801,116
Horseracing satellite services	193,299	165,512
Contributions to JRC	113,274	98,741
Others	49,943	81,612
	<u>40,323,945</u>	<u>39,079,599</u>

(i) This includes Lottery tax credit of \$553 million (refer to note 4 (vi)) assessed from the year 2018-2024, offset by an amount of \$102 million previously recognized in 2019.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

10. Other Income

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest income	40,004	45,028	78,927	114,939
Loan interest income (i)	237,680	204,684	-	-
Rental income	39,387	35,781	-	-
Gain on financial asset at fair value	153,017	526,052	153,017	526,052
Gain on disposal of property, plant and equipment	2,861	14,620	-	-
Miscellaneous income	150,308	74,671	-	-
Dividend income	43,929	-	43,929	-
	<u>667,186</u>	<u>900,836</u>	<u>275,873</u>	<u>640,991</u>

(i) This represents interest revenue from Mckayla Financial Services Limited and Supreme Ventures Fintech Limited from the provision of micro lending services.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

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

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Staff costs (Note 12)	2,993,911	2,527,668	220,801	187,930
Rental and utilities	520,616	564,570	4,948	5,831
Auditors' remuneration	93,846	75,824	28,847	18,000
Depreciation and amortisation (Note 17 & 19)	1,257,610	1,067,611	54,255	52,158
Professional fees	392,223	449,899	199,974	312,524
Marketing and business development	1,359,192	1,160,170	71,923	101,650
Draw expenses	298,998	303,694	-	-
Subscription and donations	284,582	327,399	14,395	35,361
GCT irrecoverable	224,230	198,722	42,293	27,136
Security	265,211	220,410	25,177	14,418
Licences and other fees	195,692	227,076	10	104
Local and foreign travel	136,989	250,377	18,112	72,191
Repairs and maintenance	358,377	328,650	1,113	763
Equipment and motor vehicle expenses	94,293	92,312	667	1,535
Directors' fees	164,163	169,403	113,259	84,720
Bank charges	130,162	136,675	2,962	2,553
Administrative expenses	121,526	129,511	38,646	44,656
Insurance	134,451	110,070	4,694	38,703
Shared Services Recharge	-	-	95,627	86,832
Others	87,007	100,792	9,804	7,092
Total Selling, general and administrative expenses/ Operating Expenses	9,113,079	8,440,833	947,507	1,094,157
Net impairment losses on financial assets	457,310	463,113	45,278	-
	<u>9,570,389</u>	<u>8,903,946</u>	<u>992,785</u>	<u>1,094,157</u>

Audit fees for the year ended 31 December 2024 totalled \$81,768,000 (2023: \$75,824,000) for the Group and \$28,847,000 (2023: \$18,000,000) for the Company. Other fees paid to the auditor (and related network firms) for non-assurance services totalled \$61,361,000 (2023: \$46,069,000) for the Group and \$9,496,000 (2023: \$834,000) for the Company.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

12. Staff Costs

Staff costs comprise:

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Salaries and wages	2,158,953	1,847,262	151,123	149,482
Payroll taxes – employer's portion	253,397	219,878	15,702	14,291
Pension costs – defined contribution	62,422	57,748	2,889	2,750
Long-term incentive plan	41,797	(12,039)	2,999	8,130
Allowances and benefits	357,126	305,428	8,098	7,041
Other	120,216	109,391	39,990	6,236
	<u>2,993,911</u>	<u>2,527,668</u>	<u>220,801</u>	<u>187,930</u>

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

13. Finance Costs

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Interest on bank overdraft and long-term loans	812,883	577,664	766,511	566,530
Interest expense for lease liabilities	96,603	77,580	1,434	698
Net foreign exchange gains	(32,531)	(45,890)	(1,565)	(1,729)
	<u>876,955</u>	<u>609,354</u>	<u>766,380</u>	<u>565,499</u>

14. Taxation

Taxation is based on profit before tax and comprises:

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current tax	1,135,268	1,103,141	-	-
Deferred tax (Note 22)	(228,557)	(273,057)	(115,902)	(88,024)
	<u>906,711</u>	<u>830,084</u>	<u>(115,902)</u>	<u>(88,024)</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Profit before tax	2,682,689	3,271,785	2,436,394	3,447,388
Tax calculated at 25%	670,672	817,946	609,099	861,847
Expenses not deductible for tax purposes	18,871	114,221	7,111	77,136
Income not subject to tax	(44,413)	(134,888)	(804,504)	(1,008,342)
Prior year under provision	40,961	-	-	-
Net employment tax credit	(5,001)	(14,884)	-	-
Tax losses not recognised	69,506	74,319	-	-
Difference in tax rates across jurisdictions	(3,885)	(5,632)	-	-
Other charges and credits	160,000	(20,998)	72,392	(18,665)
Tax charge	906,711	830,084	(115,902)	(88,024)

- (a) Tax losses of the Group amounting to \$3.97 billion (2023: \$2.60 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) Tax losses of \$1.23 billion (2023: \$1.00 billion) in certain subsidiaries have not been recognised as assets, as the 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 and are not probable of being realized in the short term.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

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:

	2024	2023
	\$'000	\$'000
Net profit for the Year		
The Company, as reported	2,552,296	3,535,412
Add Shared Service Charge expenses	95,627	86,832
Less Dividend Income from subsidiaries	(3,174,087)	(3,493,817)
Less Management fee income from subsidiaries	(733,712)	(960,266)
Less Interest income from subsidiaries	(53,618)	(93,167)
The Company excluding income from subsidiaries	(1,313,494)	(925,006)
Subsidiaries	3,107,672	3,345,497
The Group as reported	<u>1,794,178</u>	<u>2,420,491</u>
	2024	2023
	\$'000	\$'000
Retained earnings		
The Company	2,510,811	1,602,555
Subsidiaries	524,287	1,186,563
	<u>3,035,098</u>	<u>2,789,118</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.

	2024	2023
	\$'000	\$'000
Net Profit for the year attributable to ordinary shareholders	<u>1,794,178</u>	<u>2,420,491</u>
Weighted average number of shares outstanding	<u>2,637,255</u>	<u>2,637,255</u>
Earnings per stock unit	<u>68.03 cents</u>	<u>91.78 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

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

17. Property Plant and Equipment

	The Group												
	Freehold Land \$'000	Freehold Buildings \$'000	Right of use assets \$'000	Leasehold Improvements \$'000	Leased Tote Equipment \$'000	Video Lottery Terminal Equipment \$'000	Furniture, Fixtures, Machinery & Equipment \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Arts, Paintings & Other Assets \$'000	Signs & Posters \$'000	Capital Work-in-Progress \$'000	Total \$'000
Cost													
31 December 2022	13,000	266,071	1,396,594	880,893	101,185	997,386	1,957,540	379,798	272,843	17,380	115,908	1,895,058	8,293,656
Additions	-	-	(59,653)	54,941	-	8,907	80,719	86,081	92,682	1,859	15,211	581,433	862,180
Transfers (i(b))	-	-	-	-	-	-	-	-	-	-	-	374,198	374,198
Disposals/Write-offs	-	-	(6,514)	-	(101,185)	-	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	19,239	131,119	2,839,911	9,401,708
Additions	-	-	56,186	59,168	-	157,202	63,759	49,352	76,383	46,130	15,487	393,306	916,973
Foreign exchange adjustment	-	-	-	-	-	-	-	-	(4,811)	-	-	-	(4,811)
Transfers (i(b))	-	-	7,956	-	-	1,804,041	(12,069)	-	7,000	-	-	(1,707,341)	99,587
Disposals/Write-offs	-	-	(43,663)	-	-	-	-	-	(21,299)	(13,549)	-	-	(78,511)
31 December 2024	13,000	266,071	1,350,906	995,002	-	2,967,536	2,091,100	515,231	411,798	51,820	146,606	1,525,876	10,334,946
Accumulated depreciation													
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
Depreciation	-	4,846	185,366	86,289	-	427,980	91,534	58,228	64,082	-	25,284	-	943,609
Foreign exchange adjustment	-	-	-	-	-	-	-	-	(50)	-	-	-	(50)
Transfers	-	-	6,628	(2,277)	-	-	(4,351)	-	-	-	-	-	-
Disposals/write-offs	-	-	(39,078)	-	-	-	-	-	(17,705)	-	-	-	(56,783)
31 December 2024	-	41,993	708,227	666,548	-	1,036,511	1,555,736	366,344	230,167	-	86,275	-	4,691,801
Net book values													
31 December 2024	13,000	224,078	642,679	328,454	-	1,931,025	535,364	148,887	181,631	51,820	60,331	1,525,876	5,643,145
31 December 2023	13,000	228,924	775,116	353,298	-	397,762	570,857	157,763	170,685	19,239	70,128	2,839,911	5,596,683

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

17. Property Plant and Equipment (Continued)

	The Company									
	Freehold Land \$'000	Freehold Buildings \$'000	Right of use assets \$'000	Leasehold Improvements \$'000	Furniture, Fixtures, Machinery & Equipment \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Art & Paintings \$'000	Capital Work in Progress \$'000	Total \$'000
Cost										
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
Additions	-	-	19,614	-	131	-	-	-	64,879	84,624
Disposals	-	-	(25,718)	-	-	-	-	-	-	(25,718)
31 December 2024	13,000	69,990	19,614	11,215	50,226	557	981	2,543	706,499	874,625
Accumulated depreciation										
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
Depreciation	-	1,750	8,716	553	5,903	-	-	-	-	16,922
Depreciation on disposal	-	-	(25,718)	-	-	-	-	-	-	(25,718)
31 December 2024	-	24,671	8,716	9,504	33,473	557	981	-	-	77,902
Net book values										
31 December 2024	13,000	45,319	10,898	1,711	16,753	-	-	2,543	706,499	796,723
31 December 2023	13,000	47,069	-	2,264	22,525	-	-	2,543	641,620	729,021

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

17. Property, Plant 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	
	2024	2023
Right-of-use assets	\$'000	\$'000
Buildings	642,679	775,116
	<u>642,679</u>	<u>775,116</u>
	The Company	
	2024	2023
Right-of-use assets	\$'000	\$'000
Buildings	10,898	-
	<u>10,898</u>	<u>-</u>

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

	The Group	
	2024	2023
	\$'000	\$'000
Property plant & equipment	(99,587)	(374,198)
Transferred amount	<u>(99,587)</u>	<u>(374,198)</u>

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

The statement of comprehensive income shows the following amounts relating to leases:

	2024	2023
	\$'000	\$'000
Depreciation charge of right-of-use assets		
Buildings	185,366	179,265
Equipment	-	12,356
	<u>185,366</u>	<u>191,621</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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

18. Investment Properties

(i) Non-current assets at fair value

	2024 \$'000	2023 \$'000
Opening balance at 1 January	942,000	858,001
Gain from fair value adjustments	118,000	83,999
Closing balance at 31 December	<u>1,060,000</u>	<u>942,000</u>

Investment properties include:

- (i) The Group's interest in freehold land held by Jonepar Development Limited, a related party, amounting to \$95 million (2023: \$70 million).
- (ii) Building valued at \$965 million (2023: \$872 million).

The properties were valued by independent valuers, Allison Pitter & Company as at November 16, 2024, who estimated a value of \$1.06 billion (2023: \$942 million). This is categorised as level 3 in the fair value hierarchy.

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

The lessee 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 the lessee 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 \$32.57 million (2023: \$29.87 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 \$1.52 million (2023: \$0.83 million).

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

Fair value at December 2024 \$'000	Fair value at December		Valuation Technique (s)	Unobservable inputs	Range of unobservable inputs (Probability-weighted average)	Relationship of unobservable inputs to fair value	Sensitivity \$'000
	2024 \$'000	2023 \$'000					
965,000	872,000		Investment approach	Capitalization rate	• 8% - 9%	If the capitalization rate increases by 1%, the fair value will decrease by 0.6%	5,790
				Discount rates	• 7% - 8.5%	If the discount rate increases by 1%, the fair value will decrease by 0.4%	3,860
95,000	70,000		Market comparison approach with a residual approach	Capital value per square foot	• \$40,000 - \$48,000 capital value per square foot	If the capital value per square foot increases by 1%, the fair value will increase by 7.05%	6,698
				Basic building cost	• \$17,000 per square foot	If the basic building cost increases by 1%, the fair value will decrease by 5.61%	5,330
<u>1,060,000</u>	<u>942,000</u>						

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

18. Investment Properties (Continued)

Lessor arrangements

The investment properties are leased to tenant under operating leases with rentals payable monthly. Lease payments for the contract include 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

	2024	2023
	\$'000	\$'000
Within 1 Year	38,305	37,350
Between 1 and 2 years	39,071	38,097
Between 2 and 3 years	39,852	38,859
Between 3 and 4 years	40,649	39,636
Between 4 and 5 years	41,462	40,429
Later than 5 years	52,917	83,301
	<u>252,256</u>	<u>277,672</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

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	Licence \$'000	Total \$'000
Cost												
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
Additions	170,682	-	21,437	-	-	-	-	192,119	5,964	-	-	5,964
Foreign exchange adjustments	(17,380)	-	(721)	-	-	-	-	(18,101)	-	-	-	-
Transfers	(99,587)	-	-	-	-	-	-	(99,587)	-	-	-	-
31 December 2024	1,197,144	720,306	695,755	1,038,600	128,000	80,558	2,053,939	5,914,302	431,970	427	189,953	622,350
Accumulated Amortisation												
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
Amortisation	124,226	72,031	54,972	62,772	-	-	-	314,001	37,333	-	-	37,333
Foreign exchange adjustment	(4,751)	-	-	-	-	-	-	(4,751)	-	-	-	-
31 December 2024	664,632	276,119	543,852	443,049	128,000	80,558	-	2,136,210	152,807	115	-	152,922
Carrying values												
31 December 2024	532,512	444,187	151,903	595,551	-	-	2,053,939	3,778,092	279,163	312	189,953	469,428
31 December 2023	598,272	516,218	186,159	658,323	-	-	2,053,939	4,012,911	310,532	312	189,953	500,797

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

expressed in Jamaican dollars unless otherwise indicated)

19. Goodwill and Intangible Assets (Continued)

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	
	2024	2023
	\$'000	\$'000
Licence	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 impairment test on goodwill is carried out by comparing the recoverable amount of the Group's cash-generating unit (CGU) to which goodwill and indefinite intangible assets has been allocated, to the carrying amount of that CGU. The CGU recognising goodwill and indefinite lived intangible assets for the Group are Lottery, Post to Post Betting Limited and Supreme Route Limited.

Management has determined that goodwill at 31 December 2024 is not impaired based on an assessment of the recoverable amount of the CGU. The recoverable amount of the CGU was determined based on the higher of fair value less cost to sell and value-in-use calculations. The value-in-use calculations were determined to be higher of the two valuation models. 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.

	The Group and the Company					
	Supreme Route Limited		Post to Post Betting Limited		Lottery	
	2024	2023	2024	2023	2024	2023
Pre-tax discount rate	19.80%	23.90%	20.28%	22.50%	30.44%	22.40%
Terminal value growth rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
EBITDA growth rate in terminal year	<u>7.50%</u>	<u>8.00%</u>	<u>5.00%</u>	<u>5.00%</u>	<u>1.00%</u>	<u>4.00%</u>

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:

- (a) If the terminal value revenue growth rate had been 1% lower than management's estimates for the Post to Post Betting Limited CGU, the Group would have an excess over the carrying value of goodwill and intangible assets of \$173,500,000 and therefore no impairment would have been recognised. If the pre-tax discount rate had been 1% higher than management's estimates, the Group would have an excess over the carrying value of goodwill of \$126,400,000.
- (b) 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 \$168,000,000 (2023- \$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 an excess over the carrying value of goodwill of \$129,900,000 for 2024. As it relates to 2023 there would be impairment of \$16,800,000.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

20. Loans and Advances, Net of Provision for Credit Losses

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

	2024	2023
	\$'000	\$'000
Loans and advances		
Within 12 months	263,877	157,644
Within 12 months – Gamepark Limited	1,192,252	730,256
Over 12 months	561,226	549,599
Gross loans and advances	2,017,355	1,437,499
Less: provision for credit losses	(305,681)	(249,297)
Net loans and advances	<u>1,711,674</u>	<u>1,188,202</u>
Non-current portion	345,105	151,363
Current portion	1,366,569	1,036,839
	<u>1,711,674</u>	<u>1,188,202</u>

Through its subsidiary Supreme Ventures Gaming Limited, the Group has on lent a loan of \$1.19 billion (2023: \$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 and is classified at stage 1.

Sensitivity analysis

The below sensitivity analysis shows the impact on the ECL based on a change in the probability of default while holding all other assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis are disclosed at note 3 (a).

Sensitivity Analysis		
2024		
Probability of default	Increase by 1%	Decrease by 1%
	\$'000	\$'000
(4.92%)	214	(214)

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

21. Long-Term Receivables

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Island Holdings Limited	20,344	22,674	-	-
Supreme Ventures Racing & Entertainment Limited (note a)	-	-	456,385	416,614
Supreme Ventures Gaming Limited	-	-	783	783
Supreme Route Limited (note b)	-	-	157,458	162,617
Supreme Ventures Real Estate (note c)	-	-	80,000	80,000
Supreme Ventures Enterprise Incorporated	-	-	649	649
McKayla Financial Services (note d)	-	-	63,472	65,064
	<u>20,344</u>	<u>22,674</u>	<u>758,747</u>	<u>725,727</u>
Less Provision for expected credit losses	-	-	(46,848)	(46,848)
	<u>20,344</u>	<u>22,674</u>	<u>711,899</u>	<u>678,879</u>
Less: Current portion	<u>(1,117)</u>	<u>(1,117)</u>	<u>(49,763)</u>	<u>(151,851)</u>
	<u>19,227</u>	<u>21,557</u>	<u>662,136</u>	<u>527,028</u>

(a) Supreme Ventures Racing & Entertainment Limited

This represents a loan facility with Supreme Ventures Racing & Entertainment Limited with interest accruing at a rate of 4% per annum. Principal payments are to be made on an annual basis and is expected to mature in 2046.

(b) Supreme Route Limited

This represents a loan facility with Supreme Route with interest accruing at a rate of 8% per annum. Principal payments are to be made on a monthly basis and is expected to mature in 2029.

(c) Supreme Ventures Real Estate Limited (formerly Supreme Ventures Lotteries Limited)

This represents a loan facility with subsidiary Supreme Ventures Real Estate Limited at an interest rate of 11% per annum. Principal payments are to be made on a monthly basis and is expected to mature in 2029.

(d) McKayla Financial Services

This represents a loan facility with subsidiary McKayla Financial Services Limited that attracts interest at 12% per annum and is repayable on October 1, 2026. The payment of the principal is due at maturity, interest is payable quarterly calculated and accrued monthly.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

22. Financial Asset at Fair Value through Profit and Loss

	The Group and The Company	
	2024	2023
	\$'000	\$'000
Fair value through profit and loss securities		
Equity quoted	1,483,506	1,433,257
Equity unquoted	<u>334,460</u>	<u>231,692</u>
	<u>1,817,966</u>	<u>1,664,949</u>
During the year the following gains were recognised in profit or loss		
	<u>153,017</u>	<u>526,052</u>
	<u>153,017</u>	<u>526,052</u>

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

Fair value at December 2024 \$'000	Fair value at December 2023 \$'000	Valuation Technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value	Sensitivity \$'000
		Income Approach (Discounted Cashflows)	Discount Rate Revenue multiples EBITDA Multiple	Discount Rate 65% Revenue multiple range 4.0x-6.0x EBITDA Multiple 30x	If the revenue and EBITDA multiples increase by 1x and the discount rate decreases by 10% the fair value will be increased by 80,000	+80,000 -60,000
		Market Approach (Guideline Public Companies and Transactions)			If the revenue and EBITDA multiple decreases by 1x and the discount rate increases by 10% fair value will decrease by 60%	
<u>334,460</u>	<u>231,692</u>					
<u>334,460</u>	<u>231,692</u>					

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

23. Deferred Taxation

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Deferred tax asset	1,108,898	890,443	296,668	180,766
Deferred tax liabilities	(155,364)	(165,466)	-	-
Net asset	<u>953,534</u>	<u>724,977</u>	<u>296,668</u>	<u>180,766</u>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current assets against current liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred taxation is attributable to the following:

(a) Group

	2024	2023
	\$'000	\$'000
Property and equipment	177,870	119,517
Investment properties	8,967	110,312
Intangible assets	(149,381)	(183,180)
Trade and other receivables	55,742	50,340
Trade and other payables	83,734	65,089
Tax losses	742,553	560,174
Other	34,049	2,725
Net Asset	<u>953,534</u>	<u>724,977</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

23. Deferred Taxation (Continued)

(a) Group (continued)

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

	2024		
	Balance at	Recognised	Balance at
	1 January	in	31 December
	\$'000	profit/loss	\$'000
Property and equipment	119,517	58,353	177,870
Investment properties	110,312	(101,345)	8,967
Intangible assets	(183,180)	33,799	(149,381)
Trade and other receivables	50,340	5,402	55,742
Trade and other payables	65,089	18,645	83,734
Tax losses	560,174	182,379	742,553
Other	2,725	31,324	34,049
Total	724,977	228,557	953,534

	2023		
	Balance at	Recognised	Balance at
	1 January	in	31 December
	\$'000	profit/loss	\$'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

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

23. Deferred Taxation (Continued)

(b) Company

	2024	2023
	\$'000	\$'000
Property and equipment	3,075	8,792
Trade and other payables	53,698	45,037
Trade and other receivables	17,232	4,686
Tax losses	222,612	122,251
Other	51	-
Net asset	<u>296,668</u>	<u>180,766</u>

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

	2024		
	Balance at 1 January	Recognised in profit/loss	Balance at 31 December
	\$'000	\$'000	\$'000
Property and equipment	8,792	(5,717)	3,075
Trade and other payables	45,037	8,661	53,698
Trade and other receivables	4,686	12,546	17,232
Tax losses	122,251	100,361	222,612
Other	-	51	51
Total	<u>180,766</u>	<u>115,902</u>	<u>296,668</u>

	2023		
	Balance at 1 January	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)	5,333	4,685
Tax losses	72,896	49,355	122,251
Other	1,434	(1,434)	-
Total	<u>92,741</u>	<u>88,024</u>	<u>180,766</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

24. Inventories

	The Group	
	2024	2023
	\$'000	\$'000
Pin codes	207,732	202,040
Operational inventory	54,699	48,491
Food and beverage	3,685	7,082
	<u>266,116</u>	<u>257,613</u>

The cost of inventories recognised as direct expense during the year for the Group was \$12.6 billion (2023: \$11.3 billion).

25. Trade and Other Receivables

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current assets				
Trade receivables from contracts with customers	2,995,642	2,879,419	-	-
Less: provision for credit losses	(932,423)	(654,736)	-	-
	<u>2,063,219</u>	<u>2,224,683</u>	-	-
Other receivables and prepayments (Note a)	1,920,593	1,380,035	104,440	260,174
Accrued interest	7,597	6,804	5,669	4,681
	<u>3,991,409</u>	<u>3,611,522</u>	<u>110,109</u>	<u>264,855</u>

(a) Other receivables and prepayments include:

- (i) GCT recoverable and vendor prepayments totaling \$559 million (2023: \$475 million).
- (ii) Lottery tax credit of \$553 million (2023: nil) refer to note 4 (vi).

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

26. Restricted Cash

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Restricted cash	182,309	178,139	154,466	151,670

As a condition of the \$3.4 billion bond facility issued in July 2023, a special deposit of \$98.3 million (2023: \$97.5 million), equivalent to three-month interest has been deposited to a cash reserve account for the Group and Company. 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 \$56.2 million (2023: \$54.2million), equivalent to one month interest has been deposited to a cash reserve account for the Group and Company. 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 \$27.8 million (2023: \$26.4 million) is maintained on account at Sagicor for the Group. This is an interest-bearing account.

27. Cash and Cash Equivalents

	The Group		The Company	
	2024	Restated 2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash in hand and at bank	1,087,690	1,616,797	10,280	64,248
Certificate of deposits	319,857	248,208	167,121	117,011
	1,407,547	1,865,005	177,401	181,259

- (a) The weighted average interest rate on the Certificate of deposits at the year end is 5.65% (2023: 4%).
- (b) Special accounts for operational purposes to pay prizes includes the following:
- (i) An amount of \$20 million (2023: \$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) An amount of \$5.8 million (2023: \$5.8 million) is required to facilitate a guarantee issued in favour of Jamaica Public Service Company Limited for the provision of electricity services.
 - (iii) An amount of \$33.3 million (2023: \$31.3 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.
 - (iv) Cash and cash equivalents include \$1.68 million (2023: \$5.81 million) is managed by Supreme Ventures Racing & Entertainment Limited on behalf of racehorse owners and are used to claim/buy horses from other owners.
 - (v) Cash and cash equivalents include \$31.5million is managed by Supreme Ventures Racing & Entertainment Limited for Betmaker claims.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

28. Prize and Other Liabilities

	The Group	
	2024	Restated 2023
	\$'000	\$'000
Multi-jurisdictional lottery game (note a)	149,254	242,500
Local lottery games, Horse-racing & Sports Betting (note b)	293,156	453,510
	442,410	696,010
Multi-jurisdictional lottery game – Other (note c)	77,940	198,154
	520,350	894,164

- (a) The Super Lotto game is a multi-jurisdictional game with the following countries currently participating being a party to the Super Lotto agreement initially 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. Jamaica's portion of the advertised jackpot on December 31, 2024 was \$149.3 million (2023: \$242.5 million)
- (b) This includes prize liabilities associated with the local lottery, horseracing and sports betting games operated under licence by the subsidiary, Supreme Ventures Gaming Limited, including an amount accrued for the advertised jackpot of \$57 million (2023: \$69 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.

29. Trade and Other Payables

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade payables	3,030,233	2,769,391	7,151	9,637
Government taxes payable	21,301	28,924	-	-
Accruals	1,012,367	979,393	44,610	27,594
Other payables	926,586	549,331	428,003	202,856
	4,990,487	4,327,039	479,764	240,087

- (i) Included in Other Payables for the Group are amounts totaling \$437 million (2023 - \$276 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 \$13 million (2023 - \$44 million). This represents payables for credit card, payroll, dividend payable and other liabilities. Dividend payable was \$234 million (2023: nil)

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

30. 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Lease liabilities				
Current	210,861	250,157	6,770	-
Non-current	525,489	603,894	8,217	-
	<u>736,350</u>	<u>854,051</u>	<u>14,987</u>	<u>-</u>

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

The statement of profit or loss shows the following amounts relating to leases:

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Interest expense (included in finance cost)	96,603	77,580	1,434	698
Expenses relating to short term leases (included in selling, general and administrative expenses)	205	4,749	-	-
	<u>96,808</u>	<u>82,329</u>	<u>1,434</u>	<u>698</u>

The total cash outflow for leases in 2024 was \$280,790,000 (2023: \$244,399,000) for the Group and \$9,799,000 (2023: \$7,758,000) for the Company.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

30. 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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

31. Long-term Loans and Payables

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
(a) PayDay prize liability	16,341	16,341	-	-
(b) Champion Gaming Limited	55,206	74,730	-	-
(c) Sagicor Bank Jamaica Limited	600,508	905,505	526,316	695,386
(d) Jamaica Central Services Depository (As Trustees)	6,480,500	6,480,500	6,480,500	6,480,500
(e) Jamaica Money Market Brokers Limited	56,250	81,250	-	-
(f) Barita Investments Limited	500,000	500,000	500,000	500,000
(g) Mayberry Investments Limited	558,261	100,000	428,261	-
(h) Development Bank of Jamaica	584,486	556,316	498,019	540,404
	<u>8,851,552</u>	<u>8,714,642</u>	<u>8,433,096</u>	<u>8,216,290</u>
Less: current portion	<u>(4,696,469)</u>	<u>(290,938)</u>	<u>(4,496,961)</u>	<u>(203,898)</u>
	<u>4,155,083</u>	<u>8,423,704</u>	<u>3,936,135</u>	<u>8,012,392</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.

(b) **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. This amortised facility is paid monthly with a maturity date of 2029.

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

- (i) A mortgage loan from Sagicor Bank Jamaica Limited to purchase a 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) An unsecured Syndicated Loan facility of \$1 billion administered by Sagicor Bank Jamaica Limited, to support the Group's acquisition initiatives. 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. This amortised facility is paid quarterly.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

31. Long-term Loans and Payables(Continued)

- (d) **Jamaica Central Services Depository (As Trustees)** - This relates to two unsecured bond facilities as follows:
- (i) An 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) An unsecured Bond facility of \$3.48 billion arranged by Sagicor Investments in 2024, to cover the Group's costs for targeted investment 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.
- (e) **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.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

31. Long-term Loans and Payables (Continued)

- (f) **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 2 January 2026 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”)
- (g) **Mayberry Investments Limited** - This relates to three facilities as follows:
- (i) A short-term margin credit facility for Supreme Ventures Limited secured against the equity portfolio valued at \$498 million, utilized for working capital support, with interest accruing at an annual rate of 13.25%, maturing in January 2025.
 - (ii) A secured corporate note issued by McKayla Financial Services Limited on October 1, 2024 that attracts interest at 12% per annum and is repayable on October 1, 2026. The payment of the Principal under the Notes shall be due at maturity. Interest shall be payable quarterly calculated and accrued monthly.
- an unsecured loan facility for McKayla Financial Services Limited with interest accruing at a rate of 12.25% per annum with a maturity date of March 31, 2027.
- (h) **Development Bank of Jamaica** – This relates to two facilities as follows:
- (i) an unsecured loan facility for McKayla Financial Services Limited with interest accruing at a rate of 12.25% per annum with a maturity date of March 31, 2027.
 - (ii) Unsecured loan facility for Supreme Ventures Limited on-lended 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.

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying Amounts		Fair Values	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Non-current borrowings	4,155,083	8,423,704	3,875,694	7,905,531

The estimated fair value of loans represents the discounted amount of estimated future cash outflows expected to be paid (level 3). Expected cash flows are discounted at current market rates to determine fair value.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

32. Debt Reconciliation

	Group			Company		
	Lease Liabilities \$'000	Loan liabilities \$'000	Total \$'000	Lease Liabilities \$'000	Loan Liabilities \$'000	Total \$'000
Debt as at 1 January 2023	(948,026)	(5,431,863)	(6,379,889)	(7,461)	(4,956,592)	(4,964,053)
Cash flows						
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
Debt as at 31 December 2023	(854,051)	(8,714,642)	(9,568,693)	-	(8,216,290)	(8,216,290)
Cashflows						
Addition	-	(1,046,780)	(1,046,780)	-	(1,003,132)	(1,003,132)
Interest	(96,603)	(747,800)	(844,403)	(1,434)	(735,656)	(737,090)
Repayment	243,197	743,863	1,024,653	9,799	617,293	627,092
Non- cash movement	(57,207)	-	(57,207)	(19,614)	-	(19,614)
Foreign exchange adjustment	(9,279)	-	(9,279)	(3,738)	-	(3,738)
Interest payable	-	147,879	147,879	-	163,372	163,372
Interest paid	-	765,928	765,928	-	741,317	741,317
Debt as at 31 December 2024	(736,350)	(8,851,552)	(9,587,902)	(14,987)	(8,433,096)	(8,448,083)

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

33. Share Capital

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

	2024	2023
	\$'000	\$'000
Stated capital:		
2,637,254,926 ordinary stock units, issued and fully paid	1,967,183	1,967,183
Treasury shares 7,118,595 (2023 – 13,375,357)	<u>(176,044)</u>	<u>(353,703)</u>

During the year, the Company sold 6,257,762 units of Treasury shares valued at \$177,659,000.

34. 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.

35. Other Reserve

This includes currency translation differences for the Group and movements in the Employee share scheme reserves for the Group and Company. Note 40 provides additional details on the Employee share scheme

36. Investment in Subsidiaries

	<u>The Company</u>	
	2024	2023
	\$'000	\$'000
Supreme Ventures Gaming Limited	1,524,918	1,524,918
Supreme Ventures Services Limited	626,375	580,570
Supreme Ventures Racing and Entertainment Limited	150,000	150,000
SV Fintech Limited (note a)	5,759	5,759
PosttoPost Betting Limited	995,764	946,548
Supreme Group Incorporated	787,996	787,996
Transtel Jamaica Limited	<u>1</u>	<u>1</u>
	<u>4,090,813</u>	<u>3,995,792</u>

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. (Refer to note 36)

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

37. Related Party Transactions and Balances

	The Company	
	2024 \$'000	2023 \$'000
(a) Long term receivables – Note 21		
McKayla Financial Services Limited	63,472	65,064
Supreme Ventures Racing and Entertainment Limited	408,054	408,054
Supreme Route Limited	157,458	20,758
Supreme Ventures Real Estate	80,000	80,000
	<u>708,984</u>	<u>573,876</u>
Less provision for expected credit loss	<u>(46,848)</u>	<u>(46,848)</u>
	<u>662,136</u>	<u>527,028</u>
(b) Due from subsidiaries:		
Supreme Ventures Enterprise Incorporated	126,033	52,326
Supreme Route Limited	27,105	30,598
Supreme Ventures Racing and Entertainment Limited	248,588	172,847
McKayla Financial Services Limited	3,833	-
Supreme Ventures Gaming Limited	4,016,841	2,977,223
PosttoPost Betting Limited	36,084	35,481
SVG Stakeholder Trust Limited	199,577	364,672
Supreme Venture Guyana Holdings Incorporated	65,095	40,500
Supreme Venture Fintech Services Limited	260,235	202,541
IBET Ghana	4,327	-
	<u>4,987,718</u>	<u>3,876,188</u>
Less provision for expected credit loss	<u>(45,278)</u>	<u>-</u>
	<u>4,942,440</u>	<u>3,876,188</u>
(c) Due to subsidiaries		
McKayla Financial Services Limited	-	5,175
Supreme Route Limited	-	449
Supreme Ventures Real Estate Limited	45,309	122,226
Supreme Ventures Gaming Limited	-	-
Supreme Ventures Services Limited	66,286	19,640
	<u>111,595</u>	<u>147,490</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 2024

(expressed in Jamaican dollars unless otherwise indicated)

37. 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Subsidiaries:				
Management fees	-	-	733,712	960,266
Interest income	-	-	53,617	93,167
Dividend income	-	-	3,174,087	3,493,817
Shared services recharge expense	-	-	(95,627)	(86,832)
Other related parties:				
Other expenses	-	(30,480)	-	-

(d) Compensation of key management personnel

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

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Management remuneration	745,161	705,335	151,135	141,358
Post-employment benefits	23,085	18,153	2,500	1,875
	<u>768,246</u>	<u>723,488</u>	<u>153,635</u>	<u>143,233</u>

Key management remuneration includes termination benefits of \$62.7 million (2023- \$Nil) and share based payments of \$52.8 million (2023 - \$39.4 million).

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

	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Directors' emoluments -				
Director's Fees	160,624	169,403	113,259	84,720
Management remuneration	<u>111,771</u>	<u>149,482</u>	<u>111,771</u>	<u>149,482</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 2024

(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:

	2024	2023
	\$'000	\$'000
PosttoPost Betting Limited	49,169	184,386
Supreme Route Limited (SRL)	622,818	650,861
Total Minority Interest	<u>671,987</u>	<u>835,247</u>

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

	SRL	
	2024	2023
	\$'000	\$'000
Statement of financial position		
Current assets	57,163	181,022
Current liabilities	666,487	1,122,155
Net current assets	<u>(609,324)</u>	<u>(941,133)</u>
Non-current assets	4,160,289	4,488,852
Non-current liabilities	436,873	293,415
Non-current net assets	<u>3,723,416</u>	<u>4,195,437</u>
Net assets	<u>3,114,092</u>	<u>3,254,305</u>
Accumulated Non controlling interest	<u>622,818</u>	<u>650,861</u>
Statement of comprehensive income		
Revenue	1,605,866	1,587,780
Net profit for the year and comprehensive income	<u>(140,213)</u>	<u>65,000</u>
Profit allocated to non-controlling interest	<u>(28,043)</u>	<u>13,000</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

38. Non-Controlling Interest (Continued)

The table below shows the summarized cash flows for Supreme Route Limited (SRL) that has a non-controlling interest:

	SRL	
	2024	2023
Summarized cash flows	\$'000	\$'000
Cash flows from operating activities	29,274	204,262
Cash flows from investment activities	(14,859)	(101,929)
Cash flows from financing activities	(20,733)	(110,303)
Net decrease in cash and cash equivalents	<u>(6,318)</u>	<u>(7,970)</u>

39. Distributions

(a) Distributions to shareholders of the Company

		2024	2023
		\$'000	\$'000
Final dividend for 2023, 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
Final dividend for 2024, paid 8 May 2024 -	10.88¢	286,926	-
First interim dividend paid 16 July 2024 -	30.16¢	795,409	-
Second interim dividend paid 11 September 2024-	14.33¢	378,033	-
Third interim dividend paid 16 January 2025 -	6.96¢	183,672	-
		<u>1,644,040</u>	<u>2,471,817</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

40. Long Term Incentive Plan

The expense recognised in the Statement of Comprehensive Income for share-based payments was \$71,310,501 (2023: \$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.

The shares associated with the employee incentive plan have a market value of \$24.73 as at December 31, 2024 (2023: \$27.10).

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

41. Offsetting of Financial Assets and Liabilities

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 assets and settle the liabilities simultaneously.

The following table presents the offsetting of long-term payables where the collateral are financial instruments.

	The Group and The Company		
	2024		
	Gross Amounts \$'000	Financial Asset \$'000	Net Amount \$'000
Mayberry Margin Credit Facility	428,261	(428,261)	-

There was no long-term payables where the collateral are financial instruments for 2023.

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		
	2024		
	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	909,918	(247,782)	662,136
	909,918	(247,782)	662,136
Financial liabilities			
Due to related party	359,377	(247,782)	111,595
	359,377	(247,782)	111,595

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

41. Offsetting of Financial Assets and Liabilities (Continued)

	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
	1,221,385	(694,357)	527,028
Financial liabilities			
Due to related party	841,847	(694,357)	147,490
	841,847	(694,357)	147,490

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

42. Contingencies and Commitments

(a) 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 Limited (SVGL), SVGL has in place Bookmaker's bond guarantees totalling \$62,677,562.12; a portion of the Guarantee is extended by BNS and the balance is extended through a facility with Sagicor. A Performance Bond Guarantee arrangement was executed with BNS in the amount of \$20.2M. Under the said performance bond covering the period up August 2, 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 \$20.2M. The bank guarantee is secured by a hypothecated term deposit in the amount of \$20.2M. The remaining portion of \$62,677,562.12 is held at Sagicor Bank through a facility to provide the performance bond guarantee. Under this facility covering the period August 30, 2024 to August 29, 2025, Sagicor would pay on demand any sum or sums which may from time to time be demanded by the BGLC up to a maximum aggregate sum of \$62.677M. This guarantee is secured by a hypothecated fixed deposit amount of \$33,363,050.52.

(b) 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 Mayberry. Under the said stand-by facility, 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.

(c) 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 \$75.5 million (2023: \$77.2 million) fall due for payment each year.

(d) Capital commitments

	The Group	
	2024	2023
	\$'000	\$'000
Machinery and equipment	250	208
Leasehold improvements	-	32,700
Furniture, fixtures, machinery and equipment	37,827	2,106
Signs and posters	-	497
Computer equipment	1,411	16,056
Computer software	10,112	136,755
	<u>49,600</u>	<u>188,322</u>

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

42. Contingencies and Commitments (Continued)

(e) 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)	<u>300,000</u>
		<u><u>500,000</u></u>

As of 31 December 2024, the Group has invested \$943 million towards the development and modernization of Caymanas Park.

43. Restatement

Reclassifications were made to the Group's financial statements for the year ended 31 December 2024. The effect of the reclassifications are as follows:

- The netting off of cash receipts and payments related to a certain game.
- The gross presentation of revenue and prize expenses that relate to a non-fixed odd wagering game.
- The reclassification of interest revenue to other income
- Cash flows reflected as investing cash flows rather than financing cash flows

The above reclassification had no impact on net profit for the year ended 31 December 2023 for the Group and Company and the Company Statement of Financial Position for 31 December 2023.

The tables below reflect the effect of the above reclassification on the Consolidated Statements of Comprehensive Income for the year ended 31 December 2023, the Consolidated Statement of Financial Position for the years ended 31 December 2023 and 2022 and the Consolidated Statement of Cash Flows for the year ended 31 December 2023.

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

43. Restatement (Continued)

The impacted categories and the amounts are detailed in the tables below:

Consolidated Statement of Comprehensive Income for the year ended 31 December 2023

	The Group		
	As previously reported 2023 \$'000	Reclassification n \$'000	Restated 2023 \$'000
Income from non fixed odd wagering	30,009,619	974,917	30,984,536
Total Gaming income	49,904,932	974,917	50,879,849
Interest revenue	204,684	(204,684)	-
Direct Costs	(38,104,682)	(974,917)	(39,079,599)
Gross Profit	12,004,934	(204,684)	11,800,250
Other Income	696,152	204,684	900,836

Consolidated Statement of Financial Position as at 31 December 2023

	The Group		
	As previously reported 2023 \$'000	Reclassification \$'000	Restated 2023 \$'000
<u>Current Assets</u>			
Cash and cash equivalents	2,447,708	(582,703)	1,865,005
<u>Current Liabilities</u>			
Prize and other liabilities	1,476,867	(582,703)	894,164

Consolidated Statement of financial position as at 1 January 2023

	The Group		
	As previously reported 2022 \$'000	Reclassification \$'000	Restated 2022 \$'000
<u>Current Assets</u>			
Cash and cash equivalents	2,968,468	(315,362)	2,653,106
<u>Current Liabilities</u>			
Prize and other liabilities	1,865,413	(315,362)	1,550,051

Supreme Ventures Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

43. Restatement (Continued)

Consolidated Statement of Cash Flows as at 31 December 2023

	The Group		
	As previously reported 2023	Reclassification	Restated 2023
	\$'000	\$'000	\$'000
Cash Flows from Operating Activities			
Prize liabilities	(388,546)	(267,341)	(655,887)
Cash generated by operations	3,073,615	(267,341)	2,806,274
Cash provided by operating activities	1,091,766	(267,341)	824,425
Cash Flows from Investing Activities			
Buyback shares	(222,960)	222,960	-
Payment for additional shares in subsidiary	67,980	(67,980)	-
Cash used in investing activities	(2,212,474)	290,940	(1,921,534)
Cash Flows from Financing Activities			
Buyback shares	-	(222,960)	(222,960)
Payment for additional shares in subsidiary	-	67,980	67,980
Cash provided by financing activities	590,137	(290,940)	299,197
NET DECREASE IN CASH AND CASH EQUIVALENTS			
	(530,571)	(267,341)	(797,912)
Cash and cash equivalents at the beginning of the year	2,968,468	(315,362)	2,653,106
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,447,708	(582,703)	1,865,005

44. Subsequent Event

At a meeting of the Board of Directors held on 27 February 2025, a dividend of 4.55 cents per share was declared.