ANNUAL REPORT 2023

Celebrating BIG TOGETHER

lottotech

15 years of big

ACHIEVEMENTS

Lottotech celebrates unity and shared success for the last 15 years. Acknowledging the collective efforts that have propelled Lottotech to its current stature and serves as inspiration for the future.

CONTENT

About Lottotech

MISSION

To create and enhance stakeholder value through regulated gaming operations offered in a socially responsible manner.

VISION

To be the preferred gaming provider in Mauritius and the region.

VALUES

Our core values of integrity, trustworthiness and responsibility are complemented with our passion for results, innovation and teamwork.

GOALS

To be the preferred gaming provider in Mauritius and create a long-term sustainable business through a growth strategy that focuses on: offering relevant, regulated products and services to the player; corporate social responsibility (CSR) initiatives congruent with our values; building and protecting a stellar reputation.

Lottotech at a glance for 2023

MUR 3 BILLION
TURNOVER

MUR 715 MILLION
CONSOLIDATED FUND

MUR 68 MILLION
NATIONAL SOLIDARITY FUND

MUR 167 MILLION
RETAILER COMMISSION

MUR 2.2 MILLION
CORPORATE SOCIAL RESPONSIBILITY

MUR 1,481 MILLION
AMOUNT PAID TO WINNERS

MUR 185 MILLION
PROFIT BEFORE TAX

MUR 0.46 EARNINGS
PER SHARE

MUR 0.50 DIVIDEND
PER SHARE

MUR 157 MILLION
PROFIT AFTER TAX

Executive Chairman's message

> Our performance for the year 2023 is a reflection of our commitment to excellence and the support of our stakeholders. As we move forward, we remain focused on innovation, customer satisfaction, and sustainability.

Dear Stakeholders,

As we reflect on 2023, Lottotech has demonstrated resilience and stability in a challenging business environment. Our Company's commendable financial performance meet our expectations, the result of the dedication and hard work of our team. The Board recognizes that these results stem from diligent planning and execution by our dedicated workforce.

A Milestone Year

This year, Lottotech has reached a turnover of nearly MUR 3 billion, highlighting our focus on providing engaging entertainment experiences. Our commitment to invest in our brands, assets, and capabilities has contributed to this achievement. In the first quarter, a significant jackpot rekindled interest among players, boosting engagement and reinforcing our brand's appeal. Our strategic approach to branding and customer engagement is to ensure a sustainable return for all our shareholders and stakeholders.

Empowering Our People to Drive Performance

Our Company's values guide our efforts to attract and retain talented individuals. We focus on employee development through leadership programs and career growth opportunities. This investment in our people is reflected in our profit after tax, which reached MUR 157 million. Despite market challenges, we declared dividends of MUR 170 million in 2023.

Striking the Right Balance

Lottotech is committed to supporting sustainability. In 2023, we received the PWC Sustainability Award in the retail category, a reflection of our ongoing efforts in this area. Through various projects and volunteer initiatives, we continue to make a positive impact on the communities we serve. Our responsible gaming program underscores our dedication to player safety and protecting vulnerable groups.

Acknowledgements and New Appointments

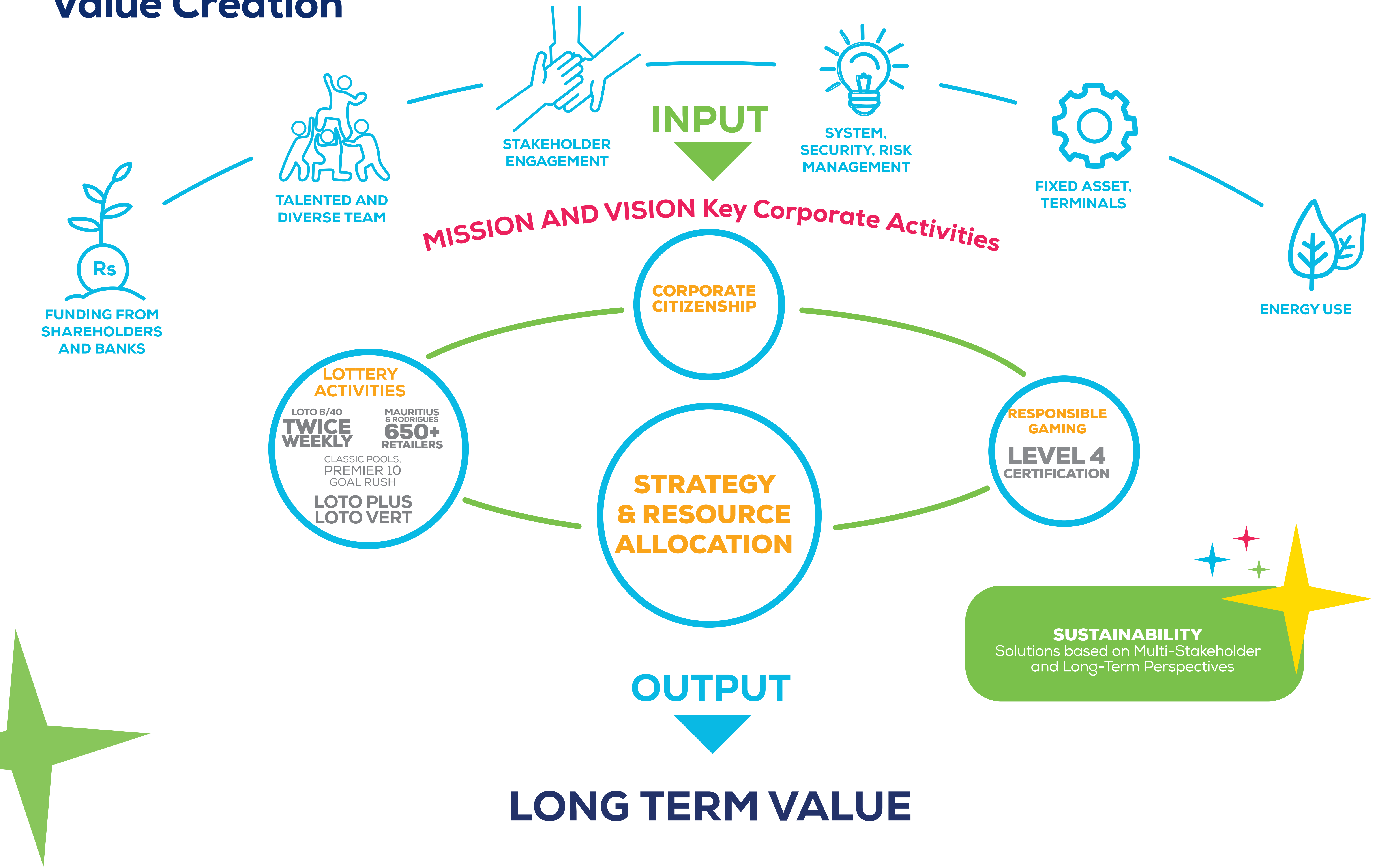
I would like to thank our Board members for their contributions in 2023. Our diverse Board, with its varied backgrounds and perspectives, is a key asset. I also welcome Mrs. Catherine Marguerite Halpin and Mr. Jacques Paul Rene De Chasteigner Du Mee, who joined the Board as Independent Non-Executive Directors in 2023.

Looking Ahead

Our performance for the year 2023 is a reflection of our commitment to excellence and the support of our stakeholders. As we move forward, we remain focused on innovation, customer satisfaction, and sustainability. Thank you for your continued trust in Lottotech. We look forward to achieving more milestones in the years ahead.

Tommy Ah Teck
Executive Chairman

Value Creation



Value Creation (Cont'd)

"A Corporate Balanced Scorecard is established with strategic organizational objectives which are translated into departmental objectives and further cascaded down to individual key performance indicators."

INPUT	- Solid equity - Long term financial stability	- Engaged people - Skilled professionals	- Long term stakeholder relationship - Socio-economic development	- Effective and safe ICT system - Efficient and effective processes - Innovation capability	- Long term relationship with retailers - Data centers and support function premises - Equipment and technology resources that enable service delivery	- Soil, water, fauna conservation
VALUE CREATED DURING THE YEAR	- Performance improvement - New revenue stream - Business development Sales MUR 2,996.7 million PJML Commission: MUR 4.1 million Profit after tax MUR156.7 million	- Performance improvement - Strong corporate culture - Team growth Training Investment 1,547 hours MUR 2.6 million	- Product innovation - Loterie Vert game - Revenue enlargement - Reputation enhancement CSR funds (statutory-MUR 1.4 million and voluntary-MUR 0.8 million) MUR 2.2 million	- Performance improvement - Sustainability and reliability of system	- Smooth running of business - Client retention and acquisition	- Green initiatives - Energy consumption reduction
COMMUNITY IMPACT	- Support for the economy - Investor and employee remuneration Shareholder's fund: MUR 174.3 Million	- Empowerment and personal development - Equal opportunities - Merit and transparency - Greater well being - Employee engagement (71%) - Gender Diversity (M- 59%; F 41%)	- Customer Satisfaction - Social inclusion - Increased number of beneficiaries of community projects WLA Certification Level 4 PWC Sustainability Award 55 projects 2,829 beneficiaries 1,216 hours volunteering	- Business continuity and security 100% secure system ISO 27001 certification	- Create greater wealth for winners - No down time therefore a guarantee of high service quality at all time - Proximity of product and service to customers - Proximity of product and service to customers 100% secure system	- Environmental business culture development - E-waste Management

Chief Executive Officer's statement

To succeed, we need to balance both the head and the heart in our interactions with employees and customers. This approach fosters deeper connections and positions us for sustainable growth.

Moorghen Veeramootoo
Chief Executive Officer

Q1: Lottotech achieved exceptional results in 2023 despite various business challenges. What were the key initiatives that helped you navigate these hurdles?

The current economic environment presents significant challenges, with concerns over consumer spending power affecting market behavior. Businesses must adapt to these changes by rethinking their strategies and offerings. At Lottotech, our approach to overcoming these hurdles involved focusing on performance, agility, and innovation.

Our strategy in 2023 centered on accelerating growth and building trust. By executing our diversification plan and introducing innovative products, we achieved a record turnover of nearly MUR 3 billion. Our new game launches and product modernization played a crucial role in this success. The dedication of our team, who worked under tight deadlines and high expectations, was instrumental in delivering these results.

Trust is fundamental to our business. We have worked diligently to rebuild connections with our audience and create value for all our stakeholders. People trust us to turn dreams into reality, especially during challenging times. By delivering on this promise, we continue to earn the loyalty of our customers in Mauritius and Rodrigues.

Q2: As a leader, how do you ensure that your decisions promote business growth while providing balanced benefits to stakeholders?
Leadership requires the courage to question established practices and drive change. Great ideas become innovations only when they are put into action, which often involves hard work and persistence. An idea is not innovative unless it adds value to the business, attracts customers, or pays off in other ways. Innovation is validated when stakeholders and the market embrace it.
To fulfill our role as a lottery operator and entertainment company, we invest in talented people, evolve our portfolio, and explore new business opportunities while prioritizing sustainability. Our guiding principles are to stay true to our purpose, remain consumer-focused, and rely on our team to execute. Although the balance may shift based on circumstances, these principles ensure we make informed decisions that drive growth and benefit stakeholders.

Q3: What are Lottotech's next big areas of focus? What will remain constant, and what do you anticipate evolving in terms of priorities?

Our core focus on delivering exceptional player experiences and creating long-term value for stakeholders will remain unchanged. However, the way we engage with customers and partners is evolving due to digitalization. Technology has transformed not only how we communicate but also the overall customer experience and the emotions involved in these interactions.
Our players have developed new habits, so it's crucial for us to stay attuned to their needs and preferences. Capturing their attention is challenging, given the constant barrage of messages they receive. To differentiate ourselves, we must engage with genuine intent to understand their expectations. This requires active listening and empathy.

To succeed, we need to balance both the head and the heart in our interactions with employees and customers. This approach fosters deeper connections and positions us for sustainable growth.

Q4: Lottotech's portfolio has evolved over the years. As the company approaches its 15th anniversary, what are the key drivers of the gaming industry, and how is Lottotech positioned to capture growth?

The gaming industry is shaped by three major trends: digital technologies, sustainability, and increasing regulations. Despite these challenges, we are uniquely positioned to capture growth opportunities. Our success is built on strong partnerships with retailers, which have been key since our inception. Moreover, our team's commitment, passion, and expertise make us stand out. We continue to evolve our portfolio to meet changing demands. Loto Plus gives players a second chance to dream big, Loto Vert offers life-changing opportunities, and Football Pools Mauritius provides a unique experience for sports fans. This adaptability ensures we remain relevant in a dynamic market.

Q5: Lottotech has been recognized as one of the most responsible operators in the region. As a listed company, how do you balance profit and purpose?

At Lottotech, we believe that profit and purpose can coexist. We understand that running a successful business provides the resources to invest in people and the planet. This balance is crucial to earning the trust of our stakeholders, including players, employees, regulators, and other authorities. Our reputation and trustworthiness are essential assets, both internally and externally.

Our commitment to responsible gaming has earned us recognition at the highest levels, and we recently won the PWC Sustainability Award in the retail category. These accolades validate our efforts and demonstrate our dedication to sustainability.

Our financial goals focus on achieving high-quality growth, allowing us to shape our future. At the same time, our non-financial objectives reflect our commitment to contributing to a better future for all. By pursuing both profit and purpose, we can achieve success while making a positive impact.

We made it BIG

Celebrating our vast achievements and significant milestones. Across different services and products, Lottotech made it big through growth, innovation, and success.

Directors' Report

The directors are pleased to present the annual report and the audited consolidated financial statements of Lottotech Ltd ("the Company" or "Lottotech") and its subsidiaries (the "Group") for the year ended 31 December 2023.

Principal Activity

The Company offers a diverse portfolio of games comprising of lottery and sports games. Over the years, the Company has been able to secure multiple licences including the sole operator of The Mauritius National Lottery on behalf of the Government of Mauritius, an exclusive partnership with the Football Pools UK for the African Region and the owner of Loto Vert products.

Statement of Directors' Responsibilities

Directors are responsible for preparing the annual report and financial statements in accordance with applicable laws and regulations.

Company law requires Directors to prepare financial statements in accordance with International Financial Reporting Standards (""IFRS"") for each financial year. Financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. The external auditors are responsible for reporting on whether the financial statements are fairly presented. In preparing these financial statements, Directors confirm that they have:

- Selected suitable accounting policies and then apply them consistently.
- Made judgements and accounting estimates that are reasonable and prudent.
- Stated that International Financial Reporting Standards have been adhered to, subject to any material departures being disclosed and explained in the financial statements.
- Prepared the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.
- Ensured application of the Code of Corporate Governance and provided reasons in case of non-application with the Code.

Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy at any time, the financial position of the Company and the Group, to enable them to ensure that the financial statements comply with the Companies Act 2001.

Directors have the duty to safeguard the assets of the Company and the Group, and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for maintaining an effective system of internal control and risk management.

The Directors hereby confirm that they have complied with the above requirements.

Directors' Report (Cont'd)

Results and Performance

Group

Group Statement of Profit or Loss and Other Comprehensive Income	
Turnover from lottery tickets	Profit for the year
Dec 2023: MUR 2,997m	Dec 2023: MUR 156.7m
Dec 2022: MUR 2,916m	Dec 2022: MUR 154.1m

Company

Company Statement of Profit or Loss and Other Comprehensive Income	
Turnover from lottery tickets	Profit for the year
Dec 2023: MUR 2,997m	Dec 2023: MUR 150.4m
Dec 2022: MUR 2,916m	Dec 2022: MUR 153.4m

The Company contributed MUR714.8m to the Consolidated Fund in 2023 compared to the contribution of MUR696.8m in 2022.

The Company achieved a turnover of MUR2,997M for 2023 with an increase of 3% compared to 2022. The launch of new product and product enhancement has contributed to this increase. Loto Vert has also delivered an excellent performance by generating ticket sales of MUR412m and brought new experiences through Lucky Number game.

For the year ended 31 December 2023, the Group and the Company reported a profit after tax of MUR156.7M and MUR150.4M respectively.

Loto maintained its strong brand position with high approval ratings and high participation rates. For the celabration of its 14th anniversary, the Company launched Loto Plus an add-on game to the Loto main game. The new value proposition has secured more than 40% participation rate of Loto transactions for its first three months being on the market. Overall, the modest weekly spend on Loto remains at MUR130. This aligns with the Company's responsible gaming strategy.

Retailer Network

The retailer network of the Company exceeds 670 retailers, comprising mainly small family-owned businesses. Total commissions paid to retailers in 2023 were: Group - MUR167.3m (2022: MUR163.7m); Company - MUR166.5M (2022: MUR163.4m). MUR 2.0m (2022: MUR1.4m) was paid to 48 retailers for selling the jackpot winning tickets.

Directors' Report (Cont'd)

Corporate Social Responsibility (CSR)

The Company is a member of the World Lottery Association (WLA). The WLA is recognised as the global authority on the lottery business and upholds the highest ethical principles. There are terms and conditions that the Company must fulfil to be a member of the WLA, namely:

- "The member organisation must be licensed or authorised to conduct lotteries and/or sports betting operations by a jurisdiction domiciled in a state recognised by the United Nations."
- "Sales of games of chance and/or skill must account for the majority of the organisation's total annual gross revenues."
- "The majority of the organisation's net revenues must be dedicated to the public good."
- "The organisation's business practices must conform to the aims and objectives of the Association."

The Company received the WLA Responsible Gaming certification Level 4 which is the highest international standard. Further, the ISO 27001 certification was renewed demonstrating the commitment to world class information security management.

For the year ended 31 December 2023, the CSR budget as per the legal requirements totalled MUR 1.4m (2022: MUR0.5m).

In line with its long term sustainability strategy, the Company continued to focus on its key areas namely community engagement, empowerment, diversity, education, climate actions and responsible gaming. Through multistakeholder partnerships and its volunteering programme, the Company increased its positive impact.

Consolidated Fund and National Solidarity Fund

The Company contributed MUR714.8m (2022: MUR696.8m) to the Consolidated Fund of the Government of Mauritius in 2023. As per the GRA Act, any money paid into the Consolidated Fund is used to finance the implementation of projects relating to community development, the promotion of education, health, sports and culture and for reimbursement of public debt of the Government of Mauritius.

In addition, the National Solidarity Fund received over MUR67.8m (2022: MUR39.1m) representing unclaimed prizes during the year. The National Solidarity Fund is used to improve the lives of the most vulnerable Mauritian citizens.

Directors' Report (Cont'd)

Future Outlook

The Company will continue to focus on creating more value for its stakeholders and is looking to further expand its current product portfolio.

Authorised for issue by the Board of directors on

and signed on its behalf by:

Director

Director

DATE: 14 March 2024

Lottotech brings to life the greatest dreams. Offering participants the chance to fulfill their deepest desires and aspirations through a life-changing win, like a Rs 100 million jackpot in 2023.

Corporate Governance Report 2023

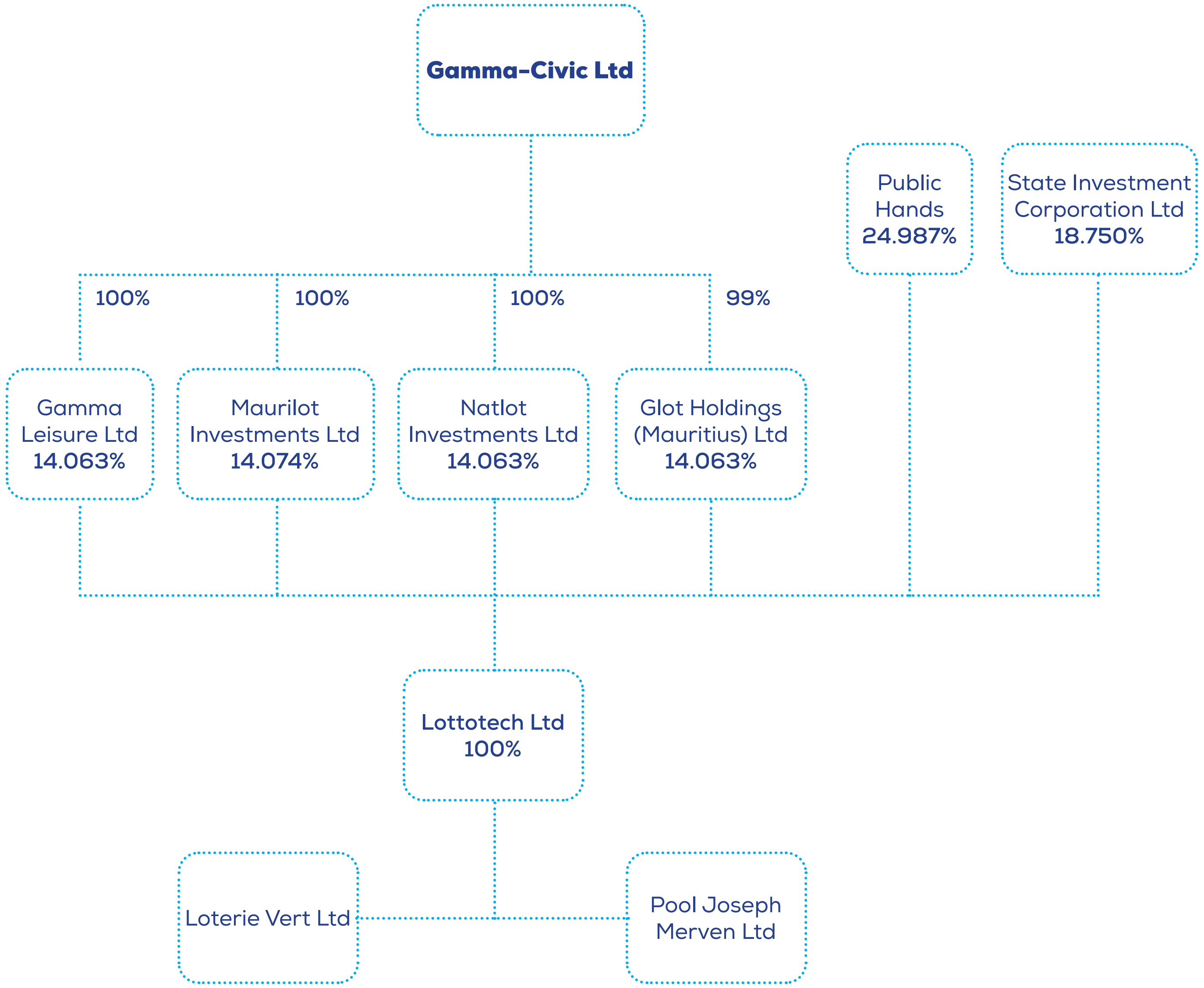
Introduction

Lottotech Ltd ("Lottotech" and/ or "the Company"), listed on the Stock Exchange of Mauritius (the "SEM") and falling under the definition of Public Interest Entity ("PIE"), is held to high standards by investors and customers, and the Board's commitment to corporate governance.

The corporate governance report demonstrates the Board's engagement towards the National Code of Corporate Governance (2016) and its continuing efforts to integrate the eight principles throughout Lottotech.

The objective of the Board of Directors, Management and all employees of the Company is to adopt and implement the principles of good governance, which can only be achieved by demonstrating professional and ethical conduct. The Company's "Code of Conduct" provides guidance to all Directors and employees of Lottotech Ltd to fulfil their duties and obligations with highest standards of business ethics.

The shareholding structure of Lottotech as at 31 December 2023 was as follows:



PRINCIPLE 1:
GOVERNANCE STRUCTURE

The Board has created two committees of the Board to facilitate decision-making, with advisory role. Delegation of responsibilities and authority to the committees are clearly defined. The Board remains the sole decision-making body. The Board monitors the performance of the Management Team in relation to set key performance indicators on a regular basis. The Company manages performance accountabilities and key performance indicators through a formal balanced scorecard process.

Roles and Responsibilities

Executive Chairman	Board of Directors
Executive Responsibilities	
Drives Management in exploring business development opportunities;	Setting strategy and organisation structure by means of a five-year strategy development and financial planning exercise, including an IT strategy and the review thereof as is deemed fit, given the prevailing economic context;
Supervises Management in the development and implementation of the Company's strategy in line with the Board's directives;	Accurate and transparent regular reporting on the "state of play" of the Company, including the Annual Report as per statutory requirements;
Ensures the implementation of policies and strategies as resolved by the Board;	Assume responsibility for meeting all legal and regulatory requirements;
Oversees the management of the Company's business and operations;	Through its risk oversight role, satisfy itself that Management is effectively managing and mitigating relevant risks, including business risks, by establishing policies and procedures consistent with the Group's strategy and risk appetite.
Is the direct reporting line for the CEO;	
Dotted reporting line for the CFO;	
Board's & Shareholders' Responsibilities	
Is the direct reporting line for the company secretary;	
Provides leadership to the Board and ensure its effectiveness;	
Sets the Board's and Shareholders' meetings agenda;	
Ensures effective links between the Shareholders, the Board and Management.	

Role of Committees	Executive Director and CEO
Facilitate efficient decision making;	Develops the Company's strategy in line with the Board's directives;
Uphold integrity in Financial Reporting;	Implements policies and strategies as resolved by the Board;
Focus on specific areas of responsibility.	Manages the Company's business and operations; and
	Heads and leads the Management team.

Corporate Governance Report 2023 (Cont'd)

Role of Company Secretary

Gamma Corporate Services Ltd, is a wholly owned subsidiary of Gamma Civic Ltd, was set up on 16 March 2012 to provide corporate services (legal, secretarial and any other related services) under the supervision of the Executive Chairman. As an officer of the Company, the Company Secretary is accountable to the Board through the Executive Chairman in the performance of its duties and responsibilities as well as for the corporate governance processes. The duties of the Company Secretary shall include but shall not be restricted to:

- Providing the Board with guidance as to its duties and responsibilities, and powers;
- Informing the Board of all legislations on functions and operations relevant to or affecting meetings of shareholders and directors and reporting at any meetings as may be reasonably required from time to time for the filing of any documents required of Lottotech Ltd;
- Ensuring that minutes of all meetings of shareholders and directors are duly recorded and that all statutory registers are properly maintained;
- Certifying in the annual financial statements of the Company that Lottotech Ltd has filed with the Registrar of Companies all such returns as are required of Lottotech Ltd under the Companies Act 2001;
- Ensuring that a copy of Lottotech Ltd's annual financial statements and, where applicable, the annual reports are sent by email or post to every person/entity entitled to such statements or reports in terms of the Companies Act 2001.

Constitution

The Company is governed by a constitution, which is in line with the Companies Act 2001. There is no material clause in the Company's constitution which requires disclosure.

A copy of the Company's constitution is available for inspection at the registered office of the Company.

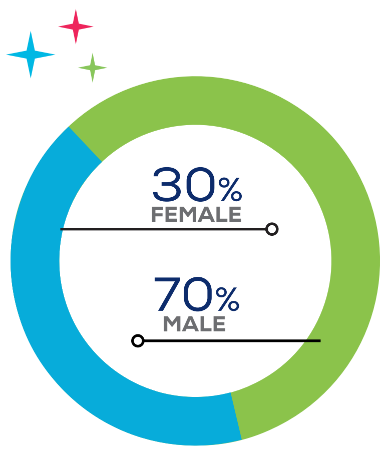
PRINCIPLE 2:
THE BOARD STRUCTURE AND THE COMMITTEES

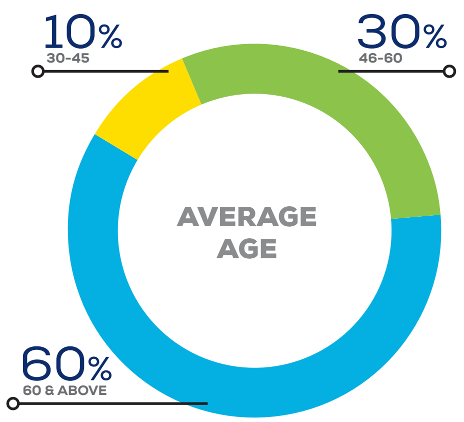
Board Composition

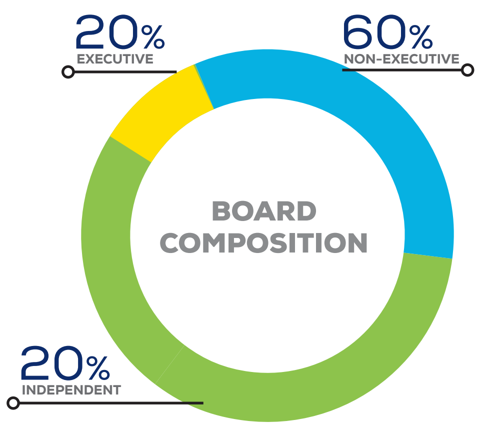
Lottotech is led by a dedicated and unitary Board, which is collectively accountable and responsible for the long-term success of the Company. According to the Lottotech Charter the Board may be composed of a maximum number of twelve Directors, as per the Company's constitution, to serve a term of office of three years, subject to the shareholders' resolution at each Annual Meeting.

The composition of the Board is clearly defined in the charter and is in line with the Code, having the appropriate mix of executive, non-executive, independent directors and directors of Mauritian residence, as well as gender balance. Furthermore, the Board has the required mix of skills, experience, independence and knowledge to play its role fully in serving the interests of all the stakeholders of the Company.

The Board was composed of ten Directors for the year ended 31 December 2023 with the aim to have a more gender balanced and diverse representation.







Meetings process of the Board of Directors

The meeting process is guided by the Lottotech Charter, duly approved by the Board of Directors and ratified by the shareholders. The Charter was reviewed when the new Code of Corporate Governance was implemented. The Company's Charter is a forward-looking charter, and no change was required following the review. The Charter is available for inspection at the office of the Company Secretary.

The Company Charter provides that the Company should hold a minimum of four quarterly Board meetings each year and a strategy meeting. All meetings are called by the Chairman of the Board and the Company has facilities to enable Directors to attend and participate in meetings either in person or via audio/ Visio means.

Meeting Preparation:

The Company Secretary works closely with the Executive Chairman to prepare Business topics to be discussed by the Board.

Management is invited by the Company Secretary for items which the Board must be made aware of and items requiring a resolution from the Board. All agenda items proposed by Management are duly motivated and supported by relevant and appropriate documentation.

Board members are entitled to request the Company Secretary to have an item on the agenda for the Board to consider and the Directors must also submit the relevant and appropriate document to support the proposed agenda item.

The Executive Chairman reviews the agenda and gives the Company Secretary the go-ahead for issuing the convocation and agenda to the Directors.

Notice and agenda are circulated by email to all Board members at least 10 days before the Board meeting and Board papers would be circulated at least 5 days before the meeting. All Board papers are circulated to Directors on its Board Management Software.

Corporate Governance Report 2023 (Cont'd)

Board Attendance

All Board members are expected to attend all or at least a minimum 75% of the Board meetings held in the course of the year, either in person or by video/ audio facilities.

The Directors who served on the Board and their attendance to Board meetings during year ended 31 December 2023 are provided below:

Members	Board Status	Meeting attendance
Mr Chian Tat Ah Teck	Executive Chairman	5/5
Mr Allagappen Veeramootoo	Executive	5/5
Mr Chian Luck Ah Teck	Non-Executive	5/5
Mr Ganeshanlall Cheeneebash	Non-Executive	4/5
Mr Goolabchund Goburdhun, GOSK	Non-Executive	3/5
Mr Jean Claude Lam Hung[1]	Independent Non-Executive	2/2
Mr Jack Michael Jason Ah Teck	Non-Executive	5/5
Mrs Michelle Carinci	Non-Executive	5/5
Mr Paul Halpin[2]	Independent Non-Executive	3/3
Mrs Sui Lien Chong Ah Yan	Non-Executive	5/5
Mr Jacques Paul Rene De Chasteigner Du Mee[3]	Independent Non-Executive	2/2
Mrs Catherine Marguerite Halpin[4]	Independent Non-Executive	2/2

1. Resignation of Mr Jean Claude Lam Hung on 23 June 2023
2. Resignation of Mr Paul Halpin on 23 June 2023
3. Appointment of Mr Jacques Paul Rene De Chasteigner Du Mee on 26 June 2023
4. Appointment of Mrs Catherine Marguerite Halpin on 26 June 2023

Board Focus Areas

The main topics of discussion of the Board during the year revolved around the following:

- Business continuity plan;
- Business and financial performance;
- Strategy and business growth;
- Risk and Control;
- Governance;
- Sustainability;
- Digitalization & IT.

Board Committees

The Board has two main permanent committees to assist in efficiently advancing the business of the Board, and to facilitate efficient decision making of the Board, namely the Audit and Risk Committee and the Corporate Governance Committee. Each committee has its own charter, which can be referred to in the Company's Charter.

Audit and Risk Committee

The core function of the Audit and Risk Committee is to assist the Board:

- To review and assess the adequacy of the Company in relation to its reporting of financial information, the appropriate application and amendment of accounting policies, the identification and management of financial risk, internal control systems and internal audit, and statutory and regulatory compliance;
- To review and assess the adequacy of the Company's risk management systems, to ensure that there is a sound framework of risk oversight, risk management and internal control in place in accordance with the National Code of Corporate Governance;
- To make recommendations regarding the recognition and management of risk; and
- To provide a forum for effective communications between the Board and the external and internal auditors, both of whom must report to the Audit and Risk Committee.

Audit and Risk Committee

Composition & Attendance

During the year under review, the Audit & Risk Committee met 4 times. The members of the Audit and Risk Committees are as follows:

Name	No. of attendance	Executive/Non-Executive
Mrs Catherine Marguerite Halpin (Chairperson)[1]	2/2	Independent Non-Executive
Mr Jean Claude Lam Hung(former Chairperson)[2]	2/2	Independent Non-Executive
Mr Paul Halpin[3]	2/2	Independent Non-Executive
Mr Ganeshanlall Cheeneebash	4/4	Independent Non-Executive
Mr Jacques Paul Rene De Chasteigner Du Mee[4]	2/2	Independent Non-Executive

1. Appointment of Mrs Catherine Marguerite Halpin as Chairperson of the ARC on 25 July 2023
2. Resignation of Mr Jean Claude Lam Hung on 23 June 2023
3. Resignation of Mr Paul Halpin on 23 June 2023
4. Appointment of Mr Jacques Paul Rene De Chasteigner Du Mee as member of the ARC on 25 July 2023

Roles & Responsibilities:

The Audit and Risk Committee reviews, assesses, and make recommendations to the Board. In particular, the Audit and Risk Committee is responsible for and has oversight on:

- The accounting, reporting, and financial practices of Lottotech Ltd, including the integrity of the Company's financial statements and internal control over financial reporting in particular considering: any changes in the Company's accounting policies and/or practices; the application of relevant accounting standards; significant adjustments arising from the audit; the appropriateness of the going concern statement to be made by the Board of Lottotech Ltd and the statement of directors' responsibilities in relation to the accounts;
- The Company's accounting policies, disclosures, controls and procedures;
- Management's approach to internal controls to provide assurance to the Board that executive management's control assurance processes are implemented and are complete and effective;
- The system of internal control, review the manner and framework in which management ensures and monitors the adequacy of the nature, extent and effectiveness of internal control systems, including accounting control systems, and thereby maintains an effective system of internal control;
- Compliance by management to approved internal controls procedure and report to the Board thereon;
- Lottotech Ltd's compliance with legal and regulatory requirements with regard to financial matters;
- The adequacy and scope of the internal and external audit function;
- The external and internal auditor's qualifications, independence, effectiveness and appointment;
- The performance review of Lottotech Ltd's internal audit function and Lottotech Ltd's external auditor;
- To review and approve the audit plans for the following year for the external and internal auditors;
- Lottotech Ltd's information technology and operations environment;
- The appropriateness, completeness and effectiveness of Lottotech Ltd's risk management system including reviewing and updating its risk profile;
- The annual formal risk assessment review to confirm and re-prioritize its key business risks and to reassess Lottotech Ltd's risk profile;
- The appropriateness and adequacy of Lottotech Ltd's insurance coverage; and
- Review the Company's list of litigations.

The Chairman of the Audit & Risk Committee reports quarterly to the Board of Directors on risks areas.

Corporate Governance Report 2023 (Cont'd)

Audit & Risk Committee Focus Areas 2023

The focus areas of the Audit & Risk Committee during the year were as follows:

- Financial Performance and Financial Reporting;
- Internal Audit Plans and Reports;
- Oversight of the External Audit Process;
- Risk Management Matters, including quarterly risk management reviews on the following topics:
  a. Scenario planning;
  b. Risk appetite and any proposed modifications;
  c. People risk management, including planned actions to protect our people and their ability to perform effectively and safely;
  d. Liquidity risk management;
  e. Role of digital technologies in managing resilience;
  f. Cyber-security considerations and their impact on internal controls;
  g. Assessment of the quality of communications within the company; and
  h. Any proposed changes to improve risk management effectiveness and resilience.
- Adequacy of the resourcing in the Financial Reporting Team, aimed at ensuring a continuing dialogue with the CFO regarding the quality and adequacy of the resources available.

Corporate Governance Committee

The Corporate Governance Committee acts as a mechanism for making recommendations to the Board on all corporate governance matters relevant to the Company to ensure that the Board remains effective and complies with the National Code of Corporate Governance and prevailing corporate governance principles.

The Committee is also responsible for remuneration and nomination matters. The remuneration philosophy is geared towards rewarding efforts and merits for individual and joint contribution to the Company's results, whilst having also due regards to market conditions, the interest of the shareholders and to the financial well-being of the Company.

Name	Attendance	Executive/Non-Executive
Mrs Sui Lien Chong Ah Yan (Chairperson)	1/1	Non-Executive
Mr Chian Luck Ah Teck	1/1	Non-Executive
Mr Goburdhun Goolabchund, GOSK	1/1	Non-Executive
Mrs Michelle Carinci	1/1	Non-Executive

The responsibilities of the Corporate Governance Committee are as follows:

- To ensure that the shareholders and the market in general have a complete, truthful and timely access to information which the Company must disclose;
- To oversee the performance of the Board;
- To assess, on a regular basis, the compliance with the Corporate Governance Code. When necessary, to propose to the Board of Directors amendments in order to improve and execute correctly the Corporate Governance Code;
- Assess Board Effectiveness and review the structure in terms of size, composition and proper balance of skills and expertise;
- To keep up to date about the best practices, new regulation and any other change on the Corporate Governance area in order to comply with the Committee's duties and responsibilities efficiently;
- To coordinate the procedure of selection, appointment and rotation of the Board of Directors;
- To oversee the compliance with the requirements and procedures for the election of the Board of Directors (competences, inabilities and limitations, among other features).
- Review succession plan for executives and non-executive members;
- Determine, approve and review remuneration of Board of Directors and Senior Management taking into account the balance scorecard and KPIs.

Corporate Governance Committee Focus Areas 2023

The focus areas of the Corporate Governance Committee during the year were as follows:

- Review of Performance Management System;
- Assess Remuneration Policy;
- Integration of Corporate Social Responsibility in Lottotech's operations; and
- Corporate Governance.

PRINCIPLE 3:
DIRECTOR APPOINTMENT PROCEDURES

Appointment and re-election

The Corporate Governance Committee under its nomination function, is responsible for making recommendations to the Board, which in turn would be presented to the shareholders at the Company's Annual Meeting, for any appointment and/or re-election of potential Directors.
Furthermore, in cases of casual vacancy, the Board may appoint Directors who shall hold office until the next Annual Meeting and shall then be eligible to stand for re-election.

Letter of appointment

Upon their appointment, all Directors are provided with a letter of appointment which stipulates the terms and conditions of such appointment. The Directors are also given a copy of the Company's Charter, which serves as a reference tool for all members of the Board.

Succession planning

An important responsibility of the Board of Directors is to ensure that the Company has an appropriate succession plan in place for Directors and senior managers, and this responsibility has been delegated to the Corporate Governance Committee under its nomination function.

Induction and training

As Directors of the Company, members are expected to know the Company's businesses, objective, strategy and governance framework. The Executive Chairman together with the CEO would carry out an induction session with the new Directors to ensure that the latter are well informed about the Company's businesses, objective, strategy and governance framework, and to thus facilitate their onboarding.
In addition, all Directors are issued a letter of appointment stipulating the terms and conditions of the directorship. The Directors are also given a copy of the Company's Charter, constitution and some specific laws which are relevant to the Company's operation and business.

Professional development and training

Directors are encouraged to keep themselves up to date with latest professional practices and to changes and trends in the Company's business, market, economic, political, social and legal environment in general. The Board may organise trainings as and when required.

Corporate Governance Report 2023 (Cont'd)

Board Members profile

The profiles of the individual Directors are given below:

CHIAN TAT AH TECK

(also called Tommy Ah Teck)
Executive Chairman

Appointed: 11 April 2008
Executive Chairman: Apr 2020

Age: 62

Skills and expertise:

- Managing Director of Gamma from 1987, until his appointment as Group CEO in 2011
- Since 2015, he became a non-executive director of the Board, and Vice Chairman Gamma Civic Ltd
- On the demise of the late Carl Ah Teck, he was appointed as the Executive Chairman of Lottotech Ltd

Qualifications:

- BSC (Hons) Engineering
- MPhil Mechanical Engineering

Committees:

- None

Other listed directorship:

- Kolos Cement Ltd
- Gamma Civic Ltd
- Morning Light Co Ltd

Citizen and Resident of Mauritius

ALLAGAPPEN VEERAMOOTOO

(also called Moorghen Veeramootoo)
Executive Director & Chief Executive Officer

Appointed: 26 May 2017

Age: 53

Skills and expertise:

- Marketing and Sales Manager and Business Unit Manager at Gamma from 2004 to 2009
- Marketing Manager at Happy World Foods Ltd (now Innodis Ltd) from 1999 to 2004
- Strategic Planning Manager at Cread & Co. Ltd from 1998 to 1999

Qualifications:

- Masters in Marketing
- BSc Engineering, European Business & Technology
- Diplôme Universitaire en Technologie (DUT) from the Institut Universitaire de Technologie of Avignon

Committees:

- None

Other listed directorship:

- None

Citizen and Resident of Mauritius

CHIAN LUCK AH TECK

(also called Patrice Ah Teck)
Non-Executive Director

Appointed: 11 April 2008

Age: 57

Skills and expertise:

- Joined Gamma Group in 1993, and was appointed as Sales and Marketing Director in 2000
- Since 2015, he is no longer an executive director of Gamma Civic Ltd , and is a member of the Board in a non-executive capacity
- Appointed as Vice Chairman of Gamma Group in Aug 2020

Qualifications:

- BA (Hons) Accounting & Finance

Committees:

- Corporate Governance Committee

Other listed directorship:

- Kolos Cement Ltd
- Gamma Civic Ltd
- Morning Light Co Ltd

Citizen and Resident of Mauritius

GOOLABCHUND GOBURDHUN, GOSK

Non-Executive Director

Appointed: 31 May 2019

Age: 60

Skills and expertise:

- Managing Director of The State Investment Corporation Limited (SIC) and holds directorship on various SIC Investee Companies, including Mauritius Shipping Corporation Limited, Port Louis Fund Ltd, Ebene Car Park Ltd, SBM (Mauritius) Infrastructure Development Company Ltd, SIC Development Co. Ltd and Casino Companies. He also holds directorship on companies which are not SIC Investee Companies. These include Air Mauritius Limited, Airports of Mauritius Ltd and Pointe Coton Resort Hotel Co. Ltd.
- He was in public practice as a Chartered Certified Accountant providing services relating to Accounting, Auditing, Management, Tax Consultancy and Corporate Secretarial Services
- Previously, he held Chairmanship on various Government-related companies/institutions such as MauBank Holdings Ltd, MPCB (now MauBank Ltd), National Pensions Fund and Responsible Gambling and Capacity Building Fund of the Gambling Regulatory Authority

Qualifications:

- FCCA
- MSC in Finance

Committees:

- Corporate Governance Committee

Other listed directorship:

- None

Citizen and Resident of Mauritius

MICHELLE JANE CARINCI

(also called Michelle Carinci)
Non-Executive Director

Appointed: 7 Aug 2014

Age: 71

Skills and expertise:

- Proven leadership in operations and innovation both locally and internationally, with over 40 years' experience in the gaming industry
- Prior to Lottotech, she was the President and CEO of the Atlantic Lottery Corporation
- Prior to Atlantic Lottery Corporation, she was the President of Gamescape, a wholly-owned subsidiary of IGT and a Corporate Vice President in charge of marketing and Customer Relations at IGT, Vice President of Marketing and Sales at British Columbia Lottery Corporation

Qualifications:

- Recognised four times as one of the top 50 CEOs in Atlantic Canada and is an inductee into the Lottery Hall of Fame class of 2006
- Business Administration with Major in Marketing, ICD Directors Education Program, Rotman School of Management

Committees:

- Corporate Governance Committee

Other listed directorship:

- None

Citizen of Canada and Resident of Mauritius

Corporate Governance Report 2023 (Cont'd)

Board Members profile

The profiles of the individual Directors are given below:

JACQUES PAUL RENE DE CHASTEIGNER DU MEE

Independent
Non-Executive Director

Appointed: 26 June 2023

Age: 64

Skills and expertise:
- Chartered accountant (ICAEW) with more than 25 years of experience in auditing and tax across several industries and countries.
- Jacques was the Country Managing Partner at Deloitte, serving major clients in Mauritius, before retiring in 2021.

Qualifications:
- BA (Hons) Accountancy
- Chartered Accountant (ICAEW)

Committees:
- Audit & Risk Committee

Other listed directorship:
- Mauritius Oil Refineries Ltd (MOROIL)

Citizen and Resident of Mauritius

CATHERINE MARGUERITE HALPIN

Independent
Non-Executive Director

Appointed: 26 June 2023

Age: 60

Skills and expertise:
- Proven experience in managing and advising on complex Board matters
- Exposure to diverse industries, and accomplishments in business analytics, strategy formulation and governance
- Considerable experience at C-level in IT-enabled services, with an interest in fintech, AI and Big Data

Qualifications:
- FCA, Ireland
- Certified Non-Executive Director, ICAEW
- Bachelor of Business Studies (Hons)

Committees:
- Audit & Risk Committee

Other listed directorships:
- None

Citizen of Ireland and Permanent Resident of Mauritius

JASON AH TECK

Non-Executive Director

Appointed: 20 Apr 2020

Age: 30

Skills and expertise:
- Joined Gamma as Corporate Affairs Executive in 2019
- Prior to Gamma, he was a strategy consultant at KPMG's Global Strategy in London, where he focused on growth strategy and data analytics for multinational corporations

Qualifications:
- Beng Materials Engineering with Management
- Masters in Management

Committees:
- None

Other listed directorship:
- Kolos Cement Ltd
- Gamma Civic Ltd
- Morning Light Ltd

Citizen and Resident of Mauritius

SUI LIEN CHONG AH YAN

(also called Marie Claire Chong Ah Yan)
Non-Executive Director

Appointed: 31 May 2019

Age: 63

Skills and expertise:
- Head of HR at Gamma Group since 2000, and appointed as HR Director of Gamma Civic Ltd in 2012
- Co-Trustee of Gamma Foundation, which coordinates all CSR projects for the Group

Qualifications:
- Bachelor degree in Arts
- Bachelor degree in Human Resources Management
- FT Non-Executive Director Diploma

Committees:
- Corporate Governance Committee

Other listed directorship:
- Kolos Cement Ltd
- Gamma Civic Ltd
- Morning Light Co Ltd

Citizen and Resident of Mauritius

GANESHANLALL CHEENEEBASH

Non-Executive Director

Appointed: 29 October 2021

Age: 61

Skills and expertise:
- More than 20 years' experience in the finance in both public and private sector
- Currently the Chief Finance Officer of The State Investment Corporation Limited.

Qualifications:
- Fellow chartered accountant
- Chartered Company Secretary
- Master in Business Administration.

Committees:
- Audit and Risk Committee

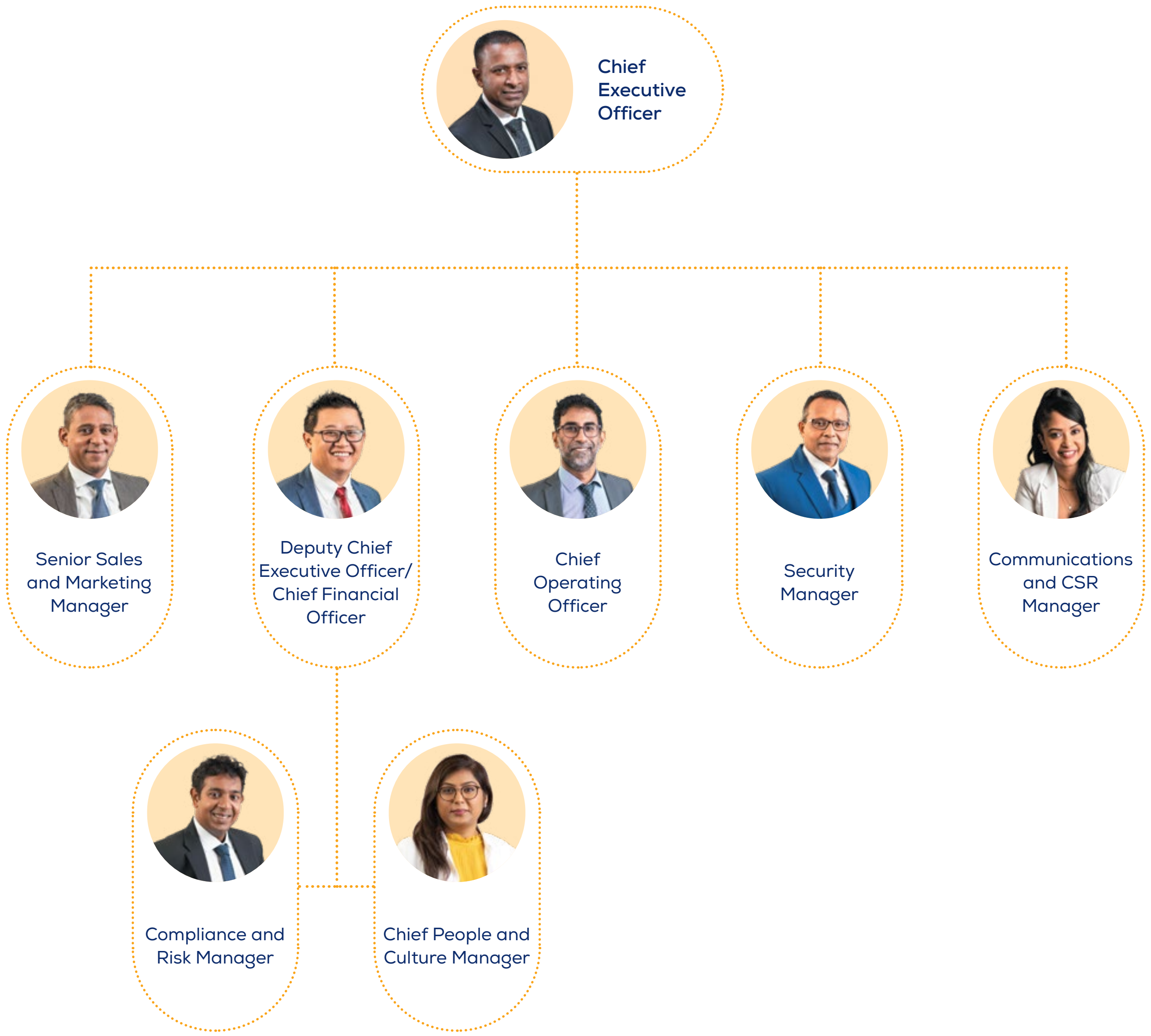
Other listed directorship:
- None

Citizen and Resident of Mauritius

Corporate Governance Report 2023 (Cont'd)

Senior Management Team

The Board has approved appropriate job descriptions and accountabilities of senior management positions which are reviewed on a regular basis.



- **Moorghen Veeramootoo** - Chief Executive Officer
- **Guito Lucchesi** - Senior Sales and Marketing Manager
- **Shaun Kim Tiam Fook Chong** - Deputy Chief Executive Officer / Chief Financial Officer
- **Harikrishna Ramsamy** - Chief Operating Officer
- **Queensnee Pergun** - Chief People and Culture Manager
- **Richard Papie** - Security Manager
- **Sivalingum Candassamy** - Compliance and Risk Manager
- **Virginie Pasnin** - Communications and CSR Manager

PRINCIPLE 4:
DIRECTOR'S DUTIES, RENUMERATION AND PERFORMANCE

Directors' Duties

Directors have been duly informed of their duties and responsibilities as provided under the Companies Act 2001, and their responsibility under the Listing Rules in as much as the Company is a public company listed on the Stock Exchange of Mauritius Ltd ("SEM").
They are also conversant with the provisions of Lottotech Charter, the Company's constitution and the National Code of Corporate Governance.

Interests' register conflicts of interest and related party transaction policy

Directors are aware of their responsibility in relation to the disclosure of conflicts of interest in accordance with the laws and the Lottotech Charter under the heading Conflict of Interest and Disclosure Policy.

Declaration of Conflict of Interest at each Board Meeting

The Company Secretary holds an Interest Register in which declarations made by Directors at each board meetings are duly registered.

The first item of the agenda for all board meetings is the declaration of conflict of interest by the Directors on any items which the Board will address as the business of the day. Furthermore, Directors who are conflicted would not participate on discussions on the specific agenda item.
Any related party transaction, if existing, would also be recorded in the said register.

Note: A copy of the register is available for inspection upon request made to the Company Secretary.

Remuneration Policy: statement of remuneration policy

The Corporate Governance Committee has been mandated by the Board to fulfil the function of Remuneration Committee and has therefore the responsibility of determining the remuneration of Directors and Top Management in line with market conditions, benchmarking within the industry, the Company's performance and ability to pay. The objective is to ensure that the Company attracts and retains talent both at the level of the Board and Management.

For the period under review, remuneration and benefits received and receivable by the Directors from the Company and its subsidiaries were:

Directors of the Company	Rs
Executive	14,003,611
Non-Executive	11,848,683
Total	**25,852,294**

Note: No remuneration in the form of share options or bonuses associated with the Company's performance have been issued to non-executive directors.

Board evaluation

The Board has adopted a Board Self & Peer Evaluation questionnaire, whereby the Directors would assess their individual performance, that of their respective peers and the Board. This exercise is carried out internally, in full confidentiality, whereby the Directors express themselves freely.

There being no change in the Board's composition from 2020 to 2022 and given the very good overall rating obtained during the 2020 exercise, no Board Self and Peer exercise was carried out in 2023.

Following the annual meeting of shareholders, there has been a change in the composition of the board and an evaluation shall be carried out subsequently as the Board would approve upon recommendation of the corporate governance committee.

The focus of the Board is to ensure that at all times it continues to be effective and efficient, that the Directors continue to contribute positively to Board's discussion and are fully committed to the Company, the employees and shareholders.

IT Governance

Information Technology plays an essential role as it is pervasive in all Lottotech business operations. The Board is responsible for IT Governance and ensures that the appropriate policies and procedures are in place. All major expenditures related to IT system are reviewed and approved by the Board. The Executive Management is responsible to ensure the implementation of the IT Governance framework as per industry standards and applicable laws.

There is a strong focus on the confidentiality, integrity and availability of information supported by a robust technology platform, IT policies and business processes. Lottotech ensures that all the security policies are enforced at all levels. IT Security training is given to its staff on a regular basis as required.

Lottotech continues to invest in technology and digitalization to enhance operation efficiencies and the player's experience. Lottotech has partnered with leading industry security firms to reinforce security of our information and IT systems.

Corporate Governance Report 2023 (Cont'd)

Code of Professional and Ethical Conduct

The Lottotech Ltd's Code of Professional and Ethical Conduct ("Code of Conduct") provides guidance to all Directors and employees of Lottotech Ltd, of their duties and obligations to conduct themselves and their business affairs in accordance with the highest standards of business ethics. Hence, the Code of Ethics is approved and reviewed from time to time by the Board of Directors.

PRINCIPLE 5:
RISK GOVERNANCE AND INTERNAL CONTROL

Lottotech Ltd is committed to the highest standards of ethical behaviour. Risk management is part of our culture across the Company. Strong independent oversight is in place at all levels. Committees, which are integral to the organisation's risk governance structure, allow executive management and the Board to evaluate the risks and to manage them effectively. The Company accepts risks which can be managed and where this will give the Company a competitive advantage. As regards risks which cannot be managed, the Company would aim at mitigating same and avoid those which cannot be mitigated.

The Company's risk management framework is designed to align the strategy and culture with the appropriate processes in place while encouraging the sense of entrepreneurship - helping management to take reasonable risks to fuel growth and improve business performance. All identified risks are compiled in a risk register which acts as a vehicle for capturing all the assessment and decisions made in respect thereof. Management carries out regular meetings to monitor and review the risks. Emerging risks are taken on board and existing risks are rated according to impact and likelihood. Risks identified are recorded in risk registers and risk heat maps. The risk register and risk heat maps are put forward to the Audit & Risk Committee on a quarterly basis for review, following which the Audit & Risk Committee would make a report and recommendation as appropriate, to the Board.

Lottotech has committed itself to aggressively pursue managing risks to be within its risk appetite to avoid exposure to losses and to manage actions that could have a negative impact on the reputation of the Group. The Company has monitored and evaluated its risk categories on a regular basis as per the illustration that follows.

Lottotech is certified ISO 27001:2013 for establishing, implementing, operating, monitoring, reviewing, maintaining and improving its information security management system. The Group abides to the procedures and policies related to the standard. On an annual basis, surveillance audit is being carried out by external parties.

Risk Governance And Internal Control

Furthermore, the Company has in place a Risk Management Framework based on the following principles:

- There is a defined approach for risk management setting out its strategy and objectives and the approaches and processes that the Company adopts to achieve them;
- There is a defined process to identify, assess and mitigate the significant risks to the achievement of business objectives; and
- There is an on-going process to monitor the risk profile, identifying and responding to significant issues and events. The key financial risks identified for the Company are outlined in Note 3 of the Financial Statements.

The Company has a whistleblowing procedure and other additional procedures which are readily available at the Head office.

PRINCIPLE 6:
REPORTING WITH INTEGRITY

Financial and operational performance

The Company's financial and operational performance is detailed in the Audited Statutory Financial Statements for the year ended 31 December 2023.

The Directors affirm their responsibilities in ensuring that in the preparation of the Company's Financial Statements, Management has fairly presented the state of affairs of the Company and its performance and that it remains a going concern.

Environment, Health and Safety

The Company complies with the Occupational Safety and Health Act 2005, and other applicable legislative and regulatory frameworks in order to ensure the occupational safety and health of its employees and stakeholders at all times. Ongoing awareness campaign is carried to ensure that the employees work in a healthy, safe and conducive working environment.

The Company is also committed to sustainable development and ensures that its operations are conducted in ways that minimise their impact on the environment and on society at large.

In this respect, the Company Charter has provided for an Environment Policy. Hence, the Company is committed to reducing its environmental impact and continually improving the environmental performance as an integral and fundamental part of the Company's business strategy and operating methods.

[Refer to section on Financial Capital, Social and Relationship Capital and Human Capital]

*The full annual report is available on our website: www.lottotech.mu

Corporate Governance Report 2023 (Cont'd)

PRINCIPLE 7:
AUDIT

INTERNAL AUDIT

The internal audit function has been outsourced to KPMG. KPMG operates on a risk-based three-year internal audit plan, under the supervision of the Audit and Risk Committee.

The duties of the internal audit are defined in the Lottotech Charter and among others include the examination and evaluation of the adequacy and effectiveness of the Company's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities, in view of eliminating or reducing risks identified to an acceptable level, and the formulation of necessary recommendations.

The key areas to be covered by the internal audit function have been identified following an enterprise-wide risk assessment. The risk assessment is reviewed annually based on prior years results, overall group strategy and emerging risks affecting the business activities of the group. The annual internal audit plan is discussed at each Audit and Risk Committee.

The Internal Audit Plan for the financial year ended 31 December 2023 focused on key financial and operational processes of the Company. As per the approved internal audit plan, 4 internal audit reviews were carried out in 2023 focused on the following areas:

- Operations
- People and HR
- IT systems and controls
- Finance

The internal audit function maintains its independence and objectivity to allow for the effective performance of its duties. The direct reporting line is to the Chairperson of the Audit and Risk Committee, and the internal audit function may also be called upon by the Chairman of the Board to report to it on specific matter

EXTERNAL AUDIT

The appointment of the Company's external auditors remains a reserved right of the shareholders, with a recommendation of the Board. Deloitte, the Company's external auditor for the year under review, was appointed in June 2023 at the Annual Shareholders Meeting, to hold office until the conclusion of the next Annual Meeting of Shareholders.

The Board has delegated to the Audit and Risk Committee the responsibility of reviewing the auditors' letter of engagement before the start of the audit work. The Committee will also monitor the independence of the external auditor and ensure that the auditors are not hindered in any manner whatsoever in the performance of their function.

To further ensure that there is no threat to the objectivity and independence of external auditors in the conduct of the audit, the Audit & Risk Committee may approve any non-audit services by them. The external auditors have direct access to the Audit and Risk Committee members and at various times during the year they attend the Committee meetings to

- Discuss the audit plan,
- Communicate the progress of their audit, and
- Deliver their audit opinion

Through the meetings with the Audit and Risk Committee and the Board, the auditors would obtain assurance from the Committee and the Board, who are responsible for governance, that there is effective oversight on the Company's internal control, reliability of financial reporting, effective and efficient operations and compliance with applicable laws and regulations. The auditors would also meet with the internal auditors to ensure that the Company operates within a good internal control environment and have proper processes and systems in place.

PRINCIPLE 8:
RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board of Directors is committed to always have an open and transparent communication with its shareholders and other stakeholders. It normally communicates through its Annual report, announcements as provided under the Listing Rules, whenever applicable, statutory reporting and publications. Moreover, during the annual meeting, shareholders have the opportunity to discuss with the Board members on Company's matters such as its performance and future outlook. The next annual meeting of shareholders will be held in June 2024.
The Company's website is also an important tool used to communicate and inform the shareholders and stakeholders on the Company's activities and events.

Stakeholder	Role	Stakeholder major requirements	Stakeholder major expectations	Engagement Level
GRA	Regulator	Follow the GRA Act	Collaborative relation	Abide by the law and have regular discussion with regulator including Responsible gaming
Shareholder	Project Sponsor	Profit and high dividends	Increase Profitability and dividend payout	Protect the company's interest. Regular communication on the performance of the company.
Employees	Facilitator	Employment safety	Fair wage and personal development	Performance management system. Regular check-in conversations
Players	End User	Trustworthy games	Fun games and win	Annual research on customer perception on the games. Player protection strategy. Regular communication on the games.
Supplier	Resource	Timely settling of the payments for the product	Business continuity	Regular meetings. Contract management.
Retailers	Facilitator	Payment of commission	Increase in commission payout and new business opportunity	FSR regular visits and feedback. Ensure timely payment of commission.
CSR/ Community	End User	Positive Contribution to society	To fund causes	Long term collaboration with NGOs. Provide funds. Regular visits. Volunteer program.
Competitors	Open market opportunity	Fair competition market	Enough market share for profitability	Regular market analysis. Ensure fair competition at all times.

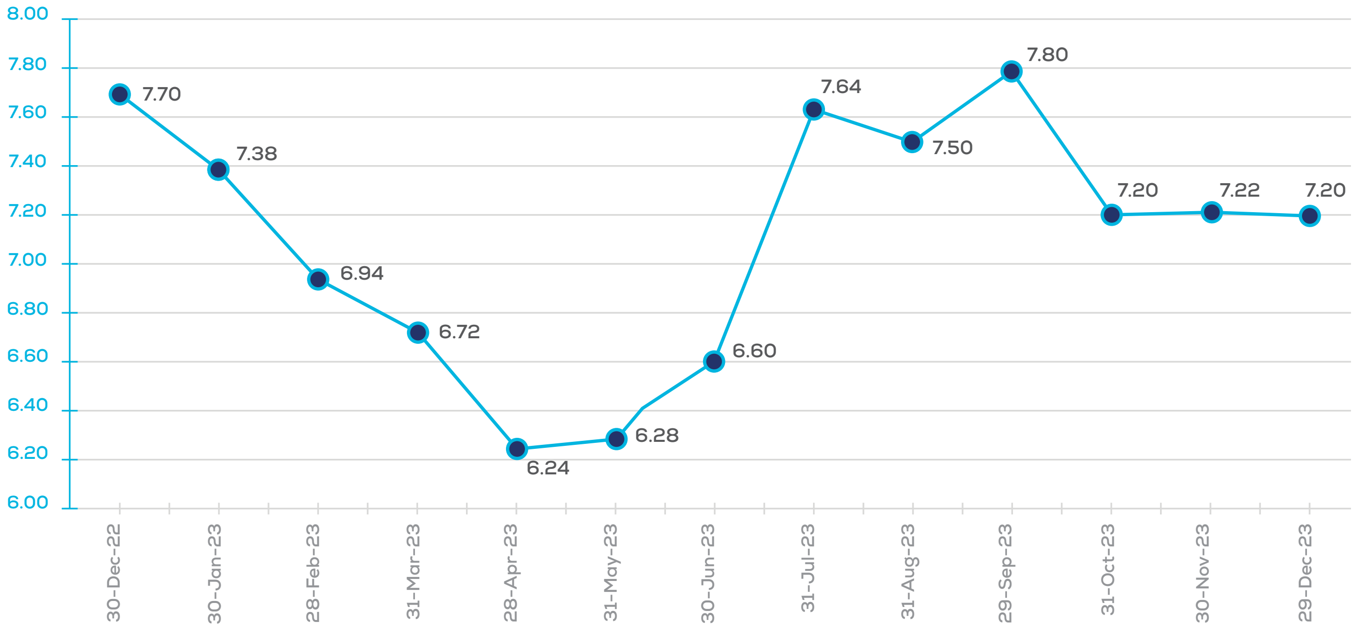
Shareholding Profile

The shareholders holding more than 5% of the ordinary shares of the Company at 31 December 2023 were:

	% Shareholding
State Investment Corporation Ltd	18.75%
Maurilot Investments Ltd	14.07%
Gamma Leisure Ltd	14.06%
Natlot Investments Ltd	14.06%
Glot Holdings (Mauritius) Ltd	14.06%

Corporate Governance Report 2023 (Cont'd)

Share Price Graph
Lottotech Ltd - Share Price Graph for the year 2023



Management Agreement

The Company has a management agreement with A.S. Burstein Management Ltd ("ASB"), a subsidiary of Gamma Civic Ltd, to offer it specific services related to the technical business operation of the Company.

Furthermore, Gamma Civic Ltd has a management agreement with ASB for the same services.

Dividend Policy

The Company's Dividend Policy as contained in the Company's constitution is that the Company shall distribute a minimum of 75% of its annual net profit after tax as dividend, except as otherwise resolved by the shareholders by way of Ordinary Resolution, subject to the Company passing the Solvency Test.

As a general rule, the Company declares an interim dividend in or around August and a final dividend in or around March the following year.

STATEMENT OF COMPLIANCE

(Pursuant to Section 75 (3) of the Financial Reporting Act 2004)

Name of Public Interest Entity ("PIE"): Lottotech Ltd
Reporting Period: 31 December 2023

We, the Directors of Lottotech Ltd confirm that to the best of our knowledge Lottotech Ltd has complied with all of its obligations and requirements under the National Code of Corporate Governance.

Chairman of the Board of Directors

Director

Date: 14 March 2024

STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)

Principal Activities

Lottotech Ltd is a Company that operates the Mauritius National Lottery on behalf of the Government of Mauritius. Following a Request for Proposal issued by the State Investment Corporation Ltd in March 2008, the proposal of the Company, including its structured game plan, was accepted and the Company was selected in July 2008 as the preferred bidder for the implementation and operation of the Mauritius National Lottery. In April 2009, the Gambling Regulatory Authority (GRA) issued an exclusive licence to Lottotech Ltd to operate the Mauritius National Lottery, which has been renewed in 2018 until April 2029. In June 2018, following the conclusion of the mediation between the Company, the Gambling Regulatory Authority (GRA) and the Ministry of Finance and Economic Development before the Supreme Court of Mauritius (Commercial Division), the Company was awarded the brand name and mark of the Loterie Vert. The new Loterie Vert game was launched in Nov 2020. Lottotech acquired 100% of Pool Joseph Merven Ltd (PJML) in 2019. PJML holds the licence to operate as an agent of a foreign pool company, The Football Pools, a sports betting operator in UK. This offers the opportunity to have a more diversified portfolio and provide new games to its player base.

Directors

The name of the Directors of the Company and its subsidiaries as at 31 December 2023 were as follows:

	Tommy Ah Teck	Patrice Ah Teck	Marie Claire Chong Ah Yan	Catherine Marguerite Halpin	Michelle Carinci	Ganeshanlall Cheeneebash	Allagappen Veeramootoo	Goolabchund Goburdhun, GOSK	Jacques Paul Rene De Chasteigner Du Mee	Jason Ah Teck
Lottotech Ltd	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Loterie Vert Ltd					✓		✓			✓
Pool Joseph Merven Ltd					✓		✓			✓

Directors' and Senior Officers' Interests in Shares

Statement of Direct and Indirect Interest of insiders as at 31 December 2023:

	No. of Shares	
Members	**Direct**	**Indirect**
Mr Chian Luck Ah Teck	147,840	33,186,975
Mr Chian Tat Ah Teck	-	33,283,460
Mr Jack Michael Jason Ah Teck	11,108	265,845
Mrs Sui Lien Chong Ah Yan	153,808	8,443,370
Mrs Michelle Jane Carinci	38,796	14,434
Mr Ganeshanlall Cheeneebash	-	-
Mr Goolabchund Goburdhun, GOSK	-	-
Mr Allagappen Veeramootoo	52,632	-
Mr Jacques Paul Rene De Chasteigner Du Mee	-	-
Mrs Catherine Marguerite Halpin	-	-

Directors' Remuneration and Benefits

The split of the aggregate remuneration and benefits received and receivable by the Directors from the Company is as follows:

Directors	%
Mr Chian Luck Ah Teck	13.6%
Mr Chian Tat Ah Teck	13.5%
Mr Jack Michael Jason Ah Teck	9.7%
Mrs Sui Lien Chong Ah Yan	9.7%
Mr Paul Halpin	2.4%
Mr Jean Claude Lam Hung	1.2%
Mrs Michelle Jane Carinci	1.9%
Mr Ganeshanlall Cheeneebash *	1.9%
Mr Goolabchund Goburdhun, GOSK *	1.9%
Mr Allagappen Veeramootoo	40.6%
Mr Jacques Paul Rene De Chasteigner Du Mee	1.2%
Mrs Catherine Marguerite Halpin	2.4%

*The % payable to Messrs Goolabchund Goburdhun GOSK and Ganeshanlall Cheeneebash have been credited to a bank account provided by the State Investment Corporation(SIC)

Directors' service contracts

None of the Directors of the Company have service contracts with the Company.

Contract of Significance

The Company has no contract of significance with either a director or a controlling shareholder.

Directors' Insurance

The Directors of Lottotech Ltd are insured under a policy contracted by Lottotech Ltd for its directors and officers, which includes a liability insurance.

Political and Charitable Donations

Lottotech Ltd remains committed to its engagement towards making a difference in the community. Over and above the statutory amount for CSR of Rs 1,444,861, the Company contributed Rs 726,392 to support initiatives in line with its sustainable policy. The Company's political donation amounted to nil for the year under review.

Auditors' remuneration

The remuneration payable by the Company and its subsidiaries for the financial year ended 31 December 2023 was as follows:

	Rs	Rs
Audit fees:	**Group**	Company
- Principal auditors	1,897,500	1,719,250
- Other auditors	-	-
Tax review fees:		
- Principal auditors	-	-
- Other auditors	155,250	155,250
Internal audit fees:		
- Principal auditors	-	-
- Other auditors	1,185,087	1,185,087

Director

Director

Date: 14 March 2024

Big at winning HEARTS

Lottotech celebrates its dedication to social causes and women's empowerment through the Lottotech Seeds project. Earning trust with positive impacts in communities.

Financial Capital

Reflecting on 2023, one of the most significant highlights is our record-breaking sales performance. This remarkable achievement was driven by a Loto jackpot of Rs 100 million at the beginning of the year, the highest jackpot in the past five years. Additionally, three more jackpots exceeding Rs 40 million each further contributed to our success. The launch of Loto Plus on 19 October 2023 also played a key role in reaching this milestone.

Our total turnover for the year approached Rs 3 billion, representing a 3% organic growth compared to the previous year. Profit after tax reached Rs 157 million, an increase of 2% from 2022. Despite these record results, our business faced challenges due to inflation and the depreciation of the rupee. To address these pressures, we are actively exploring ways to optimize our profitability and streamline our cost structure.

Shaun Kim Tiam Fook Chong
Deputy Chief Executive Officer / Chief Financial Officer

WHERE THE MONEY GOES
A Rs 100 NOTE

	2023 MUR	2022 MUR
Prizes	49.42	49.33
Consolidated Fund and Levy	23.85	23.89
Comission and Other Income	(0.27)	(0.15)
Retailers Commissions	5.58	5.64
Gaming Systems and Data Communication Costs	5.68	5.50
Other Operating Expenses	9.62	9.26
Net Finance Costs	(0.05)	0.13
Income Taxes	0.95	1.12
Profits	5.22	5.28
Sales	100	100

LOTTERY TICKET SALES +3% MUR **3BN** 2,9BN Year 2022

REVENUE +3% MUR **1,520M** 1,478M Year 2022

EARNINGS PER SHARE +2% MUR **0.46** 0.45 Year 2022

OPERATING PROFIT -3% MUR **184M** 190M Year 2022

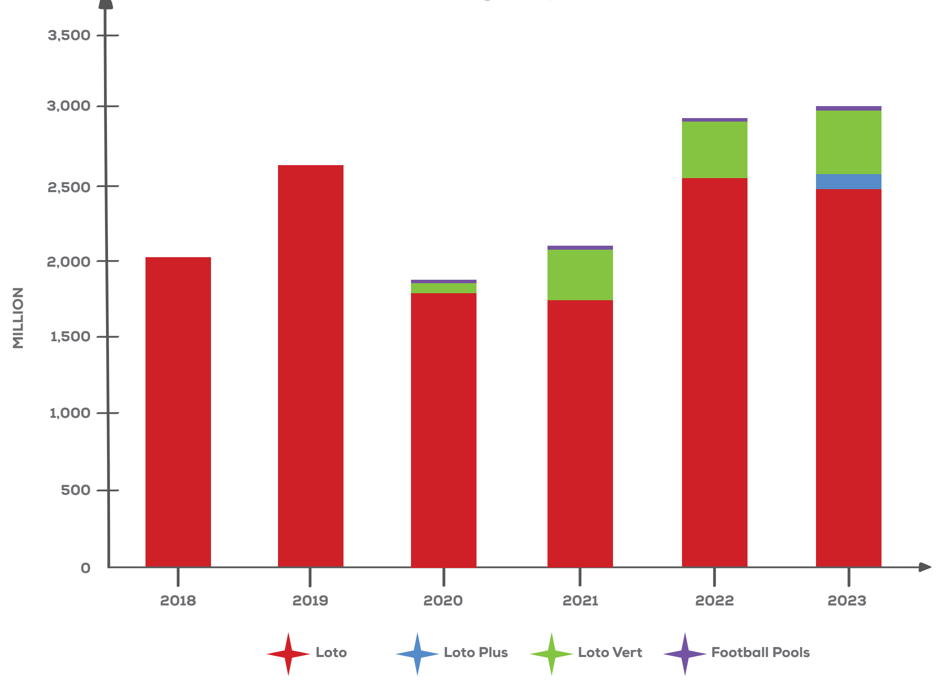
DIVIDEND PER SHARE +35% MUR **0.5** 0.37 Year 2022

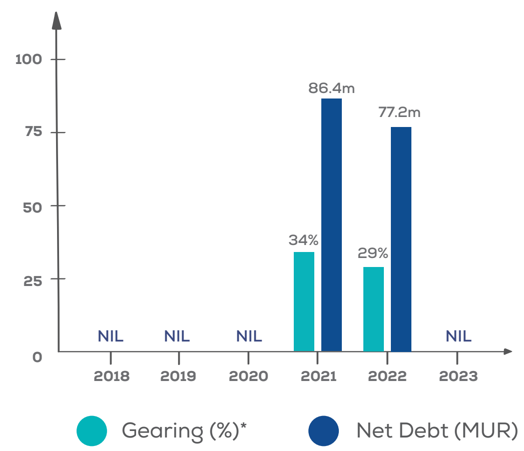
PROFIT AFTER TAX +2% MUR **157M** 154M Year 2022

DIVIDEND YIELD* +27% **7.0%** 5.5% Year 2022

*Share price as at 31 December 2023 at Rs 7.20

Ticket Sales





*Gearing = Debt / (Debt + Equity)

Human Capital

Passion driving business growth

The commitment, hard work, and exceptional performance of our team are the driving forces behind our remarkable success and accelerated business growth. Without their unwavering dedication, we wouldn't be where we are today.

Aligned with our vision of achieving the extraordinary, our human capital strategy is designed to empower talent and unlock human potential. We emphasize creating an inclusive culture that fosters innovation and encourages growth. Our goal is to build a workplace where our people can thrive and contribute to our collective success, propelling us toward a future of excellence.

MALE
59%

FEMALE
41%

DISABILITY
1 EMPLOYEE

TRAINING HOURS
1547 HRS

TRAINED WORKFORCE
96 (81%)

PROMOTION
12 EMPLOYEES

TRAINING INVESTMENT
MUR 2,6M

STAFF TURNOVER
16%

INCIDENT AT WORK
0

Our key human capital priorities are:

1. **Cultivating a People-Centric Culture**
   We prioritize a workforce culture that values individuals and promotes teamwork, fostering a sense of belonging.
2. **Enhancing Our Talent Appeal**
   We aim to attract and retain top talent by offering a dynamic and rewarding work environment.
3. **Developing Our People**
   We invest in training and development programs to help our employees reach their full potential.
4. **Investing in a diverse workforce**
   We believe a diverse workforce brings a variety of perspectives and ideas, which drives innovation.
5. **Recognizing and Rewarding Performance**
   We celebrate achievements and reward high performance, reinforcing a culture of excellence.

With these priorities guiding us, we are confident in our ability to create a thriving workplace that supports both individual and organizational success.

Human Capital (Cont'd)

2023 Human Capital Initiatives

Our focus in 2023 has been to implement a range of human capital initiatives aimed at enhancing capabilities and fostering a supportive work environment throughout the employee lifecycle, from hire to exit. Here are the key initiatives we undertook:

1. **Aligning Practices Across the Employee Lifecycle**
   We enhanced our human capital practices to improve the employee experience, ensuring consistency and support at every stage—from hiring to retirement or exit.
2. **Project I: Payroll and Time & Attendance System Implementation**
   We began the phased implementation of an automated payroll and time-tracking system, including an Employee Self-Service portal, to increase efficiency and accuracy in payroll processes.
3. **Project II: Human Capital Solution Implementation**
   In parallel, we started implementing a new human capital management solution to streamline HR operations and improve employee experience.
4. **Streamlined HR Policies**
   We aligned Lottotech's policies with our Group HR policies, facilitating organizational cohesion and driving performance across all levels.
5. **Compensation Structure Review and Adjustments**
   We participated in the 2023 Korn Ferry salary survey, which provided a comprehensive benchmark for our pay structure. Following this review, we made adjustments to our Short-Term Incentives to ensure fair compensation and increased overall value for our team members.
6. **Succession Planning and Leadership Development**
   To ensure continuity and support our long-term growth, we enhanced our succession planning initiatives and made strategic senior leader appointments.
7. **Community of Talented Individuals**
   We continued to build a community of talent, with 36% of our workforce identified as key contributors. This focus on nurturing talent strengthens our company's resilience and adaptability.
8. **Engagement and Networking Events**
   We organized talent-focused activities like Talent and Networking Events, as well as Offsite Talent Networking with the CEO, to boost employee engagement and foster collaboration.
9. **Enhanced Candidate Experience**
   We improved our candidate engagement processes by providing personalized experiences during recruitment and onboarding.
10. **Revamped Induction and Onboarding Programmes**
    To ensure a smooth integration of new employees, we reviewed and updated our induction and onboarding programs, offering a more comprehensive introduction to the company culture.
11. **Team Building and Offsite Events**
    We conducted team-building activities and offsite events every six months to foster camaraderie and improve workplace morale.

Building Capabilities & Developing People

At Lottotech, we are committed to building capabilities and fostering career growth. We encourage talent mobility and provide our employees with career development opportunities. This initiative allows our people to explore various roles within the company, enabling them to broaden their skills and knowledge.

Establish Development Plans:
Aiming at creating tailored development plans for new, experienced, and senior leaders ensuring appropriate support and guidance as they navigate their roles.

Invest in Junior Talent:
Investing in junior talent is essential for building a pipeline of future leaders.

Mentoring and Personal Coaching:
Providing individuals with personalized guidance and support, helping them navigate challenges and maximise their potential.

Industry or Learning Programs:
Offering industry-specific or specialized learning programs enhances leaders' knowledge and skills in areas relevant to their roles.

Talent & Development Platform:
Providing short courses, network opportunities, talent talk facilitating growth and development.

Human Capital (Cont'd)

Additionally, we implemented an accelerated development plan designed to facilitate knowledge transfer across the organization. This plan ensures that potential successors acquire the essential skills and knowledge needed to excel in their roles. By focusing on developing our people, we aim to create a pipeline of future leaders who can drive our business forward.

Energizing Our People Experience

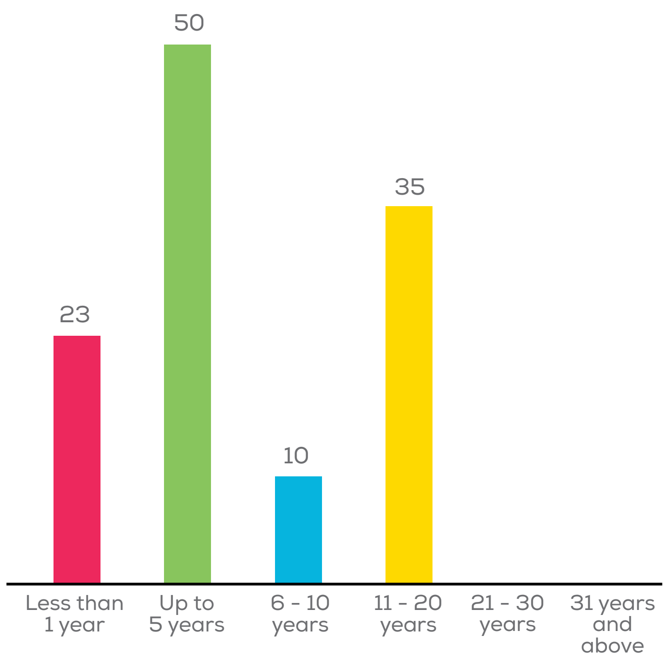
We believe that a positive work environment is key to sustaining a motivated and high-performing team. In 2023, we introduced several initiatives to elevate the experience for our employees. This includes providing monthly complimentary meals, fostering a sense of community and camaraderie. Alongside this, we hold regular celebrations and offer incentives to reward outstanding performance, acknowledging the hard work and dedication of our team members.

To further build a culture of continuous improvement, we run an employee engagement survey. This feedback mechanism helps us understand our employees' perspectives and identify areas for enhancement. By acting on the insights gained from this survey, we aim to create an even more dynamic and inclusive workplace, where our people feel valued and energized.
These initiatives underscore our commitment to building a supportive and inclusive workplace, enabling us to attract, retain, and nurture top talent. Through these efforts, we aim to create an environment where our employees can thrive and contribute to Lottotech's ongoing success and growth.

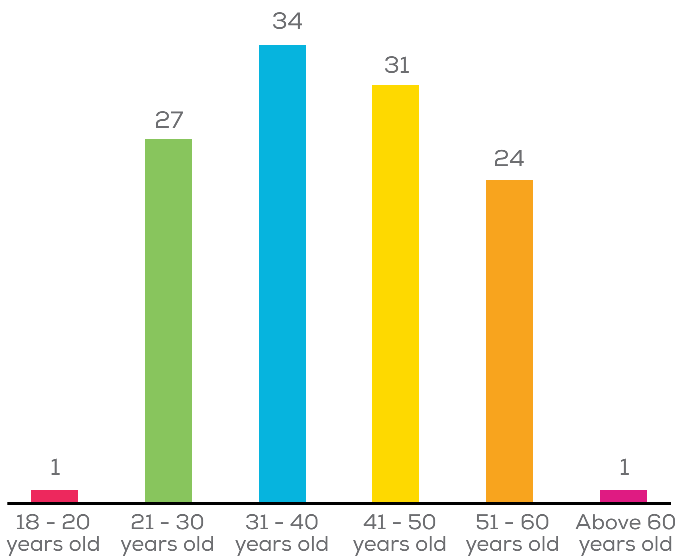
Fostering Inclusion through a Disability Matrix for Job Accessibility

We implementated a disability matrix to identify jobs that are disability-friendly in order to promote diversity in Human resources. This approach will allow Lottotech to systematically assess roles based on their accessibility and adaptability for individuals with varying abilities. By categorizing positions according to specific accommodation needs, our team can proactively design inclusive recruitment and workplace strategies. This not only broadens the talent pool but also fosters a culture of diversity and inclusion. Ultimately, it is a step toward creating a workplace where everyone has the opportunity to contribute their unique skills and perspectives.

Length of service/Number of staff



Staff by Age Band



Intellectual Capital

Data-Driven Decision-Making to Unlock Business Potential

Over the past few years, Lottotech has embraced digital transformation to drive growth and enhance customer experiences. Our customer-centric approach includes digital initiatives like a revamped website, mobile apps, BetBuilder for Football Pools games, and automatic winner payments. In parallel, we've reinforced our cloud computing strategy and built a robust data analytics platform. Within our IT department, we cultivate a culture of innovation, encouraging team members to experiment with and adopt emerging technologies.

Digital Transformation Strategy

Our digital transformation strategy rests on three key pillars: modernizing our infrastructure, promoting data-driven decision-making across the organization, and fostering a culture of innovation. Our cloud computing strategy and digital processes have allowed us to scale effectively and adapt to evolving business needs.

Resilience and Business Continuity

Lottotech relies heavily on its IT infrastructure and lottery systems to provide continuous high-quality service to our customers. Since 2009, we've partnered with IGT, a leading global lottery technology provider, to implement and support our lottery systems. To diversify our gaming technology platform, we've also partnered with other gaming service providers, ensuring resilience and business continuity.

To strengthen our cyber resilience, we continuously invest in advanced technologies and systems to safeguard against cyber threats. We consistently improve our processes to protect our digital assets, building trust and confidence among our stakeholders.

Cultivating a Data-Driven Culture

Data-driven decision-making is central to our strategic approach. We use a combination of analytical tools and customer relationship management systems to gather insights, allowing us to extract valuable information and identify strategic pivots. This data-driven culture enables us to craft business tactics with the right context and make better decisions.

Lottotech is committed to leveraging technology to drive innovation and growth. By deploying new business models and forming partnerships with leading providers, we aim to enhance our capabilities, improve our performance, and create value for our customers.

Social and Relationship Capital

Innovating for Enhanced Customer Experience and Social Impact

Lottotech's success with its product portfolio comes from our commitment to innovation, allowing us to meet and exceed the needs and expectations of both our existing and potential customers. We continuously refine our offerings and diversify our distribution channels to stay ahead of evolving player demands. By doing so, we not only enhance customer satisfaction but also contribute more to government initiatives and support important causes. Lottotech's approach to customer experience is designed to create lasting relationships and a more positive impact on the community.

Loto: Creating Excitement and Reconnecting with Players through Mega Jackpot

The first quarter was marked by a mega jackpot of MUR 100 million, an event that significantly contributed to building excitement and re-engaging players. The sheer magnitude of this jackpot sparked a surge of interest, generating buzz and anticipation across the gaming community. This heightened excitement not only encouraged increased participation but also had a positive impact on customer behavior, with more players joining in the anticipation of a life-changing win. The mega jackpot capitalized on the psychology of optimism, enticing both seasoned players and newcomers. As a result, the event created a broader ripple effect, with people sharing the excitement and drawing additional attention to our brand. Such jackpots are instrumental in reconnecting with players and setting the stage for sustained growth and customer engagement.

MUR 2,478,911,200
TOTAL SALES FOR LOTO

32 TOTAL JACKPOT WINNERS

Loto Plus: A Successful Launch with Over 40% Participation in Three Months

In October 2023, Lottotech successfully launched a significant enhancement to the Loto game under the new brand of Loto Plus, which quickly garnered considerable attention. Within the first three months, this innovation achieved an impressive participation rate of over 40%, demonstrating the market's enthusiasm for this refreshed offering. By introducing innovative elements to the traditional game, Lottotech provided players with new experiences that increased engagement and participation. Loto Plus not only revitalized the excitement of playing but also offered more chances to win, enhancing the overall appeal of the game. This successful launch underscores Lottotech's ability to innovate and adapt to evolving player preferences, fostering a vibrant community of lottery enthusiasts and creating a strong foundation for future growth.driving additional revenue for the company.

MUR 105,559,670
TOTAL SALES FOR LOTO PLUS

3 TOTAL JACKPOT WINNERS

Loto Vert: Introducing "Lucky Numbers" for a Second Chance to Win

Loto Vert, an important addition to our portfolio, complements our existing Loto offerings and contributes to the company's revenue stream. The standout innovation for this game in 2023 was the introduction of "lucky numbers," which gives players a chance to win an additional prize at no extra cost. This feature acts as a second chance, adding a level of excitement and engagement. The incorporation of "lucky numbers" not only boosts player enthusiasm but also encourages more frequent participation, creating a unique value proposition. This enhancement to Loto Vert demonstrates our commitment to offering dynamic gaming experiences while driving additional revenue for the company.

MUR 412,232,580
TOTAL SALES FOR LOTO VERT

JACKPOT GARANTI PEYE
14 DIVISION ONE WINNER **+1711** DIVISION TWO FOR CASCADE DOWN

LUCKY NUMBERS DRAWS AS FROM JUNE 2023
147 WINNERS FOR Rs50,000 **9** WINNERS FOR Rs100,000 **9** WINNERS FOR Rs250,000

Digitalization and Football Culture Drive Growth for The Football Pools

In 2023, Lottotech's digitalization of the play mechanism significantly expanded the player base for The Football Pools. With the Lottotech app, players can now access upcoming fixtures well in advance, allowing them to prepare their selections ahead of time. This digital solution also provides the added convenience of direct payment into players' accounts, streamlining the gaming experience. By digitalizing our product offerings, we're moving towards a more paperless approach, which reduces our environmental impact.

The Football Pools have capitalized on major football events and Mauritius's vibrant football culture to create engaging and fun activities that bring people together. This strategy has not only enhanced the overall player experience but also fostered a sense of community among football fans, contributing to the sustained growth of the game.

MUR 18,442,145
TOTAL SALES FOR FOOTBALL POOLS

119 TOTAL FOOTBALL RETAILERS

Field Activation and Events: Creating Meaningful Connections and Expanding Opportunities

Field activation initiatives and events are a vital component of our brand strategy, serving as powerful tools for connecting with customers and driving engagement. These activities allow us to interact with our audience directly, creating memorable experiences that deepen brand affinity. Through interactive games, product demonstrations, and immersive activities, we generate excitement that reinforces our brand identity and resonates with consumers.

Beyond engaging with customers, our field activations and events also foster meaningful partnerships and collaborations. We work with parastatal institutions, influencers, and community leaders to build new opportunities for growth and innovation. By forming strategic alliances with local businesses, supporting cultural events, and conducting co-branded activations, we extend our brand reach, tap into new audience segments, and enrich the overall event experience.

Innovative Business Services: Expanding Draw Services to Third Parties

One area of growth is our expansion into offering draw services to third parties, demonstrating our commitment to innovation, collaboration, and excellence in the gaming industry. A notable example is our partnership with Tribeca Big Jackpot, which features our ability to deliver high-quality services to external clients.

Evolving the Role of Sales Representatives: From Technical Support to Business-Oriented Advisors

As part of our strategy to drive sales growth and foster stronger relationships with our valued retailers, we have transformed the role of our sales representatives. Traditionally focused on technical support and resolving operational issues, our sales team now plays a more business-oriented role, reflecting our commitment to adaptability and value creation in the lottery industry.

While technical expertise remains crucial, our sales representatives now possess a deeper understanding of sales strategies, market dynamics, and customer needs. This shift empowers them to proactively identify sales growth opportunities, tailor solutions to retailers' unique needs, and implement targeted initiatives to drive revenue generation.

The core of our new approach is the cultivation of stronger, more collaborative relationships with our retailer network. Our sales representatives act as trusted advisors and strategic partners, providing personalized support, insights, and resources to optimize lottery sales and enhance profitability. By fostering open communication and delivering exceptional service, we aim to strengthen retailer loyalty and satisfaction, ensuring mutual success for our entire network.

673 TOTAL RETAILERS FOR 2023

Sustainability and Responsible Gaming

Driving Positive Change: The Power of a Purpose-Driven Lottery

A purpose-driven company recognizes its role in contributing to the greater good, using its influence and resources to make a positive impact on society. As a lottery operator, our mission goes beyond generating revenue; we are uniquely positioned to drive and accelerate change through a multi-stakeholder approach. By aligning our business goals with broader social and environmental objectives, we foster a sense of shared purpose that resonates with our employees, customers, communities, and partners.

The power of the lottery lies in its ability to bring people together and create a collective focus on supporting meaningful causes. Our multi-stakeholder approach enables us to engage with various groups, including local governments, NGOs, community leaders, and players. By actively collaborating with these stakeholders, we can channel lottery proceeds toward projects that address critical social needs, such as education, empowerment, healthcare, and community development.

This approach not only reinforces our commitment to responsible gaming but also enhances the lottery's role as a force for good. When stakeholders unite around a common purpose, the impact can be transformative, driving positive change and creating a sustainable future. Our company's purpose-driven ethos allows us to build trust and long-lasting relationships while contributing to the well-being of the communities we serve.

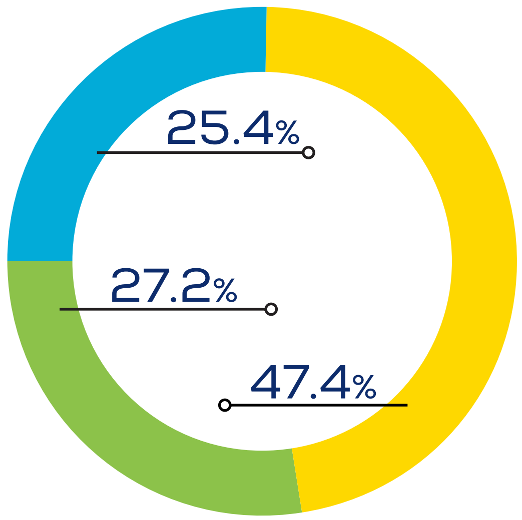
Lottotech's Commitment to Responsible Gaming: Upholding the Highest Standards

As a member of the World Lottery Association, Lottotech is committed to upholding the highest standards in responsible gaming (RG). As a certified Level 4 organization, the highest certification in the World Lottery Association's RG framework, Lottotech is obligated to continuously enhance its responsible gaming program. This certification reflects our dedication to maintaining rigorous safety and ethical practices for our players and the broader community.

In pursuit of these standards, we actively seek opportunities to engage with stakeholders, including regulators, retailers, community groups, and players themselves. By fostering open communication and collaboration, we ensure our RG program remains robust and evolves to meet emerging challenges in the gaming industry. This continuous improvement approach not only helps us maintain compliance with World Lottery Association standards but also solidifies our commitment to providing a safe and responsible gaming environment.

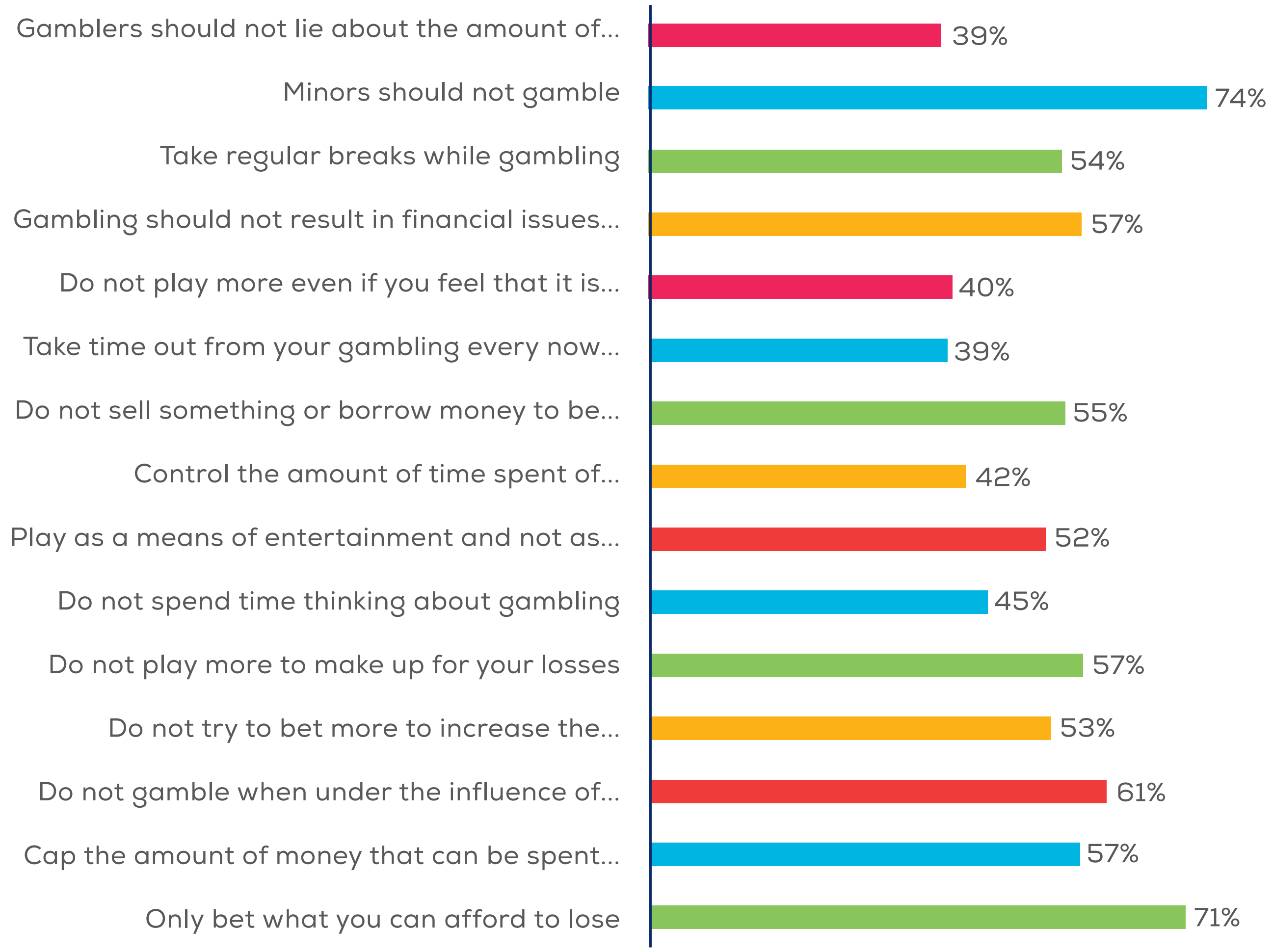
Verde, Survey 2023 :

Responsible gaming awareness :



Lottotech is already doing responsible gambling
Yes
No

Players' belief on gambling habits:



- The rate of knowledge was the highest for 'Minors should not gamble' at 74% of responses, followed by 'Only bet what you can afford to lose' at 71% and 'Do not gamble when under the influence of drugs or alcohol' at 61%.
- The lowest recognition level was noted fro 'Gamblers should not lie about the amount of time or money spent on gambling' and 'Take time out from your gambling every now and then' at 39% each.
- The average recognition level across all criteria stood at 53%. An increase of 7.4% has been noted compared to the previous research in 2021.

Sustainability and Responsible Gaming (Cont'd)

Statements related to participation to Lottotech's game:

Our Key Projects:

Treatment Referral Programme: A Collaborative Counseling and Support Platform

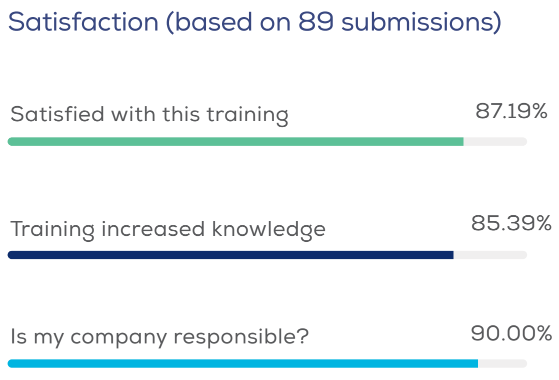
Since August 2019, Lottotech, in collaboration with four non-governmental organizations (NGOs), launched its national "Responsible Gaming, Counseling, and Listening Platform." This initiative marked a significant step in providing support for individuals seeking assistance with gambling-related issues. The four partnering NGOs—Crysalide, Étoile d'Espérance, Centre d'Accueil de Terre Rouge, and Centre de Solidarité pour Une Nouvelle Vie—are strategically located across different regions, including Rose-Hill, Curepipe, Terre Rouge, and Bambous.

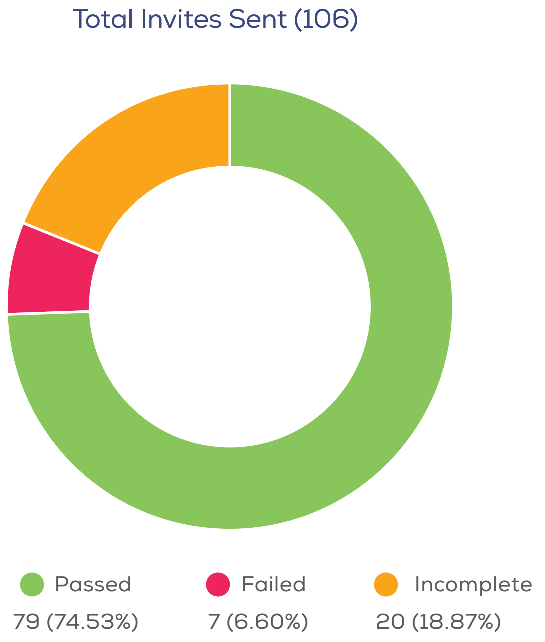
The agreement with these NGOs is renewed annually, demonstrating our ongoing commitment to responsible gaming and community support. Through this platform, the public can access professional counseling sessions at these treatment centers. Upon visiting one of the NGOs, individuals are asked to complete a questionnaire adapted from our Self-Test. The collected data, submitted by the NGOs at the end of each month, helps us understand our players' behaviors and needs, allowing us to enhance our responsible gaming strategies.

To support this initiative, we contribute Rs 400,000 from our voluntary budget. To date, approximately 400 people have benefited from this program, with only 69 exhibiting signs of problem gambling behavior.

Building Awareness for Responsible Gaming: Training by Virginie Saramandif

The training session led by Virginie Saramandif, a social psychotherapist and addiction specialist, is designed to increase awareness among participants about the critical importance of responsible gaming. It delivers crucial insights into gaming addiction, including the various signs and symptoms to watch for, as well as an overview of the different types of addictions that can impact individuals. By equipping participants with this knowledge, we aim to foster a gaming culture that prioritizes health and responsibility. Through this collective effort, we can work together to reduce the risks associated with gaming and ensure a safer environment for all.





Our Impact:

Focusing on Key Sustainable Development Goals: Lottotech Ltd's Approach

The United Nations Sustainable Development Goals (SDGs) consist of 17 goals with a total of 169 targets, all of which are important and interconnected. However, it can be challenging for organizations to address all of them simultaneously. At Lottotech Ltd, we acknowledge the significance of all 17 SDGs, but we have chosen to focus on a select few that align closely with our value chain and business strategy. While we maintain the good will to support all SDGs, we prioritize those that are most relevant to our operations and where we can make the most meaningful impact. In this report, we will highlight the specific SDGs that we have identified as our focus areas, demonstrating our commitment to contributing to a sustainable future. By concentrating our efforts on these key goals, we aim to drive positive change while ensuring our business practices are aligned with global sustainability objectives.

Sustainability and Responsible Gaming (Cont'd)

1216
VOLUNTEERING HOURS

55 PROJECTS
2,829 BENEFICIARIES

273
VOLUNTEERS

NUMBER OF PROJECTS & IMPACT PER SDG

1 NO POVERTY — **SDG 1**

2 ZERO HUNGER — **SDG 2**

3 GOOD HEALTH AND WELL-BEING — **SDG 3**

4 QUALITY EDUCATION — **SDG 4**

5 GENDER EQUALITY — **SDG 5**

10 REDUCED INEQUALITIES — **SDG 10**

13 CLIMATE ACTION — **SDG 13**

14 LIFE BELOW WATER — **SDG 14**

Rs 243,200
MONETARY VALUE FOR VOLUNTEERING PARTICIPATION

15%
UPCYCLED PAPER FOR REPURPOSING

9 UNITS
COLLECTING BINS AT RETAILERS

700kg
PAPER RECYCLING

89%
PARTICIPATION RATE

Sustainability and Responsible Gaming (Cont'd)

Launch of Women in Tech

Women in Tech, the world's leading organization dedicated to Inclusion, Diversity, and Equity in STEAM (Science, Technology, Engineering, Arts, and Mathematics), is on a mission to bridge this gender gap and empower women to embrace careers in technology.

Lottotech is proud to support Women in Tech by providing financial assistance for the launch of this international platform in Mauritius. By backing this initiative, we contribute to the global effort to create a more inclusive tech industry and inspire more women to pursue technology-related careers. The launch of Women in Tech in Mauritius marks a significant step toward addressing gender disparities and fostering a more diverse and equitable workforce in the technology sector. Through our support, we aim to help build a future where women have equal opportunities to thrive and lead in STEAM fields.

Lottotechseeds: Empowering Women Entrepreneurs for Sustainable Projects

Lottotechseeds is an initiative launched by Lottotech Ltd in 2020, designed to support women entrepreneurs who are driving sustainable projects. Now in its fourth edition, the program has grown significantly in reach and impact. This year, Lottotechseeds received 144 project submissions, from which 15 were selected for further development. These 15 participants undergo a 10-week training program provided by We Empower, an organization dedicated to nurturing women entrepreneurs.

Following the training, participants present their projects on Pitch Day to a panel of expert judges. The top three projects receive seed funding to help turn their ideas into reality. Additionally, for this edition, we invited NGOs with whom we collaborate to benefit from the training, creating opportunities for "Social Enterprise."

The winners of the latest edition of Lottotechseeds are as follows:

1st Prize (Rs 100,000): Eartha Solutions, operating in the environmental sector, offers a solution for soil erosion using coconut fiber to reinforce soil stability.

2nd Prize (Rs 75,000): Moservis.com, a technology-based project, aims to make e-commerce accessible to everyone, with a focus on Small and Medium Enterprises (SMEs).

3rd Prize (Rs 50,000): Wigs & Weaves, from the health sector, manufactures hair wigs locally using natural hair to support individuals suffering from hair loss, especially cancer patients.

Coup de Coeur (Rs 25,000): Del Bakery, in the food sector, creates low-budget cakes for those who cannot afford traditional pastries or cakes for special occasions.

Through Lottotechseeds, we aim to empower women entrepreneurs, encourage sustainable practices, and contribute to the development of innovative solutions across various sectors. By supporting these projects, we believe we can make a meaningful impact on the community and help these entrepreneurs succeed in their endeavors.

Repurposing: Giving Lottery Tickets a Second Life through Upcycling

Lottotech Ltd has taken a significant step in waste management by launching a pilot project in collaboration with Morivert Ltd to repurpose used lottery tickets and old betslips. This innovative initiative, called "Repurposing: A Second Life," transforms discarded paper into biodegradable planted pencils, which are then distributed to NGOs, with a particular focus on schools. The project embodies a full-circle approach to sustainability, providing a tangible example of how waste can be repurposed to create something new and valuable.

Retailers play a key role in the success of this project, as they are the primary touchpoints for collecting used lottery tickets from players. Their participation and support are crucial in ensuring a steady flow of recyclable materials, enabling us to scale up the initiative in the future. This collaborative effort demonstrates the shared responsibility between Lottotech, our retailers, and our players in promoting sustainability and reducing environmental impact.

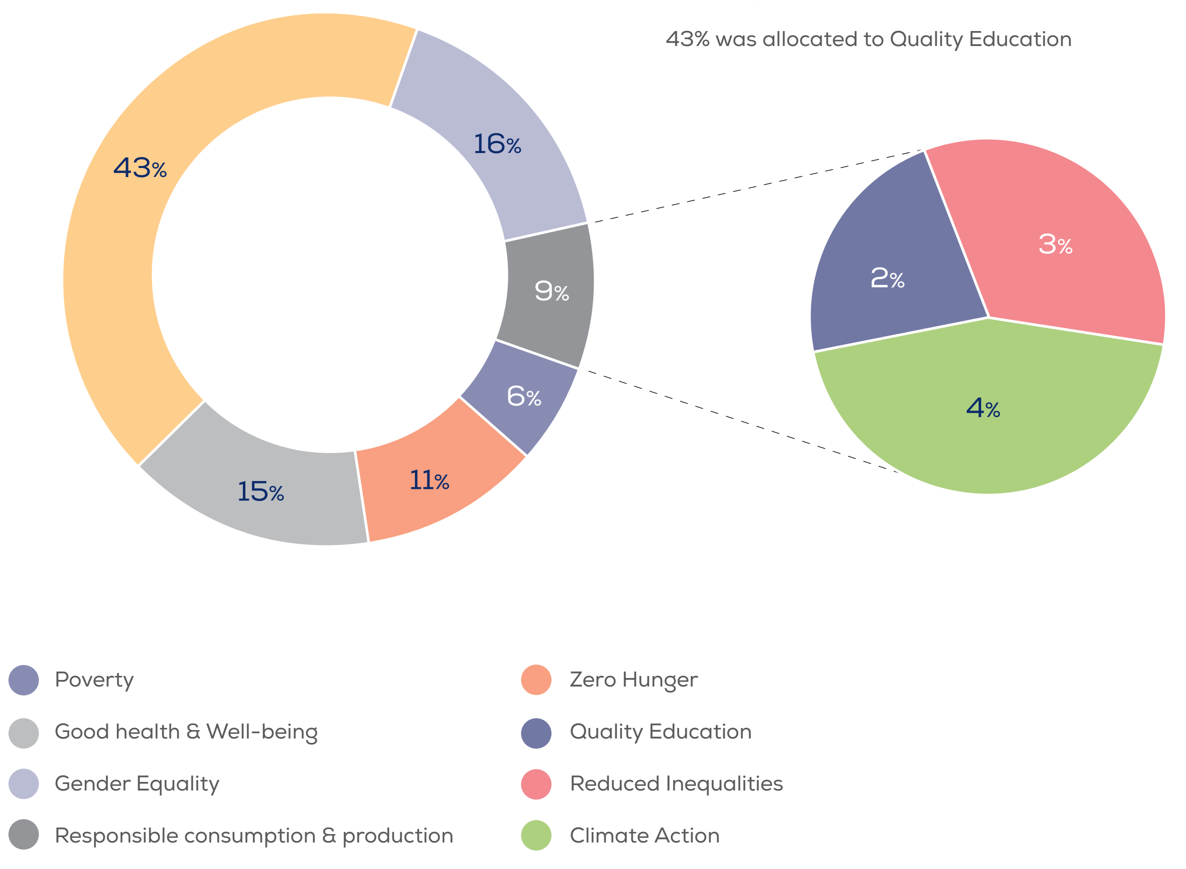
The planted biodegradable pencils created through this upcycling process offer more than just a writing tool. They represent the potential for a greener future, allowing children to draw and express their creativity while also leaving a positive mark on the environment. Once the pencil is used, it can be planted, giving life to a new plant or tree, symbolizing growth, renewal, and the interconnectedness of our actions.

By involving our retailers and encouraging players to participate, we aim to scale this project to reach even more communities, contributing to a larger movement towards responsible consumption and environmental stewardship. Lottotech is proud to lead the way in innovative waste management practices, demonstrating how small changes can have a significant impact on the future of our planet.

Percentage contributed per SDG

Our budget split per SDG:

43% was allocated to Quality Education



Sustainability and Responsible Gaming (Cont'd)

Materiality Matrix

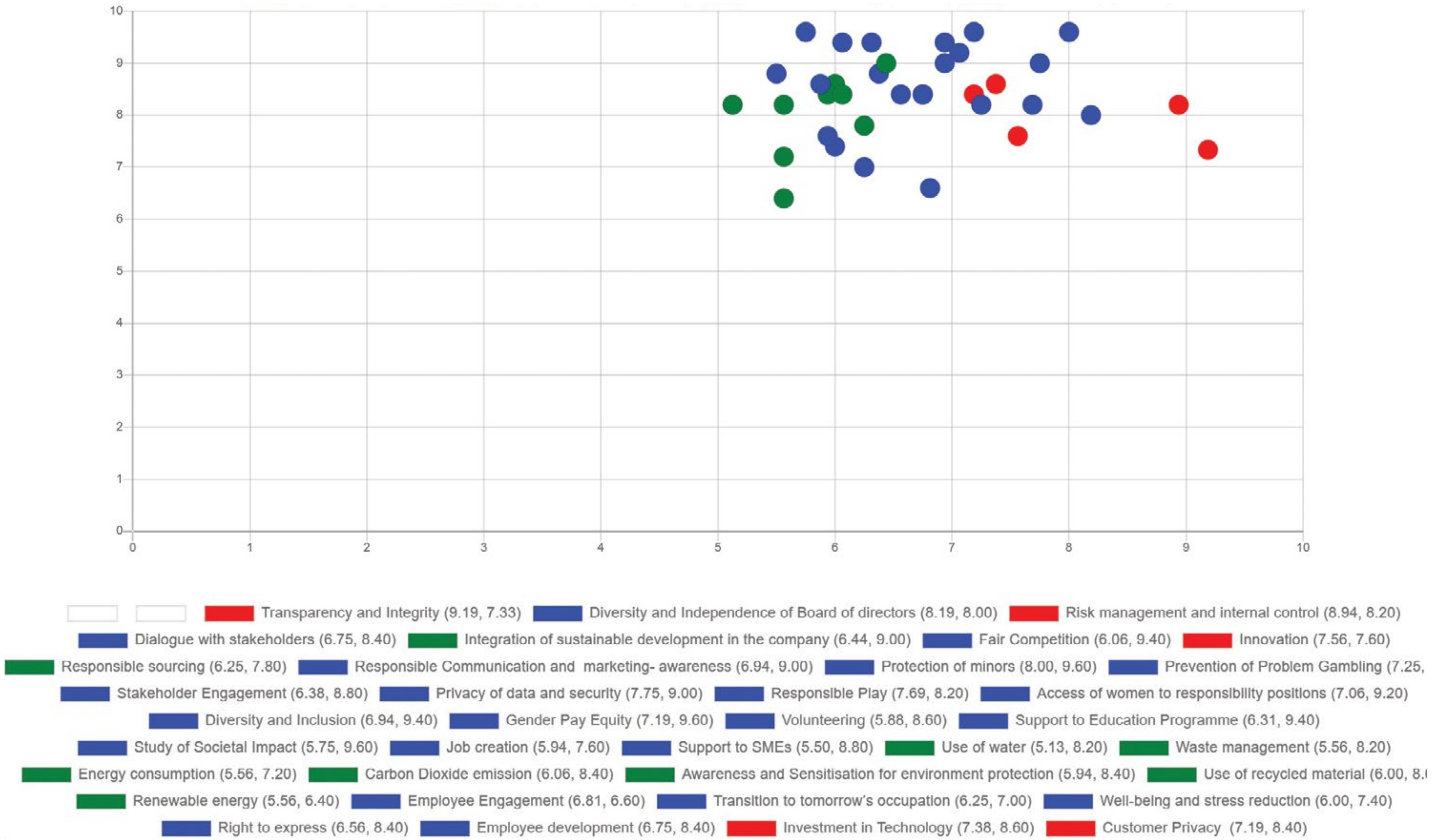
In 2023, Lottotech conducted a triple materiality matrix analysis to identify and prioritize key issues related to our company's activities and their impact. Unlike traditional materiality assessments, a triple materiality approach examines three dimensions: financial, environmental, and social implications. This comprehensive analysis allows us to understand our business from multiple perspectives, ensuring that our sustainability and Environmental, Social, and Governance (ESG) efforts align with a broader range of stakeholder concerns.

The triple materiality matrix is a crucial tool for guiding our sustainability strategy. It considers the financial impact on our business operations, the environmental effects, and the social consequences of our activities. By examining these three dimensions, we can identify which issues are most relevant to our stakeholders, both internally and externally, and prioritize our efforts accordingly. This broader perspective enables us to create a more robust sustainability strategy that not only meets the needs of our business but also contributes to societal and environmental well-being.

By focusing on triple materiality, we can effectively direct our resources and initiatives towards the areas that will have the greatest impact. This approach ensures that our sustainability goals are holistic and that our efforts are geared towards driving positive change. Ultimately, the triple materiality matrix provides a comprehensive framework that guides our decision-making, helping us achieve lasting value for our stakeholders and the broader community.

The top 10 material issues identified are:

1. Transparency and Integrity
2. Risk management and Internal control
3. Diversity and Independence of the Board
4. Protection of Minors
5. Privacy of data and Security
6. Responsible Play
7. Innovation
8. Investment in Technology
9. Prevention of Problem Gambling
10. Gender Pay Equity



As one big FAMILY

Lottotech's unwavering commitment to its retailers, signifies a bond built on trust, support, and shared success.

Company Information

DIRECTORS:

Chian Tat Ah Teck (Executive Chairman)
Allagappen Veeramootoo
Chian Luck Ah Teck
Ganeshanlall Cheeneebash
Goolabchund Goburdhun, GOSK
Jean Claude Lam Hung (resigned on 23 June 2023)
Jack Michael Jason Ah Teck
Michelle Carinci
Paul Halpin (resigned on 23 June 2023)
Sui Lien Chong Ah Yan
Jacques Paul Rene De Chasteigner Du Mee (Appointed 26 June 2023)
Catherine Marguerite Halpin (Appointed 26 June 2023)

SECRETARY:

Gamma Corporate Services Ltd
Royal Road
Chapman Hill
Beau Bassin
Republic of Mauritius

REGISTERED OFFICE:

Royal Road
Chapman Hill
Beau Bassin
Republic of Mauritius

PRINCIPAL PLACE OF BUSINESS:

Ground Floor
Silver Bank Tower
18, CyberCity
Ebène
Republic of Mauritius

AUDITOR:

Deloitte
7th-8th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène
Republic of Mauritius

PRINCIPAL BANKERS:

SBM Bank (Mauritius) Ltd
SBM Tower
1, Queen Elizabeth II Avenue
Port Louis
Republic of Mauritius

Absa Bank (Mauritius) Limited
Absa House, 68 Wall Street
Cybercity
Ebène 72201
Republic of Mauritius

LEGAL ADVISOR:

Anwar Moollan, SC
6th Floor, PCL Building, Sir William Newton Street
Port Louis
Republic of Mauritius

Secretary's Report

LOTTOTECH LTD
Under Section 166(d) of the Companies Act 2001

We confirm that, based on records and information made available to us by the directors and shareholders of the Company, the Company has filed with the Registrar of Companies, for the year ended 31 December 2023, all such returns as are required of the Company under the Companies Act 2001.

____
Gamma Corporate Services Ltd
COMPANY SECRETARY

DATE: 14 March 2024

Deloitte.

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19 -21 Bank Street
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Ebène 72201
Mauritius

Independent Auditor's Report to the shareholders of Lottotech Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of LOTTOTECH LTD (the "Company" and the "Public Interest Entity") and its subsidiary (the "Group") set out on pages 74 to 113, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2023, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

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 Separate Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standard Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We did not identify any key audit matters during the year.

Other matter

The consolidated and separate financial statements of the Group and the Company as at and for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion thereon on 27 March 2023.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report , Secretary's Report , the Corporate Governance Report and the Statement of Compliance, but, does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is

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necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the 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 the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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's and the 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 the directors' 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's and the 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 separate 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 and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless laws 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.

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Mauritius

Independent Auditor's Report to the shareholders of Lottotech Ltd

(Cont'd)

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Financial Reporting Act 2004

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Use of this report

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.of the Code.

Deloitte

DELOITTE

Chartered Accountants

Date: 14 March 2024

Rajeev Tatiah, FCCA

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Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 31 December 2023

		GROUP		COMPANY	
		2023	2022	**2023**	2022
	Notes	**MUR**	MUR	**MUR**	MUR
Turnover from lottery tickets		2,996,703,450	2,916,272,210	2,996,703,450	2,916,272,210
Prizes		(1,481,020,756)	(1,438,727,034)	(1,481,020,756)	(1,438,727,034)
Revenue from lottery tickets		1,515,682,694	1,477,545,176	1,515,682,694	1,477,545,176
Commission income		4,149,048	1,343,468	-	-
Revenue	4	1,519,831,742	1,478,888,644	1,515,682,694	1,477,545,176
Consolidated fund and levy		(714,795,960)	(696,810,305)	(714,795,959)	(696,810,305)
Net income		805,035,782	782,078,339	800,886,735	780,734,871
Other income	5	3,993,914	2,835,813	4,017,914	2,859,813
		809,029,696	784,914,152	804,904,649	783,594,684
Retailers' and other commissions		(167,262,899)	(163,709,373)	(166,536,456)	(163,420,183)
Gaming systems and data communication costs	6	(170,314,500)	(160,512,807)	(173,935,529)	(162,112,184)
Other operating expenses	7	(288,048,380)	(269,814,845)	(287,723,380)	(268,357,914)
Reversal of impairment loss/ (net impairment loss) on receivables	17	286,119	(394,584)	304,158	(394,584)
Operating profit		183,690,036	190,482,543	177,013,442	189,309,819
Finance income from an effective interest rate	8(a)	6,753,609	947,288	6,862,806	1,047,625
Finance costs	8(b)	(5,346,094)	(4,741,397)	(5,346,094)	(5,309,344)
Profit before income tax		185,097,551	186,688,434	178,530,154	185,048,100
Income tax expense	10	(28,392,312)	(32,565,078)	(28,111,465)	(31,695,116)
Profit for the year		156,705,239	154,123,356	150,418,689	153,352,984
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement of post-employment benefit obligations	22	(3,984,000)	(2,278,000)	(3,984,000)	(2,314,000)
Deferred tax on remeasurement of post-employment benefit obligations	21	677,280	387,260	677,280	393,380
Other comprehensive income – net of tax		(3,306,720)	(1,890,740)	(3,306,720)	(1,920,620)
Total comprehensive income for the year		153,398,519	152,232,616	147,111,969	151,432,364
Basic and diluted Earnings per share	11	0.46	0.45	0.44	0.45

The notes on pages 78 to 113 form an integral part of these financial statements.

Statement of Financial Position

as at 31 December 2023

		GROUP		COMPANY	
		2023	2022	**2023**	2022
	Notes	**MUR**	MUR	**MUR**	MUR
Assets					
Non-current assets					
Property and equipment	12	108,345,506	125,511,233	110,453,971	128,864,651
Intangible assets	13	177,206,554	158,232,583	153,953,414	134,979,443
Investment in subsidiaries	14	-	-	50,251,797	50,251,797
Deferred income tax assets	21	1,880,887	2,161,734	-	-
Non-current deposit	15	400,000	400,000	-	-
		287,832,947	286,305,550	314,659,182	314,095,891
Current assets					
Inventories	16	3,429,176	2,495,219	3,170,444	2,360,547
Trade and other receivables	17	155,784,245	148,978,465	159,581,715	153,054,329
Cash and short term deposits	18	133,555,433	372,149,518	128,296,627	370,618,442
		292,768,854	523,623,202	291,048,786	526,033,318
Total assets		580,601,801	809,928,752	605,707,968	840,129,209
Equity and liabilities					
Equity and reserves					
Stated capital	19	100,000,000	100,000,000	100,000,000	100,000,000
Retained earnings		74,308,939	90,910,420	80,844,988	103,733,019
Total equity		174,308,939	190,910,420	180,844,988	203,733,019
Non-current liabilities					
Deferred income tax liabilities	21	20,566,002	15,238,435	20,566,002	15,238,435
Lease liabilities	20	7,647,713	16,122,045	9,610,727	20,909,821
Interest-bearing loans and borrowings	24	-	67,898,947	-	67,898,947
Post-employment benefits	22	14,725,000	14,110,000	14,725,000	14,110,000
		42,938,715	113,369,427	44,901,729	118,157,203
Current liabilities					
Trade and other payables	23	346,311,233	465,427,598	360,093,575	475,330,404
Lease liabilities	20	8,474,332	8,040,769	11,299,094	10,728,045
Interest-bearing loans and borrowings	24	-	9,258,948	-	9,258,948
Current income tax liabilities	10	8,568,582	22,921,590	8,568,582	22,921,590
		363,354,147	505,648,905	379,961,251	518,238,987
Total liabilities		406,292,862	619,018,332	424,862,980	636,396,190
Total equity and liabilities		580,601,801	809,928,752	605,707,968	840,129,209

Authorised for issue by the Board of directors on 14 March 2024 and signed on its behalf by:

Director

Director

The notes on pages 78 to 113 form an integral part of these financial statements.

Statement of changes in equity

for the Year Ended 31 December 2023

	Notes	Stated capital	Retained earnings	Total equity
GROUP	**Notes**	**MUR**	MUR	**MUR**
At 01 January 2022		100,000,000	**64,477,804**	164,477,804
Profit for the year		-	**154,123,356**	154,123,356
Other comprehensive income for the year		-	**(1,890,740)**	(1,890,740)
Total comprehensive income for the year		-	**152,232,616**	152,232,616
Transactions with owners				
Dividends	27	-	**(125,800,000)**	(125,800,000)
At 31 December 2022		100,000,000	**90,910,420**	**190,910,420**
At 01 January 2023		100,000,000	**90,910,420**	**190,910,420**
Profit for the year		-	**156,705,239**	**156,705,239**
Other comprehensive income for the year		-	**(3,306,720)**	**(3,306,720)**
Total comprehensive income for the year		-	**153,398,519**	**153,398,519**
Transactions with owners				
Dividends	27	-	**(170,000,000)**	**(170,000,000)**
At 31 December 2023		100,000,000	**74,308,939**	**174,308,939**
COMPANY				
At 01 January 2022		100,000,000	**78,100,655**	178,100,655
Profit for the year		-	**153,352,984**	153,352,984
Other comprehensive income for the year		-	**(1,920,620)**	(1,920,620)
Total comprehensive income for the year		-	**151,432,364**	151,432,364
Transactions with owners				
Dividends	27	-	**(125,800,000)**	(125,800,000)
At 31 December 2022		100,000,000	**103,733,019**	203,733,019
At 01 January 2023		100,000,000	**103,733,019**	203,733,019
Profit for the year		-	**150,418,689**	150,418,689
Other comprehensive income for the year		-	**(3,306,720)**	(3,306,720)
Total comprehensive income for the year		-	**147,111,969**	147,111,969
Transactions with owners				
Dividends	27	-	**(170,000,000)**	(170,000,000)
At 31 December 2023		100,000,000	**80,844,988**	180,844,988

The notes on pages 78 to 113 form an integral part of these financial statements.

Statement of cash flows

for the Year Ended 31 December 2023

		GROUP		COMPANY	
		2023	2022	**2023**	2022
	Notes	**MUR**	MUR	**MUR**	MUR
Cash flows from operating activities					
Profit before income tax		**185,097,551**	186,688,434	**178,530,154**	185,048,100
Adjustments for:					
Depreciation on property and equipment	12	**28,055,517**	28,176,387	**29,300,470**	29,409,637
Amortisation of intangibles assets	13	**17,771,392**	13,553,335	**17,771,392**	13,553,335
Net foreign exchange differences		**(354,540)**	(934,383)	**(377,864)**	(1,036,032)
Provision for impairment of receivables	17	**(286,119)**	394,584	**(304,158)**	394,584
Gain on disposal of property and equipment	5	**(49,000)**	-	**(49,000)**	-
Gain on derecognition of right-of-use asset	5	**-**	(1,100,727)	**-**	(1,100,727)
Gain on modification of right-of-use asset	5	**-**	(694,257)	**-**	(694,257)
Movement in post-employment benefits	22	**(3,590,000)**	5,921,000	**(3,590,000)**	5,921,000
Interest expense	8(b)	**5,346,094**	4,741,397	**5,346,094**	5,309,344
Interest income	8(a)	**(6,753,609)**	(947,288)	**(6,862,806)**	(1,047,625)
Operating profit before working capital changes		**225,237,286**	235,798,482	**219,764,282**	235,757,359
(Increase)/ decrease in inventories		**(933,957)**	668,660	**(809,897)**	803,332
(Increase)/ decrease in trade and other receivables		**13,480,339**	(50,205,885)	**13,776,772**	(51,104,470)
(Decrease)/ increase in trade and other payables		**(119,116,365)**	192,015,500	**(115,236,829)**	196,013,510
Loan advanced to related party	25	**-**	(60,000,000)	**-**	(60,000,000)
Loan repaid from related party	25	**60,000,000**	-	**60,000,000**	-
Cash generated from operations		**178,667,303**	318,276,757	**177,494,328**	321,469,731
Interest paid	8(b)	**(5,346,094)**	(4,741,397)	**(5,346,094)**	(5,309,344)
Interest received	8(a)	**6,974,609**	797,295	**7,083,806**	897,632
Income tax paid	10	**(36,459,626)**	(3,211,233)	**(36,459,626)**	(3,211,233)
Net cash generated from operating activities		**143,836,192**	311,121,422	**142,772,414**	313,846,786
Cash flows from investing activities					
Purchase of property and equipment	12	**(10,889,790)**	(24,779,334)	**(10,889,790)**	(24,779,334)
Purchase of intangibles assets	13	**(36,745,363)**	(25,818,441)	**(36,745,363)**	(25,818,441)
Non-current deposit to bank	15	**-**	(400,000)	**-**	-
Proceeds from sale of property and equipment	5	**49,000**	-	**49,000**	-
Net cash used in investing activities		**(47,586,153)**	(50,997,775)	**(47,586,153)**	(50,597,775)
Cash flows from financing activities					
Lease liabilities	20	**(8,040,769)**	(8,620,186)	**(10,728,045)**	(11,176,667)
Loan granted to related party	25	**(80,000,000)**	-	**(80,000,000)**	-
Repayment of loan	24	**(77,157,895)**	(9,258,947)	**(77,157,895)**	(9,258,947)
Dividend paid	27	**(170,000,000)**	(125,800,000)	**(170,000,000)**	(125,800,000)
Net cash used in financing activities		**(335,198,664)**	(143,679,133)	**(337,885,940)**	(146,235,614)
Net (decrease)/ increase in cash and cash equivalents		**(238,948,625)**	116,444,514	**(242,699,679)**	117,013,397
Net foreign exchange differences		**354,540**	934,383	**377,864**	1,036,032
Cash and cash equivalents at 01 January		**372,149,518**	254,770,621	**370,618,442**	252,569,013
Cash and cash equivalents at 31 December	18	**133,555,433**	372,149,518	**128,296,627**	370,618,442

The notes on pages 78 to 113 form an integral part of these financial statements.

Notes To The Financial Statements
for the Year Ended 31 December 2023

General Information

Lottotech Ltd (the "Company") is incorporated and domiciled in the Republic of Mauritius as a public company, and its shares are publicly traded on the Stock Exchange of Mauritius. Its registered office is situated at Royal Road, Chapman Hill, Beau Bassin, Republic of Mauritius.
The Group is engaged in the Lottery and Gaming activities. Lottotech Ltd is the operator of the Mauritius National Lottery.

The financial statements of Lottotech Ltd include the separate financial statements of the parent company, Lottotech Ltd, (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group").

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, and are presented in Mauritian Rupees ('MUR'). All values are rounded to the nearest rupee, except when otherwise indicated. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Statement of compliance

The financial statements of the Group comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of Lottotech Ltd and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.4 Significant accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2 ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting judgements and estimates (Continued)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Judgements

Revenue

The Group assessed its revenue arrangement on the operation of the lottery and determined that it is the principal as it controls the service before it is transferred to the customer. The primary responsibility for fulfilling the promise to provide the service toward the customers resides with the Group. The Group underwrites the jackpots and other prize money for the game and bears the risk associated with guaranteed jackpots. The Group is liable under the Civil Code should it default in making payment to the winners of the draw. The Group also bears the risk associated with prize pool, and has no recourse to any other party in the event that it suffers losses in fulfilling its responsibilities under its licence.

Going concern

Following the conclusion of the mediation with the authorities, the Company was granted two consecutive five year periods licence to operate up to April 2029. The directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Company will have adequate funds to discharge any existing commitments and obligations to continue in business for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

2.5 Standards, amendments to published standards and interpretations effective in the reporting period

The following standards, amendments and interpretations were applicable for the first time in 2023, but did not have any impact on the financial statements of the Group.

	Effective for accounting period beginning on or after
IFRS 17: Insurance Contracts	**01 January 2023**
IAS 8: Accounting policies, changes in accounting estimates and errors	**01 January 2023**
IAS 1: Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statement 2	**01 January 2023**
IAS 12: Deferred tax relating to assets and liabilities arising from a single transaction	**01 January 2023**
IAS 12: International Tax Reform - Pillar Two Model Rules	**01 January 2023**

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.6 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Group has not early adopted them:

New or revised standards and interpretations:

Amendments	Effective for accounting period beginning on or after
IAS 1: Classification of Liabilities as Current or Non-current	**01 January 2024**
IFRS 16: Lease Liability in a Sale and Leaseback	**01 January 2024**
IAS 7 and IFRS 7: Supplier Finance Arrangements	**01 January 2024**

The Group does not expect that the adoption of these standards will have any material impact on its financial statements.

2.7 Summary of significant accounting policies

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(b) Turnover

The Group's turnover consists of proceeds from lottery tickets, which are the wagers placed on lottery tickets on the Group's draw-based game.

(c) Revenue from contracts with customers

Revenue from contracts with customers consist of turnover, net of prizes. Prizes are considered as consideration payable to the winning customers, and thus reduce the transaction price.

The Group's revenue recognition occurs at the point in time when the draw has been held and the results have been certified by the Gambling Regulatory Authority. Where players wager in advance, the income is deferred and recorded as contract liabilities, until the draw has taken place when it is then recognised as revenue in the statement of profit or loss and other comprehensive income.

Commission is received on the betting price excluding betting tax from the foreign pool promoter, calculated as a % of wagers placed on football betting or on a revenue share basis depending on the products sold. The Group's revenue recognition occurs at the point in time when the football competition has been held.

Revenue from commission

Revenue from commission consists of commission received from the foreign pool promoter, which is a percentage of wagers placed on football betting. The Group's revenue recognition occurs when a wager is placed and confirmed.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

Contract liabilities are proceeds from tickets for which the draw has not been held. The contract liability is recognised when a customer purchases a lottery ticket. Contract liabilities are subsequently recognised as turnover when the Group performs under the contract, which is at the point when the draw has been held and the results have been certified by the Gambling Regulatory Authority.

(d) Interest income

Interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss and other comprehensive income.

(e) Prizes

The draw-based game is operated under a prize pool mechanism under which a predetermined percentage of the ticket sales is allocated to prizes. To the extent that the actual prizes won on the draw vary from the predetermined percentage, the relevant prize is carried forward under a rollover to subsequent draws. The Group may also set guaranteed jackpots for any particular draw. The liability (prize liability and reserve fund as per note 23) for prizes is recognised at the time of the draw in line with the predetermined percentage for that game and for any shortfall that Lottotech may be required to settle. Lottery prizes are consideration payable to the customers and are deducted from the proceeds from lottery tickets to reach the revenue from a particular draw.

If prizes remain unclaimed for 184 days from the date of the draw-based game, the unclaimed prizes are remitted to the National Solidarity Fund.

(f) Consolidated Fund and levy

The Group has a legal requirement to contribute a set proportion of net proceeds from lottery games to the Consolidated Fund managed by the Government of Mauritius.

The amount of Consolidated Fund represents the predetermined percentage of gross ticket sales net of prizes.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(g) Retailers' and other commissions

The Group pays commissions to third party retailers who act as agents of the Group under a standard commission structure, fixed at a percentage of total sales. In addition, validation commission is paid on prizes. A similar commission structure is applicable for the Field Sales and Technical Representatives in Rodrigues.

Retailers' and other commissions includes sales, jackpot and validation commissions

(h) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on the straight-line method to allocate their costs to their residual values over their estimated useful lives as follows:

Right-of-use assets	**8 – 10 years**
Leasehold improvements	**3 – 10 years**
Equipment	**3 – 10 years**
Furniture and fittings	**3 – 10 years**
Motor vehicles	**6 – 7 years**
Work in progress	**Nil**

Depreciation is provided in full in the month of addition and in respect of assets written off and disposed, up to the month of write off and disposal. Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in profit or loss.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest level from which there are separately identifiable cash flows.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The assets' residual values and useful lives are reviewed and adjusted if necessary, at end of each reporting period.

Work in progress relates to capital projects and expenditures which are not completed or ready to be used and are stated at cost less any recognised impairment loss. No depreciation is charged on work in progress since depreciation on an asset commences when it is available for use, that is, when it is in the condition necessary for it to be capable of operating.

The accounting policy in respect of the right of use of asset is included in Note 2.7 (k).

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

A summary of the policies applied to the Group's intangible assets is as follows:	Software licences
Amortisation method used	**Finite - 3 - 10 years**

(j) Investment in subsidiaries

The subsidiaries are fully consolidated in the Group's financial statements from the date control is obtained by the Group until the date that control ceases.

Separate financial statements of the investor

In the separate financial statements of the Company, the investment in subsidiaries is carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(k) Leases

At the commencement date of a lease, a lessee will recognise a lease liability and right of use (ROU) asset representing the right to use the underlying asset during the lease term. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption to its short-term leases of motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

For any new contracts entered, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset (under Property, Plant and Equipment) and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(l) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out ("FIFO") method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost includes cost of ticket rolls, bet slips and any other direct costs. Inventories are written-off when not usable.

(m) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows and consolidated statement of financial position, cash and cash equivalents comprise cash at bank and cash in hand.

(n) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(o) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax and Corporate Social Responsibility ("CSR") tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Current income tax assets and liabilities are measured at the amount expected to be received or paid to the taxation authorities.

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The principal temporary differences arise from accelerated capital allowances, provision for post-employment benefits and provision for impairment on receivables.

Deferred income 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. The directors apply judgement to determine whether sufficient future taxable profit will be available after considering, amongst others, factors such as cash flows and budgets. The carrying amount of deferred tax asset is reviewed at each reporting date.

The Group offsets deferred income tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current income tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(p) Employee benefits

(i) Short-term employee benefits

Short term employee benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related services and include wages, salaries, social security contributions, and travelling expenses, profit sharing and bonuses. These costs are charged to profit or loss when incurred.

(ii) Defined contribution

The Group operates a defined contribution pension plan for certain qualifying employees. The assets of the plan are held separately from those of the company in funds under the control of an independent management committee. Where employees leave the plan prior to full vesting of the contributions, the contributions payable by the company are reduced by the amount of forfeited contributions. Any residual gratuities under the Workers Rights Act 2019 for the qualifying employees after allowing for permitted deductions in respect of the pension plan are included in the post-employment benefits in respect of the Workers Rights Act 2019.

(iii) Post-employment benefits

Employees are entitled to a gratuity payment on retirement under the terms of the Workers Rights Act 2019. The Group recognises a liability for employees whose benefits under the defined contribution plan are not expected to fully offset the retirement gratuity.

The net present value of post-employment benefits payable under the Workers Rights Act 2019 is calculated by a qualified actuary and is provided for. The obligations arising from this item is not funded.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on government bonds in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past and current service costs are recognised immediately in profit or loss.

(q) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements and deducted from equity in the period in which the dividend is declared.

(r) Financial Instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(r) Financial Instruments (Continued)

(i) Financial assets (Continued)

Initial recognition and measurement (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, receivables from related parties and cash at bank. These financial assets are held to collect cash flows which represent solely payment of principal and interest.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition

Financial assets are primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(r) Financial Instruments (Continued)

(i) Financial assets (Continued)

Derecognition (Continued)

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities consist of trade and other payables, lease liabilities and interest-bearing loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(r) Financial Instruments (Continued)

(ii) Financial liabilities (Continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(s) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates the "functional currency". The financial statements are presented in Mauritian rupee ("MUR"), which is the presentation currency of the Company.

Transactions and balances

Foreign currency transactions are translated into Mauritian rupees using the exchange rates prevailing at the date of transactions. 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 the profit or loss consistent with the nature of the underlying items.

(t) Segment information

Segmental reporting is based on the internal reports regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess their performance. There is only one operating segment which is the gaming segment.

Since there is only one operating segment, the Group has not prepared a segment report.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(u) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

(v) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk (foreign exchange risk and interest rate risk); credit risk and liquidity risk. A description of the significant risk factors is given below together with the risk management policies applicable.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance.

Risk management is carried out by management under policies approved by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

The Group carries its operations locally and therefore is not exposed to foreign exchange risk except for transactions with suppliers and bank accounts denominated in foreign currency, which are mainly United States dollars ("USD"). As such, the Group is exposed to the exchange rate movement of the Mauritian rupee against the United States dollar.

The currency profile of the Group's and the Company's financial assets and liabilities is summarised as follows:

	2023 Financial assets	**2023 Financial liabilities**	2022 Financial assets	2022 Financial liabilities
	MUR	MUR	MUR	MUR
GROUP				
Mauritian rupee	**265,142,811**	**344,109,230**	500,817,407	541,040,079
United states dollar	**8,835,783**	-	9,268,110	-
Euro	**2,976,305**	-	670,194	-
Great britain pounds	**916,565**	**2,202,003**	376,108	1,545,414
	277,871,464	**346,311,233**	511,131,819	542,585,493
COMPANY				
Mauritian rupee	**264,325,093**	**360,093,575**	503,409,612	552,488,299
United states dollar	**8,835,783**	-	9,268,110	-
Euro	**2,976,305**	-	670,194	-
	276,137,181	**360,093,575**	513,347,916	552,488,299

At 31 December 2023, if the Mauritian rupee ("MUR") had weakened/strengthened by 5% against the United States dollar ("USD") with all other variables held constant, post-tax profit and equity for the year for the Group and the Company would have increased/decreased by **MUR 441,789** (2022 – MUR 463,406).

At 31 December 2023, if the Mauritian rupee ("MUR") had weakened/strengthened by 5% against the EURO ("EUR") with all other variables held constant, post-tax profit for the year and equity for both the Group and the Company would have increased/decreased by **MUR 148,815** (2022 MUR 33,510), mainly as a result of currency differences on translation of EUR denominated bank balances.

At 31 December 2023, if the Mauritian rupee ("MUR") had weakened/strengthened by 5% against the Great Britain Pound ("GBP") with all other variables held constant, post-tax profit for the year and equity for the Group would have decreased/increased by **MUR 45,828** (2022 MUR 18,805), mainly as a result of currency differences on translation of GBP denominated bank balances.

The directors believe that a 5% fluctuation in foreign exchange rate is an appropriate basis for the sensitivity analysis. The sensitivity analysis has been based on the financial assets and liabilities at the reporting date.

The Group has not engaged in any hedging transactions to mitigate its risks relating to exchange rate fluctuations.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(ii) Interest rate risk

The Group's income and operating cash flows may be affected by changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates

At 31 December 2023, the Group did not have any floating interest debt obligation and therefore no sensitivity risk diclosure has been made.In 2022, a reasonable possible increase/decrease in interest rates by 50 basis points with all other variables held constant post-tax profit for the year and equity for the Group would have decreased/increased by MUR284,932.

(b) Credit risk

Credit risk is managed on company-wide basis. Credit risk arises from cash and cash equivalents as well as credit exposures to retailers, including outstanding receivables and receivable from related parties.

For cash and cash equivalents, the Group manages its credit risk by banking with reputable financial institutions. Management assess the credit quality of the retailer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored. The Group engages with retailers having the appropriate credit rating only.

The Group fully provides for balances in default which are balances due from retailers for more than 90 days; these balances are considered to be credit impaired. The Group has a general short credit period of less than one week to collect its trade receivables. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, for example the point at which the Group is aware of bankruptcy of the debtor or the Company has not recovered the debt through legal actions. The Group makes use of a provision matrix and determine the expected credit loss on its trade receivables on a collective basis with the customers grouped according to days past due. The provision matrix takes into consideration the historical data on default rate. The Group determined that forward looking information is insignificant due to the short-term nature of the trade receivables. At the reporting date, the Group determined that its expected credit loss on trade receivables not in default is insignificant.

The credit risk on the balances receivable from related parties have been assessed in 2023 and the ECL is immaterial.

The maximum exposure with respect to credit risk arise from default of the counter party with a maximum exposure equal to the carrying amount of the Group's financial assets.

The directors believe that the Group has no significant concentration of credit risk and services are rendered to retailers with an appropriate credit history.

The aged analysis of trade receivables is disclosed in Note 17.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close our market positions.

The table below analyses the Group's and the Company's financial liabilities into relevant maturing groupings based on the remaining period at the end of the reporting period to maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

GROUP

As at 31 December 2023	**Within six months**	**Between six months to 1 year**	**Between 1 to 5 years**	**Above 5 years**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**
Liabilities					
Lease liabilities	**4,569,717**	**4,569,717**	**7,957,642**	**-**	**17,097,076**
Trade and other payables	**346,311,233**	**-**	**-**	**-**	**346,311,233**
	350,880,950	**4,569,717**	**7,957,642**	**-**	**363,408,309**
As at 31 December 2022					
Lease liabilities	4,569,717	4,569,717	17,097,076	-	26,236,510
Interest-bearing loans and borrowings	7,159,290	6,064,661	44,525,463	34,050,000	91,799,414
Trade and other payables	465,427,598	-	-	-	465,427,598
	477,156,605	10,634,378	61,622,539	34,050,000	583,463,522

COMPANY

As at 31 December 2023	**Within six months**	**Between six months to 1 year**	**Between 1 to 5 years**	**Above 5 years**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**
Liabilities					
Lease liabilities	**6,096,716**	**6,096,716**	**9,957,642**	**-**	**22,151,074**
Trade and other payables	**360,093,575**	**-**	**-**	**-**	**360,093,575**
	366,190,291	**6,096,716**	**9,957,642**	**-**	**382,244,649**
As at 31 December 2022					
Liabilities					
Lease liabilities	6,069,717	6,069,717	22,097,076	-	34,236,510
Interest-bearing loans and borrowings	7,159,290	6,064,661	44,525,463	34,050,000	91,799,414
Trade and other payables	475,330,404	-	-	-	475,330,404
	488,559,411	12,134,378	66,622,539	34,050,000	601,366,328

The carrying amounts of trade and other receivables, cash in hand and at bank, trade and other payables approximate their fair values largely due to their short-term maturities of these instruments.

In 2022, the fair values of the Group's interest-bearing loans and borrowings were determined by using the DCF method using discount rate that reflected the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2022 was assessed as insignificant. There was no such requirement as at 31 December 2023 given that the loan was fully paid during the year.

(d) Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going-concern in order to provide returns to shareholders. Capital is represented by the total equity comprising of stated capital and retained earnings.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce any debt.

There were no changes in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2022.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Financial instruments by category

	GROUP		COMPANY	
	2023	2022	2023	2022
	MUR	MUR	MUR	MUR
	Financial assets at amortised cost	Financial assets at amortised cost	Financial assets at amortised cost	Financial assets at amortised cost
Financial assets				
Trade and other receivables	144,316,031	138,982,301	147,840,554	142,729,474
Cash and cash equivalents	133,555,433	372,149,518	128,296,627	370,618,442
	277,871,464	511,131,819	276,137,181	513,347,916

Trade and other receivables include related party balances.

	Financial liabilities at amortised cost	Financial liabilities at amortised cost	Financial liabilities at amortised cost	Financial liabilities at amortised cost
Financial liabilities	346,311,233	465,427,598	360,093,575	475,330,404
Trade and other payables	16,122,045	25,380,993	20,909,821	31,637,866
Lease liabilities	-	77,157,895	-	77,157,895
Interest bearing loans and borrowings	362,433,278	567,966,486	381,003,396	584,126,165

4 REVENUE

4.1 Revenue information

	GROUP		COMPANY	
	2023	2022	2023	2022
	MUR	MUR	MUR	MUR
Type of good or service				
Revenue from lottery tickets	1,515,682,694	1,477,545,176	1,515,682,694	1,477,545,176
Commission income	4,149,048	1,343,468	-	-
Total revenue from contract with customers	1,519,831,742	1,478,888,644	1,515,682,694	1,477,545,176
Geographical market				
Mauritius	1,519,831,742	1,478,888,644	1,515,682,694	1,477,545,176
Total revenue from contract with customers	1,519,831,742	1,478,888,644	1,515,682,694	1,477,545,176
Timing of revenue recognition				
Revenue recognised at a point in time	1,519,831,742	1,478,888,644	1,515,682,694	1,477,545,176
Total revenue from contract with customers	1,519,831,742	1,478,888,644	1,515,682,694	1,477,545,176

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

4 REVENUE (Continued)

4.2 Revenue from contracts with customers

	GROUP		COMPANY	
	2023	2022	2023	2022
	MUR	MUR	MUR	MUR
Trade receivables	62,649,089	78,051,809	62,076,086	77,850,930

	GROUP		COMPANY	
	2023	2022	2023	2022
Contract liabilities	MUR	MUR	MUR	MUR
At 01 January	645,690	13,619,230	645,690	13,619,230
Movement	1,598,180	(12,973,540)	1,598,180	(12,973,540)
At 31 December	2,243,870	645,690	2,243,870	645,690

Trade receivables are amounts due from retailers for tickets sold in the ordinary course of business. Refer to note 17 for expected credit losses recognised on trade receivables.

Contract liabilities consist of ticket sales for which the draw has not yet been held. The revenue is recognised when the draws are held (Wednesday, Friday and Saturday) and the results are certified by the Gambling Regulatory Authority.

5 OTHER INCOME

	GROUP		COMPANY	
	2023	2022	2023	2022
	MUR	MUR	MUR	MUR
Management fees from subsidiaries	-	-	24,000	24,000
Management fees from entities under common control	3,038,428	-	3,038,428	-
IT services	906,486	1,040,829	906,486	1,040,829
Gain on disposal of equipment	49,000	-	49,000	-
Gain on derecognition of right-of-use asset of a leased building*	-	1,100,727	-	1,100,727
Gain on modification of right-of-use asset of a leased building*	-	694,257	-	694,257
	3,993,914	2,835,813	4,017,914	2,859,813

*The right of use asset on a leased building was derecognised as a result of the option for renewal not being taken by the Company. It was initially planned that the building would be used up to 2027. The modification was recognised following management negotiation for a better leased rental amount.

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

6 GAMING SYSTEMS AND DATA COMMUNICATION COSTS

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Depreciation (Note 12)	**28,055,517**	28,176,387	**29,300,470**	29,409,637
Amortisation of intangibles (Note 13)	**17,771,392**	13,553,335	**17,771,392**	13,553,335
Communication costs	**57,380,434**	54,812,451	**57,159,728**	52,273,642
Lottery technological support	**36,838,963**	35,522,115	**36,838,963**	35,522,115
Consumables (Note 16)	**24,540,850**	21,192,178	**24,499,310**	21,155,613
Draw operations	**4,452,060**	4,008,978	**6,852,060**	6,408,978
Other expenses	**1,275,284**	3,247,363	**1,513,606**	3,788,864
	170,314,500	160,512,807	**173,935,529**	162,112,184

7 OTHER OPERATING EXPENSES

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Staff costs (Note 9)	**126,291,116**	121,978,979	**126,291,116**	120,831,570
Management fee	**70,392,661**	70,361,874	**70,392,661**	70,361,874
Rent and utilities	**8,046,851**	6,741,853	**8,046,851**	6,741,853
Legal and professional fees	**12,054,781**	13,035,722	**12,088,891**	13,016,192
Software licence and other information technology cost	**26,428,849**	18,162,031	**26,428,849**	18,162,031
Motor vehicle expenses	**5,498,903**	3,607,144	**5,498,903**	3,607,144
Municipal fees and licences	**5,358,586**	5,494,551	**5,343,586**	5,479,551
Insurance costs	**5,661,162**	3,881,938	**5,661,162**	3,881,938
Medical expenses	**1,500,671**	1,765,370	**1,500,671**	1,744,408
Maintenance contracts	**12,035,189**	8,347,697	**12,035,189**	8,347,697
Printing, postages and stationery	**3,376,844**	2,804,288	**3,372,903**	2,797,215
Repairs and maintenance	**104,906**	1,424,355	**104,906**	1,424,355
Other expenses	**9,157,594**	10,777,293	**9,018,675**	10,720,086
Fees payable to auditor for:				
Audit services	**1,964,317**	1,242,000	**1,763,067**	1,092,500
Tax services	**175,950**	189,750	**175,950**	149,500
	288,048,380	269,814,845	**287,723,380**	268,357,914

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

8 FINANCE INCOME/(COSTS)

(a) Finance income from an effective interest rate

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Interest income on:				
Non-current deposits	**15,746**	6,670	**-**	-
Interest on related party loans	**2,563,808**	42,987	**2,688,751**	149,994
Bank balances	**-**	4,726	**-**	4,726
Other finance income from an effective interest rate	**4,174,055**	892,905	**4,174,055**	892,905
	6,753,609	947,288	**6,862,806**	1,047,625

Other finance income from an effective interest rate represents interest earned on short term fixed deposit and treasury bills.

(b) Finance cost

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Interest expense on:				
Interest on debts and borrowings	**(4,247,429)**	(3,297,770)	**(3,934,705)**	(3,422,199)
Lease liability (Note 20)	**(1,098,665)**	(1,443,627)	**(1,411,389)**	(1,887,145)
	(5,346,094)	(4,741,397)	**(5,346,094)**	(5,309,344)

9 STAFF COSTS

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Wages and salaries	**118,736,882**	106,548,290	**118,736,882**	105,480,714
Staff welfare benefits	**4,962,333**	3,927,842	**4,962,333**	3,929,664
Defined contribution costs	**6,181,901**	5,581,847	**6,181,901**	5,500,192
Post-employment benefits (Note 22)	**(3,590,000)**	5,921,000	**(3,590,000)**	5,921,000
	126,291,116	121,978,979	**126,291,116**	120,831,570

10 INCOME TAX

The Group is liable to income tax on its profits, as adjusted for income tax purposes, at the rate of 17% (2022 - 17%). The 17% tax rate consists of 15% corporate income tax and 2% Corporate Social Responsibility tax ("CSR").

(a) Charge for the year

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Current income tax	**22,106,618**	26,777,701	**2 ,618**	26,777,701
Deferred income tax (Note 21)	**5,132,301**	5,593,332	**4,853,942**	4,919,900
Under/(over) provision of deferred tax in prior year	**1,153,393**	194,045	**1,150,905**	(2,485)
Income tax expense	**28,392,312**	32,565,078	**28,111,465**	31,695,116

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

10 INCOME TAX

(a) Charge for the year (Continued)

A reconciliation between the actual rate of income tax charge of MUR 28,392,312 incurred by the Group (2022 – MUR 32,565,078) and the tax calculated at the applicable income tax rate of 17% (2022 – 17%) is as follows:

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Profit before income tax	**185,097,551**	186,688,434	**178,530,154**	185,048,100
Tax on the profit at 17% (2022–17%)	**31,466,584**	31,737,034	**30,350,126**	31,458,177
Non-tax deductible expenses	**(3,170,730)**	1,482,110	**(2,332,631)**	1,087,535
Income not subject to tax	**(1,056,935)**	(848,111)	**(1,056,935)**	(848,111)
Under/(over) provision of deferred tax in prior year	**1,153,393**	194,045	**1,150,905**	(2,485)
Effective income tax charge	**28,392,312**	32,565,078	**28,111,465**	31,695,116

Non-tax deductible expenses include legal and professional fees.

(b) Current income tax liabilities

Income tax liabilities amounted to **MUR 8,568,582** at 31 December 2023 (2022 - MUR22,921,590).

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
At 01 January	**22,921,590**	(644,878)	**22,921,590**	(644,878)
Income tax charge for the year	**22,106,618**	26,777,701	**22,106,618**	26,777,701
Income tax paid	**(36,459,626)**	(3,211,233)	**(36,459,626)**	(3,211,233)
At 31 December	**8,568,582**	22,921,590	**8,568,582**	22,921,590

11 EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the year of the Group and the Company by the weighted average number of ordinary shares in issue during the year.

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Profit attributable to shareholders	**156,705,239**	154,123,356	**150,418,689**	153,352,984
Number of shares entitled to dividends	**340,000,000**	340,000,000	**340,000,000**	340,000,000
Earnings per share	**0.46**	0.45	**0.44**	0.45

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

12 PROPERTY AND EQUIPMENT

	GROUP							
	Right-of-use asset building	**Right-of-use asset vehicles**	**Leasehold improvement**	**Equipment**	**Furniture and fittings**	**Motor vehicles**	**Work-in progress**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Cost:								
At 01 January 2022	37,705,939	7,192,932	77,385,770	433,685,462	15,208,238	840,854	15,339,418	587,358,613
Additions	14,828,949	-	-	-	-	-	24,779,334	39,608,283
Transfer	-	-	-	19,971,439	-	-	(19,971,439)	-
Scrapped	-	-	-	(38,400,996)	-	(67,225)	-	(38,468,221)
Derecognition of right-of-use asset	(23,772,064)	-	-	-	-	-	-	(23,772,064)
Modification of right-of-use asset	(694,257)	-	-	-	-	-	-	(694,257)
At 31 December 2022	28,068,567	7,192,932	77,385,770	415,255,905	15,208,238	773,629	20,147,313	564,032,354
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**10,889,790**	**10,889,790**
Disposal	**-**	**-**	**(30,769,555)**	**(8,784,121)**	**-**	**-**	**-**	**(39,553,676)**
Transfer	**-**	**-**	**-**	**30,881,246**	**-**	**-**	**(30,881,246)**	**-**
At 31 December 2023	**28,068,567**	**7,192,932**	**46,616,215**	**437,353,030**	**15,208,238**	**773,629**	**155,857**	**535,368,468**
Accumulated depreciation:								
At 01 January 2022	20,803,489	2,037,995	71,794,111	359,795,040	13,754,588	814,261	-	468,999,484
Charge for the year (Note 6)	7,520,422	1,438,584	771,927	18,202,244	216,617	26,593	-	28,176,387
Scrapped	-	-	-	(38,400,996)	-	(67,225)	-	(38,468,221)
Derecognition of right-of-use asset	(20,186,529)	-	-	-	-	-	-	(20,186,529)
At 31 December 2022	8,137,382	3,476,579	72,566,038	339,596,288	13,971,205	773,629	-	438,521,121
Charge for the year (Note 6)	**6,816,633**	**1,438,587**	**730,249**	**18,877,211**	**192,837**	**-**	**-**	**28,055,517**
Disposal	**-**	**-**	**(30,769,555)**	**(8,784,121)**	**-**	**-**	**-**	**(39,553,676)**
At 31 December 2023	**14,954,015**	**4,915,166**	**42,526,732**	**349,689,378**	**14,164,042**	**773,629**	**-**	**427,022,962**
Net carrying amount:								
At 31 December 2023	**13,114,552**	**2,277,766**	**4,089,483**	**87,663,652**	**1,044,196**	-	**155,857**	**108,345,506**
At 31 December 2022	**19,931,185**	3,716,353	**4,819,732**	75,659,617	1,237,033	-	20,147,313	**125,511,233**

The Group has pledged all the immovable and movable assets, first rank floating charge with the State Bank of Mauritius Ltd to fullfil collateral requirements. The pledge expired on full repayment of the loan in 2023.

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

12 PROPERTY AND EQUIPMENT (CONTINUED)

	COMPANY							
	Right-of-use asset building	Right-of-use asset vehicles	Leasehold improvement	Equipment	Furniture and fittings	Motor vehicles	Work-in progress	Total
	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Cost:								
At 01 January 2022	50,986,863	7,192,932	77,359,312	426,628,921	15,208,238	1,876,700	15,339,418	594,592,384
Additions	14,828,949	-	-	-	-	-	24,779,334	39,608,283
Transfer	-	-	-	19,971,439	-	-	(19,971,439)	-
Scrapped	-	-	-	(38,400,996)	-	(67,225)	-	(38,468,221)
Derecognition of right-of-use asset	(23,772,064)	-	-	-	-	-	-	(23,772,064)
Modification of right-of-use asset	(694,257)	-	-	-	-	-	-	(694,257)
At 31 December 2022	41,349,491	7,192,932	77,359,312	408,199,364	15,208,238	1,809,475	20,147,313	571,266,125
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**10,889,790**	**10,889,790**
Disposal	**-**	**-**	**(30,769,555)**	**(8,784,121)**	**-**	**-**	**-**	**(39,553,676)**
Transfer	**-**	**-**	**-**	**30,881,246**	**-**	**-**	**(30,881,246)**	**-**
At 31 December 2023	**41,349,491**	**7,192,932**	**46,589,757**	**430,296,489**	**15,208,238**	**1,809,475**	**155,857**	**542,602,239**
Accumulated depreciation:								
At 01 January 2022	24,334,838	2,037,995	71,794,111	357,874,948	13,754,588	1,850,107	-	471,646,587
Charge for the year (Note 6)	10,172,422	1,438,584	771,927	16,783,494	216,617	26,593	-	29,409,637
Scrapped	-	-	-	(38,400,996)	-	(67,225)	-	(38,468,221)
Derecognition of right-of-use asset	(20,186,529)	-	-	-	-	-	-	(20,186,529)
At 31 December 2022	14,320,731	3,476,579	72,566,038	336,257,446	13,971,205	1,809,475	-	442,401,474
Charge for the year (Note 6)	**9,466,826**	**1,438,587**	**730,249**	**17,471,971**	**192,837**	**-**	**-**	**29,300,470**
Disposal	**-**	**-**	**(30,769,555)**	**(8,784,121)**	**-**	**-**	**-**	**(39,553,676)**
At 31 December 2023	**23,787,557**	**4,915,166**	**42,526,732**	**344,945,296**	**14,164,042**	**1,809,475**	**-**	**432,148,268**
Net carrying amount:								
At 31 December 2023	**17,561,934**	**2,277,766**	**4,063,025**	**85,351,193**	**1,044,196**	-	**155,857**	**110,453,971**
At 31 December 2022	**27,028,760**	**3,716,353**	**4,793,274**	**71,941,918**	**1,237,033**	-	**20,147,313**	**128,864,651**

The Company has pledged all the immovable and movable assets, first rank floating charge with the State Bank of Mauritius Ltd to fullfil collateral requirements. The pledge expired on full repayment of the loan in 2023.

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

13 INTANGIBLE ASSETS

	GROUP	COMPANY			GROUP
	Goodwill and other intangibles	Software	Work-in progress	Total	Grand Total
	MUR	MUR	MUR	MUR	MUR
Cost:					
At 01 January 2022	23,253,140	127,312,204	-	127,312,204	150,565,344
Additions	-	-	25,818,441	25,818,441	25,818,441
Transfer	-	8,821,811	(8,821,811)	-	-
At 31 December 2022	23,253,140	136,134,015	16,996,630	153,130,645	176,383,785
Additions	-	-	**36,745,363**	**36,745,363**	**36,745,363**
Transfer	-	**37,759,828**	**(37,759,828)**	**-**	**-**
At 31 December 2023	**23,253,140**	**173,893,843**	**15,982,165**	**189,876,008**	**213,129,148**
Amortisation:					
At 01 January 2022	-	4,597,867	-	4,597,867	4,597,867
Charge for the year (Note 6)	-	13,553,335	-	13,553,335	13,553,335
At 31 December 2022	-	18,151,202	-	18,151,202	18,151,202
Charge for the year (Note 6)	**-**	**17,771,392**	**-**	**17,771,392**	**17,771,392**
At 31 December 2023	**-**	**35,922,594**	**-**	**35,922,594**	**35,922,594**
Net carrying amount:					
At 31 December 2023	**23,253,140**	**137,971,249**	**15,982,165**	**153,953,414**	**177,206,554**
At 31 December 2022	**23,253,140**	**117,982,813**	**16,996,630**	**134,979,443**	**158,232,583**

The goodwill and other indefinite intangibles assets of MUR23,253,140 comprises the value of expected synergies arising from the acquisition and a licence in 2019. The licence and the synergies were not separately recognised due to the high level of uncertainty involved in the fair valuation of the licence under IAS 38. None of the goodwill recognised is expected to be deductible for income tax purposes.

14 INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2023	2022
	MUR	MUR
At 01 January	**50,251,797**	50,251,797
At 31 December	**50,251,797**	50,251,797

Details pertaining to the subsidiaries:

	Country of incorporation	Principal activity	Proportion of ownership	Recoverable value (MUR)
Loterie Vert Ltd	Mauritius	Gaming	100%	26,636,929
Pool Joseph Merven Limited (PJML)	Mauritius	Agent of a foreign pool promoter	100%	23,614,848

The directors of the Group are responsible for the impairment assessment of investments including the accounting policies. The valuation of the investment in subsidiaries have been performed using a five year discounted cash flow model with a discount rate of 7.38%. The estimated discounted terminal value was MUR27,726,459 . In the DCF model, management has not taken into consideration any growth in revenue. The recoverable value of the investment in PJML is estimated at MUR23,614,868 and that of Loterie Vert Ltd at MUR26,636,929.

A sensitivity analysis has been performed around the base assumptions and the directors have concluded that no reasonable change in these assumptions would result in the recoverable amount of the investment in subsidiaries to be less than the carrying value.

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

15 NON-CURRENT DEPOSIT

Non-current deposit relates to a fixed deposit held by the Group with the Mauritius Commercial Bank. The deposit bears floating interest between 2.63% and 3.98% during the year and will mature on 21 February 2026.

16 INVENTORIES

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
At cost:				
Ticket rolls, bet slips and others	**3,429,176**	2,495,219	**3,170,444**	2,360,547

Inventories recognised as an expense during the year ended amounted to MUR24,540,850 (2022 - MUR21,192,178) for the Group and MUR 24,499,310 (2022- MUR21,155,613) for the Company.

17 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Trade receivables	**62,816,808**	78,505,647	**62,225,766**	78,304,768
Allowance for expected credit losses	**(167,719)**	(453,838)	**(149,680)**	(453,838)
	62,649,089	78,051,809	**62,076,086**	77,850,930
Receivables from related parties (Note 25(ii)):				
Amount due from subsidiaries	**-**	-	**4,497,526**	4,348,052
Amount due from ultimate holding company	**81,011,693**	60,111,486	**81,011,693**	60,111,486
Entities under common control	**255,249**	419,006	**255,249**	419,006
Prepayments and deposits	**11,868,214**	10,396,164	**11,741,161**	10,324,855
	155,784,245	148,978,465	**159,581,715**	153,054,329

Trade and other receivables are unsecured, bear no interest and are due within one year.
Trade receivables are summarised as follows:

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Not yet due	**166,087**	70,904,507	**166,087**	70,703,628
Past due	**62,483,002**	7,147,302	**61,909,999**	7,147,302
In default	**167,719**	453,838	**149,680**	453,838
	62,816,808	78,505,647	**62,225,766**	78,304,768
Allowance for expected credit losses	**(167,719)**	(453,838)	**(149,680)**	(453,838)
	62,649,089	78,051,809	**62,076,086**	77,850,930
Past due				
Up to 3 months	**62,483,002**	7,147,302	**61,909,999**	7,147,302

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

17 TRADE AND OTHER RECEIVABLES (CONTINUED)

Expected credit losses

At 31 December 2023, trade receivables was impaired for an amount of MUR167,719 (2022 – MUR453,838) for Group and MUR 149,850 (2022 – MUR453,838) for the Company.

The increase in loss allowance is mainly attributable to the total increase in the gross carrying amounts of trade receivables.

The movement in the allowance of expected credit losses for trade receivables are as follows:

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
At 01 January	**453,838**	59,254	**453,838**	59,254
Expected credit losses recognised	**(286,119)**	394,584	**(304,158)**	394,584
At 31 December	**167,719**	453,838	**149,680**	453,838

The provision for credit losses has been included in profit or loss. The information about the credit exposures are disclosed in Note 3(b). All items within trade and other receivables are denominated in Mauritian Rupee and no collaterals are held against trade and other receivables at the reporting date.

The net movement recognised in profit or loss in the allowance of expected credit losses for trade and other receivables is as follows:

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Trade receivables:				
Expected credit losses	**286,119**	(394,584)	**304,158**	(394,584)
	286,119	(394,584)	**304,158**	(394,584)

The Company has changed its expected credit losses model in 2022 whereby only debts over 90 days are fully provided for. The change in expected credit losses model is due to the implementation of cash sweep (direct debit) for all retailers. As a result, all debts are collected within 90 days period.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

GROUP	Days past due					
As at 31 December 2023	**Current**	**Less than 30 days**	**30-60 days**	**61-90 days**	**Above 90 days**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Expected credit loss rate	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**100.00%**	
Total gross carrying amount at default	**166,087**	**62,165,355**	**201,659**	**115,988**	**167,719**	**62,816,808**
Expected credit losses	**-**	**-**	**-**	**-**	**(167,719)**	**(167,719)**

	Days past due					
As at 31 December 2022	**Current**	**Less than 30 days**	**30-60 days**	**61-90 days**	**Above 90 days**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	100.00%	
Total gross carrying amount at default	70,904,507	6,282,044	-	865,258	453,838	78,505,647
Expected credit losses	-	-	-	-	(453,838)	(453,838)

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

17 TRADE AND OTHER RECEIVABLES (CONTINUED)

Expected credit losses (Continued)

COMPANY

As at 31 December 2023	**Days past due**					
	Current	**Less than 30 days**	**30-60 days**	**61-90 days**	**Above 90 days**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Expected credit loss rate	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**100.00%**	
Total gross carrying amount at default	**166,087**	**61,629,931**	**178,376**	**101,692**	**149,680**	**62,225,766**
Expected credit losses	**-**	**-**	**-**	**-**	**(149,680)**	**(149,680)**

As at 31 December 2022	**Days past due**					
	Current	**Less than 30 days**	**30-60 days**	**61-90 days**	**Above 90 days**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	100.00%	
Total gross carrying amount at default	70,703,628	6,282,044	-	865,258	453,838	78,304,768
Expected credit losses	-	-	-	-	(453,838)	(453,838)

18 CASH AND SHORT TERM DEPOSITS

GROUP AND COMPANY	**GROUP**		**COMPANY**	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Cash at bank	**133,555,433**	372,149,518	**128,296,627**	370,618,442

19 STATED CAPITAL

GROUP AND COMPANY	**GROUP**		**COMPANY**	
	2023	**2023**	2022	2022
	Number	**MUR**	Number	MUR
Issued and fully paid:	**340,000,000**	**100,000,000**	340,000,000	100,000,000

Each share confers to its holder the right to vote and a proportional right to dividends.

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

20 LEASE LIABILITY

	GROUP		**COMPANY**	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Amount recognised in the Statement of financial position:				
Right-of-use assets (Note 12)	**15,392,318**	23,647,538	**19,839,700**	30,745,113
As at 1 January	**24,162,814**	24,028,829	**31,637,866**	34,060,363
Additions	**-**	14,828,949	**-**	14,828,949
Derecognition of lease	**-**	(5,380,521)	**-**	(5,380,522)
Modification to lease	**-**	(694,257)	**-**	(694,257)
Accretion of interest	**1,098,665**	1,443,627	**1,411,389**	1,887,145
Payments	**(9,139,434)**	(10,063,813)	**(12,139,434)**	(13,063,812)
As at 31 December	**16,122,045**	24,162,814	**20,909,821**	31,637,866
Lease liability:				
Current	**8,474,332**	8,040,769	**11,299,094**	10,728,045
Non-current	**7,647,713**	16,122,045	**9,610,727**	20,909,821
	16,122,045	24,162,814	**20,909,821**	31,637,866

The right-of-use assets amount includes building and vehicles.

The maturity analysis of lease liabilities has been disclosed in Note 3(c).

	GROUP		**COMPANY**	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Amount recognised in the Statement of profit or loss:				
Depreciation charge on right-of-use assets (Note 12)	**8,255,220**	8,959,006	**10,905,413**	11,611,006
Interest expense included in finance cost (Note 8)	**1,098,665**	1,443,627	**1,411,389**	1,887,145
Amount recognised in the Statement of cash flows:				
Repayment of lease liability – principal portion	**8,040,769**	8,620,186	**10,728,045**	11,176,667
Repayment of lease liability – interest portion	**1,098,665**	1,443,627	**1,411,389**	1,887,145
Other information:				
Weighted average remaining lease term	**2.0 years**	3.0 years	**2.0 years**	3.0 years

The Group leases its offices under non-cancellable lease agreements. The lease terms are for 3 to 10 years.

The Incremental Borrowing Rate of the leases were in the range of 5.0% to 5.9%.

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

21 DEFERRED INCOME TAX (ASSETS)/LIABILITIES

The net movement on the deferred income tax (assets)/liabilities is as follows:

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
At 01 January	**13,076,701**	7,676,582	**15,238,435**	10,714,400
Charge to profit or loss (Note 10)	**5,132,301**	5,593,332	**4,853,942**	4,919,900
Credit to other comprehensive income	**(677,280)**	(387,260)	**(677,280)**	(393,380)
Under/(over) provision of deferred tax in prior year	**1,153,393**	194,047	**1,150,905**	(2,485)
At 31 December	**18,685,115**	13,076,701	**20,566,002**	15,238,435
Reflected in the statement of financial position				
Deferred tax assets	**(1,880,887)**	(2,161,734)	**-**	-
Deferred tax liabilities	**20,566,002**	15,238,435	**20,566,002**	15,238,435
Net deferred tax liabilities	**18,685,115**	13,076,701	**20,566,002**	15,238,435

The movement in deferred income tax liabilities/(assets) is as follows:-

GROUP	**Accelerated capital allowances**	**Post-employment benefits**	**Provision for impaired receivables**	**Accumulated tax losses**	**Total**
	MUR	MUR	MUR	**MUR**	MUR
At 01 January 2022	11,457,054	(1,002,779)	(7,590)	(2,770,103)	7,676,582
Charge/ (credit) to profit or loss (Note 10)	5,923,371	(1,006,570)	(67,077)	743,608	5,593,332
Credit to other comprehensive income	-	(387,260)	-	-	(387,260)
(Over)/ under provision of deferred tax in prior year	(2,485)	-	-	196,532	194,047
At 31 December 2022	**17,377,940**	**(2,396,609)**	**(74,667)**	**(1,829,963)**	**13,076,701**
Charge to profit or loss (Note 10)	**4,107,260**	**572,730**	**51,707**	**400,604**	**5,132,301**
Credit to other comprehensive income	**-**	**(677,280)**	**-**	**-**	**(677,280)**
Under provision of deferred tax in prior year	**1,153,393**	**-**	**-**	**-**	**1,153,393**
At 31 December 2023	**22,638,593**	**(2,501,159)**	**(22,960)**	**(1,429,359)**	**18,685,115**

The Group leases its offices under non-cancellable lease agreements. The lease terms are for 3 to 10 years.
The Incremental Borrowing Rate of the leases were in the range of 5.0% to 5.9%.

COMPANY					
	MUR	MUR	MUR	**MUR**	MUR
At 01 January 2022	11,720,741	(998,751)	(7,590)	-	10,714,400
Charge/ (credit) to profit or loss (Note 10)	5,993,547	(1,006,570)	(67,077)	-	4,919,900
Credit to other comprehensive income	-	(393,380)	-	-	(393,380)
Under provision of deferred tax in prior year	(2,485)	-	-	-	(2,485)
At 31 December 2022	**17,711,803**	**(2,398,701)**	**(74,667)**	**-**	**15,238,435**
Charge to profit or loss (Note 10)	**4,229,505**	**572,730**	**51,707**	**-**	**4,853,942**
Credit to other comprehensive income	**-**	**(677,280)**	**-**	**-**	**(677,280)**
Under provision of deferred tax in prior year	**1,150,905**	**-**	**-**	**-**	**1,150,905**
At 31 December 2023	**23,092,213**	**(2,503,251)**	**(22,960)**	**-**	**20,566,002**

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

22 POST-EMPLOYMENT BENEFITS

The Group participates in a defined contribution (DC) pension plan to which it contributes 6%, 8% or 10% of its eligible employees' salaries depending on age. These contributions amounted to **MUR 7,824,826** for the year ended 31 December 2023 (2022 – MUR5,581,847).

Since 1 January 2022, employers are required to make contributions into the Portable Retirement Gratuity Fund (PRGF) for their employees who are not covered under any approved pension schemes. As such, the estimated plan assets of MUR 696,000 for the Company as at 31 December 2023 are in respect of the total contributions for all employees to the PRGF (January 2023 to December 2023) without investment return as this is not yet known. The Company has contributed MUR 1,086,000 during the year.

The Group has recognised a net defined benefit liability of **MUR14,725,000** as at 31 December 2023 (2022: MUR14,110,000) in respect of any additional retirement gratuities that are expected to be paid out of the Group's cash flow to its employees under the Workers Rights Act (WRA) 2019.

The Group is subject to an unfunded defined contribution plan for the employees. The plan exposes the Group to normal risks described below:

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

The Group had a residual obligation imposed by WRA 2019 on top of its defined contribution plan. It is therefore exposed to investment under-performance of the DC plan.

There has been no plan amendment, curtailment or settlement during the year, except for the past service cost due to some employees who moved to the DC plan and due to change in the retirement gratuity formula (from 15/26 to 15/22) for employees working 5-day weeks (assuming that the change in the retirement gratuity formula applies in respect of all service retrospectively for those employees retiring, dying or leaving on or after 1 July 2022) for Lottotech Ltd.

The liability arising from the DC plan, as recorded in the Statement of Financial Position and the movements in the liability during the year are set out below, along with other information that is required to be disclosed in accordance with International Financial Reporting Standards.

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

22 POST-EMPLOYMENT BENEFITS (CONTINUED)

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Liability recognised in statement of financial position				
Post-employment benefits obligation	**14,725,000**	14,110,000	**14,725,000**	14,110,000
Amounts recognised in profit or loss (Note 9)				
Past service cost	**(5,074,000)**	4,843,000	**(5,074,000)**	4,843,000
Current service cost	**1,775,000**	1,431,000	**1,775,000**	1,431,000
Interest cost	**795,000**	595,000	**795,000**	595,000
Planned assets	**(696,000)**	(221,000)	**(696,000)**	(221,000)
Other benefits paid	**(390,000)**	(727,000)	**(390,000)**	(727,000)
	(3,590,000)	5,921,000	**(3,590,000)**	5,921,000
Amounts recognised in other comprehensive income				
Liability experience loss	**2,886,000**	1,920,000	**2,886,000**	1,956,000
Liability loss due to change in financial assumptions	**1,068,000**	353,000	**1,068,000**	353,000
Return on plan assets below interest income	**30,000**	5,000	**30,000**	5,000
	3,984,000	2,278,000	**3,984,000**	2,314,000
Movements in liability recognised in statement of financial position				
At 01 January	**14,110,000**	5,911,000	**14,110,000**	5,875,000
Amounts recognised in profit or loss	**(2,504,000)**	6,869,000	**(2,504,000)**	6,869,000
Amounts recognised in other comprehensive income	**3,984,000**	2,278,000	**3,984,000**	2,314,000
Employer contributions	**(865,000)**	(948,000)	**(865,000)**	(948,000)
At 31 December	**14,725,000**	14,110,000	**14,725,000**	14,110,000

	GROUP		COMPANY	
Principal actuarial assumptions at end of year	**2023**	2022	**2023**	2022
Discount rate	**5.20%**	6.70%	**5.20%**	6.70%
Rate of salary increases	**4.20%**	5.30%	**4.20%**	5.30%
Average retirement age (ARA)	**65 years**	60/65 years	**65 years**	60/65 years
Sensitivity analysis on defined benefit obligation at end of period				
- Increase due to 1% decrease in discount rate	**143,000**	3,587,000	**143,000**	3,587,000
- Decrease due to 1% increase in discount rate	**112,000**	2,578,000	**112,000**	2,578,000

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

The impact of changes in rate of salary increases and rate of pension increases are not considered to be significant on the amount of post-employment benefits.

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

22 POST-EMPLOYMENT BENEFITS (CONTINUED)

Allocation of Plan assets at End of Period	%	%
- Cash and other	**100**	**100**

Since no information is yet available on the investment mix of the PRGF, we have assumed 100% cash.

Future cash flows

The funding policy is to pay contributions to PRGF and top up benefits out of the reporting entity's cash flow as and when due.

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
- Expected employer contributions to PRGF and top up benefits for the next year	**698,000**	722,000	**698,000**	722,000
- Weighted average duration of the defined benefit obligation	**16 years**	13 years	**16 years**	13 years
Reconciliation of Fair Value of Plan Assets				
Opening Balance	**221,000**	-	**221,000**	-
Interest Income	**30,000**	5,000	**30,000**	5,000
Employer contributions	**865,000**	948,000	**865,000**	948,000
Benefits paid	**(390,000)**	(727,000)	**(390,000)**	(727,000)
Return on plan assets excluding interest income	**(30,000)**	(5,000)	**(30,000)**	(5,000)
	696,000	221,000	**696,000**	221,000
Reconciliation of the present value of defined benefit obligation				
Present value of obligation at 01 January	**14,331,000**	5,911,000	**14,331,000**	5,875,000
Past service cost	**(5,074,000)**	4,843,000	**(5,074,000)**	4,843,000
Current service cost	**1,775,000**	1,431,000	**1,775,000**	1,431,000
Interest cost	**825,000**	600,000	**825,000**	600,000
Other benefits paid	**(390,000)**	(727,000)	**(390,000)**	(727,000)
Liability experience loss	**2,886,000**	1,920,000	**2,886,000**	1,956,000
Liability gain due to change in financial assumptions	**1,068,000**	353,000	**1,068,000**	353,000
Present value of obligation at 31 December	**15,421,000**	14,331,000	**15,421,000**	14,331,000
Net defined benefit liability	**14,725,000**	14,110,000	**14,725,000**	14,110,000

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

23 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Trade payables	**28,317,421**	8,676,905	**26,094,655**	7,418,095
Accruals	**22,966,996**	57,310,142	**21,989,014**	56,841,250
Contract liabilities	**2,243,870**	645,690	**2,243,870**	645,690
Amounts due to related parties (Note 25 (ii))	**29,334,057**	30,497,758	**46,412,347**	42,176,048
Prize liability and reserve fund	**113,107,359**	196,289,615	**113,012,159**	196,241,833
Unclaimed prizes	**18,199,368**	29,996,110	**18,199,368**	29,996,110
Consolidated fund	**132,142,162**	142,011,378	**132,142,162**	142,011,378
	346,311,233	465,427,598	**360,093,575**	475,330,404

Trade and other payables are unsecured, bear no interest and are due within one year.

24 INTEREST-BEARING LOANS AND BORROWINGS

			GROUP		COMPANY	
	Interest Rate	**Maturity**	**2023**	2022	**2023**	2022
Current interest-bearing loans and borrowings	**%**		**MUR**	MUR	**MUR**	MUR
Bank Loan	3.60% - 6.25%	30 April 2031	-	9,258,948	-	9,258,948
Non-current interest-bearing loans and borrowings						
Bank Loan	3.60% - 6.25%	30 April 2031	-	67,898,947	-	67,898,947
Total interest-bearing loans and borrowings			-	77,157,895	-	77,157,895

The loan was fully repaid as at 31 December 2023.

The loan was secured by way of first rank floating charge over all immovable and movable assets of the Company.
Interest on loan was charged on daily balance at 0.65% less SBM Prime Lending Rate (PLR) with a minimum rate of 3.60% per annum.

The purpose of the loan was to upgrade the Company's Lottery Software System.

The maturity analysis of interest-bearing loans and borrowings have been disclosed in Note 3(c).

Notes To The Financial Statements
for the Year Ended 31 December 2023 (Cont'd)

24 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

The movement in interest-bearing loans and borrowings is as follows:

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
At 1 January	**77,157,895**	86,416,842	**77,157,895**	86,416,842
Repayments of loans	**(77,157,895)**	(9,258,947)	**(77,157,895)**	(9,258,947)
At 31 December	-	77,157,895	-	77,157,895

Set out below is a comparison of the carrying amount and fair values of the Group's Financial Liabilities:

	GROUP		COMPANY	
	2023	2022	**2023**	2022
Financial liabilities	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Interest-bearing loans and borrowings	**MUR**	MUR	**MUR**	MUR
Floating rate borrowings	-	77,157,895	-	77,157,895

Management assessed that the fair value of the loan approximates the carrying amount.

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Interest-bearing loans and borrowings :	-	9,258,948	-	9,258,948
Current	-	67,898,947	-	67,898,947
Non-current	-	77,157,895	-	77,157,895

Notes To The Financial Statements

for the Year Ended 31 December 2023 (Cont'd)

25 RELATED PARTY TRANSACTIONS

The directors consider Gamma-Civic Ltd, a company incorporated and domiciled in the Republic of Mauritius, as the ultimate parent and controlling party.

(i) Transactions carried out with related parties

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Rent and utilities charged by entities under common control of Gamma-Civic Ltd	**2,816,383**	2,608,909	**2,816,383**	2,608,909
Purchase of services from entities under common control of Gamma-Civic Ltd	**33,638,793**	35,885,108	**33,638,793**	35,885,108
Other Income from ultimate holding company	**438,000**	420,000	**438,000**	420,000
Interest Income from subsidiaries	**-**	-	**124,943**	107,008
Interest Income from ultimate holding company	**2,563,808**	42,987	**2,563,808**	42,987
Management fees from subsidiaries	**-**	-	**24,000**	24,000
Management fees from entities under common control	**3,038,428**	625,328	**3,038,428**	625,328
Loan to ultimate holding company	**80,000,000**	60,000,000	**80,000,000**	60,000,000
Loan refund from ultimate holding company	**(60,000,000)**	-	**(60,000,000)**	-
	62,495,412	99,582,332	**62,644,355**	99,713,340

(ii) Balances with related parties at the reporting date

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Amounts receivable from related parties (Note 17):				
Amount due from subsidiaries	**-**	-	**4,497,526**	4,348,052
Amount due from ultimate holding company	**81,011,693**	60,111,486	**81,011,693**	60,111,486
Entities under common control	**255,249**	419,006	**255,249**	419,006
	81,266,942	60,530,492	**85,764,468**	64,878,544

Notes To The Financial Statements

for the Year Ended 31 December 2023

25 RELATED PARTY TRANSACTIONS (CONTINUED)

The transactions between related parties have been made exclusively with entities under common control of Gamma Civic Ltd under normal commercial terms and in the normal course of business. The amounts receivable from related parties are unsecured,and repayable on demand. An interest of 4.60% is earned from the amount due from ultimate holding company.

The receivables from related parties represents amount due from Pool Joseph Merven Limited.

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Amounts due to related parties (Note 23):				
Entities under common control	**29,334,057**	30,497,758	**46,412,347**	42,176,048

The amounts payable to related parties are unsecured, interest free and repayable within one year.

An amount of MUR 1,244,439 was held by the Company on trust for Gamma Leisure Ltd, Maurilot Investments Ltd, Natlot Investments, Glot Holdings (Mauritius) Ltd and State Investment Corporation at 31 December 2022.The amount was fully utilised for the payment of legal expenses in 2023.

(iii) Key management personnel compensation

The compensation to key management personnel is shown below:

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Salaries and other short-term employee benefits	**32,284,872**	24,585,428	**32,284,872**	24,585,428
Post-employment benefits	**2,229,435**	1,985,187	**2,229,435**	1,985,187
	34,514,307	26,570,615	**34,514,307**	26,570,615

26 BANK GUARANTEE

The Company has contingent liabilities in respect of bank guarantees of MUR 5,000,000 for the Loto game and MUR13,000,000 for Loto Vert game provided to the Gambling Regulatory Authority (GRA) to comply with the rule in the ordinary course of business and from which it is anticipated that no material liabilities will arise.

27 DIVIDENDS

A final dividend of **MUR 102,000,000** (2022: MUR 74,800,000) was declared on 27 March 2023 and payable by latest 5 May 2023 in respect of the financial year ended 31 December 2022.

An interim dividend of **MUR 68,000,000** (2022: MUR 51,000,000) was declared on 14 August 2023 and payable by latest 1 September 2023 in respect of the financial year ended 31 December 2023.

Lottotech Ltd, Bank Street, 18 Cybercity, Ebene 72201, Mauritius