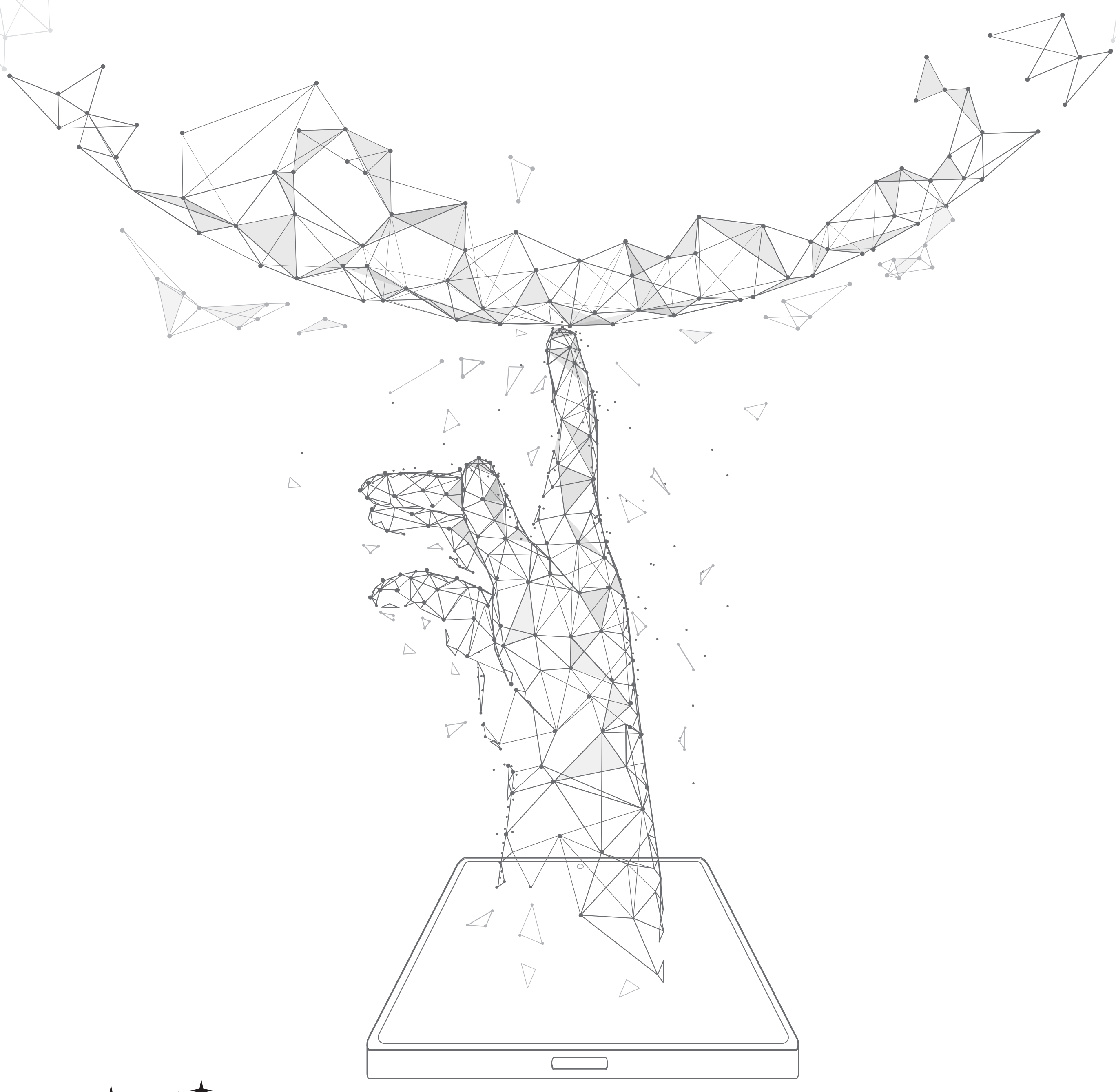
ANNUAL REPORT **2021**

STAY CONNECTED

Embracing Digital Transformation



lottotech

SCAN AND DISCOVER OUR APP

We invite you to embrace our digital transformation by scanning the various QR codes for a more dynamic, digital experience.

Lottotech adapted quickly to disruption: the acceleration of our digitalisation strategy has helped us maintain business operations, protect people, assets and brand power. Organisational resilience is more than ever a strategic goal. Building resilience is rapidly becoming a core skill requirement for every company looking to establish invulnerability against future and unforeseen challenges. Digital transformation is fuelling the push. Investment plans in technology increase business resilience and prepare for accelerated, larger-scale transformation, strengthening our ability to respond to change, survive uncertainty and endure disruption.

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ABOUT LOTTOTECH

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

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

LOTTOTECH AT A GLANCE FOR 2021

MUR 1,037 Million
Amount paid to winners

MUR 70 Million
National Solidarity Fund

MUR 95 Million
Net profit before tax

MUR 115 Million
Retailer Commission

MUR 1 Million
Corporate Social Responsibility

MUR 78 Million
Net profit after tax

MUR 2,091 Million
Turnover

MUR 0.17
Dividend per share

MUR 0.23
Earnings per share

MUR 497 Million
Consolidated Fund

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.

EXECUTIVE CHAIRMAN'S MESSAGE

The development of cashless solution ranks high in the Company's strategic objectives. It includes the development of digital products and services and paperless transactions.

DEAR SHAREHOLDERS

I am pleased to present you with your Company's Annual Report and Financial Statements for the year ending 31 December 2021.

This year too, the Company's performance has been impacted by the pandemic following the national shutdown orders during the second quarter of 2021 and the public health measures throughout the year. However, the Board of Directors and Management remained focused in ensuring that value creation for the players, employees, retailers, shareholders and the community at large. Despite the challenges, the company's financial performance was commendable.

The development of a cashless solution was accelerated by the pandemic globally as players demand for a healthy, safe and convenient experience grew. Hence, the development of the cashless solution ranks high in the Company's strategic objectives. It includes the development of digital products and services and paperless transactions. However, the Company is still awaiting for the regulator to approve the several applications submitted for online and cashless solutions, as provided in the Finance Act, Section 35 stipulating that the operator may conduct lottery and lottery games through remote communication on such terms and conditions as the Board may approve.

In combination with the robust physical presence through our retailer partners, a cashless solution will underpin Lottotech's success by delivering products and services aligned with customers demand. This is in keeping with the strategy to sustain and grow our core lottery business, improve the player experience, strengthen relationships with our players while improving healthy, responsible play.

The Company will continue all efforts towards advocating for a safe regulated retail and digital environment that is transparent, accountable and sustainable. This reflects Lottotech's commitment to continue to focus on responsible play, good governance, community involvement, our sustainable development goals and creating value for all stakeholders.

In 2022, the Board continues to support the strategic framework developed 10 years ago when the Company was listed on the Stock Exchange of Mauritius. The Company's vision remains to be a world class gaming experience company driven by a purpose to give back. This includes exploring opportunities beyond its current core activities in Mauritius and Rodrigues, through international diversification by entering into management service agreements, acquisitions or investments in existing or new lottery or sports betting operations internationally.

The Board of Directors has approved the declaration and payment of a final dividend of 22 cents per share based on the financial year ended 31 December 2021, which represents a total dividend payout ratio of 99.8% of the Company's profit for the year of Rs74.9m (2020: Rs60.4).

I place on record my thanks to my fellow Directors for their oversight, continued support and contribution. We welcome Mr Ganeshanlall Cheeneebash, our new Director as a member of the Board of Directors.

On behalf of the Board, I would also like to express my thanks to the Lottotech team for its commitment to excellence, our retail partners, our players and service providers for enabling the Company to successfully continue its business during this challenging year.

We also thank our shareholders for your continued confidence and support.

TOMMY AH TECK
EXECUTIVE CHAIRMAN

lottotech

HOW WE CREATE LONG TERM VALUE

"We promote a responsible and multi-stakeholder approach in everything we do - from our core lottery activities to our corporate citizenship initiatives."

CAPITALS

- **Financial**
  Funding from shareholders and banks
- **Human**
  Talented and diverse team
- **Social and Relationship**
  Stakeholder engagement
- **Intellectual**
  System, Security, Risk management
- **Manufacturing**
  Fixed Assets, Terminals
- **Natural**
  Energy use

INPUT

MISSION AND VISION

Key Corporate Activities

Corporate Citizenship

- **Sustainability**
  Solutions based on multi-stakeholder and long term perspectives

Lottery Activities

- Mauritius and Rodrigues approx. 650 retailers
- Loto 6/40 twice weekly
- Loterie Vert
- Classic Pools, Premier 10 and Goal Rush

Responsible Gaming

- Level 4 Certification

OUTPUT

LONG TERM VALUE

VALUE CREATION

INPUT	- Solid equity - Long term financial stability	- Committed 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 2.1 billion PJML Commission: MUR 1.7 million Profit after tax: MUR 78.4 million	- Performance improvement - Strong corporate culture - Team growth Training Investment 666 hours MUR 1.8 million	- Product innovation - Digitalisation of services - Revenue enlargement - Reputation enhancement CSR funds: MUR 1.6 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 164.5 million	- Empowerment and personal development - Equal opportunities - Merit and transparency - Greater well-being Employee engagement (73%) Gender Diversity (M- 55%; F- 45%)	- Customer Satisfaction - Social inclusion - Increased number of beneficiaries of community projects WLA Certification Level 4 14 projects 4,024 beneficiaries 223 H 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 100% performing system	- Environmental business culture development - E-waste Management
ACTUAL 2021 (%)	39.1	4.7	5	14.7	9	-
TARGET 2021 (%)	60	6	5	17	12	-
PERFORMANCE						

TARGETS FOR 2022:

- Find new revenue stream
- Game enhancement
- Digital transformation
- Increase positive impact of the business on the society
- Employee engagement
- Engage our stakeholders on Responsible Gaming

MANAGING DIRECTOR'S STATEMENT

MOORGHEN VEERAMOOTOO

Digitalization was an obvious next move for the Mauritius gambling industry following the worldwide trend but the pandemic has accentuated the need to adopt and enter into the digital world. A digital solution is a prerequisite for safer transactions for the operator and the consumer. In 2021, we launched the new LottotechApp. Though non-transactional for the time being, it is a first step to educate players on the use of such intuitive platforms.

Digital transformation at the heart of our sustainability strategy

Q: For a second consecutive year, the global pandemic has put to test the resilience of organizations around the globe. To what extent is the situation affecting the company's performance?

The economic crisis has impacted different industries in multiple ways. At one end of the spectrum, businesses highly dependent on foot traffic have been severely impacted with revenue dropping to zero while some have thrived by providing new digital solutions. There has been a shift towards online platforms in the global gaming market. However, in Mauritius, we are still offering the playing experience through a physical retail network. During the second wave of the pandemic, operations were put on hold for weeks, which consequently affected our forecasted revenue projection and our contribution to good causes through the Consolidated Fund of Mauritius. Despite the situation, we have been able to improve our profitability compared to year 2020 reaching MUR 78.4 million. Here, we must thank our team, as the pandemic does not only put a strain on profitability but also on employees' morale. Lottotech's collaborative market culture has proven time and time again that, no matter what life throws at us, we will remain strong and focused. Ending this challenging year 2021 with a positive figure demonstrates the resilience and commitment of our people.

Q: How has Lottotech adapted its operations to ensure business continuity, motivate its people and the community?

As a response to the pandemic, adaptability and agility are an absolute necessity for survival. Our business continuity plan has been adapted and evolved to ensure smooth management during the crisis and fast track recovery. As we strongly believe that a high performance and self-organizing team makes faster and better decisions, we continue to transform into a more agile structure and a more collaborative and cross-functional entity which resulted in keeping our team motivated. Covid has also changed the way we interact and connect with others. Digital communication is the new norm for social interaction while also helping us to avoid a feeling of isolation. We focused on maintaining a line of communication with all stakeholders and continued to pursue our mission by being actively present in our community.

Q: Would you agree that the pandemic has amplified existing trends? How far does it apply to Lottotech?

Covid made it urgent to rethink and redesign the way we work. For example, digitalization was an obvious next move for the Mauritius gambling industry following the worldwide trend but the pandemic has accentuated the need to adopt and enter into the digital world. A digital solution is a prerequisite for safer transactions for the operator and the consumer. In 2021, we launched the new LottotechApp. Though non-transactional for the time being, it is a first step to educate players on the use of such intuitive platforms. The feature 'Scan and Win' is an integrated game on the app allowing players to win instantly on a daily basis. Our claim process transitioned from traditional cheques to bank transfers paving the way to a more traceable, contactless and rapid service. Other trends such as remote working and changing the employee experience are evolving.

Q: Innovation and technology are at the core of Lottech's operations to sustain growth and revenue. Yet, with such technological infrastructure, companies are exposed to cyber security threats. What are the initiatives taken by Lottotech to ensure business integrity and continuity?

Lottotech's operations rely heavily on technology solutions, thus it is of upmost importance to upgrade our platforms to avoid obsolescence and be aligned with the future digital strategy. Above all, when companies are using technology solutions, they are exposed to high risk of being hit by cyber-attacks. Those attacks can cause millions of damages to companies both financially and reputation wise. Due to its complexity, it is crucial to have the appropriate tools and knowledge to protect the company's assets. Therefore, we have implemented Aurora, the new system of IGT, our technology provider and global leader in lottery software solutions. This exercise required an investment of MUR 90 million demonstrating that even during economically challenging times and uncertainty, Lottotech considers that integrity and reliability of our systems are essential to ensure business continuity and retain the confidence of our stakeholders. Protecting the core lottery system and building the necessary foundation for our short and long-term strategy is key to our continued success.

Q: Companies enacting new policies and programs around sustainability and social responsibility are transforming into purpose-led enterprises. How does Lottotech ensure to live its purpose?

Consumers are expecting more meaningful relationship with brands. Companies have a duty to demonstrate authentic, transparent and responsible qualities that are important to the stakeholders. Lottotech is proud to be among the operators being awarded the highest level in responsible gambling by the World Lottery Organization. Our team works to go beyond the norm and all employees are encouraged to be part of this movement. Our management team is supported by the Board to embrace our sustainable journey by working towards the same vision of creating value for all our stakeholders. A purposeful CSR program is at the center of our decision-making process.

Q: The Mauritius gambling market offers limited opportunities for growth. What are the future avenues for Lottotech?

The global gambling market is growing fueled by high internet penetration and increasing use of mobile phones to access games from home. When the legislation in Mauritius provides a digital operating framework, Lottotech will be able to offer other gambling experiences to current and new audiences. This framework would provide for a highly regulated market offering safe, regulated and fun experiences for players.

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 2021.

Principal Activity

The Company 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.

The activity of the Mauritius National Lottery, also called La Loterie Nationale, is regulated by the GRA Act 2007. The Company operates in a highly regulated environment. The Company offers loto game that has two weekly drawings on Wednesday and Saturday. Loterie Vert has a weekly draw on Friday.

On 3 March 2014, the Company was converted into a public company, and on 11 June 2014, it was listed on the official market of the Stock Exchange of Mauritius Ltd. The successful listing process created over 8,000 new Central Depository & Settlement Co Ltd (CDS) accounts on the Stock Exchange of Mauritius Ltd, with a total of 12,385 applications and a subscription ratio of 2.99 times. The new shareholders comprised of individual and institutional investors, including foreign investors.

In March 2015, the Government announced budgetary measures that banned advertising of the lottery effective 24 March 2015, and the prohibition of the Quick Win category of games effective 30 June 2015.

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 informed its shareholders that:

- The Company's licence has been renewed until April 2029;
- The Company has been granted approval to launch a second weekly draw of the Loto 6/40;
- The brand name and mark of the Loterie Vert held by the Government Lotteries to be transferred to Lottotech Ltd;
- Loterie Vert shall be modernised to ensure complete transparency, integrity and accountability through Lottotech Ltd's technology, communications network and distribution networks.

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 Ltd, a sports betting operator in UK. This offers the opportunity to have a more diversified portfolio and provide new games to its player base.

As a result of the ongoing and systematic focus on increasing the player base through innovation, communication and responsible cost management, the business showed positive results in 2021 despite facing challenges from lockdown due to Covid 19.

Results and Performance

Group	
Group Statement of Profit or Loss and Other Comprehensive Income	
Turnover from lottery tickets	Profit for the year
Dec 2021: MUR2,091.1m	Dec 2021: MUR78.4m
Dec 2020: MUR1,870.3m	Dec 2020: MUR61.1m
Company	
Company Statement of Profit or Loss and Other Comprehensive Income	
Turnover from lottery tickets	Profit for the year
Dec 2021: MUR2,091.1m	Dec 2021: MUR74.9m
Dec 2020: MUR1,870.3m	Dec 2020: MUR60.4m

The Company contributed MUR497.2m to the Consolidated Fund in 2021 compared to the contribution of MUR452.3m in 2020.

Retailer Network

The retailer network of the Company exceeds 676 retailers, comprising mainly small family-owned businesses. Total commissions paid to retailers in 2021 were: Group - MUR115.2m (2020: MUR105.5M); (Company - 2021: MUR114.8M, 2020: MUR103.9M). MUR1.1m was paid to 34 retailers for selling the jackpot winning tickets.

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 licenced 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 2021, the CSR budget as per the legal requirements totalled MUR0.7m (2020: MUR4.5m).

Several CSR projects were evaluated on the criteria of making a significant difference, aligning with the Company's branding of "La Chance Pour Tous", offering a long term impact and providing opportunities for employees of the Company to become involved. This year, the Company continued its focus on alleviation of poverty, education and empowering women.

Consolidated Fund and National Solidarity Fund

The Company contributed MUR497.2m to the Consolidated Fund of the Government of Mauritius in 2021. 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 MUR70.6m representing unclaimed prizes during the year. The National Solidarity Fund is used to improve the lives of the most vulnerable Mauritian citizens.

As announced in the budget 2021/22, Lottotech conducted two special Loto draws dedicated for the financing of restoration of designated historical sites and museums and an amount of MUR13.6m representing the Consolidated Fund has been remitted to the Mauritius Revenue Authority for the Ministry of Art and Cultural Heritage.

Future Outlook

The fundamentals of the Company's business remain strong. Despite difficult market conditions due to Covid 19, the Group will continue to explore opportunities to meet consumer expectations, diversify its product portfolio and services and boost revenue.

The Covid-19 pandemic remains a risk to the local and international economy. The Company is aiming at selling its products and related products online and remotely on the approval of the remote communication licence by the Gambling Regulatory Authority (GRA). This will protect the health and safety of players, employees and also ensuring business activities continuity.

Lottotech will continue its efforts to make a difference and participate in our communities through its involvement in multiple projects to enhance the education of vulnerable groups and women entrepreneurs.

Lottotech will continue to operate within its responsible gaming strategy. Our experience lends itself to working closely with the GRA to develop an overall responsible gaming strategy and gaming alternatives in the regulated market.

Authorised for issue by the Board of Directors on

and signed on its behalf by:

Director

Director

DATE: 28 March 2022

CORPORATE GOVERNANCE REPORT 2021

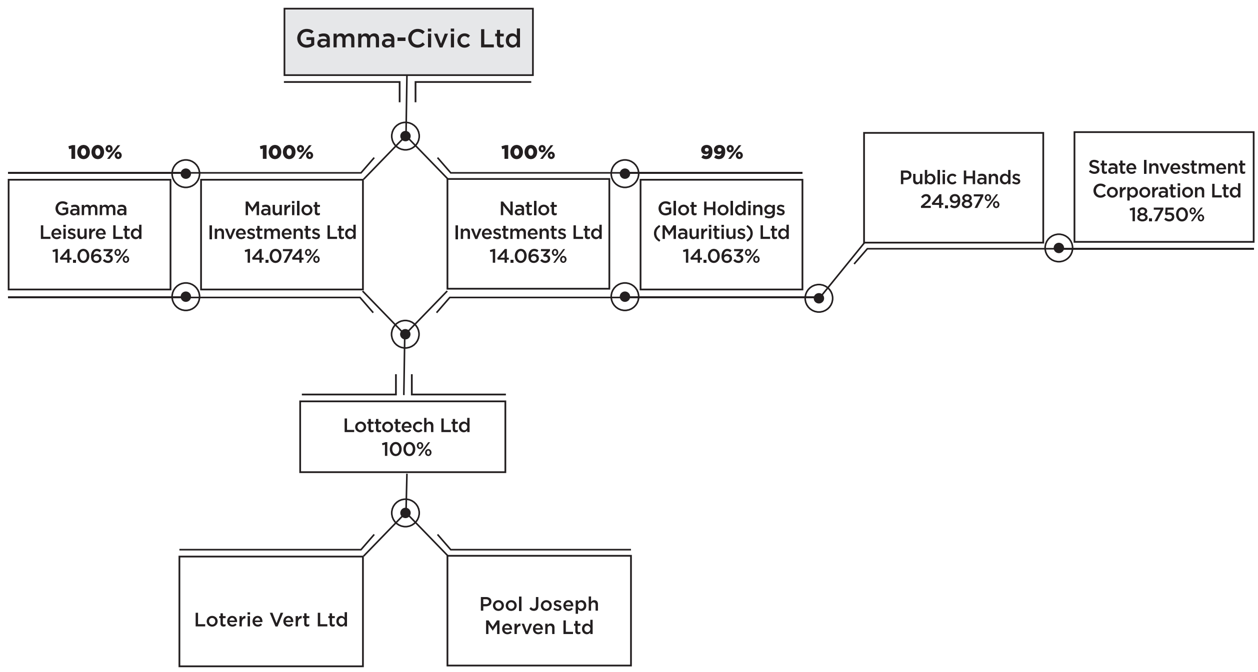
Introduction

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 2021 was as follows:



PRINCIPLE 1: GOVERNANCE STRUCTURE

Lottotech is led by a dedicated and unitary Board, which is collectively accountable and responsible for the long-term success of the Company. 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

Role of the Executive Chairman	Role of the Board
• Responsible for management and leadership of the Board of Directors of the Company and the Management team; • Ensures that the Board as a whole plays a full and constructive part in the development and determination of the Lottotech's strategies and policies, and that Board decisions are in the Lottotech's best interests and fairly reflect Board's consensus; • Ensures that the strategies and policies agreed by the Board are effectively implemented by the Management; • Establish good corporate governance practices and procedures by promoting the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level.	• 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; • Accurate and transparent regular reporting on the "state of play" of the Company, including the Annual Report as per statutory requirements; • Assume responsibility for meeting all legal and regulatory requirements; • 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.
Role of the Committees	**Role of the Managing Director**
• Facilitate efficient decision making; • Uphold integrity in Financial Reporting; • Focus on specific areas of responsibility.	• Leads management in the day-to-day running of Lottotech's business in accordance with the business plans and within the budgets approved by the Board; • Develops and proposes the Lottotech's strategies and policies for the Board's consideration; • Implements, with the support of management, the strategies and policies as approved by the Board and its committees in pursuit of the Company's objectives; • Ensures that the Board, especially the Executive Chairman, is alerted to forthcoming complex, contentious or sensitive issues affecting the Group; • Conducts the affairs of the Group in accordance with the practices and procedures adopted by the Board and promotes the highest standards of integrity, probity and corporate governance within the Group.

CORPORATE GOVERNANCE REPORT 2021 (CONT'D)

Role of the 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 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

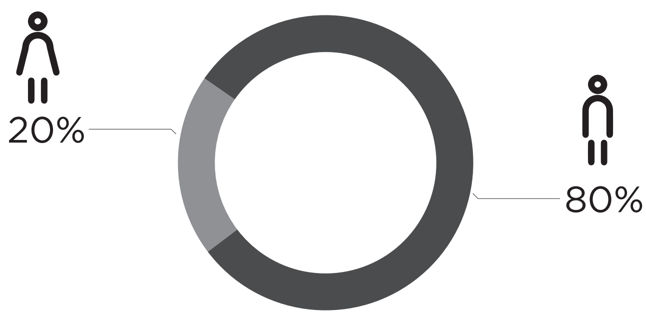
Board Composition

According to the Lottotech's 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.

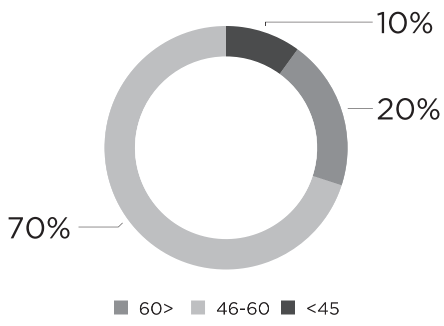
The composition of the Board is clearly defined in the charter and in line with the Code, having the appropriate mix of executive, non-executive, independent directors and directors of Mauritian residence, as well as gender balance. Furthermore, the Board has the required mix of skills, experience, independence 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 2021 with the aim to have a more gender balanced and diverse representation.

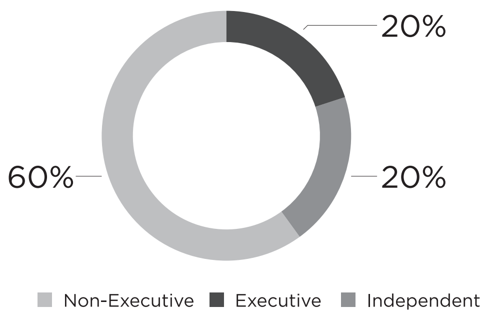
Gender



Average age



Composition



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 Diligent.

CORPORATE GOVERNANCE REPORT 2021 (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 2021 are provided below:

Members	Board Status	Meeting attendance
Mr Chian Tat Ah Teck	Executive Chairman	4
Mr Allagappen Veeramootoo	Executive	4
Mr Chian Luck Ah Teck	Non-Executive	4
Mr Ganeshanlall Cheeneebash[1]	Non-Executive	1
Mr Goolabchund Goburdhun	Non-Executive	4
Mr Jean Claude Lam Hung	Independent Non-Executive	4
Mr Jack Michael Jason Ah Teck	Non-Executive	4
Mrs Kavita Achameesing Iqbal[2]	Non-Executive	3
Mrs Michelle Carinci	Non-Executive	4
Mr Paul Halpin	Independent Non-Executive	4
Mrs Sui Lien Chong Ah Yan	Non-Executive	4

1. Mr Ganeshanlall Cheeneebash appointed on 29 October 2021
2. Mrs Kavita Achameesing Iqbal resigned on 29 October 2021

Board Focus Areas

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

- Pandemic Covid 19 and business continuity plan
- Business and financial performance
- Strategy and business growth
- Risk and Control
- Governance
- Sustainability
- IT
- Digitalization

Board Committees

The Board has two 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 of Lottotech Ltd in:

- Reviewing and assessing 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;

- Reviewing and assessing the adequacy of the Company's risk management systems, to ensure there is a sound framework of risk oversight, risk management and internal control in place in accordance with the Code of Corporate Governance for Mauritius principles and

- Recommendations regarding the recognition and management of risk; and in providing 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.

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
Mr Paul Halpin[1]	4/4	Independent Non-Executive
Mr Ganeshanlall Cheenabash[2]	1/4	Non-Executive
Mr Jean Claude Lam Hung[3]	4/4	Independent Non-Executive
Mrs Kavita Achameesing Iqbal[4]	3/4	Non-Executive

1. Mr Paul Halpin was the Chairman until August 2021
2. Mr Ganeshanlall Cheeneebash appointed on 29 October 2021
3. Mr Jean Claude Lam Hung is the new Chairman as from August 2021
4. Mrs Kavita Achameesing Iqbal resigned on 29 October 2021

Roles & Responsibilities:

The Audit and Risk Committee reviews, assesses, and makes 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 Lottotech Ltd's financial statements and internal control over financial reporting in particular considering: any changes in the Lottotech accounting policies 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, disclosure 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 litigation.

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

Audit & Risk Committee Focus Areas 2021

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 in the COVID-19 context on the following topics:
  - Scenario planning
  - Risk appetite and any proposed modifications
  - People risk management, including planned actions to protect our people and their ability to perform effectively and safely;
  - Liquidity risk management
  - Role of digital technologies in managing resilience
  - Impact of work from home and cyber-security considerations on internal controls
  - Specific additional COVID-19 risk management priorities
  - Review of any risk management activities that have been deferred during Covid-19 lockdown
  - Assessment of the quality of communications within the company
  - 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 REPORT 2021 (CONT'D)

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 "Code" and prevailing corporate governance principles.

The Committee is also responsible for the 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	No. of attendance	Executive/ Non-Executive
Mrs Sui Lien Chong Ah Yan	1/1	Non-Executive
Mr Goolabchund Goburdhun	1/1	Non-Executive
Mrs Michelle Carinci	1/1	Non-Executive
Mr Chian Luck Ah Teck	1/1	Non-Executive

Responsibilities:

- To ensure that the shareholders and the market in general have a complete, truthful and timely access to the information that 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 (competencies, 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.

Agenda/ Topics discussed for the year
- Review of Performance Management System
- Assess Remuneration Policy
- Integration of Corporate Social Responsibility in Lottotech's operations
- Corporate Governance

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

Appointment and re-election

The Corporate Governance Committee under its nomination function, is responsible for making recommendation to the Board, which in turn would be presented to the shareholders at the Company's Annual Meeting, the appointment and/or re-election of potential Directors.

Furthermore, in cases of casual vacancy, the Board may appoint Directors who shall hold office only until the next Annual Meeting and shall then be eligible 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 Lottotech 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 a Director of the Company, members are expected to know the Company's businesses, its objective and modalities. They may consult the Chairman for any induction and training they may require in relation to the Company.

Upon appointment, Directors are issued a letter of appointment stipulating the terms and conditions of the directorship. The Directors are also communicated a copy of the Lottotech Charter, which is applicable to the Company, the Company's constitution and relevant laws which apply to the operation and business of the Company. The corporate presentation of the Company is delivered by the Chairman and the Managing Directors proceed with a presentation of the operation, including a site visit.

Professional development and training

The 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, and newly appointed Board members are expected to make themselves available for these training sessions.

CORPORATE GOVERNANCE REPORT 2021 (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: 60

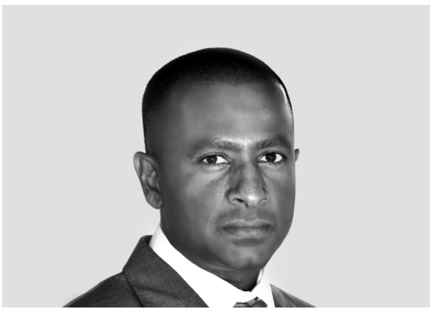
Skills and expertise:
- Managing Director of Gamma from 1987, until his appointment as Group CEO in 2011
- Since 2015, he became a non-executive director of the Board, and Vice Chairman Gamma Civic Ltd
- On the demise of the late Carl Ah Teck, he was appointed as the Executive Chairman of Lottotech Ltd

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 &
Managing Director

Appointed: 26 May 2017

Age: 51

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: 54

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: 58

Skills and expertise:
- Managing Director of the State Investment Corporation Limited (SIC) and holds directorship on various SIC Investee Companies, including Airports of Mauritius Ltd, Mauritius Shipping Corporation Ltd, Port Louis Fund Ltd, Ebene Car Park Ltd and Casino Companies
- 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 Board and Responsible Gambling and Capacity Building of the Gambling Regulatory Authority.

Qualifications:
- FCCA
- MSC in Finance

Committees:
- Corporate Governance Committee

Other listed directorship:
- Air Mauritius Ltd

Citizen and Resident of Mauritius

Kavita Kumari Achameesing Iqbal
(also called Jyoti Achameesing Iqbal)
Non-Executive Director

Appointed: 12 June 2015
Resigned: 29 October 2021

Age: 57

Skills and expertise:
- Senior Finance Executive at the SIC

Qualifications:
- MSc in Investment Promotion & Economic Development, UK
- BA (Hons) Financial Services, UK
- Diploma in Management and Marketing, UK

Committees:
- Audit & Risk 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: 68

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 2021 (CONT'D)

Board Members profile (CONT'D)

Kune Foo Jean Claude Lam Hung
(also called Jean Claude Lam Hung)
Independent Non-Executive Director

Appointed: 25 May 2018

Age: 46

Skills and expertise:
- Currently Chief Executive of CG Re (Africa) Ltd, a reinsurance broker
- Held the position of Group CFO of Gamma Civic Ltd between 2012-2015
- Prior to Gamma, he worked in London, qualifying as a Chartered Accountant with EY, and assumed senior manager and director roles at Deloitte and BDO respectively. In 2009, appointed as partner at Mazars LLP

Qualifications:
- BA (Hons) Business Studies
- Fellow of the Institute of Chartered Accountants in England and Wales

Committees:
- Audit & Risk Committee (Chairman)

Other listed directorship:
- Gamma Civic Ltd

Citizen and Resident of Mauritius

Paul Laurence Halpin
Independent Non-Executive Director

Appointed: 27 May 2016

Age: 62

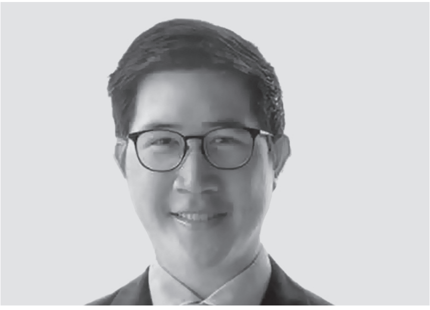
Skills and expertise:
- Deep understanding of the company's business
- Significant current international experience as a Non-Executive Director and board-level advisor
- Indepth experience in Corporate Governance, International Business, Corporate Transactions, Strategy Development and Risk Management
- Former Partner at PwC Johannesburg, London and Dublin
- Holds Non-Executive Directorships in fintech, construction, real estate, private equity and traveltech sectors

Qualifications:
- B.Comm FCA
- Chartered Accountant

Committees:
- Audit & Risk Committee

Other listed directorship:
- Kolos Cement Ltd
- Gamma Civic Ltd
- MakeMyTrip Ltd (Nasdaq)

Citizen of Ireland and Permanent Resident of Mauritius



Jason Ah Teck
Non-Executive Director

Appointed: 20 Apr 2020

Age: 28

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: 61

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: 59

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 Certified Accountant
- Chartered Company Secretary
- Master in Business Administration.

Committees:
- Audit and Risk Committee

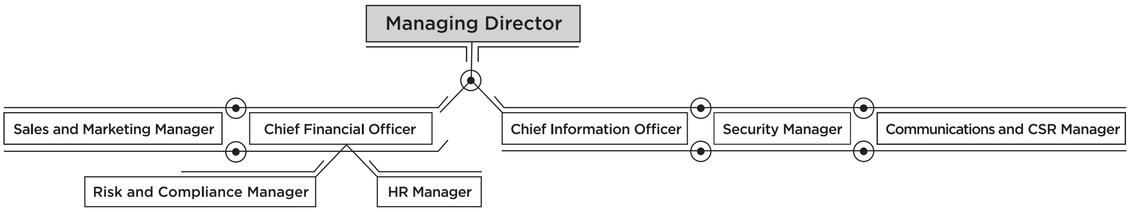
Other listed directorship:
- None

Citizen and Resident of Mauritius

CORPORATE GOVERNANCE REPORT 2021 (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.



Senior Management Team	
Moorghen Veeramootoo	Managing Director
Guito Lucchesi	Sales and Marketing Manager
Harikrishna Ramsamy	Chief Information Officer
Queensnee Pergun	Human Resource Manager
Richard Papie	Security Manager
Shaun Kim Tiam Fook Chong	Chief Financial Officer
Sivalingum Candassamy	Compliance and Risk Manager
Virginie Pasnin	Communications and CSR Manager

Standing (from left to right): Richard Papie, Sivalingum Candassamy, Harikrishna Ramsamy, Shaun Kim Tiam Fook Chong, Queensnee Pergun.
Seated (from left to right): Virginie Pasnin, Guito Lucchesi and Moorghen Veeramootoo.

PRINCIPLE 4: DIRECTOR'S DUTIES, REMUNERATION AND PERFORMANCE

Directors' Duties

All 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 relation to the holding company being listed on the Stock Exchange of Mauritius Ltd ("SEM").

They are also conversant with the provisions of the Lottotech Charter, which applies to the Company, the Company's constitution and the Code.

Interests' register conflicts of interest and related party transaction policy

The Directors are fully aware of the responsibility of disclosure of any 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 quarterly statutory meeting.

The first item of the agenda for all board meetings is for directors to declare if they have any conflict on any items which the Board will address for the business of the day. All Directors would sign a duly approved declaration of interest form, which forms part of the Board's proceedings. 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	10,778,372
Non-Executive	17,240,779
Total	**28,019,151**

Note: No remuneration in the form of share options or bonuses associated with the organisation 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 peer and the Board. This exercise is carried out internally, in fully confidentiality, whereby the Directors express themselves freely.

In the light of the very good rating with the Board, Self and Peer recorded for the exercise, which was carried out in the year 2020, the Chairman and the Chairperson of the Corporate Governance Committee agreed that for the year 2021, it is not necessary to undertake the exercise in as much as:

(i) the overall rating is satisfactory for the Self, Peer and Board;

(ii) the was one appointment and one resignation in Board's composition for the year 2021 and

(iii) the ratings demonstrate the effectiveness and efficiency of the Board, the positive contribution and full commitment of the Directors, both at the level of the Board and committees, especially during the challenging period of Covid 19 pandemic which has greatly impacted the industry in which the Company operates.

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 are given to its staff on a regular basis as required.

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

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. We accept the risks we can manage and where this gives us a competitive advantage. We seek to mitigate or avoid other risks. Ensuring we have an efficient risk management system in place is key to developing our business and achieving our objectives.

The 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. Regular meetings are carried out with Management 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 may recommend to the Board for approval.

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.

	Strategic Risk arising from adverse effects of business decisions, failure to meet the business development targets, improper implementation of business decisions/projects, and failure to react to unexpected external events which can negatively impact the business.
	Business Interruption Lottotech relies heavily on its IT infrastructure to continue to deliver an uninterrupted quality service to its customers. Its operations depend to a large extent on the reliability, performance and security of its information technology system, software and network.
	Financial Financial risks to Lottotech are both external and internal by nature such as natural disaster, credit risk and liquidity risk. Financial risk in relation to financial instruments for the Company are outlined in the ERM.
	Human Resource The real and perceived integrity and security of the Company's employees are critical to its ability to attract customers and comply with applicable regulations.
	Legal & Regulatory The industry in which Lottotech operates is regulated and changes to applicable laws and regulations, including the introduction of more stringent laws and regulations, could adversely affect its business, results of its operations, financial condition and/or its prospects.
	Reputational The risk of reputational damage to the lottotech's image resulting from negative perception, and information surrounding the gambling industry could adversely affect the business.

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 set up a whistleblowing procedure and other additional procedures which are readily available at the office.

PRINCIPLE 6: REPORTING WITH INTEGRITY

Environment, Health and Safety

The Company complies with the Occupational Safety and Health Act 2005, and other applicable legislative and regulatory frameworks. It is 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**

PRINCIPLE 7: AUDIT

Internal Audit of Lottotech Ltd

Internal audit is an independent appraisal function established for the review of the internal control system. The internal audit function is also a way to ensure that policies and internal governance systems are being adhered to throughout the Company. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic and effective use of resources. Internal Audit provides assurance that effective control exists to maintain process and information integrity.

The Internal Audit function provides independent assurance and objective assessment on the robustness of the Risk Management Framework and the appropriateness and effectiveness of internal control to the Audit & Risk Committee and the Board. Lottotech Ltd has an internal audit function, which is carried out by an independent firm, namely KPMG. The internal auditor reports directly to the Audit and Risk Committee and a report is subsequently submitted to the Board at the quarterly statutory Board meetings

The Board is conscious of the importance of having internal control which aims at providing reasonable assurance against material misstatements and loss, and this responsibility is fulfilled by the Audit and Risk Committee on behalf of the Board.

The Company maintains a system of financial control which is designed to ensure the proper keeping of accounting records and the reliability of the Company's financial information. It also ensures compliance to internal system and procedures, statutory requirements, accounting and financial reporting standard.

The internal audit plan is prepared by the internal audit following discussions with Management under the supervision of the Audit and Risk Committee, which is the body entitled to approve the final audit plan.

Ernst and Young is the Company's external auditor. The auditor's objectivity and independence are assessed by the Audit Committee.

In the performance of its function, the auditors have free access to the Company's records, employees and members of the Audit and Risk Committee.

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 AGM, shareholders have the opportunity to discuss with the Board of Directors, the Company's matters such as its performance and future outlook. Subjects that were debated revolved around the mediation and the possible outcomes.

The Company also uses its website to inform its shareholders and stakeholders on Company's activities and events.

Key Stakeholder engagement:

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
Shareholders	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.
Suppliers	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 feedbacks. 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.

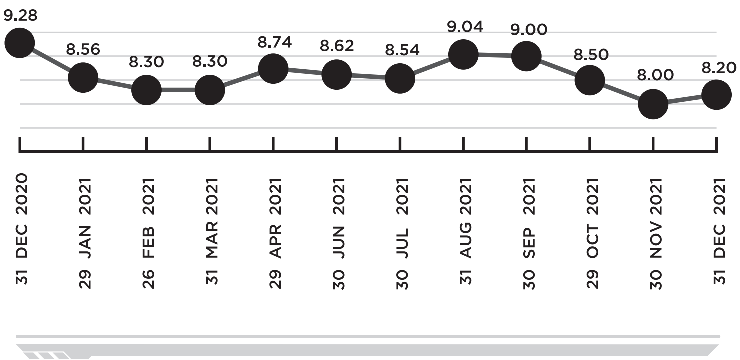
Shareholding Profile

The shareholders holding more than 5% of the ordinary shares of the Company at 31 December 2020 were:

	% Shareholding
Gamma Leisure Ltd	14.063
Maurilot Investments Ltd	14.074
Natlot Investments Ltd	14.063
Glot Holdings (Mauritius) Ltd	14.063
State Investment Corporation Ltd	18.750

Share price graph

Lottotech Ltd - Share Price Graph 2020



Management Agreement

The Company has a management agreement with A.S. Burstein Management Ltd ("ASB"), a subsidiary of Gamma-Civic Ltd, to offer its 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 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 meeting the Solvency Test.

As a general rule, it is expected that the Company will declare an interim dividend in or around August, and a final dividend in or around March following the year-end.

STATEMENT OF COMPLIANCE

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 2021

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 Code of Corporate Governance.

Chairman of the Board of Directors

Director

Date: 28 March 2022

FINANCIAL CAPITAL

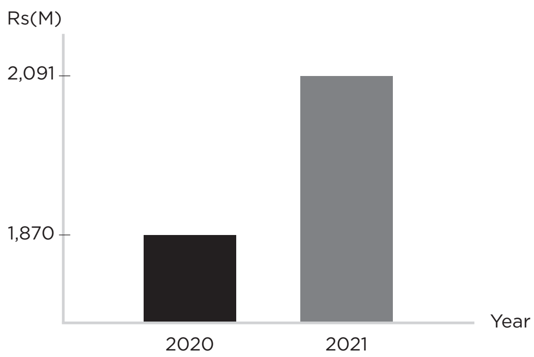
"Lottotech Ltd delivered a better financial performance in 2021 compared to 2020. The coronavirus pandemic has had a significant impact on the business and our people, and we had to adapt to this evolving situation. Cost optimization and strengthening our cash flow position were key in maintaining our profitability and a strong balance sheet. Lottotech achieved a care MAUA1+ and MAU AA- ratings for its short-term and long-term bank facilities in 2021."

Shaun Kim Tiam Fook Chong
Chief Financial Officer

Where does the money go?

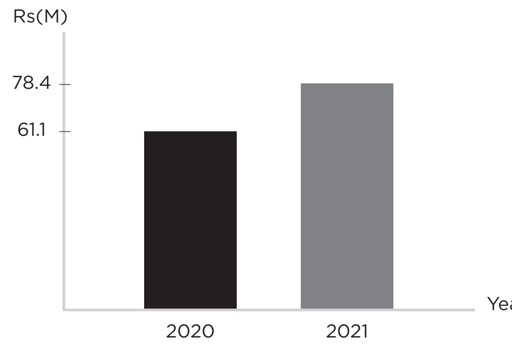
	2021	2020
Sales	**Rs 100**	**Rs 100**
Prizes	49.59	48.72
Consolidated Fund and Levy	23.78	24.19
Commission Income	(0.08)	(0.18)
Other Income	(0.06)	-
Retailers Commissions	5.50	5.64
Gaming Systems and Data Communication Costs	6.16	6.44
Other Operating Expenses	10.48	10.96
Net Finance Costs	0.1	0.02
Income Taxes	0.78	0.95
Profits	3.75	3.26

Turnover from lottery tickets



Year	2020	2021
Rs(M)	1,870	2,091

Net Profit



Year	2020	2021
Rs(M)	61.1	78.4

Value Added Statement	2020	2021
Direct Economic Statement Generated		
Turnover from lottery tickets	1,870	**2,091**
Less Direct Cost	(1,590)	**(1,778)**
Total Direct Economic Statement Generated	280	**313**
Wealth Distributed		
To players as prizes	911	**1,037**
To employees as salaries, wages and other benefits	102	**108**
To retailers as commissions	105	**115**
To shareholders as dividend	108.0	**57.8**
To government and its agents	469	**514**
To communities as corporate social responsibility	5	**0.7**
Total Wealth Distributed	1,700	**1,832**
Wealth Reinvested		
Retained Profit	43	**64**
Depreciation & Amortization	23	**32**
Total Wealth Reinvested	66	**96**

HUMAN CAPITAL

Our people

Our core values have been driving and sustaining employee experience and engagement through the pandemic. The team strived and proved to be more resilient, unified and empathetic. Challenges pushed the boundaries of the collaborators resulting in a more creative and innovative approach to their work.

With so many dimensions of work and life changing rapidly, Human Resources needed to think differently. It has led us to find smarter and safer ways of working together. The Covid-19 pandemic has only accelerated the demand for the digitalization of our human capital. Recognizing the challenges post-pandemic and adopting best practices are fundamental.

Creating the positive working environment was of upmost importance to Lottotech's Management Team whilst having people partly or fully working from home and office that incudes remote team building activities, informal remote gathering to sustain employee engagement.

Moreover, Lottotech recognizes the importance of employee's physical and mental well-being. Special leaves, remote working and childcare provisions were provided. In summary, a series of initiatives have been taken to promote physical health and improve the emotional well-being of employees.

Our Workforce

>110 employees
- Approx. 20 Contingent workers
- 2 main professions: IT, Sales & Marketing

Gender & Diversity

- 45% represent percentage of female
- 4% represent percentage of female employees within the Top Management
- 2% represent percentage of female employees on the Board of Directors

Engagement Ratio

- 73% represent Engagement Score
- 88% percentage of employees who are proud to work for Lottotech
- 89% represent percentage of employees who understand the relationship between his/her job and the company's strategy and goals

2021 Training Hours

- 666 total training hours

Staff Turnover : 7%

The Human Capital Strategy

- Driving Innovation & Growth – Digital Capability
- Development of Critical Digital Skills
- Talent & Leadership Development
- Engaged Hybrid Workforce
- Digital HR

Building Digital Talent Capability

Key People Initiatives

- New Business Model – Organisation design
- Sourcing of new talent in line with business strategy
- Upskilling our talent through trainings identified
- Redeployment taking into consideration new skills/ competencies
- Develop a Talent framework to better identify pool of talents, manage succession plan & assess readiness of potential successors

INTELLECTUAL CAPITAL

Intellectual capital is a key value for Lottotech. It comprises the company brand, innovation initiatives, employee engagement, Lottery enhanced core processes and building strong stakeholders' relationships which are enablers to achieve our strategic objectives. These dimensions are measured to evaluate the success of strategic objectives set.

Lottotech relies heavily on its IT infrastructure and Lottery systems to deliver an uninterrupted quality service to its customers. Since 2009, Lottotech has partnered with IGT, one of worldwide leading Lottery technology service provider, to implement and support the Lottery systems. In 2021, Lottotech has invested more than 90 M MUR to upgrade its core IT Lottery system to Aurora, which is a suite of open and agile components designed to drive lottery innovation.

Innovation, being one of our key pillars, Lottotech has continuously strengthened the relationship with players by delivering better playing and winning experiences. Lottotech has also embarked on a digital transformation journey, by leveraging on emerging technologies, its talent and processes to drive new business models, improve customer experience and increase business productivity. Lottotech team has already completed different digital initiatives such as the launch of an informational mobile app for all our products and is pursuing the development of a cashless & paperless solution for our products.

SOCIAL AND RELATIONSHIP CAPITAL

Digital Transformation Agenda

As a restart post-covid, Lottotech accelerated its digital transformation with a focus on the players' experience. This has created an opportunity for the company to digitalize its payment services and improved the players' engagement with the brand through the new Lottotech App.

By the time the regulations on remote gaming are enacted, Lottotech has started to create a shift from traditional to a digital engagement with the aim to facilitate the transition to transactional remote services.

Further to enhancing the players' experience, a digital solution will allow Lottotech to pursue its sustainability agenda towards paperless transactions.

What are the benefits of this solution?

- Enhancing players' experience
- Creating greater proximity and personalization of the service
- Raising awareness
- Improving traceability

Lotto 6/40 Performance in 2021

94 Draws out of **104** were carried out in 2021.

10 Draws were cancelled due to the Covid 19 lockdown period starting from the 09th of March until the 01st of April. Sales restarted on the 07th of April for the Draw of the 10th of April.

Advertised Aggregate & Sales Jackpot for the Lotto 6/40 Draws were as follows:

Lotto 6/40 - Year 2021

Draw Day	Number of Draws	No. of Div One Winner	Jackpot Hits	Aggregate Jackpot	Total Turnover	% Weightage	Hit Frequency
Wednesday	46	14	12	Rs. 681,000,000.00	Rs. 743,722,400.00	42%	3.8
Saturday	48	13	11	Rs. 739,000,000.00	Rs. 1,008,693,260.00	58%	4.4
	94	27	25	Rs. 1,420,000,000.00	Rs. 1,752,415,660.00		4.1

Loterie Vert performance 2021

53 Draws out of **56** were carried out in 2021.

3 Draws were cancelled due to the Covid 19 Lockdown period starting from the 09th of March until the 01st of April. Sales restarted on the 07th of April for the Draw of the 10th of April.

Advertised Aggregate & Sales Jackpot for the Lotto 6/40 Draws were as follows:

Loterie Vert 7/28 - Year 2021

Draw Day	Number of Draws	No. of Div One Winner	Jackpot Hits	Total Turnover
Friday	49	7	4	Rs. 338,701,260.00
				Rs. 338,701,260.00

The Mauritius Football Pool

PJML currently has 75 licensed Pool Collectors and distribute Classic Pool and Premier 10 games on a weekly basis. This year, the Pool Collector network is going to expand and Goal Rush pool game has been added to the product portfolio.

The Football Pools - Mauritius

Concept	Number of Weeks	Total Turnover
Standing Entry	52	7,689,125.20
Premier 10	48	575,145.00
Classic Pools	48	870,620.00
Goal Rush	30	1,171,500.00
		10,306,390.20

Sustainability and Responsible Gaming

Balancing purpose and profit

In 2021, Lottotech has set a clear road map that allows the Company to stay focused on its engagements. The main aim is to balance purpose and profit. However, the pandemic had a direct impact on the statutory funding of the community initiatives reducing its capacity to support projects on longer periods. Aspiring to stay close to its beneficiary, the volunteering program was even more challenging due to sanitary restrictions. Yet, Lottotech lived to its promise and stayed committed to the realisation of its sustainable journey. By evolving into purpose driven company, Lottotech is taking steps to positively impact its customers and society at large.

Our impactful community work

OUR ACTIONS

Vision	We enable sustainability to create value for our stakeholders			
RG	**Community**		**Climate action**	**People**
Responsible production and consumption – SDG 12/Peace Justice and strong institutions – SDG 16	**Education – SDG 4 / Zero Hunger - SDG 2**	**Health – SDG 3**	**Climate action - SDG 13**	**Gender equality – SDG 5/Decent work – SDG 8**
Player education and protection through RG campaigns Continuous responsible gambling training of retailers and employees National Treatment referral program:139 Governance GRA Act	Continue our programs with NGOs: No of beneficiaries: 700 PSAC students succeeding at exam: 4 Feeding program: 1338 meals (food pack distribution) Beneficiaries of Agropédagogie: 65	Cancer screening: 1241 Bra donated: 50 Pregnancy and infant loss workshop	Reduce, Reuse, Recycle Safe disposal of items/terminals Green Purchasing FSC certified papers 326 kg recycled	Diversity and inclusivity measured through Gender Equality, Diversity and Inclusion at Lottotech Human resource policy on discrimination, harassment
	Gender equality – SDG 5	**Multi Stakeholder – SDG 17 / No Poverty – SDG 1**		
	Women Leadership Program: 15	Shelters feeding program, volunteering, feeding program		

Lottotech Seeds Award:

Following the success of the first edition of Lottotechseeds, the second edition was launched in September 2021. Among the 40 projects received, 15 candidates were selected including 3 from Rodrigues. The projects needed to fit the criteria i.e. be viable and have a sustainable impact on the society. Hereafter, the participants went through training sessions delivered by We Empower team. Once the training was completed, the candidates did a pitch in front of three jury members; Natacha Emilien from Red Dot, Djemillah Mourade Peerbux from Wavemakers and Paul Perrier from Fundkiss. The three winning projects were: Kelly Lechoumanan-Cecile, Green Hands (1st prize), Aurelie Catherine, Art Molamain (2nd prize) and Jovanie Peggy Murden, Bark n Go Pupcakes and Treats (3rd prize).

Lottotech seeds awards

Covid initiative: #NouTouSolider

During the pandemic period in Mauritius, food security represented a major issue. Many families were struck by food scarcity and job losses. All the clusters of the Gamma Group joined together and came up with #Noutousolider campaign. During the 2021 lockdown, we launched the 4th #NouTouSolider outreach where volunteers from our Sales team went in the field for the distribution. In addition, a 5th drive was organized in November around the island.

- 1,388 food packs were distributed for both editions
- 55 hours of volunteering participation

The Ripple Project

The Ripple Project is an NGO that fights to end period poverty in Mauritius. On the International Menstruation Day, Lottotech supported this initiative. At the end of each month, there is an internal collection of hygiene products that are donated by the employees and handed over to the NGO.

- Total pads distributed - 552

IT volunteering

Lottotech believes in empowering the younger generation by ensuring that they have the right skills and knowledge. The staff prepares the students of the NGO Atelier Joie de Vivre taking part for IT Skills of national PSAC exams.

Number of beneficiaries- 4 and total volunteering hours 15

	Beneficiaries: +4000		**CSR Activities : 14**
	Value of donations and volunteering: + Rs 70,000		**Volunteering hours: 223H**

Visit our web page for more information on our CSR activities.

OUR ACTIONS (CONT'D)

Responsible Gambling

The World Lottery Association has awarded Lottotech the highest-level recognition in Responsible Gambling. Being the second lottery in the African market to be granted such acknowledgement, demonstrates that Lottotech is among the leaders in the region. Responsible gambling being embedded at the core strategy of the company, we continuously seek opportunities to improve our strategy and engage our stakeholders in creating a safer gambling market in Mauritius and the region.

The company will renew its certification in 2022. KPMG will audit the document to be submitted to the WLA panel.

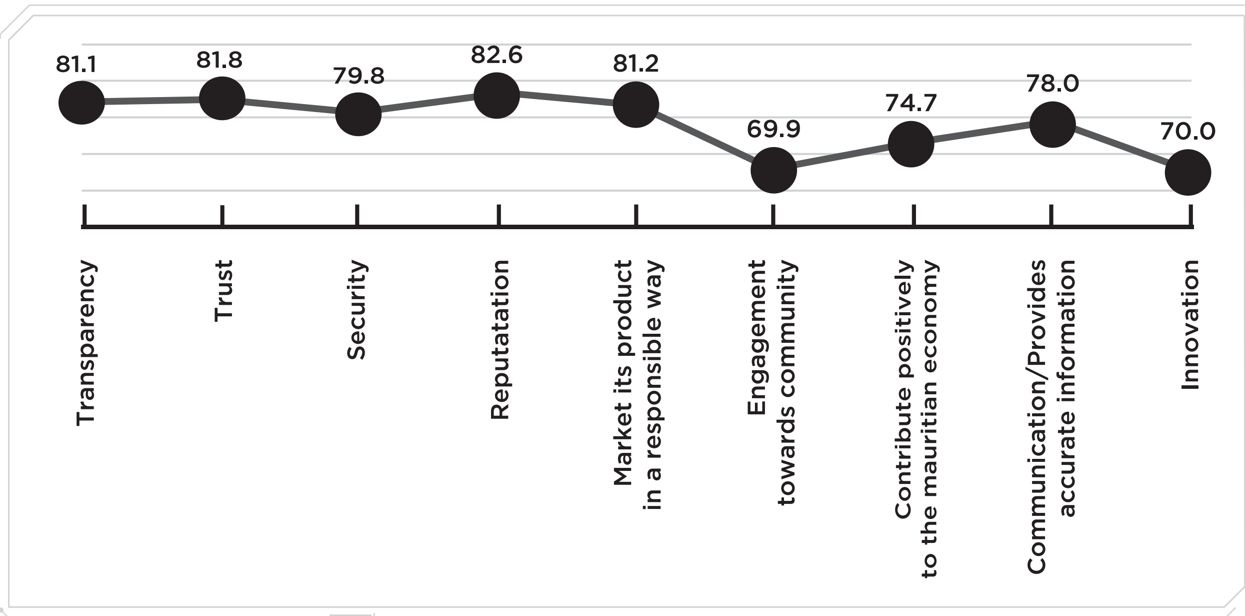
Renewal of the Treatment Referral Program Platform with the NGOs

In August 2019, Lottotech launched the first listening and counselling platform for problem gambling in Mauritius. With the collaboration of four NGOs - namely Chrysalide, Etoile d'Espérance, Centre d'Accueil de Terre Rouge and Centre de Solidarité pour Une Nouvelle Vie, the program has supported over 150 beneficiaries among which some demonstrated signs of gambling problem or multiple addictions.

View our NGOs testimonial

Research

You cannot manage what you cannot measure. It is crucial for Lottotech to track and assess the gambling habits and perception so that it aligns its strategy.



*80.3% of respondents were able to recall a particular communication which they believe related to Responsible Gambling.

Awareness Campaign

In September 2021, Lottotech initiated an awareness campaign by means of short and simple radio messages. In order to ensure maximum reach and retention, the radio messages were broadcasted at specific times at peak hours. The purpose was to educate the players and the public of the good playing habits and simple ways to protect themselves. The three topics of focus were:

1. Reminding players to sign their tickets
2. Asking for receipt
3. Age limit play

Impact of the campaign:

Target Population reach by campaign

			Tar. Pop. Reach
Population	100%		937,000
Campaign	41.3%		387,293
Radio	41.3%		387,293

In order to increase its visibility, the awareness campaign was also shared on digital platforms and displayed on two billboards in high traffic areas at Port-Louis Motor way and at Highlands.

WORLD LOTTERY ASSOCIATION

WLA

CERTIFIED
WLA RESPONSIBLE GAMING FRAMEWORK
LEVEL 4 / VALID UNTIL 2022

Employee Training- Understanding Problem Gambling

- 100% employees trained

Problem Gambling can affect anyone, no matter their age, gender, job or ethnicity, and it is estimated that 0.5-5% of the population are problem gamblers. It is important that people understand what problem gambling is, what the signs are to spot it and how to get help for themselves or their loved ones should they be displaying problematic behaviors. This help can come in the form of helplines, softwares or self-exclusion, as well as other tools.

The purpose of the training was to educate the employees on problem gambling and increase their awareness on tools available.. This training was designed for anyone who works within a gaming or gambling organization.

Social Media Assessment

The power of social media today is huge and growing with every tweet, post and picture. Many organizations are harnessing this power to grow their brands and reach consumers in new and exciting ways. However, social media does create different kinds of risk to other technologies, for instance, the speed at which it can carry information. Organizations need to ensure that they use social media appropriately, taking special care not to use pages, blogs, channels or influencers that are followed specifically or mainly by minors or vulnerable adults. As its reach increases, the risks created by social media to individual and organizational safety are also increasing. It is therefore important that Lottotech understands how to keep itself, its employees and its customers safe. A Social Media Risk Assessment is an analysis of all risks your organization faces through the use of social media and suggest measures to mitigate/prevent them.

This assessment has four different sections:

1. Information security
2. Public Relations/ Communications
3. Social Media Influencers
4. Organization social media account

COMPANY INFORMATION

Directors	
Chian Tat Ah Teck (Executive Chairman)	
Allagappen Veeramootoo	
Chian Luck Ah Teck	
Goolabchund Goburdhun	
Jean Claude Lam Hung	
Jason Ah Teck	
Kavita Achameesing Iqbal	(Resigned on 29 October 2021)
Michelle Carinci	
Paul Halpin	
Sui Lien Chong Ah Yan	
Cheeneebash Ganeshanlall	(Appointed on 29 October 2021)

Secretary	Registered office	Principal place of business
Gamma Corporate Services Ltd Royal Road Chapman Hill Beau Bassin Republic of Mauritius	Royal Road Chapman Hill Beau Bassin Republic of Mauritius	Ground Floor HSBC Centre 18, Cyber City Ebène Republic of Mauritius

Principal Banker:		
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	Afrasia Bank Limited 10 Dr Ferriere Street Port Louis Republic of Mauritius

Auditor	Legal Advisor
Ernst & Young 9th Floor NeXTeracom Tower1, Cyber City Ebène Republic of Mauritius	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 2021, all such returns as are required of the Company under the Mauritian Companies Act 2001.

Gamma Corporate Services Ltd
COMPANY SECRETARY

DATE: 28 March 2022

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 2021 were as follows:

	Tommy Ah Teck	Patrice Ah Teck	Marie Claire Chong Ah Yan	Paul Halpin	Michelle Carinci	Ganeshanlall Cheeneebash1	Allagappen Veeramootoo	Goolabchund Goburdhun	Jean-Claude Lam Hung	Jason Ah Teck
Lottotech Ltd	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Loterie Vert Ltd					✔		✔			✔
Pool Joseph Merven Ltd					✔		✔		✔	✔

Directors share of interest and dealings in securities/share

As at 31 December 2021, the Directors' share interests in the Company were

	No. of Shares	
Names of Directors	**Direct**	**Indirect**
Allagappen Veeramootoo	52,632	-
Chian Luck Ah Teck	147,840	33,186,975
Chien Tat Ah Teck	-	33,283,460
Ganeshanlall Cheeneebash	-	-
Jason Ah Teck	11,108	6,444
Goolabchund Goburdhun	-	-
Kune Foo Jean Claude Lam Hung	42,823	109,529
Michelle Carinci	38,796	14,434
Paul Halpin	-	-
Sui Lien Chong Ah Yan	153,808	8,443,370

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	%
Chian Luck Ah Teck	12.6%
Chian Tat Ah Teck	11.8%
Jack Michael Jason Ah Teck	8.9%
Michelle Jane Carinci	22.9%
Sui Lien Chong Ah Yan	8.9%
Goolabchand Goburdhun	1.4%
Paul Laurence Halpin	3.9%
Kune Foo Jean Claude Lam Hung	1.4%
Allagappen Veeramootoo	26.7%
Ganeshanlall Cheeneebash	0%
Kavita Achameesing Iqbal	1.4%

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 the Lottotech Ltd policy directors and officer's 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 MUR 700,000, the company contributed MUR 900,000 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 2021 was as follows:

	Rs	Rs
Audit fees:	**Group**	**Company**
-Principal auditors	1,255,225	1,117,225
-Other auditors	-	-
Tax review fees:		
-Principal auditors	166,750	143,750
-Other auditors	-	-
Internal audit fees:		
-Principal auditors	-	-
-Other auditors	1,097,100	1,097,100

Director

Director

Date: 28 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 its subsidiaries (the "Group") set out on pages 48 to 78 which comprise the consolidated and separate statements of financial position as at 31 December 2021, 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 significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Group and Company as at 31 December 2021, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the 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 and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Mauritius. 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 Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Lottotech Ltd Annual Report for the year ended 31 December 2021", which includes the Company Information, Directors' Report, Corporate Governance Report and the Company Secretary's report as required by the Companies Act 2001. The other information does not include the consolidated or the 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 an audit opinion or 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.

Corporate Governance Report

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance (''the Code'') 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 Group has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Responsibilities of the 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 the requirements of the Companies Act 2001and the Financial Reporting Act 2004, and for such internal control as the directors determine is 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 and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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 scepticism 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 and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and 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 and separate 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 the directors 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 the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor, tax advisors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG
Ebène, Mauritius

ANDRE LAI WAN LOONG, F.C.A
Licensed by FRC

Date: 28 March 2022

lottotech

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	**2021**	2020
	Notes	**MUR**	MUR	**MUR**	MUR
Turnover from lottery tickets		**2,091,116,920**	1,870,322,400	**2,091,116,920**	1,870,322,400
Prizes		**(1,036,884,691)**	(911,277,239)	**(1,036,884,691)**	(911,226,985)
Revenue from lottery tickets		**1,054,232,229**	959,045,161	**1,054,232,229**	959,095,415
Commission income		**1,771,948**	3,291,489	**-**	-
Revenue	4	**1,056,004,177**	962,336,650	**1,054,232,229**	959,095,415
Consolidated fund and levy		**(497,175,919)**	(452,374,009)	**(497,175,919)**	(452,309,398)
Net income		**558,828,258**	509,962,641	**557,056,310**	506,786,017
Other income	5	**1,210,418**	25,963	**1,083,418**	25,963
		560,038,676	509,988,604	**558,139,728**	506,811,980
Retailers' and other commissions		**(115,156,021)**	(105,469,707)	**(114,824,411)**	(103,899,551)
Gaming systems and data communication costs	6	**(128,723,857)**	(120,399,937)	**(132,930,505)**	(121,962,402)
Other operating expenses	7	**(219,115,661)**	(205,159,648)	**(216,501,275)**	(202,569,535)
Net impairment (loss)/reversal on receivables	17	**(14,616)**	135,093	**(14,616)**	135,093
Operating profit		**97,028,521**	79,094,405	**93,868,921**	78,515,585
Finance income from an effective interest rate	8(a)	**410,992**	1,507,386	**471,009**	1,501,008
Finance costs	8(b)	**(2,599,823)**	(1,836,460)	**(3,167,770)**	(2,027,604)
Profit before income tax		**94,839,690**	78,765,331	**91,172,160**	77,988,989
Income tax expense	10	**(16,397,107)**	(17,698,488)	**(16,222,412)**	(17,571,648)
Profit for the year		**78,442,583**	61,066,843	**74,949,748**	60,417,341
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement of post-employment benefit obligations	22	**1,289,000**	(1,404,000)	**1,261,000**	(1,441,000)
Deferred tax on remeasurement of post-employment benefit obligations	21	**(219,128)**	240,210	**(214,370)**	244,970
Other comprehensive income – net of tax		**1,069,872**	(1,163,790)	**1,046,630**	(1,196,030)
Total comprehensive income for the year		**79,512,455**	59,903,053	**75,996,378**	59,221,311
Basic and diluted earnings per share	11	**0.23**	0.18	**0.22**	0.18

The notes on pages 52 to 78 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	**2021**	2020
	Notes	**MUR**	MUR	**MUR**	MUR
Assets					
Non-current assets					
Property and equipment	12	**118,359,129**	162,200,577	**122,945,797**	168,019,777
Intangible assets	13	**122,714,337**	-	**122,714,337**	-
Investment in subsidiaries	14	**-**	-	**50,251,797**	50,251,797
Deferred tax assets	21	**3,037,818**	4,660,831	**-**	1,443,560
Goodwill	14	**23,253,140**	23,253,140	**-**	-
Non-current deposit	15	**-**	400,000	**-**	-
		267,364,424	**190,514,548**	**295,911,931**	**219,715,134**
Current assets					
Inventories	16	**3,163,879**	1,321,246	**3,163,879**	1,321,246
Trade and other receivables	17	**39,017,171**	35,589,396	**42,194,450**	36,875,908
Current tax assets	10	**644,878**	-	**644,878**	-
Cash and short term deposits	18	**254,770,621**	289,052,374	**252,569,013**	288,122,030
		297,596,549	325,963,016	**298,572,220**	326,319,184
Total assets		564,960,973	516,477,564	594,484,151	546,034,318
Equity and liabilities					
Equity and reserves					
Stated capital	19	**100,000,000**	100,000,000	**100,000,000**	100,000,000
Retained earnings		**64,477,804**	42,765,349	**78,100,655**	59,904,277
Total equity		**164,477,804**	142,765,349	**178,100,655**	159,904,277
Non-current liabilities					
Deferred tax liabilities	21	**10,714,400**	-	**10,714,400**	-
Lease liability - non-current	20	**17,513,453**	23,962,137	**24,988,505**	33,993,670
Interest-bearing loans and borrowings - non-current	24	**77,157,894**	-	**77,157,894**	-
Post-employment benefits	22	**5,911,000**	6,391,000	**5,875,000**	6,353,000
		111,296,747	30,353,137	**118,735,799**	40,346,670
Current liabilities					
Trade and other payables	23	**273,412,098**	326,193,505	**279,316,891**	326,185,745
Lease liability - current	20	**6,515,376**	8,562,238	**9,071,858**	10,994,291
Interest-bearing loans and borrowings - current	24	**9,258,948**	-	**9,258,948**	-
Current tax liabilities	10	**-**	8,603,335	**-**	8,603,335
		289,186,422	343,359,078	**297,647,697**	345,783,371
Total liabilities		**400,483,169**	373,712,215	**416,383,496**	386,130,041
Total equity and liabilities		564,960,973	516,477,564	594,484,151	546,034,318

Authorised for issue by the Board of directors on 28 March 2022 and signed on its behalf by:

Director **Director**

The notes on pages 52 to 78 form an integral part of these financial statements.

lottotech

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Stated capital	Retained earnings	Total equity
GROUP		**MUR**	**MUR**	**MUR**
At 01 January 2020		**100,000,000**	91,662,296	**191,662,296**
Profit for the year		-	61,066,843	**61,066,843**
Other comprehensive income for the year		-	(1,163,790)	**(1,163,790)**
Total comprehensive income for the year		-	59,903,053	**59,903,053**
Transactions with owners				
Dividends	27	-	(108,800,000)	**(108,800,000)**
At 31 December 2020		**100,000,000**	42,765,349	**142,765,349**
At 01 January 2021		**100,000,000**	42,765,349	**142,765,349**
Profit for the year		-	78,442,583	**78,442,583**
Other comprehensive income for the year		-	1,069,872	**1,069,872**
Total comprehensive income for the year		-	79,512,455	**79,512,455**
Transactions with owners				
Dividends	27	-	(57,800,000)	**(57,800,000)**
At 31 December 2021		**100,000,000**	64,477,804	**164,477,804**
COMPANY				
At 01 January 2020		**100,000,000**	109,482,966	**209,482,966**
Profit for the year		-	60,417,341	**60,417,341**
Other comprehensive income for the year		-	(1,196,030)	**(1,196,030)**
Total comprehensive income for the year		-	59,221,311	**59,221,311**
Transactions with owners				
Dividends	27	-	(108,800,000)	**(108,800,000)**
At 31 December 2020		**100,000,000**	59,904,277	**159,904,277**
At 01 January 2021		**100,000,000**	59,904,277	**159,904,277**
Profit for the year		-	74,949,748	**74,949,748**
Other comprehensive income for the year		-	1,046,630	**1,046,630**
Total comprehensive income for the year		-	75,996,378	**75,996,378**
Transactions with owners				
Dividends	27	-	(57,800,000)	**(57,800,000)**
At 31 December 2021		**100,000,000**	78,100,655	**178,100,655**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	**2021**	2020
	Notes	**MUR**	MUR	**MUR**	MUR
Cash flows from operating activities					
Profit before income tax		**94,839,690**	78,765,331	**91,172,160**	77,988,989
Adjustments for:					
Depreciation on property and equipment	12	**27,290,530**	23,041,366	**28,523,062**	23,420,789
Amortisation of intangible assets	13	**4,597,867**	-	**4,597,867**	-
Net foreign exchange differences		**(1,073,415)**	(111,872)	**(508,440)**	(111,872)
Provision for impairment of receivables	17	**14,616**	(135,093)	**14,616**	(135,093)
Gain on disposal of equipment	5	**(175,000)**	-	**-**	-
Movement in post-employment benefits	22	**809,000**	824,000	**783,000**	864,000
Interest expense	8(b)	**2,599,823**	1,836,460	**3,167,770**	2,027,604
Interest income	8(a)	**(410,992)**	(1,507,386)	**(471,009)**	(1,501,008)
Operating profit before working capital changes		**128,492,119**	102,712,806	**127,279,026**	102,553,409
Increase in inventories		**(1,842,633)**	(446,626)	**(1,842,633)**	(446,626)
Decrease/(increase) in trade and other receivables		**(2,915,158)**	83,754,836	**(5,333,158)**	79,686,152
(Decrease)/increase in trade and other payables		**(52,908,643)**	25,851,917	**(46,868,856)**	29,137,053
Cash generated from operations		**70,825,685**	211,872,933	**73,234,379**	210,929,988
Interest paid		**(2,599,823)**	(1,836,460)	**(3,167,770)**	(2,027,604)
Interest received	8(a)	**410,992**	1,507,386	**471,009**	1,501,008
Income tax paid	10	**(13,527,035)**	(17,266,592)	**(13,527,035)**	(17,266,592)
Net cash generated from operating activities		**55,109,819**	194,277,267	**57,010,583**	193,136,800
Cash flows from investing activities					
Purchase of property and equipment	12	**(29,880,526)**	(55,138,816)	**(29,880,526)**	(48,123,011)
Purchase of intangible assets	13	**(80,764,832)**	-	**(80,764,832)**	-
Proceeds from sale of equipment		**175,000**	490,983	**-**	-
Net cash used in investing activities		**(110,470,358)**	(54,647,833)	**(110,645,358)**	(48,123,011)
Cash flows from financing activities					
Lease principal payments	20	**(8,611,471)**	(7,489,006)	**(11,043,524)**	(8,273,095)
Proceeds from loan	24	**87,960,000**	-	**87,960,000**	-
Repayment of loan	24	**(1,543,158)**	-	**(1,543,158)**	-
Dividends paid	27	**(57,800,000)**	(108,800,000)	**(57,800,000)**	(108,800,000)
Net cash generated from/(used in) financing activities		**20,005,371**	(116,289,006)	**17,573,318**	(117,073,095)
Net (decrease)/increase in cash and cash equivalents		**(35,355,168)**	23,340,428	**(36,061,457)**	27,940,694
Net foreign exchange difference		**1,073,415**	111,872	**508,440**	111,872
Cash and cash equivalents at 01 January		**289,052,374**	265,600,074	**288,122,030**	260,069,464
Cash and cash equivalents at 31 December 2021		**254,770,621**	289,052,374	**252,569,013**	288,122,030

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. 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 Company 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 Group 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 2021. 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 the Group's consolidated 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.

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.

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

"The Company's management made an assessment of the Company's ability to continue as a going concern.

Following the conclusion of the mediation with the authorities, the Company was granted two consecutive five year periods licence to operate the Loto game until April 2029.

On 9 March 2021, the Government of Mauritius announced a national confinement for 16 days to protect the health and safety of its citizens. The Company's management is satisfied that the Company will have adequate funds to discharge any existing commitments and obligations to continue in business for the foreseeable future.

Furthermore, other than the above, 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.

The operating profit of the Company has improved from MUR78,515,585 in 2020 to MUR93,868,921 in 2021.

The Company has a current assets of MUR298,572,220 and current liabilities of MUR297,647,697 as at 31 December 2021, with a net current asset position of MUR924,523. Out of the MUR297,647,697 as current liabilities, MUR13,656,328 relates to reserve fund which is used to seed jackpot level and it is only payable when jackpot is seeded at the discretion of management.

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 2021, but did not have an impact on the financial statements of the Group.

	Effective for accounting period beginning on or after
Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	01 January 2021

2.6 Standards issued but not yet effective

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:

	Effective for accounting period beginning on or after
IFRS 17 Insurance Contracts	01 January 2023
Amendments	
IAS 8: Definition of accounting estimates	01 January 2023
IAS 1: Classification of Liabilities as Current or Non-current	01 January 2023
IFRS 3: Reference to the Conceptual Framework	01 January 2022
IAS 16: Property, Plant and Equipment: Proceeds before Intended Use	01 January 2022
IAS 37: Onerous Contracts – Costs of Fulfilling a Contract	01 January 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	01 January 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
IAS 41 Agriculture – Taxation in fair value measurements	01 January 2022
IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	01 January 2023
Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16	01 April 2021

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

2. ACCOUNTING POLICIES (Cont'd)

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.

(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.

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 (r) 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

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.

(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.

(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	8 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.

2. ACCOUNTING POLICIES (Cont'd)

2.7 Summary of significant accounting policies (Cont'd)

(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 asstes is as follows:	**Software licences**
Amortisation method used	Finite - 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.

(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."

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 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.

(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 statement of cash flows, 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (Cont'd)

2.7 Summary of significant accounting policies (Cont'd)

(p) Employee benefits (Cont'd)

(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 Employment Rights Act 2008 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 Employment Rights Act 2008.

(iii) Post-employment benefits

Employees are entitled to a gratuity payment on retirement under the terms of the Employment Rights Act 2008. 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 Employment Rights Act 2008 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.

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 (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
- 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 include trade and other payables 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).

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (Cont'd)

2.7 Summary of significant accounting policies (Cont'd)

(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.

(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:

	2021 Financial assets MUR	**2021 Financial liabilities MUR**	2020 Financial assets MUR	2020 Financial liabilities MUR
GROUP				
Mauritian rupee	**219,446,986**	**270,583,235**	278,316,608	322,808,955
United states dollar	**34,472,457**	**2,594,961**	10,395,418	2,437,129
Euro	**472,420**	**-**	744,587	278,266
Great britain pounds	**378,758**	**233,902**	-	669,155
	254,770,621	**273,412,098**	289,456,613	326,193,505

	2021 Financial assets MUR	**2021 Financial liabilities MUR**	2020 Financial assets MUR	2020 Financial liabilities MUR
COMPANY				
Mauritian rupee	**217,703,539**	**270,817,137**	277,054,612	323,470,351
United states dollar	**34,393,054**	**2,594,961**	10,322,831	2,437,129
Euro	**472,420**	**-**	744,587	278,266
	252,569,013	**273,412,098**	288,122,030	326,185,746

At 31 December 2021, if the Mauritian rupee ("MUR") had weakened/strengthened by 5% against the United States dollar ("USD") with all other variables held constant, pre-tax profit and equity for the year for the Group would have decreased/increased by MUR1,595,216 (2020 – MUR397,914) and the Company would have decreased/increased by MUR1,591,245 (2020 – MUR394,285).

At 31 December 2021, if the Mauritian rupee ("MUR") had weakened/strengthened by 5% against the EURO ("EUR") with all other variables held constant, pre-tax profit for the year and equity for both the Group and the Company would have increased/decreased by MUR23,621 (2020 - MUR23,316), mainly as a result of currency differences on translation of EUR denominated bank balances.

At 31 December 2021, if the Mauritian rupee ("MUR") had weakened/strengthened by 5% against the Great Britain Pound ("GBP") with all other variables held constant, pre-tax profit for the year and equity for the Group would have increased/decreased by MUR18,938 (2020 - Nil), 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.

(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 2021, the sensitivity to a reasonable possible increase/decrease in interest rates by 50 basis points with all other variables held constant, pre-tax profit for the year and equity for the Group would have increased/decreased by MUR137,370 (2020 - Nil).

3 FINANCIAL RISK MANAGEMENT (Cont'd)

(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 2021 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.

GROUP

As at 31 December 2021	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	**5,165,629**	**2,503,279**	**18,438,546**	**1,245,046**	**27,352,500**
Interest-bearing loans and borrowings	**7,159,290**	**6,064,661**	**44,525,463**	**43,308,947**	**101,058,361**
Trade and other payables	**273,412,098**	**-**	**-**	**-**	**273,412,098**
	285,737,017	**8,567,940**	**62,964,009**	**44,553,993**	**401,822,959**

As at 31 December 2020	Within six months	Between six months to 1 year	Between 1 to 5 years	Above 5 years	Total
	MUR	MUR	MUR	MUR	MUR
Lease liabilities	4,220,310	4,341,927	25,376,198	5,036,433	38,974,868
Trade and other payables	313,712,668	-	-	-	313,712,668
	317,932,978	4,341,927	25,376,198	5,036,433	352,687,536

COMPANY

As at 31 December 2021	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	**6,665,629**	**4,003,279**	**26,438,546**	**1,245,046**	**38,352,500**
Interest-bearing loans and borrowings	**7,159,290**	**6,064,661**	**44,525,463**	**43,308,947**	**101,058,361**
Trade and other payables	**279,316,891**	**-**	**-**	**-**	**279,316,891**
	293,141,810	**10,067,940**	70,964,009	**44,553,993**	**418,727,752**

As at 31 December 2020	Within six months	Between six months to 1 year	Between 1 to 5 years	Above 5 years	Total
	MUR	MUR	MUR	MUR	MUR
Lease liabilities	5,421,169	5,573,122	35,407,733	5,036,430	51,438,454
Trade and other payables	326,185,745	-	-	-	326,185,745
	331,606,914	5,573,122	35,407,733	5,036,430	377,624,199

(d) Fair values

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.

The fair values of the Group's interest-bearing loans and borrowings are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2021 was assessed to be insignificant.

(e) 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. The Group does not have any debt financing.

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 2021 and 2020.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3 FINANCIAL RISK MANAGEMENT (Cont'd)

(f) Financial instruments by category

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	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	**28,668,146**	22,877,826	**28,744,242**	22,079,309
Fixed deposits	**-**	400,000	**-**	-
Cash and cash equivalents	**254,770,621**	289,052,374	**252,569,013**	288,122,030
	283,438,767	312,330,200	**281,313,255**	310,201,339
	Financial liabilities at amortised cost	Financial liabilities at amortised cost	**Financial liabilities at amortised cost**	Financial liabilities at amortised cost
Financial liabilities				
Trade and other payables	**273,412,098**	322,274,907	**279,316,891**	322,625,293
Interest bearing loans and borrowings	**86,416,842**	-	**86,416,842**	-
	359,828,940	322,274,907	**365,733,733**	322,625,293

4 REVENUE

4.1 Revenue information

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Type of good or service				
Revenue from lottery tickets	**1,054,232,229**	959,045,161	**1,054,232,229**	959,095,415
Commission income	**1,771,948**	3,291,489	**-**	-
	1,056,004,177	962,336,650	**1,054,232,229**	959,095,415
Geographical market				
Mauritius	**1,056,004,177**	962,336,650	**1,054,232,229**	959,095,415
Timing of revenue recognition				
Revenue recognised at a point in time	**1,056,004,177**	962,336,650	**1,054,232,229**	959,095,415

4.2 Contract balances

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Trade receivables	**28,727,400**	20,791,716	**28,803,496**	20,791,716

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Contract liabilities				
At 01 January	**14,149,880**	14,010,200	**14,149,880**	14,060,200
Movement	**(530,650)**	139,680	**(530,650)**	89,680
At 31 December	**13,619,230**	14,149,880	**13,619,230**	14,149,880

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 draw is held and the results are certified by the Gambling Regulatory Authority.

5 OTHER INCOME

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Management fees	**-**	-	**48,000**	-
IT services	**1,015,000**	-	**1,015,000**	-
Other commission	**20,418**	25,963	**20,418**	25,963
Gain on disposal of equipment	**175,000**	-	**-**	-
	1,210,418	25,963	**1,083,418**	25,963

6 GAMING SYSTEMS AND DATA COMMUNICATION COSTS

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Depreciation (Note 12)	**27,290,530**	23,041,366	**28,523,062**	23,420,789
Amortisation of intangibles (Note 13)	**4,597,867**	-	**4,597,867**	-
Communication costs	**44,028,612**	49,223,935	**44,000,572**	49,239,207
Lottery technological support	**27,195,867**	24,868,787	**27,195,867**	24,868,789
Consumables	**13,664,980**	15,780,805	**13,664,980**	15,780,805
Draw operations	**6,520,010**	3,818,242	**6,520,010**	3,818,242
Other expenses	**5,425,991**	3,666,802	**8,428,147**	4,834,570
	128,723,857	120,399,937	**132,930,505**	121,962,402

7 OTHER OPERATING EXPENSES

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Staff costs (Note 9)	**108,221,823**	101,876,220	**106,017,141**	100,095,775
Management fee	**45,748,879**	40,072,697	**45,748,879**	40,072,697
Rent and utilities	**6,196,173**	3,595,518	**6,196,173**	4,187,443
Donations	**-**	-	**-**	-
Legal and professional fees	**9,812,432**	12,205,633	**9,715,040**	12,188,408
Software licence and other information technology cost	**13,780,997**	11,792,625	**13,780,997**	11,792,625
Motor vehicle expenses	**2,156,400**	5,334,171	**2,132,643**	5,264,729
Municipal fees and licences	**7,047,408**	5,874,173	**7,031,408**	5,841,400
Insurance costs	**3,817,695**	4,128,289	**3,813,797**	4,121,770
Medical expenses	**2,028,583**	1,930,473	**1,994,107**	1,894,073
Maintenance contracts	**8,623,000**	8,855,494	**8,623,000**	8,855,494
Printing, postages and stationery	**2,216,181**	1,449,634	**2,183,123**	1,275,976
Repairs and maintenance	**959,181**	806,999	**959,181**	806,998
Other expenses	**7,082,934**	5,943,972	**7,044,811**	4,964,647
Fees payable to auditor for:				
Audit services	**1,255,225**	1,150,000	**1,117,225**	1,063,750
Tax services	**168,750**	143,750	**143,750**	143,750
	219,115,661	205,159,648	**216,501,275**	202,569,535

8 FINANCE INCOME/(COSTS)

(a) Finance income from an effective interest rate

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Interest income on:				
Non-current deposits	**4,475**	6,700	**-**	322
Interest on related party loans (Note 25)	**281,622**	531,170	**346,114**	531,170
Bank balances	**72,945**	162,036	**72,945**	162,036
Debt instruments at amortised cost	**51,950**	807,480	**51,950**	807,480
	410,992	1,507,386	**471,009**	1,501,008

(b) Finance cost

Interest expense on:				
Interest on debts and borrowings	**(989,958)**	-	**(989,958)**	-
Lease liability (Note 20)	**(1,609,865)**	(1,836,460)	**(2,177,812)**	(2,027,604)
	(2,599,823)	(1,836,460)	**(3,167,770)**	(2,027,604)

9 STAFF COSTS

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Wages and salaries	**100,621,909**	94,320,098	**98,628,609**	92,619,985
Staff welfare benefits	**3,072,725**	3,274,357	**3,028,719**	3,231,129
Defined contribution costs	**3,733,189**	3,457,765	**3,576,813**	3,380,661
Post-employment benefits (Note 22)	**794,000**	824,000	**783,000**	864,000
	108,221,823	101,876,220	**106,017,141**	100,095,775

10 INCOME TAX

The Group is liable to income tax on its profits, as adjusted for income tax purposes, at the rate of 17% (2020 - 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	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Current income tax	**4,278,822**	11,975,167	**4,278,822**	11,975,167
Under provision of income tax	**-**	4,459,332	**-**	4,459,332
Deferred tax debit (Note 21)	**11,314,364**	1,363,929	**11,139,669**	1,237,089
Under/(over) provision of deferred tax in prior year	**803,921**	(99,940)	**803,921**	(99,940)
Income tax expense	**16,397,107**	17,698,488	**16,222,412**	17,571,648

A reconciliation between the actual rate of income tax charge of MUR 16,397,107 incurred by the Group (2020 – MUR 17,698.488) and the tax calculated at the applicable income tax rate of 17% (2020 – 17%) is as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Profit before income tax	**94,839,690**	78,765,331	**91,172,160**	77,988,989
Tax on the profit at 17% (2020–17%)	**16,122,747**	13,390,106	**15,499,267**	13,258,128
Non-tax deductible expenses	**(159,892)**	315,328	**288,893**	320,466
Income not subject to tax	**(369,669)**	(366,339)	**(369,669)**	(366,339)
Under provision of income tax in prior year	**-**	4,459,332	**-**	4,459,332
Over provision of deferred tax in prior year	**803,921**	(99,939)	**803,921**	(99,939)
Effective income tax charge	**16,397,107**	17,698,488	**16,222,412**	17,571,648

Non-tax deductible expenses include legal and professional fees, and impairment of receivables from related parties.

(b) Current tax (assets)/liabilities

Tax (assets)/liabilities amounted to MUR 644,878 at 31 December 2021 (2020 – MUR 6,306,177).

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
At 01 January	**8,603,335**	9,435,428	**8,603,335**	9,435,428
Income tax charge for the year	**4,278,822**	11,975,167	**4,278,822**	11,975,167
Under provision of income tax in prior year	**-**	4,459,332	**-**	4,459,332
Income tax paid	**(13,527,035)**	(17,266,592)	**(13,527,035)**	(17,266,592)
At 31 December	**(644,878)**	8,603,335	**(644,878)**	8,603,335

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11 EARNINGS PER SHARE

Basic earnings per share

Basic 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.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the result for the year and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. In 2021 and 2020, there were no instruments with potential dilutive effect.

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Profit attributable to shareholders (MUR)	**78,442,583**	61,066,843	**74,949,748**	60,417,341
Number of shares entitled to dividends	**340,000,000**	340,000,000	**340,000,000**	340,000,000
Basic and diluted earnings per share (MUR)	**0.23**	0.18	**0.22**	0.18

12 PROPERTY AND EQUIPMENT

GROUP	Right-of-use asset MUR	Leasehold improvement MUR	Equipment MUR	Furniture and fittings MUR	Motor vehicles MUR	Work-in progress MUR	Total MUR
Cost:							
At 01 January 2020	23,997,073	77,423,526	385,023,235	15,208,238	1,983,854	35,089,488	538,725,414
Additions	20,785,870	464,957	38,711,793	-	-	15,962,066	75,924,686
Disposals	-	(502,713)	(7,611,177)	-	-	-	(8,113,890)
At 31 December 2020	44,782,943	77,385,770	416,123,851	15,208,238	1,983,854	51,051,554	606,536,210
Additions	115,928	-	18,934,121	-	-	10,946,405	29,996,454
Disposals	**-**				**(1,143,000)**	**-**	**(1,143,000)**
Scrapped	**-**	**-**	**(1,483,679)**	**-**	**-**	**-**	**(1,483,679)**
Transfer	**-**	**-**	**111,169**	**-**	**-**	**(46,658,541)**	**(46,547,372)**
At 31 December 2021	**44,898,871**	**77,385,770**	**433,685,462**	**15,208,238**	**840,854**	**15,339,418**	**587,358,613**
Accumulated depreciation:							
At 01 January 2020	5,541,150	69,389,656	338,947,510	13,178,671	1,893,436	-	428,950,423
Charge for the year (Note 6)	8,212,460	1,670,284	12,838,750	287,959	31,913	-	23,041,366
Disposals	-	(37,756)	(7,618,400)	-	-	-	(7,656,156)
At 31 December 2020	13,753,610	71,022,184	344,167,860	13,466,630	1,925,349	-	444,335,633
Charge for the year (Note 6)	**9,087,874**	**771,927**	**17,110,859**	**287,958**	**31,912**	**-**	**27,290,530**
Disposals	**-**	**-**	**-**	**-**	**(1,143,000)**	**-**	**(1,143,000)**
Scrapped	**-**	**-**	**(1,483,679)**	**-**	**-**	**-**	**(1,483,679)**
At 31 December 2021	**22,841,484**	**71,794,111**	**359,795,040**	**13,754,588**	**814,261**	**-**	**468,999,484**
Net carrying amount:							
At 31 December 2021	**22,057,387**	**5,591,659**	**73,890,422**	**1,453,650**	**26,593**	**15,339,418**	**118,359,129**
At 31 December 2020	31,029,333	6,363,586	71,955,991	1,741,608	58,505	51,051,554	162,200,577

COMPANY	Right-of-use asset MUR	Leasehold improvement MUR	Equipment MUR	Furniture and fittings MUR	Motor vehicles MUR	Work-in progress MUR	Total MUR
Cost:							
At 01 January 2020	23,997,073	76,894,355	384,982,499	15,208,238	1,876,700	35,089,488	538,048,353
Adjustment for ROU	353,321	-	-	-	-	-	353,321
Additions	33,713,473	464,957	31,695,988	-	-	15,962,066	81,836,484
Write-off	-	-	(7,611,177)	-	-	-	(7,611,177)
At 31 December 2020	58,063,867	77,359,312	409,067,310	15,208,238	1,876,700	51,051,554	612,626,981
Additions	**115,928**	**-**	**18,934,121**	**-**	**-**	**10,946,405**	**29,996,454**
Scrapped	**-**	**-**	**(1,483,679)**	**-**	**-**	**-**	**(1,483,679)**
Transfer	**-**	**-**	**111,169**	**-**	**-**	**(46,658,541)**	**(46,547,372)**
At 31 December 2021	**58,179,795**	**77,359,312**	**426,628,921**	**15,208,238**	**1,876,700**	**15,339,418**	**594,592,384**
Accumulated depreciation:							
At 01 January 2020	5,541,150	69,351,900	338,939,589	13,178,671	1,786,282	-	428,797,592
Charge for the year (Note 6)	9,095,640	1,670,284	12,334,993	287,959	31,913	-	23,420,789
Disposals	-	-	(7,611,177)	-	-	-	(7,611,177)
At 31 December 2020	14,636,790	71,022,184	343,663,405	13,466,630	1,818,195	-	444,607,204
Charge for the year (Note 6)	**11,736,043**	**771,927**	**15,695,222**	**287,958**	**31,912**	**-**	**28,523,062**
Scrapped	**-**	**-**	**(1,483,679)**	**-**	**-**	**-**	**(1,483,679)**
At 31 December 2021	**26,372,833**	**71,794,111**	**357,874,948**	**13,754,588**	**1,850,107**	**-**	**471,646,587**
Net carrying amount:							
At 31 December 2021	**31,806,962**	**5,565,201**	**68,753,973**	**1,453,650**	**26,593**	**15,339,418**	**122,945,797**
At 31 December 2020	43,427,077	6,337,128	65,403,905	1,741,608	58,505	51,051,554	168,019,777

The Company has pledged the immovable and movable assets with the State Bank of Mauritius Ltd to fullfil collateral requirements.

13 INTANGIBLE ASSETS

The company upgraded its core lottery software engine. This project was financed by a bank loan from The State Bank of Mauritius. The amount of borrowing costs capitalised up to 5 September 2021 were Mur 478,912 (2020:Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation varied from 3.6% to 4.25% , which was the EIR of the specific borrowing. The company also launched its mobile application in 2021.

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Cost:				
At 01 January	**-**	-	**-**	-
Additions	**80,764,832**	-	**80,764,832**	-
Transfer from WIP	**46,547,372**	-	**46,547,372**	-
At 31 December	**127,312,204**	-	**127,312,204**	-
Amortisation:				
At 01 January	**-**	-	**-**	-
Charge for the year	**4,597,867**	-	**4,597,867**	-
At 31 December	**4,597,867**	-	**4,597,867**	-
Net carrying amount:				
At 31 December 2021	**122,714,337**	-	**122,714,337**	-

14 INVESTMENT IN SUBSIDIARIES

	2021	2020
	MUR	MUR
At 31 December 2021	**50,251,797**	50,251,797

Details pertaining to the subsidiaries:

	Country of incorporation	Principal activity	Proportion of ownership
Loterie Vert Ltd	Mauritius	Gaming	100%
Pool Joseph Merven Limited (PJML)	Mauritius	Betting	100%

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14 INVESTMENT IN SUBSIDIARIES (Cont'd)

The goodwill of MUR23,253,140 comprises the value of expected synergies arising from the acquisition and a licence, which is not separately recognised. Due to the high level of uncertainty involved in the fair valuation of the license held by PJML, the licence has not been recognised as a separate intangible asset under IAS 38. None of the goodwill recognised is expected to be deductible for income tax purposes. The Group performed its annual impairment test on goodwill in December 2021 and did not identify any impairment.

15 NON-CURRENT DEPOSIT

Non-current deposit relates to a fixed deposit held by the Group with the Mauritius Commercial Bank. The deposit bears interest at 2.63% and will mature on 21 February 2022.

16 INVENTORIES

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
At cost:				
Ticket rolls, bet slips and others	**3,163,879**	1,321,246	**3,163,879**	1,321,246

Inventories consumed during the year amounted to MUR14,080,903 (2020 – MUR15,780,805).

17 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Trade receivables	**28,727,400**	20,791,716	**28,803,496**	20,791,716
Allowance for expected credit losses	**(59,254)**	(44,638)	**(59,254)**	(44,638)
	28,668,146	20,747,078	**28,744,242**	20,747,078
Receivables from related parties (Note 25(ii)):				
Amount due from subsidiaries	**-**	-	**3,268,929**	1,332,230
Entities under common control	**76,096**	-	**76,096**	-
Prepayments and deposits	**10,272,929**	14,842,318	**10,105,183**	14,796,600
	39,017,171	35,589,396	**42,194,450**	36,875,908

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

Trade receivables are summarised as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Not yet due	**23,952,918**	16,285,576	**23,952,918**	16,285,576
Past due	**4,791,324**	4,461,502	**4,791,324**	4,461,502
In default	**59,254**	44,638	**59,254**	44,638
	28,803,496	20,791,716	**28,803,496**	20,791,716
Allowance for expected credit losses	**(59,254)**	(44,638)	**(59,254)**	(44,638)
	28,744,242	20,747,078	**28,744,242**	20,747,078

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Past due				
Up to 3 months	**4,791,324**	4,550,778	**4,791,324**	4,550,778

Expected credit losses

At 31 December 2021, trade receivables of MUR59,254 (2020 – MUR44,638) was impaired.

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	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
At 01 January				
Expected credit loss recognised	**44,638**	1,069,165	**44,638**	1,069,165
Write-off against provision	**14,616**	(91,968)	**14,616**	(91,968)
At 31 December	**-**	(932,559)	**-**	(932,559)
	59,254	44,638	**59,254**	44,638

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	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Trade receivables:				
Expected credit loss	**(14,616)**	91,968	**(14,616)**	91,968
	(14,616)	91,968	**(14,616)**	91,968
Receivables from related parties:				
Allowance for expected credit losses	**-**	(227,061)	**-**	(227,061)
	(14,616)	(135,093)	**(14,616)**	(135,093)

Loss rates are based on actual credit loss experience over the past seven years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

The Company has improved its recoverable rate during the year resulting in fall of the ECL rate to 6.28% (2020: 8.25%)

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

31 December 2021	Days past due					
	Current	**Less than 30 days**	**31-60 days**	**61-90 days**	**Above 90 days**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Expected credit loss rate	**0.00%**	**0.44%**	**6.28%**	**0.00%**	**0.00%**	
Total gross carrying amount at default	**24,012,172**	**4,136,051**	**655,273**	**-**	**-**	**28,803,496**
Expected credit loss	**-**	**(18,131)**	**(41,123)**	**-**	**-**	**(59,254)**

31 December 2020	Days past due					
	Current	**Less than 30 days**	**31-60 days**	**61-90 days**	**Above 90 days**	**Total**
	MUR	**MUR**	**MUR**	**MUR**	**MUR**	**MUR**
Expected credit loss rate	0.00%	0.47%	8.25%	0.00%	0.00%	
Total gross carrying amount at default	16,251,005	4,242,840	297,871	-	-	20,791,716
Expected credit loss	-	(20,062)	(24,576)	-	-	(44,638)

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18 CASH AND SHORT TERM DEPOSITS

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Cash at bank	**254,770,621**	289,052,374	**252,569,013**	288,122,030

19 STATED CAPITAL

GROUP AND COMPANY				
	2021	**2021**	2020	2020
	Number	**MUR**	Number	MUR
Issued and fully paid:	**340,000,000**	100,000,000	**340,000,000**	100,000,000

20 LEASE LIABILITY

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Amount recognised in the Statement of financial position:				
Right-of-use assets (Note 12)	**22,057,387**	31,029,333	**31,806,962**	43,427,077
As at 1 January	**32,524,375**	19,397,181	**44,987,961**	19,397,181
Additions	**115,928**	20,616,200	**115,928**	33,863,875
Accretion of interest	**1,609,865**	1,836,460	**2,177,812**	2,027,604
Payments	**(10,221,339)**	(9,325,466)	**(13,221,338)**	(10,300,699)
As at 31 December	**24,028,829**	32,524,375	**34,060,363**	44,987,961
Lease liability:				
Current	**6,515,376**	8,562,238	**9,071,858**	10,994,291
Non-current	**17,513,453**	23,962,137	**24,988,505**	33,993,670
	24,028,829	32,524,375	**34,060,363**	44,987,961

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

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Amount recognised in the Statement of profit or loss:				
Depreciation charge on right-of-use assets (Note 12)	**9,087,874**	8,212,460	**11,736,043**	9,095,640
Interest expense included in finance cost (Note 8)	**1,609,865**	1,836,460	**2,177,812**	2,027,604
Amount recognised in the Statement of cash flows:				
Repayment of lease liability – principal portion	**8,611,471**	7,489,006	**11,043,524**	8,273,095
Repayment of lease liability – interest portion	**1,609,865**	1,836,460	**2,177,812**	2,027,604
Other information:				
Weighted average remaining lease term	**3.0 years**	4.7 years	**3.0 years**	4.7 years

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

The total cash outflows for leases were:- Group - MUR10,221,336 in 2021 (MUR9,325,466 in 2020), Company- MUR13,221,336 in 2021 (MUR10,300,699 in 2020).

21 DEFERRED TAX (ASSETS)/LIABILITIES

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

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
At 01 January	**(4,660,831)**	(5,684,610)	**(1,443,560)**	(2,335,739)
Charge to profit or loss	**11,314,364**	1,363,929	**11,139,669**	1,237,089
Charge/(credit) to other comprehensive income	**219,128**	(240,210)	**214,370**	(244,970)
Under/(over) provision of deferred tax in prior year	**803,921**	(99,940)	**803,921**	(99,940)
At 31 December	**7,676,582**	(4,660,831)	**10,714,400**	(1,443,560)
Reflected in the statement of financial position as follows:				
Deferred tax assets	**(3,037,818)**	(4,660,831)		
Deferred tax liabilities	**10,714,400**	-		
Net deferred tax liabilities/(assets)	**7,676,582**	(4,660,831)		

The net movement in deferred 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 2020	(1,438,639)	(707,711)	(181,758)	(3,356,502)	(5,684,610)
(Credit)/charge to profit or loss (Note 10)	970,413	(145,636)	130,253	408,899	1,363,929
Charge to other comprehensive income	-	(240,210)	-	-	(240,210)
Over provision of deferred tax in prior year	(143,855)	-	43,915	-	(99,940)
At 31 December 2020	**(612,081)**	**(1,093,557)**	**(7,590)**	**(2,947,603)**	**(4,660,831)**
(Credit)/charge to profit or loss (Note 10)	**11,265,214**	**(128,350)**	**-**	**177,500**	**11,314,364**
Charge to other comprehensive income	**-**	**219,128**	**-**	**-**	**219,128**
Under provision of deferred tax in prior year	**803,921**	**-**	**-**		**803,921**
At 31 December 2021	**11,457,054**	**(1,002,779)**	**(7,590)**	**(2,770,103)**	**7,676,582**

COMPANY

	Accelerated capital allowances	Post-employment benefits	Provision for impaired receivables	Accumulated tax losses	Total
	MUR	MUR	MUR	MUR	MUR
At 01 January 2020	(1,465,820)	(688,161)	(181,758)	-	(2,335,739)
(Credit)/charge to profit or loss (Note 10)	1,253,716	(146,880)	130,253	-	1,237,089
Charge to other comprehensive income	-	(244,970)	-	-	(244,970)
Over provision of deferred tax in prior year	(143,855)	-	43,915	-	(99,940)
At 31 December 2020	**(355,959)**	**(1,080,011)**	**(7,590)**	**-**	**(1,443,560)**
(Credit)/charge to profit or loss (Note 10)	**11,272,779**	**(133,110)**	**-**	**-**	**11,139,669**
Charge to other comprehensive income		**214,370**			**214,370**
Over provision of deferred tax in prior year	**803,921**				**803,921**
At 31 December 2021	**11,720,741**	**(998,751)**	**(7,590)**	**-**	**10,714,400**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 MUR3,733,189 for the year ended 31 December 2021 (2020 – MUR4,941,549).

The Group has recognised a net defined benefit liability of MUR5,911,000 as at 31 December 2021 (2020: MUR6,391,000) 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 Employment Rights Act (ERA) 2008.

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 ERA 2008 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 with regards to the DC plan.

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.

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Liability recognised in statement of financial position				
Post-employment benefits obligation	**5,911,000**	6,391,000	**5,875,000**	6,353,000

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Amounts recognised in profit or loss				
Past service cost	**-**	-	**14,000**	61,000
Current service cost	**671,000**	604,000	**646,000**	585,000
Interest cost	**196,000**	220,000	**196,000**	218,000
Other benefits paid	**(73,000)**	-	**(73,000)**	-
	794,000	824,000	**783,000**	864,000
Amounts recognised in other comprehensive income				
Liability experience (gain)/loss	**(1,263,000)**	492,000	**(1,235,000)**	534,000
Liability (gain)/loss due to change in financial assumptions	**(26,000)**	912,000	**(26,000)**	907,000
	(1,289,000)	1,404,000	**(1,261,000)**	1,441,000

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Movements in liability recognised in statement of financial position				
At 01 January	**6,391,000**	4,163,000	**6,353,000**	4,048,000
Amounts recognised in profit or loss	**882,000**	824,000	**856,000**	864,000
Amounts recognised in other comprehensive income	**(1,289,000)**	1,404,000	**(1,261,000)**	1,441,000
Employer contributions	**(73,000)**	-	**(73,000)**	-
At 31 December	**5,911,000**	6,391,000	**5,875,000**	6,353,000
Principal actuarial assumptions at end of year				
Discount rate	**4.80%**	2.65%	**4.80%**	3.10%
Rate of salary increases	**3.00%**	1.40%	**3.00%**	1.40%
Average retirement age (ARA)	**65/60 years**	65/60 years	**65/60 years**	65/60 years

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Movements in liability recognised in statement of financial position				
Sensitivity analysis on defined benefit obligation at end of period				
- Increase due to 1% decrease in discount rate	**2,111,000**	2,154,000	**2,111,000**	2,154,000
- Decrease due to 1% increase in discount rate	**1,725,000**	1,744,000	**1,725,000**	1,744,000

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.

Future cash flows

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

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
- Expected employer contribution for the next year	**187**	132	**148**	94
- Weighted average duration of the defined benefit obligation	**14 years**	16 years	**14 years**	16 years

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Reconciliation of the present value of defined benefit obligation				
Present value of obligation at 01 January	**6,391,000**	4,163,000	**6,353,000**	4,048,000
Past service cost	**-**	-	**14,000**	61,000
Current service cost	**686,000**	604,000	**646,000**	585,000
Interest cost	**196,000**	220,000	**196,000**	218,000
Other benefits paid	**(73,000)**	-	**(73,000)**	-
Liability experience (gain)/loss	**(1,263,000)**	492,000	**(1,235,000)**	534,000
Liability gain due to change in financial assumptions	**(26,000)**	912,000	**(26,000)**	907,000
Present value of obligation at 31 December	**5,911,000**	6,391,000	**5,875,000**	6,353,000

23 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Trade payables	**51,469,467**	17,078,190	**51,200,732**	16,344,235
Accruals	**15,263,881**	12,578,650	**15,236,390**	12,506,327
Wage assistance scheme payable	**-**	4,954,580	**-**	4,954,580
Contract liabilities	**13,619,230**	14,149,880	**13,619,230**	14,149,880
Amounts due to related parties (Note 25(ii))	**17,547,434**	15,912,225	**23,748,452**	16,710,744
Prize liability and reserve fund	**79,104,209**	156,311,483	**79,104,209**	156,311,483
Unclaimed prize	**15,472,171**	2,541,157	**15,472,172**	2,541,156
Consolidated fund	**80,935,706**	102,667,340	**80,935,706**	102,667,340
	273,412,098	326,193,505	**279,316,891**	326,185,745

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

24 INTEREST-BEARING LOANS AND BORROWINGS

			GROUP		COMPANY	
	Interest Rate	Maturity	**2021**	2020	**2021**	2020
	%		**MUR**	MUR	**MUR**	MUR
Current interest-bearing loans and borrowings						
Bank Loan	3.60%	31 December 2022	**9,258,948**	-	**9,258,948**	-
Non-current interest-bearing loans and borrowings						
Bank Loan	3.60%	30 April 2031	**77,157,894**	-	**77,157,894**	-
Total interest-bearing loans and borrowings			**86,416,842**	-	**86,416,842**	-

The loan is secured by way of first rank floating charge over all immovable and movable assets of the Company. Interest on loan is charged on daily balance at 0.65% less SBM Prime Lending Rate (PLR) with a minimum rate of 3.6% 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).

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

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
At 1 January 2021	**-**	-	**-**	-
Proceeds from new loans	**87,960,000**	-	**87,960,000**	-
Repayments of loans	**(1,543,158)**	-	**(1,543,158)**	-
At 31 December 2021	**86,416,842**	-	**86,416,842**	-

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

	GROUP		COMPANY	
	2021	2021	**2021**	2021
	MUR	MUR	**MUR**	MUR
Financial liabilities	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Interest-bearing loans and borrowings				
Floating rate borrowings	**86,416,842**	86,416,842	**86,416,842**	86,416,842

The management assessed that the fair value of the loan approximates the carrying amount. The SBM prime lending rate as at 31 December 2021 was 3.6%.

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	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Rent and utilities charged by entities under common control of Gamma-Civic Ltd	**2,620,340**	2,722,116	**2,620,340**	2,722,116
Purchase of services from entities under common control of Gamma-Civic Ltd	**51,421,880**	45,661,619	**51,421,880**	45,661,619
Interest income from subsidiaries	**-**	-	**89,265**	-
Management fees from subsidiaries	**-**	-	**48,000**	-
Loan to subsidiaries	**-**	-	**1,799,434**	1,082,230
	54,042,220	48,383,735	**55,978,919**	49,465,965

(ii) Balances with related parties at the reporting date

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Amounts receivable from related parties (Note 17):				
Amount due from subsidiaries	**-**	-	**3,268,929**	1,332,230
Entities under common control	**76,096**	-	**76,096**	-
	76,096	-	**3,345,025**	1,332,230

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, interest free and repayable on demand.

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

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Amounts due to related parties (Note 23):				
Entities under common control	**17,547,434**	15,912,225	**23,748,452**	16,710,744

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

An amount of MUR1,244,694 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 2021 (2020: MUR1,254,834).

(iii) Key management personnel compensation

The compensation to key management personnel is shown below:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	MUR	MUR	**MUR**	MUR
Salaries and other short-term employee benefits	**23,168,456**	36,732,567	**23,168,456**	36,732,567
Post-employment benefits	**1,917,174**	1,779,563	**1,917,174**	1,779,563
	25,085,630	38,512,130	**25,085,630**	38,512,130

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

26 BANK GUARANTEE

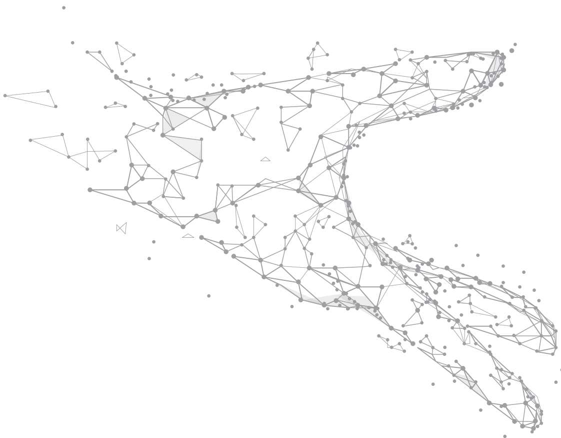
The Company has contingent liabilities in respect of bank guarantees of MUR5,000,000 for the Lotto game and MUR13,000,000 for Loterie Vert game provided to the Gambling Regulatory Authority (GRA) to comply with the rule in the ordinary course of business and from which it is anticipated that no material liabilities will arise.

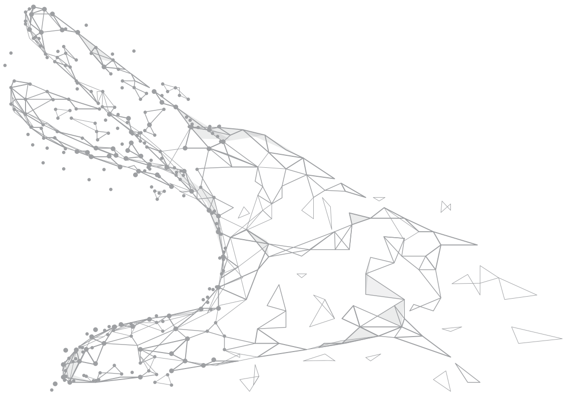
27 DIVIDENDS

The Company declared and paid dividends of MUR57,800,000, representing MUR0.17 per share, in the year ended 31 December 2021 (2020 – MUR108,800,000, representing MUR0.32 per share).

28 EVENTS AFTER REPORTING PERIOD

No subsequent events which will require reporting have been identified.





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