

Our People



making lives extraordinary

ANNUAL REPORT 2022

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VISION

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



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

MISSION

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



GOALS

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

Lottotech at a glance for 2022

1,4387 MILLION AMOUNT PAID TO WILLION

MUR
696.8 MILLION
CONSOLIDATED
fund

MUR
163.7 MILLION
RETAILER
commission

MUR
2,916 MILLION
turnover

MUR
0.45 EARNINGS
per share

MUR
39.1 MILLION
NATIONAL SOLIDARIT
fund

MUR
1.4 MILLION
GOOD
causes

MUR
186.7 MILLION
PROFIT
before tax

MUR
O.37 DIVIDEND
per share

154.1 MILLION PROFIT after tax





Executive chairman's message



The diversification of our game portfolio is opening doors to new opportunities and new prospects for growth. As we continue to transform and create value, we are dedicated to establishing necessary compliance processes that will enhance the Company's integrity and security.

Dear Stakeholders,

I am pleased to present you with the Company's Annual Report 2022.

As the world is re-balancing from the effects of the pandemic and geo-political events disturbing the economic dynamics, the Company has delivered outstanding results for its first full year of operation after the onset of the Covid-19 pandemic. Despite the challenges, we are pleased with the Company's performance which benefitted from high Lotto jackpots revenue, innovative business ideas and its loyal player base.

Strategic focus

The Company's game strategy has shown a high potential to generate further value, which is a positive development. We are confident, more than ever, that Lottotech will continue to deliver strong returns for all stakeholders. The diversification of our game portfolio is opening doors to new opportunities and new prospects for growth. As we continue to transform and create value, we are dedicated to establishing necessary compliance processes that will enhance the Company's integrity and security. We were always convinced that our people are our key to success. We prioritize investing in our human capital to transform our team into a group of innovative leaders, both individually and collectively.

Our engagement

We will place innovation at the heart of our operations, while also remaining committed to our philosophy of responsible gambling. Although we are focused on making financial progress, we recognize the importance of being a responsible operator. For us to be truly sustainable, we relentlessly focus on the needs of all stakeholders and our community by providing extraordinary experience in a safe and protected environment. We are dedicated to positioning Lottotech as a world-class leader, as demonstrated by our recent recertification at the highest level of responsible gaming by the World Lottery Association. The Company will continue to uphold its promise to the community by improving its positive impact and leveraging on its sustainable transformation.

Performance

With revenue up by 40% in the year 2022 compared to 2021 indicates a strong rebound offsetting the impacts of Covid. Based on our robust balance sheet, the Board of Directors has approved the declaration and payment of a dividend of 37 cents per share, which represents a total dividend payout ratio of 82% of the Company's profit for the year of Rs154M (2021: Rs78M). We are pleased to have returned to the dividend payment levels seen prior to the Covid-19 pandemic.

Ackonowledgements

I place on record my thanks to my fellow Directors for their oversight, continued support and contribution.

Together with the Board members, I would also like to express my thanks to the Lottotech team for its commitment to excellence, the authorities, retail partners, players and service providers for enabling the Company to successfully deliver on promise.

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

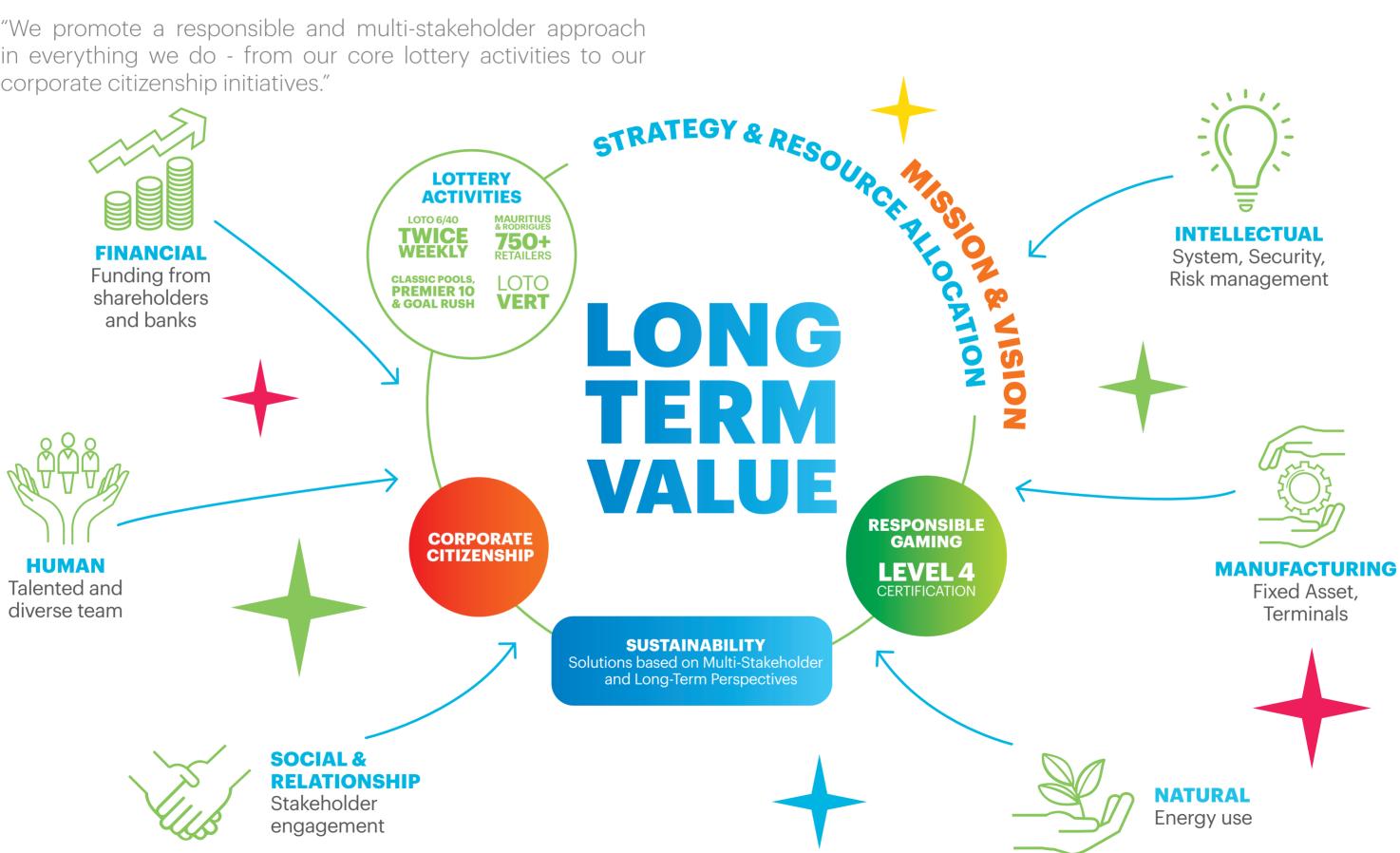
Tommy Ah Teck Executive Chairman





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."





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

			Tus			
INPUT	- Solid equity - Long term financial stability	- Engaged people - Skilled professionals	Long term stakeholder relationship Socio-economic development	- Effective and safe ICT system - Efficient and effective processes - Innovation capability	Long term relationship with retailers Data centers and support function premises Equipment and technology resources that enable service delivery	- Soil, water, fauna conservation
VALUE CREATED DURING THE YEAR	- Performance improvement - New revenue stream - Business development Sales: MUR 2.9 billion PJML Commission Income: MUR 1.3 million Profit after tax: MUR 154.1 million	Performance improvement Strong corporate culture Team growth Training Investment 1880 hours MUR 2,9 million	Product innovation Loterie Vert game Revenue enlargement Reputation enhancement CSR funds (statutory and voluntary) MUR 1.4 million	Performance improvement Sustainability and reliability of system	Smooth running of business Client retention and acquisition	Green initiatives Energy consumption reduction
COMMUNITY	Support for the economy Investor and employee remuneration Shareholder's fund: MUR 191 million	- Empowerment and personal development - Equal opportunities - Merit and transparency - Greater well being - Employee engagement (71%) - Gender Diversity (M- 58%; F 42%)	- Customer Satisfaction - Social inclusion - Increased number of beneficiaries of community projects WLA Certification Level 4 36 projects 4290 beneficiaries 730 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 Proximity of product and service to customers 100% secure system	Environmental business culture development E-waste Management



Chief executive officer's statement



Q1: With constant uncertainty and shocks such as global inflation, how has Lottotech navigated through this volatility and kept its competitive edge?

It is imperative to build new resilience muscles to achieve a more sustainable inclusive growth amid the external shocks. By exploring new avenues and challenging our processes, we managed to address some challenges and risks of the present and future. Lottotech has adopted bold moves to strategically shake up the status quo by performing a complete restructuring of the organization, leveraging on the power of data driven decision process, offering remarkable customer experience, and consolidating our business continuity plan with regards to any regulatory or political risks. Many hurdles remain but we are an example of Mauritian enterprises that can learn how to make smarter decisions to fuel business growth. All efforts paid off with a profitability of Rs 154.1m representing an increase of 96% compared to 2021. Loto Vert, on its own, generated Rs 363.2M additional sales in a year with a minimum impact on the performance of Loto. After 8 years, we have been lucky to have an exceptional jackpot of Rs 90 million boosting our sales and allowing us to reconnect with our players. Lottotech continues to enjoy its position as the leader in the gaming sector in Mauritius by continuously disrupting the industry with new game offerings or experiences. We are always on the move.

Lottotech tackling them?

The world is confronted by more serious challenges such as competitive talent landscape, mentally exhausted workforce and pressure to optimize costs. In the Company's restructuring, we chose therefore to focus on redesigning roles and responsibilities and providing an environment where employees find balance, flexibility, career opportunities and purpose in their work. In creating a strong sense of belonging, we aim at staying an employer

As cyberattacks are on the rise, we are also reinforcing our cybersecurity. The attack surface has never been greater and continues to expand rapidly. This means threat actors have even more places to probe and attack. In response, we have continued to budget for the implementation of strong security and capable

Q3: Technology is a strategic enabler leading to business transformation. Would you agree that Lottotech is a tech reliant company on the lookout for innovative and creative ways to As an island state, Mauritius faces high environmental risks. As a optimize our business activity?

Technology and digital transformation are fully integrated in our operations. We have long realized that to stay competitive and ahead of the market changes, we need fast adoption of new technology. We cannot achieve this objective without significant investment. We are very grateful for the Board's support. Last year, we have developed our own technology platform. We now have a more modern and secure distribution channel which offers better customer experience. Our collaborative partnership with The Football Pools UK resulted in the development of an interoperability solution connecting the UK platforms to Mauritius. It is even more satisfying as Lottotech is the only operator that The Football Pools UK trusted enough to allow this partnership. The trust built with our partner allows us to develop creative solutions for a shared goal.

Marketing remains another important driver at Lottotech. Today, it is becoming more data driven. The increased uncertainty in the new normal requires that marketers get better at testing and faster at reacting. A more agile operating model is a key element in this, but it is also increasingly necessary to work with technology that learns at scale. To achieve this, it is essential to develop technological capabilities that can effectively read and interpret signals of consumer intent and consumer responses to marketing messages. These signals need to be fed back into the marketing engine, allowing it to learn from the data and determine what strategies are effective and which are not. This methodology was very useful as our ability to adapt our product to players' demand bear its fruit

Q4: Lottotech has been highly dependent on one product for more than 10 years. Your game development plan has changed for past few years. Can you elaborate on how it has evolved?

We have moved from surviving to thriving. Over and above our lottery portfolio namely Loto and Loto Vert, Lottotech has diversified in sports. In alignment with regulations set by the Gambling Regulatory

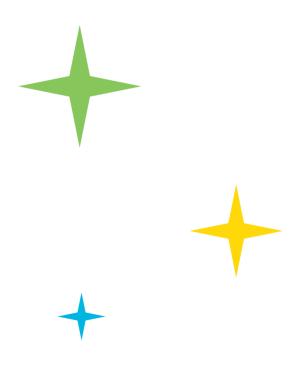
Q2: What are the new challenges that are emerging and how is

Authority, we have expanded our pool collectors' network and been granted 77 additional new retail licences. By holding three different licences for two lottery games and one sports game, Lottotech is reducing its dependency and mitigating risks. Furthermore, Loto Vert is a lifetime license which represents a guaranteed revenue stream. We remain confident in our aptitude to find new business avenues and partners to consolidate our business continuity plan.

> Moreover, there are new projects currently in development. By the end of 2023, we will introduce an enhanced version of our games, for which we have already obtained regulatory approval. Our team has already begun the game development process, and we are optimistic that it will meet the expectations of our players. Additionally, Lottotech has acquired a new license for multiple football games, which will undoubtedly bring fresh gaming experiences to the market.

Q5: Technology allows the replacement of traditional practices with more sustainable ones. How far does this apply to Lottotech's business?

responsible enterprise, we are committed to aligning our business decisions with environmental considerations. We have successfully implemented measures to reduce our environmental footprint, and we believe that other economic operators can do the same. With advancements in technology, we are able to adopt paperless solutions and we encourage our players to embrace new channels of distribution, thereby becoming active participants in our efforts to protect the environment. Our commitment to taking the right actions to make this happen goes beyond mere willingness. It is our sincere hope that by moving towards sustainable practices, everyone stands to benefit.



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overall success and positive perception of Lottotech. It represents the company's commitment to providing excellent customer service and creating a welcoming environment for all stakeholders.





Lottotech | Annual Report 2022

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 vear ended 31 December 2022.

Principal Activity

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

Results and Performance

Group

Group Statement of Profit or Loss and Other Comprehensive Income					
Turnover from lottery tickets	Profit for the year				
Dec 2022: MUR2,916m	Dec 2022: MUR154.1m				
Dec 2021: MUR2,091m	Dec 2021: MUR78.4m				

Company

Company Statement of Profit or Loss and Other Comprehensive Income					
Turnover from lottery tickets	Profit for the year				
Dec 2022: MUR2,916m	Dec 2022: MUR153.4m				
Dec 2021: MUR2,091m	Dec 2021: MUR74.9m				

The Company contributed MUR696.8m to the Consolidated Fund in 2022 compared to the contribution of MUR497.2m in 2021.

The Company achieved a turnover of MUR2,916M for 2022, an increase of 39% compared to 2021. This increase is largely In line with its long term sustainability strategy, the Company explained by high jackpot rollovers and lower number of missed continued to focus on its key areas namely community draws compared to 2021. In 2021, the business was impacted by Covid-19 related confinement. In 2022, Loto Vert delivered an and responsible gaming. Through multistakeholder partnerships excellent performance by generating ticket sales of MUR363m and its volunteering programme, the Company increased its and brought new experiences through the revival of the Millionaire positive impact.

For the year ended 31 December 2022, the Group and the Company reported a profit after tax of Rs154.1M and Rs 153.4M respectively.

Loto maintained its strong brand with high approval ratings and high participation rates and a modest weekly spend at MUR135. This aligns with the Company's responsible gaming strategy.

Retailer Network

The retailer network of the Company exceeds 676 retailers, comprising mainly small family-owned businesses. Total commissions paid to retailers in 2022 were: Group - MUR163.7m (2021: MUR115.2m): (Company - 2022: MUR163.4m, 2021: MUR114.8). MUR1.4m (2021: MUR1.1m) was paid to 31 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 licensed or authorised to conduct lotteries and/or sports betting operations by a jurisdiction domiciled in a state recognised by the United Nations.

Sales of games of chance and/or skill must account for the majority of the organisation's total annual gross revenues.

The majority of the organisation's net revenues must be dedicated to the public good.

The organisation's business practices must conform to the aims and objectives of the Association.

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

For the year ended 31 December 2022, the CSR budget as per the legal requirements totalled MURO.5m (2021: MURO.7m).

engagement, empowerment, diversity, education, climate actions

Consolidated Fund and National Solidarity Fund

Directors' report (cont'd)

The Company contributed MUR696.8m (2021: MUR497.2m) to the Consolidated Fund of the Government of Mauritius in 2022. 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 MUR39.1m (2021: MUR70.6m) representing unclaimed prizes during the year. The National Solidarity Fund is used to improve the lives of the most vulnerable Mauritian citizens.

The Company is focusing on increasing its revenue and profitability by expanding its product portfolio with new games planned in 2023, for which it has been granted all necessary approvals and licences from the Gambling Regulatory Authority (GRA).

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



DATE: 27 March 2023





Lottotech's operations, enabling the company to achieve its goals and objectives. Emphasizing teamwork, highlights the company's commitment to collaboration, cooperation, and synergy among its employees and stakeholders.



Report 2022

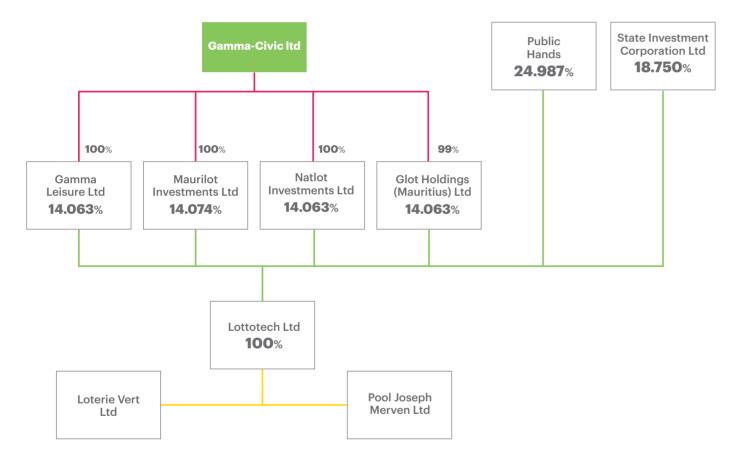


Lottotech Ltd ("Lottotech" and/ or "the Company"), listed on the Stock Exchange of Mauritius (the "SEM") and falling under the definition of Public Interest Entity ("PIE"), is held to high standards by investors and customers, and the Board's commitment to corporate governance.

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 2022 was as follows:



PRINCIPLE 1:

GOVERNANCE STRUCTURE

Lottotech is led by a dedicated and unitary Board, which is body. The Board monitors the performance of the Management collectively accountable and responsible for the long-term Team in relation to set key performance indicators on a regular success of the Company. The Board has created two committees basis. The Company manages performance accountabilities and of the Board to facilitate decision-making, with advisory role. key performance indicators through a formal balanced scorecard Delegation of responsibilities and authority to the committees process. are clearly defined. The Board remains the sole decision-making

Roles and Responsibilities

	I.
Executive Chairman	Board of Directors
Executive Responsibilities Drives Management in exploring business development opportunities; Supervises Management in the development and implementation of the Company's strategy in line with the Board's directives; Ensures the implementation of policies and strategies as resolved by the Board; Oversees the management of the Company's business and operations; Is the direct reporting line for the CEO; Dotted reporting line for the CFO; Board's & Shareholders' Responsibilities Is the direct reporting line for the Company Secretary; Provides leadership to the Board and ensure its effectiveness; Sets the Board's and Shareholders' meetings agenda; Ensures effective links between the Shareholders, the Board and Management.	 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	Executive Director and Chief Executive Officer
 Facilitate efficient decision making; Uphold integrity in Financial Reporting; Focus on specific areas of responsibility. 	 Develops the Company's strategy in line with the Board's directives; Implements policies and strategies as resolved by the Board; Manages the Company's business and operations; and Heads and leads the Management team.

Report 2022 (Cont'd)

Role of Company Secretary

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

- · Providing the Board with guidance as to its duties and responsibilities, and powers;
- · Informing the Board of all legislations on functions and operations relevant to or affecting meetings of shareholders and directors and reporting at any meetings as may be reasonably required from time to time for the filing of any documents required of Lottotech Ltd:
- Ensuring that minutes of all meetings of shareholders and directors are duly recorded and that all statutory registers are properly maintained;

- Certifying in the annual financial statements of the Company that Lottotech Ltd has filed with the Registrar of Companies all such returns as are required of Lottotech Ltd under the Companies Act 2001;
- Ensuring that a copy of Lottotech Ltd's annual financial statements and, where applicable, the annual reports are sent by email or post to every person/entity entitled to such statements or reports in terms of the Companies Act 2001.

Constitution

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

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

PRINCIPLE 2:

THE BOARD STRUCTURE AND THE COMMITTEES

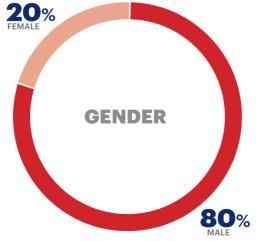
Board Composition

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,

According to the Lottotech's Charter, the Board may be composed 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 2022 with the aim to have a more gender balanced and diverse representation.



10% 20% 40% **BOARD AVERAGE** 60% COMPOSITION AGE **20**% **50**%

Meetings process of the Board of Directors

The meeting process is guided by the Lottotech Charter, duly The Company Charter provides that the Company should hold a approved by the Board of Directors and ratified by the shareholders. minimum of four quarterly Board meetings each year and a strategy The Charter was reviewed when the new Code of Corporate meeting. All meetings are called by the Chairman of the Board Governance was implemented. The Company's Charter is a and the Company has facilities to enable Directors to attend and forward-looking charter, and no change was required following the review. The Charter is available for inspection at the office of the Company Secretary.

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participate in meetings either in person or via audio/ Visio means.

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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.

Report 2022 (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 2022 are provided below:

Members	Board Status	Meeting attendance
Mr Chian Tat Ah Teck	Executive Chairman	5/5
Mr Allagappen Veeramootoo	Executive	5/5
Mr Chian Luck Ah Teck	Non-Executive	5/5
Mr Ganeshanlall Cheeneebash	Non-Executive	4/5
Mr Goolabchund Goburdhun, GOSK	Non-Executive	5/5
Mr Jean Claude Lam Hung	Independent Non-Executive	5/5
Mr Jack Michael Jason Ah Teck	Non-Executive	5/5
Mrs Michelle Carinci	Non-Executive	4/5
Mr Paul Halpin	Independent Non-Executive	5/5
Mrs Sui Lien Chong Ah Yan	Non-Executive	5/5

Board Focus Areas

The main topics of discussion of the Board during the year revolved The core function of the Audit and Risk Committee is to assist around the following:

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

Board Committees

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

Audit and Risk Committee

the Board:

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

AUDIT AND RISK COMMITTEE

Composition & Attendance

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

Name	No. of attendance	Executive/Non-Executive
Mr Jean Claude Lam Hung	4/4	Independent Non-Executive (Chairman)
Mr Ganeshanlall Cheeneebash	4/4	Non-Executive
Mr Paul Halpin	4/4	Independent Non-Executive

Roles & Responsibilities:

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

- The accounting, reporting, and financial practices of Lottotech Ltd, including the integrity of the Company's financial statements and internal control over financial reporting in particular considering: any changes in the Company's accounting policies and/or practices; the application of relevant accounting standards; significant adjustments arising from the audit; the appropriateness of the going concern statement to be made by the Board of Lottotech Ltd and the statement of directors' responsibilities in relation to the
- The Company's accounting policies, disclosures, controls and procedures:
- · Management's approach to internal controls to provide assurance to the Board that executive management's control assurance processes are implemented and are complete and
- 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 reprioritize its key business risks and to reassess Lottotech Ltd's risk profile;
- The appropriateness and adequacy of Lottotech Ltd's insurance coverage; and
- Review the Company's list of litigations.

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

Audit & Risk Committee Focus Areas 2022

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; and
 - 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.



Report 2022 (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 National Code of Corporate Governance and prevailing corporate governance principles.

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

CORPORATE GOVERNANCE COMMITTEE

Name	No. of attendance	Executive/Non-Executive
Mrs Sui Lien Chong Ah Yan	1/1	Non-Executive (Chairwoman)
Mr Chian Luck Ah Teck	1/1	Non-Executive
Mr Goolabchund Goburdhun, GOSK	1/1	Non-Executive
Mrs Michelle Carinci	1/1	Non-Executive

The responsibilities of the Corporate Governance Committee are as follows:

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

Corporate Governance Committee Focus Areas 2022

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

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

PRINCIPLE 3:

DIRECTOR APPOINTMENT PROCEDURES

Appointment and re-election

The Corporate Governance Committee under its nomination As Directors of the Company, members are expected to know function, is responsible for making recommendations to the Board, which in turn would be presented to the shareholders at framework. The Chairman together with the MD would carry out an the Company's Annual Meeting, for any appointment and/or re-induction session with the new Directors to ensure that the latter election of potential Directors.

Furthermore, in cases of casual vacancy, the Board may appoint Directors who shall hold office until the next Annual Meeting and shall then be eligible to stand for re-election.

Letter of appointment

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

Succession planning

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

Induction and training

the Company's businesses, objective, strategy and governance are well informed about the Company's businesses, objective. strategy and governance framework, and to thus facilitate their onboarding.

In addition, all Directors are issued a letter of appointment stipulating the terms and conditions of the directorship. The Directors are also given a copy of the Company's Charter, constitution and some specific laws which are relevant to the Company's operation and

Professional development and training

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

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CORPORATE GOVERNANCE

Report 2022 (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 Age: 61

Executive Chairman: Apr 2020

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)

CHIEF EXECUTIVE OFFICER

Appointed: **26 May 2017** Age: **5**0

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: **55**

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: **59**

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 Fund and Responsible Gambling and Capacity Building Fund of the Gambling Regulatory Authority.

Qualifications:

- FCCA
- MSC in Finance

Committees:

• Corporate Governance Committee

Other listed directorship:

None

Citizen and Resident of Mauritius



Report 2022 (Cont'd)



MICHELLE JANE CARINCI
(also called Michelle Carinci)
NON-EXECUTIVE DIRECTOR

Appointed: **7 Aug 2014** Age: **69**

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



KUNE FOO JEAN CLAUDE LAM HUNG

(also called Jean Claude Lam Hung)
INDEPENDENT NON-EXECUTIVE
DIRECTOR

Appointed: 25 May 2018

Age: **47**

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** Ag

Skills and expertise:

- Deep understanding of the company's business
- Significant current international experience as a Non-Executive Director and boardlevel advisor
- In depth 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
- Fellow of The Institute of Chartered Accountants in Ireland

Committees:

• Audit & Risk Committee

Other listed directorships:

MakeMyTrip Ltd (Nasdag)

- Kolos Cement Ltd
- Gamma Civic Ltd

Citizen of Ireland and Permanent Resident of Mauritius



JACK MICHAEL JASON
AH TECK
NON-EXECUTIVE DIRECTOR

Appointed: 20 Apr 2020

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: 6

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
- With the FT NED Diploma, she has an in-depth understanding of board's effectiveness and acquired the required soft skills and boardroom behaviour.

Qualifications:

- Bachelor degree in Arts
- Bachelor degree in Human Resources
 Management
- FT Non-Executive Director Diploma (Pearson Level 7) post-graduate qualification

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: 60

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



Report 2022 (Cont'd)

Senior Management Team

The job descriptions and accountabilities of senior management positions are reviewed on a regular basis.



Risk & Compliance

Manager

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

PRINCIPLE 4:

DIRECTOR'S DUTIES. RENUMERATION AND PERFORMANCE

Directors' Duties

Human Resource

Manager

Directors have been duly informed of their duties and The Company Secretary holds an Interest Register in which responsibilities as provided under the Companies Act 2001, and their responsibility under the Listing Rules in as much as the Company is a public company listed on the Stock Exchange of Mauritius Ltd ("SEM").

They are also conversant with the provisions of Lottotech Charter, the Company's constitution and the National Code of Corporate Governance.

Interests' register conflicts of interest and related party transaction policy

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

Declaration of Conflict of Interest at each Board Meeting

declarations made by Directors at each board meetings are duly

The first item of the agenda for all board meetings is the declaration of conflict of interest by the Directors on any items which the Board will address as the business of the day. They would sign a duly approved declaration of interest form. which shall form part of the Board's proceedings for the day. Furthermore, Directors who are conflicted would not participate on discussions on the specific agenda item.

Any related party transaction, if existing, would also be recorded in the said register.

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

Remuneration Policy: statement of remuneration policy

The Corporate Governance Committee has been mandated by the Board to fulfil the function of Remuneration Committee and has therefore the responsibility of determining the remuneration 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	11,433,401
Non-Executive	15,085,209
Total	26,518,610

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

Board evaluation

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

In 2021 no Board, Self and Peer exercise was carried out given the very good overall rating obtained during the 2020 exercise and there being no change on the Board's composition from 2020 to

For the year 2022 too, there was no change in the Board's composition following the annual shareholders' meeting.

However, to verify that the Board continues to be effective and efficient, that the Directors continues to contribute positively to Board's discussion and are fully committed to the Company, the employees and shareholders, there is unanimity that the Company shall carry out a Board, Self and Peer exercise for the year 2022.

The exercise is carried out independently and in all confidentiality by the Head of Gamma Corporate Services Ltd, as approved by the

The exercise is still ongoing at the time of preparing the present corporate governance report.

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 of Directors and Top Management in line with market conditions, 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

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

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

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

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

Report 2022 (Cont'd)

PRINCIPLE 5:

RISK GOVERNANCE AND INTERNAL CONTROL

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

The Company's risk management framework is designed to align the strategy and culture with the appropriate processes in place while encouraging the sense of entrepreneurship - helping management to take reasonable risks to fuel growth and improve business performance. All identified risks are compiled in a risk register which acts as a vehicle for capturing all the assessment and decisions made in respect thereof. Management carries out regular meetings to monitor and review the risks. Emerging risks

are taken on board and existing risks are rated according to impact behaviour. Risk management is part of our culture across and likelihood. Risks identified are recorded in risk registers and risk heat maps. The risk register and risk heat maps are put forward to the Audit & Risk Committee on a quarterly basis for review. following which the Audit & Risk Committee would make a report and recommendation as appropriate, to the Board.

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

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

Risk Categories:



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.



Financial risks to Lottotech are both external and internal by nature such as natural disaster, credit risk and liquidity risk.



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.



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.



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.



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.

RISK GOVERNANCE AND INTERNAL CONTROL (Cont'd)

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.

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 in order to ensure the occupational safety and health of its employees and stakeholders at all times. Ongoing awareness campaign is carried to ensure that the employees work in a healthy, safe and conducive working environment.

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

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

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

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

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 auditors under the supervision of the ARC.

EXTERNAL AUDIT OF LOTTOTECH LTD

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



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CORPORATE GOVERNANCE

Report 2022 (Cont'd)

PRINCIPLE 7:

AUDIT (Cont'd)

EXTERNAL AUDIT OF LOTTOTECH LTD (Cont'd)

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 annual meeting, shareholders can discuss with the Board members on Company's matters such as its performance and future outlook.

The Company's website is also an important tool used to communicate and inform the shareholders and stakeholders on the Company's activities and events.

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.
Shareholder	Project Sponsor	Profit and high dividends	Increase Profitability and dividend payout	Protect the Company's interest. Regular communication on the performance of the Company.
Employees	Facilitator	Employment safety	Fair wage and personal development	Performance management system. Regular check-in conversations.
Players	End User	Trustworthy games	Fun games and win	Annual research on customer perception on the games. Player protection strategy. Regular communication on the games.
Supplier	Resource	Timely settling of the payments for the product	Business continuity	Regular meetings. Contract management.
Retailers	Facilitator	Payment of commission	Increase in commission payout and newbusiness opportunity	Sales representatives 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.



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CORPORATE GOVERNANCE

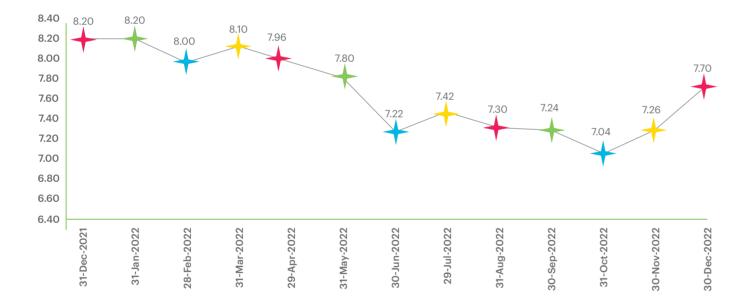
Report 2022 (Cont'd)

Shareholding Profile

The shareholders holding more than 5% of the ordinary shares of the Company at 31 December 2022 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



Management Agreement

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

Dividend Policy

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

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

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity ("PIE"): Lottotech Ltd

Reporting Period: 31 December 2022

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



Chairman of the Board of Directors

Director

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STATUTORY DISCLOSURES

Principal Activity

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

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The name of the Directors of the Company and its subsidiaries as at 31 December 2022 were as follows:

	Chian Tat Ah Teck	Chian Luck Ah Teck	Sui Lien Chong Ah Yan	Paul Laurence Halpin	Michelle Jane Carinci	Ganeshaniali Cheeneebash	Allagappen Veeramootoo	Ganeshanlall Cheeneebash , GOSK	Kune Foo Jean Claude Lam Hung	Jack Michael Jason Ah Teck
Lottotech Ltd	✓	✓	✓	✓	✓	~	✓	✓	✓	✓
Loterie Vert Ltd					✓		✓			✓
Pool Joseph Merven Ltd					✓		✓		✓	✓

Directors' and Senior Officers' Interests in Shares

Statement of Direct and Indirect Interest of insiders as at 31 December 2022:

	No. of Shares				
Names of Directors	Direct	Indirect			
Allagappen Veeramootoo	52,632	-			
Chian Luck Ah Teck	147,840	33,186,975			
Chian Tat Ah Teck	-	33,283,460			
Ganeshanlall Cheeneebash	-	-			
Jack Michael Jason Ah Teck	11,108	265,845			
Goolabchund Goburdhun, GOSK	-	-			
Kune Foo Jean Claude Lam Hung	42,823	109,529			
Michelle Jane Carinci	38,796	14,434			
Paul Laurence 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	13.0%
Chian Tat Ah Teck	12.4%
Jack Michael Jason Ah Teck	9.4%
Michelle Jane Carinci	15.4%
Sui Lien Chong Ah Yan	9.4%
Goolabchand Goburdhun , GOSK**	1.5%
Paul Laurence Halpin	4.4%
Kune Foo Jean Claude Lam Hung	2.3%
Allagappen Veeramootoo	30.7%
Ganeshanlall Cheeneebash**	1.5%

^{**} Paid directly to State Investment Corporation Ltd (SIC)

Directors' service contracts

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

Contract of Significance

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

Directors' Insurance

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

Political and Charitable Donations

Lottotech Ltd remains committed to its engagement towards making a difference in the community. Over and above the statutory amount for CSR of MUR 519,000, the Company contributed MUR900,000 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 2022 was as follows:

	Rs	Rs	
Audit fees:	Group	Company	
- Principal auditors	1,242,000	1,092,500	
- Other auditors	-	-	
Tax review fees:			
- Principal auditors	189,750	149,500	
- Other auditors	-	-	
Internal audit fees:			
- Principal auditors	-	-	
- Other auditors	1,735,695	1,735,695	





Director Director

Date 27 March 2023 45





The principle of "To Help" underscores Lottotech's dedication to making a positive impact on society and contributing to the well-being of its stakeholders. By prioritizing assistance, Lottotech demonstrates its commitment to responsible corporate citizenship and its understanding of the importance of social engagement.







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Financial capital



Our fiscal 2022 financial performance tells a story with two distinct chapters: an amazing sales performance due to exceptional Loto jackpots hitting Rs 90 million at its highest and the paradigm shift in strategic focus where the change in our operation has enabled optimization of revenue streams supported by new technological platforms. Our revenue was also boosted with an increase in Loto Vert adoption, notably through the revamping of the value proposition. Additionally, cost optimization and strong cash flow management were key in maintaining our profitability and a strong balance sheet. All initiatives, especially our diversification strategy, brought our financial results back to pre-Covid level.



Shaun Kim Tiam Fook Chong Chief Financial Officer

WHERE THE MONEY GOES A Rs 100 NOTE

	2022 MUR	2021 MUR
Prizes	49.33	49.59
Consolidated Fund and Levy	23.89	23.78
Retailers Commissions	5.64	5.50
Gaming Systems and Data Communication Costs	5.50	6.16
Other Operating Expenses	9.26	10.48
Net Finance Costs	0.13	0.10
Income Taxes	1.12	0.78
Profits	5.13	3.61
Sales	100	100



MUR **1,479M 1,056M** Year 2021



154M

78M



MUR **0.45M 0.23 EARNINGS**



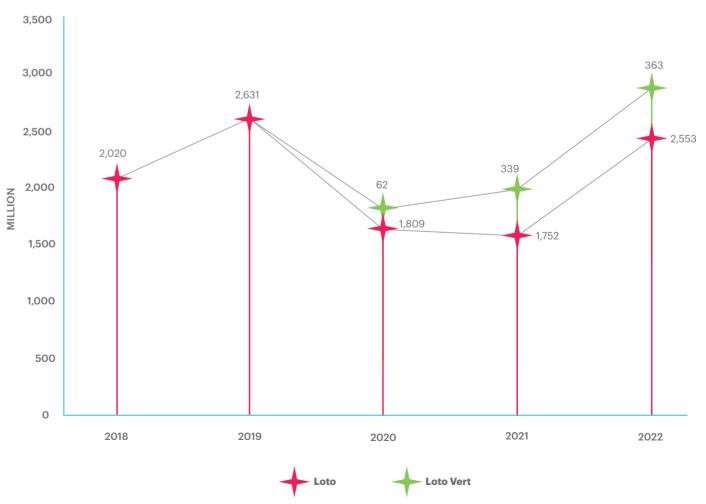


DIVIDEND YIELD* +118%

MUR 4.80%* 2.20% Year 2021

*Share price as at 31 december 2022 at Rs 7.70

PROFIT





7/man capital

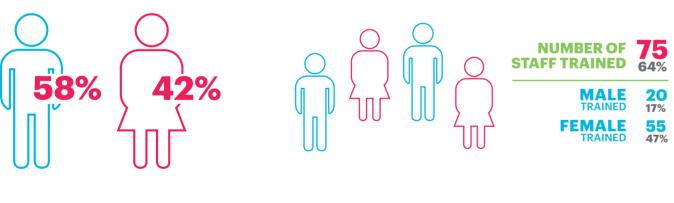
Our people are at the heart of our success! We work hard to create a work culture, environment and processes that are inclusive to make sure that our people feel engaged and always looking forward to continue delivering on our key priorities.

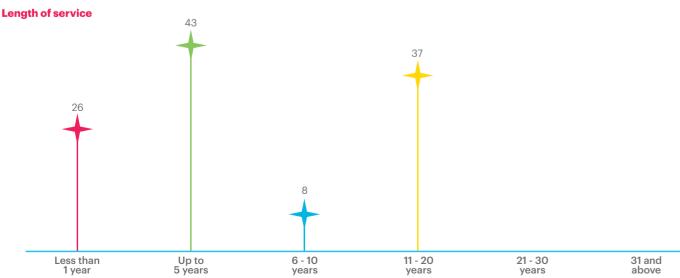
From a business perspective, we have had an extraordinary year, the best-ever performance since 2019. It's the result of everyone in the wider Lottotech family working in close partnership to achieve these remarkable results.

As we navigate the post-pandemic recovery, the Covid-19 crisis has provided us with a fresh perspective on our business. We have embraced this opportunity to reassess our working methods and explore new approaches. These transformation efforts have been implemented and it has enabled the company to deliver on our short and medium term objectives. Without the extraordinary efforts of our team members, this accelerated business improvement would have been impossible.

2022 Key achievements:

- 1. We have created a Player Centric organization focusing on remaining competitive & growing revenue responsibly. This required a change in our organizational structure by re-engineering different functions within Lottotech mainly the Sales & Marketing Department, Information Technology and other support departments.
- 2. Creating Meaningful People Experience. Taking into account all the uncertainty and challenges faced over the past two years, we are happy to see that team members have hit the reset buttom and take joy perform the extraordinary. Our yearly engagement survey provides us with a sound insight into how we're doing as such continue to make improvements and put in place action plan with the help of key champions to make sure we address them
- Fostering better team collaboration, synergy, happiness, trust and resilience
- Team Building: We are set for extraordinary experiences! Proud to be Lottotech! The joy, energy and passion of our people to feel connected.





Intellectual capital

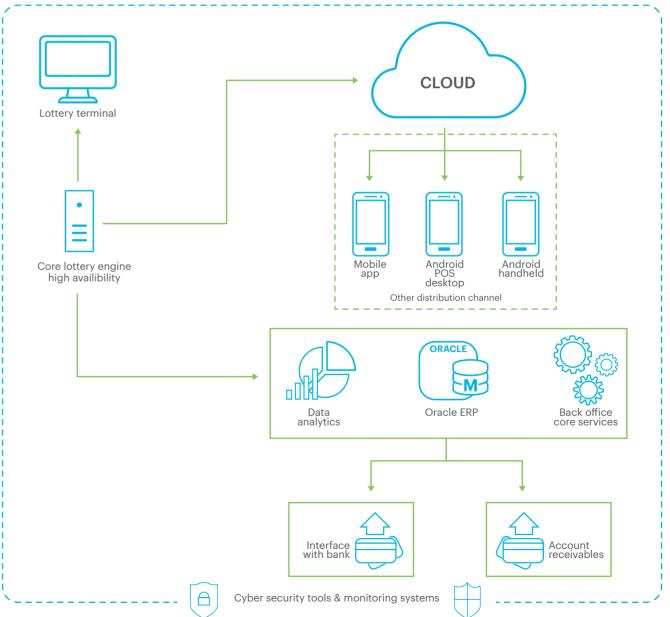
Lottotech considers intellectual capital as a crucial asset, encompassing the company's brand, innovative projects, employee involvement, enhanced core processes for the lottery, and the establishment of robust relationships with stakeholders. These dimensions serve as enablers in achieving our strategic goals, and are assessed to determine the effectiveness of our strategic objectives.

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.

Innovation, being one of our key pillars, Lottotech has continuously strengthen 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 talents 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 a mobile apps for all our products and is pursuing the development of a cashless & paperless solution. Lottotech has built capabilities in data and analytics to utilize data as a strategic asset to enhance products offering, customers service and marketing related decisions.

To improve its cyber maturity level, Lottotech has implemented numerous measures, including investing in advanced technologies and systems to safeguard against cyber threats. We are consistently enhancing our cyber incident management processes and cyber response services by investing in the latest technologies, reinforcing our existing processes, and partnering with leading service providers.







Players are the driving force behind changes to the business. As such, Lottotech believes that to be successful and stay successful, the Company constantly needs to adapt its offerings in response to market demands. The Management has embraced an agile approach, enabling the Company to swiftly adapt and explore numerous possibilities along the way.

Loto - Changing Lives with Exceptional JACKPOTS

In 2022, the Loto game had three big jackpots. With an exceptional amount at stake of Rs 90 million, occasional players, known as jackpot chasers, reconnected with the brand and boosted the number of transactions.

4,3 MILLION winners



28,382,181 NUMBER OF transactions

Loto Vert - Emotional Player Experience

A stale product can affect the business. In order to overcome stagnant sales, the Loto Vert brand has undergone constant evolution, resulting in an additional revenue of Rs 300 million in the year 2022. Bringing back the famous TV show, the Millionnaire, increased Loto Vert's popularity and created new players' experience.





The Football Pools Mauritius - Bringing people together

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In 2022, Lottotech implemented a digital play mechanism for The Football Pools, providing players with the convenience of accessing fixtures in advance and making their selections through the Lottotech app. This new play solution also allows for direct payment into the player's account, enhancing convenience. By digitizing our product offerings, we are moving closer to a paperless solution and reducing our environmental impact.

World Cup is one planetary event that The Football Pools has leveraged. In collaboration with the media, fan zones were created bringing the football experience to the fans.

As at date, we have approximately 120 outlets and more than 80k downloads of the Lottotech mobile app.

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Lottotech | Annual Report 2022

Sustainability and Responsible Gaming

A purpose-driven company does not only promote sustainability but is also an industry leader. At Lottotech, our purpose help to set organisational strategy and guides decision making to maximise positive impact. Promoting cooperation added value to the Company transforming it into a relational business which also leads to increased amount of trust with its stakeholders.

Responsible Gaming Leader

The World Lottery Association (WLA) places significant emphasis on continuous improvement through its responsible program. As the international guiding principles body for lotteries worldwide, the WLA is the leading institution when it comes to industry standards. Having achieved Level 4 certification in responsible gaming in 2019, Lottotech underwent a review of its continuous program by the WLA panel in 2022 and successfully obtained the Level 4 recertification. This recognition positions Lottotech and Mauritius among leaders in responsible gaming within the African region, further enhancing their reputation.

Extract of the WLA panel comment



The IAP appreciates the openness and transparency of your well-structured submission. Your commitment to RG is outstanding. We deem there are only very limited areas for further improvement. Especially your stakeholder engagement well-integrated and a common theme throughout your submission - well done!



55

Anne Pattberg

Chair - WLA RGF Independent Assessment Panel May 2022

Research: To change a habit, start with awareness

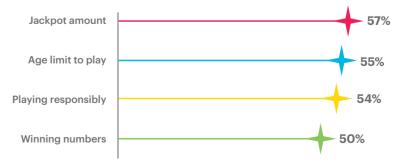
Lottotech ensures to disseminate constant information and key messages to the public on responsible gaming.

The survey carried out by Kantar in 2022 indicated that:

What players perceived important in playing habits:



Retention of messages in terms of communication



^{*41%} of players stated that Lottotech's contribution to the community is important to their playing decisions.

41% of players stated that Editoleon's contribution to the community is important to their playing decisions.



Social and relationship capital (cont'd)

Our programmes

The renewal of the Treatment Referral Program Platform with the NGOs

Lottotech continued to support its listening and counselling platform for harm related gambling habits in Mauritius. In 2022, 251 beneficiaries went through the programme of Crysalide, Etoile d'Espérance, Centre d'Accueil de Terre Rouge and Centre de Solidarité pour Une Nouvelle Vie.

Employees Training

• 100% new employees trained

Our employees are our ambassadors. The training programme consists of basic knowledge in responsible gaming, odds, awareness, and sports integrity.

Impactful community

Full house for "Nu Ena Lespwar"

Hosted at the Caudan Arts Centre, the launch of the single of Future Hope, Nu Ena Lespwar, was a real success. The students performed in front of an audience who acclaimed their talent with a standing ovation. Lottotech has collaborated closely with Future Hope to make this extraordinary moment happen for the kids who, for most of them, never imagined to be on one of the most prestigious stages in Mauritius.



Lottotech Seeds Award: All things come in three!

With increasing interest and improved impact of the two previous editions of LottotechSeeds, a third edition was held in 2022. 13 candidates, including one participant from Rodrigues, followed the training delivered by We Empower to prepare themselves to pitch their project in front of the jury members. The concept stayed the same where the three most promising projects having a positive impact at that time will win a seeding amount. On the 31st January 2023, Lottotech announced the winning projects marked by the jury members namely Selena Roopnarain, Social Entrepreneur, Robin Appadoo, Head of Global Business at SBM and Djemillah Mourade Peerbux, Founder of Wavemakers. The three winners were: Nikita Anodin, Les Oubliés (1st prize- Rs 100,000), Karine Wade, W Foods (2nd prize - Rs 75,000) and Carole Apollon, Sourire à la santé (3rd prize - Rs 50,000).



#NouTouSolider

Since the Covid-19, the Gamma Foundation together with all the clusters in the Gamma Group works together to organize a food pack distribution #NouTouSolider. Though the pandemic is behind us, families still struggle to feed themselves properly. For the 2022 edition 660 families received a food pack during the festive season.

#ImPactful: "Volunteers do not necessarily have the time; they just have the heart."

Lottotech has a continous volunteering programme and in 2022, the whole month of September has been dedicated to engaging our team into community work. Our ImPactful volunteers gave their time and poured their heart into multiple projects from awareness talk, cleaning campaign, painting school, sharing of knowledge and most importantly showed that they genuinely care for others.

660
FOOD PACKS
DISTRIBUTED





HIGHLIGHTS FOR CSR 2022



730 VOLUNTEERING HOURS







SDG 1 PROJECTS: 3 BENEFICIARIES: 917 AMOUNT: Rs 25,000



NUMBER OF PROJECTS & IMPACT PER SDG

SDG 2 PROJECTS: 4 BENEFICIARIES: 780 AMOUNT: Rs 132,348



SDG 3 PROJECTS: 8 BENEFICIARIES: 2,059 AMOUNT: Rs 231,295



SDG 4 PROJECTS: 13 BENEFICIARIES: 703 AMOUNT: Rs 316,698



SDG 5
PROJECTS: 2
BENEFICIARIES: 45
AMOUNT: Rs 337,000



SDG 10 PROJECTS: 2 BENEFICIARIES: 75 AMOUNT: Rs 23,400



SDG 13
PROJECTS: 9
BENEFICIARIES: 888
AMOUNT: Rs 216,290
TOTAL AMOUNT RECYCLED: 3,559 kg



SDG 14 PROJECTS: 2 BENEFICIARIES: 45 AMOUNT: Rs 12,500



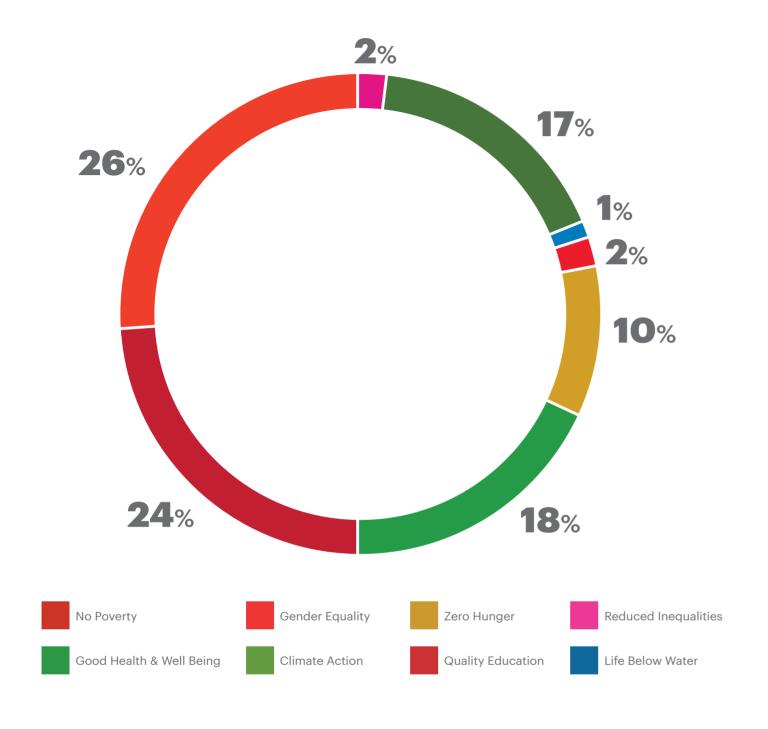


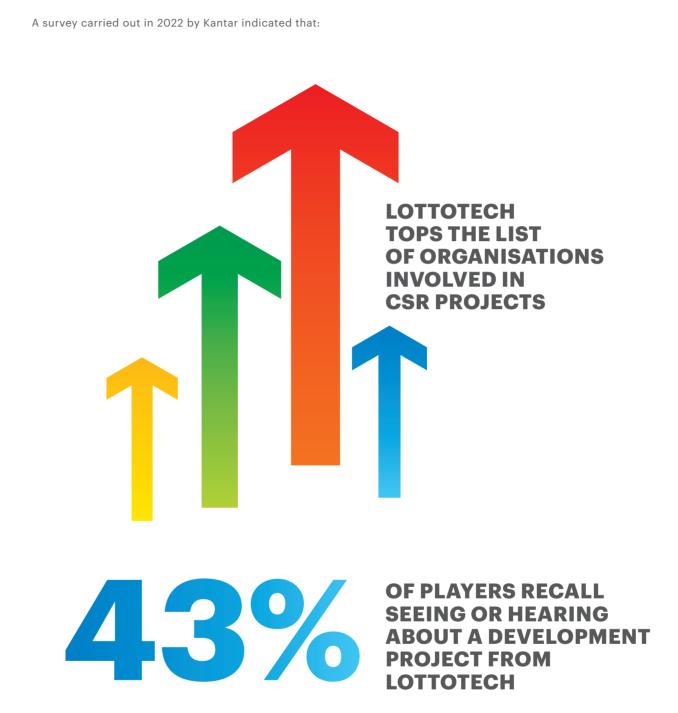
67%
PARTICIPATION
RATE



219 e-waste
3000kg
WASTE COLLECTED
DURING CLEANING CAMPAIGN
340kg
PAPER RECYCLING







OF THE CSR FUNDS SUPPORTED EDUCATION & GENDER EQUALITY





Happiness is a fundamental aspect of Lottotech's corporate philosophy. It demonstrates Lottotech's commitment to creating a joyful and fulfilling experience for its customers. By offering exciting games, innovative features, and engaging promotions, Lottotech aims to bring moments of happiness and entertainment to its customers' lives.



PRINCIPAL BANKER:

LEGAL ADVISOR:

Company information

DIRECTORS: Chian Tat Ah Teck (Executive Chairman)

Allagappen Veeramootoo Chian Luck Ah Teck

Goolabchund Goburdhun, GOSK

Jean Claude Lam Hung Jason Ah Teck Michelle Carinci

Paul Halpin Sui Lien Chong Ah Yan Cheeneebash Ganeshanlall

SECRETARY: Gamma Corporate Services Ltd

Royal Road, Chapman Hill

Beau Bassin Republic of Mauritius

REGISTERED OFFICE: Royal Road, Chapman Hill

Beau Bassin

Rev public of Mauritius

PRINCIPAL PLACE OF BUSINESS: Ground Floor, Silver Bank Tower

18. CyberCity. Ebène

Republic of Mauritius

AUDITOR: Ernst & Young, 6th Floor, IconEbene, Rue de L'institut

Ebène, Republic of Mauritius

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 Bowen Square, 10 Dr Ferriere Street

Port Louis

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 2022, all such returns as are required of the Company under the Mauritian Companies Act 2001.



Gamma Corporate Services Ltd

COMPANY SECRETARY

DATE: 27 March 2023



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") and Company set out on pages 72 to 109 which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, 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 2022, 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 2022", 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.

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.



Lottotech | Annual Report 2022

Independent auditor's report to the members of Lottotech ltd (cont'd)

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.

Financial Reporting Act 2004

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.

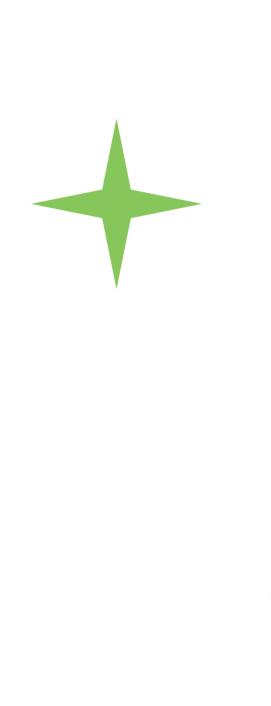
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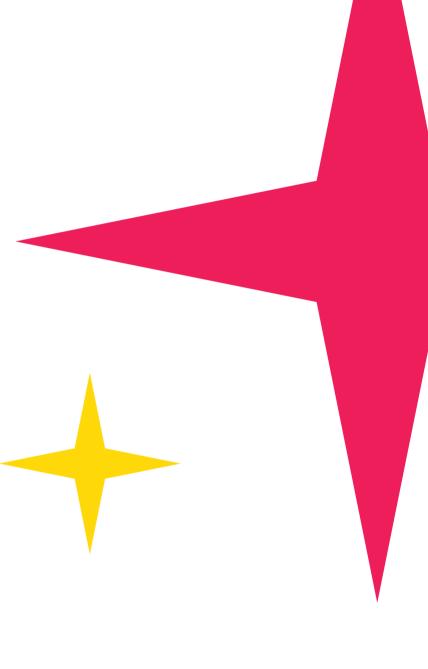
Ebène, Mauritius

ANDRE LAI WAN LOONG, F.C.A.

Licensed by FRC

Date: 27 March 2023







STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 December 2022

		GROUP		COMPANY	
		2022	2021	2022	2021
	Notes	MUR	MUR	MUR	MUR
Turnover from lottery tickets		2,916,272,210	2,091,116,920	2,916,272,210	2,091,116,920
Prizes		(1,438,727,034)	(1,036,884,691)	(1,438,727,034)	(1,036,884,691)
Revenue from lottery tickets		1,477,545,176	1,054,232,229	1,477,545,176	1,054,232,229
Commission income		1,343,468	1,771,948	-	-
Revenue	4	1,478,888,644	1,056,004,177	1,477,545,176	1,054,232,229
Consolidated fund and levy		(696,810,305)	(497,175,919)	(696,810,305)	(497,175,919)
Net income		782,078,339	558,828,258	780,734,871	557,056,310
Other income	5	2,835,813	1,210,418	2,859,813	1,083,418
		784,914,152	560,038,676	783,594,684	558,139,728
Retailers' and other commissions		(163,709,373)	(115,156,021)	(163,420,183)	(114,824,411)
Gaming systems and data communication costs	6	(160,512,807)	(128,723,857)	(162,112,184)	(132,930,505)
Other operating expenses	7	(269,814,845)	(219,115,661)	(268,357,914)	(216,501,275)
Net impairment loss on receivables	17	(394,584)	(14,616)	(394,584)	(14,616)
Operating profit		190,482,543	97,028,521	189,309,819	93,868,921
Finance income from an effective interest rate	8(a)	947,288	410,992	1,047,625	471,009
Finance costs	8(b)	(4,741,397)	(2,599,823)	(5,309,344)	(3,167,770)
Profit before income tax		186,688,434	94,839,690	185,048,100	91,172,160
Income tax expense	10(a)	(32,565,078)	(16,397,107)	(31,695,116)	(16,222,412)
Profit for the year		154,123,356	78,442,583	153,352,984	74,949,748
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement of post-employment benefit obligations	22	(2,278,000)	1,289,000	(2,314,000)	1,261,000
Deferred tax on remeasurement of post-employment benefit obligations	21	387,260	(219,128)	393,380	(214,370)
Other comprehensive (loss)/income – net of tax		(1,890,740)	1,069,872	(1,920,620)	1,046,630
Total comprehensive income for the year		152,232,616	79,512,455	151,432,364	75,996,378
Basic and diluted earnings per share	11	0.45	0.23	0.45	0.22

The notes on pages 76 to 109 form an integral part of these financial statements.



STATEMENT OF FINANCIAL POSITION

For The Year Ended 31 December 2022

		GR	OUP	СОМ	PANY
		2022	2021	2022	2021
	Notes	MUR	MUR	MUR	MUR
Assets					
Non-current assets					
Property and equipment	12	125,511,233	118,359,129	128,864,651	122,945,797
Intangible assets	13	134,979,443	122,714,337	134,979,443	122,714,337
Investment in subsidiaries	14	-	-	50,251,797	50,251,797
Deferred income tax assets	21	2,161,734	3,037,818	-	-
Goodwill	14	23,253,140	23,253,140	-	-
Non-current deposit	15	400,000		-	-
		286,305,550	267,364,424	314,095,891	295,911,931
Current assets					
Inventories	16	2,495,219	3,163,879	2,360,547	3,163,879
Trade and other receivables	17	148,978,465	39,017,171	153,054,329	42,194,450
Current tax assets	10		644,878		644,878
Cash and short term deposits	18	372,149,518	254,770,621	370,618,442	252,569,013
		523,623,202	297,596,549	526,033,318	298,572,220
			504000070		50440454
Total assets		809,928,752	564,960,973	840,129,209	594,484,151
Equity and liabilities					
Equity and reserves					
Stated capital	19	100,000,000	100,000,000	100,000,000	100,000,000
Retained earnings		90,910,420	64,477,804	103,733,019	78,100,655
Total equity		190,910,420	164,477,804	203,733,019	178,100,655
Non-current liabilities					
Deferred income tax liabilities	21	15 220 425	10.714.400	15 220 425	10 714 400
Lease liability - non-current	20	15,238,435 16,122,045	10,714,400 17,513,453	15,238,435 20,909,821	10,714,400
Interest-bearing loans and borrowings -		10,122,045	17,010,400		24,988,505
non-current	24	67,898,947	77,157,894	67,898,947	77,157,894
Post-employment benefits	22	14,110,000	5,911,000	14,110,000	5,875,000
		113,369,427	111,296,747	118,157,203	118,735,799
Current liabilities					
Trade and other payables	23	465,427,598	273,412,098	475,330,404	279,316,891
Lease liability - current	20	8,040,769	6,515,376	10,728,045	9,071,858
Interest-bearing loans and borrowings					
- current	24	9,258,948	9,258,948	9,258,948	9,258,948
Current income tax liabilities	10	22,921,590	-	22,921,590	-
		505,648,905	289,186,422	518,238,987	297,647,697
Total liabilities		619,018,332	400,483,169	636,396,190	416,383,496
Total equity and liabilities		809,928,752	564,960,973	840,129,209	594,484,151

Authorised for issue by the Board of directors on 27 March 2023 and signed on its behalf by:





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Director Director

The notes on pages 76 to 109 form an integral part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2022

	Notes	Stated Capital	Retained Earnings	Total Equity
GROUP		MUR	MUR	MUR
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 Total comprehensive income for the year	-	<u> </u>	1,069,872 79,512,455	1,069,872 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
At 01 January 2022	_	100,000,000	64,477,804	164,477,804
Profit for the year		-	154,123,356	154,123,356
Other comprehensive income for the year	_		(1,890,740)	(1,890,740)
Total comprehensive income for the year	_		152,232,616	152,232,616
Transactions with owners Dividends	27		(405,000,000)	(405 000 000)
At 31 December 2022	- 21	100,000,000	(125,800,000) 90,910,420	(125,800,000)
COMPANY		400.000.000	50.004.077	450.004.055
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	_	<u> </u>	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
At O1 January 2022	-	100,000,000	78,100,655	178,100,655
Profit for the year		_	153,352,984	153,352,984
Other comprehensive income for the year	_		(1,920,620)	(1,920,620)
Total comprehensive income for the year	-	<u> </u>	151,432,364	151,432,364
Transactions with owners				
Dividends	27		(125,800,000)	(125,800,000)
At 31 December 2022	_	100,000,000	103,733,019	203,733,019

The notes on pages 76 to 109 form an integral part of these financial statements.

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STATEMENT OF CASH FLOWS

For The Year Ended 31 December 2022

		GRO	OUP	COMPANY	
		2022	2021	2022	2021
	Notes	MUR	MUR	MUR	MUR
Cash flows from operating activities					
Profit before income tax		186,688,434	94,839,690	185,048,100	91,172,160
Adjustments for:					
Depreciation on property and equipment	12	28,176,387	27,290,530	29,409,637	28,523,062
Amortisation of intangibles assets	13	13,553,335	4,597,867	13,553,335	4,597,867
Net foreign exchange differences		(934,383)	(1,073,415)	(1,036,032)	(508,440)
Provision for impairment of receivables	17	394,584	14,616	394,584	14,616
Gain on disposal of property and equipment	5	(4.400.707)	(175,000)	- (4.400.707)	-
Gain on derecognition of right-of-use asset	5	(1,100,727)	-	(1,100,727)	-
Gain on modification of right-of-use asset	5 22	(694,257)	-	(694,257)	702.000
Movement in post-employment benefits Interest expense	8(b)	5,921,000 4,741,397	809,000 2,599,823	5,921,000 5,309,344	783,000 3,167,770
Interest expense	0(D)	(947,288)	(410,992)	(1,047,625)	(471,009)
Operating profit before working					
capital changes		235,798,482	128,492,119	235,757,359	127,279,026
Decrease/(increase) in inventories		668,660	(1,842,633)	803,332	(1,842,633)
Increase in trade and other receivables		(50,205,885)	(2,915,158)	(51,104,470)	(5,333,158)
Increase/ (decrease) in trade and other payables Loan advanced to related party	25 (i)	192,015,500 (60,000,000)	(52,908,643)	196,013,510 (60,000,000)	(46,868,856)
Cash generated from operations	23 (1)	318,276,757	70,825,685	321,469,731	73,234,379
Interest paid		(4,741,397)	(2,599,823)	(5,309,344)	(3,167,770)
Interest received	8	797,295	410,992	897,632	471,009
Income tax paid	10 (b)	(3,211,233)	(13,527,035)	(3,211,233)	(13,527,035)
Net cash generated from operating	(12)	311,121,422	55,109,819	313,846,786	57,010,583
activities		011,121,422		010,040,700	
Cash flows from investing activities					
Purchase of property and equipment		(24,779,334)	(29,880,526)	(24,779,334)	(29,880,526)
Purchase of intangibles assets	13	(25,818,441)	(80,764,832)	(25,818,441)	(80,764,832)
Non-current deposit to bank	15	(400,000)	-	-	-
Proceeds from sale of property and		_	175,000		-
equipment Net cash used in investing activities		(50,997,775)	(110,470,358)	(50,597,775)	(110,645,358)
Net cash used in investing activities		(30,991,113)	(110,470,336)	(30,391,113)	(110,043,336)
Cash flows from financing activities					
Lease liability principal payment	20	(8,620,186)	(8,611,471)	(11,176,667)	(11,043,524)
Proceeds from loan	24	-	87,960,000	-	87,960,000
Repayment of loan	24	(9,258,947)	(1,543,158)	(9,258,947)	(1,543,158)
Dividends paid	27	(125,800,000)	(57,800,000)	(125,800,000)	(57,800,000)
Net cash (used in)/generated from financing activities		(143,679,133)	20,005,371	(146,235,614)	17,573,318
Net increase/ (decrease) in cash and		116 444 544	(25 255 160)	117.012.207	(26.061.457)
cash equivalents		116,444,514	(35,355,168)	117,013,397	(36,061,457)
Net foreign exchange differences		934,383	1,073,415	1,036,032	508,440
Cash and cash equivalents at 01 January Cash and cash equivalents at		254,770,621	289,052,374	252,569,013	288,122,030
31 December	18	372,149,518	254,770,621	370,618,442	252,569,013

The notes on pages 76 to 109 form an integral part of these financial statements.



For The Year Ended 31 December 2022

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

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 2.4 Significant accounting judgements and estimates Company and its subsidiaries (the "Group").

2. ACCOUNTING POLICIES

2.1 Basis of preparation

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

2.2 Statement of compliance

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

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of Lottotech Ltd and its subsidiaries as at 31 December 2022. 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

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 noncontrolling 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

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

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

Judgements

Revenue

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

Going concern

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 up to April 2029. During the year, the impact of Covid-19 has been assessed as not significant by the directors given that the loto and Loto Vert games are still being operated, the cash flow of the Company has improved

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

2. ACCOUNTING POLICIES (Cont'd)

2.4 Significant accounting judgements and estimates (Cont'd)

Going concern (Cont'd)

and the Company is in a profit making situation. 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 Directors have made an assessment of the going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but is not limited to, twelve months from the date of approval of these annual financial statements and confirm that they have not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

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

The following standards, amendments and interpretations were applicable for the first time in 2022, but did not have an impact on the financial statements of the Group.

	Effective for accounting period beginning on or after
${\sf IFRS3:ReferencetotheConceptualFramework}$	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	O1 January 2022
IFRS 9 Financial Instruments – Clarified which fees should be included in the '10%' test for derecognition of financial liabilities	01 January 2022
IFRS 16: Treatment about lease incentives	01 January 2022
IAS 41 Agriculture - Taxation in fair value measurements	01 January 2022

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

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

New or revised standards and interpretations:

	Effective for accounting period beginning on or after
IFRS 17 Insurance Contracts	01 January 2023
Amendments	
IAS 1: Classification of Liabilities as Current or Non-current	01 January 2024
IAS 8: Accounting policies, changes in accounting estimates and errors	01 January 2023
IAS 1: Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practise Statement 2	O1 January 2023
IAS 12: Deferred tax relating to assets and liabilities arising from a single transaction	01 January 2023

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

2.7 Summary of significant accounting policies

(a) Business combinations and goodwill

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

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





For The Year Ended 31 December 2022 (Cont'd)

ACCOUNTING POLICIES (Cont'd)

2.7 Summary of significant accounting policies (Cont'd)

(a) Business combinations and goodwill (Cont'd)

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 The draw-based game is operated under a prize pool mechanism less any accumulated impairment losses.

The Group's turnover consists of proceeds from lottery tickets, which are the wagers placed on lottery tickets on the Group's drawbased 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 (g) 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.

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 22) 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 drawbased 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

2.7 Summary of significant accounting policies (Continued)

(g) Retailers' and other commissions

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

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

(h) Property and equipment

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

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

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

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

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

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

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

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

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

(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 cashgenerating 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.



For The Year Ended 31 December 2022 (Cont'd)

2. ACCOUNTING POLICIES (cont'd)

2.7 Summary of significant accounting policies (cont'd)

(i) Intangible assets (cont'd)

A summary of the policies applied to the	Software licences
Group's intangible asstes is as follows:	
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 lowvalue assets are recognised as expense on a straight-line basis over the lease term. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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

 the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use.

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

Measurement and recognition of leases as a lessee

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

2. ACCOUNTING POLICIES (cont'd)

2.7 Summary of significant accounting policies (cont'd)

(I) Inventories

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

(m) Cash and cash equivalents

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

(n) Stated capital

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

(o) Current and deferred income tax

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

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

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

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

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

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

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The directors apply judgement to determine whether sufficient future taxable profit will be available after considering, amongst others, factors such as cash flows and budgets. The carrying amount of deferred tax asset is reviewed at each reporting date.

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

(p) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution

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

(iii) Post-employment benefits

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

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



For The Year Ended 31 December 2022 (Cont'd)

2. ACCOUNTING POLICIES (cont'd)

2.7 Summary of significant accounting policies (cont'd)

(p) Employee benefits (cont'd)

(iii) Post-employment benefits (cont'd)

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.

Following the change in legislation in August 2022 as per the Workers' Rights Act 2019 and the Finance (Miscellaneous Provisions) Act 2022, the Company must pay a lump sum equivalent to:

-15/26 times of the average monthly remuneration in the last 12 months for each year of service with the Company at retirement to those employees working 6-day weeks, or

-15/22 times of the average monthly remuneration in last 12 months for each year of service with the Company at retirement to those employees working 5-day weeks.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

2. ACCOUNTING POLICIES (cont'd)

2.7 Summary of significant accounting policies (cont'd)

(r) Financial Instruments (cont'd)

(i) Financial assets (cont'd)

Impairment (cont'd)

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 'passthrough' arrangement; and either (a) the Group has transferred
 substantially all the risks and rewards of the asset, or (b) the
 Group has neither transferred nor retained substantially all the
 risks and rewards of the asset, but has transferred control of the
 asset.

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

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

(ii) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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.

(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.

For The Year Ended 31 December 2022 (Cont'd)



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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

2. ACCOUNTING POLICIES (cont'd)

2.7 Summary of significant accounting policies (cont'd)

(t) Segment information

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

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

(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

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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:

2022 Financial assets	2022 Financial liabilities	2021 Financial assets	2021 Financial Iiabilities
MUR	MUR	MUR	MUR
500,417,407	541,040,079	248,191,228	357,000,077
9,268,110	-	34,472,457	2,594,961
670,194	-	472,420	-
376,108	1,545,414	378,758	233,902
510,731,819	542,585,493	283,514,863	359,828,940
499,061,560	552,488,299	249,792,806	363,138,772
9,268,110	-	34,393,054	2,594,961
670,194	-	472,420	-
508,999,864	552,488,299	284,658,280	365,733,733
	499,061,560 9,268,110 670,194 376,108	assets MUR MUR 500,417,407 9,268,110 670,194 376,108 1,545,414 510,731,819 499,061,560 9,268,110 670,194 - 670,194 - 499,061,560 552,488,299 9,268,110 670,194	assets liabilities assets MUR MUR MUR 500,417,407 541,040,079 248,191,228 9,268,110 - 34,472,457 670,194 - 472,420 376,108 1,545,414 378,758 510,731,819 542,585,493 283,514,863 499,061,560 552,488,299 249,792,806 9,268,110 - 34,393,054 670,194 - 472,420

At 31 December 2022, if the Mauritian rupee ("MUR") had weakened/strengthened by 5% against the United States dollar ("USD") with all other variables held constant, post-tax profit and equity for the year for the Group would have increased/decreased by **MUR463,406** (2021 – MUR1,595,216) and the Company would have increased/decreased by **MUR463,406** (2021 – MUR1,591,245).

At 31 December 2022, if the Mauritian rupee ("MUR") had weakened/strengthened by 5% against the EURO ("EUR") with all other variables held constant, post-tax profit for the year and equity for both the Group and the Company would have increased/decreased by **MUR33,510** (2021 MUR23,621), mainly as a result of currency differences on translation of EUR denominated bank balances.

At 31 December 2022, if the Mauritian rupee ("MUR") had weakened/strengthened by 5% against the Great Britain Pound ("GBP") with all other variables held constant, post-tax profit for the year and equity for the Group would have decreased/increased by **MUR18,805** (2021 -MUR 18,938), mainly as a result of currency differences on translation of GBP denominated bank balances.

For The Year Ended 31 December 2022 (Cont'd)

3. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(i) Foreign exchange risk (cont'd)

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 2022, the sensitivity to a reasonable possible increase/decrease in interest rates by 50 basis points with all other variables held constant, post-tax profit for the year and equity for the Group would have decreased/increased by MUR284,932 (2021 - MUR137,370).

(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 2022 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

3. FINANCIAL RISK MANAGEMENT (cont'd)

(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 2022	Within six months	Between six months to 1 year	Between 1 to 5 years	Above 5 years	Total
	MUR	MUR	MUR	MUR	MUR
Liabilities					
Lease liabilities	4,569,717	4,569,717	17,097,076	-	26,236,510
Interest-bearing loans and borrowings	7,159,290	6,064,661	44,525,463	34,050,000	91,799,414
Trade and other payables	465,427,598				465,427,598
	477,156,605	10,634,378	61,622,539	34,050,000	583,463,522
As at 31 December 2021					
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
COMPANY					
As at 31 December 2022					
Liabilities					
Lease liabilities	0.000.747	6 060 747	250 500 205		24 026 540
Interest-bearing loans and	6,069,717	6,069,717	22,097,076	24.050.000	34,236,510
borrowings	7,159,290	6,064,661	44,525,463	34,050,000	91,799,414
Trade and other payables	475,330,404	12,134,378	66,622,539	34,050,000	475,330,404 601,366,328
	488,559,411	12,134,376		34,030,000	
As at 31 December 2021					
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



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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

4. REVENUE

4.1 Revenue information

	GROUP		COM	PANY	
	2022	2021	2022	2021	
	MUR	MUR	MUR	MUR	
Type of good or service					
Revenue from lottery tickets	1,477,545,176	1,054,232,229	1,477,545,176	1,054,232,229	
Commission income	1,343,468	1,771,948	-		
Total revenue from contract with customers	1,478,888,644	1,056,004,177	1,477,545,176	1,054,232,229	
Geographical market					
Mauritius	1,478,888,644	1,056,004,177	1,477,545,176	1,054,232,229	
Total revenue from contract with customers	1,478,888,644	1,056,004,177	1,477,545,176	1,054,232,229	
Timing of revenue recognition					
Revenue recognised at a point in time	1,478,888,644	1,056,004,177	1,477,545,176	1,054,232,229	
Total revenue from contract with customers	1,478,888,644	1,056,004,177	1,477,545,176	1,054,232,229	

4.2 Revenue from contracts with customers

	GROUP		COMPANY	
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Trade receivables	78,505,647	28,727,400	78,304,768	28,803,496
Contract liabilities				
At O1 January	13,619,230	14,149,880	13,619,230	14,149,880
Movement	(12,973,540)	(530,650)	(12,973,540)	(530,650)
At 31 December	645,690	13,619,230	645,690	13,619,230

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

3. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

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 2022 was assessed to be insignificant.

(d) Capital management

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

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

There were no changes in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

(e) Financial instruments by category

	GROUP		сом	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
	Financial assets at amortised cost			
Financial assets				
Trade and other receivables	78,470,815	28,744,242	78,269,936	32,089,267
Cash and cash equivalents	372,149,518	254,770,621	370,618,442	252,569,013
	450,620,333	283,514,863	448,888,378	284,658,280
Trade and other receivables include related party	balances.			

Financial liabilities at amortised cost	Financial liabilities at amortised cost	Financial liabilities at amortised cost	Financial liabilities at amortised cost
465,427,598	273,412,098	475,330,404	279,316,891
77,157,895	86,416,842	77,157,895	86,416,842
542,585,493	359,828,940	552,488,299	365,733,733
	at amortised cost 465,427,598 77,157,895	at amortised cost at amortised cost 465,427,598 273,412,098 77,157,895 86,416,842	at amortised cost at amortised cost at amortised cost 465,427,598 273,412,098 475,330,404 77,157,895 86,416,842 77,157,895



For The Year Ended 31 December 2022 (Cont'd)

5. OTHER INCOME

	GROUP		сом	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
	WOR	IVIOIN	WOR	WIOK
Management fees		-	24,000	48,000
IT services	1,040,829	1,015,000	1,040,829	1,015,000
Other commissions	-	20,418	-	20,418
Gain on disposal of equipment		175,000	-	-
Gain on derecognition of right-of-use asset of a leased building*	1,100,727	-	1,100,727	-
Gain on modification of right-of-use asset of a leased building*	694,257	-	694,257	-
	2,835,813	1,210,418	2,859,813	1,083,418

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

6. GAMING SYSTEMS AND DATA COMMUNICATION COSTS

	GR	GROUP		PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Depreciation (Note 12)	28,176,387	27,290,530	29,409,637	28,523,062
Amortisation of intangibles (Note 13)	13,553,335		13,553,335	4,597,867
Communication costs	54,812,451	44,028,612	52,273,642	44,000,572
Lottery technological support	35,522,115		35,522,115	27,195,867
Consumables (Note 16)	21,192,178		21,155,613	13,664,980
Draw operations	4,008,978		6,408,978	6,520,010
Other expenses	3,247,363	5,425,991	3,788,864	8,428,147
	160,512,807	128,723,857	162,112,184	132,930,505

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (cont'd)

7. OTHER OPERATING EXPENSES

	GROUP		СОМ	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Staff costs (Note 9)	121,978,979	108,221,823	120,831,570	106,017,141
Management fee	70,361,874	45,748,879	70,361,874	45,748,879
Rent and utilities	6,741,853	6,196,173	6,741,853	6,196,173
Legal and professional fees	13,035,722	9,812,432	13,016,192	9,715,040
Software licence and other information technology cost	18,162,031	13,780,997	18,162,031	13,780,997
Motor vehicle expenses	3,607,144	2,156,400	3,607,144	2,132,643
Municipal fees and licences	5,494,551	7,047,408	5,479,551	7,031,408
Insurance costs	3,881,938	3,817,695	3,881,938	3,813,797
Medical expenses	1,765,370	2,028,583	1,744,408	1,994,107
Maintenance contracts	8,347,697	8,623,000	8,347,697	8,623,000
Printing, postages and stationery	2,804,288	2,216,181	2,797,215	2,183,123
Repairs and maintenance	1,424,355	959,181	1,424,355	959,181
Other expenses	10,777,293	7,082,934	10,720,086	7,044,811
Fees payable to auditor for:				
Audit services	1,242,000	1,255,225	1,092,500	1,117,225
Tax services	189,750	168,750	149,500	143,750
	269,814,845	219,115,661	268,357,914	216,501,275

8. FINANCE INCOME/(COSTS)

(a) Finance income from an effective interest rate

	GROUP		COMPANY	
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Interest income on:				
Non-current deposits	6,670	4,475	-	-
Interest on related party loans	42,987	281,622	149,994	346,114
Bank balances	4,726	72,945	4,726	72,945
Debt instruments at amortised cost	892,905	51,950	892,905	51,950
	947,288	410,992	1,047,625	471,009

Debt instuments at amortised cost represent interest earned on short term treasury bills which have matured during the year.

(b) Finance cost				
Interest expense on:				
Interest on debts and borrowings	(3,297,770)	(989,958)	(3,422,199)	(989,958)
Lease liability (Note 20)	(1,443,627)	(1,609,865)	(1,887,145)	(2,177,812)
	(4,741,397)	(2,599,823)	(5,309,344)	(3,167,770)



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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

For The Year Ended 31 December 2022 (Cont'd)

9. STAFF COSTS

	GROUP		сом	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Wages and salaries	106,548,290	100,621,909	105,480,714	98,628,609
Staff welfare benefits	3,927,842	3,072,725	3,929,664	3,028,719
Defined contribution costs	5,581,847	3,733,189	5,500,192	3,576,813
Post-employment benefits (Note 22)	5,921,000	794,000	5,921,000	783,000
	121,978,979	108,221,823	120,831,570	106,017,141

10. INCOMETAX

The Group is liable to income tax on its profits, as adjusted for income tax purposes, at the rate of 17% (2021 - 17%). The 17% tax rate consists of 15% corporate income tax and 2% Corporate Social Responsibility tax ("CSR").

(a) Charge for the year

	GROUP		СОМ	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Current income tax	26,777,701	4,278,822	26,777,701	4,278,822
Deferred income tax (Note 21)	5,593,332	11,314,364	4,919,900	11,139,669
Under/(over) provision of deferred tax in prior year	194,045	803,921	(2,485)	803,921
Income tax expense	32,565,078	16,397,107	31,695,116	16,222,412

A reconciliation between the actual rate of income tax charge of **MUR 32,565,078** incurred by the Group (2021 – MUR 16,397,107) and the tax calculated at the applicable income tax rate of 17% (2021 – 17%) is as follows:

	GROUP		СОМ	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Profit before income tax	186,688,434	94,839,690	185,048,100	91,172,160
Tax on the profit at 17% (2021–17%)	31,737,034	16,122,747	31,458,177	15,499,267
Non-tax deductible expenses	1,482,110	(159,892)	1,087,535	288,893
Income not subject to tax	(848,111)	(369,669)	(848,111)	(369,669)
Under/(over) provision of deferred tax in prior year	194,045	803,921	(2,485)	803,921
Effective income tax charge	32,565,078	16,397,107	31,695,116	16,222,412

Non-tax deductible expenses include legal and professional fees.

10. INCOME TAX (cont'd)

(b) Current income tax liabilities/(assets)

Income tax liabilities amounted to MUR 22,921,590 at 31 December 2022 (2021 - income tax assets of MUR 644,878).

	GROUP		СОМ	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
At 01 January	(644,878)	8,603,335	(644,878)	8,603,335
Income tax charge for the year	26,777,701	4,278,822	26,777,701	4,278,822
Income tax paid	(3,211,233)	(13,527,035)	(3,211,233)	(13,527,035)
At 31 December	22,921,590	(644,878)	22,921,590	(644,878)

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 2022 and 2021, there were no instruments with potential dilutive effect.

2021	2022	2021
MUR	MUR	MUR
78,442,583	153,352,984	74,949,748
340,000,000	340,000,000	340,000,000
0.23	0.45	0.22
_	78,442,583 340,000,000	78,442,583 153,352,984 340,000,000 340,000,000

For The Year Ended 31 December 2022 (Cont'd)

12. PROPERTY AND EQUIPMENT

				GROUP				
	Right-of-use asset Building	Right-of-use asset Vehicles	Leasehold improvement	Equipment	Furniture and fittings	Motor vehicles	Work-in progress	Total
	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Cost:								
At 01 January 2021	37,590,011	7,192,932	77,385,770	416,123,851	15,208,238	1,983,854	51,051,554	606,536,210
Transfer	-	-	-	111,169	-	-	(46,658,541)	(46,547,372)
Additions	115,928	-	-	18,934,121	-	-	10,946,405	29,996,454
Disposal	-	-	-	-	-	(1,143,000)	-	(1,143,000)
Scrapped				(1,483,679)			-	(1,483,679)
At 31 December 2021	37,705,939	7,192,932	77,385,770	433,685,462	15,208,238	840,854	15,339,418	587,358,613
Transfer	-	-	-	19,971,439	-	-	(19,971,439)	-
Additions	14,828,949	-	-	-	-	-	24,779,334	39,608,283
Scrapped	-	-	-	(38,400,996)	-	(67,225)	-	(38,468,221)
Derecognition of right-of-use asset	(23,772,064)	-	-	-	-	-	-	(23,772,064)
Modification of right-of-use asset	(694,257)					-	-	(694,257)
At 31 December 2022	28,068,567	7,192,932	77,385,770	415,255,905	15,208,238	773,629	20,147,313	564,032,354
Accumulated depreciation: At 01 January								
2021	13,154,199	599,411	71,022,184	344,167,860	13,466,630	1,925,349	-	444,335,633
Charge for the year (Note 6)	7,649,290	1,438,584	771,927	17,110,859	287,958	31,912	-	27,290,530
Disposal	-	-	-	-	-	(1,143,000)	-	(1,143,000)
Scrapped	-	-	-	(1,483,679)	-	-	-	(1,483,679)
At 31 December 2021	20,803,489	2,037,995	71,794,111	359,795,040	13,754,588	814,261	-	468,999,484
Charge for the year (Note 6)	7,520,422	1,438,584	771,927	18,202,244	216,617	26,593	-	28,176,387
Scrapped	-	-	-	(38,400,996)	-	(67,225)	-	(38,468,221)
Derecognition of right-of-use	(20,186,529)					-	-	(20,186,529)
At 31 December 2022	8,137,382	3,476,579	72,566,038	339,596,288	13,971,205	773,629	-	438,521,121
Net carrying amount: At 31 December								
2022	19,931,185	3,716,353	4,819,732	75,659,617	1,237,033		20,147,313	125,511,233
At 31 December 2021	16,902,450	5,154,937	5,591,659	73,890,422	1,453,650	26,593	15,339,418	118,359,129

In year 2021, the right of use on building and motor vehicles were presented as a total. In year 2022, a split of the class of assets has been made for presentation purposes. There has been no impact on the reported results.

The Group has pledged all the immovable and movable assets, first rank floating charge with the State Bank of Mauritius Ltd to fullfil collateral requirements.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

12. PROPERTY AND EQUIPMENT (cont'd)

				COMPANY				
	Right-of-use asset Building	Right-of-use asset Vehicles	Leasehold improvement	Equipment	Furniture and fittings	Motor vehicles	Work-in progress	Total
	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Cost:								
At 01 January 2021	50,870,935	7,192,932	77,359,312	409,067,310	15,208,238	1,876,700	51,051,554	612,626,98
Transfer	-	-	-	111,169	-	-	(46,658,541)	(46,547,37)
Additions	115,928	-	-	18,934,121	-	-	10,946,405	29,996,45
Scrapped				(1,483,679)				(1,483,67
At 31 December 2021	50,986,863	7,192,932	77,359,312	426,628,921	15,208,238	1,876,700	15,339,418	594,592,38
Transfer	-	-	-	19,971,439	-	-	(19,971,439)	
Additions	14,828,949	-	-	-	-	-	24,779,334	39,608,28
Scrapped	-	-	-	(38,400,996)	-	(67,225)	-	(38,468,22
Derecognition of right-of-use asset	(23,772,064)	-	-	-	-	-	-	(23,772,06
Modification of right-of-use asset	(694,257)					-	-	(694,25
At 31 December 2022	41,349,491	7,192,932	77,359,312	408,199,364	15,208,238	1,809,475	20,147,313	571,266,12
Accumulated depreciation:								
At 01 January 2021	14,037,379	599,411	71,022,184	343,663,405	13,466,630	1,818,195	-	444,607,20
Charge for the year (Note 6)	10,297,459	1,438,584	771,927	15,695,222	287,958	31,912	-	28,523,06
Scrapped				(1,483,679)		-	-	(1,483,679
At 31 December 2021	24,334,838	2,037,995	71,794,111	357,874,948	13,754,588	1,850,107	-	471,646,58
Charge for the year (Note 6)	10,172,422	1,438,584	771,927	16,783,494	216,617	26,593	-	29,409,6
Scrapped	-	-	-	(38,400,996)	-	(67,225)	-	(38,468,22
Derecognition of right-of-use	(20,186,529)					-	-	(20,186,52
At 31 December 2022	14,320,731	3,476,579	72,566,038	336,257,446	13,971,205	1,809,475	-	442,401,47
Net carrying amount:								
At 31 December 2022	27,028,760	3,716,353	4,793,274	71,941,918	1,237,033	-	20,147,313	128,864,6
At 31 December 2021	26,652,025	5,154,937	5,565,201	68,753,973	1,453,650	26,593	15,339,418	122,945,7

In year 2021, the right of use on building and motor vehicles were presented as a total. In year 2022, a split of the class of assets has been made for presentation purposes. There has been no impact on the reported results.

The Company has pledged all the immovable and movable assets, first rank floating charge with the State Bank of Mauritius Ltd to fullfil collateral requirements.





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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

13. INTANGIBLE ASSETS

	GR	OUP and COMPANY	
	Software	Work-in progress	Total
	MUR	MUR	MUR
Cost:			
At 01 January 2021	-	-	-
Additions	80,764,832	-	80,764,832
Transfer	46,547,372	<u> </u>	46,547,372
At 31 December 2021	127,312,204	-	127,312,204
At O1 January 2022	127,312,204	-	127,312,204
Additions		25,818,441	25,818,441
Transfer	8,821,811	(8,821,811)	-
At 31 December 2022	136,134,015	16,996,630	153,130,645
Amortisation:			
At 01 January 2021	_	_	_
Charge for the year	4,597,867	-	4,597,867
At 31 December 2021	4,597,867	-	4,597,867
			
At O1 January 2022	4,597,867	-	4,597,867
Charge for the year	13,553,335	<u> </u>	13,553,335
At 31 December 2022	18,151,202	<u> </u>	18,151,202
Net carrying amount:	447.000.000	40.000.000	404.070.550
At 31 December 2022	117,982,813 	16,996,630	134,979,443
At 31 December 2021	100 714 227		100 714 227
At 31 December 2021	122,714,337		122,714,337

In the financial statement of 2021, intangible assets were disclosed in total. Management has reviewed the presentation and disclosed softwares and work in progress separately. There has been no impact on the reported results.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

14. INVESTMENT IN SUBSIDIARIES

 At 01 January
 50,251,797
 50,251,797

 At 31 December
 50,251,797
 50,251,797

Details pertaining to the subsidiaries:

	Country of incorporation	Principal activity	Proportion of ownership	Recoverable value (MUR)
Loterie Vert Ltd	Mauritius	Gaming	100%	26,636,929
Pool Joseph Merven Limited (PJML)	Mauritius	Agent of a foreign pool promoter	100%	23,614,868

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

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

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 2026.

16. INVENTORIES

	GR	OUP	COMPANY		
	2022	2021	2022	2021	
	MUR	MUR	MUR	MUR	
At cost:					
Ticket rolls, bet slips and others	2,495,219	3,163,879	2,360,547	3,163,879	

Inventories recognised as an expense during the year ended amounted to **MUR21,192,178** for the Group and **MUR 21,155,613** for the Company (Group and Company for 2021- MUR13,664,980)



For The Year Ended 31 December 2022 (Cont'd)

17. TRADE AND OTHER RECEIVABLES

	GR	OUP	сом	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Trade receivables	78,505,647	28,727,400	78,304,768	28,803,496
Allowance for expected credit losses	(453,838)	(59,254)	(453,838)	(59,254)
	78,051,809	28,668,146	77,850,930	28,744,242
Receivables from related parties (Note 25(ii)):				
Amount due from subsidiaries	-	-	4,348,052	3,268,929
Amount due from ultimate holding company	60,111,486	-	60,111,486	-
Entities under common control	419,006	76,096	419,006	76,096
Prepayments and deposits	10,396,164	10,272,929	10,324,855	10,105,183
	148,978,465	39,017,171	153,054,329	42,194,450

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

Trade receivables are summarised as follows:

	GR	OUP	COMPANY		
	2022	2021	2022	2021	
	MUR	MUR	MUR	MUR	
Not yet due	70,904,507	23,876,822	70,703,628	23,952,918	
Past due	7,147,302	4,791,324	7,147,302	4,791,324	
In default	453,838	59,254	453,838	59,254	
	78,505,647	28,727,400	78,304,768	28,803,496	
Allowance for expected credit losses	(453,838)	(59,254)	(453,838)	(59,254)	
	78,051,809	28,668,146	77,850,930	28,744,242	
Post dos					
Past due Up to 3 months	7,147,302	4,791,324	7,147,302	4,791,324	

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

17. TRADE AND OTHER RECEIVABLES (cont'd)

Expected credit losses

At 31 December 2022, trade receivables of MUR453,838 (2021 - MUR59,254) 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:

	GR	OUP	COMPANY		
	2022	2021	2022	2021	
	MUR	MUR	MUR	MUR	
At O1 January	59,254	44,638	59,254	44,638	
Expected credit losses recognised	394,584	14,616	394,584	14,616	
At 31 December	453,838	59,254	453,838	59,254	

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:

	GR	OUP	COMPANY		
	2022	2021	2022	2021	
	MUR	MUR	MUR	MUR	
Trade receivables:					
Expected credit losses	(394,584)	(14,616)	(394,584)	(14,616)	
	(394,584)	(14,616)	(394,584)	(14,616)	

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

In 2021, loss rates were based on actual credit loss experience over the past five years. These rates were multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data had been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.



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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

17. TRADE AND OTHER RECEIVABLES (cont'd)

Expected credit losses (cont'd)

Set out below in the information about the gradit risk exposure on the Croup's trade receivables using a provision matrix

Set out below is the information about the cre	are rion expectation	o o. o. o. o. o.		3 1		
Group 31 December 2022	Days past due					
	Current	Less than 30 days	30-60 days	61-90 days	Above 90 days	Total
	MUR	MUR	MUR	MUR	MUR	MUR
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	100.00%	
Total gross carrying amount at default	70,904,507	6,282,044	-	865,258	453,838	78,505,647
Expected credit losses		-		-	(453,838)	(453,838)
31 December 2021						
0120001111301 2021			Days pa	ast due		
	Current	Less than 30 days	31-60 days	61-90 days	Above 90 days	Total
	Current					Total MUR
Expected credit loss rate		days	31-60 days	61-90 days	days	
	MUR	days MUR 0.44%	31-60 days	61-90 days	days	MUR
Expected credit loss rate	MUR 0.00%	days MUR 0.44%	31-60 days MUR 6.28%	61-90 days	MUR 0.00%	

	Days past due							
Current	Less than 30 days	31-60 days	61-90 days	Above 90 days	Total			
MUR	MUR	MUR	MUR	MUR	MUR			
0.00%	0.00%	0.00%	0.00%	100.00%				
70,703,628	6,282,044	-	865,258	453,838	78,304,768			
-	-	-	-	(453,838)	(453,838)			
	MUR 0.00% 70,703,628	MUR MUR 0.00% 0.00% 70,703,628 6,282,044	Current Less than 30 days 31-60 days MUR MUR MUR 0.00% 0.00% 0.00% 70,703,628 6,282,044 -	Current Less than 30 days 31-60 days 61-90 days MUR MUR MUR MUR 0.00% 0.00% 0.00% 0.00% 70,703,628 6,282,044 - 865,258	Current Less than 30 days 31-60 days 61-90 days Above 90 days MUR MUR MUR MUR MUR 0.00% 0.00% 0.00% 100.00% 70,703,628 6,282,044 - 865,258 453,838			

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	23,952,918	4,136,051	714,527	-	-	28,803,496	
Expected credit losses	-	(18,131)	(41,123)	-	-	(59,254)	

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

18. CASH AND SHORT TERM DEPOSITS

	GR	OUP	COMPANY		
	2022	2021	2022	2021	
	MUR	MUR	MUR	MUR	
Cash at bank	372,149,518	254,770,621	370,618,442	252,569,013	

19. STATED CAPITAL

GROUP AND COMPANY						
2022 2022 2021 2021						
	Number	MUR	Number	MUR		
Issued and fully paid:						
	340,000,000	100,000,000	340,000,000	100,000,000		

20. LEASE LIABILITY

	GROUP		сом	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Amount recognised in the Statement of financial position:				
Right-of-use assets (Note 12)	23,647,538	22,057,387	30,745,114	31,806,962
As at 1 January Additions Derecognition of lease Modification to lease Accretion of interest Payments As at 31 December	24,028,829 14,828,949 (5,380,522) (694,257) 1,443,627 (10,063,813) 24,162,813	32,524,375 115,928 - - 1,609,865 (10,221,339) 24,028,829	34,060,363 14,828,949 (5,380,522) (694,257) 1,887,145 (13,063,812) 31,637,866	44,987,961 115,928 - 2,177,812 (13,221,338) 34,060,363
Lease liability: Current Non-current	8,040,769 16,122,045 24,162,814	6,515,376 17,513,453 24,028,829	10,728,045 20,909,821 31,637,866	9,071,858 24,988,505 34,060,363

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



For The Year Ended 31 December 2022 (Cont'd)

20. LEASE LIABILITY (cont'd)

	GR	OUP	COMPANY	
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Amount recognised in the Statement of profit or loss: Depreciation charge on right-of-use assets (Note 12) Interest expense included in finance cost (Note 8)	8,959,006 1,443,627	9,087,874 1,609,865	11,611,006 1,887,145	11,736,043 2,177,812
Amount recognised in the Statement of cash flows: Repayment of lease liability – principal portion Repayment of lease liability – interest portion	8,620,186 1,443,627	8,611,471 1,609,865	11,176,667 1,887,145	11,043,524 2,177,812
Other information: Weighted average remaining lease term	3.0 years	3.0 years	3.0 years	3.0 years

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

21. DEFERRED INCOME TAX (ASSETS)/LIABILITIES

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

GR	OUP	COMPANY	
2022	2021	2022	2021
MUR	MUR	MUR	MUR
7,676,582	(4,660,831)	10,714,400	(1,443,560)
5,593,332	11,314,364	4,919,900	11,139,669
(387,260)	219,128	(393,380)	214,370
194,047	803,921	(2,485)	803,921
13,076,701	7,676,582	15,238,435	10,714,400
(2,161,734)	(3,037,818)	-	-
15,238,435	10,714,400	15,238,435	10,714,400
13,076,701	7,676,582	15,238,435	10,714,400
	2022 MUR 7,676,582 5,593,332 (387,260) 194,047 13,076,701 (2,161,734) 15,238,435	MUR MUR 7,676,582 (4,660,831) 5,593,332 11,314,364 (387,260) 219,128 194,047 803,921 13,076,701 7,676,582 (2,161,734) (3,037,818) 15,238,435 10,714,400	2022 2021 2022 MUR MUR MUR MUR 7,676,582 (4,660,831) 10,714,400 5,593,332 11,314,364 4,919,900 (387,260) 219,128 (393,380) 194,047 803,921 (2,485) 13,076,701 7,676,582 15,238,435 (2,161,734) (3,037,818) - 15,238,435 10,714,400 15,238,435

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

21. DEFERRED INCOME TAX (ASSETS)/LIABILITIES (cont'd)

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

GROUP	Accelerated capital allowances	Post- employment benefits	Provision for impaired receivables	Accumulated tax losses	Total
	MUR	MUR	MUR	MUR	MUR
At 01 January 2021	(612,081)	(1,093,557)	(7,590)	(2,947,603)	(4,660,831)
Charge/ (credit) 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
Charge/ (credit) to profit or loss (Note 10)	5,923,371	(1,006,570)	(67,077)	743,608	5,593,332
Credit to other comprehensive income	-	(387,260)	-	-	(387,260)
(Over)/under provision of deferred tax in prior year	(2,485)	-	-	196,532	194,047
At 31 December 2022	17,377,940	(2,396,609)	(74,667)	(1,829,963)	13,076,701

COMPANY	Accelerated capital allowances	Post- employment benefits	Provision for impaired receivables	Accumulated tax losses	Total
	MUR	MUR	MUR	MUR	MUR
At 01 January 2021	(355,959)	(1,080,011)	(7,590)	-	(1,443,560)
Charge/(credit) to profit or loss (Note 10)	11,272,779	(133,110)	-	-	11,139,669
Charge to other comprehensive income	-	214,370	-	-	214,370
Under 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
Charge/(credit) to profit or loss (Note 10)	5,993,547	(1,006,570)	(67,077)	-	4,919,900
Credit to other comprehensive income	-	(393,380)	-	-	(393,380)
Over provision of deferred tax in prior year	(2,485)	-	-	-	(2,485)
At 31 December 2022	17,711,803	(2,398,701)	(74,667)	-	15,238,435

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 **MUR5,581,847** for the year ended 31 December 2022 (2021 – MUR3,733,189).

Since 1 January 2022, employers are required to make contributions into the Portable Retirement Gratuity Fund (PRGF) for their employees who are not covered under any approved pension schemes. As such, the estimated plan assets of Rs 221,000 for the Company as at 31 December 2022 are in respect of the total contributions for all employees to the PRGF (January 2022 to December 2022) without investment return as this is not yet known. The Company has contributed MUR948,000 during the year.

The Group has recognised a net defined benefit liability of MUR14,110,000 as at 31 December 2022 (2021: MUR5,911,000) in respect of any additional retirement gratuities that are expected to be paid out of the Group's cash flow to its employees under the Workers Rights Act (WRA) 2019.

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

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

For The Year Ended 31 December 2022 (Cont'd)

22. POST-EMPLOYMENT BENEFITS (cont'd)

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

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

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

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

	GROUP		СОМ	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Liability recognised in statement of financial position				
Post-employment benefits obligation	14,110,000	5,911,000	14,110,000	5,875,000
Amounts recognised in profit or loss				
Past service cost	4,843,000	15,000	4,843,000	14,000
Current service cost	1,431,000	671,000	1,431,000	646,000
Interest cost	595,000	196,000	595,000	196,000
Planned assets	(221,000)	-	(221,000)	-
Other benefits paid	(727,000)	(73,000)	(727,000)	(73,000)
	5,921,000	809,000	5,921,000	783,000
Amounts recognised in other comprehensive income				
Liability experience loss/(gain)	1,920,000	(1,263,000)	1,956,000	(1,235,000)
Liability loss/(gain) due to change in financial assumptions	353,000	(26,000)	353,000	(26,000)
Return on plan assets below interest income	5,000	-	5,000	-
	2,278,000	(1,289,000)	2,314,000	(1,261,000)

	GR	OUP	COMPANY		
Movements in liability recognised in statement of financial position	2022	2021	2022	2021	
	MUR	MUR	MUR	MUR	
At 01 January Amounts recognised in profit or loss	5,911,000 6,869,000	6,391,000 882,000	5,875,000 6,869,000	6,353,000 856,000	
Amounts recognised in other comprehensive income	2,278,000	(1,289,000)	2,314,000	(1,261,000)	
Employer contributions	(948,000)	(73,000)	(948,000)	(73,000)	
At 31 December	14,110,000	5,911,000	14,110,000	5,875,000	

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

22. POST-EMPLOYMENT BENEFITS (cont'd)

	GROUP		COMPANY			
Principal actuarial assumptions at end of year	2022	2021	2022	2021		
Discount rate Rate of salary increases Average retirement age (ARA)	6.70% 5.30% 60/65 years	4.80% 3.00% 60/65 years	6.70% 5.30% 60/65 years	4.80% 3.00% 60/65 years		
Sensitivity analysis on defined benefit obligation at end of period						
 Increase due to 1% decrease in discount rate Decrease due to 1% increase in discount rate 	3,587,000 2,578,000	2,111,000 1,725,000	3,587,000 2,578,000	2,111,000 1,725,000		

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.

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

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

Future cash flows

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

	GR	OUP	COMPANY		
	2022	2021	2022	2021	
 Expected employer contributions to PRGF and top up benefits for the next year 	722,000	187,000	722,000	148,000	
 Weighted average duration of the defined benefit obligation 	13 years	14 years	13 years	14 years	

	GR	DUP	COMPANY		
Reconciliation of Fair Value of Plan Assets	2022	2021	2022	2021	
	MUR	MUR	MUR	MUR	
Opening Balance	-	-	_	-	
Interest Income	5,000	-	5,000	-	
Employer contributions	948,000	73,000	948,000	73,000	
Benefits paid	(727,000)	-	(727,000)	-	
Return on plan assets excluding interest income	(5,000)	(73,000)	(5,000)	(73,000)	
	221,000		221,000	-	



For The Year Ended 31 December 2022 (Cont'd)

22. POST-EMPLOYMENT BENEFITS (cont'd)

Future cash flows (cont'd)

	GR	OUP	СОМ	PANY
Reconciliation of the present value of defined	2022	2021	2022	2021
benefit obligation .	MUR	MUR	MUR	MUR
December of all restant of the second	5 044 000	0.004.000	F 07F 000	0.050.000
Present value of obligation at 01 January Past service cost	5,911,000 4,843,000	6,391,000	5,875,000 4,843,000	6,353,000 14,000
Current service cost	1,431,000	686,000	1,431,000	646,000
Interest cost	600,000	196,000	600,000	196,000
Other benefits paid	(727,000)	(73,000)	(727,000)	(73,000)
Liability experience loss/(gain)	1,920,000	(1,263,000)	1,956,000	(1,235,000)
Liability gain due to change in financial assumptions	353,000	(26,000)	353,000	(26,000)
Present value of obligation at 31 December	14,331,000	5,911,000	14,331,000	5,875,000
Net defined benefit liability	14,110,000	5,911,000	14,110,000	5,875,000

23. TRADE AND OTHER PAYABLES

	GROUP		сом	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Trade payables	8,676,905	51,469,467	7,418,095	51,200,732
Accruals	57,310,142	15,263,881	56,841,250	15,236,390
Contract liabilities	645,690	13,619,230	645,690	13,619,230
Amounts due to related parties (Note 25 (ii))	30,497,758	17,547,434	42,176,048	23,748,452
Prize liability and reserve fund	196,289,615	79,104,209	196,241,833	79,104,209
Unclaimed prizes	29,996,110	15,472,171	29,996,110	15,472,172
Consolidated fund	142,011,378	80,935,706	142,011,378	80,935,706
	465,427,598	273,412,098	475,330,404	279,316,891

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

24. INTEREST-BEARING LOANS AND BORROWINGS

			GRO	UP	COM	PANY
	Interest Rate	Maturity	2022	2021	2022	2021
Current interest-bearing loans and borrowings	%		MUR	MUR	MUR	MUR
Bank Loan	3.60% - 6.25%	30 April 2031	9,258,948	9,258,948	9,258,948	9,258,948
Non-current interest-bearing loans and borrowings						
Bank Loan	3.60% - 6.25%	30 April 2031	67,898,947	77,157,894	67,898,947	77,157,894
Total interest-bearing loans and borrowings			77,157,895	86,416,842	77,157,895	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 3.60% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

24. INTEREST-BEARING LOANS AND BORROWINGS (cont'd)

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).

	GROUP		СОМ	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
At 1 January	86,416,842	_	86,416,842	-
Proceeds from new loans	-	87,960,000	-	87,960,000
Repayments of loans	(9,258,947)	(1,543,158)	(9,258,947)	(1,543,158)
At 31 December	77,157,895	86,416,842	77,157,895	86,416,842

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

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

The management assessed that the fair value of the loan approximates the carrying amount. The SBM prime lending rate as at 31 December 2022 was 6.25% (2021: 3.60%)

	GROUP		СОМ	PANY
	2022	2021	2022	2021
Interest-bearing loans and borrowings:	MUR	MUR	MUR	MUR
Current	9,258,948	9,258,948	9,258,948	9,258,948
Non-current	67,898,947	77,157,894	67,898,947	77,157,894
	77,157,895	86,416,842	77,157,895	86,416,842



For The Year Ended 31 December 2022 (Cont'd)

25. RELATED PARTY TRANSACTIONS

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

(i) Transactions carried out with related parties

	GROUP		сом	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Rent and utilities charged by entities under common control of Gamma-Civic Ltd	2,608,909	2,620,340	2,608,909	2,620,340
Purchase of services from entities under common control of Gamma-Civic Ltd	35,885,108	51,421,880	35,885,108	51,421,880
Other Income from ultimate holding company	420,000	210,000	420,000	210,000
Interest Income from subsidairies	-	-	107,008	89,265
Interest Income from ultimate holding company	42,987	-	42,987	-
Management fees from subsidiaries	-	-	24,000	48,000
Management fees from entities under common control	625,328	-	625,328	-
Loan to ultimate holding company	60,000,000	-	60,000,000	-
Loan to subsidiaries	-	-	-	1,799,434
	99,582,332	54,252,220	99,713,340	56,188,919

(ii) Balances with related parties at the reporting date

	GROUP		сом	PANY
	2022	2021	2022	2021
	MUR	MUR	MUR	MUR
Amounts receivable from related parties (Note 17):				
Amount due from subsidiaries	-	-	4,348,052	3,268,929
Amount due from ultimate holding company	60,111,486	-	60,111,486	-
Entities under common control	419,006	76,096	419,006	76,096
	60,530,492	76,096	64,878,544	3,345,025

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		сом	PANY
	2022 2021		2022	2021
	MUR	MUR	MUR	MUR
Amounts due to related parties (Note 23):				
Entities under common control	30,497,758	17,547,434	42,176,048	23,748,452

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

An amount of MUR1,244,439 was held by the Company on trust for Gamma Leisure Ltd, Maurilot Investments Ltd, Natlot Investments, Glot Holdings (Mauritius) Ltd and State Investment Corporation at 31 December 2022 (2021: MUR1,244,694).

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2022 (Cont'd)

25. RELATED PARTY TRANSACTIONS (cont'd)

(iii) Key management personnel compensation

The compensation to key management personnel is shown below:

	GROUP		сом	PANY
	2022 2021		2022	2021
	MUR	MUR	MUR	MUR
Coloring and other short torm ampleyes handite	24 505 420	22.169.456	24 505 420	22.169.456
Salaries and other short-term employee benefits Post-employment benefits	24,585,428 1,985,187	23,168,456 1,917,174	24,585,428 1,985,187	23,168,456 1,917,174
	26,570,615	25,085,630	26,570,615	25,085,630

26. BANK GUARANTEE

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

27. DIVIDENDS

The Company declared and paid dividends of **MUR125,800,000**, representing **MUR0.37** per share, in the year ended 31 December 2022 (2021 – MUR57,800,000, representing MUR0.17 per share).

28. EVENTS AFTER REPORTING PERIOD

No other subsequent events which will require reporting have been identified.



Notes

