



asL
AUTOMATIC SYSTEMS LTD.

35 YEARS
OF PASSION



**ANNUAL
REPORT
2025**



asL
AUTOMATIC SYSTEMS LTD.

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THE COMPANY AT A GLANCE

	2025 (Rs) Million		
	Turnover	Payment to Winners	Income
TOTE	334.6	230.5	104.1
FOOTBALL	539.9	366.4	173.5

9.8M

National Solidarity Fund

Nil

CSR Responsible Gambling Program

13.0M

License Fees to GRA

117.3M

Government Tax & Duty

(24.1)M

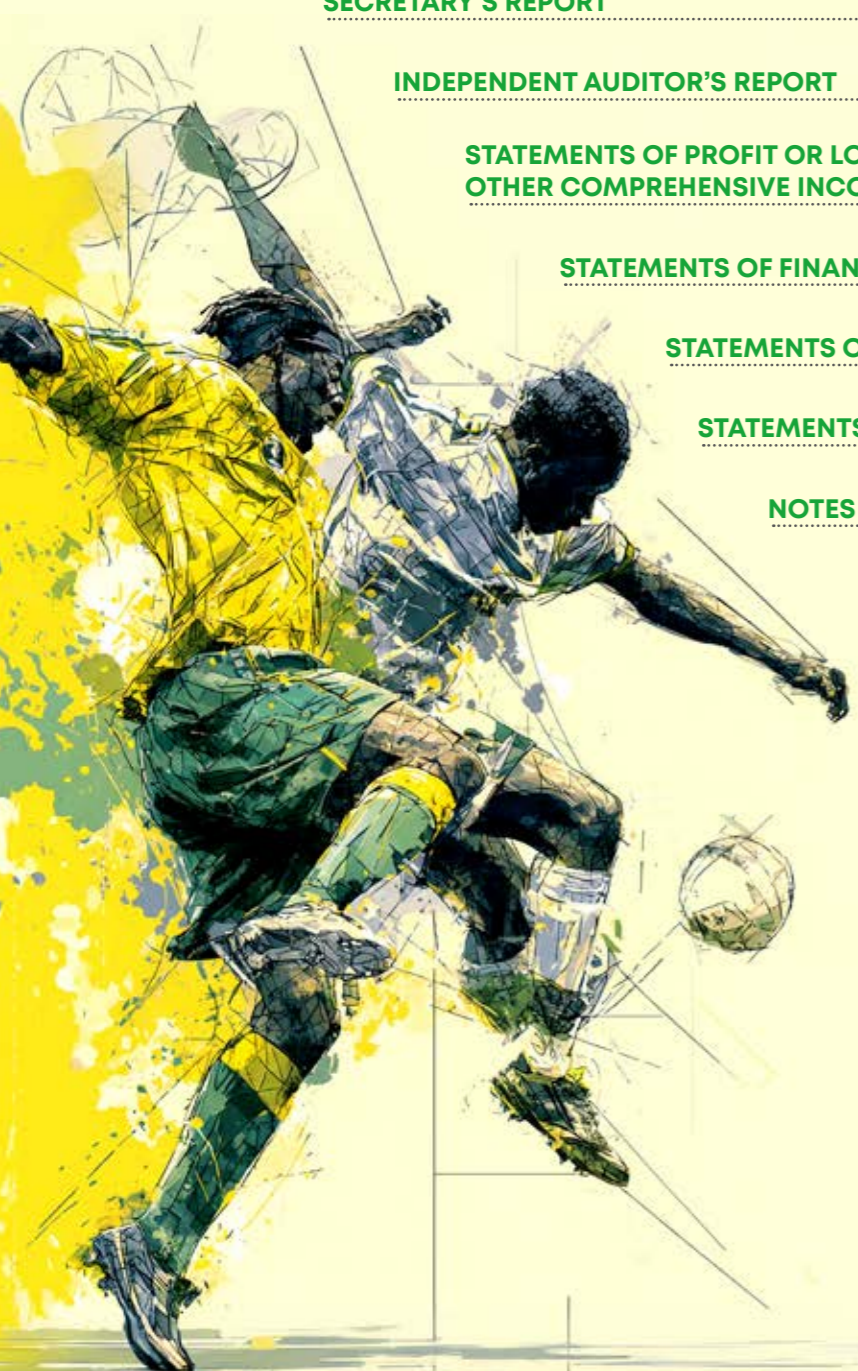
Loss after Tax

Rs 2

Per Share

Rs 7.070M

Dividend declared



BOARD COMMITTEES & MANAGEMENT

BOARD COMPOSITION AND MANAGEMENT DURING THE FINANCIAL YEAR 31 DECEMBER 2025

CHAIRPERSON

M. A. Eric **ESPITALIER NOËL**
(up to 30 June 2025)

M. L. Jean **HARDY**
(from 01 July 2025 and
up to 31 December 2025)

Michel J. L. **NAIRAC**
(as from 01 January 2026)

EXECUTIVE DIRECTOR

J. O. Guillaume **HARDY**

NON-EXECUTIVE DIRECTORS

Michel J. L. **NAIRAC**

M.L. Jean **HARDY**

Ravindra **CHETTY**

Sarah A. M. **HELLER**

John A. **STUART**

Arvind Lall **DOOKUN**

Mushtaq M. O. N. **OOSMAN**

O. Farouk A. A. **HOSSEN**
(resigned on 30 June 2025)

M.A. Eric **ESPITALIER NOËL**
(resigned on 30 June 2025)

INDEPENDENT DIRECTORS

Angelique Anne **COQUET-
DEVAUX DE MARIGNY**

Virginie **LENNON**

AUDIT & RISK COMMITTEE

Virginie **LENNON** (Chairperson)
(as from 26 March 2025)

Mushtaq M. O. N. **OOSMAN**

Angelique Anne **COQUET-
DEVAUX DE MARIGNY**
(as from 01 July 2025)

Arvind Lall **DOOKUN**
(up to 01 July 2025)

O. Farouk A. A. **HOSSEN**
(up to 26 March 2025)

CORPORATE GOVERNANCE (NOMINATION AND REMUNERATION) COMMITTEE

Ravindra **CHETTY** (Chairperson)

M. L. Jean **HARDY**

Sarah A. M. **HELLER**
(as from 01 July 2025)

M. A. Eric **ESPITALIER NOËL**
(up to 30 June 2025)

SENIOR MANAGEMENT

Robert C. Y. F. **AH YAN**
General Manager

ADMINISTRATION

REGISTERED OFFICE

C/O Box Office Ltd

2nd Floor, Palm Square,
90906 La Mivoie, Tamarin

COMPANY SECRETARY

Box Office Ltd

2nd Floor, Palm Square,
90906 La Mivoie, Tamarin

Tel: 4834309

REGISTRY & TRANSFER OFFICE

MCB Registry & Securities Ltd

Sir William Newton Street,
Port Louis, Mauritius

Tel: 2025000

EXTERNAL AUDITORS

Deloitte

7th - 8th Floor,
Standard Chartered Tower
19-21 Bank Street, Cybercity, Ebène

INTERNAL AUDITORS

Ernst & Young Ltd (EY)

6th Floor, Icon Ebène,
Rue de L'institut, Ebène

LEGAL ADVISORS

Me Hervé **DUVAL S.C**

1st Floor, Les Jamalacs Building,
Rue du Vieux Conseil, 11328, Port Louis

ENS Africa

18 Edith Cavell Street, Port Louis

NOTARY

Me Didier **MAIGROT**

1st Floor, Labama House, Sir William
Newton Street, Port Louis

BANKERS

The Mauritius Commercial Bank Limited

SBM Bank (Mauritius) Ltd

DIRECTORS' REPORT



DIRECTORS' REPORT

The Directors are pleased to present the Annual Report together with the audited financial statements of Automatic Systems Ltd (the “Company” or “ASL”) and its wholly owned subsidiary, Megawin Ltd (collectively referred to as the “Group”) for the financial year ended 31 December 2025.

The annual report is available on the Company's website: <https://automaticsystemsLtd.mu/>

Acknowledgement

The Board of Directors would like to express its heartfelt thanks to Mr Eric Espitalier Noel for his dedication, leadership and unwavering commitment during his tenure as Director and Chairperson of the Company. His leadership and contribution during a period of significant change have been instrumental in strengthening the Company's position.

The Board also extends its sincere thanks to Mr Farouk Hossen, who has been a Director of the Company from 1991 to 2025. His contribution and commitment to the Company's best interests have been greatly appreciated.

On behalf of the Board, Management and staff, the Company expresses its gratitude to both for their dedicated service and wishes them every success in their future endeavours.

Background and nature of the Company's operations

The Company was incorporated in 1991 for the purpose of operating the Totalisator (“Tote”) System for horse racing in Mauritius. Over more than three decades, the Company has established itself as a key stakeholder within the Mauritian horse racing ecosystem, contributing to industry sustainability while maintaining the highest standards of integrity and regulatory compliance.

The Tote System is a betting platform that is transparent, reliable and auditable whereby all the stakes placed on a particular type of bet for a particular race are pooled together and

distributed to winners after statutory deduction and commissions. The final payout is calculated automatically by a dedicated software upon the closure of betting, leaving no room for dispute or controversy against the Company, the horse racing organiser or the Government. All punters holding the same winning combination receive identical dividend irrespective of the time at which the bet was placed. The Company earns a fixed commission, regardless of the outcome of the race. This system is recognised worldwide and is operated in major racing jurisdictions such as the United States, France, Hong Kong, Australia, Japan and South Africa.

As a Company listed on the official market of the Stock Exchange of Mauritius (SEM) since 1994, ASL remains firmly committed to transparency, sound corporate governance and protection of shareholder value. At 31 December 2025 it had 1,641 shareholders on its register. As part of its regulatory obligations, the Company publishes its results on a quarterly basis on its website and on the SEM's platform.

In 2004, as part of measures aimed at curbing illegal betting operations that were affecting the horse racing industry, the Regulatory Authorities authorised Off-Course betting. The Company started operating Off-Course and has now 24 outlets, across the Island. One key ongoing challenge remains securing alternative premises and obtaining the necessary permits to replace outlets that may close due to unforeseen circumstances. A reduction in the number of off-course outlets would directly impact the Company's turnover and therefore constitutes an operational risk.

The Company was also a pioneer in SMS betting on the Tote in 2008, and in 2017 launched a new, more user-friendly application to facilitate SMS betting. The number of account holders for Telephone and SMS betting peaked in 2020, declined until 2024, and increased again in 2025.

The operating environment of the local horse racing landscape continued to evolve, particularly over the past years. Changes in race organisers required adaptability and resilience. Despite these developments, the Company maintained operational continuity and continued to deliver its services under the **Supertote** brand.

A major development occurred in 2025 whereby the Mauritius Turf Club Jockey Club (MTCJC) will assume the role of Tote operator and the Company as Tote Agent as from the 2026 racing season. Although this represents a fundamental change in the Company's environment and business model, no major change is expected on daily operations for 2026.

As part of its diversification strategy, in 2008 the Company started offering fixed-odds betting on foreign football matches under the brand **Superscore**, in accordance with the provisions of the Gambling Regulatory Authority (“GRA”) Act 2007.

During the year under review, the Company obtained a Remote Communication Licence from the Gambling Regulatory Authority, authorising it to conduct remote fixed-odds betting operations. This licence represents a significant milestone in the Company's strategic

development, enabling the provision of betting services through online and other remote communication channels. Operations under the licence were officially launched on 20 November 2025, marking the Company's entry into the regulated remote betting segment and reinforcing its commitment to innovation, accessibility and long-term sustainability.

Reflecting the Board and Management's focus on innovation and diversification, the Company incorporated Megawin Ltd in 2014 to pursue operations in Africa. The initial markets were Kenya and Nigeria. In 2023, operations were conducted solely in Ivory Coast. Following the termination of the Ivory Coast contract in December 2023, Megawin had no active operating contracts in 2024 and 2025.

Management and Board of Directors

Mr Robert Ah Yan is the Company's General Manager and Mr Guillaume Hardy acts as Executive Director since 01 of January 2023 by providing a daily support to the Management team.

FINANCIAL REVIEW

The Company's results

The Company's turnover reached Rs 874.4 million (2024: Rs 722.7 million) and its income (net of winnings) reached Rs 277.6 million (2024: Rs 240.0 million).

Total income for the year increased by 15.7%. The Company recorded a net loss of Rs 24.1 million for the year ended 31 December 2025, compared to a net loss of Rs 13.0 million in 2024, reflecting an overall improvement in underlying performance.

Football income declined slightly by 3.8%, from Rs 180.3 million in 2024 to Rs 173.5 million in 2025. In contrast, Tote income, which is directly correlated to turnover increased significantly by 74.4% during the year under review.

Operating expenses recorded a modest increase primarily attributable to salary increments. Both the 2024 and 2025 results were negatively impacted by goodwill impairment charges of Rs 13.3 million and Rs 17.1 million respectively, which weighed on overall profitability. The Company's performance for the current year was further impacted by the claims on the betting tax liabilities of Rs 12.1 million.

Tote turnover rose substantially from Rs 193.0 million in 2024, across 24 race meetings, to Rs 334.6 million in 2025, despite a reduced number of 16 meetings. This represents a marked improvement in performance, with average turnover per meeting increasing from Rs 8.0 million in 2024 to Rs 20.9 million in 2025 – an increase of 160%. The growth was observed across all distribution channels of Tote revenue.

The strong recovery in Tote performance is primarily attributable to the return of the historic horse racing organiser, the Mauritius Turf Club, through its company, the Mauritius Turf Club Jockey Club (MTCJC). The re-engagement of MTCJC contributed positively to market sentiment, attendance levels and overall betting activity during the 2025 season.

Notwithstanding this improvement, Tote performance continues to be constrained by several factors, including:

- The 14% betting tax on gross stakes;
- The reduced number of race meetings (16 for 2025);
- The number of runners per race; and
- The increased competition from Off-Course bookmakers, back as from 2025.

During the year under review, MTCJC was the sole horse racing organiser following two consecutive seasons under the organisation of People's Turf PLC (PTP) during which the MTCJC was not involved. The first race meeting for the 2025 season was held on 2 August 2025 (compared to 4 May 2024 the year before).

The financial statements of the Group and the Company are set out on pages 56 to 99. The auditors' report on these consolidated and separate financial statements appears on pages 50 to 53.

Horse racing operations at a glance:

Year	1 st race day	Number of race meetings	On course operations	Total Tote turnover (Rs)	Total payment to punters (Rs)	Tote income (Rs)	Average Tote turnover per meeting (Rs)	Payment to Government through various taxes and licences (Rs)
2024	04 May 2024	24	Infield only	193.0 M	133.3 M	59.7	8.0 M	104.7 M
2025	02 August 2025	16	Infield & Stand	334.6 M	230.5 M	104.1	20.9 M	126.2 M

The Tote income for the year increased from Rs 59.7 million to Rs 104.1 million.

DIRECTORS' REPORT (CONT'D)

Football operations at a glance:

Year	Turnover (Rs)	Turnover after tax (Rs)	Income (Rs)	Gross Gaming Revenue (Rs)	GGR %
2024	529.7 M	464.6 M	180.3 M	111.9 M	24.1
2025	539.9 M	473.6 M	173.5 M	103.7 M	21.9

Football betting operations ran throughout the whole year and income for the year in review reached Rs 173.5 million compared to Rs 180.3 million in 2024; payout in 2025 was higher, at Rs 366.4 million compared to Rs 349.4 million in 2024. Betting tax remained at 14% on gross stakes with a direct impact on payouts to clients.

The Group's Results

Loss for the Group amounted to Rs 24.1 million compared to a loss of Rs 12.8 million at 31 December 2024.

The table below illustrates the Company's performance derived from its local operation for the past three years.

	2025 Rs Million	2024 Rs Million	2023 Rs Million
Income* Horse racing	104.1	59.7	140.2
Income* Football	173.5	180.3	137.6
Total Income	277.6	240.0	277.8
NSF	9.8	6.6	10.9
Government Taxes	113.2	92.1	132.2
GRA Licenses	13.0	12.6	16.0
Responsible Gambling Levy	4.1	3.6	2.5
Total contribution to Government and Local Authorities	140.1	114.9	161.5
Commission to Racing Organiser	18.4	9.7	23.7
Loss for the year	(24.1)	(13.0)	(57.0)

*Income is composed of bets struck net of winnings.

- 16 race meetings held in 2025 compared to 24 in 2024.
- Income from horse racing increased from Rs 59.7 million to Rs 104.1 million.
- Football income decreased from Rs 180.3 million to Rs 173.5 million.
- Tax and other contributions to Government increased from Rs 114.9 million in 2024 to Rs 140.1 million in 2025 explained by the increase in Turnover.

In December 2025, the Directors have resolved, to declare a dividend of Rs 2.00 for the financial year ending 31 December 2025.

Year	2021	2022	2023	2024	2025
Share price at 31 December (Rs)	105.00	98.00	70.25	79.75	66.00
Total dividend per share declared during the year (Rs)	6.00	6.00	1.50	0.00	2.00

DIRECTORS' REPORT (CONT'D)

Totalisator

Turnover comparison:

	Total Turnover (Rs)		Variance	Average Turnover per meeting (Rs)		Variance
	2024	2025		2024	2025	
On Course	12,594,025	47,221,740	275%	524,751	2,951,359	462%
Off-Course	119,893,549	166,300,080	39%	4,995,565	10,393,755	108%
Teletote	23,036,183	34,992,880	52%	959,841	2,187,055	128%
SMS	37,481,647	86,060,519	130%	1,561,735	5,378,782	244%
TOTAL	193,005,404	334,575,219	73%	8,041,892	20,910,951	160%

Turnover analysis

Tote turnover increased significantly by 73%, from Rs 193.0 million in 2024 to Rs 334.6 million in 2025. This growth was achieved notwithstanding a reduction in the number of race meetings from 24 to 16 and was explained by a marked 160% increase in average turnover per meeting, from Rs 8.0 million in 2024 to Rs 20.9 million in 2025.

The improvement was broad-based, with all distribution channels recording growth.

On Course

The Company operated its terminals both in 'La Plaine' and in the 'Stand'. On Course turnover increased substantially from Rs 12.6 million in 2024 to Rs 47.2 million in 2025, representing a growth of 275%.

Average turnover per meeting rose sharply by 462%, from Rs 0.5 million to Rs 3.0 million. This strong performance reflects improved attendance at horse racing meetings and renewed public interest in horse racing activities.

Off-Course

Turnover generated through the Company's 24 Off-Course outlets increased by 39%, from Rs 119.9 million in 2024 to Rs 166.3 million in 2025. Average turnover per meeting rose by 108%, from Rs 5.0 million to Rs 10.4 million.

Revenue from outlets remains a critical revenue pillar. The performance of each outlet is subject to continuous monitoring and annual appraisal covering customer service, cleanliness and maintenance, turnover performance, innovation initiatives for punters, and staff effectiveness. This structured assessment framework supports operational discipline and promotes high end outlet management.

In July 2025, the Company obtained approval from the Gambling Regulatory Authority to relocate the underperforming Goodlands Totalisator outlet to Bay Lascar in Rodrigues. The outlet commenced operations in September 2025 and forms part of Management's ongoing strategy to improve overall network efficiency.

DIRECTORS' REPORT (CONT'D)

TELETOTE AND SMS

The www.supertote.mu website offers a user-friendly process for the opening of accounts; the number of accounts opened online from the Company's website has increased significantly, 8,041 new accounts were opened in 2025.

Teletote

The Teletote activity and trend over the last 5 years:

Year	Turnover (Rs)	Accounts Opened	No of Meetings	Average Turnover per Meeting (Rs)
2021	178,642,166	5,824	38	4,701,110
2022	112,220,777	3,400	39	2,877,456
2023	58,361,606	2,227	37	1,577,341
2024	23,036,183	1,008	24	959,841
2025	34,992,880	8,041	16	2,187,055

Like the other segments of revenue, Teletote turnover increased by 52%, from Rs 23.0 million in 2024 to Rs 35.0 million in 2025. Average turnover per meeting rose by 128%.

SMS betting

SMS betting is conducted via a mobile application (the App). The App is a bet builder launched in 2017 which covers all the bets offered by the Company. It uses the latest Progressive Web App (PWA) technology and is downloadable from www.supertote.app; all bets are placed by SMS. The PWA technology enables automatic upgrade when a new version of the App is released.

SMS betting continued to demonstrate strong momentum, with turnover increasing by 130%, from Rs 37.5 million in 2024 to Rs 86.1 million in 2025. Average turnover per meeting rose by 244%, underscoring the growing shift toward mobile and remote betting channels.

In 2025, SMS betting represented 26% of the Tote turnover.

Turnover - SMS Betting (Rs)				
2021	2022	2023	2024	2025
237,278,019	171,760,800	102,722,633	37,481,647	86,060,519
Percentage of total turnover (%)				
2021	2022	2023	2024	2025
22.65%	22.12%	22.57%	19.42%	25.72%

DIRECTORS' REPORT (CONT'D)

FOOTBALL

Football turnover increased by 2% to Rs 539.9 million in 2025 compared to Rs 529.7 million in 2024.

The Company remains committed to innovation and customer-focused offering by providing competitive odds, attractive bonuses, and a multiple betting options designed to enhance the overall customer experience.

The **Superscore** football betting platform includes several technological features, including the online booking of bets. Customers can book bets via the Company's website - <https://superscore.mu/> and receive a booking code that is subsequently validated and finalised at any Superscore outlet. This initiative has helped the Company maintain its market share in a highly competitive environment.

Online booking trend is demonstrated in the table below:

Year	Number of Booked Bets	Average Booked Bets per Month	Converted Amount (Rs)	Average per Month (Rs)	Total Turnover (Rs)	% of Turnover
2021	2,194,232	219,423	221,019,564	22,101,956	436,780,704	51%
2022	2,595,432	216,286	282,888,173	23,574,014	508,555,581	56%
2023	4,378,585	364,882	362,441,033	30,203,419	620,694,832	58%
2024	3,361,255	280,105	310,259,828	25,854,986	529,693,561	59%
2025	3,515,741	292,978	338,914,444	28,242,870	539,856,872	63%

Following the grant of the Remote Communication Licence, the Company introduced SMS betting in November 2025. The initial performance of this new channel has been encouraging, demonstrating strong customer uptake and significant growth potential. SMS betting represents an important step in the Company's digital expansion strategy and is expected to contribute meaningfully to future revenue diversification.

The betting tax remained high at 14%. Despite this, the Company maintained its competitive positioning by offering attractive payout bonuses ranging from 7% to 25%.

The chart below illustrates the Gross Gaming Revenue (GGR) (being the turnover after tax less winnings) realised on football betting. In the fixed odds business, the Gross Gaming Revenue is dependent on the outcome of matches.

Gross Gaming Revenue Football Betting					
	2021	2022	2023	2024	2025
Turnover after tax	387,270,490	446,101,388	544,437,577	464,386,376	473,608,713
Payment to winners	334,070,431	373,397,148	487,123,158	352,524,692	369,901,673
Gross Gaming Revenue (GGR)	53,200,059	72,704,240	57,314,419	111,861,684	103,707,040
GGR Margin	13.7%	16.3%	10.5%	24.1%	21.9%

GGR for 2025 was slightly lower than in 2024, despite an increase in football turnover from Rs 529.7 million to Rs 539.9 million. Income declined from Rs 180.3 million to Rs 173.5 million, primarily due to a higher payout ratio to winning customers during the year. The lower margin reflects the variability inherent in fixed-odds betting, where results and payout patterns directly influence revenue performance.

DIRECTORS' REPORT (CONT'D)

WEBSITE

The Company operates three websites as follows:

- **www.supertote.mu** – main website for Tote Betting and featuring live racing, training and race videos as well as comprehensive horse forms. Teletote accounts can be opened online. Teletote accounts can be funded by credit card directly through a secured PCI DSS compliant platform and via blink by Emtel mobile application. Credit card deposits online amounted to Rs 20.9 million in 2025 compared to Rs 3.0 million in 2024, representing a significant increase of 603%.

The **Supertote** website is very popular, the total number of Visitors increased from 295,828 in 2024 to 474,415 in 2025. The number of Page Views also increased from 20.4 million in 2024 to 33.3 million in 2025 www.supertote.mu remains the top ranked website for horse racing in Mauritius on Google search engine.

- **www.superscore.mu** – exclusively covers football betting. The website proposes features such as online booking of bets and live news and remote communication betting. The total number of Active Users increased from 392,000 in 2024 to 432,000 in 2025.

- **www.automaticsystemsLtd.com** – the website was redesigned in 2023 and conveys information on the Company, its governance and financial results.

SOCIAL MEDIA

The Company actively leverages social media as both a communication channel and a tool to promote its brands, to engage with customers and respond promptly to inquiries.

Supertote maintains a Facebook page with approximately 25,000 followers, where content is shared, including training videos, carry forward announcements, promotional videos and information on major payouts. The Company also organises interactive contests offering branded gifts to winners, which generate increasing engagement and strengthen brand visibility.

CORPORATE SOCIAL RESPONSIBILITY ('CSR')

In accordance with the provisions of the current Gambling Regulatory Authority Act, CSR funds, in case of profits, must be remitted to the Mauritius Revenue Authority (the 'MRA'). The Company usually allocates a portion of its gross gambling yield to support the National Responsible Gambling Program. As the Company recorded a loss in 2024, no CSR contribution was payable or allocated during the year under review.

The objective of the program is to promote responsible gambling practices and to provide professional assistance to individuals with gambling addiction. The Company strongly believes that gambling should remain a recreational activity. Compulsive gamblers can access free counselling and support by contacting the toll-free number provided by the Gambling Regulatory Authority (GRA). This number is displayed at all betting outlets.

The initial phase of the program was implemented in 2018. The Company remains fully supportive of this initiative and continues to collaborate with the

Gambling Regulatory Authority (GRA) on its implementation and in advancing in its subsequent phases.

OUTLOOK

Tote

After two years, the Directors welcome the return of the Mauritius Turf Club (MTC) the founder of the horse racing industry in Mauritius, with the MTC Jockey Club Ltd (MTCJC) as the sole racing organiser in 2025. The restoration of integrity within the industry has been paramount in rebuilding public confidence, which has been reflected in the significant increase in attendance at the Champ de Mars and in turnover per meeting recorded during the year.

As reported, from 2026, the racing organiser, that is the MTCJC, will be the sole licensee of the Totalisator. ASL will operate as Agent, selling Tote bets through its existing network in return for commissions payable by MTCJC. Although this is a change in the Company's business model, no major change is expected in the Company's main activity, and no adverse impact is expected on the Company's operations. The Directors expect an improved performance in 2026 with 27 race meetings planned and an improved race card with more runners.

Football

The Company operates in a very competitive environment and continues to focus on innovation in order to maintain and expand its market share, this includes the introduction of new products, competitive odds and bonuses. While bonuses are an important tool to attract and retain customers, they directly impact margins and therefore require prudent management to ensure sustainable profitability.

DIRECTORS' REPORT (CONT'D)

The Remote Communication licence obtained, allowing the Company to offer football bets by SMS, is expected to positively contribute to football turnover. The SMS betting platform was officially launched on 20 November 2025. From launch date up to 31 December 2025 a turnover of Rs 4.2 million was realised highlighting strong market interest and interesting growth for 2026.

Soccer Pools

As part of its diversification strategy, the Company applied for and was granted a licence of Agent of Foreign Pool Promoter in November 2025. The Company subsequently entered into a contract with 4 Racing in South Africa to market and sell soccer pools in Mauritius.

Under this arrangement, bets placed in Mauritius will be commingled with the South African pool, enhancing the attractiveness of the product through larger pooled jackpots.

Following the completion of technical integration with the Foreign Pool Promoter, the Company intends to commence operations in April 2026.

Megawin continues to explore opportunities in the virtual gaming sector across Western African Countries and has entered into a contract with FRANCI, a Company based in Ivory Coast to identify and develop potential markets within the region of Western Africa.

The African market remains challenging and uncertain. Although Megawin remains open and efforts are maintained to look for and try to secure new contracts, there can be no assurance as to the timing or successful conclusion of such agreement. The future of Megawin depends on the outcome of ongoing prospecting efforts and evolving market conditions.

Financial Outlook

Tote

The Directors expect the increase in race meetings from 16 in 2025 to 27 in 2026 to positively impact Tote revenue. Following the return of the Mauritius Turf Club through MTCJC in 2025, public confidence has been restored. With more competitive race cards and a higher number of runners anticipated, 2026 is expected to be a more favourable year for the horse racing industry in general, and for the Tote segment.

Football

Football betting gross margins have been exceptionally high over the past two years. The introduction of SMS betting in November 2025 together with the upcoming 2026 FIFA World Cup are expected to boost turnover. However, income from fixed-odds betting remains

difficult to forecast as GGR is highly dependent on the unpredictability of match outcomes.

The planned launch of Soccer Pools in April 2026 is expected to provide additional revenue streams. Considering that this is a new product offering, revenue projection remains difficult to assess at this stage although Directors are confident it will be well received on the market.

Megawin

The Directors remain cautious regarding Megawin, as no new contracts have been secured over the past two years. The prospects will depend on Megawin's ability to secure new contracts in 2026.



CORPORATE GOVERNANCE REPORT



asL
AUTOMATIC SYSTEMS LTD.

CORPORATE GOVERNANCE REPORT

The Company was incorporated on 18 March 1991.

Automatic Systems Ltd (“The Company”) has been listed on the official market of the Stock Exchange of Mauritius (SEM) since 12 October 1994 and qualifies as a Public Interest Entity (PIE), as defined under the Financial Reporting Act 2004.

The Board remains fully committed to achieving and maintaining the highest standards of Corporate Governance. It ensures that the eight principles of good governance set out in the National Code of Corporate Governance (the ‘Code’), as applicable in Mauritius, are adhered to and embedded with the Company’s policies, processes and business practices. The Board is equally committed to maintaining transparency and ensuring fair and timely financial disclosure to its shareholders and stakeholders.

Constitution of the Company

The Company has adopted a new Constitution on 22 June 2007, which is in compliance with the Mauritius Companies Act 2001 and the Listing Rules of the SEM.

The Constitution of the Company does not impose any restrictions on the transfer of shares.

Save and except where the terms of issue of any class of shares – as may be determined by the Board –

specifically provide otherwise, all new shares are, before issue, offered to existing holders in proportion to their existing shareholdings.

The Constitution is publicly available on the Company’s website under the Corporate Governance Section at <https://automaticsystemsLtd.mu/>

PRINCIPLE 1- GOVERNANCE STRUCTURE

- Governance structure and major accountabilities

The Board is the focal point of the Company’s Corporate Governance framework and is ultimately accountable and responsible for the leadership, direction and control of the Company. In discharging its duties, the Board ensures compliance with all applicable legal, regulatory and statutory requirements.

As shown in the chart below, the Board oversees the Company and its wholly owned subsidiary, Megawin Ltd, (the “Group”) within a defined governance structure, supported by clear lines of authority, responsibility and accountability. While certain responsibilities are delegated to Management, the Board retains effective control of the Company’s affairs.

As a licensed operator within a regulated industry, the Board places particular emphasis on regulatory compliance, responsible gambling obligations

and the maintenance of high ethical standards in all operations. The Compliance Officer regularly reports to the Corporate Governance (Nomination and Remuneration) Committee on compliance and regulatory matters.

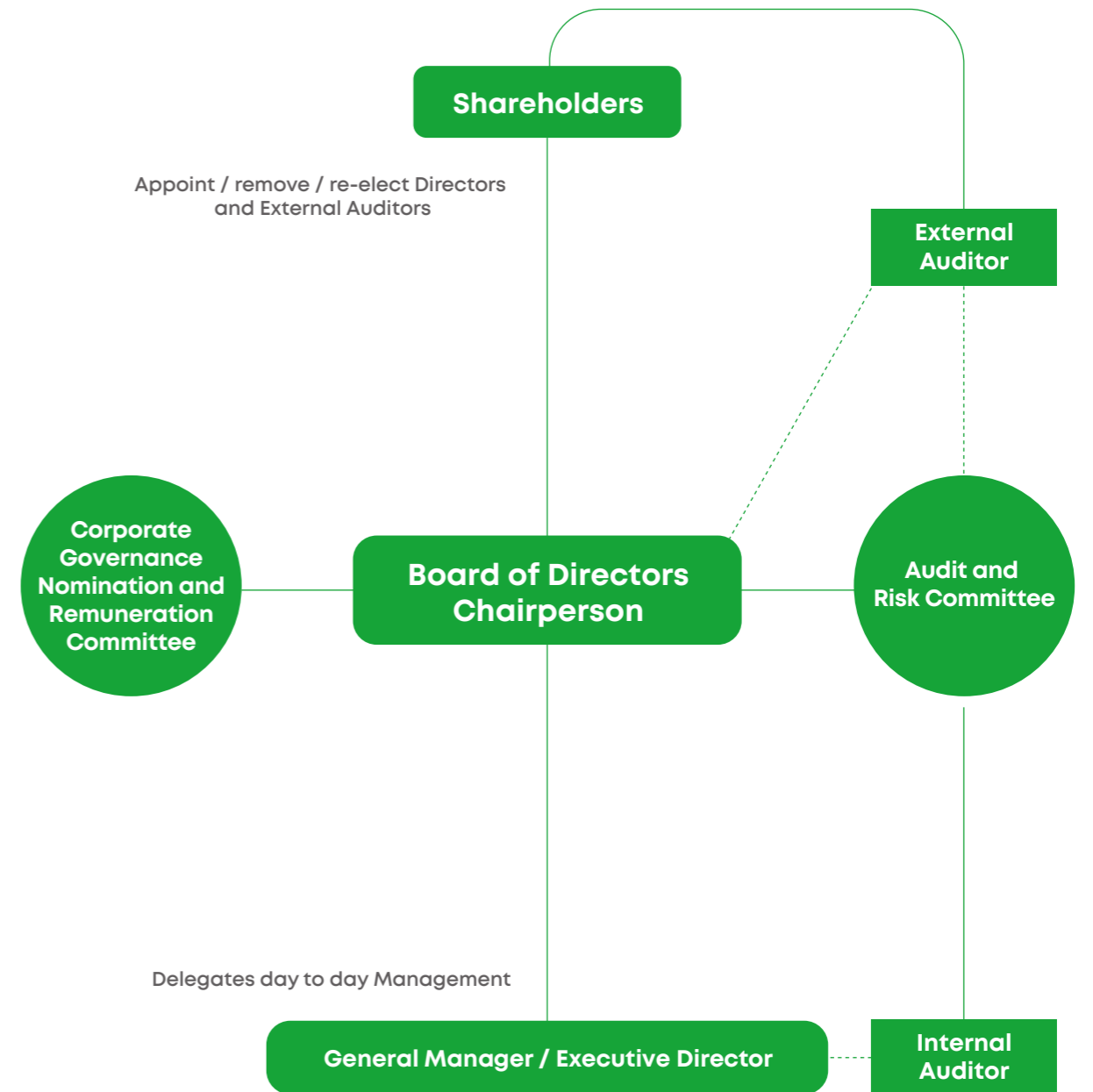
Shareholders retain the authority to appoint, re-elect and remove Directors, as well as to appoint External Auditors, in accordance with the Company’s constitution and applicable laws.

The Management of the Company is vested in the Board which has all the powers necessary for managing, supervising and directing the business and affairs of the Company. The Directors remain collectively accountable to Shareholders for the Company’s performance and governance.

To support the board in fulfilling its responsibilities, the Board has established 2 sub committees:

- the Corporate Governance (Nomination and Remuneration) Committee; and
- the Audit and Risk Committee.

Each committee operates under formally approved terms of reference and regularly reports to the Board. The Chairperson of each subcommittee briefs the Board on the matters deliberated and submits recommendations for consideration and, where appropriate, for approval.



The governance structure and major accountabilities are monitored by the Corporate Governance (Nomination and Remuneration) Committee and reviewed annually (or earlier, where deemed appropriate). Any proposed amendment is subject to the approval of the Board.

Details of the governance structure and major accountabilities, including the review process, can be viewed on the Company’s website.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 1 - GOVERNANCE STRUCTURE (CONT'D)

- Role of the Board

The primary function of the Board is to provide effective leadership and direction to the Company and its wholly owned subsidiary. The Board is responsible for setting the Company's strategic objectives and policies, overseeing its operations, monitoring performance and risk and supervising Management to ensure accountability to shareholders and stakeholders.

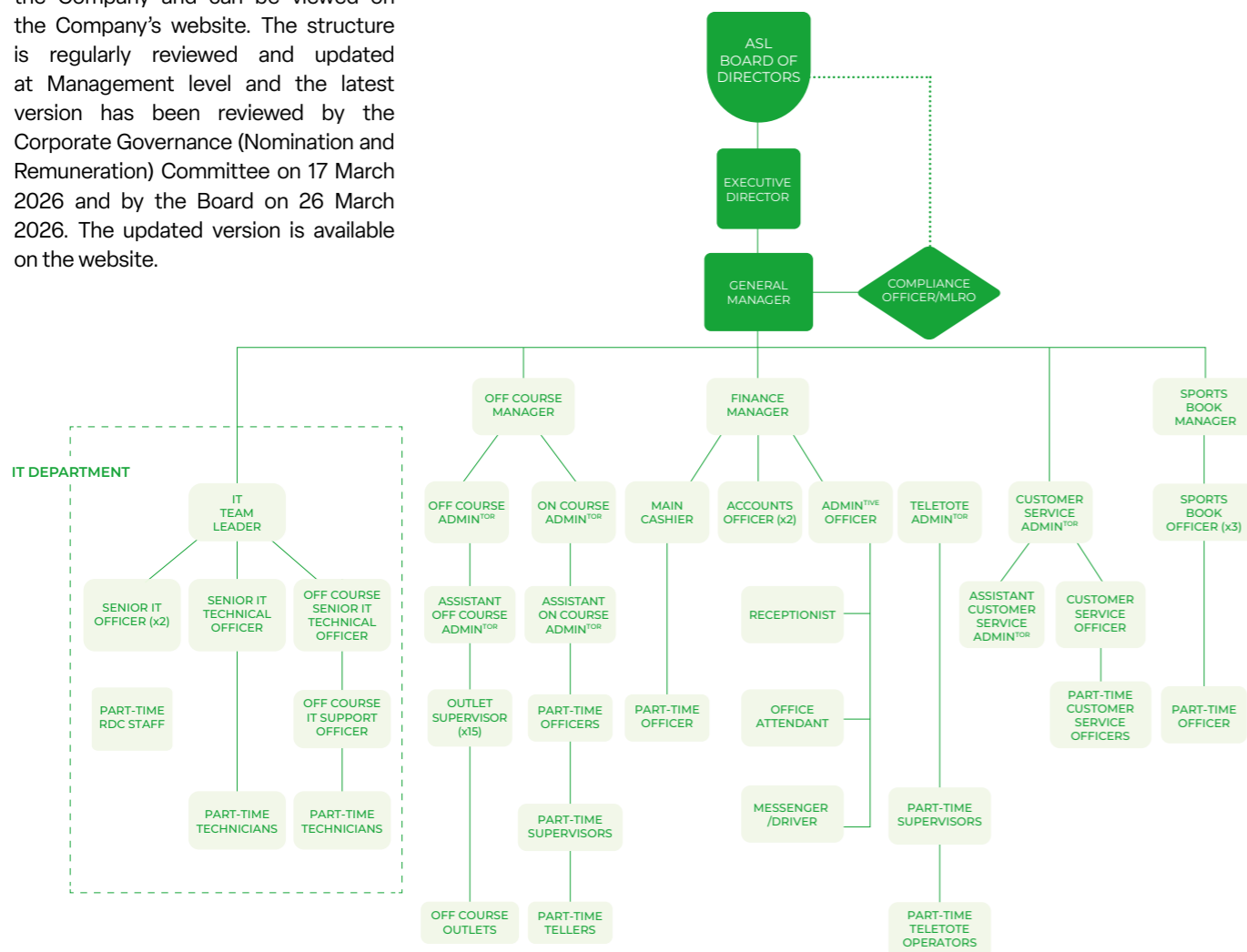
For Board Meetings, a quorum of five Directors is required when the Board comprises eight or nine Directors. Where the Board comprises ten, eleven or twelve Directors, a quorum of six Directors is required.

The Chairperson does not hold a casting vote.

- Organisational Chart

The organisational chart displays a reporting hierarchy and structure of the Company and can be viewed on the Company's website. The structure is regularly reviewed and updated at Management level and the latest version has been reviewed by the Corporate Governance (Nomination and Remuneration) Committee on 17 March 2026 and by the Board on 26 March 2026. The updated version is available on the website.

Automatic Systems Ltd Organisational Chart



CORPORATE GOVERNANCE REPORT (CONT'D)

- Board Charter

The Board has adopted a formal Board Charter which sets out the specific roles and responsibilities of the Board and enhances coordination and communication between the Board and its committees and the Board and Management.

The charter, including the review process, has been approved on 16 March 2020. The most recent review was conducted on 26 March 2025, following which certain amendments were made. The next review is scheduled for the first semester of 2028.

The Board charter is available on the Company's website.

- Board structure and size

The Company has a unitary Board composed of ten Directors with one Executive Director, seven Non-Executive and two Independent Directors. In terms of gender balance, the Company has three women Directors on the Board. The Company meets the requirement imposed on public listed companies by the Mauritius Companies Act 2001 to have at least 25% women on their board to promote gender equality, diversity and inclusion.

Mr Eric Espitalier Noel served as Chairperson until 30 June 2025. As from 1 July 2025 Mr Jean Hardy was appointed as Chairperson until 31 December 2025. Mr Michel Nairac was then appointed Chairperson on 1 January 2026. The Chairperson is a Non-Executive Director.

All Directors are expected to objectively discharge their duties and responsibilities in the best interest of the Company.

Directors are expected to do their utmost to avoid conflicts of interests or situations which can be perceived as conflicting. To determine its current size and composition, the Board has considered (a) the size, complexity and diversity of its operations, (b) the various qualifications and experience of its members, and (c) the recommendations of the Code.

The Board is conscious that it should have 2 Executive Directors on the Board but believes that, with one Executive Director and with the General Manager attending Board meetings, there is no necessity for the time being to recommend to the Shareholders the appointment of a second Executive Director on the Board.

The Board is satisfied that its size and level of diversity commensurates with the sophistication and scale of the Company.

- Board composition, structure and size

The Board comprises independently minded directors from diverse professional and business backgrounds. Collectively, the Directors possess the requisite knowledge, skills, objectivity, integrity, experience and commitment to exercise sound and independent judgement on matters material to the Company's business and independent of Management.

The Board's composition is appropriately balanced with an appropriate mix of skills, expertise and experience to enable it to effectively discharge its duties and responsibilities and to have well balanced sub committees.



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 1 - GOVERNANCE STRUCTURE (CONT'D)

- Board Composition, structure and size (CONT'D)

Details of the Board composition are provided below:

Name	Gender	Country of residence	Status of directorship	Other information
Directors in office:				
Mr Michel J. L. NAIRAC*	M	South Africa	Non-Executive Director	Chairperson of the Board of Directors since 1 January 2026
Mrs Angélique Anne DESVAUX DE MARIGNY	W	Mauritius	Independent Director	Member of the Audit and Risk Committee since 26 March 2025
Mrs Virginie Audrey LENNON	W	Mauritius	Independent Director	Member and Chairperson of the Audit and Risk Committee since 26 March 2025
Mrs Sarah A. M. HELLER	W	Mauritius	Non-Executive Director	Member of the Corporate Governance, Nomination and Remuneration Committee since 01 July 2025
Mr Arvind Lall DOOKUN	M	Mauritius	Non-Executive Director	None (<i>member of the Audit and Risk Committee up to 01 July 2025</i>)
Mr J. O. Guillaume HARDY	M	Mauritius	Executive Director	None.
Mr M. L. Jean HARDY	M	Mauritius	Non-Executive Director	Member of the Corporate Governance, Nomination and Remuneration Committee (<i>Chairperson of the Board from 01 July 2025 to 31 December 2025</i>)
Mr Ravindra CHETTY	M	Mauritius	Non-Executive Director	Chairperson of the Corporate Governance, Nomination and Remuneration Committee.
Mr Mushtaq M. O. N. OOSMAN*	M	Mauritius	Non-Executive Director	Member of the Audit and Risk Committee (<i>Chairperson of the Audit and Risk Committee up to 26 March 2025</i>)
Mr John A. STUART	M	South Africa	Non-Executive Director	None.
Former Directors, in office during the reporting financial year				
Mr M. A. Eric ESPITALIER NOEL	M	Mauritius	Independent Director	Chairperson of the Board and Member of the Corporate Governance, Nomination and Remuneration Committee up to 30 June 2025
Mr O. Farouk A. A. HOSSEN	M	Mauritius	Independent Director	Member of the Audit and Risk Committee up to 26 March 2025 and Director up to 30 June 2025
Company Secretary				
Box Office Ltd	N/A	Domestic Company incorporated in Mauritius	Company Secretary	Company offering secretarial services to a portfolio of clients with Mrs Sophie Gellé as qualified Chartered Secretary and partner.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

- Profiles of Directors and details of external appointments

The Board has decided to only disclose directorship in companies listed on the Stock Exchange of Mauritius. For directorship in public and subsidiaries of unlisted companies, the information may be requested from the Company Secretary.

DIRECTORS PROFILES

Michel J. L. NAIRAC (71 years)

Non-Executive Director

Appointed as Director in 2012

Michel NAIRAC was born in Mauritius in 1954 and completed his Articles of Clerkship with Coopers and Lybrand in Durban South Africa. He started his own agency business, Michel Nairac Bloodstock in 1986, which continues to operate in the Equine Industry. He became a Director of the KZN Owners and Trainers Association, a membership entity for Owners and Trainers in KwaZulu-Natal, and was elected its Chairperson in 2000.

With the amalgamation of the Racing Clubs in KwaZulu-Natal he became a Director of Gold Circle (Pty) Limited, the company that operates thoroughbred horseracing and totalisator betting in the province of KwaZulu-Natal in South Africa. In 2001 he was appointed as CEO of Gold Circle, from which he retired in July 2025.

Directorship in listed Companies: Nil

M. L. Jean HARDY (77 years)

Non-Executive Director

Appointed as Director at incorporation in 1991

Jean HARDY, born in 1948, is the promoter of the Tote Betting System in Mauritius. He was one of the co-founders of Hardy Henry & Cie Limitée in 1976 and is a director of Hardy Henry & Cie Limitée and affiliated Companies.

Directorship in other listed companies: Nil

J. O. Guillaume HARDY (51 years)

Executive Director

Appointed as Director in 2013 and Managing Director in 2014

Executive Director appointed as Director in 2013 and Managing Director in 2014, Guillaume Hardy born in 1974, holds a BA (Hons) Business Administration from South Bank University – London. He worked 2 years in London as Financial Analyst from 1998 to 2000. He thereafter started his career in Mauritius at PriceWaterhouseCoopers as Project Coordinator to afterwards move to Barclays Bank PLC in the Premier Banking Department as Personal Banker for 2 years. He joined the company in September 2003 as Off-Course Manager and was nominated General Manager of Automatic Systems Ltd in 2012 and Managing Director in 2014. He resigned as Managing Director in August 2020 and acted as a consultant until the 3 December 2022. He has been appointed as Executive Director of the Company as from 1 January 2023.

Directorship in other listed Companies: Nil

Sarah A. M. HELLER (52 years)

Non-Executive Director

Appointed as Director in July 2018

Sarah A. M. Heller, born in 1973, serves as a Non-Executive Director since her appointment. She holds a bachelor's degree in business & administration, specialized in Finance from INSEEC Paris and she is also an investment dealer on the Stock Exchange of Mauritius.

She currently holds the position of Director and Project Manager at Senior Homes Ltd, a leading entity in the promotion, development and operation of assisted living facilities.

With a firm commitment to ethics and excellence, Sarah's directorial portfolio includes family-owned businesses operating in local retailing and services. Sarah is also involved in non-profit activities and serves on the board of a company engaged in the education field. Committed to continuous professional development, she achieved in 2022 a diploma in Corporate Governance through the Directors' Development Program. Since October 2025, she is a Fellow of the Mauritius Institute of Directors.

Directorship in listed companies: Nil

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

- Profiles of Directors and details of external appointments (CONT'D)

DIRECTORS PROFILES (CONT'D)

Ravindra CHETTY S.C (63 years)

Non-Executive Director

Appointed as Director in 1997

Ravindra Chetty, born in 1962, read Law at Balliol College, Oxford University. He was called to the bar in Middle Temple, England and in Mauritius in 1987. Since then, he is practising as a barrister at law in Mauritius. His practice involves various areas such as civil, commercial, tax and insurance law. He took silk in 2010.

Directorship in listed companies: Nil

John A. STUART (69 years)

Non-Executive Director

Appointed as Director in 2008

John Stuart, born in 1956, holds a Bachelor of Commerce degree. He has worked in the totalisator industry since 1979 when he joined the then TAB KwaZulu-Natal as Internal Auditor. He filled various roles in that organisation and then joined Phumelela and Leisure Ltd in 1997 as Business Development Manager with his primary focus on alternative forms of gambling. After occupying various roles in the organisation, he took responsibility for the International Division in May 2006 with specific focus on simulcasting and commingling. In September 2018 he

was appointed Chief Executive Officer of Phumelela. Since leaving Phumelela in May 2020, he now consults to various businesses in the horse racing and gambling industry.

Directorship in listed Companies: Nil

Arvind Lall DOOKUN (63 years)

Non-Executive Director

Appointed as Director in 2013

Arvind Dookun, born in 1963, holds academic qualifications from the University of Bolton (UK) and the University of the Arts London (UK).

He graduated as a Chartered Professional Associate Member of the Textile Institute (CText ATI) Manchester, UK and qualified as a Fellow of the Mauritius Institute of Directors (FMioD).

He is currently the Executive Director and Co-Founder of A-Brokers Ltd, an FSC- licensed insurance and re-insurance brokerage firm operating in the insurance sector since 2014.

Directorship in listed companies: Nil

Mushtaq M. O. N. OOSMAN (71 years)

Non-Executive Director

Appointed as Director in 2016

Mushtaq Oosman, born in 1954, trained and qualified as a Chartered Accountant with Sinclairs in the UK, before returning to Mauritius in 1983, when he joined the audit department of De Chazal Du Mée. He then joined Roger de Chazal & Partners (founders of Price Waterhouse

in 1988 in Mauritius). He was a Partner in PwC Mauritius from July 1991 up to November 2015. He is a fellow of the Institute of Chartered Accountants in England and Wales. He served on the Africa Central Governance Board and is well versed with the working and responsibilities of a Governance Board.

Directorship in listed Companies: Mushtaq is a Member of the Board of Directors of United Docks Ltd, Les Moulins de la Concorde Ltée, PIM Ltd, Sun Resorts Ltd, Happy World Properties Ltd and MUA Ltd.

Angelique Anne COQUET-DESVAUX DE MARIGNY (50 years)

Independent Director

Appointed as Director in 2023

Angélique Anne Coquet-Desvaux de Marigny is a barrister having been admitted to the Bar of England and Wales in 2000 and to the Mauritian Bar in 2001 after graduating from King's College London and Université de Paris I (Panthéon-Sorbonne) with an LLB (First Class Honours) and a "Maîtrise en Droit Privé (Droit des Affaires) respectively. She focuses on advisory work and litigation in civil law, general commercial law, employment law, private international law, corporate law and family law. She has appeared in numerous complex cases at all levels, including before the Judicial Committee of the Privy Council. She was elevated to the rank of Senior Counsel on 14th August 2025.

Directorship in listed Companies: ER Group Ltd & Rogers Capital Limited.

CORPORATE GOVERNANCE REPORT (CONT'D)

Virginie Audrey LENNON (49 years)

Independent Director

Appointed as Director in 2025

Virginie Audrey Lennon is an accomplished accounting and finance professional with over 25 years of experience across multiple industries, including banking, manufacturing, legal, and high-tech medical sectors. She is a Fellow Member of the Association of Chartered Certified Accountants (F.C.C.A) and a member of the Mauritius Institute of Professional Accountants (MIPA).

Directorship in listed companies: Nil

GENERAL MANAGER'S PROFILE

Robert C. Y. F. AH YAN (56 years)

General Manager

Robert Ah Yan, born in 1969, holds an IATA/UFTAA Diploma since 1992 and a Diploma in Management from Cambridge Tutorial College, Jersey, Britain since 1994. He joined Hardy Henry & Cie Limitée as Administrative Officer in 1992. He was promoted Assistant Manager in 1995 and as Manager in 2002 when the Company was awarded ISO 9001. He was also in charge of Information Technology (IT), the Totalisator (Tote) System and the Sports Betting System of Automatic Systems Ltd. He has been appointed as General Manager of the Company, effective as from 1 August 2020. Over his years of service, he followed numerous Management, IT and Compliance courses and workshops and is continuously updating his skills, knowledge and professional competence.

He is a Gold Level Member of ISACA (Information Systems Audit and Control Association) since February 2013 and is a Certified Information Systems Auditor (CISA) and a Certified Information Security Manager (CISM).

COMPANY SECRETARY'S PROFILE

Box Office Ltd is a domestic Company offering corporate and secretarial as well as business facilitation services to a portfolio of domestic companies. Mrs Sophie Gellé, director of Box Office, is a qualified Chartered Secretary with more than 25 years' experience in the corporate secretarial practice. As qualified Secretary, Mrs Sophie Gellé must, and continues to acquire professional development with a minimum of 20 CPD hours per year.

- Role and function of the Chairperson

Mr Michel Joseph Laurence NAIRAC is a non-executive Chairperson appointed on 01 January 2026; he has no executive or management responsibilities. He acts as Chairperson of meetings of the Board and shareholders.

The Chairperson's primary function is to:

- Chair the meetings of Directors as well as annual and special meetings;
- Ensure the smooth functioning of the Board in the interests of good governance;
- Provide overall leadership and encourage active participation of all Directors;
- Ensure that all the relevant information and facts are placed before the Board to enable the

Directors to reach informed and timely decisions, and maintain sound relations with the Company's shareholders; and

- Maintain a close working relationship with the Executive Director and General Manager.

- Role and function of the General Manager

Mr Robert Ah Yan, the General Manager, is responsible for the day-to-day management of the Company and its subsidiary and works in collaboration with the Executive Director, Mr Guillaume Hardy. The General Manager reports to the Board of Directors.

- Role of the Executive Director

Mr Guillaume Hardy is the Company's sole Executive Director and is involved in the day-to-day management and activities of the Group. His experience in the Company's field of operation is of relevant contribution to the Company. He has an open communication with the General Manager, the Chairperson and the Board and assists the General Manager in his daily tasks. The Executive Director reports to the Board.

- Role of the Non-Executive and Independent Directors

The composition of the Board ensures an appropriate balance of power and authority between Executive, Non-Executive and Independent Directors.

Non-Executive and Independent Directors play a vital role in providing judgement independent from management on issues of strategy, performance, resources, risks and evaluation of performance.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

- Board Evaluation

A Board evaluation is carried by way of a directors' self-appraisal every two years and was carried out in April 2024. The self appraisal is carried out in a way where the Directors are invited to fill in a questionnaire. The results are then summarised by the Company Secretary and analysed and discussed at the Corporate Governance, Nomination and Remuneration Committee and at the following Board meeting.

The last evaluation process indicated that directors consider the Board to be effective and appropriately balanced. The assessment covered inter alia, Board composition, strategic oversights, risk management and training.

The Board is of the view that the current process for evaluating the Board and Individual Directors remains appropriate for the Company. The next evaluation is scheduled for the second semester of 2026.

- Dealing in shares of the Company

The Directors endeavour to follow the principles of the Model Code for Securities Transactions by Directors of Listed Companies as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

In terms of the Company's internal procedure any Director purporting to deal in the shares of the Company should inform the Chairperson accordingly.

During the year under review, Mrs Jocelyne Hardy, the spouse of Mr Jean Hardy acquired 3,050 shares of the Company. There were no other share dealings by Directors.

The Company maintains an Interests Register and an Insiders Register. These registers are regularly updated with the information submitted by the Directors and/or other insiders as applicable.

The table below sets out, at, the Directors' respective category, direct and indirect interests, and number of other directorships in listed companies at 31 December 2025:

	Category	Direct Interest		Indirect Interest	Number of Other Directorships in Listed Companies
		Shares	%		
Directors/Alternates		Shares	%	%	
Ravindra CHETTY	NED	100	0.003%	Nil	-
Jean HARDY	NED	Nil	Nil	14.73%	-
Sarah HELLER	NED	Nil	Nil	Nil	-
Michel J. L. NAIRAC	NED	Nil	Nil	Nil	-
John A. STUART	NED	Nil	Nil	Nil	-
Guillaume HARDY	ED	Nil	Nil	Nil	-
Arvind Lall DOOKUN	NED	12,550	0.36%	1.11%	-
Mushtaq M. O. N. OOSMAN	NED	Nil	Nil	Nil	6
Angelique DEVAUX DE MARIGNY	IND	Nil	Nil	Nil	2
Virginie Audrey LENNON	IND	Nil	Nil	Nil	-

ED - Executive Director / IND - Independent Director / NED - Non-Executive Director

*Mr Jean Hardy is the 'Gerant' of Société L'inité with all powers and also holds 99% of its shareholding in Usufruct; the voting powers of the Société vest with the Usufruct. Societe L'inité itself indirectly holds, through its subsidiary Linité Investment Ltd 14.73% of the Company.

CORPORATE GOVERNANCE REPORT (CONT'D)

- Board Committees

As reported, the Board has two standing committees to assist in the discharge of its duties, namely the Audit & Risk Committee (ARC) and the Corporate Governance (Nomination and Remuneration) Committee (CGC). Given the nature, size and moderate complexity of the business, the functions that would have normally devolved to the remuneration committee and to a nomination committee are discharged by the Corporate Governance, Nomination and Remuneration Committee, which submits its recommendations to the Board for approval. The terms of reference of the Committees can be viewed on the Company's website.

Audit and Risk Committee

The Audit and Risk Committee assists the Board, among other things, in:

- Overseeing the quality and integrity of financial statements and public announcements related thereto;
- Overseeing the Company's compliance with legal and regulatory requirements;
- Reviewing the scope and effectiveness of the internal and external audit function as well as the qualifications, experience and independence of the internal and external auditors;

- Evaluating the overall effectiveness of the internal control and risk Management frameworks;
- Reviewing the policies and procedures established to minimize business risks, including the risk of money laundering through the tote system;
- Overseeing the integrity and effectiveness of the automated system managing the bets on Supertote and Superscore;
- Overseeing the adequacy of the insurance cover subscribed to by the Company;
- Reviewing regularly the risk register and ensuring that the Company is adequately insured;
- Ensuring that the Company has an appropriate internal and external audit function and making recommendations to the Board in relation to the appointment, termination and remuneration of internal and external auditors;
- Reviewing the proposed internal and external audit plans; and
- Reviewing the internal audit reports.

Please refer to page 33 for disclosures in respect of internal control and risk management.

Corporate Governance, Nomination and Remuneration Committee

The Corporate Governance, Nomination and Remuneration Committee assists the Board in ensuring that the corporate governance activities are consistent with the eight principles of the Code of Corporate Governance. Its objectives are as follows:

Corporate Governance

- Review the Constitution and structure of the Company in the light of the Code of Corporate Governance;
- Assist the Board in the implementation of the Code of Corporate Governance and review all governance documents before submission to the Board for approval;
- Lead the self appraisal of Directors' process; and
- Ensure that the Company's Annual Report complies with the provisions of the Code of Corporate Governance.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

- Board Committees (CONT'D)

Corporate Governance, Nomination and Remuneration Committee (CONT'D)

Nomination

- Ascertain whether potential new Directors are fit and proper and are not disqualified from being Directors;
- Ensure that potential new Directors are fully cognisant of what is expected from a Director;
- Ensure that the right balance of skills, expertise and independence is maintained on the Board;
- Ensure that there is a clearly defined and transparent procedure for shareholders to recommend potential new Directors; and
- Ensure that potential new Directors are free from material conflict of interests and not likely to simply act in the interests of a major shareholder, substantial creditor or significant supplier of the Company.

Remuneration

- Determine, develop and agree on the Company's general policy on executive and senior management remuneration; and
- Determine specific remuneration packages for Executive Directors of the Company, including but not limited to basic salary, benefits in

kind, annual bonuses, performance-based incentives, pensions and other benefits;

- Determine any criteria necessary to measure the performance of the Executive Director in discharging his functions and responsibilities; and
- Recommend to the Board the appropriate level of Directors' fees.

During the year under review, the Audit and Risk Committee members met four times, and the Corporate Governance, Nomination and Remuneration Committee met two times, the attendance by members can be viewed on page 31.

- Election and re-election of Directors

The Corporate Governance (Nomination & Remuneration) Committee reviews all new appointments to the Board and committees prior to recommending same to the Board for approval until submission to the shareholders for approval at the Annual Meeting. In line with the Code and the Constitution of the Company, all Directors stand for re-election and/or re-appointment on an annual basis.

The names of all present Directors, their profile, categories and directorships in other listed companies as well as the Company Secretary's profile are set out at pages 23 to 25.

The appointment process as defined above as well as the Directors' profile and the Company Secretary's profile are not presented separately on the website and can be viewed in the present annual report, which is posted on the Company's website.

PRINCIPLE 3 – DIRECTORS' APPOINTMENT PROCEDURES

- Directors' Induction

The Corporate Governance (Nomination and Remuneration) Committee and the Board assume the responsibilities for the induction of new Directors. New Directors are given an induction pack upon their appointment to get acquainted with the Company, its policies and procedures. They are also encouraged to meet with the Company's Executive Director and Senior Officers to benefit from a better insight into the operations of the Company.

- Directors' Training

The Company may identify areas where the Board members require further training or education. Such training may be provided by the Company itself or can be provided by an external service provider. Considering the size of the company, the Directors are encouraged to seek for outside training on a regular basis.

Outside training may be reimbursed by the Company, subject to the Corporate Governance (Nomination and Remuneration) Committee members' approval. The said Committee may also recommend to the Board the approval of a yearly budget for directors' training.

- Succession Planning

The Board recognises the importance of effective succession planning to ensure leadership continuity and long-term sustainability. The Board assumes overall responsibility for succession planning and for the induction of new

CORPORATE GOVERNANCE REPORT (CONT'D)

Directors, upon recommendation from the Corporate Governance (Nomination and Remuneration) Committee. It also ensures that Executive Director and General Manager are supported by a competent and effective management team to safeguard continuity and the achievement of the Company's strategic objectives.

The objectives of the succession planning are outlined as per below:

- To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of the Company from time to time;
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives; and
- To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to death, disabilities, retirements and unexpected occurrence.

PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

All Directors are aware of their fiduciary and statutory duties and are expected to objectively discharge such duties in the best interest of the Company. Directors are aware that they should, in their position, act with the required standard of care, skill and diligence and do their

utmost to avoid conflicts of interests or situations which can be perceived as being conflicting.

- Conflict of Interest

The Board recognises that transactions between the Company and its Management, Directors or Shareholders may be a source of conflict of interest. Accordingly, all such interests are duly disclosed and recorded in the interest register. An interest register is maintained at the offices of the Company Secretary and is available for consultation to shareholders upon written request to the Company Secretary.

The Board Charter, which can be viewed on the website, includes a guideline on conflict of interests and related party transactions and on the Directors' disclosure obligations.

- Related party transactions

Related party transactions are set out in note 33 of the financial statements. No such related party transactions were outside the scope of the Company's Board Charter.

- Information, Information Technology ('IT') and Information Security Governance

Effective information management forms an integral part of good IT governance, which itself is a cornerstone of good corporate governance. Information security, particularly in respect of personal data, is a critical component of this framework.

The Board retains overall responsibility for information governance within the Company and ensure that performance,

integrity and security of information and IT systems remain adequate and effective. In 2025 the Internal Auditors reviewed the IT and non-IT risk, including the Cyber Security, and submitted an assessment to the Audit and Risk Committee. An IT Risk Register is reviewed by the Audit and Risk Committee twice a year – or earlier if required, and a report made to the Board thereafter.

Considering the Company's line of business and its reliance on IT, the Company has Information Technology (IT) Policies which identify the rules and procedures for all individuals accessing and using an organisation's IT assets and resources.

Users of the information system may only access those information system assets for which they have been explicitly authorized by the asset owner. Users may use the information system only for purposes for which they have been authorized, i.e. for which they have been granted access rights.

Effective IT Security Policy is of essence to the Company and part of the organisation's culture which combines the legal requirements and current best practice for an information security management policy for the Company.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 4 – DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

- Information, Information Technology ('IT') and Information Security Governance (CONT'D)

Core principles for information security management, as defined in ISO/IEC 27002, are adapted to the local situation for the following areas:

- Risk assessment;
- Organising information security;
- Frequent monitoring of the capital and IT expenditures in line with budgets;
- Asset management;
- Human resources security;
- Physical security and restrictions to access in some cases;
- Communications and operations Management;
- Access control;
- System development and Maintenance;
- Information security incident Management;
- Business continuity management; and
- Compliance.

The Board and Management are involved in information and IT governance to the extent that they:

- Oversee the realised total capital expenditures for IT in line with budget at Board meetings;
- Regularly evaluate the information security systems; and
- Assess the need for independent evaluation from external experts on IT governance.

The IT Policies can be viewed on the Company's website.

- General Data Protection Regulation and compliance

The Company held a workshop in 2018 for all employees organised by Ahnee Duval Chambers. The aim of the workshop was to brief the employees about Data Protection in Mauritius, its legal perspective and practical application.

In 2019, Ernst & Young (EY) implemented a Data Protection framework within the organisation. A Data Protection Audit was carried out in 2023. A follow-up internal audit review covering compliance with Data Protection requirements was conducted by Ernst & Young, with the final report issued in October 2024. A Data Protection Awareness Training was also carried out In-House in April 2023 and July 2025. The requisite specialized training as recommended by the Internal Auditors that was planned for 2025 has been scheduled for 2026 and the training of employees on data protection in general will be conducted by the Data Protection Officer.

Following the recommendations of EY, a 'Data Disposal Policy' has been approved by the Board on 26 March 2025. This policy outlines the procedures for securely disposing of sensitive data, including client records, employee records and financial documents, whether stored in hard copy or soft copy, in compliance with the Data Protection Act (DPA) 2017.

- Remuneration of Directors

The Corporate Governance (Nomination & Remuneration) Committee which also includes the Remuneration Committee reviews Directors' remuneration annually and if considered appropriate, the Committee then makes the necessary recommendation for review to the Board.

The Board acts on the recommendation of the Corporate Governance, Nomination and Remuneration Committee and either, if it considers it fair to the Company, determines the appropriate remuneration or compensation, or bring the relevant recommendation to shareholders at the Annual Meeting for a decision by ordinary resolution of shareholders.

The Corporate Governance and Remuneration Committee also reviews the remuneration packages of the Senior Managers and the Executive Director, including but not limited to basic salary, benefits in kind, annual bonuses, performance-based incentives, share incentives, pensions and other benefits.

CORPORATE GOVERNANCE REPORT (CONT'D)

The remuneration structure with regards to Directors' fees has been last reviewed at the Annual Meeting of 2021 and comprises two components, namely, a basic yearly fee and an attendance fee. The table below sets out the details of attendance of Directors at meetings during 2025 and Directors' remuneration perceived:

Directors / Alternate	Attendance at Meetings during 2025			Total Directors' remuneration Rs
	Board	Audit and Risk Committee	Corporate Governance, Nomination and Remuneration Committee	
M. A. Eric ESPITALIER NOEL (resigned as Director and Chairperson of the board of Directors and ceased as member of the Corporate Governance, Nomination and Remuneration Committee on 30 June 2025)	2/2	-	1/1	243,750
M. L. Jean HARDY (Chairperson from 01 July to 31 December 2025)	5/5	-	2/2	386,250
O. Farouk A. A. HOSSEN (Ceased as member of the Audit & Risk Committee on 26 March 2025 and resigned as Director on 30 June 2025)	2/2	1/1	-	161,250
Sarah A. M. HELLER (Appointed as member of the Corporate Governance, Nomination and Remuneration Committee on 01 July 2025)	5/5	-	1/2	217,500
Ravindra CHETTY	5/5	-	2/2	288,750
John A. STUART	4/5	-	-	142,500
Michel J. L. NAIRAC (Chairperson of the board as from 01 January 2026)	4/5	-	-	142,500
J. O. Guillaume HARDY	5/5	-	-	4,606,260
Arvind Lall DOOKUN (ceased as member of the Audit & Risk Committee on 01 July 2025)	5/5	2/2	-	228,750
Mushtaq M. O. N. OOSMAN (Chairperson of the Audit and Risk Committee up to 26 March 2025)	5/5	4/4	-	356,250
Angelique DESVAUX DE MARIGNY appointed as member of the Audit & Risk Committee on 01 July 2025)	5/5	2/2	-	228,750
Virginie Audrey LENNON (appointed as Director on 23 January 2025 and as member and Chairperson of the ARC on 26 March 2025)	4/5	2/3	-	270,000

Non-Executive Directors have not received remuneration in the form of share options or bonuses associated with the Company's performance.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 4 – DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

- Code of Ethics

The Company has adopted a Code of Ethics and is committed to maintaining the highest standards of integrity and ethical conduct in its dealing with all stakeholders. This commitment, actively endorsed by the Board, is founded on the principle that business should be conducted honestly, fairly and in full compliance with applicable laws and regulations.

The Code of Ethics has been approved by the Board, circulated to all employees as well as agents and is available on the Company's website (www.automaticsystemsld.mu). All new employees receive a copy of the Code of Ethics and are briefed on its provisions as part of their induction.

The Compliance Officer is responsible for monitoring adherence to the Code of Ethics which includes provisions relating to whistleblowing and ethical conduct. Key elements of the Code of Ethics are reinforced through compliance training for employees, delivered by the Compliance Officer.

PRINCIPLE 5 – RISK GOVERNANCE AND INTERNAL CONTROL

The Board has the overall responsibility for the Company's risk governance and internal control system as well as for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. A Risk Register as well as an IT Risk Register are regularly reviewed and monitored

CORPORATE GOVERNANCE REPORT (CONT'D)

by management and by the Audit and Risk Committee and are presented to the Board with recommendations where applicable.

- Internal Control and Risk Management

Amtote International Inc continues to provide a line monitoring of the automated system whereby its engineers can analyse the operations in real time and can intervene, if need be, from their base in the USA. The automated system cannot be tampered with, and it is subject to regular foolproof tests.

- Risk Management

The Board is ultimately responsible for the Group's governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.

The Board has delegated to the Audit and Risk Committee the responsibility of implementing structures and processes to help identify, assess and manage risks. Risk reviews are regularly conducted, and mitigating measures are implemented accordingly. The Audit and Risk Committee works closely with the Management, the Internal Auditors and the External Auditors to ensure that the Company's system of control effectively enables the Company to mitigate the risks inherent to its activity.

The Company is aware that some risks are beyond its control. The main risks faced by the Company are as follows:

Financial risk

Fixed-odds betting business

The fixed-odds betting income is highly dependent on the gross gaming revenue

which can vary significantly from one period to the next and even result in a loss-making situation.

Human Resources

Difficulties in attracting, recruiting and retaining key talent may result in potential disruption to operations and complicates succession planning.

Forex

Depreciation of the Mauritian Rupee (vis-à-vis US dollar and most international currencies) may have a negative impact on working capital, cash flow and profitability by virtue of increased cost of payments to the 2 main foreign services providers (AMTOTE and FALCON).

Tax and levies

The Company is tributary to Government decisions with regards to taxes and levies. The impact of taxes and levies on the cost structure of the Company is considerable and not necessarily linked to performance. For the year 2025, the betting tax has been maintained at 14% and the levy at 2.5%.

The taxes and licences paid to Authorities represent about 50% of the Company's income. The Company communicates its concern regarding current tax legislation to the authorities on a regular basis.

Market and competition

The Company is operating in a highly competitive and challenging environment and has to face unfair competition from illegal betting. In this difficult environment the Company's know-how and experience coupled with well spread outlets contribute to keep up its competitive edge.

Numerous factors directly affect the Company's revenue and are often beyond the Company's control:

- the challenges faced by the horse racing industry;
- the government's policy on horse racing;
- the number of race meetings held annually;
- the number and quality of horses participating in a race;
- the number of Off-Course betting shops allowed to operate;
- the relocation of outlets;
- the capacity to obtain new licences to offer new types of bets;
- the performance of the Mauritian economy; and
- the betting licences allocated to other operators.

Changes in the Company's business environment are regularly assessed by Management to contain as far as possible any adverse impact on its operations.

The Company is operating in a highly regulated sector making potential development very limited. Relocation of outlets or expanding its activities through new betting licences remains a challenge.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 5 – RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

- Risk Management (CONT'D)

IT & Operational

The operational risks relate to internal processes which are regulated by Information Technology systems and software controlling the betting operations of the Company. These systems are closely monitored at management level with cash reconciliations done daily and further reconciliation is prepared and verified on a weekly basis.

The integrity of the betting system provided and tested by AmTote International Inc. which is based in the USA, represents the main operational risk for horse racing betting. However, all software changes concerning the AmTote Betting System are made only by AmTote International Inc and are secured with proper controls at different levels. The database belongs to AmTote International Inc. and users cannot make changes thereto but can only generate reports from the system.

In terms of potential viruses and hacking, the firewalls are constantly reviewed and upgraded to ensure security of the system.

Similarly, the integrity of the betting system provided by Falcon Wagering Solutions Pty Ltd which is based in Melbourne, Australia and tested by iTech Labs Australia also represents another operational risk for sports (football) betting. All software changes concerning the Falcon Wager Betting System are made only by Falcon Wagering Solutions Pty Ltd and are secured with proper controls at different levels. The betting

engine belongs to Falcon Wagering Solutions Pty Ltd, and the database is secured with passwords which are only known by Falcon Wagering Solutions Pty Ltd. Thus, users cannot make changes thereto but can only generate reports from the system.

Following the recommendation of its internal auditors, the Company has implemented an automated system to monitor transactions to facilitate the task of the Compliance Officer/ Money Laundering Reporting Officer in the detection and monitoring of potential money laundering and terrorism financing.

IT operations and business processes are regularly audited, monitored, improved and updated wherever possible. In August 2023, the Company's corporate website was redesigned, the Falcon Betting System was upgraded in terms of hardware and software, and a new BI Tool was implemented to enhance productivity, empower decision-making and for AML/CFT transaction monitoring. In October 2025, the Falcon Betting System software was upgraded to comply with the MRA-CEMS & allow account wagering through SMS. In 2024, over 40 Android Kiosks were deployed in outlets to facilitate football bet booking and all Outlets administrative PCs were upgraded to enhance transactions monitoring. In 2025, 26 additional Android Kiosks were deployed. IT and Security policies, standards and guidelines were reviewed, and training was provided to all Head Office staff. As a security for the business continuity, the Company has a secondary site with the redundant AmTote and Falcon equipment and other necessary infrastructure. The secondary site is running live with real-time data. During the year in review, the Business Continuity Plan (BCP) was reviewed and tested to ensure a structured response

to disruptions of critical business processes, enabling a faster recovery.

A disruption or failure of the communication network is a major risk for the Company. The Company opted for a segregation of services and works with different suppliers for different services to reduce the impact of any failure of communication.

Compliance

The Company has appointed an in-house Compliance Officer (CO), who also acts as the Money Laundering Reporting Officer (MLRO) and the Data Protection Officer (DPO).

The Compliance Officer is responsible for ensuring that the Company maintains an effective compliance framework and adheres to all applicable laws. The CO/ DPO also oversees the Company's data protection framework. The CO/ MLRO monitors all operational processes and procedures to ensure that the Company complies with all applicable legal and regulatory requirements, including those under FCCA, FIAMLA and the GRA Act, and operates within the expected ethical standards.

The CO/ MLRO attends professional training courses on a regular basis and provides in-house support and training to the staff on compliance and AML/CFT matters.

Following the compulsory AML-CFT compliance training conducted by the CO/MLRO, employees of the Company are required to undergo an assessment to ensure that they are all aware of the AML-CFT processes put in place by the CO/MLRO as well as to understand applicable laws and internal Company policies.

CORPORATE GOVERNANCE REPORT (CONT'D)

A Compliance/MLRO report is tabled by the Compliance Officer and reviewed by the Audit and Risk Committee.

Other risks

Reputational Risks

Other risks relate to the reputation of the Company and physical disasters and accidents. The Board of the Company ensures that the Company operates according to a high standard of ethics and fairness with regards to the horse racing industry, regulators, punters and the public.

Social media, if misused, may be prejudicial to the Company. A Communications Policy and Procedure manual has been drafted during the year 2022 outlining the roles and responsibilities and protocols to follow for communication with the public, media and other stakeholders, which will allow timely and effective communication to safeguard the reputation of the Company.

Physical disasters

Physical disasters and accidents are insurable risks which are covered through insurance policies upon advice from insurance brokers. These policies have also been reviewed by the Audit and Risk Committee which considers such insurance covers to be adequate.

Horse racing industry

The Company is aware of the risks that may be related to a loss of confidence in the racing industry in general. To mitigate that risk, permanent communication is maintained with the relevant authorities.

PRINCIPLE 6 - REPORTING WITH INTEGRITY

The Board is responsible for the preparation of financial statements that fairly present the state of affairs of the Company and the Group. The Annual Report includes financial statements that are prepared in accordance with IFRS Accounting Standards, the Financial Reporting Act (FRA) 2004 and the Mauritius Companies Act 2001. The Annual report is published in full on the Company's website.

- Carbon Reduction Commitment

The Company's activities do not have a major impact on the environment. Nevertheless, being conscious that every step, even small ones, matter, the Company permanently tries to reduce its carbon footprint over time.

In that respect, the Company invites and encourages its shareholders to join in its commitment to reduce carbon footprint by opting to receive the annual report in digital format. The shareholders who have not yet opted for the digital format, are encouraged to fill in the form which is included in this report. This choice will allow you, as shareholder to receive by e-mail, future notice of shareholders' meetings, proxy form, annual reports, accounts, credit advices and other shareholder documents made available to you in your capacity as shareholder of the Company.

The Company is also committed to a green type of sustainability and to a reduction of adverse environmental impact, as part of its long-term strategy for sustained growth.

Carbon Reduction Commitment

The Company has taken the following measures in 2025 to reduce its power consumption:

- The Company promotes online paperless betting and works with Topco for the production of thermal paper rolls for physically placed bets. Topco imports their raw materials from the Koehler Paper Group (ISO14001) based in Germany and the Koehler group is committed to environment protection;
- DC drive Air Conditioning units with lower power consumption have replaced the previous models;
- Some mercury based fluorescent lamps have been replaced by LED low energy lamps across the offices;
- InkJet Printers with Refillable Ink Tanks have been installed in several outlets and at the head office;
- Implementation of online bet booking for football betting further promotes online paperless betting. This can be done through the superscore.mu website or at self-booking terminals (kiosk) placed in all the outlets offering football betting; and
- Mass mailing letters and Newsletter are now sent by e-mail instead of by post. This considerably reduces paper-based letters and newsletters. Clients are encouraged to register to our online newsletter in order to reduce paper consumption.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 6 - REPORTING WITH INTEGRITY (CONT'D)

- Carbon Reduction Commitment (CONT'D)

Future commitments

The Company is committed to continuously:

- Reduce paper and ink cartridge consumption;
- Further reduction of paper usage by implementing web-based applications;
- Consider the factor of energy-efficient when acquiring new equipment;
- Replace fluorescent lamps by low energy LED lamps; and
- Add more self-booking terminals (kiosk) in outlets.

- Donations/CSR

In line with the dispositions of the current Gambling Regulatory Authority Act which provides for the totality of CSR funds to be remitted to the GRA for the setting up of a national responsible gambling program, no CSR contribution was made by the Company for the year ending 31 December 2025 due to loss making of the Company for the previous financial year (no CSR contribution in 2024).

- Health and Safety

The Company endeavours to provide a safe environment for its employees and other stakeholders. The Company has engaged a health and safety Consultant to ensure compliance with the relevant

prescribed health and safety norms and existing legal and regulatory frameworks pertaining thereto. Regular reports of the visits carried out in the different outlets/head office of the Company by the health and safety Consultant are provided to the management for review and action. In September 2022, employees who were designated to act as fire wardens followed a training on the usage of firefighting equipment and staff evacuation in case of emergency.

Furthermore, a refresher first aiders training was conducted by the First Aiders Association in 2023 for the designated employees.

The Company continuously strives at instilling a safety culture among its employees and is committed to providing a Healthy and Safe environment at work. The Company has adopted a general statement of health and safety policy.

The Company continuously carries out risk assessments and implements appropriate measures to eliminate health and safety hazards.

The Company has the following measures in place to prevent accidents and work-related injuries, namely:

- Training of employees;
- Regular Risk assessment;
- Safety Audit;
- Training to enable supervisors to carry out Task Risk Evaluation;
- Empowering its supervisors to take decisions in the face of dangers and hazards at work;
- Encouraging employees to report potential hazards, accidents or unsafe conditions; and

- Ensuring that contractors are fully compliant with health and safety issues.

- Social Issues

In the recruitment and promotion of its team members, the Company practices fair policies, based on merit.

- Annual Meeting

The notice of the next Annual Meeting, as well as the two-way voting proxy form are included in the present Annual Report. The notice will also be available on the Company's website.

The list of shareholders' meeting's questions and answers and votes are not published on the website as shareholders can have access to the minutes of the said meetings in accordance with section 226 of the Mauritius Companies Act 2001. The minutes of the 2026 Annual Meeting will be available to shareholders one month after the Annual Meeting.

PRINCIPLE 7 - AUDIT

- Internal Audit

EY acts as the Internal Auditors of the Company.

The Internal Audit team has unrestricted access to the Company's records, Management and employees. The Internal Auditors maintain an open and constructive line of communication with Management and report functionally to the Audit and Risk Committee (ARC).

The Company is satisfied that it has an effective and independent internal audit function which commands the respect,

confidence and full co-operation of both the Board and Management.

During the year ended 31 December 2025, the following internal audit reviews were conducted:

- Fixed asset management
- Internal vulnerability assessment and penetration testing

The findings and recommendations arising from the Internal Audit reports are reviewed and discussed at the ARC in the presence of the Internal Auditors. The Chairperson of the ARC subsequently reports to the Board on the outcome of the reviews.

- Internal Control and Risk Management

The Board acknowledges its overall responsibility for the Company's systems of risk management and internal control and for ensuring their effectiveness. The risk register is maintained as a dynamic document and is regularly reviewed by the ARC and the Board.

The principal risks facing the Company include economic, financial, human resource, technological and political factors, as well as reputational, foreign exchange and interest rate risk, all of which may have an impact on the Company's operations and performance.

Further details on financial risk factors are set out in note 5 of the financial statements.

- External Audit

Deloitte Mauritius was re-appointed as the external auditors of the Company at its 2025 Annual Meeting and will be

automatically reappointed at the next Annual meeting, conformably to section 200 of the Companies Act.

The ARC is responsible for reviewing with the external Auditors the letter of engagement, terms and nature of the audit scope and approach and for ensuring that no restrictions or limitations have been placed on the scope. The external Auditors report directly to the ARC which monitors the external auditors; independence, objectivity and compliance with ethical, professional and regulatory standards.

During the financial year ended December 2025, the ARC has met 4 times, and the General Manager and the Executive Director attended the ARC meetings. In line with good governance practice, The ARC Chairperson discuss separately with the external auditor, without the presence of Management, to allow for open and transparent discussions on audit matters and any issues arising therefrom.

Auditors are expected to observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner. They have the duty to always maintain their independence and objectivity, especially when providing other than audit service to the Company or the Group. Any conflicts or potential conflict of any kind are expected to be reported to the ARC or the Chairperson of the Board without delay.

The key audit matter is reported in the External Auditor's report on page 6. Management letter points were also brought to the attention of the ARC and to the Board.

PRINCIPLE 8 - RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

- Shareholder Information

The Board places great importance on an open and transparent communication with shareholders of the Company. In line with the Listing Rules, it also endeavours to inform the shareholders on matters affecting the Company by communiques in the press and/or disclosures in the Annual Report.

- Dividend Policy

The Board has not adopted a formal dividend policy and distributes dividends subject to the Company's profitability, available retained earning, cash availability, capital expenditure requirements and investment plan. As required by the Mauritius Companies Act 2001, dividends are declared subject to the solvency test being satisfied.

For the year ended 31 December 2025, the Directors have approved the distribution of a final dividend of Rs 2.00 per share (2024: nil). The dividend has been paid on 30 January 2026 to shareholders registered as close of business of 15 January 2026.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 8 – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

- Relationship with shareholders and stakeholders

The Company maintains a close relationship with its shareholders. Through publications of quarterly results, shareholders are informed of material events affecting the Company. The Secretary is also available to provide any information or advice upon request.

The Board acknowledges its responsibility of ensuring that an appropriate dialogue takes place among the Company, its shareholders and other key stakeholders. Shareholders are invited and encouraged to attend the Annual Meeting which is a forum for exchange with Directors, external Auditors and Management.

- Employees

The Company recognises the importance of its workforce, which is key to the Company's performance. The Company currently employs, on a full-time basis, 41 people who are involved in the daily operations of the Company. For its operations (On Course, Teletote and Off-Course), the Company had a working arrangement with 120 casual workers during the racing season and for football betting during the non-racing season.

- Share Price Information

At 31 December 2025, the share price of the Company on the market was trading at Rs 66.00 (Rs 79.75 at 31 December 2024). An updated share price can be viewed on the Company's website www.automaticsystemsLtd.mu or on the website of the Stock Exchange of Mauritius.

- Shareholders' Agreement

No Shareholders' Agreement exists between the Company and shareholders or related parties.

- Shareholders communication and events

The Company communicates with its shareholders, investment community and other stakeholders via press releases, publication of quarterly results, communiqués and the Annual Report which is also available on the Company's website www.automaticsystemsLtd.mu. The website also provides interesting information on the Company's activities, financials and governance.

The key events and shareholder communications of the Company are set out below:

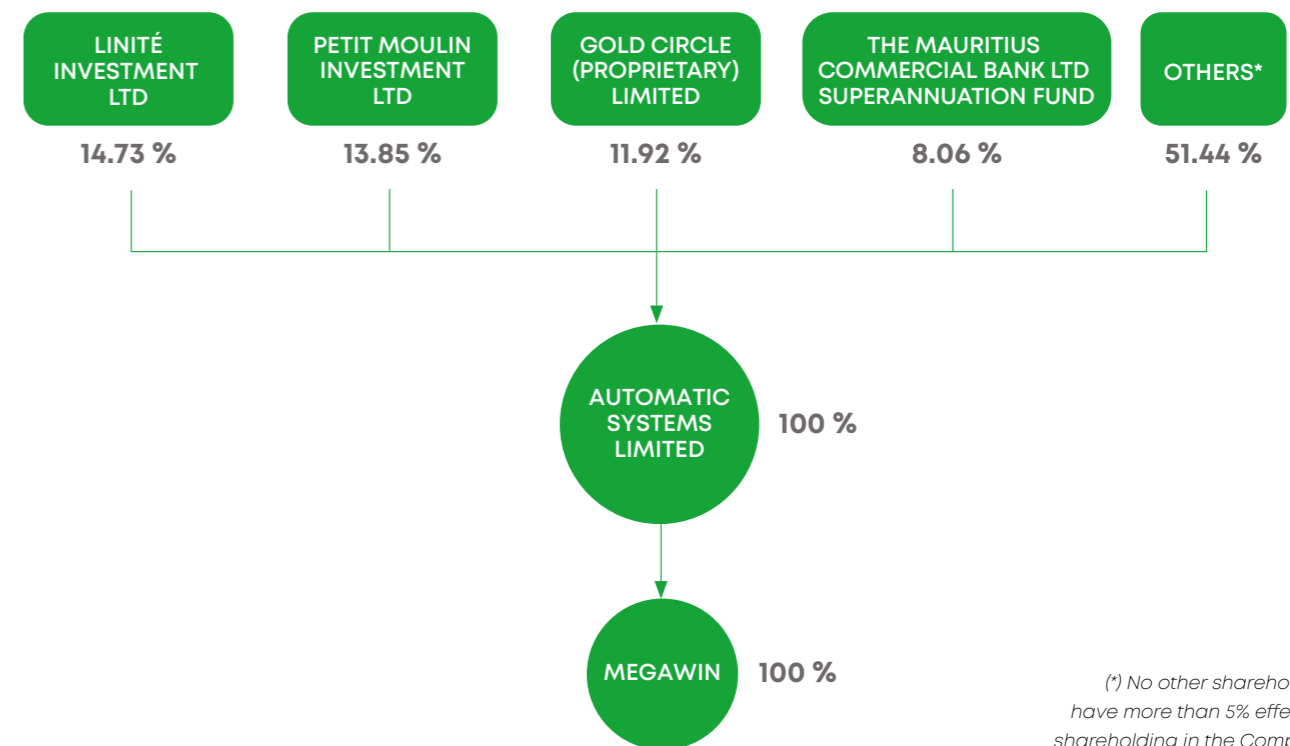
Month	Event
March	Abridged end-of-year results and approval of Annual Report.
May	Sending of Annual Report and notice of Annual Meeting to Shareholders.
June	Annual Meeting.
May, August, November	Publication of quarterly financial reports.
December/ January	Declaration/payment of dividend (if applicable).

CORPORATE GOVERNANCE REPORT (CONT'D)

- Shareholding

At 31 December 2025, the Company's share capital amounted to Rs 24,745,000 divided into 3,535,000 ordinary shares of Rs 7 each. There were 1,633 shareholders on the registry compared to 1,641 in 2024.

Cascade Holding Structure



(* No other shareholders have more than 5% effective shareholding in the Company.

The Company's shareholding structure is as follows:

On 31 December 2025, the following shareholders held directly and indirectly more than 5% of the ordinary share capital of ASL.

	Direct Interest	
	No. of ordinary shares	% holding
Linité Investment Ltd	520,667	14.73
Petit Moulin Investment Ltd	489,686	13.85
Gold Circle (Proprietary) Limited	421,324	11.92
The Mauritius Commercial Bank Ltd Superannuation Fund	291,900	8.06

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 8 – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

- Shareholding (CONT'D)

Common Directorships of the Company holding structure:

	LI	PMI	ML
M. L. Jean HARDY	*		*
Hervé HENRY		*	*
Michel J. L. NAIRAC			*
J. O. Guillaume HARDY	*		*

The Company's shareholding profile as at 31 December 2025 was as follows:

Number of shares held (range)	Number of shareholders	Total number of Shares for the range	Percentage held (%)
1-500	1280	197,628	5.5906
501-1,000	186	129,558	3.6650
1,001-5,000	114	245,294	6.9390
5,001-10,000	19	141,375	3.993
10,001-50,000	23	470,529	13.3106
50,001-100,000	3	170,559	4.8249
100,001-250,000	4	456,480	12.9132
250,001-500,000	3	1,202,910	34.0286
500,001-1,000,000	1	520,667	14.7289
	1,633	3,535,000	100

CORPORATE GOVERNANCE REPORT (CONT'D)

Summary of Shareholder category at 31 December 2025:

	Number of shareholders	Total number of Shares Held	Percentage held (%)
Individual	1,525	1,230,472	34.8083
Insurance & Assurance Companies	1	20,791	0.5881
Investment & Trust Companies	7	443,801	12.5545
Pension & Providence Funds	17	251,524	7.1152
Other Corporate Bodies	83	1,588,412	44.9339
	1,633	3,535,000	100

*The above number of shareholders is indicative due to the consolidation of multiple portfolios for reporting purposes.

*The total number of active shareholders as at 31 December 2025 was 1,645. But when consolidating multiple portfolios, the number of shareholders reach 1,633.

OTHER STATUTORY DISCLOSURES

- Contract of significance

There was no contract of significance to which Automatic Systems Ltd was party to and in which a Director of the Company was materially interested either directly or indirectly.

- Directors service contract

The Service Agreement with Mr J. O. Guillaume Hardy ended at 31 December 2022. With Mr M. L. Jean Hardy ceasing to act as Executive Director as from 31 December 2022, the Corporate Governance, Nomination and Remuneration Committee recommended to the Board, and the Board approved, that Mr J. O. Guillaume Hardy be appointed as Executive Director and continues to assist the General Manager in the daily operations to ensure an efficient and smooth running in the management, a continuity in the reporting and compliance obligations as well as for the continuous development of the activities of the Company.

- Directors share interest

The interests of the Directors are disclosed on page 26 of this report.

- Profile of Senior Officers

Please refer to page 23 of the report.

- Interests of Senior Officer – excluding Directors

The Senior Officer does not hold any interest in the shares of the Company whether directly or indirectly.

CORPORATE GOVERNANCE REPORT (CONT'D)

OTHER STATUTORY DISCLOSURES (CONT'D)

- Directors

A list of Directors of the Company is given in the Directors report on page 4.

- Directors' Emoluments

Remuneration and benefits (including bonuses and commissions) received and receivable from the Company were as follows:

	2025	2024
Non-Executive Directors (Rs)	2,666,250	2,118,750
Executive Director (Rs)	4,606,260	3,913,488

The remuneration per director is disclosed on page 31.

- Auditors' Remuneration

The audit fees are as follows:

	2025	2024
Audit fees (Rs)	1,380,000	1,150,000

No non-audit services were availed during the reporting financial year.

Approved by the Board on 26 March 2026


 Ravindra **CHETTY**
 Chairperson of the Corporate Governance Committee


 M. Michel Joseph Laurence **NAIRAC**
 Chairperson


BOX OFFICE LTD
 Secretary

CORPORATE GOVERNANCE REPORT (CONT'D)

Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for:

- Leading and controlling the Company and meeting all legal and regulatory requirements;
- Succession planning;
- Approving the Charters of the two sub committees – namely the Audit and Risk Committee Charter and the Corporate Governance (Nomination and Remuneration) Committee Charter;
- Adequate accounting records and the maintenance of effective internal control systems;
- Approving the Code of Ethics;
- The preparation of the Group's and the Company's financial statements to fairly state the affairs of the Company and the Group. (The said financial statement adheres to IFRS Accounting Standards. There has been no departure from the IFRS Accounting Standards to report and not material uncertainties have been identified);
- A fair, balanced and understandable assessment of the Company's financial, environmental, social and governance position, performance and outlook;
- The use of appropriate accounting policy information supported by reasonable and prudent judgments and estimates;
- The Company's adherence to the New Code of Corporate Governance (2016);
- The governance of risk and for determining the nature and extent of the principal risks the Company is willing to take in achieving its strategic objectives, and for ensuring that the Company develops and executes a comprehensive and robust system of risk management; and
- Ensuring that an appropriate dialogue takes place among the Company, its shareholders and other key stakeholders.

The Directors affirm that:

- The Company is a public interest entity as defined by law;
- The Company is headed by an effective Board, and responsibilities and accountabilities within the Company (including at the level of Senior Management) are known to all parties;
- Appropriate Board committees, namely the Audit & Risk Committee and the Corporate Governance, Nomination and Remuneration Committee have been set up to assist the Board in the effective performance of its duties;
- Adequate accounting records and an effective system of risk management have been maintained;
- Appropriate accounting policy information supported by reasonable and prudent judgments and estimates have been used consistently;
- International Financial Reporting Standards, the Financial Reporting Act 2004 and the Mauritius Companies Act 2001 have been adhered to. Any departure has been disclosed, explained and quantified in the consolidated and separate financial statements;
- They have assessed the Company as a going concern and have a reasonable expectation that the Company will continue to operate for the foreseeable future and meet its liabilities as they fall due;
- The Board and the Audit and Risk Committee regularly monitor and evaluate the Company's operational risk; and
- The Board acknowledges its responsibility to monitor and evaluate the Company's compliance risk.

CORPORATE GOVERNANCE REPORT (CONT'D)

Statement of Directors' Responsibilities in Respect of the Financial Statements at 31 December 2025.

The Company's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statements of financial position at 31 December 2025, the statements of profit or loss and other comprehensive income, the statements of changes in equity, and statement of cash flows, and the notes to the financial statements, which include a summary of material accounting policy information and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004.

The Director's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policy information; and making accounting judgments and estimates that have been used consistently.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The Directors report that the External Auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors confirm that:

- i. adequate accounting records and an effective system of internal controls and risk management have been maintained;
- ii. appropriate accounting policy information supported by reasonable and prudent judgements and estimates have been used consistently; and
- iii. International Financial Reporting Standards have been adhered to. There was no departure in fair.

The Directors confirm that the Code of Corporate Governance has been adhered to.

Approved by the Board of Directors on 26 March 2026 and signed on its behalf by:

By Order of the Board



Director



Director

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act)

Name of Public Interest Entity (PIE): AUTOMATIC SYSTEMS LTD. ("ASL")

Reporting Period: Financial year ended 31 December 2025.


We, the Directors of Automatic Systems Ltd, confirm to the best of our knowledge, that the PIE has complied with all its obligations and requirements under the Code of Corporate Governance 2016 except for the following, for which reasons for non-compliance are stated below.

Areas of non-application of the Code	Area of non-compliance	Explanation for non-application
Principle 2 – Board structure and size.	The Company's Board should have at least two Executive Directors whereas it has only one.	The Board believes that, with one Executive Director and with the General Manager attending Board meetings, there is no requirement for the time being to recommend to the Shareholders the appointment of a second Executive Director on the Board.

SIGNED BY:



Director



Director

26 March 2026

SECRETARY'S REPORT

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001, in terms of section 166(d).



Sophie GELLE ACG (CS)

Box Office Ltd
Company Secretary

26 March 2026

OUR PASSIONATE JOURNEY

**19
91** || BIRTH OF
TOTE SYSTEM

**19
94** || LAUNCHING OF
TELETOTE

**20
04** || OPENING OF
5 OFF-COURSE
AGENCIES

**20
16** || WELCOMING
SUPERTOTE
BET BUILDER

**20
08** || CREATION OF
SUPERSCORE &
SMS BETTING



INDEPENDENT AUDITOR'S REPORT

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Automatic Systems Ltd. (the "Company" and the "Public Interest Entity") and its subsidiary (the "Group") set out on pages 56 to 99, which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and Company as at 31 December 2025, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Key audit matters	How our audit addressed the key audit matters
<p>Mauritius Revenue Authority ('MRA') Claim</p> <p>In 2014, the Company received a claim of Rs 21,571,308 from the MRA in respect of racing seasons 2012, 2013 and 2014 following the examination of the Company's books and records in relation to betting tax. In 2015, an additional amount of Rs 4,188,453 inclusive of penalty and interest in respect of the same racing seasons has been claimed. In 2019, the MRA sent another assessment notice claiming Rs 60,994,000 in respect of racing seasons 2016, 2017 and 2018.</p> <p>The Company has made an appeal against these claims and an amount of Rs 8,940,000 was paid to the MRA to appeal for the cases.</p> <p>In 2023, the Company received three additional claims of Rs 28,602,127, Rs 76,503,342 and Rs 15,628,537 from the MRA. The Company has filed a Notice of Objection with the MRA with payments of Rs 14,848,000.</p> <p>The MRA claims that betting tax on "All for All" bets placed with the Company in respect of the above race meetings has not been properly calculated.</p> <p>The Company has paid a total amount of Rs 23,788,000 to the MRA to appeal for these cases (refer to note 32). No provision in relation to this claim has been recognised in the financial statements, as the directors are of the opinion that, based on legal advice, it is possible but not probable that a significant liability will arise.</p> <p>Accordingly, the contingent liability is considered to be a key audit matter.</p>	<p>The procedures performed included the following:</p> <ul style="list-style-type: none"> Reviewed all communications between the MRA and the Company, including the tax assessments raised by the MRA; Discussed with the directors on the possibility of this liability to crystallise. We have also circularised and discussed with the Company's legal advisor on the merits of this claim; and Assessed the adequacy of the disclosures in respect of this contingent liability in the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Other information

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

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

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

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Auditor's responsibilities for the audit of the consolidated and separate financial statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group's financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Financial Reporting Act 2004

Corporate Governance Report

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

Use of this report

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



DELOITTE
Chartered Accountants



FARRZAND CHAMROO, FCCA
licensed by FRC

26 March 2026



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENTS OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	GROUP		COMPANY	
		2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Revenue	8	150,595	137,699	150,595	137,699
Other income		1,366	1,723	3,255	7,264
Selling expenses		(18,594)	(15,184)	(18,594)	(15,184)
Operating expenses		(121,502)	(105,607)	(121,266)	(105,736)
Impairment losses	17,18	(17,098)	(13,316)	(19,224)	(19,719)
Allowance on trade receivables	20	(1,237)	(1,283)	(1,237)	(670)
Payments to Horse Racing Organisers		(18,367)	(9,735)	(18,367)	(9,735)
Operating loss	9	(24,837)	(5,703)	(24,838)	(6,081)
Finance income	11	1,196	991	1,196	991
Finance costs	11	(2,264)	(3,056)	(2,264)	(3,056)
Loss before tax		(25,905)	(7,768)	(25,906)	(8,146)
Tax income/(expense)	12	1,781	(5,065)	1,782	(4,841)
Loss for the year attributable to owners of the Company		(24,124)	(12,833)	(24,124)	(12,987)
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Changes in the fair value of equity instruments measured at FVTOCI	19	119	100	119	100
Re-measurements of post-employment benefit obligations	27	953	2,767	953	2,767
Deferred tax charge relating to re-measurements of post employment benefits	28	(181)	(526)	(181)	(526)
Re-measurements of post-employment benefit obligations – net of tax		772	2,241	772	2,241
Total other comprehensive (loss)/income for the year		891	2,341	891	2,341
Total comprehensive loss for the year attributable to owners of the Company		(23,233)	(10,492)	(23,233)	(10,646)
Loss per share	13	(6.82)	(3.63)	(6.82)	(3.67)

The notes on pages 61 to 99 form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	GROUP		COMPANY	
		2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
ASSETS					
Non-current assets					
Property and equipment	15	24,819	24,275	24,819	24,275
Right-of-use assets	16	8,149	10,523	8,149	10,523
Intangible asset	35	740	1,179	740	1,179
Goodwill	17	-	17,098	-	17,098
Investment in subsidiary	18	-	-	501	2,627
Financial assets at fair value through other comprehensive income	19	2,205	2,086	2,205	2,086
Deferred tax assets	28	6,526	2,577	6,526	2,576
Total non-current assets		42,439	57,738	42,940	60,364
Current assets					
Inventories	21	578	505	578	505
Trade and other receivables	20	34,527	41,915	34,527	39,960
Cash and bank balances	14	11,446	12,050	10,945	11,305
Restricted cash	25	42,756	37,465	42,756	37,465
Total current assets		89,307	91,935	88,806	89,235
Total assets		131,746	149,673	131,746	149,599
EQUITY					
Equity attributable to owners of the Company					
Share capital	22	24,745	24,745	24,745	24,745
Share premium	23	1,168	1,168	1,168	1,168
Post-employment benefits reserve		953	181	953	181
Fair value reserve		(6,744)	(6,863)	(6,744)	(6,863)
(Accumulated losses)/retained earnings		(10,158)	21,036	(10,158)	21,036
Total equity		9,964	40,267	9,964	40,267
LIABILITIES					
Non-current liabilities					
Post-employment benefits	27	4,813	5,318	4,813	5,318
Lease liabilities	16	5,303	7,859	5,303	7,859
Total non-current liabilities		10,116	13,177	10,116	13,177
Current liabilities					
Trade and other payables	29	53,496	35,319	53,496	35,411
Provision	26	42,756	37,465	42,756	37,465
Bank overdrafts	14	2,275	19,830	2,275	19,830
Lease liabilities	16	3,720	3,449	3,720	3,449
Dividend payable	31	7,070	-	7,070	-
Income tax liability	12	2,349	166	2,349	-
Total current liabilities		111,666	96,229	111,666	96,155
Total liabilities		121,782	109,406	121,782	109,332
Total equity and liabilities		131,746	149,673	131,746	149,599

Approved by the Board of Directors and authorised for issue on 26 March 2026



Director

The notes on pages 61 to 99 form part of these financial statements.



Director

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

GROUP	Attributable to owners of the Company						
		Share capital	Share premium	Post-employment benefits reserve	Fair value reserve	(Accumulated losses)/retained earnings	Total
	Note	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance as at 1 January 2024		24,745	1,168	(2,060)	(6,963)	33,869	50,759
Loss for the year		-	-	-	-	(12,833)	(12,833)
Other comprehensive income for the year		-	-	2,241	100	-	2,341
Total comprehensive loss for the year		-	-	2,241	100	(12,833)	(10,492)
Balance as at 31 December 2024		24,745	1,168	181	(6,863)	21,036	40,267
Balance as at 1 January 2025		24,745	1,168	181	(6,863)	21,036	40,267
Loss for the year		-	-	-	-	(24,124)	(24,124)
Other comprehensive loss for the year		-	-	772	119	-	891
Total comprehensive loss for the year		-	-	772	119	(24,124)	(23,233)
Dividends	31	-	-	-	-	(7,070)	(7,070)
Balance as at 31 December 2025		24,745	1,168	953	(6,744)	(10,158)	9,964

The notes on pages 61 to 99 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

COMPANY							
		Share capital	Share premium	Post-employment benefits reserve	Fair value reserve	(Accumulated losses)/retained earnings	Total equity
	Note	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance as at 1 January 2024		24,745	1,168	(2,060)	(6,963)	34,023	50,913
Loss for the year		-	-	-	-	(12,987)	(12,987)
Other comprehensive income for the year		-	-	2,241	100	-	2,341
Total comprehensive loss for the year		-	-	2,241	100	(12,987)	(10,646)
Balance as at 31 December 2024		24,745	1,168	181	(6,863)	21,036	40,267
Balance as at 1 January 2025		24,745	1,168	181	(6,863)	21,036	40,267
Loss for the year		-	-	-	-	(24,124)	(24,124)
Other comprehensive loss for the year		-	-	772	119	-	891
Total comprehensive loss for the year		-	-	772	119	(24,124)	(23,233)
Dividends	31	-	-	-	-	(7,070)	(7,070)
Balance as at 31 December 2025		24,745	1,168	953	(6,744)	(10,158)	9,964

The notes on pages 61 to 99 form part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

Notes	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Cash flows from operating activities				
Loss before tax	(25,905)	(7,768)	(25,906)	(8,146)
Adjustments for:				
Depreciation of property, plant and equipment	15 5,853	6,461	5,853	6,461
Depreciation of right of use assets	16 3,801	3,663	3,801	3,663
Amortization of intangible assets	35 439	696	439	696
Gains on disposal of plant and equipment	9 -	(1,200)	-	(1,200)
Impairment losses	17, 18 17,098	13,316	19,224	19,719
Dividend income	9 -	131	-	5,072
Interest income	11 (1,196)	(991)	(1,196)	(991)
Interest expense	11 2,264	3,056	2,264	3,056
Net post-employment benefit charge	27 448	523	448	523
Operating profit before working capital changes	2,802	17,887	4,927	28,853
Working capital changes				
(Increase)/decrease in inventories	(73)	37	(73)	37
Decrease in trade and other receivables	7,388	6,448	5,433	3,230
Increase in restricted cash	(5,291)	(5,536)	(5,291)	(5,536)
Increase/(decrease) in trade and other payables	18,177	(7,657)	18,085	(3,226)
Increase in provision	5,291	5,451	5,291	5,451
Cash generated from operations	28,294	16,630	28,372	28,809
Net income tax paid	12 (166)	(508)	-	(295)
Interest paid	(374)	(1,260)	(374)	(1,260)
Net cash generated from operating activities	27,754	14,862	27,998	27,254
Cash flows from investing activities				
Payments for purchase of property, plant and equipment	15 (6,397)	(3,822)	(6,397)	(3,822)
Payments for purchase of intangible assets	35 -	(201)	-	(201)
Proceeds from disposal of plant and equipment	-	1,200	-	1,200
Dividends received	-	(131)	-	(5,072)
Net cash used in investing activities	(6,397)	(2,954)	(6,397)	(7,895)
Cash flows from financing activities				
Dividends paid	31 -	(5,303)	-	(5,303)
Repayment of lease liabilities	36 (4,406)	(4,166)	(4,406)	(4,166)
Net cash used in financing activities	(4,406)	(9,469)	(4,406)	(9,469)
Net increase in cash and cash equivalents	16,951	2,439	17,195	9,890
Cash and cash equivalents at 1 January	(7,780)	(10,219)	(8,525)	(18,415)
Cash and cash equivalents at 31 December	14 9,171	(7,780)	8,670	(8,525)

The notes on pages 61 to 99 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The principal activities of Automatic Systems Ltd. (the "Company") and its subsidiary (collectively referred to as the "Group") are as follows:

- The Company runs a totalisator system (Tote) of betting on horse races in Mauritius organised by the MTC Sports and Leisure Ltd and the People's turf PLC, under the brand name "Supertote", and organises fixed odds betting on foreign football matches under the brand name "Superscore", both are in accordance with the provision of the Gambling Regulatory Authority (GRA) Act 2007.
- The subsidiary, Megawin is a commission agent.

The Company is a public company with limited liability, incorporated and domiciled in Mauritius, and is listed on the Stock Exchange of Mauritius. The address of its registered office is c/o Box Office Ltd, 2nd Floor, Palm Square, 90906, La Mivoie, Tamarin, Republic of Mauritius. Its main place of business is situated at Champ de Mars, Port Louis. It also operates through several offcourse outlets located throughout the island. The financial statements were authorised for issue by the Board of Directors.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation and statement of compliance

(i) Compliance with IFRS

The financial statements of the Group and the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of financial assets at fair value through other comprehensive income.

(iii) Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Acquisitions of businesses are accounted for using the acquisition method.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 Basis of preparation and statement of compliance (CONT'D)

(iii) Basis of consolidation (CONT'D)

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in retained earnings within equity attributable to owners of the Company.

Changes in ownership interests

When the Group ceases to consolidate because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity,

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 Basis of preparation and statement of compliance (CONT'D)

(iv) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM).

The executive director, who has been identified as the CODM, assesses the financial performance and position of the Group and makes strategic decision.

2.2 Summary of material accounting policies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated and separate financial statements are presented in thousands of Mauritian Rupees ('Rs 000'), which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(b) Property and equipment

Property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 or Company 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 period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Equipment	12.50%
Teletote	20%
Electrical installation and equipment	20%
Off-course and Office equipment and furniture	20%
Motor vehicles	20%
Buildings	10%

No depreciation is provided on asset in progress and freehold land.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Summary of material accounting policies (CONT'D)

(b) Property and equipment (CONT'D)

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised in profit or loss and is included in 'other income' line item.

(c) Intangible assets

Goodwill

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Computer software

Computer software acquired separately is measured on initial recognition at cost. The cost of computer software acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, computer software carried at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is 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 a computer software are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on computer software is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated on the straight-line basis over a period of 5 - 8 years. Gains or losses arising from derecognition of a computer software are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(d) Impairment of non-financial assets

Intangible assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Summary of material accounting policies (CONT'D)

(d) Impairment of non-financial assets (CONT'D)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets (other than goodwill) that suffered impairment are reviewed for possible reversal of the impairment at each reporting period.

(e) Financial assets

- Classification

The Group and the Company classify their financial assets in the following categories:

- those measured subsequently at fair value (either through OCI or through profit or loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group and the Company have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

- Recognition and derecognition

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

- Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group's and the Company's financial assets consist of trade receivables and cash and cash equivalents which are classified as debt instruments at amortised cost. These assets are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest and are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses, if any, are presented as separate line item in profit or loss. Debt instruments at amortised cost are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified in non-current assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Summary of material accounting policies (CONT'D)

(e) Financial assets (CONT'D)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL, if any, are recognised in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group and Company establish fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing model, making maximum use of market inputs and relying as little as possible on entity specific inputs.

As at 31 December 2025, the Group and Company have taken into account the net asset values of Central Depository & Settlement Co. Ltd as a proxy to determine the fair value of the investment. Given that the above financial assets comprise only 1.67% (2024: 1.39%) of total assets of the Group, the directors do not consider it material to determine the fair value of the investments using a more sophisticated valuation technique.

- Impairment

For trade receivables, the Group and the Company apply the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

- Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group and Company or the counterparty.

(f) Inventories

Inventories consist of ticket rolls and are stated at cost.

(g) Trade receivables

Trade receivables are amounts due from Off-Course betting agents in the ordinary course of business. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Summary of material accounting policies (CONT'D)

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(i) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

(j) Trade payables

These amounts represent liabilities for goods and services provided to the Group and the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

(k) Current and deferred income tax

The income tax expense for the year is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses and includes the Corporate Social Responsibility contribution.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted during the year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income 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, income tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Summary of material accounting policies (CONT'D)

(l) Employee benefits

The Company has changed its post-employment scheme from defined benefit plan to a defined contribution plan since 1 January 2013. The obligations arising under this item are not funded. The employees are also entitled to a gratuity payment on retirement under the terms of The Workers' Rights Act 2019. Accordingly, the Company has calculated and provided for the gratuity payment in the financial statements.

Pension obligations

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The liability for gratuity payment is calculated annually by independent actuaries using the projected unit credit method and is recognised on the statement of financial position.

The present value of the liability for gratuity payment is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation where there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included as 'post-employment benefits reserve' in the statements of changes in equity and in the statement of financial position.

Changes in the present value of the liability for gratuity payment resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Other entitlements

The estimated monetary liability for employees' accrued vacation leave entitlements at year end is recognised as an expense accrual. The Group and the Company recognise a provision where contractually obliged or where there is past practice that has created a constructive obligation.

Termination benefits

Termination benefits are payable when employment is terminated by the Group and the Company before the normal retirement age, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits at the earlier of the following dates: (a) when the Group and the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Summary of material accounting policies (CONT'D)

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in relation to horse racing and football bets. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Net betting income

Net betting income represents gross stakes/bets struck net of betting dividends paid to customers, refunds and rebates, if any.

Betting dividends comprise punters' winnings. Unclaimed betting dividends are recognised in the statement of financial position as betting dividends payable under current liabilities. Betting dividends not claimed within 30 (thirty) days for racing and 30 (thirty) days for football from date of declaration become due to the National Solidarity Fund.

Betting tax and levy are paid to the Government of Mauritius. Betting tax is calculated at 14% on gross stake and levy is calculated at 2.5% on gross gambling yield (gross stake minus betting tax and dividend).

Revenue represents net betting income less betting taxes, levies, and payments to the National Solidarity Fund, and is recognised at a point in time.

Commission income

The Group also acts as an agent for Lottotech Ltd and derives commission income. Commission income is recognised at the point when the performance obligation which gives rise to the commission income is satisfied.

Dividend income

Dividend income is recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. Dividend income is included in 'other income' line item.

(n) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared by the Board of Directors.

(o) Leases

The Group and the Company lease various retail outlets. Rental contracts are typically made for fixed periods of 1-10 years.

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group and the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Summary of material accounting policies (CONT'D)

(o) Leases (CONT'D)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group and the Company under residual value guarantees;
- the exercise price of a purchase option if the Group and the Company are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group and the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(p) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Summary of material accounting policies (CONT'D)

(p) Provisions (CONT'D)

When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Related parties

Individuals and companies are considered to be related to the Group and the Company if they have the ability, directly or indirectly to control the Group or the Company or exercise significant influence over the Group and the Company in making financial and operating decisions, or vice versa, or where the Group and the Company is subject to common control or common significant influence.

3. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group and the Company have applied all of the new and revised IFRS Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are relevant to its operations and effective for accounting periods beginning on 1 January 2025.

New and revised IFRS Accounting Standards that are effective for the current year

The following relevant revised IFRS Accounting Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting treatment for future transactions or arrangements.

IAS 21	The Effects of Changes in Foreign Exchange Rates - Lack of exchangeability
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

3. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS (CONT'D)

Relevant new and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant new and revised IFRS Accounting Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IFRS 7	Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments (1 January 2026)
IFRS 10	Consolidated financial statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinitely)
IFRS 18	Presentation and Disclosure in Financial Statements - Original issue (1 January 2027)
IFRS 19	Subsidiaries without Public Accountability: Disclosures - Original issue (1 January 2027)

The directors anticipate that these IFRS Accounting Standards will be applied on their effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's and the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's and the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of retail outlets, the following factors are normally the most relevant:

If there are significant penalties to terminate (or not extend), the Group and the Company are typically reasonably certain to extend (or not terminate).

If any leasehold improvements are expected to have a significant remaining value, the Company and the Group is typically reasonably certain to extend (or not terminate).

Otherwise, the Group and the Company consider other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group and the Company become obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group's actuary determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group and the Company consider the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 27.

(ii) Impairment testing

Following the assessment of the recoverable amount of the goodwill, the directors consider the discount rate to be the key sensitive assumption. In determining the discount rate, the Group and the Company consider the interest rates of government bonds and bank prime lending rates. The sensitivity analysis in respect of the recoverable amount of the goodwill is disclosed in note 17.

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's and the Company's activities expose them to a variety of financial risks: market risk (including foreign exchange risk, equity securities price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group and Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance. Risk management remains the responsibility of the Board of directors to whom the Audit and Risk Committee reports.

- Market risk

(a) Foreign exchange risk

The transactions of the Group and the Company are carried out mainly in Mauritian Rupees with very few transactions in United States Dollar and Euro. Hence, there is no significant exposure to foreign exchange risk.

(b) Equity securities price risk

The Group and the Company are exposed to equity securities price risk because of investment held by the Company and classified on the statement of financial position as financial assets at fair value through other comprehensive income. Given that the investment comprises only 1.67% (2024: 1.39%) of the Group's total assets, the impact on equity is not considered significant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk factors (CONT'D)

- Market risk (CONT'D)

(c) Interest rate risk

The Group and Company are not exposed to interest rate risk since they do not have variable interest bearing financial assets or financial liabilities.

- Credit risk

Below is a summary of the credit risk, the Group and the Company are exposed to at the end of the reporting period.

Receivables

The Group and the Company only accept bets on a cash basis and are therefore not exposed to credit risk.

The Group and the Company are exposed to credit risk on its trade receivables from off-course agents as the off-course agents have the responsibility to remit the proceeds from betting to the Group and the Company on a weekly basis. The expected loss rates are based on the payment profiles of sales over a period of 12 months respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors. The amounts presented in the statements of financial position are net of allowances for expected credit losses estimated by the Group's and Company's management based on prior experience, the current economic environment and forecasted GDP. The Group's and Company's management make a monthly analysis of the aged debtors listing for Off-Course agents and determine the appropriate level of specific impairment to be provided for long outstanding trade receivables from agents. The impairment is determined on a case by case basis based on response and follow-ups made with the off-course agents.

Bank

Credit risk also arises from cash at bank. The Group and the Company only bank with institutions that are of good repute and where the risk of default is assessed to be low and expected allowance for impairment is deemed to be not material.

The amount that best represents the Group's and the Company's maximum exposure to credit risk at 31 December 2025 is the carrying value of the financial assets in the statement of financial position, as tabled below:

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Trade and other receivables	26,159	29,071	26,159	27,116
Financial assets at fair value through other comprehensive income	2,205	2,086	2,205	2,086
Restricted cash	42,756	37,465	42,756	37,465
Cash and bank balances	11,446	12,050	10,945	11,305
	82,566	80,672	82,065	77,972

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk factors (CONT'D)

- Credit risk (CONT'D)

The credit quality of financial assets that is neither past due nor impaired can be assessed by historical information about counterparty default rates as follows:

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Trade and other receivables (neither past due nor impaired)				
Trade and other receivables	25,489	29,684	25,489	27,116
Bank balances	5,269	4,028	4,768	3,283

No other collateral is held in respect of trade and other receivables as disclosed on statement of financial position.

All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated, and management does not expect any credit losses from non-performance by these parties since its impact is not material.

None of the Group and the Company's financial assets are either past due or impaired except for the following amounts in trade receivables. The trade receivables which were past due but not impaired relate to a number of independent Off-Course agents for whom there is no history of default even though they settle their debts with the Group and the Company after their specified credit term. The ageing analysis of these trade receivables is as follows:

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Trade and other receivables (past due but not impaired)				
Greater than 365 days	670	(613)	670	-
Trade and other receivables (individually determined to be impaired)				
Greater than 365 days	1,237	1,283	1,237	670

In disclosing trade and other receivables as a financial instrument for the Group and the Company, an amount of Rs 8,368,000 (2024: Rs 12,844,000) representing prepayments, has been excluded respectively.

The individually impaired receivables mainly relate to Off-Course agents, which are in unexpected difficult economic situations which have been fully provided for.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk factors (CONT'D)

- Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

Management monitors rolling forecasts of the Group's and Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.

The Group's and the Company's financial liabilities comprise of trade and other payables, lease liabilities and dividend payable. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
<u>Less than 1 year</u>				
Trade and other payables	53,496	35,319	53,496	35,411
Bank overdrafts	2,275	19,830	2,275	19,830
Lease liabilities	3,720	3,449	3,720	3,449
Dividend payable	7,070	-	7,070	-
	66,561	58,598	66,561	58,690
<u>More than 1 year</u>				
Lease liabilities	5,303	7,859	5,303	7,859

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders.

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

The Group and the Company have no long term external borrowings as at 31 December 2025 (2024: Nil).

Fair value estimation

The carrying value of trade and other receivables, cash at bank and in hand and trade and other payables are assumed to approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk factors (CONT'D)

- Liquidity risk (CONT'D)

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

	Level 1 Rs 000	Level 2 Rs 000	Level 3 Rs 000	Total Rs 000
2025				
Assets				
Financial assets at fair value through other comprehensive income	-	-	2,205	2,205
2024				
Assets				
Financial assets at fair value through other comprehensive income	-	-	2,086	2,086

As at 31 December 2025, the Group and the Company have taken into account the net asset value of Central Depository & Settlement Co. Ltd as a proxy to determine the fair value of the investment. Given that this financial asset comprises of only 1.67% (2024: 1.39%) of total assets of the Group, the directors do not consider it material to determine the fair value of the investment using a more sophisticated valuation technique in line with requirements of IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL INSTRUMENTS BY CATEGORY

GROUP 2025

	Financial assets at amortised cost Rs 000	Financial assets at fair value through other comprehensive income Rs 000	Total Rs 000
Assets			
Financial assets at fair value through other comprehensive income	-	2,205	2,205
Trade and other receivables	26,159	-	26,159
Restricted cash	42,756	-	42,756
Cash and bank balances	11,446	-	11,446
	80,361	2,205	82,566
Liabilities			
		Financial liabilities at amortised cost Rs 000	Total Rs 000
Trade and other payables		53,496	53,496
Bank overdrafts		2,275	2,275
Lease liabilities		9,023	9,023
Dividend payable		7,070	7,070
		71,864	71,864

COMPANY 2025

	Financial assets at amortised cost Rs 000	Financial assets at fair value through other comprehensive income Rs 000	Total Rs 000
Assets			
Financial assets at fair value through other comprehensive income	-	2,205	2,205
Trade and other receivables	26,159	-	26,159
Restricted cash	42,756	-	42,756
Cash and bank balances	10,945	-	10,945
	79,860	2,205	82,065
Liabilities			
		Financial liabilities at amortised cost Rs 000	Total Rs 000
Trade and other payables		53,496	53,496
Bank overdrafts		2,275	2,275
Lease liabilities		9,023	9,023
Dividend payable		7,070	7,070
		71,864	71,864

In disclosing trade and other receivables as a financial instrument for the Group and the Company, an amount of Rs 8,368,000 representing prepayments, has been excluded.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

GROUP 2024

	Financial assets at amortised cost Rs 000	Financial assets at fair value through other comprehensive income Rs 000	Total Rs 000
Assets			
Financial assets at fair value through other comprehensive income	-	2,086	2,086
Trade and other receivables	29,071	-	29,071
Restricted cash	37,465	-	37,465
Cash and bank balances	12,050	-	12,050
	78,586	2,086	80,672
Liabilities			
		Financial liabilities at amortised cost Rs 000	Total Rs 000
Trade and other payables		35,319	35,319
Bank overdrafts		19,830	19,830
Lease liabilities		11,308	11,308
Dividend payable		-	-
		66,457	66,457

COMPANY 2024

	Financial assets at amortised cost Rs 000	Financial assets at fair value through other comprehensive income Rs 000	Total Rs 000
Assets			
Financial assets at fair value through other comprehensive income	-	2,086	2,086
Trade and other receivables	27,116	-	27,116
Restricted cash	37,465	-	37,465
Cash and bank balances	11,305	-	11,305
	75,886	2,086	77,972
Liabilities			
		Financial liabilities at amortised cost Rs 000	Total Rs 000
Trade and other payables		35,411	35,411
Bank overdrafts		19,830	19,830
Lease liabilities		11,308	11,308
Dividend payable		-	-
		66,549	66,549

In disclosing trade and other receivables as a financial instrument for the Group and the Company, an amount of Rs 12,844,000 representing prepayments, has been excluded.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. The executive director, the chief operating decision makers, have identified three reportable segments:

- Totalisator:** This part of the business runs a totalisator system of betting on horse races in Mauritius organised by the MTC Jockey Club Ltd;
- Fixed odds:** This part of the business organises fixed-odds betting on foreign football matches in Mauritius;
- All other segments:** The Company has incorporated the subsidiary called 'Megawin Ltd' during the year 2014 to operate foreign football betting on the African continent. Megawin Ltd has not been classified as a new reporting segment since it does not satisfy the quantitative thresholds of IFRS 8. The results of these operations are included in the 'all other segments' column.

The reportable operating segments derived their income primarily from betting by punters on course, Off-Course and through the telephone.

The executive directors assess the financial performance of the operating segments based on Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA). The segment information provided to the executive directors for the reportable segments of the Group for the year ended 31 December 2025 is as follows:

	Totalisator Rs 000	Fixed odds Rs 000	All other segments Rs 000	Total Rs 000
Revenue from external customers	49,985	100,610	-	150,595
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	(4,245)	(8,545)	(758)	(13,548)
Depreciation and amortisation	(3,350)	(6,743)	-	(10,093)
Finance income	-	1,196	-	1,196
Finance costs	(751)	(1,513)	-	(2,264)
Income tax	591	1,190	-	1,781
Total assets	42,914	86,377	2,455	131,746
Additions to non-current assets (other than financial instruments and deferred income tax assets)	2,123	4,274	-	6,397
Total liabilities	(39,773)	(80,055)	(1,954)	(121,782)

The segment information provided to the executive director for the reportable segments of the Group for the year ended 31 December 2024 is as follows:

	Totalisator Rs 000	Fixed odds Rs 000	All other segments Rs 000	Total Rs 000
Revenue from external customers	28,488	109,211	-	137,699
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	1,716	5,150	(758)	6,108
Depreciation and amortisation	(2,691)	(8,129)	-	(10,820)
Finance income	-	991	-	991
Finance costs	(764)	(2,292)	-	(3,056)
Income tax	(1,225)	(3,674)	(166)	(5,065)
Total assets	30,280	116,080	3,313	149,673
Additions to non-current assets (other than financial instruments and deferred income tax assets)	1,000	3,023	-	4,023
Total liabilities	(22,230)	(85,222)	(1,954)	(109,406)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION (CONT'D)

Income is the actual income of the reportable segments. The other segmental information are apportioned proportionately between totalisator (horse racing) and fixed odds (foreign football) on the income basis which, in the directors' view, reflect a fair estimation of the costs associated with the two segments.

A reconciliation of EBITDA to profit before income tax is provided as follows:

	GROUP	
	2025 Rs 000	2024 Rs 000
EBITDA	(13,548)	6,108
Depreciation and amortisation	(10,093)	(10,820)
Finance costs	(2,264)	(3,056)
Loss before income tax	(25,905)	(7,768)

Geographical information and information about major customers

The operations of the Group are carried out locally except for Megawin which is carried out in Ivory Coast. There is no single customer which contributes 10% or more to the Group's revenue in either 2025 or 2024.

8. REVENUE

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Gross stakes/bets struck				
- Totalisator	334,575	193,005	334,575	193,005
- Fixed odds	539,857	529,694	539,857	529,694
	874,432	722,699	874,432	722,699
Payouts (dividend, refunds and rebates)				
- Totalisator	(230,479)	(133,327)	(230,479)	(133,327)
- Fixed odds	(366,317)	(349,374)	(366,317)	(349,374)
	(596,796)	(482,701)	(596,796)	(482,701)
Net betting income	277,636	239,998	277,636	239,998
Betting taxes and levies	(117,289)	(95,709)	(117,289)	(95,709)
Payment to National Solidarity Fund	(9,752)	(6,590)	(9,752)	(6,590)
Revenue recognised at point in time	150,595	137,699	150,595	137,699

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

9. OPERATING LOSS

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Operating loss is stated after charging/(crediting) the following:				
Depreciation of property and equipment	5,853	6,461	5,853	6,461
Depreciation of right-of-use assets	3,801	3,663	3,801	3,663
Amortisation of intangible assets	439	696	439	696
Gain on disposal of property and equipment	-	(1,200)	-	(1,200)
Commission income	(699)	(194)	(699)	(194)
Movement on loss allowance on trade receivables	1,237	1,283	1,237	670
Provision for copyright fees	4,609	4,460	4,609	4,460
Provision for betting tax liabilities	12,135	-	12,135	-
Commission to off-course agents	15,818	12,621	15,818	12,621
Repairs and maintenance	17,957	18,209	17,957	18,209
Licences and municipality taxes	13,382	12,996	13,382	12,996
Staff costs (included in operating expenses) (note 10)	41,705	37,816	41,705	37,816
Auditors' remunerations:				
- external audit services	1,339	1,344	1,339	1,344
- internal audit services	1,120	1,200	1,120	1,200
- tax services	144	140	144	140
Dividend income	-	131	-	5,072

10. STAFF COSTS

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Wages and salaries	33,863	31,378	33,863	31,378
National Pension Fund contribution	1,362	1,401	1,362	1,401
Transport costs	1,497	1,548	1,497	1,548
Post-employment and other benefits charge	2,965	2,209	2,965	2,209
Staff welfare and other costs	2,018	1,280	2,018	1,280
	41,705	37,816	41,705	37,816

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

11. FINANCE COSTS AND FINANCE INCOME

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
<u>Finance costs</u>				
Interest expense on bank overdraft	374	1,260	374	1,260
Interest on claims (note 26)	1,196	991	1,196	991
Interest on leases (note 16)	694	805	694	805
Total finance costs	2,264	3,056	2,264	3,056
<u>Finance income</u>				
Interest on restricted cash (note 25)	1,196	991	1,196	991

12. INCOME TAX

The Company is liable to income tax on its profits, as adjusted for income tax purposes, at the rate of 19% (2024: 19%). The 19% tax rate consists of 15% corporate income tax 2% Corporate Social Responsibility and 2% Corporate Climate Responsibility Levy.

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
<u>Tax (income)/expense</u>				
Current income tax charge for the year	2,349	166	2,349	-
Overprovision of income tax in previous year	-	(321)	-	(379)
Deferred tax movement for the year (note 28)	(4,130)	5,220	(4,131)	5,220
	(1,781)	5,065	(1,782)	4,841

As at 31 December 2024, the Company had accumulated tax losses of Rs 1,667,000 which are available for setting off against its future taxable profits. These tax losses which resulted from capital allowances can be carried forward indefinitely.

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
<u>Current tax liabilities:</u>				
At 1 January	(166)	(829)	-	(674)
Paid during the year	166	508	-	295
Overprovision of tax expense in prior years	-	321	-	379
Charge for the year	(2,349)	(166)	(2,349)	-
At 31 December	(2,349)	(166)	(2,349)	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

12. INCOME TAX (CONT'D)

The income tax expense for the year can be reconciled to the loss before tax as follow:

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Loss before tax	(25,905)	(7,768)	(25,906)	(8,146)
Tax at 19% (2024: 19%)	(4,922)	(1,476)	(4,922)	(1,548)
Non-allowable expenses	3,107	4,388	3,106	4,236
Non-taxable income	(467)	(968)	(467)	(968)
Overprovision of deferred tax in previous year	-	-	-	-
Tax losses utilised	317	2,276	317	2,276
Tax rate differential	184	845	184	845
Effective income tax rate	(1,781)	5,065	(1,782)	4,841

13. LOSS PER SHARE

Loss per share of Rs 6.82 (2024: loss per share Rs 3.63) and Rs 6.82 (2024: loss per share Rs 3.67) for the Group and the Company are calculated on the loss for the year attributable to owners of the Company of Rs 24,124,000 (2024: Rs 12,833,000) and Rs 24,124,000 (2024: Rs 12,987,000) respectively and on the 3,535,000 issued ordinary shares for the two years under review. The Group and the Company have no dilutive potential ordinary shares as at the end of reporting period.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Bank balances	5,269	4,028	4,768	3,283
Cash in hand	6,177	8,022	6,177	8,022
Cash and bank balances	11,446	12,050	10,945	11,305
Bank overdrafts	(2,275)	(19,830)	(2,275)	(19,830)
Cash and cash equivalents as disclosed in the statement of cash flows	9,171	(7,780)	8,670	(8,525)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. PROPERTY AND EQUIPMENT

	GROUP AND COMPANY							
	Freehold land and buildings Rs 000	Equipment Rs 000	Teletote Rs 000	Electrical installation and equipment Rs 000	Off-course & office equipment and furniture Rs 000	Asset in progress Rs 000	Motor vehicles Rs 000	Total Rs 000
<u>Cost</u>								
At 1 January 2024	13,235	11,968	6,002	5,760	27,338	565	6,375	71,243
Transfer	-	-	-	214	351	(565)	-	-
Additions	-	-	-	488	3,334	-	-	3,822
Disposal	-	-	-	-	-	-	(3,653)	(3,653)
Scrapped	-	-	-	(37)	(217)	-	-	(254)
At 31 December 2024	13,235	11,968	6,002	6,425	30,806	-	2,722	71,158
Transfer	-	194	-	(12)	(182)	-	-	-
Additions	-	1,732	-	486	2,458	557	1,164	6,397
Disposal	-	-	-	-	-	-	(798)	(798)
Scrapped	-	(753)	(29)	(109)	(409)	-	-	(1,300)
At 31 December 2025	13,235	13,141	5,973	6,790	32,673	557	3,088	75,457
<u>Accumulated depreciation</u>								
At 1 January 2024	296	9,189	4,807	4,113	20,486	-	5,438	44,329
Charge for the year	395	1,212	499	412	3,314	-	629	6,461
Disposal	-	-	-	-	-	-	(3,653)	(3,653)
Scrapped	-	-	-	(37)	(217)	-	-	(254)
At 31 December 2024	691	10,401	5,306	4,488	23,583	-	2,414	46,883
Charge for the year	395	1,980	299	271	2,553	-	355	5,853
Disposal	-	-	-	-	-	-	(798)	(798)
Scrapped	-	(753)	(29)	(109)	(409)	-	-	(1,300)
At 31 December 2025	1,086	11,628	5,576	4,650	25,727	-	1,971	50,638
<u>Net book value</u>								
At 31 December 2025	12,149	1,513	397	2,140	6,946	557	1,117	24,819
At 31 December 2024	12,544	1,567	696	1,937	7,223	-	308	24,275

The directors have reviewed the carrying amount of the Group's property and equipment and are of the opinion that no impairment is required at the reporting date (2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

16. LEASES

i. Amounts recognised in the statement of financial position

The Company's main place of business is situated at Champ de Mars, Port Louis. It also operates through 13 offcourse outlets across the island including Rodrigues. The Company entered into lease agreements ranging from 1 to 10 years with the landlord of the above mentioned outlets for which IFRS 16 has been applied. The statement of financial position shows the following amounts relating to leases:

	GROUP AND COMPANY	
	2025 Rs 000	2024 Rs 000
Right-of-use assets - buildings		
<i>Cost</i>		
At 1 January	24,200	21,685
Additions	1,427	4,724
Termination	(848)	(2,209)
At 31 December	24,779	24,200
<i>Depreciation</i>		
At 1 January	13,677	12,223
Charge for the year	3,801	3,663
Termination	(848)	(2,209)
At 31 December	16,630	13,677
<i>Net book value</i>	8,149	10,523

The directors have reviewed the carrying amount of the right of use assets and are of the opinion that no impairment is required at the reporting date (2024: Nil).

	GROUP AND COMPANY	
	2025 Rs 000	2024 Rs 000
Lease liabilities		
Current	3,720	3,449
Non-current	5,303	7,859
At 31 December	9,023	11,308
Additions to the right-of-use assets during the year were Rs 1,427,000 (2024: Rs 4,724,000).		
<i>Maturity analysis:</i>		
Year 1	4,197	4,090
Year 2	3,193	3,722
Year 3	1,463	2,630
Year 4	758	1,233
Year 5	288	758
Onwards	-	288
	9,899	12,721
Less: unearned interest	(876)	(1,413)
	9,023	11,308

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

16. LEASES (CONT'D)

ii. Amounts recognised in profit or loss

	GROUP AND COMPANY	
	2025 Rs 000	2024 Rs 000
Depreciation expense on right-of-use assets	3,801	3,663
Interest expense on lease liabilities (note 11)	694	805
Expense relating to short-term leases	1,990	2,157

The total cash outflow (including interest paid) for leases under IFRS 16 in 2025 was Rs 4,406,000 (2024: Rs 4,166,000).

17. GOODWILL

	GROUP AND COMPANY	
	2025 Rs 000	2024 Rs 000
At 1 January	17,098	30,414
Impairment loss	(17,098)	(13,316)
At 31 December	-	17,098

Automatic Systems Ltd. ('ASL'), acquired 100% shareholding of HH Management Limited ('HHM') in 2011 and the goodwill resulting from this acquisition represents the excess of the aggregate amount of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets and liabilities acquired as well as contingent liabilities assumed.

During the current financial year, management reassessed the recoverable amount of the goodwill arising from this acquisition. As the economic benefits have been fully crystallised and no further identifiable synergies remain, the Company does not expect to derive future economic benefits from the remaining goodwill balance. Accordingly, an impairment loss of Rs 17.098M (2024: Rs 13.316M) was recognised for the year ended 31 December 2025. The impairment loss has been recognised in profit or loss under "impairment losses".

18. INVESTMENT IN SUBSIDIARY

	GROUP AND COMPANY	
	2025 Rs 000	2024 Rs 000
Cost:		
At 1 January	2,627	9,030
Impairment loss	(2,126)	(6,403)
At 31 December	501	2,627

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. INVESTMENT IN SUBSIDIARY (CONT'D)

i. Details of the Group's direct subsidiary are as follows:

Name of subsidiary	Country of incorporation	% holding		Principal activity
		2025	2024	
Megawin Ltd	Mauritius	100%	100%	Commission agent

The directors have assessed the carrying amount of the Company's investment in subsidiary and an impairment loss of Rs 2.126M was recognised during the year (2024: Rs 6.403M). The impairment loss has been recognised in profit or loss and is included in the "impairment losses" line item. The directors have reviewed the carrying amount of the investment in subsidiary at 31 December 2025 and are of opinion that no additional impairment loss needs to be recognised.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
At 1 January	2,086	1,986	2,086	1,986
Changes in fair value of financial assets recognised in other comprehensive income	119	100	119	100
At 31 December	2,205	2,086	2,205	2,086

During the year ended December 2020, the Company acquired 138,857 ordinary shares in RPGG Media Ltd, a company incorporated in the United Kingdom, for an amount of Rs 8,849,000. RPGG Media Ltd specialises in esports betting. The total number of shares held by the Company represents a total equity stake of 7.09% of RPGG Media Ltd. At 31 December 2021, the fair value of the investments held in RPGG Media Ltd had been determined as nil, given that the investee had surrendered its licence to the UK Gambling Commission and has not operated since that date.

The other investment in unquoted shares consists of 1,000 ordinary shares of Rs 100 each in Central Depository & Settlement Co. Ltd which represents 0.67% equity stake in the latter.

20. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Trade receivables	2,207	4,475	2,207	1,907
Less: loss allowance on trade receivables	(1,237)	(1,283)	(1,237)	(670)
	970	3,192	970	1,237
Prepayments	8,368	12,844	8,368	12,844
Other receivables	25,189	25,879	25,189	25,879
	34,527	41,915	34,527	39,960

The fair value of trade and other receivables approximate their carrying amounts as the effect of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

20. TRADE AND OTHER RECEIVABLES (CONT'D)

Other receivables

Other receivables include Rs 23,788,000 (2024: Rs 23,788,000) relating to objection fees paid to the MRA following an assessment notice for claims over race meetings held in 2016, 2017 and 2018. Refer to note 32 - contingent liabilities for more details.

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Past due trade receivables	1,907	670	1,907	670
More than 365 days				
Movement in loss allowance				
At 1 January	1,283	5,345	670	5,345
Written off	(1,283)	(5,345)	(670)	(5,345)
Loss allowance on trade receivables	1,237	1,283	1,237	670
At 31 December	1,237	1,283	1,237	670

The maximum exposure to credit risk at the reporting period is the carrying value of each class of receivable mentioned above. The Group and the Company do not hold any collateral as security.

21. INVENTORIES

	GROUP		COMPANY	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
Ticket rolls	578	505	578	505

The net movement in inventories included as expense amounted to Rs 73,000 (2024: Rs 36,000).

22. SHARE CAPITAL

	GROUP		COMPANY	
	2025 Number	2024 Number	2025 Number	2024 Number
Authorised:				
Ordinary shares of Rs 7 each	5,000,000	5,000,000	35,000	35,000
Issued and fully paid:				
Ordinary shares of Rs 7 each	3,535,000	3,535,000	24,745	24,745

The rights conferred are as follows:

- the right to one vote on a poll at a meeting of the Company on any resolution;
- the right to an equal share of dividends authorised by the Board; and
- the right to an equal share in the distribution of surplus assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

23. SHARE PREMIUM

A share premium arises when the value of the consideration received for the issue of shares exceeds the nominal value of the shares issued. The share premium account is regarded as permanent capital of the Company and only certain expenses of a capital nature may be set-off against it, namely:

- the preliminary expenses of the Company; or
- the expenses of, or the commission paid on, the creation or issue of any shares.

The share premium account may also be applied:

- in paying up shares of the Company to be issued to shareholders of the Company as fully paid shares;
- to reflect the decrease in the share premium account arising from shares acquired or redeemed.

24. BANK FACILITIES

The Company has floating rate borrowing facilities of Rs 44M (2024: Rs 44M). The facilities are subject to review on a regular basis. The bank overdraft facilities of the Company are secured by a floating charge on all the assets of the Company. The applicable interest rate on the overdraft facilities is 7.15% (2024: 6.75%) per annum.

25. RESTRICTED CASH

Restricted cash amounting to Rs 42.8M (2024: Rs 37.5M) for the Group and the Company respectively, relates to balance paid into an escrow account under the custody of the Company's legal counsel following the order of the Supreme Court of Mauritius on the 16 December 2016 in relation to the case between the Company and Sport Data Feed Ltd. Interest income for the year ended 31 December 2025 was Rs 1.196M (2024: Rs 0.991M) (note 11).

26. PROVISION

An amount of Rs 42.8M (2024: Rs 37.5M) for the Group and the Company has been provided in relation to claims from Sport Data Feed Ltd with respect to the use and/or reproduction of "Fixture Lists" and "Football Data" of professional football leagues established in the United Kingdom without the proper licence taken up from Sport Data Feed, which is the sole licensee of these intellectual property rights in Mauritius. An amount of Rs 4.1M (2024: Rs 4.5M) was recognised in profit or loss and is included in the "operating expenses" line item for the year ended 31 December 2025. Interest accrued for the year ended 31 December 2025 was Rs 1.196M (2024: Rs 0.991M) (note 11) for the Group and the Company.

27. POST EMPLOYMENT BENEFITS

Group and Company

The liabilities include provision for retirement gratuities payable under The Workers' Rights Act (WRA) 2019. The latter provides for a lump sum at retirement based on final salary and years of service. As the employees are members of a Defined Contribution plan, half of any lump sum and 5 years of pension (relating to Employer's share of contributions only) payable from the pension fund have been offset from the Retirement Gratuities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

27. POST EMPLOYMENT BENEFITS (CONT'D)

Part of the liability corresponds to the pension of members who left the Defined Benefit Pension Scheme of Automatic Systems Ltd, prior to conversion to Defined Contribution plan.

Description of assets

The assets of the plan are invested in the secured fund. This fund consists mainly local deposits, government bonds and loans.

Maturity profile of the defined benefit obligation expected contribution for next year

The weighted average duration of the liabilities as at 31 December 2025 is 8 years. The Company is not expected to make any contribution unless there is a shortfall for payment of portability or retirement benefits to deferred members of the former defined benefit pension scheme.

The amounts recognised in the statement of financial position are determined as follows:

	2025	2024
	Rs 000	Rs 000
Total market value of assets	625	427
Present value of unfunded obligation	(5,438)	(5,745)
Net liabilities recognised	(4,813)	(5,318)
At 1 January	(5,318)	(7,562)
Recognised in profit or loss	(634)	(713)
Actuarial gains recognised in other comprehensive income (OCI)	953	2,767
Employer contribution and unfunded benefits	186	190
At 31 December	(4,813)	(5,318)
The amounts recognised in profit or loss are as follows:		
Service cost	367	325
Net interest cost	267	388
Net pension cost	634	713
Change in defined benefit obligation		
At 1 January	(5,745)	(7,677)
Current service cost	(367)	(325)
Interest cost	(293)	(399)
Actuarial gains recognised on other comprehensive income	967	2,656
Benefits paid	-	-
At 31 December	(5,438)	(5,745)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

27. POST EMPLOYMENT BENEFITS (CONT'D)

GROUP AND COMPANY

The main actuarial assumptions used were as follows:

Discount rate	5.60	5.10
Future long-term salary increase	4.00	6.00

Post retirement mortality tables

Change in plan assets

	2025	2024
	%	%
At 1 January	427	115
Interest income	26	11
Employer's contribution	186	190
Actuarial (losses)/gains	(14)	111
Benefits paid	-	-
At 31 December	625	427

Analysis of amount recognised in Other Comprehensive Income (OCI)

Experience gains/(losses) on plan assets	(14)	111
Experience gains/(losses) on the liabilities	(616)	2,732
Changes in assumptions underlying the present value of the scheme	1,583	(76)
Actuarial gains/(losses) recognised in OCI	953	2,767

Cummulative actuarial losses recognised in OCI

At 1 January	(404)	(3,171)
Actuarial gains/(losses) recognised during the year	953	2,767
At 31 December	549	(404)

Sensitivity analysis

Increase in post employment benefits due to 1% decrease in discount rate	612	816
Decrease in post employment benefits due to 1% increase in discount rate	517	715
Increase in post employment benefits due to 1% increase in future long-term salary assumption	572	752
Decrease in post employment benefits due to 1% decrease in future long-term salary assumption	489	671

The sensitivity analyses above have been determined based on reasonable possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

The retirement benefit gratuities have been based on the report dated 5 March 2026 from Swan Actuarial Services Ltd, calculated for the year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

27. POST EMPLOYMENT BENEFITS (CONT'D)

GROUP AND COMPANY

Risks associated with the plan

The Group and the Company are exposed to the following actuarial risks:

Interest rate risk - if the yields on Government Bonds and Treasury Bills decrease, the liabilities would be calculated using a lower discount rate and would therefore increase.

Investment risk - The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk - If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

Mortality - higher than expected death will expose the company to having to effect payout that were not expected.

Longevity - the liabilities disclosed are based on the current Swan buyout rate. The liabilities will increase if (i) the experience of the pension plans is less favourable than the standard mortality tables; and (ii) there is an improvement in mortality and the buyout rate is reviewed.

Withdrawal risk - lower than expected withdrawal will have the same impact as longevity risk.

Liquidity risk - this risk arises if the employer's actual net cash flows are not sufficient to pay for the gratuity benefit when it becomes due.

Defined contribution plan

The Group and the Company has contributed an amount of Rs 2,057,000 in the defined contribution scheme during the year (2024: Rs 1,861,000).

28. DEFERRED TAX ASSETS

At 1 January	
Recognised in profit or loss (note 12)	(4,130)
Recognised in other comprehensive income	181

At 31 December

GROUP		COMPANY	
2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
(2,577)	(8,323)	(2,576)	(8,322)
(4,130)	5,220	(4,131)	5,220
181	526	181	526
(6,526)	(2,577)	(6,526)	(2,576)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

28. DEFERRED TAX ASSETS (CONT'D)

Deferred tax assets are attributable to the following items:

GROUP	At 1 January 2025 Rs 000	Profit or loss Rs 000	Other comprehensive income Rs 000	At 31 December 2025 Rs 000
Accelerated capital allowances	6,055	(4,097)	-	1,958
Tax losses	(150)	150	-	-
Provision for impairment of trade receivables	(244)	9	-	(235)
Provision	(7,228)	(107)	-	(7,335)
Post-employment benefits	(1,010)	(85)	181	(914)
	(2,577)	(4,130)	181	(6,526)

	At 1 January 2024 Rs 000	Profit or loss Rs 000	Other comprehensive income Rs 000	At 31 December 2024 Rs 000
Accelerated capital allowances	2,446	3,609	-	6,055
Tax losses	(3,059)	2,909	-	(150)
Provision for impairment of trade receivables	(909)	665	-	(244)
Provision	(5,515)	(1,713)	-	(7,228)
Post-employment benefits	(1,286)	(250)	526	(1,010)
	(8,323)	5,220	526	(2,577)

COMPANY	At 1 January 2025 Rs 000	Profit or loss Rs 000	Other comprehensive income Rs 000	At 31 December 2025 Rs 000
Accelerated capital allowances	5,939	(3,105)	-	2,834
Tax losses	(150)	150	-	-
Provision for impairment of trade receivables	(127)	(108)	-	(235)
Provision	(7,228)	(983)	-	(8,211)
Post-employment benefits	(1,010)	(85)	181	(914)
	(2,576)	(4,131)	181	(6,526)

	At 1 January 2024 Rs 000	Profit or loss Rs 000	Other comprehensive income Rs 000	At 31 December 2024 Rs 000
Accelerated capital allowances	2,447	3,492	-	5,939
Tax losses	(3,059)	2,909	-	(150)
Provision for impairment of trade receivables	(909)	782	-	(127)
Provision	(5,515)	(1,713)	-	(7,228)
Post-employment benefits	(1,286)	(250)	526	(1,010)
	(8,322)	5,220	526	(2,576)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

29. TRADE AND OTHER PAYABLES

Trade payables	4,172
Accruals	23,014
Provision for betting tax liabilities	12,135
Other payables	1,826
Teletote deposits	9,981
Amount due to subsidiary	-
Unclaimed dividends declared in prior years	2,368

GROUP		COMPANY	
2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
4,172	5,179	4,172	3,225
23,014	20,320	23,014	20,320
12,135	-	12,135	-
1,826	1,626	1,826	1,626
9,981	5,801	9,981	5,801
-	-	-	2,046
2,368	2,393	2,368	2,393
53,496	35,319	53,496	35,411

30. CAPITAL COMMITMENTS

The Group and the Company do not have any capital commitments as at 31 December 2025 (2024: Rs Nil).

31. DIVIDENDS

At 1 January	-
Declared during the year - Rs 2 (2024: Rs Nil) per share	7,070
Paid during the year	-

At 31 December

GROUP		COMPANY	
2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
-	5,303	-	5,303
7,070	-	7,070	-
-	(5,303)	-	(5,303)
7,070	-	7,070	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

32. CONTINGENT LIABILITIES

Tax claim from the Mauritius Revenue Authority

In December 2014, the Company received a claim of Rs 21,571,308 from the Mauritius Revenue Authority ("MRA") regarding race meeting No. 1 of racing season 2012 to race meeting No. 43 of racing season 2014 following the examination of the Company's books and records in relation to betting tax. The MRA claims that betting tax on "All for All" bets placed with the Company in respect of the above race meetings has not been properly calculated.

Over and above the assessment dated December 2014, another assessment has been raised in June 2015 pursuant to which, an additional amount of Rs 4,188,453 inclusive of penalty and interest in respect of racing seasons 2012, 2013 and 2014 has been claimed. Thus, as at 31 December 2015, the MRA is claiming total tax due amounting to Rs 25,759,761.

In June 2019, the MRA sent another assessment notice claiming Rs 60,994,197 in respect of racing seasons 2016, 2017 and 2018.

On 31 May 2023, the MRA has lodged a 4th assessment for the sum of Rs 28,602,127 and on 26 June 2023, the Company has filed a Notice of Objection with the MRA together with a payment of Rs 2,860,212. The case has been lodged before the Assessment Review Committee.

On 31 August 2023, the MRA has lodged a 5th assessment for the sum of Rs 76,503,342 and on 26 June 2023, the Company has filed a Notice of Objection with the MRA with a payment of Rs 7,650,334.

On 26 October 2023, the MRA has lodged a 6th assessment for the sum of Rs 15,628,537 (revised in reference to the 4th assessment) and the Company has filed a Notice of Objection with the MRA with a payment of Rs 781,427.

On 22 January 2024, the MRA has lodged a 7th assessment with reference to the 5th assessment and the Company has filed a Notice of Objection with the MRA with a payment of Rs 3,556,022.

The Company has made appeals against the above claims and a total amount of Rs 23,788,000 was paid to the MRA as at 31 December 2025 (2024: Rs 23,788,000) to appeal against these cases (refer to note 20). The total potential contingent liability as at 31 December 2025 is Rs 178,886,000. No provision in relation to these claims has been recognised in these financial statements, as the directors are of the opinion that, based on legal advice, it is possible but not probable that a significant liability will arise.

Bank guarantee

At 31 December 2025, the Company had contingent liabilities in respect of bank guarantees issued to the Gambling Regulatory Authority ("GRA") in accordance with Schedule 4 of the GRA Act 2007 (last amended in 2025), relating to totalisator licences, agent of a foreign pool promoter, and bookmaker operations conducting fixed-odds betting. The total amount of bank guarantees outstanding was Rs 2,600,000 (2024: Rs 2,500,000). These guarantees mature no later than 31 December 2049.

No provision has been made in the financial statements in respect of this guarantee since the directors consider that no liabilities will arise as the probability for default in respect of the guarantee is remote.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

33. RELATED PARTY TRANSACTIONS

a. Compensation to key management personnel

Key management includes directors (executive and non-executive), members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

Short-term benefits

- Executive director
- Non-executive directors

Post-employment benefits

Total

b. Amount payable to subsidiary

The amount payable to subsidiary is interest free and unsecured with no fixed term of repayment.

c. Transactions with subsidiary

Management fees from Megawin Ltd

Dividend income from Megawin Ltd

GROUP		COMPANY	
2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
4,606	3,913	4,606	3,913
2,666	2,119	2,666	2,119
7,272	6,032	7,272	6,032
470	384	470	384
7,742	6,416	7,742	6,416
-	-	-	2,046
-	-	-	600
-	-	-	4,941

34. EVENTS AFTER THE REPORTING PERIOD

Following the amendments to the Gambling Regulatory Authority (GRA) Act 2007 in July 2025 brought by the GRA (Amendment) Act 2025 and in accordance with the revised provisions under Section 34(1) of the Act, the Company will no longer act as a tote operator as from 2026. Instead, MTC Jockey Club Ltd (MTCJC), being the horse racing organiser, will assume the role of tote operator, while the Company will operate as a tote agent for MTCJC. As at the reporting date, the terms of this new arrangement remain under negotiation and the agency agreement has not yet been signed.

There have been no other material facts or circumstances that have occurred between the issuing date and the date of the financial statements that require disclosure in or adjustment to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. INTANGIBLE ASSETS

Software

Cost

At 1 January
Additions during the year
At 31 December

Accumulated amortisation

At 1 January
Charge for the year
At 31 December

Carrying amount At 31 December

GROUP AND COMPANY	
2025 Rs 000	2024 Rs 000
14,575	14,374
-	201
14,575	14,575
13,396	12,700
439	696
13,835	13,396
740	1,179

The directors have reviewed the carrying amount of the Group's and the Company's intangible assets and are of the opinion that no impairment is required at the reporting date (2024: Nil).

36. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's and the Company's cash flow statements as cash flows from financing activities.

GROUP AND COMPANY						
	At 1 January 2025 Rs 000	Additions Rs 000	Interest accrued Rs 000	Financing cash flows* Rs 000	Other non-cash changes Rs 000	At 31 December 2025 Rs 000
Dividend payable	-	7,070	-	-	-	7,070
Lease liabilities	11,308	1,427	694	(4,406)	-	9,023
	11,308	8,497	694	(4,406)	-	16,093
	At 1 January 2024 Rs 000	Additions Rs 000	Interest accrued Rs 000	Financing cash flows* Rs 000	Other non-cash changes Rs 000	At 31 December 2024 Rs 000
Dividend payable	5,303	-	-	(5,303)	-	-
Lease liabilities	9,945	4,724	805	(4,166)	-	11,308
	15,248	4,724	805	(9,469)	-	11,308

* The financing cash flows relates to repayments in the statements of cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

37. GOING CONCERN

The Group reported a loss of Rs 24,124,000 for the year ended 31 December 2025 (2024: Rs 12,833,000) and, as of that date, the Group's current liabilities exceeded its current assets by Rs 22,359,000 (2024: Rs 4,294,000) and it had accumulated losses of Rs 10,158,000 (2024: retained earnings of Rs 21,036,000). The Company reported a loss of Rs 24,124,000 for the year ended 31 December 2025 (2024: Rs 12,987,000) and, as of that date, the Company's current liabilities exceeded its current assets by Rs 22,860,000 (2024: Rs 6,920,000) and it had accumulated losses of Rs 10,158,000 (2024: retained earnings of Rs 21,036,000).

The Company's performance for the current year was negatively impacted by the impairment losses recognised on goodwill and investment in subsidiary of Rs 19,224,000 and by the claims on the betting tax liabilities of Rs 12,135,000.

Totalisator

The tote turnover rose substantially from Rs 193M in 2024, across 24 race meetings, to Rs 334M in 2025, despite a reduced race meetings of 16. This represents a marked improvement, with an average turnover per meeting increased from Rs 8M in 2024 to Rs 20.9M in 2025 (an increase of 160%). However, the tote performance continues to be constrained by the betting tax on gross stakes (14%), reduced number of race meetings, number of runners per race and the increase competition from Off-Course bookmakers. (The tote net betting income for the year increased from Rs 59.7M to Rs 104.1M.)

SMS betting continued to demonstrate strong momentum, with a turnover increasing by 130%, from Rs 37.5M in 2024 to Rs 86.1M in 2025. Average turnover per meeting rose by 244%, showing the growing shift towards mobile and remote betting channels. In 2025, SMS betting represented 26% of the tote turnover (2024: 19%).

As disclosed in note 34, upon the signature of the agreement in 2026, the horse racing organiser, that is the MTCJC, will become the sole licensee of the totalisator. The Company will operate as an agent and will continue to sell the tote bets through its existing network and will receive commissions from MTCJC. The change in the Company's business model will have no major change in the Company's main activity with no negative impact on the Company's operations. The Directors expect an improved performance in 2026 with 27 race meetings planned and an improved race card with more runners.

Fixed odds

The football turnover increased by 2% to Rs 539.9M in 2025 compared to 529.7M in 2024. The net betting income (after payouts) for the year reached Rs 173.5M compared to Rs 180.3M in 2024 as the payouts in 2025 was higher at Rs 366.3M compared to Rs 349.4M in 2024.

Following the grant of the Remote Communication Licence, the Company introduced SMS betting in November 2025. The initial performance of this new channel has been encouraging, demonstrating strong customer uptake and significant growth potential. SMS betting represents an important step in the Company's digital expansion strategy and is expected to contribute meaningfully to future revenue diversification.

The betting tax remained high at 14%. Despite this, the Company maintained its competitive positioning by offering attractive payout bonuses ranging from 7% to 25%.

As part of its diversification strategy, the Company applied and was granted a licence of Agent of Foreign Pool Promoter in November 2025. The Company subsequently entered into a contract with 4 Racing in South Africa to market and sell soccer pools in Mauritius. Under this arrangement, bets placed in Mauritius will be commingled with the South African pool, enhancing the attractiveness of the product through larger pooled jackpots. Following the completion of technical integration with the Foreign Pool Promoter, the Company intends to commence operation in April 2026.

In light of the above assessment, the directors consider it appropriate to prepare the consolidated and separate financial statements on a going concern basis, which assumed that the Group and the Company would continue in operational existence for the foreseeable future.



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