

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Business Registration Number: C07009339

STATEMENT OF COMPREHENSIVE INCOME						
		THE G	ROUP	THE COMPANY		
	_	Year	Year	Year	Year	
		ended	ended	ended	ended	
	_	Dec 2023	Dec 2022	Dec 2023	Dec 2022	
		Rs M	Rs M	Rs M	Rs M	
Income		317.1	420.0	277.8	377.5	
Government taxes & duties		(134.6)	(160.5)	(134.7)	(160.5)	
Payment to National Solidarity Fund	_	(10.9)	(14.4)	(10.9)	(14.4)	
Net Income		171.6	245.1	132.2	202.6	
Other income		0.7	1.1	14.3	13.6	
Selling expenses		(40.8)	(44.0)	(20.9)	(29.9)	
Operating expenses		(112.8)	(118.3)	(112.8)	(110.7)	
Impairment losses		(43.1)	-	(45.4)	-	
Payments to Horse Racing Organisers		(23.7)	(40.6)	(23.7)	(40.6)	
Operating (loss) / profit	_	(48.1)	43.3	(56.3)	35.0	
Finance income		1.4		1.4		
Finance costs	_	(2.4)	(0.5)	(2.4)	(0.5)	
(Loss) / profit before income tax		(49.1)	42.8	(57.3)	34.5	
Income tax (expense)/income		(11.5)	(14.6)	0.3	(4.3)	
(Loss)/profit for the year attributable to owners of the Company	′ -	(60.6)	28.2	(57.0)	30.2	
Other comprehensive income:						
Items that will not be reclassified to profit or loss Changes in the fair value of equity instruments at FVTOCI		0.1	0.1	0.1	0.1	
Re-measurements of post-employment benefit obligations	. Г	0.1	(3.5)	0.1	(3.5)	
Deferred tax charge relating to re-measurements	´	0.0	(0.0)	0.0	(0.0)	
of post-employment benefits		(0.1)	0.6	(0.1)	0.6	
Re-measurements of post-employment benefit	_					
obligations - net of tax		0.2	(2.9)	0.2	(2.9)	
Total other comprehensive income/(loss) for the year		0.3	(2.8)	0.3	(2.8)	
Total comprehensive (loss)/income for the year attributable	•					
to owners of the Company	_	(60.3)	25.4	(56.7)	27.4	
(Loss)/earning per share	Rs	(17.15)	7.97	(16.13)	8.54	
Number of shares in issue		3,535,000	3,535,000	3,535,000	3,535,000	

SEGMENT INFORMATION Dec 2022 (Rs Mr) Income Income Horse racing 140.2 238.9 For eign football matches 33.4 42.5 Total 317.1 420.0 Total 15.0 42.0 Foreign football matches 13.3 75.0 Foreign football matches 13.3 75.0 All other segments 13.3 75.0 Foreign football matches 13.3 75.0 All other segments 13.5 25.0 Total 35.1 58.0 Inspectation 13.5 75.0 Icosy / profit before income tax 24.0 0.05.0 Icosy / profit before income tax 24.0 0.05.0 Icoser racing 12.0 40.0 Foreign football matches 32.1 40.0 Foreign football matches 32.1 40.0 Total foreign football matches 32.1 40.0 Foreign football matches 32.1 40.0 Foreign football matches 3.0 <th></th> <th></th> <th></th>			
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All other segments 39.4 42.0 Total 317.1 420.0 ERITIA 5.5 5.5 5.5 5.5 5.5 5.5 5.5 6.5 5.5 6.5 5.5 6.5 5.5 6.5 <td></td> <td>137.5</td> <td></td>		137.5	
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Horse racing 14.4 4.2 Foreign football matches 3.6 1.0 All other segments 5 - TOTAL 18.0 5.2 Total liabilities 8.5 8.5 Horse racing 95.2 80.5 Foreign football matches 23.8 20.1 All other segments 4.4 3.2	TOTAL	174.1	219.9
Foreign football matches 3.6 1.0 All other segments 1 - - TOTAL 18.0 5.2 Total liabilities Horse racing 95.2 80.5 Foreign football matches 23.8 20.1 All other segments 4.4 3.2	Additions to non-current assets (other than financial instruments and deferred income tax assets)		
All other segments c	Horse racing	14.4	4.2
TOTAL 18.0 5.2 Total liabilities 5.2 80.5 Horse racing 95.2 80.5 Foreign football matches 23.8 20.1 All other segments 4.4 3.2	Foreign football matches	3.6	1.0
Total liabilities Horse racing 95.2 80.5 Foreign football matches 23.8 20.1 All other segments 4.4 3.2			
Horse racing 95.2 80.5 Foreign football matches 23.8 20.1 All other segments 4.4 3.2	TOTAL	18.0	5.2
Foreign football matches 23.8 20.1 All other segments 4.4 3.2	Total liabilities		
All other segments 4.4 3.2	Horse racing	95.2	80.5
	Foreign football matches	23.8	
TOTAL 123.4 103.8			
	TOTAL	123.4	103.8

	THE G	THE GROUP		THE COMPANY		
	Dec 2023	Dec 2023 Dec 2022		Dec 2022		
	Rs M	Rs M	Rs M	Rs M		
ASSETS						
Non current assets	78.8	106.9	87.8	118.3		
Current assets	95.3	113.0	81.9	94.7		
Total assets	174.1	219.9	169.7	213.0		
QUITY AND LIABILITIES						
Owners' interests	50.7	116.1	50.9	112.7		
Total equity	50.7	116.1	50.9	112.7		
Non current liabilities	15.3	11.2	15.3	11.2		
Current liabilities	108.1	92.6	103.5	89.1		
Total Liabilities	123.4	103.8	118.8	100.3		
Total equity and liabilities	174.1	219.9	169.7	213.0		

STATEMENT OF CASH FLOWS						
	THE G	THE GROUP THE CON				
	Dec 2023 Rs M	Dec 2022 Rs M	Dec 2023 Rs M	Dec 2022 Rs M		
Net cash (used in) / generated from operating activities	(13.1)	40.6	(25.1)	27.6		
Net cash (used in) / from investing activities	(17.9)	(5.0)	(4.9)	6.9		
Net cash used in financing activities	(24.6)	(25.3)	(24.6)	(25.3)		
Net (decrease) / increase in cash and cash equivalents	(55.6)	10.3	(54.6)	9.2		
Cash and cash equivalents at the beginning of year	45.4	35.1	36.2	27.0		
Cash and cash equivalents at the end of year	(10.2)	45.4	(18.4)	36.2		

STATEMENT OF CHANGES IN EQUITY						
THE GROUP	Share Capital	Share Premium	Post- employment Benefits	ners of the pa Fair value Reserve	Retained Earnings	Total Equity
	Rs M	Rs M	Reserve Rs M	Rs M	Rs M	Rs M
Balance as at 1 January 2022	24.7	1.2	0.6	(7.1)	92.3	111.7
Profit for the year	-	-	-	-	28.2	28.2
Other comprehensive loss for the year	-	-	(2.9)	0.1	-	(2.8)
Total comprehensive income for the year	-	-	(2.9)	0.1	28.2	25.4
Transaction with owners						
Dividends	-	-	-	-	(21.2)	(21.2)
Transfer of unclaimed dividends	-	-		-	0.2	0.2
Total transactions with owners		-	-	-	(21.0)	(21.0)
Balance as at 31 December 2022	24.7	1.2	(2.3)	(7.0)	99.5	116.1
Balance as at 1 January 2023	24.7	1.2	(2.3)	(7.0)	99.5	116.1
Loss for the year	-	-	-	-	(60.6)	(60.6)
Other comprehensive loss for the year	-	-	0.2	0.1	-	0.3
Total comprehensive loss for the year	-		0.2	0.1	(60.6)	(60.3)
Transaction with owners						
Dividends	-	-	-	-	(5.3)	(5.3)
Transfer of unclaimed dividends	-	-	-	-	0.2	0.2
Total transactions with owners	-	-	-	-	(5.1)	(5.1)
Balance as at 31 December 2023	24.7	1.2	(2.1)	(6.9)	33.8	50.7

STATEMENT OF CHANGES IN EQUITY						
THE COMPANY	Share Capital	Share Premium	Post- employment Benefits Reserve	Fair value Reserve	Retained Earnings	Total Equity
	Rs M	Rs M	Rs M	Rs M	Rs M	Rs M
Balance as at 1 January 2022	24.7	1.2	0.6	(7.1)	86.9	106.3
Profit for the year	-	-	-	-	30.2	30.2
Other comprehensive loss for the year	-	-	(2.9)	0.1	-	(2.8)
Total comprehensive income for the year	-	-	(2.9)	0.1	30.2	27.4
Transaction with owners						
Dividends	-	-	-	-	(21.2)	(21.2)
Transfer of unclaimed dividends	-	-	-	-	0.2	0.2
Total transactions with owners	-	-	-	-	(21.0)	(21.0)
Balance as at 31 December 2022	24.7	1.2	(2.3)	(7.0)	96.1	112.7
Balance as at 1 January 2023	24.7	1.2	(2.3)	(7.0)	96.1	112.7
Loss for the year	-	-	-	-	(57.0)	(57.0)
Other comprehensive loss for the year	-	-	0.2	0.1	-	0.3
Total comprehensive loss for the year	-	-	0.2	0.1	(57.0)	(56.7)
Transaction with owners						
Dividends	-	-	-	-	(5.3)	(5.3)
Transfer of unclaimed dividends	-	-	-	-	0.2	0.2
Total transactions with owners	-	-	-	-	(5.1)	(5.1)
Balance as at 31 December 2023	24.7	1.2	(2.1)	(6.9)	34.0	50.9

COMMENTS ON RESULTS AT 31 DECEMBER 2023

The Company's income for the year under review has decreased significantly compared to 2022 mainly attributable to a major drop in Tote turnover for the second year in a row.

Horse Racing -Totalisator

The first race meeting for the 2023 season scheduled for the 18 March 2023 was cancelled due to bad weather conditions, resulting in placed bets being refunded to customers; the first meeting was then held on 25 March 2023.

The tote turnover for the 37 meetings held this year decreased to Rs 455.1 million, a 41% drop (2022: Rs 776.7 million for 39 meetings). The main factors that affected all channels of tote revenue were, the betting tax on gross stakes at 14%, the decrease in number of runners per race, the general uncertainties and challenges faced by the horse racing industry undermining confidence, and the entry of an additional Tote operator.

Fixed Odds - Football

Football turnover increased by 22% to reach Rs 620.7 million in 2023 (2022: Rs 508.6 million). However, football betting income slightly decreased for the year, as payment to winners increased to 89.7% of turnover net of betting tax (2022: 83.7 %).

The wholly owned subsidiairy Megawin Ltd

Megawin Ltd realised operating profits of Rs 18.9 million at 31 December 2023 (2022: Rs 20.2 million). The contract of the company in Ivory Coast was however terminated as from the 31 December of 2023, putting an end to its activities in this country. The Company presently has no operating contract and is prospecting new opportunities.

<u>Financials</u>

The Company's turnover decreased to Rs 1.076 billion (2022: Rs 1.285 billion) and its income net of winnings dropped to Rs 277.8 million (2022: Rs 377.6 million). A loss of Rs 57.0 million was recorded for the year and included an impairment of Goodwill of Rs 45.4 (2022 PAT 30.2 million).

The Group's losses after Tax amounted to Rs 60.6 million for the year ended 31 December 2023 (2022: profits of Rs 28.2 million).

OUTLOOK

The directors remain very pessimistic about the future of Totalisator betting on local horse racing due to the numerous uncertainties surrounding the industry. There are fewer horses being imported, some long established stables have closed, and the maintenance works on the racecourse at Champ de Mars have lagged.

The football turnover has been on an upward trend for the last three years. However, the directors note that one operator is offering bets by remote communication, and this could have a negative impact on the ASL's football turnover for the year 2024. The Company has made an application to the Authority concerned for a licence to operate through remote communication. If availed, this licence should have a very positive impact on football turnover.

Megawin Ltd's short term future has been seriously impacted by the cancellation of the Ivory Coast contract

Taking into consideration these various factors, little is expected from Tote operations on horse racing, consequently, the financial results for the coming year will largely depend on the performance of the fixed odd betting on football.

ly order of the Board lox Office Ltd Company Secretary

Company Secretary

The above abridged audited financial statements are issued pursuant to Listing Rule 12.14 and the Securities Act 2005.

The statement of direct and indirect interests of insiders of the Company required under Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Secretary.

The Board of Directors of Automatic Systems Ltd, accepts full responsibility for the accuracy of the information contained in these abridged audited financial statements.

Copies of the abridged audited financial statements of the Company are available free of charge at the registered office of the Company c/o Box Office Ltd, 2nd floor, Palm Square, 90906 La Mivoie, Tamarin, Mauritius.