

## Lottotech Ltd

June 08, 2022

### Ratings

| Facilities/Instruments    | Amount<br>(Mur Million) | Rating <sup>1</sup>  | Rating Action     |
|---------------------------|-------------------------|--|-------------------|
| <b>Loan</b>               | 90                      | <b>CARE MAU AA-; Stable<br/>[Double A Minus; Outlook: Stable]-</b> | <b>Reaffirmed</b> |
| <b>Overdraft Facility</b> | 37                      | <b>CARE MAU A1+<br/>[A One Plus]</b>                               | <b>Reaffirmed</b> |
| <b>Total</b>              | <b>127</b>              |  |                   |

#### Rating Rationale

The rating assigned to the bank facilities of Lottotech Ltd ("Lottotech") derives strength from established and strong market position of the company in National Lottery segment, track record of successful varied business operations of the Gamma group, experienced and resourceful promoters, professional and experienced management team at Lottotech, reasonably priced ticket and high participation rate of more than 65% of the adult population in Mauritius. The rating also draws comfort from the renewal of operating license by Govt of Mauritius for next 10 years which is covering the tenure of loan, and strong financial performance with comfortable debt coverage indicators. The rating is, however, constrained by mandatory contribution (47.16% of total income) to Consolidated fund, high dividend pay-out ratio, risk associated with execution of proposed capex and exposure to Regulatory risk.

#### Rating Sensitivities

***Positive factors that could, individually or collectively, lead to positive rating action/upgrade:***

- Ability to improve profitability and retain excess cash in the company
- New pipeline of games in development
- Successful execution of the project leading to improvement in turnover & margin

***Negative factors that could, individually or collectively, lead to negative rating action/downgrade:***

- Reduction in Participation rate
- High Contribution to the consolidated fund
- Government intervention to ban services

#### BACKGROUND

Lottotech Limited ("Lottotech") was incorporated in Mauritius on April 8, 2008, by Gamma-Civic Ltd (Gamma; rated CARE MAU AA-; Stable) for the purpose of operating lotteries and related activities within the gaming industry of Mauritius. In July 2008, the company was chosen as the preferred bidder by the State Investment Corporation Ltd (GOM's investment arm) to implement & operate the Mauritius National Lottery. The activity of the Mauritius National Lottery, also called La Loterie Nationale, is regulated by the Gambling Regulatory Authority ("GRA") ACT 2007.

Lottotech being the exclusive operator of The Mauritius National Lottery on behalf of the Government of Mauritius, was issued a license in April 2009 to operate the Mauritius National Lottery under the GRA ACT 2007. The Company operates in a highly regulated environment.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratingsafrica.com](http://www.careratingsafrica.com).

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Lottotech is a member of the World Lottery Association (“WLA”), the global authority on lottery business. The Company has received the WLA Responsible Gaming certification Level 4, which is the highest international standard Certification.

In October 2009, Lottotech successfully launched La Loterie Nationale in Mauritius and Rodrigues with the sale of lottery games through a network of retailers.

On March 2014, Lottotech was converted into a public company, and was listed on the Official Market of the Stock Exchange of Mauritius Ltd in June 2014. The new shareholders comprised of individual and institutional investors, including foreign investors. As on Dec 31, 2020, the shareholders of Lottotech are Gamma Civic (56.25%), State Investment Corporation Ltd (18.75%) and public (25%).

In March 2015, GOM announced budgetary measures that banned advertising of the lottery with immediate effect, and the prohibition of the Quick Win category of games effective as from June 2015.

In June 2018, following the conclusion of the mediation between Lottotech, GRA and the Ministry of Finance and Economic Development before the Supreme Court of Mauritius (Mediation Division), the Company informed its shareholders that following judgement of the Supreme Court:

- ✓ The Company’s license has been renewed until 2029;
- ✓ The company has been granted approval to launch a second weekly draw of the Loto
- ✓ The Company has been granted the licence for the Loterie Vert game

In 2019, Lottotech acquired the company Pool Joseph Merven Ltd (PJML), which holds the licence to operate as an agent of The Football Pools, a sports betting operator in UK. With this acquisition, Lottotech is diversifying its portfolio of products and provides new games to its player base. In October 2020, the Company successfully launched a modernised Loterie Vert game under the Loterie Vert brand.

Currently, Lottotech offers Loto game (two weekly drawings on Wednesday and Saturday) and Loterie Vert (weekly draw on Friday) through a network of 694 retailers, comprising mainly of small family-owned businesses.

Lottotech is a company managed by professional managers, governed by a 10-member Board of Directors which comprises of 3 members from Ah Teck family. The strategic affairs of the company are looked after by Mr. Chian Tat Ah Teck (Tommy Ah-Teck) as Executive Chairman along with the Managing Director and other professionals.

## **CREDIT RISK ASSESSMENT**

### **Experienced and resourceful promoters with strong parentage of Gamma group**

Incorporated in 2008 by the promoters, Ah Teck family of Gamma Group, Lottotech is engaged in operating of lotteries and related activities within the gaming industry of Mauritius. Gamma Civic Group is among the top 10 industrial group in Mauritius with interest in the production and supply of aggregates and construction materials, import and distribution of cement, construction & engineering, property & real estate, financial services and hospitality other than the lottery business. Gamma derives its revenue essentially from dividend and management fees from its investments in its subsidiaries & associates engaged in lottery, cement, materials, property and finance vertical. The Group has a highly qualified and experienced employee pool having significant experience in their related field. A snapshot of Gamma Group’s financials is as under:

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| <b>Gamma Civic - Consolidated</b> | <b>Dec-18</b>  | <b>Dec-19</b> | <b>Dec-20</b> | <b>Dec-21</b> |
|-----------------------------------|----------------|---------------|---------------|---------------|
|                                   | <b>Audited</b> |               |               |               |
| Total Income                      | 3,370          | 3,803         | 3,748         | 4,564         |
| EBIDTA                            | 550            | 503           | 372           | 417           |
| Interest                          | 44             | 48            | 49            | 71            |
| PAT                               | 434            | 597           | 228           | 360           |
| GCA                               | 533            | 731           | 344           | 483           |
| Dividend paid                     | 257            | 282           | 270           | 327           |
| Total debt                        | 650            | 862           | 1,035         | 1,996         |
| Cash & Bank balances              | 636            | 493           | 653           | 1,125         |
| Tangible networth                 | 1,968          | 2,572         | 2,423         | 2,384         |
| EBIDTA Margin (%)                 | 16.86          | 13.40         | 10.03         | 9.32          |
| PAT Margin (%)                    | 12.88          | 15.70         | 6.08          | 7.89          |
| Gearing                           | 0.33           | 0.34          | 0.43          | 0.84          |
| Total debt / GCA                  | 1.22           | 1.18          | 3.01          | 4.14          |
| Total Debt / EBIDTA               | 1.18           | 1.72          | 2.78          | 4.79          |
| Interest coverage (times)         | 12.56          | 10.48         | 7.57          | 5.83          |

Despite the pandemic, Gamma Civic posted a good performance in FY21 with positive EBITDA and PAT at the consolidated level. The group is moderately geared with comfortable coverage ratios as on December 31, 2021, and it had a cash balance of MUR 1,125 million as of 31st December 2021.

#### **Professional and experienced management team**

Lottotech has a qualified and experienced employee pool having vast experience in related field. The day-to-day affairs of the company are looked after by Mr. Allagappen Veeramootoo, the Managing Director. He has previously worked for Innodis, Cread and Co. and Gamma.

#### **Sole operator of the national lottery business in Mauritius**

Lottotech enjoys the leverage of being the sole operator of the Lotto game, in Mauritius. The latter demonstrated steady financial performance despite operating in highly regulated environment. As a sole operator, the company is building sustainable competitive advantage in the marketplace. The company does not face direct competition, consequently, Lottotech is committed to improve its operation's efficiency and innovation to further its growth. The company has grown in terms of the numbers of staffs and retails terminals which is now around 694 over the island, following demand from their clients.

#### **Reasonably priced ticket and high participation rate**

Lottotech is the preferred gaming provider of Mauritius. More than 65% of adults in Mauritius participates in the lotto annually. It gives an indication that the service of the company is highly demanded by the population. The reasonably price ticket of MUR 20 makes it the most affordable and popular gaming company in Mauritius. The low-ticket cost also reduces a players downside risk. The company is in the process of implementing its paperless system to play the lottery which will help maintain social distancing with COVID-19 pandemic as well as save paper and energy.

#### **Exposed to Regulatory risk**

he gaming industry is highly regulated by the Gambling Regulatory Authority ("GRA"). The GRA is a body which operates under the aegis of the Ministry of Finance, Economic Planning and Development since 2007. The main objective of the Authority is to regulate and control gambling and gaming activities and ensures that gambling and gaming is conducted in a fair and transparent manner.

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The company is exposed to Regulatory risk since its license is dependent on approval from GRA. In March 2015, GOM announced budgetary measures that banned advertising of the lottery effective March 2015, and the prohibition of the Quick Win category of games effective June 2015. In FY15-17, the company suffered high revenue loss and receivables of MUR 23 million had to be written off. The company filed a litigation against GRA. Following the resolution of the court case with GRA in 2018, an agreement was reached between the parties and ratified as a judgement of the mediation division of the Supreme Court, the company's license to operate the Mauritius National Lottery was extended for a further period of 10 years to April 2029.

#### **Operating License renewed for next 10 years**

Lottotech initially offered the Lotto game with one weekly draw on Saturday and Quick Win category of games. However, after the Government budgetary measures that banned the Quick Win category of games led the company to operate with one weekly draw. In September 2018, Lottotech introduced an additional draw (post approval of Gambling Regulatory Authority) to the Lotto game on Wednesdays with jackpots in million. In FY18, Lottotech acquired the brand Loterie Vert and relaunched it in November 2020.

In FY19, Lottotech acquired 100% of PJML company (debt-free company) and partnered with The Football Pools which is a sports betting operator in UK. The principal reason behind the acquisition is the benefits attributable to the operating license held by PJML. This offers the opportunity for a more diversified portfolio and provide new games to its base players.

In June 2018, following the conclusion of the mediation between Lottotech, Gambling Regulatory Authority (GRA) and the Ministry of Finance and Economic Development before the Supreme Court of Mauritius (Commercial Division), Lottotech's license was renewed until 2029 – covering tenure of loan.

#### **Mandatory contribution (47.16%) of total income to consolidated fund**

Lottotech continues its effort to make a difference and participate in the Mauritian communities through its involvement in many projects to enhance the education of vulnerable groups and women entrepreneurs. The purpose for the existence of the Mauritius National Lottery is to offer lottery games that generate funds for good causes such as sports, education, health, culture, community development, and the reimbursement of the national debt. The company contributes the majority of its net revenue for improvement in standard of living. Lottotech's contribution rate to the consolidated fund is a considerate 47.16% per annum of the total income of the company. The Company contributed MUR 497.2 million to the Consolidated Fund in 2021 compared to the contribution of MUR 452 million in 2020. This apart they have contributed MUR 39.0 million and MUR 70.6 million to the National Solidarity Fund for period 2020 and 2021, respectively. The National Solidarity Fund is used to improve the lives of the most vulnerable Mauritian citizens.

#### **Capex execution risk**

Regular capex is an integral part of the Lottotech's business, and the company continuously incur capex to expand and provide better services. The detailed projected capex for the next 5 years is as under:

| Particular  | Cost (Mur Million) | Funding   | (Mur Million) |
|---|--------------------|---|---------------|
| Implementation of new games over next 5 years –<br>Loto enhancement<br>Loterie Vert EZ Match and football (2 games)<br>LV Hot picks | 102.00             | Internal accruals<br>to be generated<br>over next 5 years | 102.00        |
| <b>Total</b>  | <b>102.00</b>      |   | <b>102.00</b> |

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The Loterie engine software, the main software application running the core business of the Loterie system, was upgraded to the latest engine (Aurora) released by International Game Technology (IGT) in FY21 at a total cost of MUR 88 million. Benefits of the new system:

- ✓ Increase the reach of Loto participants through online platform and apps
- ✓ Optimisation of retailer's commission
- ✓ Operational efficiency -Implementation of mobile applications whereby people can play from home
- ✓ Implementation of new gaming platform
- ✓ Improved speed of the services

The implementation of new software is also to maintain pace with the continuous evolution in Information & Technology and not to get impacted by software incompatibility - impact system performance or potentially increase the risks associated with cyber security.

### **Strong financials with comfortable debt coverage indicators**

Lottotech has historically shown strong financial performances with a steady growth in total income and PAT before witnessing a dip in FY20 (due to 3 months of lockdown due to COVID-19). Revenue and PAT increased by 10% and 22% respectively in FY21 resulting from higher sale of lottery tickets, innovative communications, technological development, and cost management. The increase in revenue is also attributed to sale of Loterie Vert and the solid participation rate of around 65%.

The company enjoyed healthy EBITDA ranging between 32% to 36% during the FY16 to FY19, however, the margin dipped to 20% in FY20 due to the lockdown. EBITDA improved slightly in FY21 to 23%. As the company increases the number of terminals over the country, the gaming systems and data communication costs also increases. Lottotech also pays a 5.5% of the annual turnover to the retail terminals as commission. Hence, the EBITDA growth has been quite volatile between FY16 to FY21 with the growing number of retail terminals each year.

Lottotech has experienced PAT margin between 19.26% in FY16 to 23.86% in FY19 which then dipped to 11.82% in FY20. It increased slightly in FY21 to 13.19%.

Lottotech has been a debt free and cash surplus company with no usage of the working capital facility as of December 31, 2020. In FY21, Lottotech raised a term loan of MUR 87.96 million to part finance the capex programme (upgrade of lottery software application and implement latest version of lottery system) aggregating to MUR 148 million thus overall gearing increased to 0.43x times (nil in prior years). The company enjoys strong liquidity with low debt due to its cash generating nature of operation and unique position in the lottery business in Mauritius. Lottotech enjoys steady cash flow and low collection period as the nature of the business is pay and play.

### **High dividend payout ratio**

Lottotech generally follows a policy of total dividend payment to its shareholders (181% in FY20 and 79% in FY21) subject to availability of cash post meeting debt repayment obligation and investment in capex. This policy of regular and total dividend payment has confined the growth of the net worth of the company, despite consistent high profits.

Overall gearing ratio has been nil until FY20 and increased in FY21 thereafter due to avilment of the term loan. Gearing ratio as of December 31, 2021, was 0.43x times and is expected to decrease as the company repays its

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debt. During the projected period, the company has estimated at least 90% dividend payout ratio. The management has stated that the dividend payout ratio will be subject to availability of cash post debt repayment.

### Gaming & gambling Industry in Mauritius

The gaming & gambling industry in Mauritius comprises establishments that operates by providing and rendering gaming activities which includes lotteries, casinos, horse racing operators, football betting operators and others. The regulated gaming and gambling market in Mauritius is estimated to be around MUR 15 billion. Loto has an approximate of 15% market share of the regulated market and around 65% of the adult population in Mauritius plays lottery annually.

The attraction for lottery is more due to the reasonably priced ticket which gives Lottotech's business model an edge on the participation rate. However, the probability of winning in a lottery is low compared to others. The main participants in a casino and horse racing are sophisticated and skilful individuals as they tend to analyse and bet accordingly. Consequently, Lottotech's operational model and participants are very different from that of Horse racing and Casinos.

Lottery industry is regulated by GRA, and it is taxable by the Mauritius Revenue Authority at 47.16% of net sales. As Mauritius enjoys a strong tourism industry, the Island offers a diversified gambling choice to cater for the demand. However, since the March 2020 lockdown, the gaming industry has been impacted. The pandemic has led to the closure of casinos, gambling venues, horse racing bookmakers, lottery outlets and others.

### Prospects

The prospect of Lottotech depend on its ability to improve profitability and higher participation to play lotto. In addition, the ease of playing the game (retail networks, mobile phone) brings comfort to the customers and is therefore considered key to achieving the revenue objective of the company. The company remains sensitive to the Government intervention to ban services.

### Financials:

|                                     | Mur Million |              |              |             |             |
|-------------------------------------|-------------|--------------|--------------|-------------|-------------|
| <b>For the year ended,</b>          | <b>FY17</b> | <b>FY18</b>  | <b>FY19</b>  | <b>FY20</b> | <b>FY21</b> |
| Sale from Lottery Tickets           | 1,852       | 2,020        | 2,631        | 1,870       | 2,091       |
| Less Prizes                         | -898        | -979         | -1,276       | -911        | -1,037      |
| <b>Turnover from Lottery Income</b> | <b>954</b>  | <b>1,040</b> | <b>1,355</b> | <b>959</b>  | <b>1054</b> |
| Consolidated fund and levy          | <b>-440</b> | <b>-485</b>  | <b>-639</b>  | <b>-452</b> | <b>-497</b> |
| Other operating Income              |             | 0            | 5            | 2           | 0           |
| <b>Total Income</b>                 | <b>514</b>  | <b>555</b>   | <b>721</b>   | <b>508</b>  | <b>558</b>  |

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**Financial Performance of Lottotech**

MUR Million

| For the year ended as on  | FY17           | FY18  | FY19   | FY20  | FY21  |
|---------------------------|----------------|-------|--------|-------|-------|
|                           | <b>Audited</b> |       |        |       |       |
| Revenue                   | 954            | 1040  | 1355   | 959   | 1,054 |
| Total Income              | 514            | 555   | 721    | 508   | 558   |
| EBIDTA                    | 185            | 178   | 246    | 103   | 126   |
| Depreciation              | 50             | 43    | 38     | 23    | 33    |
| Interest                  | 0              | 0     | 1      | 2     | 3     |
| PBT                       | 136            | 135   | 207    | 78    | 90    |
| PAT                       | 111            | 111   | 172    | 60    | 74    |
| Gross Cash Accruals (GCA) | 161            | 155   | 210    | 84    | 107   |
| Dividend paid/proposed    | 78             | 102   | 143    | 109   | 58    |
| Equity share capital      | 100            | 100   | 100    | 100   | 100   |
| Tangible network          | 172            | 181   | 209    | 160   | 178   |
| Total debt                | 0              | 0     | 0      | -     | 86    |
| - Long term debt          | 0              | 0     | 0      | -     | 77    |
| - Short term debt         | 0              | 0     | 0      | -     | 9     |
| Cash & Bank balances      | 292            | 346   | 260    | 288   | 253   |
| <b>Key Ratios</b>         |                |       |        |       |       |
| EBIDTA / Total income     | 36.09          | 32.06 | 34.16  | 20.29 | 22.61 |
| PAT / Total income        | 21.58          | 20.03 | 23.86  | 11.82 | 13.19 |
| ROCE- operating (%)       | 83.77          | 74.36 | 98.82  | 36.55 | 36.52 |
| RONW (%)                  | 71.48          | 63.09 | 88.10  | 32.54 | 43.51 |
| Debt equity ratio         | 0.00           | 0.00  | 0.00   | 0.00  | 0.43  |
| Overall gearing ratio     | 0.00           | 0.00  | 0.00   | 0.00  | 0.49  |
| Interest coverage (times) | NM             | NM    | 185.13 | 50.87 | 39.80 |
| Total Debt/ EBIDTA        | 0.00           | 0.00  | 0.00   | 0.00  | 0.69  |
| Total debt/ GCA           | 0.00           | 0.00  | 0.00   | 0.00  | 0.81  |

**Adjustments**

1. Tangible net worth is calculated by netting off revaluation reserve and intangible assets from total equity.
2. Gross Cash Accruals (GCA) is calculated as PAT+ Depreciation + deferred tax+ other non-cash expenditure.
3. Overall Gearing ratio is calculated as total debt (long term and short-term debt including lease liabilities)/Tangible Network.

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### Details of Instruments and Facilities

#### 1. Long-Term Loan

| Banker / Lender          | Type of facility | Amount (MUR million) | Debt repayment terms  |
|--------------------------|------------------|----------------------|---|
| SBM Bank (Mauritius) Ltd | Long-term loan   | 90                   | Tenure – 10 years (Moratorium – 6 months)<br>MUR 0.75 million payable monthly starting September 2021<br>Interest Rate: 3.75% |

#### 2. Short-term bank facilities

| Banker / Lender          | Type of facility   | Amount (MUR million) | Interest Rate    |
|--------------------------|--------------------|----------------------|------------------|
| SBM Bank (Mauritius) Ltd | Overdraft Facility | 37                   | SBM PLR at 4.40% |

#### Disclaimer

CARE Ratings (Africa) Private Limited ("CRAF")'s ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell or hold any security. CRAF's ratings do not convey suitability or price for the investor. CRAF's ratings do not constitute an audit on the rated entity. CRAF has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CRAF does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CRAF have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CRAF may also have other commercial transactions with the entity.

In case of partnership/proprietary concerns, the rating /outlook assigned by CRAF is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CRAF is not responsible for any errors and states that it has no financial liability whatsoever to the users of CRAF's rating.

CRAF's ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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## Annexure II

### Rating Symbols

#### Long /Medium-term Instruments

| Symbols             | Rating Definition  |
|---------------------|--|
| <b>CARE MAU AAA</b> | Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry lowest credit risk. |
| <b>CARE MAU AA</b>  | Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry very low credit risk.      |
| <b>CARE MAU A</b>   | Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry low credit risk.       |
| <b>CARE MAU BBB</b> | Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry moderate credit risk.  |
| <b>CARE MAU BB</b>  | Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.  |
| <b>CARE MAU B</b>   | Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.  |
| <b>CARE MAU C</b>   | Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.   |
| <b>CARE MAU D</b>   | Instruments with this rating are in default or are expected to be in default soon.   |

**Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU AA to CARE MAU C. The modifiers reflect the comparative standing within the category.**

**A suffix of '(SO)' may be added to the rating indicating that the instrument / facility is a "Structured Obligation". A prefix of 'Provisional' may be added to a 'SO' rating indicating that the rating is subject to completion of certain conditions.**

#### Short term Instruments

| Symbols            | Rating Definition   |
|--------------------|---|
| <b>CARE MAU A1</b> | Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry lowest credit risk.  |
| <b>CARE MAU A2</b> | Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry low credit risk.  |
| <b>CARE MAU A3</b> | Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories. |
| <b>CARE MAU A4</b> | Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry very high credit risk and are susceptible to default.                              |
| <b>CARE MAU D</b>  | Instruments with this rating are in default or expected to be in default on maturity.   |

**Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU A1 to CARE MAU A4. The modifiers reflect the comparative standing within the category**

#### Rating Outlook

The rating outlook can be 'Positive', 'Stable' or 'Negative'.

A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

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