CareEdge RATINGS AFRICA

Lottotech Ltd
24 June 2026

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Proposed Bank Facility	**305**	**CARE MAU AA-; Stable**	Assigned

Rationale and key rating drivers

The rating assigned to the proposed bank facility of Lottotech Ltd ("Lottotech") derives strength from the company's long-established market position in the National lottery segment as the company leverages its position as the sole operator of the National Lottery in Mauritius as well as the resilient financial performance supported by recovery in FY25 and healthy margins. The rating further considers the affordability of lottery ticket pricing which supports high participation levels along with higher jackpot offerings despite recent volume adjustment. The rating also takes cognisance of the company's recent renewal of operating license is valid until 30 April 2039 which covers the tenure of the proposed bank facility and provides an extended regulatory horizon that supports company's lottery and gaming activities, revenue visibility and the continuous innovation in technology facilitating the ease of participation. Moreover, the company benefits from a diversified product portfolio with introduction of new games such as Loto plus and HotPicks, further strengthening their market position, broadening its consumer base and reducing dependency on a single game.

The rating further derives comfort from the strong parent linkage and the established track record of the promoters, the Gamma Group, which has demonstrated successful operations across diversified business segments.

The rating, however, is constrained by the company's planned debt funded capital expenditure of approximately MUR 305 million aimed at a comprehensive upgrade of its technology platform including migration towards a cloud-based infrastructure and enhancement of server and terminal systems. Funding will be completely structured through term loan of MUR 305 million and the Capex will be completed by FY27. The upgrade marks a strategic shift from physical terminals to a cloud-based platform, improving system reliability, scalability, and processing speed, while enhancing the ability to handle peak transaction volumes and reducing long-term operational inefficiencies. Strategically, it enables Lottotech's digital transformation through the launch of online and mobile channels, supporting greater customer reach, improved data insights, and the introduction of new digital-first products, thereby strengthening revenue diversification and competitiveness. However, the project carries execution and transition risks, including potential delays, cost overruns, operational disruptions, and heightened exposure to cybersecurity and system vulnerability risks, along with foreign exchange risk due to USD-linked costs.

The rating is further constrained by the inherent business risk associated with operating in a highly regulated industry, the consistently high dividend payout ratio that has led to the erosion of its tangible net worth, a highly revenue

[1]Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

(Subsidiary of CARE Ratings Ltd.)
Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius
Phone: +230 59553060/58626551 • www.careratingsafrica.com
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concentrated base as majority of the income is derived from a single game (Loto) and the company's mandatory contribution of its turnover (47.16%) to the Consolidated fund and the execution risk associated with the proposed capex.

Rating sensitivities: Factors likely to lead to rating actions
Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Sustained improvement in profitability along with higher retention of earnings supporting growth in tangible networth.
- Further diversification of revenue streams resulting in reduced dependency on the Loto game
- Successful execution of the capex programme without cost overruns or delays contributing to improved turnover and margins and higher transaction volumes

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

- Adverse regulatory changes including restrictions on operations, pricing and product offerings leading to a sustained decline in revenue or profitability.
- Any increase in statutory contribution to the consolidated fund further constraining cashflow generation and profitability leading to strain on liquidity profile.
- Significant increase in debt with overall gearing increasing above 1.75x on a sustained basis.

Analytical approach - Standalone
CRAF has adopted a standalone approach in its analysis and factored strong parent linkage of Gamma group.

Outlook: Stable
The stable outlook reflects CRAF expectation that the company's financial performance will remain stable over the medium term supported by its position as the sole operator of the lottery business in Mauritius. CRAF additionally factors in that the company operates in a highly regulated gaming and gambling industry, for which the overall outlook is expected to remain stable.

Applicable criteria
Policy on default recognition
Rating Outlook and Credit Watch
Financial ratios - Non financial sector
Liquidity Analysis of Non-financial sector entities
Withdrawal and Suspension Policy
Policy on Curing period

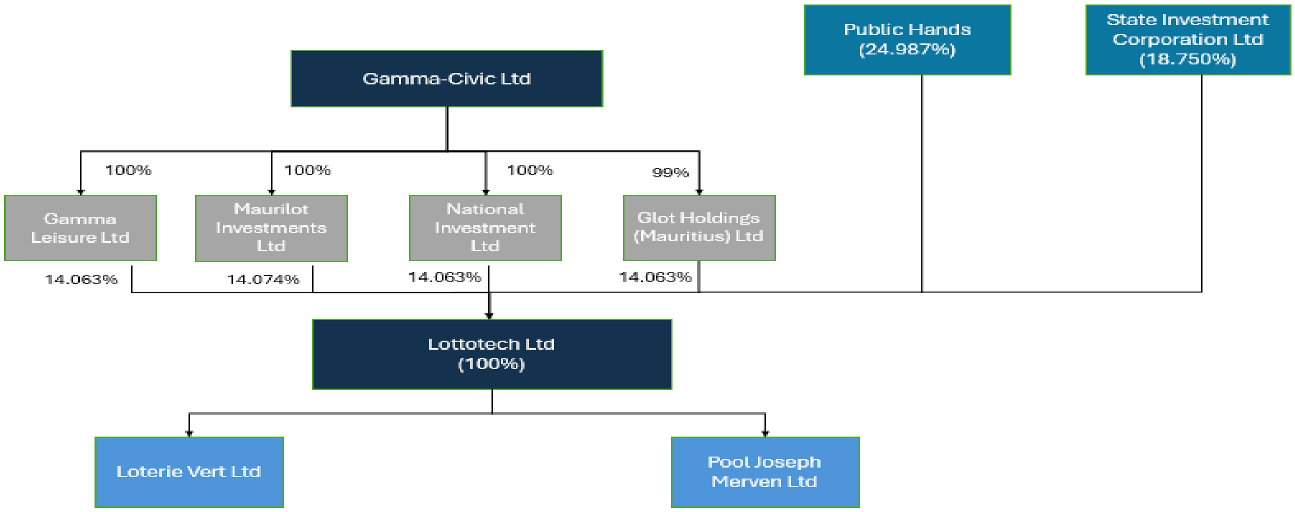
About the company
Lottotech Limited ("Lottotech") was incorporated in Mauritius on April 8, 2008, by Gamma-Civic Ltd (rated CARE MAU AA-; Stable) to operate lotteries and related activities within the Mauritian gaming industry.
In July 2008, the company was chosen as the preferred bidder by the State Investment Corporation Ltd (the investment arm of the Government of Mauritius) to implement & operate the Mauritius National Lottery. The National Lottery, also

called La Loterie Nationale, is regulated by the Gambling Regulatory Authority ("GRA") Act 2007. As the exclusive operator on behalf of the Government, Lottotech was granted a license in April 2009 under the GRA ACT 2007. The Company operates in a highly regulated environment.

Lottotech is a member of the World Lottery Association ("WLA"), the global authority in the lottery sector and has achieved the WLA Responsible Gaming certification Level 4, the highest international standard in responsible gaming. In October 2009, Lottotech successfully launched La Loterie Nationale in Mauritius and Rodrigues, distributing lottery products through a network of retailers equipped with company-provided terminals. Furthermore, the Government has extended Lottotech Ltd's operating licence by an additional ten years, making it valid till April 2039.

In 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 shareholding structure is as follows:



In 2019, Lottotech acquired the company Pool Joseph Merven Ltd (PJML), which holds the license to operate as an agent of The Football Pools, a sports betting operator in UK. This acquisition marked a diversification of the company's product portfolio and enabled the introduction of new games to its player base. Further expanding its offerings, the company launched a modernized Loterie Vert game in October 2020. In 2023, Lottotech introduced Loto Plus, followed by HotPicks in 2024. Currently, Lottotech offers Loto and Loto Plus (with draws held twice weekly on Wednesdays and Saturdays), Loterie Vert (drawn twice weekely on Tuesdays and Fridays), HotPicks, and The Football Pools. The products are distributed through a network of 680 retailers, comprising mainly small family-owned businesses.

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.

Annexure I

Rating Symbols

Long /Medium-term Instruments

Symbols	***Rating Definition***
CARE MAU AAA	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.
CARE MAU AA	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.
CARE MAU A	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.
CARE MAU BBB	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.
CARE MAU BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU D	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.

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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Phone: +230 59553060/58626551 • www.careratingsafrica.com
BRN: C14127054 • FSC License No.: CR14000001

Contact us

Contact
Name : Mr. Saurav Chatterjee
Title : Chief Executive Officer
Phone : + 230 5862 6551
E-mail : saurav.chatterjee@careratingsafrica.com

Analytical contact

Name : Mr. Vidhyasagar Lingesan
Title : Chief Rating Officer
Phone : +230 5273 1406
E-mail : vidhya.sagar@careratingsafrica.com

Name : Mr. Naveen Kumar D.
Title : Rating Head
Phone : +230 5511 0811
E-mail : Naveen.Kumar@careratingsafrica.com

Name : Ms. Pooja Appadoo
Title : Group Head
Phone : +230 5955 3060
E-mail : pooja.appadoo@careratingsafrica.com

Name : Mr. Tanmay Vyas
Title : Junior Rating Analyst
Phone : +230 5450 0326
E-mail : Tanmay.Vyas@careratingsafrica.com

About CARE Ratings (Africa) Private Limited:
CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.
CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.
CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.
CRAF's Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.
CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.