

ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2022

Business Registration Number: C07009339

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | THE GROUP | | | | |
|---|---------------|---------------|----------------|----------------|--------------|
| | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| | Quarter ended | Quarter ended | 6 months ended | 6 months ended | Year ended |
| | Jun 2022 | Jun 2021 | Jun 2022 | Jun 2021 | Dec 2021 |
| | Rs M | Rs M | Rs M | Rs M | Rs M |
| Income | 75.7 | 81.5 | 112.1 | 117.0 | 451.0 |
| Government taxes & duties | (25.4) | (28.3) | (40.9) | (40.4) | (170.1) |
| Payment to National Solidarity Fund | (1.7) | (2.6) | (2.6) | (3.2) | (14.9) |
| Net Income | 48.6 | 50.6 | 68.6 | 73.4 | 266.0 |
| Other income | 0.2 | 0.8 | 0.2 | 2.1 | 3.8 |
| Selling expenses | (10.3) | (10.0) | (18.4) | (16.7) | (45.7) |
| Operating expenses | (25.4) | (24.5) | (50.9) | (47.5) | (115.8) |
| Gain allowance on trade receivables | - | - | - | - | 0.5 |
| Payments to horse racing organiser | (4.3) | (13.7) | (4.4) | (13.7) | (62.0) |
| Operating (loss) / profit | 8.8 | 3.2 | (4.9) | (2.4) | 46.8 |
| Finance income | - | - | - | - | - |
| Finance costs | (0.1) | (0.2) | (0.3) | (0.3) | (0.5) |
| Finance costs - net | (0.1) | (0.2) | (0.3) | (0.3) | (0.5) |
| (Loss) / profit before income tax | 8.7 | 3.0 | (5.2) | (2.7) | 46.3 |
| Income tax expense | (0.2) | 0.2 | (0.3) | (0.2) | (5.0) |
| (Loss) / profit for the period | 8.5 | 3.2 | (5.5) | (2.9) | 41.3 |
| Other comprehensive income: | | | | | |
| Items that will not be reclassified to profit or loss | - | - | - | - | - |
| Changes in the fair value of equity instruments at FVOCI | - | - | - | - | (8.7) |
| Re-measurements of post-employment benefit obligations | - | - | - | - | 1.4 |
| Deferred tax charge relating to re-measurements of post-employment benefits | - | - | - | - | (0.2) |
| Re-measurements of post-employment benefit obligations - net of tax | - | - | - | - | 1.2 |
| Total other comprehensive loss for the period | - | - | - | - | (7.5) |
| Total comprehensive (loss) / income for the period | 8.5 | 3.2 | (5.5) | (2.9) | 33.8 |
| Total comprehensive (loss) / income attributable to: | | | | | |
| Owners of the company | 8.5 | 1.6 | (5.5) | (6.1) | 35.4 |
| Non-controlling interests | - | 1.6 | - | 3.2 | 5.9 |
| | 8.5 | 3.2 | (5.5) | (2.9) | 41.3 |
| Total comprehensive (loss) / income attributable to: | | | | | |
| Owners of the company | 8.5 | 1.6 | (5.5) | (6.1) | 27.9 |
| Non-controlling interests | - | 1.6 | - | 3.2 | 5.9 |
| | 8.5 | 3.2 | (5.5) | (2.9) | 33.8 |
| Earnings per share | Rs 2.41 | 0.46 | 1.55 | (1.73) | 10.02 |
| Number of shares in issue | 3,535,000 | 3,535,000 | 3,535,000 | 3,535,000 | 3,535,000 |

SEGMENT INFORMATION

| | THE GROUP | | | |
|--|---------------|---------------|-----------------|-----------------|
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | Quarter ended | Quarter ended | 6 months ended | 6 months ended |
| | Jun 2022 | Jun 2021 | Jun 2022 | Jun 2021 |
| | Rs M | Rs M | Rs M | Rs M |
| Income | | | | |
| Horse racing | 23.9 | 55.1 | 23.9 | 55.1 |
| Foreign football matches | 40.3 | 18.2 | 67.4 | 45.6 |
| All other segments | 11.5 | 8.2 | 20.8 | 16.3 |
| Total | 75.7 | 81.5 | 112.1 | 117.0 |
| EBITDA | | | | |
| Horse racing | (6.4) | 1.3 | (21.4) | (10.9) |
| Foreign football matches | 13.3 | 1.4 | 14.1 | 7.3 |
| All other segments | 5.6 | 4.0 | 9.8 | 7.9 |
| Total | 12.5 | 6.7 | 2.5 | 4.3 |
| Depreciation | (3.7) | (3.5) | (7.4) | (6.7) |
| Finance income | - | - | - | - |
| Finance costs | (0.1) | (0.2) | (0.3) | (0.3) |
| (Loss) / profit before income tax | 8.7 | 3.0 | (5.2) | (2.7) |
| | | | Jun 2022 | Jun 2021 |
| | | | Rs M | Rs M |
| Total assets | | | | |
| Horse racing | | | 131.4 | 141.5 |
| Foreign football matches | | | 32.9 | 35.4 |
| All other segments | | | 20.9 | 19.9 |
| TOTAL | | | 185.2 | 196.8 |
| Additions to non-current assets (other than financial instruments and deferred income tax assets) | | | | |
| Horse racing | | | 1.7 | 6.5 |
| Foreign football matches | | | 0.4 | 1.6 |
| All other segments | | | - | - |
| TOTAL | | | 2.1 | 8.1 |
| Total liabilities | | | | |
| Horse racing | | | 60.6 | 63.9 |
| Foreign football matches | | | 15.2 | 15.9 |
| All other segments | | | 3.2 | 10.4 |
| TOTAL | | | 79.0 | 90.2 |

CONSOLIDATED BALANCE SHEET

| | THE GROUP | |
|-------------------------------------|--------------|--------------|
| | Unaudited | Audited |
| | Jun 2022 | Dec 2021 |
| | Rs M | Rs M |
| ASSETS | | |
| Non current assets | 109.1 | 113.4 |
| Current assets | 76.1 | 91.3 |
| Total assets | 185.2 | 204.7 |
| EQUITY AND LIABILITIES | | |
| Owners' interests | 106.2 | 111.7 |
| Non-controlling interests | - | - |
| Total equity | 106.2 | 111.7 |
| Non current liabilities | 11.2 | 8.7 |
| Current liabilities | 67.8 | 84.3 |
| Total liabilities | 79.0 | 93.0 |
| Total equity and liabilities | 185.2 | 204.7 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| | THE GROUP | |
|---|----------------|----------------|
| | Unaudited | Unaudited |
| | 6 months ended | 6 months ended |
| | Jun 2022 | Jun 2021 |
| | Rs M | Rs M |
| Net cash from operating activities | 5.0 | 5.0 |
| Net cash used in investing activities | (2.1) | (7.8) |
| Net cash used in financing activities | (23.2) | (19.1) |
| Net decrease in cash and cash equivalents | (20.3) | (21.9) |
| Cash and cash equivalents at the beginning of period | 35.1 | 39.4 |
| Cash and cash equivalents at the end of period | 14.8 | 17.5 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| THE GROUP | Attributable to owners of the parent | | | | | | | |
|---|--------------------------------------|---------------|----------------------------------|--------------------|-------------------|--------------|---------------------------|--------------|
| | Share Capital | Share Premium | Post-employment Benefits Reserve | Fair value Reserve | Retained Earnings | Total | Non-controlling Interests | Total Equity |
| | Rs M | Rs M | Rs M | Rs M | Rs M | Rs M | Rs M | Rs M |
| Balance as at 01 January 2021 | 24.7 | 1.2 | (0.6) | 1.6 | 81.2 | 108.1 | 5.3 | 113.4 |
| (Loss) / profit for the period | - | - | - | - | (6.1) | (6.1) | 3.2 | (2.9) |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - |
| Total comprehensive (loss) / income for the period | - | - | - | - | (6.1) | (6.1) | 3.2 | (2.9) |
| Transaction with owners | | | | | | | | |
| Dividends | - | - | - | - | - | - | (3.9) | (3.9) |
| Total transactions with owners | - | - | - | - | - | - | (3.9) | (3.9) |
| Balance as at 30 June 2021 | 24.7 | 1.2 | (0.6) | 1.6 | 75.1 | 102.0 | 4.6 | 106.6 |
| Balance as at 01 January 2022 | 24.7 | 1.2 | 0.6 | (7.1) | 92.3 | 111.7 | - | 111.7 |
| Loss for the period | - | - | - | - | (5.5) | (5.5) | - | (5.5) |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | - | (5.5) | (5.5) | - | (5.5) |
| Transaction with owners | | | | | | | | |
| Dividends | - | - | - | - | - | - | - | - |
| Total transactions with owners | - | - | - | - | - | - | - | - |
| Balance as at 30 June 2022 | 24.7 | 1.2 | 0.6 | (7.1) | 86.8 | 106.2 | - | 106.2 |

COMMENTS ON RESULTS

ACCOUNTING STANDARDS

The abridged condensed financial statements for the quarter ended 30 June 2022 are unaudited and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 31 December 2021.

RESULTS

For the second quarter ending 30 June 2022, football income improved from Rs 18.2 million to Rs 40.3 million year on year. In 2022 there was no lockdown whereas in 2021 operations were suspended for 6 weeks.

Totalisator income from horseracing for the quarter ending 30 June 2022 decreased to reach Rs 23.9 million compared to Rs 55.1 million for last year's corresponding quarter. The drop in number of meetings during the quarter, from seven in 2021 to five in 2022, coupled with a decrease of 37% on average turnover per race meeting, considerably affected the results.

On a positive note, Megawin Ltd performed better with an income of Rs 11.5 million for the quarter compared to Rs 8.2 million for the same quarter last year.

The Group's income for the quarter dropped to Rs 75.7 million from Rs 81.5 million in 2021, attributable to the sharp decrease in the income from horseracing. The Group's profit for the quarter ended 30 June 2022 reached Rs 8.5 million compared to a profit of Rs 3.2 million for the corresponding 2021 quarter.

For the six months this year, the Group's income fell to Rs 112.1 million compared to Rs 117.0 million last year; losses increased to Rs 5.5 million compared to Rs 2.9 million in 2021.

PROSPECTS

The delayed start of the racing season, the drop in turnover per meeting and the increase in betting tax since the end of last year has had and continues to have a negative impact on the horseracing turnover.

The Directors believe, based on the actual trend, that the Totalisator Income from horseracing will be less than 2021, but it is expected that the forecasted increase in football income and the improved results of Megawin Ltd will partly compensate that drop.

By order of the Board

Box Office Ltd

This 08 August 2022

The above abridged audited financial statements are issued pursuant to Listing Rule 12.20 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.