

C 32326

**Maltco Lotteries Limited**  
Annual Report  
2023

## **Maltco Lotteries Limited**

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## **Maltco Lotteries Limited**

### General Information

#### **Registration**

Maltco Lotteries Limited is registered in Malta as a limited liability company under the Companies Act, (Cap. 386) with registration number C32326.

#### **Directors**

Athanasios Chronas  
Nikolaos Nikolakopolous  
Chrysostomos Sfatos  
Mario Camilleri  
Dimitrios Kremmydas  
Emmanouil Lagouros  
Angela Calleja  
Evipidis Tsvigiouras (appointed: 12 June 2023)  
Konstantinos Koutsias (appointed: 12 June 2023)  
Vasileios Kasiotakis (resigned: 12 June 2023)  
Fotios Konstantellos (resigned: 12 June 2023)

#### **Registered Office**

8/1, Trejjet L- Imhazen  
Florian  
Malta

#### **Auditor**

Stefan Bonello Ghio  
8/1  
Magazines Junction  
Floriana FRN 1142  
Malta

**Maltco Lotteries Limited**

## Directors' Responsibilities

For the Year Ended 31 December 2023

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- \* adopt the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- \* select suitable accounting policies and apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* account for income and charges relating to the accounting period on the accruals basis;
- \* value separately the components of asset and liability items; and
- \* report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap. 386) enacted in Malta. This responsibility includes designing, implementing and maintaining 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. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Maltco Lotteries Limited**

## Income Statement

For the Year Ended 31 December 2023

	Note	2023 Euro	2022 Euro
Revenue		0	18,871,733
Direct costs		0	-10,701,415
		-----	-----
Gross Profit		0	8,170,318
Administrative Expenses		-640,672	-7,125,811
		-----	-----
Operating (loss) / profit		-640,672	1,044,507
Other operating income		1,518	26,369
		-----	-----
(Loss) / profit before Tax	3	-639,154	1,070,876
Finance income	4	0	1,875
Finance costs	4	-922	-73,242
		-----	-----
(Loss) / profit before income tax		-640,076	999,509
Income Tax Expense	5	813,500	-914,113
		-----	-----
Profit for the Year		173,424	85,396
Dividends paid		0	-4,574,620
		-----	-----
Retained profit for the year		173,424	-4,489,224
		=====	=====

**Maltco Lotteries Limited**  
Balance Sheet  
As at 31 December 2023

	Note	2023 Euro	2022 Euro
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6	0	0
Right-of-use assets	7	0	4,724
		-----	-----
		0	4,724
		-----	-----
<b>Current Assets</b>			
Tax recoverable		894,931	83,686
Trade and Other Receivables	8	1,511,772	1,647,348
Cash and Bank Balances		1,842,025	8,945,918
		-----	-----
		4,248,728	10,676,952
		-----	-----
<b>Total Assets</b>		4,248,728	10,681,676
		=====	=====
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share Capital	11	3,999,999	9,550,429
Retained Earnings		-1,414,528	-1,587,952
		-----	-----
		2,585,471	7,962,477
		-----	-----
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	9.1	0	0
		-----	-----
		0	0
		-----	-----
<b>Current Liabilities</b>			
Trade and Other Payables	10	163,257	1,216,725
Provisions	12	1,500,000	1,500,000
Lease liabilities		0	2,474
		-----	-----
		1,663,257	2,719,199
		-----	-----
<b>Total Equity and Liabilities</b>		4,248,728	10,681,676
		=====	=====

The financial statements set out on pages 3 to 15 were approved and authorised for issue by the Board on 16 April 2024 and signed on its behalf by:

Emmanouil Lagouros  
CEO / Director

Angela Calleja  
Director

**Maltco Lotteries Limited**

Notes to the Financial Statements

For the Year Ended 31 December 2023

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**1 Basis of Preparation****1.1 Basis of Measurement and Statement of Compliance**

The financial statements of Maltco Lotteries Limited (the “Company”) have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (“GAPSME”). The financial statements have been prepared on the historical cost basis except for land and buildings which are stated at their revalued amount. These financial statements present information about the Company as an individual undertaking.

**1.2 Functional and Presentation Currency**

The financial statements are presented in Euro (EUR), which is the Company’s functional currency.

**2 Significant Accounting Policies****2.1 Property, Plant and Equipment****2.1.1 Recognition and Measurement**

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment is carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses.

After initial recognition, land and buildings are carried under the revaluation model while other items of property, plant and equipment are carried under the cost model. Revaluations are made for the entire class of land and buildings at least every five years or with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**Maltco Lotteries Limited**

## Notes to the Financial Statements

For the Year Ended 31 December 2023

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**2.1.2 Depreciation**

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or loss.

Land is not depreciated. Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Fixtures and fittings	10 years
Computer Equipment	4 years

**2.1.3 Depreciation Method, Useful Life and Residual Value**

The depreciation method applied, the residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

**2.1.4 Derecognition of Property, Plant and Equipment**

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from derecognition represent the difference between the net proceeds (if any) and the carrying amount and are included in profit or loss in the period of derecognition.

**2.2 Financial Assets, Financial Liabilities and Equity**

A financial asset or a financial liability is recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.



**Maltco Lotteries Limited**

## Notes to the Financial Statements

For the Year Ended 31 December 2023

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An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

A financial instrument, or its component parts, is classified as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

**2.2.1 Trade and Other Receivables**

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment.

**2.2.2 Trade and Other Payables**

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which case trade and other payables are measured at amortised cost using the effective interest method.

**2.2.3 Share Capital Issued by the Company**

Ordinary shares issued by the Company are classified as equity. Dividends to ordinary shareholders are debited directly to equity and are recognised as liabilities in the period in which they are declared.

**2.3 Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour and a proportion of fixed and variable production overheads that are incurred in converting materials into finished goods, based on the normal level of activity. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

**2.4 Impairment**

The Company's property, plant and equipment are tested for impairment.

**2.4.1 Property, Plant and Equipment**

The carrying amounts of the Company's property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair

**Maltco Lotteries Limited**

Notes to the Financial Statements

For the Year Ended 31 December 2023

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value less costs to sell and its value in use.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

The carrying amounts of Company's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation increase unless an impairment loss on the same asset was previously recognised in profit or loss.

**2.5 Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes. Bank overdrafts, which are repayable on demand and form an integral part of the Company's cash management, and are presented in current liabilities in the balance sheet.

**2.6 Income Taxes**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred

**Maltco Lotteries Limited**

## Notes to the Financial Statements

For the Year Ended 31 December 2023

tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Company reassesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

**2.7 Income****2.7.1 Provision of Services**

Revenue from the provision of services is recognised when the service has been fully rendered to the customer, the inflow of economic benefits associated with the transaction is probable.

Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts and volume rebates allowed by the entity.

**2.8 Employee Benefits**

The Company contributes towards the state pension in accordance with local legislation. The only obligation of the Company is to make the required contributions. Costs are expensed in the period in which they are incurred.

**2.9 Foreign Currencies**

Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and monetary liabilities denominated in foreign currencies at balance sheet date are translated at year end closing rates of exchange. Any exchange differences arising on the settlement of monetary assets and monetary liabilities, or on translating foreign denominated monetary assets and liabilities at the balance sheet date at rates different from those at which they were previously translated, are recognised in profit or loss.

**3 Profit before Tax**

This is stated after charging / (crediting) the following:

	2023	2022
	Euro	Euro
Audit Fees (note 3.1)	2,500	34,925
Depreciation	4,723	437,726
Amortisation	0	2,347,124
Provision for litigation	0	1,500,000
Release of in provisions on expected credit losses	0	-2,067
Gain on disposal of property, plant and equipment	0	-23,518
Employee benefit expense	0	953,046
	=====	=====

**Maltco Lotteries Limited**

## Notes to the Financial Statements

For the Year Ended 31 December 2023

## 3.1 Total remuneration paid to the Company's auditor during the year amounts to:

	2023	2022
	Euro	Euro
Audit Fees	2,500	34,925
	=====	=====

## 3.2 The average number of persons employed by the Company including executive directors during the year was:

	2023	2022
Operating	0	16
information systems	1	9
Sales and marketing	0	6
Management and administration	3	10
Directors	3	9
	-----	-----
	7	50
	=====	=====

**4 Net finance costs**

	2023	2022
	Euro	Euro
interest income	0	1,875
	=====	=====
interest expense	0	40,264
Bank charges	815	21,887
Net foreign exchange losses	107	8,017
interest expense on lease liabilities	0	3,074
	-----	-----
	922	73,242
	=====	=====
<b>Net finance costs</b>	<b>-922</b>	<b>-71,367</b>
	=====	=====

**Maltco Lotteries Limited**

Notes to the Financial Statements

For the Year Ended 31 December 2023

**5 income tax expense**

	2023	2022
	Euro	Euro
<b>Current tax expense</b>		
Current year	0	-1,020,737
Prior year	813,500	0
<b>Deferred tax expense</b>		
Movement in temporary differences	0	106,624
	-----	-----
<b>income tax expense for the year</b>	813,500	-914,113
	=====	=====

**6 Property, Plant and Equipment**

6.1	Total	Fixtures & Fittings	Computer Equipment
	Euro	Euro	Euro
At 1 January 2023			
Cost Amount	17,238	0	17,238
Accumulated Dep.	-17,238	0	-17,238
	-----	-----	-----
Net Book Amount	0	0	0
	-----	-----	-----
Year Ended 31 December 2023			
Opening Net Book Amount	0	0	0
Additions	0	0	0
Depreciation	0	0	0
	-----	-----	-----
Closing Net Book	0	0	0
	-----	-----	-----
At 31 December 2023			
Cost Amount	17,238	0	17,238
Accumulated Dep.	-17,238	0	-17,238
	-----	-----	-----
Net Book Amount	0	0	0
	=====	=====	=====

**Maltco Lotteries Limited**

## Notes to the Financial Statements

For the Year Ended 31 December 2023

**7 Right-of-use assets**

	Total Euro	Leased Property Euro	Leased Vehicles Euro
At 1 January 2023			
Cost Amount	47,199	0	47,199
Accumulated Dep.	-42,475	0	-42,475
	-----	-----	-----
Net Book Amount	4,724	0	4,724
	-----	-----	-----
Year Ended 31 December 2023			
Opening Net Book Amount	4,724	0	4,724
Additions	0	0	0
Derecognition	-4,724	0	-4,724
	-----	-----	-----
Closing Net Book	0	0	0
	-----	-----	-----
At 31 December 2023			
Cost Amount	47,199	0	47,199
Accumulated Dep.	-47,199	0	-47,199
	-----	-----	-----
Net Book Amount	0	0	0
	=====	=====	=====

**8 Trade and Other Receivables**

	2023 Euro	2022 Euro
Amounts owed by agents/players	0	97,100
Other receivables	1,501,857	1,501,878
Prepayments	9,915	48,370
	-----	-----
	1,511,772	1,647,348
	=====	=====

Other receivables include the deposit with the courts of Malta of €1.5million (2022: €1.5million) following the issuance of a garnishee order in connection with the open court case instituted by a player against the company and a third party.

**Maltco Lotteries Limited**

Notes to the Financial Statements

For the Year Ended 31 December 2023

**9 Borrowings****9.1 Non-Current Liabilities**

Borrowings included under non-current liabilities on the balance sheet comprise the following amounts:

	2023	2022
	Euro	Euro
Non-Current Liabilities	0	0
	=====	=====

**10 Trade and Other Payables**

10.1	2023	2022
	Euro	Euro
Trade Payables	0	42,406
Other Payables	155,471	875,372
Other Taxes and Social Security	206	5,320
Accrued Expenses	7,580	293,627
	-----	-----
	163,257	1,216,725
	=====	=====

**11 Equity**

	2023	2022
	Euro	Euro
Authorised		
4,100,000 ordinary shares of €2.329373 each	9,550,429	9,550,429
	=====	=====
Issued		
1,717,200 (2022: 4,100,000) ordinary shares of €2.329373 each	3,999,999	9,550,429
	=====	=====

**Maltco Lotteries Limited**

Notes to the Financial Statements

Notes to the Financial Statements

**12 Provisions**

	2023	2022
	Euro	Euro
Provisions for litigations and claims	1,500,000	1,500,000
	=====	=====

In August 2020, a lawsuit was filed by a punter against the Company and Aktiebolaget Travoch Galopp (Swedish Horse Racing Totalisator Board) (hereunder referred to as "ATG"), a third-party horse betting game provider, having its registered offices in Sweden. The punter claimed payment from the parties contending that it had winnings amounting to €1.5 million on bets placed on horse races administered by ATG, placed from one of the company's outlet. ATG refused the payment of the requested amount on the basis that the player had breached ATG's betting regulations.

The Company deposited with the courts of Malta an amount of €1.5million following the issuance of a garnishee order by the courts in connection with this claim. Whilst the outcome of the case is still not clear and the Directors still believe that the plaintiff's allegations are without merit and intends to vigorously defend its position to the fullest extent permitted by law, in view that the financial statements of the company have been prepared on break-up values ahead of a planned voluntary liquidation, the Directors deem that creating the relative provision in its financial statements to the tune of the garnishee order is appropriate in the circumstances.

**13 Related Parties**

The Company's ultimate parent company is Intralot S.A., the registered office of which is situated integrated Lottery systems and services, 64, Kifissias Ave & 3, premetis street, Marousi, Greece. The Company's ultimate parent company Intralot S.A. prepares the consolidated financial statements of the Group. The individual financial statements of Maltco Lotteries Limited are incorporated in the group financial statement of the ultimate parent company.

The immediate parent company is Intralot Global Holdings B.V., the registered office of which is situated at Deflandlaan t, 1.062 EA Amsterdam, Netherlands.



**Maltco Lotteries Limited**

Notes to the Financial Statements

For the Year Ended 31 December 2023

**13.1 Transactions with Related Parties**

	2023	2022
	Euro	Euro
Direct cost:		
Other related parties	0	512,549
	=====	=====
Administrative and other operating expenses:		
Ultimate parent company	255,037	254,212
Key management personnel	86,032	203,615
	=====	=====

Transactions with key management personnel comprised of emoluments.

**14 Events after the reporting period**

By virtue of an extraordinary resolution signed by the shareholders of the Company on 9 November 2023, the shareholders resolved to reduce the issued share capital of the Company by the cancellation of 429,300 ordinary shares with a nominal value per share of €2.329373 each. In terms of article 83(1) of the Maltese Companies Act such reduction took place three months after the date of publication of the statement by the Registry on 10 April 2024.

There were no other events that happened after the reporting period which would require adjustment or disclosure in the financial statements of the Company.

**Maltco Lotteries Limited**

## Administrative Expenses

For the Year Ended 31 December 2023

	2023	2022
	Euro	Euro
Wages and salaries	117,957	775,658
Director's Remuneration	86,723	203,615
Consultancy fees	345,514	334,479
Subscription fees	0	9,902
Telecommunications	2,310	7,210
Training	23	-310
Insurance	543	29,519
Repairs and maintenance	17,563	993,144
Computer related expenses	0	50,855
Audit	2,500	34,925
General expenses	1,620	345,420
Stationery	407	7,078
Rent	12,666	13,922
Non refundable VAT	48,516	0
Travel and Entertaining	-126	9,074
Water & electricity	-268	32,632
Provision for litigation	0	1,500,000
Amortisation	0	2,347,123
Depreciation	4,724	431,565
	-----	-----
	640,672	7,125,811
	=====	=====

## **Independent Auditor's Report**

### **To the Shareholders of Maltco Lotteries Limited**

#### **Report on the Audit of the Financial Statements**

##### ***Opinion***

I have audited the financial statements of Maltco Lotteries Limited (the "Company"), set out on pages 3 to 15, which comprise the balance sheet as at 31 December 2023, the income statement, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Company as at 31 December 2023, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME) and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

##### ***Basis for Opinion***

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### ***Responsibilities of the Directors***

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with GAPSME, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing 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 director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

##### ***Auditor's Responsibilities for the Audit of the Financial Statements***

My objectives are to obtain reasonable assurance about whether the 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 my 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 financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the 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 my 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 Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**Independent Auditor's Report (continued)**

**To the Shareholders of Maltco Lotteries Limited**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

***Report on Other Legal and Regulatory Requirements***

Other Matters on which I am required to report by exception by the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act")

I have nothing to report in respect of the following matters where the Act requires me to report to you if, in my opinion:

adequate accounting records have not been kept by the Company; or

the Company's financial statements are not in agreement with the accounting records; or

I have not obtained all the information and explanations which, I require for the purpose of my audit; or

certain disclosures of director's remuneration specified by law are not made in the financial statements, giving the required particulars in my report.

Stefan Bonello Ghio  
Registered Auditor

Date: 16 April 2024