



## **THIRD QUARTER REPORT 2024-25**

**For the nine months ended December 31, 2024**

## Corporate Overview

Lotteries and Gaming Saskatchewan Corporation (LGS or the Corporation) was established April 1, 2023, as a Crown Corporation to conduct and manage gaming for the province of Saskatchewan. LGS became fully operational June 1, 2023. LGS conducts and manages video lottery terminals (VLTs) within Saskatchewan and lottery and gaming-related activities through the Western Canada Lottery Corporation (WCLC), slot machines at all Saskatchewan Indian Gaming Authority (SIGA) casinos and all Saskatchewan Gaming Corporation (SaskGaming) casinos. LGS owns 100 per cent of the shares to SaskGaming who operates Casino Regina and Casino Moose Jaw. LGS owns 100 per cent of the shares of LGS Holdings Inc. which owns the VLTs within Saskatchewan and slot machines used at SIGA casinos.

## Outlook

Throughout this report, and particularly in the following discussion, forward-looking statements are made. These statements can be recognized by terms such as “outlook,” “expect,” “anticipate,” “project,” “continue,” or other expressions that relate to estimations or future events. By their nature, forward-looking statements require assumptions based on current information, management experience and historical performance. Forward-looking information is subject to uncertainties, and as a result, forward-looking statements are not a guarantee for the future performance of LGS.

Readers should not place undue reliance on forward-looking statements, as several factors could cause actual results to differ materially from estimates, predictions, and assumptions. Factors that can influence performance include, but are not limited to: global pandemics, weather conditions, general economic and geo-political conditions, interest and exchange rates, competition and the regulatory environment. Given these uncertainties, assumptions contained in the forward-looking statements may or may not occur.

## Management’s Discussion and Analysis

The Management’s Discussion and Analysis highlights the primary factors that impacted the financial results and financial health of LGS for the nine-month period ended December 31, 2024. As operations began in June 2023, the comparative information for the nine-month period ended December 31, 2023, only contains seven months of operations. This narrative on LGS’s 2024-25 third quarter financial results should be read in conjunction with the March 31, 2024, audited consolidated financial statements. The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those disclosed in LGS’s March 31, 2024, audited consolidated financial statements. The LGS unaudited condensed consolidated interim financial statements do not include all the disclosures that would be included in LGS’s annual audited consolidated financial statements.

## Financial Results

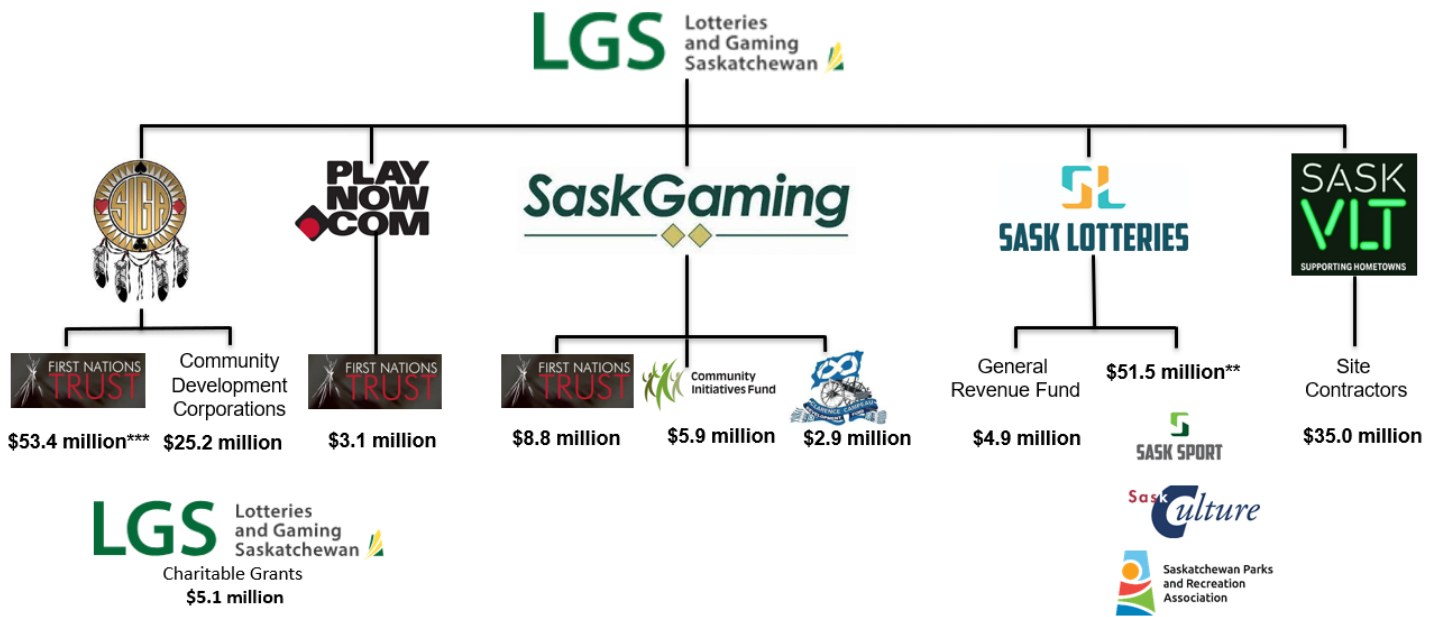
Net income in Q3 2024-25 (October 1, 2024 to December 31, 2024) was \$58.1 million (Q3 2023-24 — \$54.6 million) which brings the 2024-25 year to date total (nine months ended December 31, 2024) to \$166.0 million up from \$126.7 million from the same period in 2023-24 (seven month of operations). Net income before payments to the General Revenue Fund (GRF) in Q3 2024-25 was \$94.8 million (Q3 2023-24 — \$95.1 million) which brings the 2024-25 year to date total to \$270.2 million (2023-24 — \$209.8 million). Net income remained strong as earnings from land-based operators continue to improve from higher guest spend and strong economic conditions. The following diagram depicts earnings by category as well as the payment to the GRF.



\* Includes \$9.9 million for LGS Costs (operating, salaries, wages, and short-term employee benefits, employee future benefits, depreciation, interest, charitable grants)

LGS provided \$36.7 million (Q3 2023-24 — \$40.5 million) in payments to the GRF in Q3 2024-25 for its legislative requirements as per the *Lotteries and Gaming Saskatchewan Corporation Act* and Gaming Framework Agreement to fund the First Nations Addictions Rehabilitation Foundation, First Nations Trust, Community Initiatives Fund, Community Development Corporation and the Métis Development Fund as well as the lottery licensing fee LGS receives from Sask Sport. Amounts paid decreased in comparison to Q3 2023-24 due to the sources of income and its respective legislated requirement as well as timing of payments. This brings the 2024-25 year to date amount paid to the GRF to \$104.2 million (2023-24 — \$83.1 million). These payments are dependent on income from SaskGaming and SIGA casinos. For breakdown of how income is split, see <https://lgsask.com/about-us/faqs>.

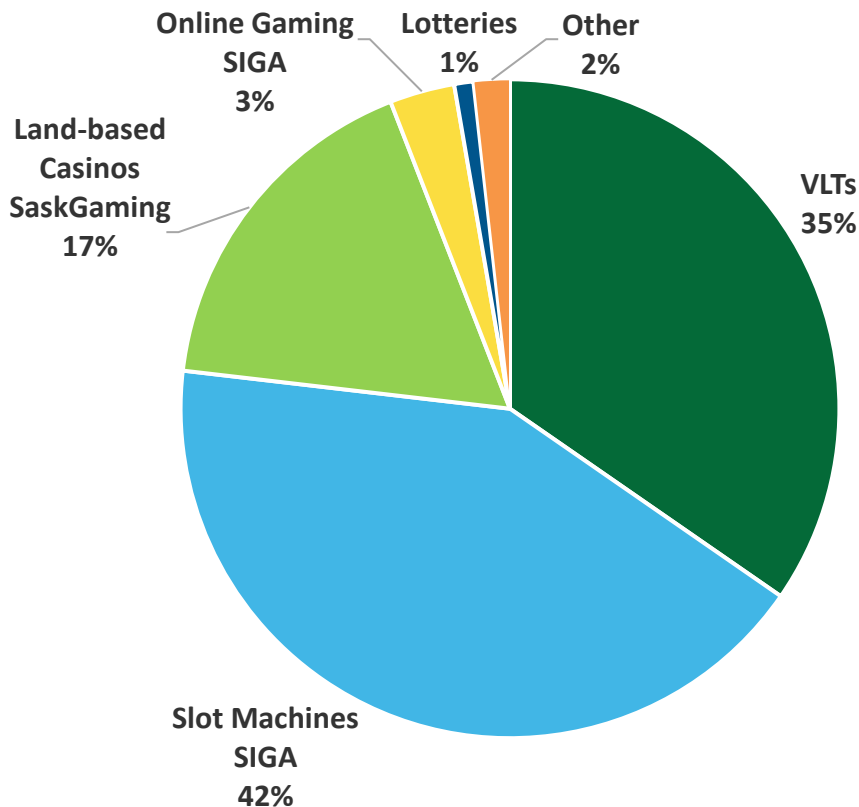
Included in expenses are \$11.9 million in Q3 2024-25 (Q3 2023-24 — \$11.5 million) and \$35.0 million year to date (2023-24 — \$25.9 million) in commissions to site contractors for VLTs. Current year to date amounts exceeded the prior year mainly as a result of the prior year only including 7 months of operations. Approximately \$51.5 million year to date from lotteries flow through Sask Sport and do not flow through LGS, but LGS has conduct and management responsibilities for lotteries. The following diagram depicts where the funding is generated from and where it is distributed.



Payments to the GRF are related to funding the First Nations Trust, Community Development Corporations, Community Initiatives Fund and Clarence Campeau Development Corporation  
 \*\* Money does not flow through LGS.  
 \*\*\*Includes \$3.0 million payment to First Nations Addictions Rehabilitation Foundation

## Revenue

Revenue for LGS consists of revenue from land-based casinos and slot machines (59 per cent), VLTs (35 per cent), online gaming (3 per cent), lotteries (1 per cent) and other (2 per cent).



Revenue in Q3 2024-25 was \$190.6 million (Q3 2023-24 — \$183.0 million) and \$552.0 million year to date (2023-24 — \$411.4 million). This increase is primarily due to revenue growth from land-based casinos and VLTs from the same period in 2023-24. Ensuring a positive gaming experience and economic conditions has primarily contributed to higher revenues. Revenue from VLTs in Q3 2024-25 was \$65.0 million (Q3 2023-24 — \$62.9 million) and \$191.2 million year to date (2023-24 — \$141.8 million) and continues to be strong primarily from economic conditions. Revenue from land-based casinos in Q3 consists of \$31.6 million from SaskGaming (Q3 2023-24 — \$32.9 million) and \$95.2 million year to date (2023-24 — \$75.3 million) as well as \$82.3 million from SIGA (Q3 2023-24 — \$77.5 million) and \$233.0 million year to date (2023-24 — \$173.5 million). Land-based casino revenue has continued to grow and can be attributed to strong provincial economic conditions and higher guest spend. Revenue from online gaming consists of \$6.7 million in Q3 2024-25 from SIGA (Q3 2023-24 — \$6.7 million) and \$17.6 million year to date (2023-24 — \$10.2 million). Online gaming has improved since its inception in November 2022, but it faces ongoing competition from well-established illegal operators in the online gaming space. LGS receives a lottery licensing fee from Sask Sport which equated to \$1.8 million in Q3 2024-25 (Q3 2023-24 — \$1.7 million) and \$5.2 million year to date (2023-24 — \$3.4 million). Other revenues were \$3.2 million in Q3 2024-25 (Q3 2023-24 - \$1.3 million) and \$9.8 million year to date (2023-24 — \$7.2 million) and are made up of lease amounts charged to SIGA for the use of slot machines. Other revenues were higher in Q3 2024-25 compared to the same period in the prior year due to timing differences of invoices charged to SIGA for the use of slot machines.

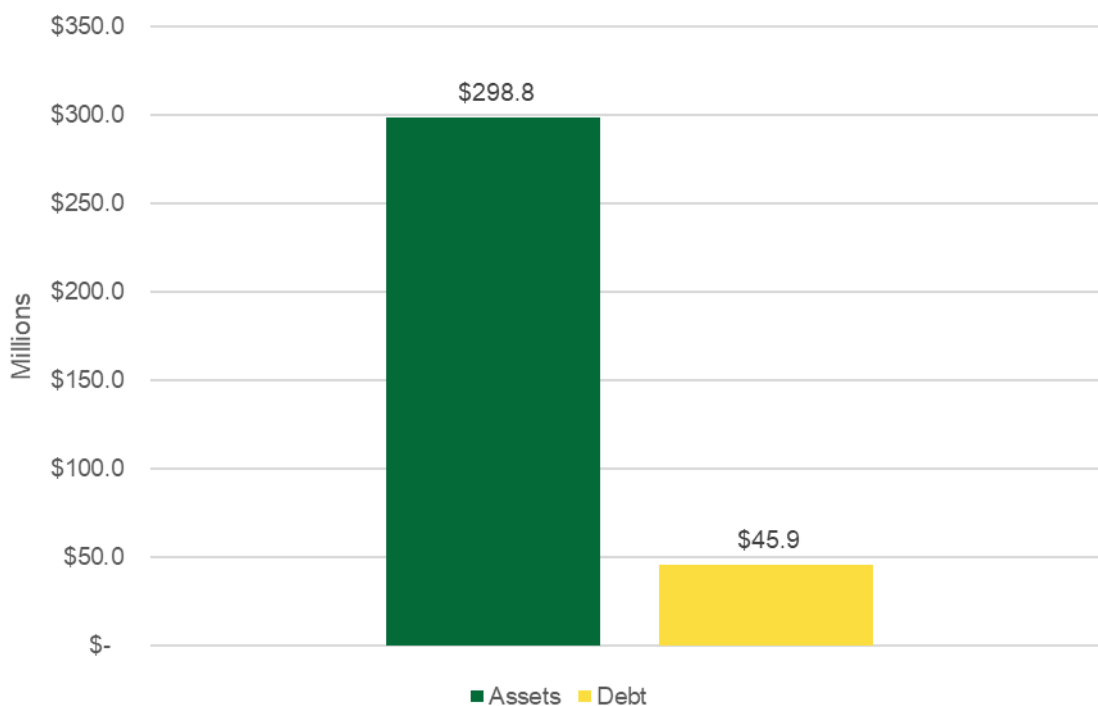
## Expenses

Expenses include operating expenses, salaries, wages and short-term employee benefits, employee future benefits, depreciation, commissions, taxes, charitable grants, contractual obligations and net finance expense. As disclosed in Note 7, all of these expenses are detailed by operating results and categorized by land-based casino — SaskGaming, slot machine — SIGA, online gaming — SIGA, VLT, lotteries and other. In Q3 2024-25, expenses were \$95.8 million (Q3 2023-24 — \$87.9 million) and \$281.8 million year to date (2023-24 — \$201.6 million) and were in line with expectations for the quarter with no major fluctuations to note. Expenses in Q3 2024-25 mostly include expenses from SIGA operations of \$45.0 million (Q3 2023-24 — \$37.9 million) and \$129.9 million year to date (2023-24 - \$89.5 million) and SaskGaming of \$20.4 million (Q3 2023-24 — \$18.7 million) and \$59.9 million year to date (2023-24 — \$43.9 million) to operate land-based casinos, \$20.0 million (Q3 2023-24 — \$20.0 million) and \$60.9 million year to date (2023-24 — \$44.5 million) to operate VLTs and expenses at SIGA of \$4.2 million (Q3 2023-24 — \$4.5 million) and \$11.4 million year to date (2023-24 — \$7.3 million) to operate online gaming.

Operating expenses and salaries and benefits are impacted by inflation and meeting the services expectations of guests. Depreciation of \$9.8 million in Q3 2024-25 (Q3 2023-24 — \$8.8 million) and \$28.6 million year to date (2023-24 — \$20.7 million) mainly consists of slot machines, VLTs and casino buildings. 18 per cent site commissions of \$11.9 million in Q3 2024-25 (Q3 2023-24 — \$11.5 million) and \$35.0 million year to date (2023-24 — \$25.9 million) were paid on VLT revenue to support local businesses where VLTs reside. Taxes of \$3.9 million in Q3

2024-25 (Q3 2023-24 — \$3.6 million) and \$11.3 million year to date (2023-24 — \$8.4 million) mostly relate to property taxes and GST expenses. Charitable grants of \$1.1 million in Q3 2024-25 (Q3 2023-24 — \$1.3 million) and \$5.1 million year to date (2023-24 — \$3.7 million) are grant payments to charities or religious organizations licensed by the Saskatchewan Liquor and Gaming Authority (SLGA) to conduct charitable gaming events within Saskatchewan. Contractual obligations of \$2.2 million in Q3 2024-25 (Q3 2023-24 — \$2.2 million) and \$6.6 million year to date (2023-24 — \$4.9 million) are contractual payments to the Regina Exhibition Association Ltd. and the Moose Jaw Exhibition Association Ltd., put in place when casinos in Regina and Moose Jaw opened, as well as to the Indigenous Gaming Regulators Inc. and Saskatoon Prairieland Park Corporation. Net finance expense of \$1.3 million in Q3 2024-25 (Q3 2023-24 — \$2.2 million) and \$4.0 million year to date (2023-24 — \$5.4 million) mostly represents SIGA financing costs for capital reinvestment.

## Debt and Capital Expenditures

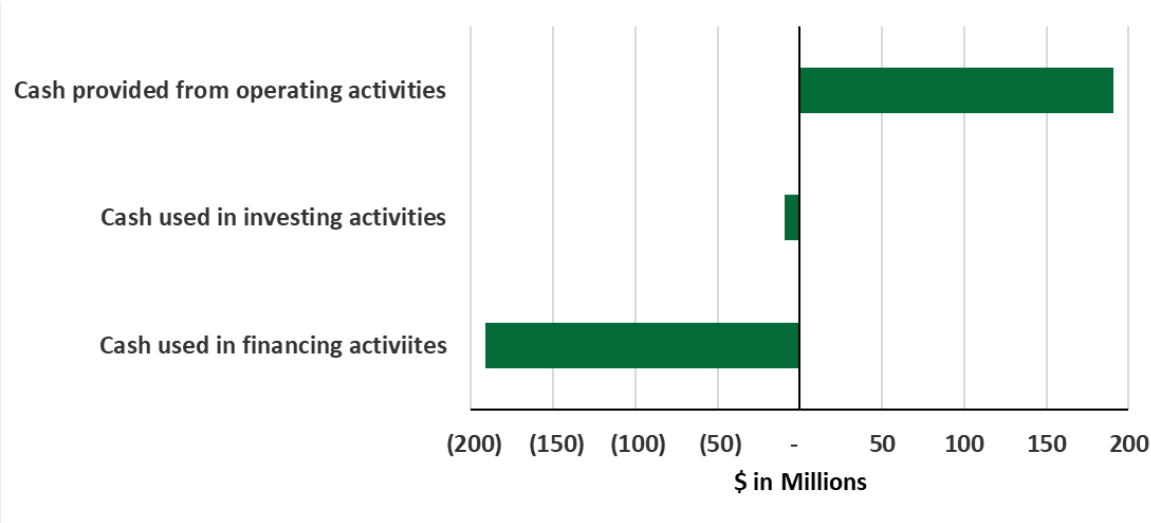


As at December 31, 2024, LGS has consolidated debt of \$45.9 million to support assets of \$298.8 million. During 2023-24, LGS borrowed to fund the purchase of SLGA Holding Inc. (\$24.0 million as of December 31, 2024). This borrowed amount was \$48.5 million at the end of the second quarter and will increase back up to a similar amount in January 2025. Timing of the Promissory note renewal created a temporary \$24 million difference at the end of the third quarter. Also occurring in 2023-24, SLGA transferred a long-term payable from SIGA to LGS. In exchange for the long-term payable, LGS has a long-term payable to SLGA to repay the amount that was transferred (\$21.9 million as of December 31, 2024).

LGS's capital expenditures of \$4.3 million in Q3 2024-25 (Q3 2023-24 — \$19.2 million) and \$14.5 million year to date (2023-24 — \$25.6 million) focus mostly on slot machines for SIGA and SaskGaming casinos as well as SaskGaming casino property modernization. Capital expenditures were expectedly low as of Q3 2024-25 compared to the prior year as VLT

purchases will occur slightly later in the fiscal year due to timing of invoicing. Slot machine and VLT capital focus on regular replacement which is important to sustain revenue. Property modernization was mostly related to final renovations to modernize the Casino Moose Jaw property, which is substantially completed. The level of capital expenditures in 2024-25 will be consistent with the previous year. Significant changes to foreign exchange and interest rates can have an impact on LGS’s future capital purchases.

## Cash Flows



Overall, cash has decreased \$9.8 million year to date in 2024-25. Cash provided from operating activities was \$191.0 million as of Q3 2024-25. This amount is a direct result of net income from operations when removing non-cash impacts such as depreciation.

Cash used in investing activities was \$9.3 million as of Q3 2024-25. The primary driver of the use of cash was capital expenditures (\$14.5 million). Slightly offsetting this use of cash was the decrease to the SIGA loan (\$2.1 million) as a result of repayments and interest received (\$2.0 million).

Cash used in financing activities was \$191.4 million as of Q3 2024-25. LGS decreased promissory note amount owing by \$54.1 million, however \$24 million will be reissued in January 2025. In 2023-24, LGS borrowed from the GRF to purchase SLGA Holding Inc. (renamed LGS Holdings Inc.) from SLGA. In addition, long-term payable to SLGA was decreased by \$2.0 million. Finally, LGS paid dividends of \$134.6 million to Crown Investments Corporation as of Q3 2024-25.

# Lotteries and Gaming Saskatchewan Corporation

## Condensed Consolidated Interim Statement of Financial Position

### As at

(Thousands of Dollars)	<u>Note</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
<b>ASSETS</b>			
Current assets:			
Cash		\$ 42,999	\$ 52,767
Accounts receivable	4	62,200	65,068
Inventory and prepaid expenses		1,312	1,192
Current portion of long-term receivable		<u>3,060</u>	<u>3,060</u>
		109,571	122,087
Long-term receivable		23,846	25,926
Property and equipment	6	150,821	165,989
Investment in associate		<u>14,522</u>	<u>14,522</u>
		<u>\$ 298,760</u>	<u>\$ 328,524</u>
<b>LIABILITIES AND EQUITY</b>			
Current liabilities:			
Trade and other payables		\$ 11,620	\$ 16,865
Payable to the General Revenue Fund		36,560	35,662
Dividend payable		48,911	53,530
Promissory note		23,994	78,079
Current portion of long-term payable		3,060	3,060
Current portion of lease liabilities		<u>869</u>	<u>814</u>
		125,014	188,010
Long-term payable		18,846	20,926
Lease liabilities		<u>2,527</u>	<u>3,185</u>
		<u>146,387</u>	<u>212,121</u>
Retained earnings		<u>152,373</u>	<u>116,403</u>
		<u>\$ 298,760</u>	<u>\$ 328,524</u>

(See accompanying notes)



# Lotteries and Gaming Saskatchewan Corporation

## Condensed Consolidated Interim Statement of Comprehensive Income

### For The Nine Months Ended December 31

(Thousands of Dollars)	Note	October 1 to December 31, 2024	October 1 to December 31, 2023	April 1 to December 31, 2024	April 1 to December 31, 2023
Revenue	7	\$ 190,638	\$ 182,957	\$ 551,994	\$ 411,442
Operating expenses	7	30,064	26,016	86,882	58,069
Salaries, wages and short-term employee benefits	7	33,765	30,601	99,031	70,695
Employee future benefits	7	1,786	1,675	5,266	3,906
Depreciation	7	9,781	8,778	28,620	20,705
Commissions	7	11,888	11,518	34,966	25,923
Taxes	7	3,900	3,561	11,299	8,377
Charitable grants	7	1,123	1,316	5,126	3,681
Contractual obligations	7	2,203	2,228	6,611	4,925
Net finance expense	7	1,306	2,159	4,020	5,362
		<u>95,816</u>	<u>87,852</u>	<u>281,821</u>	<u>201,643</u>
Income before payment to the General Revenue Fund		94,822	95,105	270,173	209,799
Payment to the General Revenue Fund	7	<u>36,696</u>	<u>40,462</u>	<u>104,178</u>	<u>83,082</u>
Comprehensive income		<u>\$ 58,126</u>	<u>\$ 54,643</u>	<u>\$ 165,995</u>	<u>\$ 126,717</u>

(See accompanying notes)

## Lotteries and Gaming Saskatchewan Corporation

### Condensed Consolidated Interim Statement of Changes in Equity

#### For The Nine Months Ended December 31

(Thousands of Dollars)	2024-2025				2023-2024			
	Contributed Surplus	Retained Earnings	Equity Advance	Total	Contributed Surplus	Retained Earnings	Equity Advance	Total
Equity, beginning of year	\$ -	\$ 116,403	\$ -	\$ 116,403	\$ -	\$ -	\$ -	\$ -
Comprehensive income	-	165,995	-	165,995	-	126,717	-	126,717
Dividends	-	(130,025)	-	(130,025)	-	(82,305)	-	(82,305)
Common control transaction	-	-	-	-	61,090	-	3,700	64,790
Transfer of contributed surplus	-	-	-	-	(61,090)	61,090	-	-
Repayment of equity advance	-	-	-	-	-	-	(3,700)	(3,700)
Equity, December 31	<u>\$ -</u>	<u>\$ 152,373</u>	<u>\$ -</u>	<u>\$ 152,373</u>	<u>\$ -</u>	<u>\$ 105,502</u>	<u>\$ -</u>	<u>\$ 105,502</u>
Equity, January 1	\$ -	\$ 152,373	\$ -	\$ 152,373	\$ -	\$ 105,502	\$ -	\$ 105,502
Comprehensive income	-	-	-	-	-	64,431	-	64,431
Dividends	-	-	-	-	-	(53,530)	-	(53,530)
Equity, end of year	<u>\$ -</u>	<u>\$ 152,373</u>	<u>\$ -</u>	<u>\$ 152,373</u>	<u>\$ -</u>	<u>\$ 116,403</u>	<u>\$ -</u>	<u>\$ 116,403</u>

(See accompanying notes)

# Lotteries and Gaming Saskatchewan Corporation

## Condensed Consolidated Interim Statement of Cash Flows

### For the Nine Months Ended December 31

(Thousands of Dollars)	Note	April 1, 2024 to December 31, 2024	April 1, 2023 to December 31, 2023
Operating activities:			
Comprehensive income		\$ 165,995	\$ 126,717
Adjustments for:			
Net finance expense		4,020	5,362
Depreciation	6	28,620	20,705
Changes in non-cash working capital balances:			
Accounts receivable		2,868	(69,162)
Inventory and prepaid expenses		(120)	460
Trade and other payables		(5,245)	4,273
Payable to the General Revenue Fund		898	34,557
Interest paid		(6,046)	(6,462)
		<u>190,990</u>	<u>116,450</u>
Investing activities:			
Interest received		2,026	1,100
Proceeds from sale of property and equipment	6	1,087	238
Decrease (increase) in long-term receivable		2,080	(29,070)
Cash assumed from common control transaction		-	20,052
Property and equipment purchases from common control transaction		-	(84,955)
Purchases of property and equipment	6	(14,539)	(25,637)
		<u>(9,346)</u>	<u>(118,272)</u>
Financing activities:			
Equity advance repaid		-	(3,700)
Dividends paid		(134,644)	(60,889)
(Decrease) increase in promissory note		(54,085)	86,989
(Decrease) increase in long-term payable		(2,080)	29,070
Repayment of lease liabilities		(603)	(398)
		<u>(191,412)</u>	<u>51,072</u>
Net change in cash		(9,768)	49,250
Cash, beginning of year		<u>52,767</u>	<u>-</u>
Cash, end of year		<u>\$ 42,999</u>	<u>\$ 49,250</u>

(See accompanying notes)

# Lotteries and Gaming Saskatchewan Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the Nine Months Ended December 31

#### 1. Description of Business

Lotteries and Gaming Saskatchewan Corporation (LGS or the Corporation) along with its subsidiaries LGS Holdings Inc. and Saskatchewan Gaming Corporation (SaskGaming), is a corporation domiciled in Canada. The address of LGS's registered office and principal place of business is 2055 Albert Street, Regina, SK, S4P 2T8. The Corporation is a Saskatchewan Provincial Crown corporation operating under the authority of *The Lotteries and Gaming Corporation Act* and, as such, the Corporation and its wholly owned subsidiaries are not subject to Federal or Provincial income taxes in Canada. LGS must operate in accordance with statutory provisions established under Section 207 of the *Criminal Code of Canada* and *The Alcohol and Gaming Regulation Act, 1997*. Regulation of LGS's operations is controlled by the separately constituted Saskatchewan Liquor and Gaming Authority (SLGA).

LGS consolidates the management oversight (conduct and management) for casinos, Video Lottery Terminals (VLTs), lotteries, and online gaming. LGS owns the slot machines at the Saskatchewan Indian Gaming Authority (SIGA) casinos. Revenue and expenses at SIGA's casinos are included in these condensed consolidated interim financial statements.

#### 2. Basis of Preparation

##### a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. These condensed consolidated interim financial statements do not include all of the disclosures included in the Corporation's annual consolidated financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Corporation's most recent annual consolidated financial statements.

The accounting policies used in the preparation of these condensed consolidated interim financial statements conform with those used in the Corporation's most recent annual consolidated financial statements.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on February 27, 2025.

b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial instruments which are classified as fair value through profit and loss, which are measured at fair value.

c) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is LGS's functional currency and have been rounded to the nearest thousand unless stated otherwise.

d) Use of estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements include: classification of financial instruments, useful lives and depreciation rates of property and equipment, impairment, leases and revenue recognition.

### 3. Material Accounting Policies

The accounting policies applied by LGS in these condensed consolidated interim financial statements are consistent with those applied by LGS in its March 31, 2024 audited financial statements.

### 4. Accounts Receivable

(Thousands of Dollars)

	<b>December 31, 2024</b>	March 31, 2024
Accounts receivable - SIGA	\$ 61,984	\$ 59,750
Accounts receivable - WCLC	-	4,913
Accounts receivable - Other	216	405
	<b>\$ 62,200</b>	<b>\$ 65,068</b>

## 5. Fair value

Fair values approximate amounts at which financial instruments could be exchanged in an orderly transaction between market participants based on current markets for instruments with similar characteristics such as risk and remaining maturities. Fair value measurements are subjective in nature and represent point-in-time estimates which may not reflect fair value in the future.

The methods and assumptions used to develop fair value measurements have been prioritized into three levels as per the fair value hierarchy included in IFRS. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs other than quoted prices included in Level one that are observable for the asset or liability. Level three includes inputs that are not based on observable market data.

The following table presents the carrying amount and fair value of LGS's financial instruments. The table also identifies the financial instrument category and fair value hierarchy.

(Thousands of Dollars)	Financial Instruments	Classification <sup>1</sup>	Fair Value Hierarchy	December 31, 2024		March 31, 2024	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Cash	FVTPL	Level One	\$ 42,999	\$ 42,999	\$ 52,767	\$ 52,767
	Accounts receivable	AC	N/A	62,200	62,200	65,068	65,068
	Long-term receivable	AC	N/A	26,906	26,906	28,986	28,986
	Trade and other payables	AC	N/A	11,620	11,620	16,865	16,865
	Payable to the General Revenue Fund	AC	N/A	36,560	36,560	35,662	35,662
	Dividend payable	AC	N/A	48,911	48,911	53,530	53,530
	Promissory note	AC	N/A	23,994	23,994	78,079	78,079
	Long-term payable	AC	N/A	21,906	21,906	23,986	23,986

Classification<sup>1</sup>

FVTPL - Fair value through profit or loss

AC - Amortized Cost

## 6. Property and Equipment

LGS leases building and land under a finance lease agreement. At December 31, 2024, the net carrying amount of leased building was \$4.0 million (March 31, 2024 — \$4.5 million) and the leased land was \$1.2 million (March 31, 2024 — \$1.2 million).

(Thousands of Dollars)

	Land	Building & renovations	Furniture & equipment	Right-of-use assets	Total
<b>Cost</b>					
Balance at April 1, 2023	\$ -	\$ -	\$ -	\$ -	\$ -
June 1, 2023 acquisition of LGS Holdings Inc	-	-	211,207	-	211,207
June 1, 2023 acquisition of SaskGaming	15,154	66,455	47,677	9,017	138,303
Additions	-	676	24,961	1,286	26,923
Disposals	-	-	(16,964)	-	(16,964)
<b>Balance at December 31, 2023</b>	<b>\$ 15,154</b>	<b>\$ 67,131</b>	<b>\$ 266,881</b>	<b>\$ 10,303</b>	<b>\$ 359,469</b>
Additions	-	5,771	9,182	-	14,953
Disposals	-	(234)	(2,768)	(1,614)	(4,616)
<b>Balance at March 31, 2024</b>	<b>\$ 15,154</b>	<b>\$ 72,668</b>	<b>\$ 273,295</b>	<b>\$ 8,689</b>	<b>\$ 369,806</b>
Additions	-	1,587	12,952	-	14,539
Disposals	-	(6,252)	(27,818)	-	(34,070)
<b>Balance at December 31, 2024</b>	<b>\$ 15,154</b>	<b>\$ 68,003</b>	<b>\$ 258,429</b>	<b>\$ 8,689</b>	<b>\$ 350,275</b>
<b>Accumulated Depreciation</b>					
Balance at April 1, 2023	\$ -	\$ -	\$ -	\$ -	\$ -
June 1, 2023 acquisition of LGS Holdings Inc	-	-	126,252	-	126,252
June 1, 2023 acquisition of SaskGaming	-	30,313	34,229	4,403	68,945
Depreciation expense	-	2,595	18,009	158	20,762
Disposals	-	-	(16,783)	-	(16,783)
<b>Balance at December 31, 2023</b>	<b>\$ -</b>	<b>\$ 32,908</b>	<b>\$ 161,707</b>	<b>\$ 4,561</b>	<b>\$ 199,176</b>
Depreciation expense	-	1,162	7,831	82	9,075
Disposals	-	(177)	(2,643)	(1,614)	(4,434)
<b>Balance at March 31, 2024</b>	<b>\$ -</b>	<b>\$ 33,893</b>	<b>\$ 166,895</b>	<b>\$ 3,029</b>	<b>\$ 203,817</b>
Depreciation expense	-	3,439	24,892	491	28,822
Disposals	-	(5,532)	(27,653)	-	(33,185)
<b>Balance at December 31, 2024</b>	<b>\$ -</b>	<b>\$ 31,800</b>	<b>\$ 164,134</b>	<b>\$ 3,520</b>	<b>\$ 199,454</b>
<b>Carrying Amounts</b>					
<b>At December 31, 2023</b>	<b>\$ 15,154</b>	<b>\$ 34,223</b>	<b>\$ 105,174</b>	<b>\$ 5,742</b>	<b>\$ 160,293</b>
<b>At March 31, 2024</b>	<b>\$ 15,154</b>	<b>\$ 38,775</b>	<b>\$ 106,400</b>	<b>\$ 5,660</b>	<b>\$ 165,989</b>
<b>At December 31, 2024</b>	<b>\$ 15,154</b>	<b>\$ 36,203</b>	<b>\$ 94,295</b>	<b>\$ 5,169</b>	<b>\$ 150,821</b>

## 7. Detailed Operating Results

(Thousands of Dollars)

	December 31, 2024							Total
	Slot machines - SIGA	Land-based casino - SaskGaming	VLT	SIGA - Online gaming	Lotteries	Other		
Revenue	\$ 233,012	\$ 95,212	\$ 191,242	\$ 17,598	\$ 5,223	\$ 9,707	\$ 551,994	
Expenses (1)	123,189	59,897	60,910	11,365	-	19,736	275,097	
Other losses from SIGA gaming	(6,724)	-	-	-	-	-	(6,724)	
Profit from operations	103,099	35,315	130,332	6,233	5,223	(10,029)	270,173	
Payment to the General Revenue Fund	(78,471)	(17,657)	-	(3,117)	(4,933)	-	(104,178)	
Comprehensive Income	\$ 24,628	\$ 17,658	\$ 130,332	\$ 3,116	\$ 290	\$ (10,029)	\$ 165,995	

	December 31, 2023							Total
	Slot machines - SIGA	Land-based casino - SaskGaming	VLT	SIGA - Online gaming	Lotteries	Other		
Revenue	\$ 173,454	\$ 75,311	\$ 141,799	\$ 10,163	\$ 3,381	\$ 7,334	\$ 411,442	
Expenses (1)	84,986	43,935	44,499	7,343	-	16,321	197,084	
Other losses from SIGA gaming	(4,559)	-	-	-	-	-	(4,559)	
Profit from operations	83,909	31,376	97,300	2,820	3,381	(8,987)	209,799	
Payment to the General Revenue Fund	(62,603)	(15,688)	-	(1,410)	(3,381)	-	(83,082)	
Comprehensive Income	\$ 21,306	\$ 15,688	\$ 97,300	\$ 1,410	\$ -	\$ (8,987)	\$ 126,717	

1. Includes operating expenses, salaries, wages and short-term employee benefits, employee future benefits, depreciation, commissions, taxes, charitable grants, contractual obligations and net finance expense

To implement the 2002 Framework Agreement, SLGA and SIGA made agreements for casino operations and slot machine management. The Amended and Restated Casino Operating Agreement required SIGA to pay the net profits from slot machines to SLGA. This agreement also ensured SLGA recovered the cost of slot machines, the related computer system and interest over the useful life. As of June 1, 2023, the requirements noted above regarding SLGA are now applicable to LGS, and the recovered cost and interest is recorded in Other for a total of \$9.7 million (2023-24 — \$7.3 million) over the first nine months of 2024-25.

Effective for the year ended March 31, 2008 and subsequent years, the Amended and Restated Casino Operating Agreement between SIGA and LGS has been amended to exclude unrealized gains and losses on the interest rate swaps initiated on December 12, 2007, from the calculation of net Casino profits payable to LGS.

The VLT Division of Western Canada Lottery Corporation (WCLC) operates the VLTs and central computer system on behalf of LGS. WCLC provides accounting, purchasing, cash disbursements, human resources and technical services for the VLT program.

Under the Amended and Restated Casino Operating Agreement between SIGA and LGS, SIGA is permitted to charge its losses from table games and ancillary operations as an expense of slot machine operations. During the first nine months of 2024-25, SIGA's losses from table game and ancillary operations of \$6.7 million (2023-24 — \$4.6 million) as well as SIGA's payments to Indigenous Gaming Regulators Inc. of \$2.5 million (2023-24 — \$1.6 million) and Saskatoon Prairieland Park Corporation of \$2.0 million (2023-24 — \$1.5 million) are recorded as an expense.