



**First Quarter Report
2024-25**

For the three months ended June 30, 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 three-month period ended June 30, 2024 (Q1). As operations began in June 2023, the comparative information for the three-month period ended June 30, 2023 only contains one month of operations. This narrative on LGS’s 2024-25 first 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 Q1 2024-25 (3 months ended June 30, 2024) was \$55.0 million up from \$22.6 million from the same period in 2023-24 (one month of operations). Net income before payments to the General Revenue Fund of \$34.2 million was \$89.2 million (2023-24 - \$24.7 million). Net income remained strong as earnings from land-based operators continue to improve from when the public health orders were in place. The following diagram depicts earnings by category as well as the payment to the General Revenue Fund.



* Includes \$3.4 million for LGS Costs (operating, salaries, wages, and short-term employee benefits, employee future benefits, depreciation, interest, charitable grants)

LGS provided \$34.2 million in payments to the General Revenue Fund in Q1 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 SaskSport. 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>.

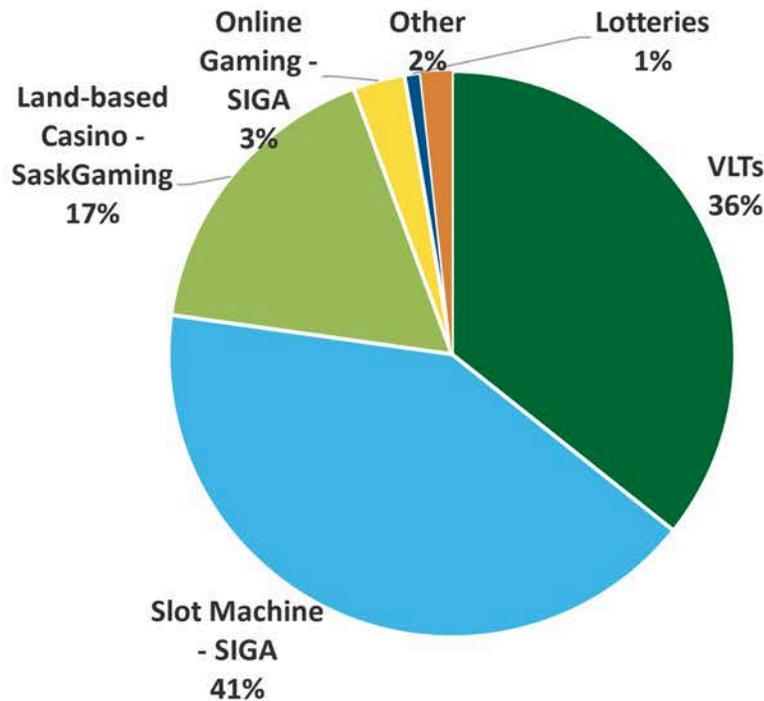
Included in expenses are \$11.9 million in commissions to site contractors for VLTs. Funding of \$17.2 million from lotteries flow through SaskSport and do not flow through LGS, but LGS has conduct and management responsibilities for lotteries. The following diagram depicts where the funding is generated 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 \$2.25 million payment to First Nations Addictions Rehabilitation Foundation

Revenue

Revenue for LGS consists of revenue from land-based casino and slot machines (58 per cent), VLT (36 per cent), online gaming (3 per cent), lotteries (1 per cent) and other (2 per cent).



Revenue in Q1 2024-25 was \$182.6 million. Revenue from land-based casinos and VLTs grew 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 Q1 2024-25 was \$65.2 million and continues to be strong primarily from economic conditions. Revenue from land-based casinos consists of revenue of \$31.3 million in Q1 2024-25 from SaskGaming and revenue of \$75.8 million in Q1 2024-25 from SIGA as an operator. 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 \$5.4 million in Q1 2024-25 from SIGA as an operator. 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 SaskSport which equated to \$1.7 million in Q1 2024-25. Other revenues (\$3.2 million in Q1 2024-25) are made up of lease amounts 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. For Q1 2024-25, expenses were \$93.4 million and were in line with expectations for the quarter with no major fluctuations to note. Expenses of \$93.4 million in Q1 2024-25 mostly include expenses from SIGA operations of \$42.3 million and SaskGaming of \$19.8 million to operate land-based casinos, \$20.9 million to operate VLTs and expenses at SIGA of \$3.8 million to operate online gaming.

Operating expenses and salaries and benefits are impacted by inflation and meeting the services expectations of guests. Depreciation of \$9.7 million in Q1 2024-25 mainly consists of slot machines, VLTs and casino buildings. 18 per cent site commissions (\$11.9 million in Q1 2024-25) were paid on VLT revenue to support local businesses where VLTs reside. Taxes of \$3.8 million in Q1 2024-25 mostly relate to property taxes and GST expenses. Charitable grants of \$1.2 million are grant payments to charities or religious organizations licensed by SLGA (Saskatchewan Liquor and Gaming Authority) to conduct charitable gaming events within Saskatchewan. Contractual obligations of \$2.2 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 mostly represents financing costs for capital reinvestment.

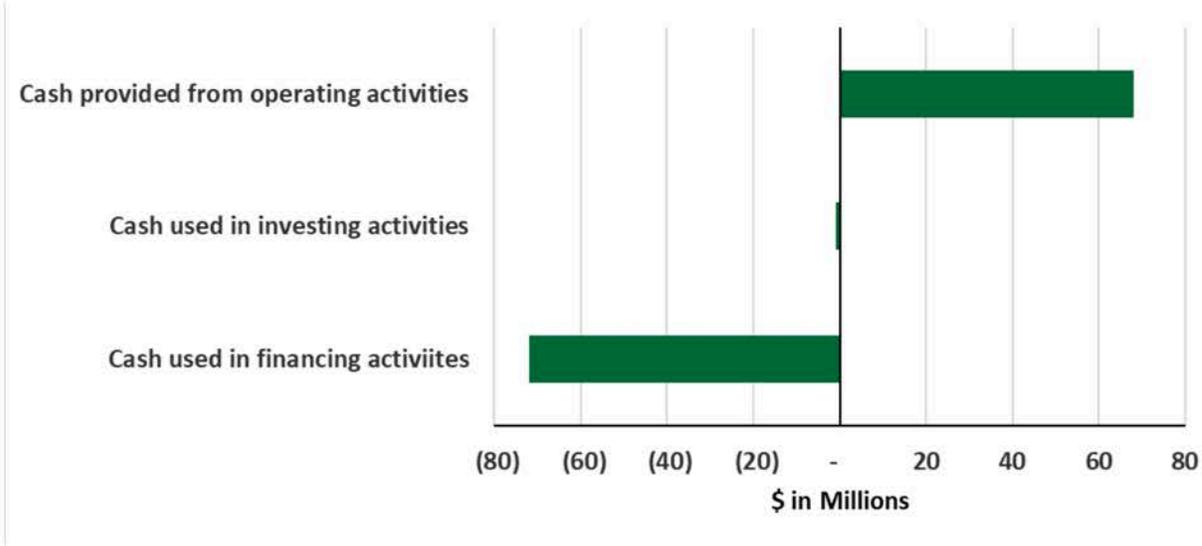
Debt and Capital Expenditures



As at June 30, 2024, LGS has consolidated debt of \$83.8 million to support assets of \$304.8 million. During 2023-24, LGS borrowed to fund the purchase of SLGA Holding Inc. (\$60.5 million as of June 30, 2024). 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 (\$23.3 million as of June 30, 2024).

LGS's capital expenditures of \$2.6 million in Q1 2024-25 focus mostly on slot machines for SaskGaming casinos and property modernization. Capital expenditures were expectedly low in Q1 2024-25 as most slot machine and VLT purchases will occur later in the fiscal year. 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.

Cash Flows



Cash provided from operating activities was \$68.7 million in Q1 2024-25. This is from net income of \$55.0 million which was further increased by a \$15.2 million net increase resulting from operations mainly due to accounts receivables collected (\$13.1 million).

Cash used in investing activities was \$1.1 million in Q1 2024-25. The primary driver of the use of cash was capital expenditures (\$2.6 million). Slightly offsetting this use of cash was the decrease to the SIGA loan (\$0.7 million) and interest received (\$0.7 million).

Cash used in financing activities was \$72.0 million in Q1 2024-25. LGS decreased promissory note amount owing by \$17.6 million. In 2023-24 LGS borrowed from the General Revenue Fund to purchase SLGA Holding Inc. (renamed LGS Holdings Inc.) from SLGA. In addition, long-term payable to SLGA was decreased by \$0.7 million. Finally, LGS paid dividends of \$53.5 million to Crown Investments Corporation during Q1 2024-25.

Lotteries and Gaming Saskatchewan Corporation
Condensed Consolidated Interim Statement of Financial Position
As at

(Thousands of Dollars)	<u>Note</u>	<u>June 30, 2024</u>	<u>March 31, 2024</u>
ASSETS			
Current assets:			
Cash		\$ 48,256	\$ 52,767
Accounts receivable	4	51,921	65,068
Inventory and prepaid expenses		2,923	1,192
Current portion of long-term receivable		3,060	3,060
		106,160	122,087
Long-term receivable		25,234	25,926
Property and equipment	6	158,865	165,989
Investment in associate		14,522	14,522
		\$ 304,781	\$ 328,524
LIABILITIES AND EQUITY			
Current liabilities:			
Trade and other payables		\$ 13,080	\$ 16,865
Payable to the General Revenue Fund		32,762	35,662
Dividend payable		37,617	53,530
Promissory note		60,463	78,079
Current portion of long-term payable		3,060	3,060
Current portion of lease liabilities		832	814
		147,814	188,010
Long-term payable		20,234	20,926
Lease liabilities		2,970	3,185
		171,018	212,121
Retained earnings		133,763	116,403
		\$ 304,781	\$ 328,524

(See accompanying notes)

Lotteries and Gaming Saskatchewan Corporation

Condensed Consolidated Interim Statement of Comprehensive Income

For The Three Months Ended June 30

(Thousands of Dollars)	Note	April 1 to June 30, 2024	April 1 to June 30, 2023
Revenue	7	\$ 182,622	\$ 54,048
Operating expenses	7	28,499	9,532
Salaries, wages and short-term employee benefits	7	33,171	10,269
Employee future benefits	7	1,781	583
Depreciation	7	9,671	2,834
Commissions	7	11,903	3,422
Taxes	7	3,752	1,027
Charitable grants	7	1,173	480
Contractual obligations	7	2,204	468
Net finance expense	7	1,277	719
		<u>93,431</u>	<u>29,334</u>
Share of comprehensive income of associate	7	-	-
Income before payment to the General Revenue Fund		89,191	24,714
Payment to the General Revenue Fund	7	34,214	2,126
Comprehensive income		<u>\$ 54,977</u>	<u>\$ 22,588</u>

(See accompanying notes)

Lotteries and Gaming Saskatchewan Corporation

Condensed Consolidated Interim Statement of Changes in Equity

For The Three Months Ended June 30

(Thousands of Dollars)	2025				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	-	54,977	-	54,977	-	22,588	-	22,588
Dividends	-	(37,617)	-	(37,617)	-	(29,969)	-	(29,969)
Common control transaction	-	-	-	-	61,090	-	3,700	64,790
Transfer of contributed surplus	-	-	-	-	(61,090)	61,090	-	-
Repayment of equity advance	-	-	-	-	-	-	-	-
Equity, June 30	<u>\$ -</u>	<u>\$ 133,763</u>	<u>\$ -</u>	<u>\$ 133,763</u>	<u>\$ -</u>	<u>\$ 53,709</u>	<u>\$ 3,700</u>	<u>\$ 57,409</u>
Equity, July 1	\$ -	\$ 133,763	\$ -	\$ 133,763	\$ -	\$ 53,709	\$ 3,700	\$ 57,409
Comprehensive income	-	-	-	-	-	168,560	-	168,560
Dividends	-	-	-	-	-	(105,866)	-	(105,866)
Repayment of equity advance	-	-	-	-	-	-	(3,700)	(3,700)
Equity, end of year	<u>\$ -</u>	<u>\$ 133,763</u>	<u>\$ -</u>	<u>\$ 133,763</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 Three Months Ended June 30

(Thousands of Dollars)	Note	April 1, 2024 to June 30, 2024	April 1, 2023 to June 30, 2023
Operating activities:			
Comprehensive income		\$ 54,977	\$ 22,588
Adjustments for:			
Net finance expense		1,277	146
Depreciation	6	9,671	2,833
Changes in non-cash working capital balances:			
Accounts receivable		13,147	(16,097)
Inventory and prepaid expenses		(1,731)	(859)
Trade and other payables		(3,785)	843
Payable to the General Revenue Fund		(2,900)	2,126
Interest paid		(2,001)	(187)
		<u>68,655</u>	<u>11,393</u>
Investing activities:			
Interest received		724	41
Proceeds from sale of property and equipment	6	22	81
Decrease (increase) in long-term receivable		692	(30,600)
Cash assumed from common control transaction		-	20,052
Property and equipment purchases from common control transaction		-	(84,955)
Purchases of property and equipment	6	(2,569)	(1,148)
		<u>(1,131)</u>	<u>(96,529)</u>
Financing activities:			
Equity advance repaid		-	-
Dividends paid		(53,530)	(3,832)
(Decrease) increase in promissory note		(17,616)	85,780
(Decrease) increase in long-term payable		(692)	30,600
Repayment of lease liabilities		(197)	(51)
		<u>(72,035)</u>	<u>112,497</u>
Net change in cash		(4,511)	27,361
Cash, beginning of year		52,767	-
Cash, end of year		<u>\$ 48,256</u>	<u>\$ 27,361</u>

(See accompanying notes)

Lotteries and Gaming Saskatchewan Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30

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 August 22, 2024.

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)

	June 30, 2024	March 31, 2024
Accounts receivable - SIGA	51,701	59,750
Accounts receivable - WCLC	-	4,913
Accounts receivable - Other	220	405
	51,921	65,068

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 ¹	Fair Value Hierarchy	June 30, 2024		March 31, 2024	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Cash	FVTPL	Level One	\$ 48,256	\$ 48,256	\$ 52,767	\$ 52,767
	Accounts receivable	AC	N/A	51,921	51,921	65,068	65,068
	Long-term receivable	AC	N/A	28,294	28,294	28,986	28,986
	Trade and other payables	AC	N/A	13,080	13,080	16,865	16,865
	Payable to the General Revenue Fund	AC	N/A	32,762	32,762	35,662	35,662
	Dividend payable	AC	N/A	37,617	37,617	53,530	53,530
	Promissory note	AC	N/A	60,463	60,463	78,079	78,079
	Long-term payable	AC	N/A	23,294	23,294	23,986	23,986

Classification¹

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 June 30, 2024, the net carrying amount of leased building was \$4.5 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
Cost					
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	-	-	1,148	-	1,148
Disposals	-	-	-	-	-
Balance at June 30, 2023	\$ 15,154	\$ 66,455	\$ 260,032	\$ 9,017	\$ 350,658
Additions	-	6,447	32,995	1,286	40,728
Disposals	-	(234)	(19,732)	(1,614)	(21,580)
Balance at March 31, 2024	\$ 15,154	\$ 72,668	\$ 273,295	\$ 8,689	\$ 369,806
Additions	-	490	2,079	-	2,569
Disposals	-	-	(5,357)	-	(5,357)
Balance at June 30, 2024	\$ 15,154	\$ 73,158	\$ 270,017	\$ 8,689	\$ 367,018
Accumulated Depreciation					
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	-	369	2,529	16	2,914
Disposals	-	-	-	-	-
Balance at June 30, 2023	\$ -	\$ 30,682	\$ 163,010	\$ 4,419	\$ 198,111
Depreciation expense	-	3,388	23,311	224	26,923
Disposals	-	(177)	(19,426)	(1,614)	(21,217)
Balance at March 31, 2024	\$ -	\$ 33,893	\$ 166,895	\$ 3,029	\$ 203,817
Depreciation expense	-	1,276	8,292	81	9,649
Disposals	-	-	(5,313)	-	(5,313)
Balance at June 30, 2024	\$ -	\$ 35,169	\$ 169,874	\$ 3,110	\$ 208,153
Carrying Amounts					
At June 30, 2023	\$ 15,154	\$ 35,773	\$ 97,022	\$ 4,598	\$ 152,547
At March 31, 2024	\$ 15,154	\$ 38,775	\$ 106,400	\$ 5,660	\$ 165,989
At June 30, 2024	\$ 15,154	\$ 37,989	\$ 100,143	\$ 5,579	\$ 158,865

7. Detailed Operating Results

(Thousands of Dollars)

	June 30, 2024							Total
	Slot machines - Land-based casino -		VLT	SIGA - Online		Lotteries	Other	
	SIGA	SaskGaming		gaming				
Revenue	\$ 75,761	\$ 31,339	\$ 65,192	\$ 5,420	\$ 1,741	\$ 3,169	\$ 182,622	
Expenses (1)	39,906	19,812	20,937	3,775	-	6,673	91,103	
Other losses from SIGA gaming	(2,328)	-	-	-	-	-	(2,328)	
Profit from operations	33,527	11,527	44,255	1,645	1,741	(3,504)	89,191	
Share of associate	-	-	-	-	-	-	-	
Payment to the General Revenue Fund	(26,177)	(5,764)	-	(822)	(1,451)	-	(34,214)	
Comprehensive Income	\$ 7,350	\$ 5,763	\$ 44,255	\$ 823	\$ 290	\$ (3,504)	\$ 54,977	

	June 30, 2023							Total
	Slot machines - Land-based casino -		VLT	SIGA - Online		Lotteries	Other	
	SIGA	SaskGaming		gaming				
Revenue	\$ 22,349	\$ 9,959	\$ 18,702	\$ 1,707	\$ -	\$ 1,331	\$ 54,048	
Expenses (1)	11,287	6,094	5,976	1,241	-	2,877	27,475	
Other losses from SIGA gaming	(1,859)	-	-	-	-	-	(1,859)	
Profit from operations	9,203	3,865	12,726	466	-	(1,546)	24,714	
Share of associate	-	-	-	-	-	-	-	
Payment to the General Revenue Fund	-	(2,126)	-	-	-	-	(2,126)	
Comprehensive Income	\$ 9,203	\$ 1,739	\$ 12,726	\$ 466	\$ -	\$ (1,546)	\$ 22,588	

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 \$3.2 million (2023-24 - \$1.1 million) over the first three 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 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 three months of 2024-25, SIGA's losses from table game and ancillary operations of \$2.3 million (2023-24 - \$1.9 million) as well as SIGA's payments to IGR of \$0.8 million (2023-24 - \$nil) and SPPC of \$0.7 million (2023-24 - \$0.2 million) are recorded as an expense.