



Consolidated Financial Statements
For the year ended March 31, 2025

Management's Report on Financial Statements

The accompanying financial statements have been prepared by management in accordance with International Financial Reporting Standards. Management is responsible for the integrity, objectivity and reliability of the financial statements.

The financial statements for the period ended March 31, 2025 have been approved by the Saskatchewan Gaming Corporation's Board of Directors.

Management of the corporation has established (and maintains) a system of internal controls, providing assurance that transactions are recorded and executed in compliance with legislation and authority, assets are safeguarded, there is an effective segregation of duties and responsibilities, and reliable records are maintained. An internal audit function independently evaluates the effectiveness of these controls on an ongoing basis and reports its findings to management and the Audit and Finance Committee of the Board.

The corporation's independent auditors, KPMG LLP, on behalf of management have examined the corporation's financial statements as of March 31, 2025. The auditor's report, which follows, outlines the scope of their examination and sets forth their opinion.



Blaine Pilatzke
President and CEO



Kama Leier
Vice President of Finance and Risk

May 14, 2025

Management's Report on Internal Control Over Financial Reporting

I, Blaine Pilatzke, the President and CEO of the Saskatchewan Gaming Corporation, and I, Kama Leier, the Vice President of Finance and Risk of the Saskatchewan Gaming Corporation, certify the following:

- a. That we have reviewed the financial statements of the Saskatchewan Gaming Corporation (SaskGaming). Based on our knowledge, having exercised reasonable diligence, the financial statements fairly present, in all material respects, the financial condition, results of operations and cash flows, as of March 31, 2025.
- b. That based on our knowledge, having exercised reasonable diligence, the financial statements of SaskGaming do not contain any untrue statements of material fact, or omit to state a material fact that is either required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made.
- c. That SaskGaming is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable legislative authorities; and SaskGaming has designed internal controls over financial reporting that are appropriate to the circumstances of SaskGaming.
- d. That SaskGaming conducted its assessment of the effectiveness of the corporation's internal controls over financial reporting and, based on the results of this assessment, SaskGaming can provide reasonable assurance that internal controls over financial reporting as of March 31, 2025 were operating effectively and no material weakness were found in the design or operation of the internal controls over financial reporting.



Blaine Pilatzke
Acting President and CEO



Kama Leier
Vice President of Finance and Risk

May 14, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly, Province of Saskatchewan

Opinion

We have audited the consolidated financial statements of Saskatchewan Gaming Corporation (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2025
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information.

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the entity as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management 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, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We 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 our 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the "K" and ends under the "P", with a small upward tick at the right end.

Chartered Professional Accountants

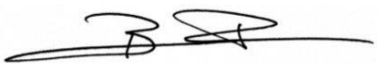
Regina, Canada
May 14, 2025

Saskatchewan Gaming Corporation
Consolidated Statement of Financial Position
As at March 31


(Thousands of Dollars)	Note	2025	2024
ASSETS			
Current			
Cash		\$ 24,135	\$ 20,128
Accounts receivable		546	405
Inventory		117	98
Prepaid expenses		1,345	1,052
		26,143	21,683
Property, plant and equipment	4	66,303	70,713
		<u>\$ 92,446</u>	<u>\$ 92,396</u>
LIABILITIES AND EQUITY			
Current			
Trade and other payables		\$ 11,265	\$ 14,676
Payable to the Lotteries and Gaming Saskatchewan	5	9,268	9,657
Dividend payable to the Lotteries and Gaming Saskatchewan	16	4,000	-
Current portion of lease liabilities	6	788	711
		25,321	25,044
Lease liabilities	6	1,264	2,052
		26,585	27,096
Retained earnings		65,861	65,300
		<u>\$ 92,446</u>	<u>\$ 92,396</u>
Description of business	1		
Commitments and contingencies	8		

(See accompanying notes)

On behalf of the Board:



 Director



 Director

Saskatchewan Gaming Corporation
Consolidated Statement of Comprehensive Income
For the year ended March 31

(Thousands of Dollars)	Note	2025	2024
Revenue	9, 10	\$ 130,188	\$ 130,117
Operating expenses	11,18	64,487	60,406
Depreciation and write-offs		10,433	9,582
Taxes	12	1,836	2,116
Contractual obligations	8	3,015	3,015
Finance expense	13	244	314
		<u>80,015</u>	<u>75,433</u>
Income before payments		50,173	54,684
Payment to GRF	5	-	4,184
Payment to LGS	5	45,612	42,106
		<u>45,612</u>	<u>46,290</u>
Net income		4,561	8,394
Other comprehensive income		-	-
Comprehensive income		<u>\$ 4,561</u>	<u>\$ 8,394</u>

(See accompanying notes)

Consolidated Statement of Changes in Equity
For the year ended March 31

(Thousands of Dollars)	2025			2024		
	Retained Earnings	Equity Advance	Total	Retained Earnings	Equity Advance	Total
Equity, beginning of year	\$ 65,300	\$ -	\$ 65,300	\$ 60,187	\$ 3,700	\$ 63,887
Comprehensive income	4,561	-	4,561	8,394	-	8,394
Dividends	(4,000)	-	(4,000)	(3,281)	-	(3,281)
Repayment of equity advance	-	-	-	-	(3,700)	(3,700)
Equity, end of year	<u>\$ 65,861</u>	<u>\$ -</u>	<u>\$ 65,861</u>	<u>\$ 65,300</u>	<u>\$ -</u>	<u>\$ 65,300</u>

(See accompanying notes)

Saskatchewan Gaming Corporation
Consolidated Statement of Cash Flows
For the year ended March 31

(Thousands of Dollars)	2025	2024
Operating activities		
Net income	\$ 4,561	\$ 8,394
Adjustments for:		
Finance expense	244	314
Depreciation	9,655	9,307
Loss on disposal of property, plant and equipment	778	275
Changes in non-cash working capital balances:		
Accounts receivable	(141)	(257)
Inventory	(19)	17
Prepaid expenses	(293)	(273)
Trade and other payables	(3,411)	1,603
Payable to GRF	-	(4,595)
Payable to LGS	(389)	9,657
	<u>10,985</u>	<u>24,442</u>
Investing activities		
Purchases of property, plant and equipment	<u>(6,023)</u>	<u>(9,944)</u>
Financing activities		
Dividends paid	-	(7,113)
Repayment of equity advance	-	(3,700)
Interest paid	(244)	(314)
Repayment of lease liabilities	(711)	(641)
	<u>(955)</u>	<u>(11,768)</u>
Change in cash	4,007	2,730
Cash, beginning of year	<u>20,128</u>	<u>17,398</u>
Cash, end of year	<u>\$ 24,135</u>	<u>\$ 20,128</u>

(See accompanying notes)

Saskatchewan Gaming Corporation
Notes to the Consolidated Financial Statements
March 31, 2025

1. Description of Business

The Saskatchewan Gaming Corporation (SaskGaming) is a corporation domiciled in Canada. The address of SaskGaming's registered office and principal place of business is 1880 Saskatchewan Drive, Regina, SK, S4P 0B2.

SaskGaming was originally established and operated in accordance with *The Saskatchewan Gaming Corporation Act* to establish and operate casinos in Saskatchewan; conduct and manage games of chance in casinos; and to establish and operate or to provide for the establishment and operation of any business or activity that it considers reasonably related to operating a casino. Effective June 1, 2023 the Government of Saskatchewan passed legislation creating Lotteries and Gaming Saskatchewan (LGS), a new commercial Crown corporation. LGS consolidates the management and oversight of gaming in Saskatchewan. As a part of the new Crown corporation, SaskGaming was incorporated as a wholly-owned business subsidiary of LGS under the *Saskatchewan Business Corporations Act* effective June 1, 2023. SaskGaming continues to operate casinos Regina and Moose Jaw.

SaskGaming 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 SaskGaming's operations is controlled by the separately constituted Saskatchewan Liquor and Gaming Authority. SaskGaming is an agent of His Majesty in Right of the Province of Saskatchewan, and, as a wholly-owned business subsidiary of a provincial Crown corporation, is not subject to provincial or federal income taxes. As well, SaskGaming is not subject to provincial capital taxes.

2. Basis of Preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

The consolidated financial statements were authorized for issue by the Board of Directors on May 14, 2025.

b) Basis of measurement

The consolidated 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 (Note 17).

c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is SaskGaming's functional currency.

d) Use of estimates and judgements

The preparation of financial statements in conformity with 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 consolidated financial statements is included in the following notes:

- Useful lives of property, plant and equipment (Note 3(e) and Note 4)
- Customer loyalty program (Note 3(c)).

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by SaskGaming and its subsidiary.

Effective April 1, 2024, SaskGaming has adopted *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*. The amendments clarify the classification of liabilities as current or non-current and remove the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must exist at the end of the reporting period. Upon application of the new amendment, there were no updates required.

a) Basis of consolidation

The consolidated financial statements include the accounts of SaskGaming and its wholly-owned subsidiary, SGC Holdings Inc. which is incorporated under *The Business Corporations Act (Saskatchewan)*. All intercompany transactions and accounts have been eliminated on consolidation.

b) Revenue

Gaming revenue (table and slot revenues) represents the net win from gaming activities, which is the difference between the amounts wagered and payouts by the casino. Gaming revenues are net of accruals for anticipated payouts of progressive jackpots and liabilities under the Players Club Program.

Online gaming is recorded in other revenue at the net consideration after the operator's expenses have been deducted.

Ancillary revenues include food, beverage and Show Lounge revenue.

Commission Revenue from LGS is the compensation that SaskGaming receives from LGS for operating the business based on the Casino Operating Service Agreement. The commission revenue is calculated as 10% of net income before payments to the GRF and LGS.

Food and beverage revenue is recognized when the goods and services are provided. Show Lounge revenue is recognized when the event occurs.

Revenues exclude the retail value of food, beverage and other promotional allowances provided on a complimentary basis to guests. The cost of providing the complimentary items is included in direct operating expenses.

c) Customer loyalty program

As part of its customer loyalty initiative, SaskGaming offers a Players Club Program to patrons. Under the program, club members accumulate reward points based on a combination of average bet, theoretical hold percentage, game speed and length of play at slot machines and tables. Members can redeem their points for cash or vouchers for free or discounted goods or services. SaskGaming records the points earned as a reduction of gaming revenue. A liability is accrued for the estimated cost of the earned points balance at the end of the period under the Players Club Program. If the patron chooses to redeem their points for a voucher for free or discounted goods or services, the revenue is determined by the fair value of the undelivered goods and services and is deferred until the promotional consideration is provided.

d) Inventory

Inventory is stated at the lower of cost and net realizable value. The cost of inventory is determined using the most recent replacement cost.

e) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. SaskGaming ceases to capitalize borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

Assets are depreciated commencing in the year in which they are available for use, using the straight-line method over their useful lives as follows:

Building and renovations, including leased building	5 - 40 years
Furniture and equipment	3 - 20 years

Depreciation methods and useful lives are reviewed at each financial year end and adjusted if appropriate.

f) Leases

The lessee recognizes a right-of-use asset and a lease liability at the lease commencement date subject to recognition exemptions for certain short-term and low value leases, resulting in lease payments being expensed on a straight line basis. Short-term leases are leases with a lease term of 12 months or less that do not contain a purchase option. Upon recognition, the right-of-use asset is measured at cost, which includes the initial lease liability adjusted for any lease payments made at or before the commencement date of the lease less any lease incentives received, plus any direct costs incurred and estimated costs to dismantle and remove the asset, if any.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are also periodically assessed and adjusted for impairment.

The lease liability is initially measured at the present value of outstanding lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, SaskGaming's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method. If there is a change in the future lease payments the lease liability will be adjusted.

Leasing Activities

The major categories of leased items include:

- Gaming equipment leases (including slot machines); and
- Other equipment.

SaskGaming leases certain gaming equipment, which primarily includes slot machines. SaskGaming utilizes a combination of purchased and leased slot machines to enable the continuous refreshment of the gaming experience for guests. As a result slot machines are leased on a short-term basis and replaced frequently. SaskGaming has elected to apply the recognition exemption for short-term leases.

Low value assets are generally office furniture, office equipment and information technology equipment.

For the year ended March 31, 2025, SaskGaming expensed \$3,237 thousand in short-term leases (2024 - \$2,563 thousand) and \$27 thousand in low-value leases (2024 - \$17 thousand).

SaskGaming leases the property where Casino Moose Jaw is located. The right-of-use asset is included in property, plant and equipment and the lease liability is disclosed separately as "Lease liabilities".

g) Employee benefits

(i) Defined contribution plan

SaskGaming provides pension benefits to eligible employees through participation in a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the consolidated statement of comprehensive income (loss) when services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

h) Foreign currency

Transactions in foreign currencies are translated to the functional currency of SaskGaming at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. All gains and losses on translation of these foreign currency transactions are included in income in the current period.

i) Financial instruments

(i) Non-derivative financial assets and liabilities

SaskGaming classifies its financial instruments into one of the following categories: fair value through profit or loss and amortized cost. All financial instruments are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below.

Cash is classified as fair value through profit or loss and is recorded at fair value. Accounts receivable are classified as amortized cost. Financial assets classified as amortized cost are subsequently measured at amortized cost using the effective interest method, less any impairment.

SaskGaming has the following non-derivative financial liabilities which are classified as amortized cost: trade and other payable, payable to LGS, and dividend payable to LGS. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

SaskGaming derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by SaskGaming is recognized as a separate asset or liability. SaskGaming derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when SaskGaming has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

j) Impairment

(i) Non-financial assets

The carrying amounts of SaskGaming's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

k) Finance income and finance costs

Finance income comprises interest income on bank balances. Interest income is recognized as it accrues in income or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in income or loss using the effective interest method.

l) New standards and interpretations not yet adopted

SaskGaming is currently assessing the impact of interpretations and amendments to existing standards that were issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for annual accounting periods beginning after March 31, 2025. These standards include:

Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and carries forward many requirements from IAS 1 unchanged. The new standard introduces changes to the structure of the income statement, more discipline and transparency in presentation of non-GAAP measures and less aggregation of items. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027.

Other accounting standards:

Other new and amended accounting standards are not expected to have a significant impact on SaskGaming's financial statements.

4. Property, Plant and Equipment

(Thousands of Dollars)	Land	Buildings and Renovations	Furniture and Equipment	Right-of-Use Asset	Total
Cost					
Balance at April 1, 2023	\$ 15,154	\$ 66,454	\$ 48,322	\$ 8,955	\$ 138,885
Additions	-	203	3,434	6,307	9,944
Disposals	-	(233)	(2,891)	(1,614)	(4,738)
Balance at March 31, 2024	<u>\$ 15,154</u>	<u>\$ 66,424</u>	<u>\$ 48,865</u>	<u>\$ 13,648</u>	<u>\$ 144,091</u>
Balance at April 1, 2024	\$ 15,154	\$ 66,424	\$ 48,865	\$ 13,648	\$ 144,091
Additions	-	1,870	3,896	257	6,023
Disposals	-	(6,252)	(4,939)	-	(11,191)
Balance at March 31, 2025	<u>\$ 15,154</u>	<u>\$ 62,042</u>	<u>\$ 47,822</u>	<u>\$ 13,905</u>	<u>\$ 138,923</u>
Accumulated Depreciation					
Balance at April 1, 2023	\$ -	\$ 29,575	\$ 34,589	\$ 4,370	\$ 68,534
Depreciation	-	4,495	4,617	195	9,307
Disposals	-	(177)	(2,672)	(1,614)	(4,463)
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 33,893</u>	<u>\$ 36,534</u>	<u>\$ 2,951</u>	<u>\$ 73,378</u>
Balance at April 1, 2024	\$ -	\$ 33,893	\$ 36,534	\$ 2,951	\$ 73,378
Depreciation	-	4,175	4,631	849	9,655
Disposals	-	(5,532)	(4,881)	-	(10,413)
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 32,536</u>	<u>\$ 36,284</u>	<u>\$ 3,800</u>	<u>\$ 72,620</u>
Carrying Amounts					
At March 31, 2024	<u>\$ 15,154</u>	<u>\$ 32,531</u>	<u>\$ 12,331</u>	<u>\$ 10,697</u>	<u>\$ 70,713</u>
At March 31, 2025	<u>\$ 15,154</u>	<u>\$ 29,506</u>	<u>\$ 11,538</u>	<u>\$ 10,105</u>	<u>\$ 66,303</u>

SaskGaming leases building and land under a long-term lease agreement. At March 31, 2025, the net carrying amount of leased building was \$8,929 thousand (March 31, 2024 - \$9,521 thousand) and the leased land was \$1,176 thousand (March 31, 2024 - \$1,176 thousand).

5. Payment to the GRF and Payment to LGS

Prior to June 1, 2023, SaskGaming disbursed funds to the GRF in accordance with the obligations outlined in *The Saskatchewan Gaming Corporation Act*, ensuring fulfillment of the Government's commitments to the First Nations Trust, the Community Initiatives Fund, and the Métis Development Fund.

Effective June 1, 2023, these payments are now directed to LGS, which subsequently fulfills the financial obligations mandated by *The Lotteries and Gaming Saskatchewan Corporation Act*.

6. Lease Liabilities

Beginning in September 2002, SaskGaming leased the Casino Moose Jaw property for 25 years at an annual cost of \$900 thousand for the first ten years, and \$955 thousand annually thereafter. At the end of the lease, SaskGaming will acquire the property for the sum of one dollar.

(Thousands of Dollars)	2025	2024
Total future minimum lease payments	\$ 2,308	\$ 3,263
Less: future finance charges on lease	(256)	(500)
Present value of lease liabilities	2,052	2,763
Less: current portion of lease liabilities	(788)	(711)
Lease liabilities	<u>\$ 1,264</u>	<u>\$ 2,052</u>

As at March 31, 2025, scheduled future minimum lease payments and the present value of lease liabilities are as follows:

(Thousands of Dollars)	1 year	1 - 5 years	More than 5 Years
Future minimum lease payments	\$ 955	\$ 1,353	\$ -
Present value of finance lease liabilities	788	1,264	-

7. Equity Advance

SaskGaming does not have share capital. However, SaskGaming had received equity advances from CIC to form its equity capitalization. The advances reflected an equity investment in SaskGaming by CIC. For the year ended March 31, 2024, SaskGaming repaid \$3,700 thousand in equity advances to CIC. There were no equity advances outstanding as of March 31, 2025.

8. Commitments and Contingencies

a) Agreement with Regina Exhibition Association (Association)

On April 1, 1997, SaskGaming entered into an agreement with the Association to fulfill previous commitments made to the Association regarding the maintenance of a certain level of its income.

The Association terminated the agreement effective November 23, 1997. Under the termination provisions of the agreement, SaskGaming agreed to pay the Association monthly payments of \$235,417 for the first year following termination of the agreement and, subject to certain conditions, monthly payments of \$216,667 until 2027.

b) Agreement with Moose Jaw Exhibition Company Ltd. (MJEX)

On July 31, 2001, SaskGaming entered into an agreement with MJEX regarding the maintenance of a certain level of income upon the opening of Casino Moose Jaw. Under this agreement, SaskGaming agreed to pay MJEX \$34,583 monthly, subject to certain conditions, starting in 2003 and continuing until 2028.

c) Litigation and claims

SaskGaming is involved in litigation and claims that arise from time to time in the normal course of business. In the opinion of management, any liability that may arise from such contingencies would not have a material impact on the consolidated financial position or the consolidated results of operations of SaskGaming.

9. Revenue

(Thousands of Dollars)	2025	2024
Casino gaming revenue	\$ 114,195	\$ 115,396
Ancillary revenue	10,378	9,299
Commission Revenue from LGS	4,561	4,211
Other	1,054	1,211
	<u>\$ 130,188</u>	<u>\$ 130,117</u>

Ancillary revenues include revenue from food and beverage, Show Lounge, and other non-gaming related activities.

10. Online Gaming

Effective September 23, 2021 the provincial government and the Federation of Sovereign Indigenous Nations (FSIN) agreed to amend the Gaming Framework Agreement with respect to Online Gaming. The amendment grants the authority for Saskatchewan Indian Gaming Authority (SIGA) to enter into an operating agreement with SaskGaming, as the proponent for the purpose of providing operating and maintenance services relating to Online Gaming on behalf of the FSIN. Pursuant to the amendment, SaskGaming fulfils the conduct and management role for Online Gaming in Saskatchewan as required by the Criminal Code and the Saskatchewan Liquor and Gaming Authority (SLGA) provides regulatory oversight.

In accordance with the Framework Agreement, 50 per cent of net income from online gaming is to be remitted to the GRF for distribution to the First Nations Trust. The remaining 50 per cent is retained by SaskGaming and available for dividend to Crown Investments Corporation (CIC) or reinvestment. To implement the amendment, SaskGaming and SIGA signed an Online Gaming Operating Agreement (OGOA) on November 5, 2021. The OGOA requires SIGA to pay proceeds from online gaming to SaskGaming. Effective June 2, 2022 a contract was signed by SaskGaming, SIGA and British Columbia Lottery Corporation (BCLC), for BCLC to provide an online gaming platform in Saskatchewan. The online gaming platform launched November 3, 2022. On June 1, 2023 the role of conduct and management for Online Gaming in Saskatchewan was transferred to LGS and all subsequent proceeds are paid directly to LGS.

In the current year SaskGaming has recorded no transactions related to online gaming. The prior year comparatives include total revenue of \$1.9 million and total expenses of \$1.7 million. This resulted in the comparatives including net revenue from online gaming of \$165 thousand.

11. Operating Expenses

(Thousands of Dollars)	2025	2024
Salaries and employee benefits	\$ 37,651	\$ 35,861
Maintenance and supplies	7,618	7,542
Other direct operating	3,693	3,670
Advertising, promotions and sponsorships	3,109	2,949
Lease and rental	3,367	2,680
Food and beverage cost of goods sold	2,802	2,594
Employee future benefits	2,063	1,764
Entertainment	1,785	1,345
Professional services	1,201	1,038
Printing and communication	1,198	963
	<u>\$ 64,487</u>	<u>\$ 60,406</u>

12. Taxes

Prior to June 1, 2023, SaskGaming was listed among lottery corporations under Section 188 of the *Excise Tax Act*, obligating it to pay a 10% Goods and Services Tax (GST) on purchases related to gaming activities. This GST was calculated and remitted based on a formula set by the Canada Revenue Agency (CRA). However, since becoming a wholly-owned business subsidiary of LGS on June 1, 2023, SaskGaming no longer falls under the prescribed list and now pays the GST rate of 5% on gaming-related purchases.

GST and provincial sales tax on leased equipment is expensed over the term of the lease. Also included in taxes are grants in lieu of property tax.

As a wholly owned subsidiary of a provincial Crown corporation, SaskGaming is not subject to federal or provincial income or capital taxes.

13. Finance Expense

(Thousands of Dollars)	2025	2024
Interest on lease liabilities	<u>\$ 244</u>	<u>\$ 314</u>

14. Pension Plan

Substantially all of SaskGaming's permanent employees participate in the Public Employees Pension Plan (the Plan), a defined contribution pension plan administered by the Plan's Board of Directors. The Public Employees Pension Plan is registered under *The Income Tax Act (Canada)* and is governed by the Plan board in accordance with *The Public Employees Pension Plan Act*. SaskGaming's financial obligation is limited to making the employer's required contributions for current service. During the year ended March 31, 2025, SaskGaming expensed \$2,063 thousand (2024 - \$1,764 thousand) for the employer's required contributions.

15. Bank Indebtedness

SaskGaming has established a line of credit of \$3 million with its financial institution. The line of credit is unsecured. Interest is charged on the line of credit at the bank's prime rate. SaskGaming did not have any amount owing on the line of credit at March 31, 2025 (2024 - nil).

16. Capital Management

SaskGaming's objectives when managing capital are to ensure adequate capital to support the operations and growth strategies of SaskGaming, and to ensure adequate returns to CIC, then as of June 1, 2023 to LGS. Up to June 1, 2023, CIC required SaskGaming to declare 80 per cent of net income as a dividend. For the year ended March 31, 2025 SaskGaming declared a dividend to LGS for \$4.0 million (2024 – nil).

SaskGaming funds its capital requirements through internal operating activities and debt. SaskGaming monitors capital on the basis of the debt ratio. The ratio is calculated as debt over debt plus equity. Total debt includes long and short-term debt and lease obligations. Total equity is equal to equity advances and retained earnings.

For fiscal 2025, SaskGaming's goal is a debt to equity ratio of 2.9%.

The debt ratio is as follows:

(Thousands of Dollars)	2025	2024
Lease obligation	\$ 2,052	\$ 2,763
Total debt	2,052	2,763
Retained earnings	65,861	65,300
Capitalization	\$ 67,913	\$ 68,063
Debt ratio	3.0%	4.1%

17. Financial Risk Management

SaskGaming has exposure to the following risks from its use of financial instruments: foreign currency risk, credit risk and liquidity risk.

a) Risk management

The Board of Directors has overall responsibility for the establishment and oversight of SaskGaming's risk management framework and is responsible for developing and monitoring SaskGaming's risk management policies.

SaskGaming's risk management policies are established to identify and analyze the risks faced by SaskGaming, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and SaskGaming's activities.

SaskGaming's Board of Directors oversees how management monitors compliance with SaskGaming's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by SaskGaming. The Board is

assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

b) 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 SaskGaming's financial instruments. The table also identifies the financial instrument category and fair value hierarchy.

(Thousands of Dollars)			2025		2024	
<u>Financial Instruments</u>	<u>Classification¹</u>	<u>Fair Value Hierarchy</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash	FVTPL	Level One	\$ 24,135	\$ 24,135	\$ 20,128	\$ 20,128
Accounts receivable	AC	N/A	546	546	405	405
Trade and other payables	AC	N/A	11,265	11,265	14,676	14,676
Payable to the LGS	AC	N/A	9,268	9,268	9,657	9,657
Dividend payable to the LGS	AC	N/A	4,000	4,000	-	-

Classification¹:

FVTPL - Fair value through profit and loss

AC - Amortized cost

c) Foreign exchange risk

SaskGaming faces exposure to the U.S./Canadian dollar exchange rate through the purchase of goods and services payable in U.S. dollars. The risk is not considered significant. There has been no change in the risk exposure from March 31, 2024.

d) Credit risk

SaskGaming does not extend credit to its gaming customers. Credit risk is limited to its accounts receivable balance which consists primarily of credit extended to business entities for business functions held at the Show Lounge. Credit risk is not considered significant. There has been no change in the risk exposure from March 31, 2024.

e) Liquidity risk

Liquidity risk is the risk that SaskGaming is unable to meet its financial commitments as they become due or can only do so at excessive cost. SaskGaming manages its cash resources based on financial forecasts and anticipated cash flows. There has been no change in the risk exposure from March 31, 2024.

The following summarizes the contractual maturities of SaskGaming's financial liabilities.

At March 31, 2025

(Thousands of Dollars)

Financial Liabilities	Carrying Amount		Contractual Cash Flows				
			0 - 6 months	7 - 12 months	1 - 2 years	3 - 5 years	More than 5 years
Trade and other payables	\$ 11,265	\$11,265	\$11,265	\$ -	\$ -	\$ -	\$ -
Payable to the LGS	9,268	9,268	9,268	-	-	-	-
Dividend payable to LGS	4,000	4,000	4,000	-	-	-	-
	<u>\$ 24,533</u>	<u>\$24,533</u>	<u>\$24,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At March 31, 2024

(Thousands of Dollars)

Financial Liabilities	Carrying Amount		Contractual Cash Flows				
			0 - 6 months	7 - 12 months	1 - 2 years	3 - 5 years	More than 5 years
Trade and other payables	\$ 14,676	\$14,676	\$14,676	\$ -	\$ -	\$ -	\$ -
Payable to the LGS	9,657	9,657	9,657	-	-	-	-
	<u>\$ 24,333</u>	<u>\$24,333</u>	<u>\$24,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

18. Related Party Transactions

SaskGaming is controlled by the Government of Saskatchewan through its ownership of SaskGaming's parent, LGS (previously through CIC). Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to SaskGaming by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "government-related entities"). SaskGaming has elected to take a partial exemption under IAS 24, *Related Party Disclosures* which allows government related entities to limit the extent of disclosures about related party transactions with government or other government related entities.

Routine operating transactions with related parties are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. For the year ending March 31, 2025, the aggregate amount of SaskGaming's transactions with other government-related entities is approximately 4.5 per cent of direct operating expenses (2024 – 4.3 per cent).

In addition, SaskGaming pays provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. SaskGaming also collects liquor consumption tax from customers and remits to the Saskatchewan Ministry of Finance.

Other amounts and transactions due to and from related parties are described separately in these consolidated financial statements and the notes thereto.

Key management personnel compensation

In addition to salaries, SaskGaming provides non-cash benefits to key management personnel, defined as the President, Vice Presidents and Board members of SaskGaming. Key management personnel compensation is comprised of:

(Thousands of Dollars)	<u>2025</u>	<u>2024</u>
Short term employee benefits	\$ 864	\$ 976
Post-employment benefits (defined contribution pension plan)	<u>14</u>	<u>51</u>
	<u><u>\$ 878</u></u>	<u><u>\$ 1,027</u></u>