

SaskGaming

2021 - 22 ANNUAL REPORT



PROFIT SHARING

SaskGaming's profits support people, programs and services throughout Saskatchewan. Half of the corporation's net income is paid to the General Revenue Fund (GRF) to support the provincial government's commitment to the First Nations Trust, Community Initiatives Fund and Clarence Campeau Development Fund.

SASKGAMING
2021-22 Net Income Before
Payment to the GRF

\$19.1M

Dividend
to CIC
\$0*

Earnings
Retained
\$9.5M

General Revenue Fund
50% of Income

\$9.6M

\$4.8M

**Community
Initiatives Fund**

\$4.8M

**First Nations
Trust**

Clarence Campeau
Development Fund

FINANCIAL HIGHLIGHTS

REVENUE

\$77.8 MILLION

EXPENSES

\$58.7 MILLION

NET INCOME

\$19.1 MILLION

PAYMENT

TO THE GRF

\$9.6 MILLION

*SaskGaming's dividend payment to Crown Investments Corporation (CIC) is set each year at a percentage of the corporation's income after payment to the GRF. In 2021-22, the corporation did not pay a dividend to CIC due to the temporary closures of Casinos Regina and Moose Jaw.

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Vision, Mission, Values and Strategic Goals

Vision

We are the number one entertainment choice in our markets.

Mission

We offer an outstanding casino entertainment experience for our guests in a socially responsible manner, generating quality employment, economic benefit to the community, and profit for Saskatchewan people in partnership with First Nations.

Values

Diversity – We embrace diverse backgrounds. Together we respect our shared responsibilities to our guests, communities and each other.

Integrity – We are honest, fair and honour our commitments to our stakeholders and community. We accept responsibility for our actions, both personally and professionally.

Passion – We achieve our goals with enthusiasm, and we share in the fun experience we provide for our guests.

Creativity – We seek new ways to continuously improve our products, processes, skills and knowledge.

Strategic Goals

1. Guest Experience

SaskGaming knows its customers well and uses that knowledge to enhance the guest experience.

2. Employee Experience

SaskGaming hires, trains and supports a diverse team that delivers an excellent guest experience.

3. Responsible Corporation

SaskGaming will be a leader in its communities and operate with the highest standards of integrity.

4. Financial Sustainability

SaskGaming will continually reinvest in products, property and technology to maximize revenue opportunities, offerings and service delivery to enhance the guest experience.

Letter of Transmittal



Regina, Saskatchewan
July 4, 2022

To His Honour,
The Honourable Russ Mirasty, S.O.M., M.S.M.
Lieutenant Governor of Saskatchewan
Province of Saskatchewan

May it please your Honour:

I have the honour to submit herewith the Annual Report of the Saskatchewan Gaming Corporation for the fiscal year ending March 31, 2022, in accordance with *The Saskatchewan Gaming Corporation Act*.

The Financial Statements included in this annual report are in the form approved by Crown Investments Corporation of Saskatchewan as required by *The Financial Administration Act, 1993* and have been reported on by the auditors.

Respectfully submitted,

A handwritten signature in black ink that reads "Don Morgan". The signature is written in a cursive, flowing style.

Honourable Don Morgan, Q.C.
Minister Responsible for Saskatchewan Gaming Corporation

Message from the Board Chair and President

The impacts of the pandemic on the Saskatchewan Gaming Corporation have been significant; however, after two temporary closures over the span of 24 months, 2021-22 saw the corporation begin to return to more normalized operations.

Although the fiscal year began with Casinos Regina and Moose Jaw temporarily closed, a successful vaccination program and updated guidance from Saskatchewan's Chief Medical Health Officer allowed for the re-opening of our properties on June

20, 2021, with mandatory masking, capacity restrictions and limits on alcohol service. Only a few weeks later, on July 11, 2021, those public health measures were lifted in full, and we were pleased to welcome back all employees from temporary layoff. Casino Regina's newly renovated Union Station Restaurant + Bar served its first customers on July 13, 2021, and the Show Lounge re-opened on November 3, 2021, with a concert by Barney Bentall and The Cariboo Express.

A fourth wave in COVID-19 cases at the tail end of summer resulted in mandatory masking being reintroduced on September 17, 2021. A proof of vaccination requirement soon followed on October 1, 2021, which extended to guests and employees. The corporation saw a near 100 per cent vaccination rate among staff, and casino patrons were overwhelmingly supportive of this new public health requirement. Then, in February, both the mandatory masking and proof of vaccination requirements were lifted in full.

Despite the interruptions this reporting year, the corporation made numerous accomplishments. Notably, SaskGaming and the Saskatchewan Indian Gaming Authority (SIGA) signed a historic partnership to establish an online gaming platform for the province. SaskGaming will provide management oversight for the new venture, SIGA will operate the platform and the Saskatchewan Liquor and Gaming Authority will act as the regulatory body. All net proceeds generated from the platform – which will feature a full suite of casino games, poker, keno, bingo, as well as single-event sports betting – will be shared on a 50-50 basis between the two groups. In the spirit of reconciliation and the evolution of gaming in the province, we are thankful to the Federation of Sovereign Indigenous Nations and SIGA for their advocacy in making this partnership a reality.

The 2021-22 fiscal year also marked our 25th year of operations at Casino Regina. While the pandemic resulted in a more muted celebration for Regina, we look forward to commemorating Casino Moose Jaw's 20th anniversary in 2022-23.

Guests are at the core of our business, with satisfaction rates increasing to 78 per cent in 2021-22 from 72 per cent in 2019-20. These results are directly attributed to the refresh of our properties, which continued throughout the fiscal year at Casino Regina. These renovations, which are part of a multi-year facilities modernization plan, will be completed in Regina by the end of 2022-23. From there, renovations will commence at Casino Moose Jaw. Continuing with renovations throughout the pandemic allowed the corporation to support the provincial economy and local sub-trades.

Gaming and technology upgrades keep the corporation on the cutting edge of gaming technology and ensure our competitiveness. SaskGaming made a number of technology upgrades in 2021-22, including the installation of a linked progressive slot jackpot between our two properties, an upgrade to our Bally slot data system, as well as the installation of a new touch bet pit in Central Hall at Casino Regina. This was in addition to making significant headway on our slot EFT system and responsible gambling pre-commitment tool projects, which are scheduled to be rolled out in 2022-23.



Indigenous employment remains a top priority for the corporation and, while the pandemic disproportionately impacted our ability to meet our Indigenous Representation target, we were proud to achieve 39.2 per cent and will continue to fill vacancies and focus on positive net hires. We train all new employees on our new GameOn 2.0 Customer Service Program, which supports the delivery of an outstanding guest experience at Casinos Regina and Moose Jaw, and we are continuing with the delivery of this training for all employees in 2022-23.

Last fiscal year, SaskGaming modified its balanced scorecard measures to include new Wellness Index and Cumulative GHG Reduction measures. The corporation used 2021-22 to develop baseline measures and targets to be reported on beginning in 2022-23, with the goals of increasing our employees' mental, physical, emotional and spiritual wellness while decreasing overall GHG emissions.

Although guest visits were down significantly from an average year, revenue was up after reporting a net loss of \$13.4 million in 2020-21. SaskGaming generated \$19.1 million in Net Income Before Payment to the GRF. The corporation also paid \$9.6 million to the General Revenue Fund in 2021-22 to support the First Nations Trust, Community Initiatives Fund and Clarence Campeau Development Fund. These funds had been disproportionately impacted by the temporary closures of our casinos and ensuring profits could once again flow to these organizations was an encouraging step forward in our pandemic recovery.

On behalf of the Board of Directors and Executive Management team, we are thankful for better days and would like to extend our sincere appreciation to our hardworking employees and loyal guests. Your adaptability despite the twists and turns of the past two years has been nothing short of phenomenal. With Casinos Regina and Moose Jaw now re-open, a new online gaming channel on the horizon and many opportunities ahead, we look forward to continued success and turning a significant profit for the people of Saskatchewan.

A stylized, handwritten signature in black ink, appearing to read 'Blair Ross'.

Blair Ross
Chair of the Board of Directors

A stylized, handwritten signature in black ink, appearing to read 'Susan Flett'.

Susan Flett
President and CEO

SaskGaming Year in Review

For the majority of the first quarter of 2021-22, Casinos Regina and Moose Jaw remained temporarily closed. This temporary closure was initiated on December 19, 2020, on the advice of the Saskatchewan Chief Medical Health Officer.

Both properties re-opened on June 20, 2021, with mandatory masking, capacity restrictions and limits on alcohol service. Then, on July 11, 2021, those restrictions were lifted in full and all employees who had been placed on temporary layoff in March or December 2020 were recalled to the workplace.

However, due to rising COVID-19 case numbers as the result of a fourth wave of the pandemic, mandatory masking was reintroduced on September 17, 2021. A few weeks later, on October 1, 2021, this public health order was expanded to include proof of vaccination for all casino guests and public employees. The corporation had a nearly 100 per cent vaccination rate among its employees, while guests were overwhelmingly supportive of this latest measure.

SaskGaming continued to operate with these restrictions in place until, on February 14, 2022, the proof of vaccination requirement was eliminated for both guests and employees. A few weeks later, on February 28, 2022, the mandatory masking requirement was also removed.

The corporation once again returned to normalized operations, rounding out the final month of the fiscal year without any public health restrictions in place.

Guest Experience

SaskGaming knows its customers well and uses that knowledge to enhance the guest experience.



The newly renovated Union Station Restaurant + Bar at Casino Regina.

Despite frequent public health changes because of the pandemic, guests remained eager to enjoy the 'Always Entertaining' experience they have come to know and love.

At the re-opening of Casinos Regina and Moose Jaw on June 20, 2021, patrons were treated to the corporation's latest renovations at Casino Regina, including an expansive new touch bet pit in Central Hall, reconfigured slot machines with the latest themes, a relocated Guest Services and stylish updates to the poker room.

A few weeks later, a refreshed Union Station Restaurant + Bar (formerly The Last Spike) served its first guests on July 13, 2021. With its modern take on vintage style, the restaurant's aesthetic is as pleasing as its menu, which features exciting local flavours, classic fare and carefully crafted cocktails.

Down the winding path of slot machines and table games in the west gaming area at Casino Regina is Crossroads (formerly CR Express). This newly revamped food and beverage outlet has something for everyone. Eight beer taps, popular food items and a large sitting area make it the perfect spot to take a quick break from play.



The GameSense Information Centre at Casino Regina.

Across from the Crossroads is the GameSense Information Centre, which was relocated and updated with an open, inviting design concept. Centrally situated on the gaming floor, guests have immediate

access to our expert responsible gambling advisors and information on how to gamble for fun, not to win money.

The Casino Regina Show Lounge, although not yet renovated, held its first concert since the start of the pandemic on November 3, 2021, with Barney Bentall and the Cariboo Express. While restrictions in other provinces resulted in a handful of tour postponements in the early part of 2022, especially for U.S.-based acts, the entertainment calendar remained packed with top-notch shows, including Shaun Majumder, Jeffery Straker and Tom Jackson, to name a few.

This year, guests of Casinos Regina and Moose Jaw got to enjoy a new linked progressive jackpot that was installed in early 2022. This was in addition to numerous creative promotions, including slot tournaments and a

Mystery Milestones promotion, where Players Club members entered to win a chance at uncovering \$10,000 in cash.

The corporation also celebrated Casino Regina's 25th year of operations with a special anniversary beer brewed by local award-winning Pile O' Bones Brewing Co. and an Earn & Enter promotion, which saw eligible Players Club members taking home over \$25,000 in prizeing.

After a two-year hiatus, Casino Regina hosted its Station Poker Classic in March 2022. The five-day tournament attracted a record-setting 1,372 players from across the country who were competing for a prize pool of \$900,000. This was only one of two poker tournaments to be held in Canada since the start of the pandemic, with those in attendance raving about the quality of the event.



The dealer team from the Station Poker Classic at Casino Regina.

These types of positive comments are commonplace for employees, who continued to exceed guests' expectations this year with Mystery Shopper scores of 97.4 per cent. These high scores are due in part to a revamped GameOn 2.0 Customer Service Program which has allowed employees to take customer service to the next level.

Employee Experience

SaskGaming hires, trains and supports a diverse team that delivers an excellent guest experience.

With all employees returning to the workplace from temporary layoff on July 11, there was a positive energy around resuming normal operations.

Upon returning to Casinos Regina and Moose Jaw, employees were trained on the GameOn 2.0 Customer Service Program. This program had been revamped in 2020-21 and supports employees in

delivering an 'Always Entertaining' guest experience, as well as empowering them to make important customer-focused decisions.

As a developmental employer where careers can begin and grow, SaskGaming continued to place a priority on learning and development with a full revamp of the corporation's Learning Strategy. This latest strategy establishes a competency link between unionized and non-unionized employees, creating a clear path for career progression.



Casino Regina employees showing their Rider Pride.

Rollout of the Wellness Strategy was another highlight of 2021-22, with a focus on employees' mental, emotional, physical and spiritual health. Included as part of this strategy was the execution of an Employee Wellness Survey. Administered to support the corporation in remaining focused on areas of health and wellness that matter most to employees, the results of this survey will also be used to create a baseline measurement for the new Wellness Index in SaskGaming's balanced scorecard for 2022-23.

Despite a difficult 24 months due to the pandemic, the corporation received positive results in its latest Employee Engagement Survey. This year's survey had an overall level of employee engagement in the 57th percentile, which is a slight improvement over the 56th percentile in 2017-18 – the last time this survey was conducted.



Employees marking Orange Shirt Day at Casino Moose Jaw.

Indigenous representation remains a key priority for SaskGaming and this fiscal year, management were actively focused on retention and support of Indigenous employees. This is in alignment with the Indigenous Employment Strategy, which was revised in 2020-21.

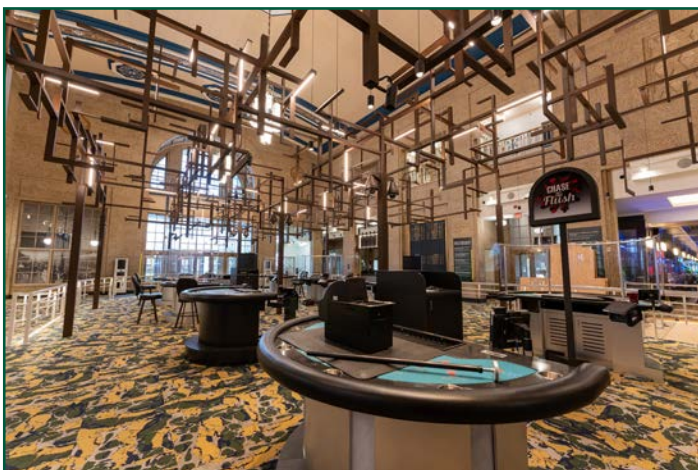
Employee safety is an ongoing area of interest for the corporation and this year was no exception. Not only was health and safety of our employees a key priority, so too was physical security. Enhancements were made to the exterior lighting at both properties, as well as improvements to the fencing in the east employee parking lot in Regina.

SaskGaming's Occupational Health and Safety Program, with the goal of reducing incidences of workplace injury and associated employee absenteeism. This included more robust training, updates to the health and safety rules and a new program manual.

Enhancements were also made to

Responsible Corporation

SaskGaming will be a leader in its communities and operate with the highest standards of integrity.



Top to Bottom: Renovations to the east gaming floor area, Central Hall and Poker Room at Casino Regina.

Corporate social responsibility (CSR) is at the core of SaskGaming's business operations.

Community giving forms a significant aspect of that CSR commitment. In 2021-22, the corporation continued to endow over \$220,000 to programs, sponsorships and in-kind donations for 30 different organizations. A total of 41 per cent of those dollars were allocated to Indigenous sponsorships and 29 per cent to sponsorships in Moose Jaw.

Another principal focus of the corporation this fiscal year was responsible gambling, with Casinos Regina and Moose Jaw obtaining reaccreditation under the Responsible Gambling Council of Canada's RG Check Program in October. RG Check is the most comprehensive responsible gambling accreditation program in the world and gives operators confidence they have the highest degree of player safeguards in place.

To minimize the corporation's impacts on the environment, Greenwave Innovations was retained in 2020-21 and conducted a comprehensive review of energy usage at Casinos Regina and Moose Jaw. This included evaluating peak load and identifying inefficiencies in equipment to reduce energy usage, save on power costs and, ultimately, reduce the corporation's carbon footprint. Ongoing monitoring of SaskGaming's energy usage will form a new Cumulative GHG Reduction balanced scorecard measure for 2022-23.

Supporting Saskatchewan businesses, particularly Indigenous-owned businesses, as well as realizing greater community benefits through corporate procurement processes remained an objective in 2021-22. SaskGaming has retained large contracts with

Indigenous suppliers for janitorial services; dry-cleaning, laundering and alteration services; and hot beverage services and equipment, and is working on integrating an Indigenous procurement section into its procurement policy.

The corporation continued to work collaboratively with the Crown sector on issues of mutual benefit. Leadership frequently meets to share knowledge, plans, ideas and best practices in support of a wider Crown collaboration initiative driven by Crown Investments Corporation. SaskGaming's contributions are particularly focused on procurement, Indigenous engagement, information technology, and

diversity and inclusion. Of note is the corporation's leadership on the Indigenous engagement collaboration committee, which seeks to engage and identify synergies on Indigenous issues in the Crown sector, collaborate to produce beneficial outcomes for Indigenous peoples in the public sector and support the Truth and Reconciliation Calls to Action.

Cybersecurity remains a growing issue for all businesses, including SaskGaming. In 2021-22, the corporation was particularly focused on system and information security. Industry best practices continue to be employed to maintain the privacy and security of customer information and maintain the integrity of all IT systems.

Further to this, the Provincial Auditor of Saskatchewan conducted a comprehensive review of cybersecurity and preventing cyberattacks at SaskGaming in 2021-22, which was released as part of the Auditor's 2021 Volume 2 Report in December 2021. The report showed SaskGaming has strong controls in place; however, there were certain areas that could be strengthened. As such, the corporation has developed robust action plans to mitigate and address the review's recommendations, including improvements to IT policies and systems, and additional internal resources to help improve its approach to cybersecurity.

Financial Sustainability

SaskGaming will continually reinvest in products, property and technology to maximize revenue opportunities.

Getting back to business after a period of instability was a welcomed development in 2021-22.

SaskGaming utilized business continuity and pandemic plans and contingencies to ensure a safe and deliberate return to full operations and employment. By having these plans in place, the corporation was better positioned to anticipate and manage issues relating to the pandemic that would, naturally, impact the corporation's finances.

In September, SaskGaming and the Saskatchewan Indian Gaming Authority (SIGA) announced a

historical partnership to establish an online gaming channel for the province. The new channel, which is expected to be launched in Q2 of 2022-23, will include casino games, poker, keno and bingo, as well as single-event sports betting. The flow of funds from online gaming revenue will move from the operator, SIGA, to SaskGaming for distribution as follows: 50 per cent will be provided to the General Revenue Fund (GRF) for distribution to the First Nations Trust and 50 per cent will be retained by SaskGaming as net income. This is a key step forward in modernizing Casinos Regina and Moose Jaw's product offerings and delivery of casino gaming to welcome a new demographic of guests.

The corporation also continued with renovations in 2021-22 to support the Saskatchewan economy, construction industry and local sub-trades. These renovations are part of a multi-year facilities modernization plan that kicked off at Casino Regina in 2020 to ensure the properties could remain competitive and stay on the cutting edge of casino gaming.



Announcing the online gaming channel for Saskatchewan. Left to Right: Minister Jim Reiter (SGLA), Reg Bellerose (SIGA), Chief Bobby Cameron (FSIN), Minister Don Morgan, Q.C. (SaskGaming).

Management's Discussion and Analysis

Introduction

This Management Discussion and Analysis (MD&A) highlights the primary factors that impacted SaskGaming's financial and operating results for the year ended March 31, 2022. For the purposes of this MD&A, results for the year ended March 31, 2022, will be compared to the year ended March 31, 2021.

This report should be read in conjunction with the audited financial statements and accompanying notes, which have been prepared in accordance with International Financial Reporting Standards. Using the financial and performance results as its basis, the MD&A enables readers to view SaskGaming's past performance from the perspective of management.

It also provides forward looking statements outlining SaskGaming's priorities. All forward looking statements reflect SaskGaming's best estimates and assumptions based on information available at the time the statements were made. However, actual results and events may vary significantly from those included in, contemplated by or implied by such statements.

Our Business

SaskGaming manages and operates Casinos Regina and Moose Jaw. The corporation was established to operate casinos in Saskatchewan, conduct and manage games of chance in casinos and establish and operate, or to provide for establishment and operation of, any business or activity that it considers reasonably related to operating a casino.

SaskGaming operates in an industry that is in a mature market position, marked by lower annual revenue growth and operating costs increased by the cost of inflation. In addition to the challenges of operating in a mature market, SaskGaming also faces increased competition from gaming competitors in the province and impacts as a result of the COVID-19 pandemic and its recovery. SaskGaming is meeting these challenges by investing in technology, facilities and new initiatives, while continuing to focus on customer service and employee excellence, expense management and productivity.

COVID-19

Casinos Regina and Moose Jaw remained closed through most of the first quarter of the 2021-22 fiscal year due to the pandemic, re-opening with a handful of public health restrictions on June 20, 2021. Casino closures during the first quarter resulted in a year-to-date loss of \$6.3 million at June 30, 2021.

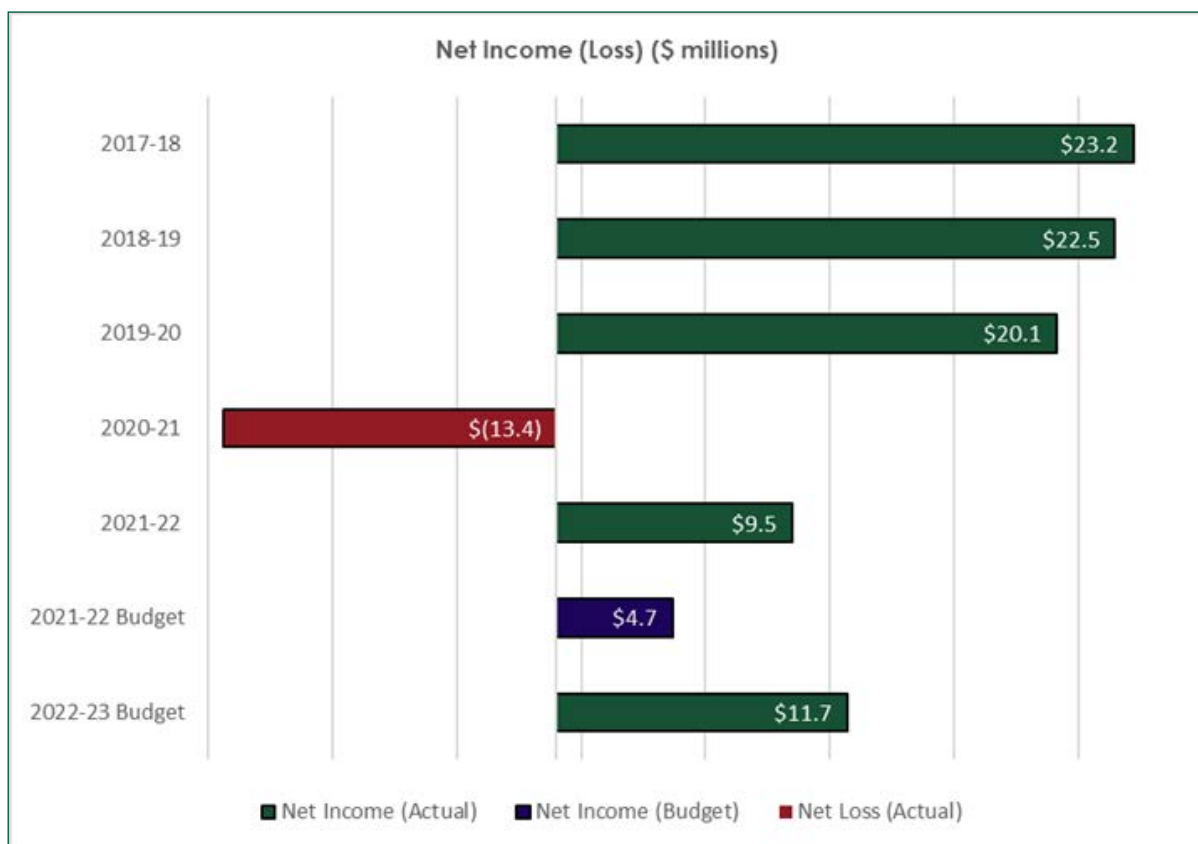
On July 11, 2021, the Government of Saskatchewan lifted the public health orders related to COVID-19, ending the state of emergency for the province and allowing Casinos Regina and Moose Jaw to return to normal operations. On July 13, 2021, the Union Station Restaurant + Bar opened at Casino Regina and poker resumed at both properties. All employees who were placed on temporary layoff were recalled to the workplace by July 11, 2021. This contributed to strong operational results and a positive year-to-date net income of \$3.1 million by the end of the second quarter, an improvement of \$9.4 million from the net loss position in the first quarter.

The casinos operated without public health restrictions until September 17, 2021, when mandatory masking mandates for indoor public spaces was reintroduced. Effective October 1, 2021, guests were also required to provide proof of vaccination or recent negative COVID-19 test in order to gain entry to the properties. All Government of Saskatchewan employees, including SaskGaming employees, were also required to provide proof of vaccination or recent negative COVID-19 test in order to attend the workplace. While these restrictions led to a significant decrease in guest count, results were stronger than anticipated, with increased spend per guest partially offsetting the impact of reduced guest count.

On February 14, 2022, the proof of vaccination or negative COVID-19 testing requirements for guests and employees was removed, with the mandatory masking requirement lifted on February 28, 2022.

Financial Results

Net Income



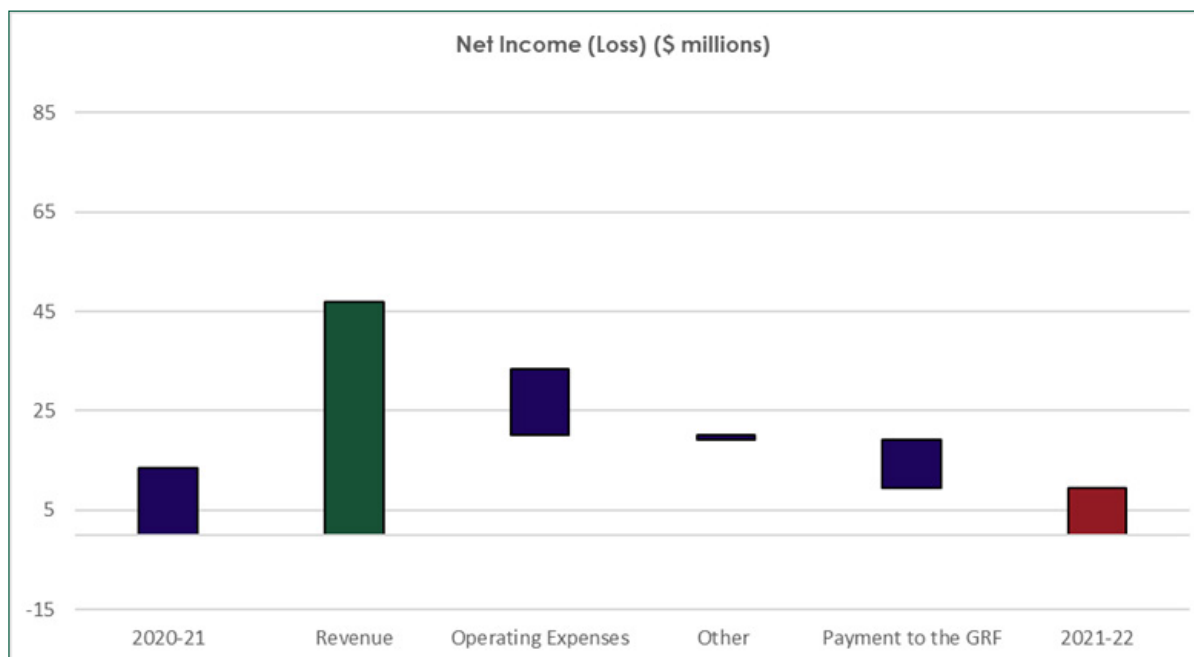
SaskGaming operates in a mature market highlighted by declining revenue and upward pressure on expenses. Prior to the pandemic the corporation's net income had stabilized, largely as a result of effective expense management. The culture of operational efficiency has allowed the corporation to meet the challenges of a mature gaming market, as well as positioned it to respond to the challenges of the pandemic.

As a result of the temporary closure of Casinos Regina and Moose Jaw in the first and fourth quarters of 2020-21, SaskGaming was in a net loss position of \$13.4 million. While the casinos were again temporarily closed for much of the first quarter in 2021-22, strong operational results throughout the remainder of the year contributed to SaskGaming returning to a positive net income position.

The 2021-22 budget factored in the impacts of the first quarter temporary closure, as well as the anticipated impact of public health orders, including proof of vaccination or negative COVID-19 test, and mandatory masking mandates for indoor public spaces. The budget was approved in November 2021 and estimated a net income of \$4.7 million.

The 2021-22 budget also included an emphasis on capital investment. The multi-year property renovations at Casino Regina continued with an emphasis on the west gaming area. Gaming modernization also remained a focus this year, with the completion of a gaming systems upgrade, as well as new projects to enhance offerings to guests.

The 2022-23 budget focuses on long-term sustainability and success. SaskGaming will continue to make significant investments in technology, facilities, people and new initiatives. This will ensure resilience and adaptability to SaskGaming's environment. The 2022-23 budget assumes the pandemic will continue to impact results, with a return to pre-pandemic levels not anticipated until 2023-24.

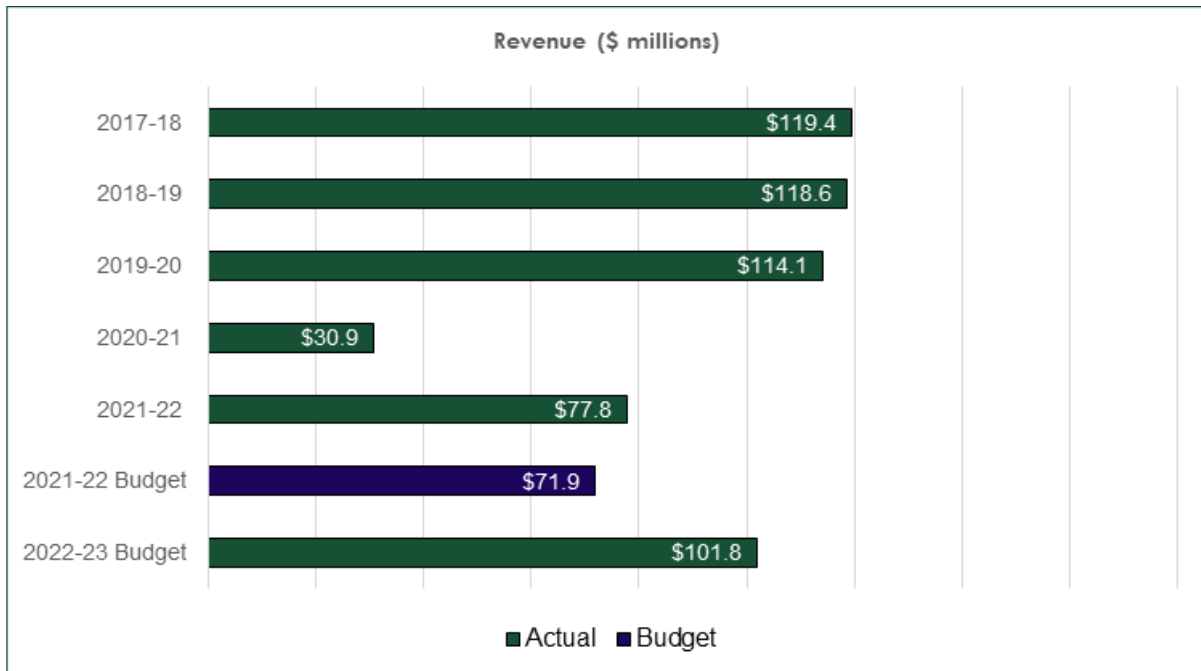


The above chart reflects the year ended March 31, 2022, and highlights the significant changes compared to the year ended March 31, 2021.

Net income for the year ended March 31, 2022, was \$9.5 million, an increase of \$22.9 million (170.9 per cent) from the net loss position of \$13.4 million for the year ended March 31, 2021. The increase from the prior year was primarily due to the temporary closures of Casinos Regina and Moose Jaw during the first and fourth quarters of 2020-21, compared to the 2021-22 closure which was limited to the first quarter of the current year.

- Revenue increased by \$46.9 million (151.8 per cent) primarily as a result of longer temporary casino closures in the prior year.
- Operating expenses increased by \$13.3 million (42.0 per cent) mainly due to increases in spending across all expense categories as casino operations normalized. The largest increase was in salaries, wages and benefits, driven by staffing levels normalizing and filling of vacancies.
- Other expenses increased by \$1.1 million (8.7 per cent) due largely to increases in depreciation and taxes. The increase in depreciation was as a result of increased capital spending in recent years as a part of modernization strategies. The increase in tax expense was consistent with the increase in overall operating expenses.
- Payment to the General Revenue Fund (GRF) increased by \$9.6 million (100.0 per cent) as a direct result of the net loss position at March 31, 2021.

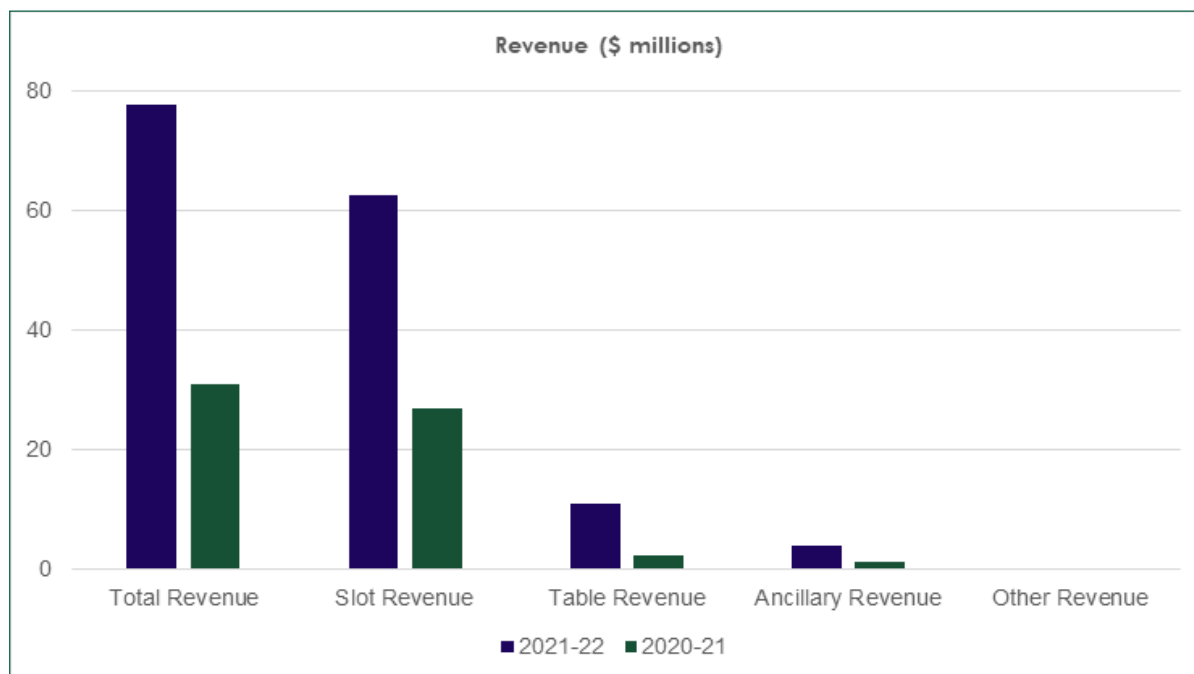
Revenue



The gaming market in Saskatchewan has generally reflected declining revenues since it peaked in 2012. SaskGaming's outlook is also significantly impacted by the state of the provincial economy. In periods of strong economic growth, people typically have more discretionary money to spend on entertainment; however, in weaker economic times SaskGaming has seen a drop in revenue.

In the past two years Saskatchewan's economy has been impacted by the pandemic, which has had a significant impact on SaskGaming's revenue. The annual declining trend in revenues deepened with the temporary closures of Casinos Regina and Moose Jaw during the first and fourth quarters of 2020-21, as well as the closure during the first quarter of 2021-22.

After the casinos re-opened in June 2021, SaskGaming saw a strong recovery in revenue, primarily generated from slot machines and electronic and in person table games. In an effort to improve revenue trends, SaskGaming is making reinvestments into its properties, new revenue sources and technology. The effects of the pandemic are anticipated to continue to impact revenues in 2022-23 with a return to pre-pandemic revenue levels not expected until 2023-24.

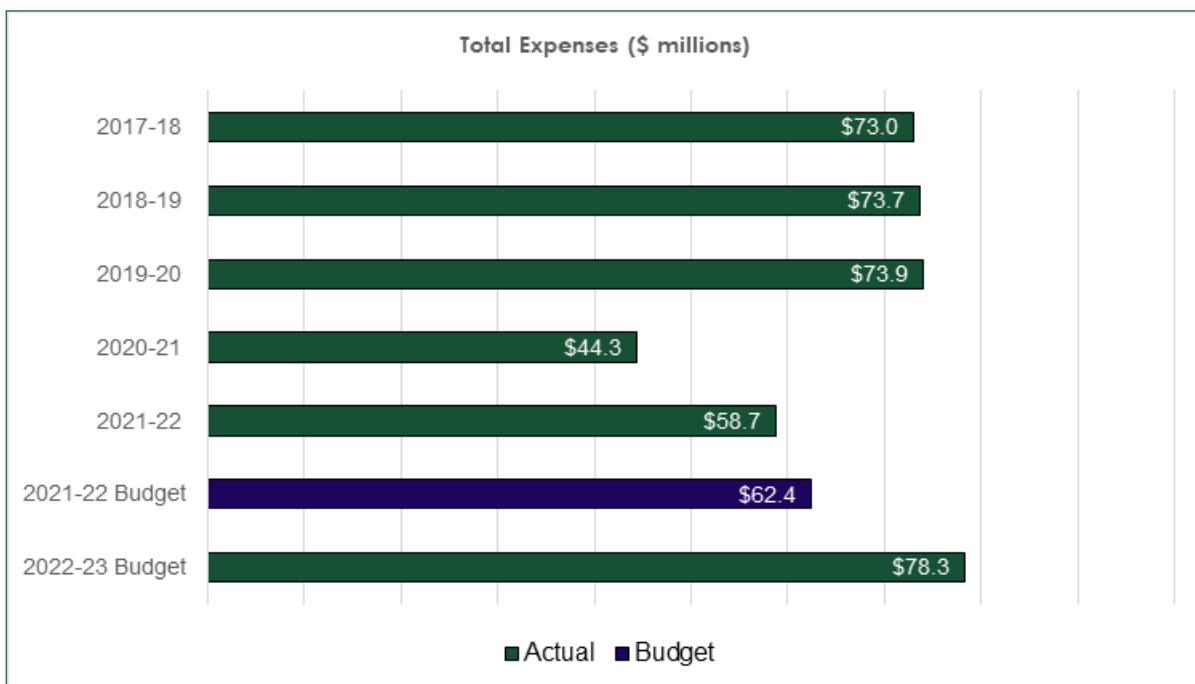


The above chart reflects revenue by line of business for the year ended March 31, 2022, and highlights the significant changes compared to the year ended March 31, 2021.

Revenues for the year ended March 31, 2022, were \$77.8 million, which was an increase of \$46.9 million (151.8 per cent) from the year ended March 31, 2021.

- Slot revenue increased by \$35.5 million (131.5 per cent). The increase in slot revenue was primarily driven by increased operational months, as well as fewer public health restrictions in place compared to the prior year.
- Table revenue increased by \$8.4 million (336.0 per cent). Consistent with the increase in slot revenue, table revenue increased primarily due to increased operations. In the prior year, while electronic table games were available for the full period the casinos were open, live table games were only permitted to operate from October 8, 2020, to the time of the second temporary casino closure on December 19, 2020. In addition, poker, poker derivatives and poker tournaments were not allowed to operate. In the current year, live table games, including poker and poker derivatives, were able to return when initial restrictions were lifted in July 2021.
- Ancillary revenue increased by \$2.9 million (241.7 per cent). This increase was primarily due to the re-opening of the renovated Union Station Restaurant + Bar at Casino Regina, increased food and beverage offerings, as well as the return of entertainment events during the year. In the prior year food and beverage offerings were limited to take away options, with no available floor service and no entertainment events.
- Other revenue, consisting of several miscellaneous revenue sources, showed an overall increase from the prior period of \$0.1 million (50.0 per cent).

Total Expenses

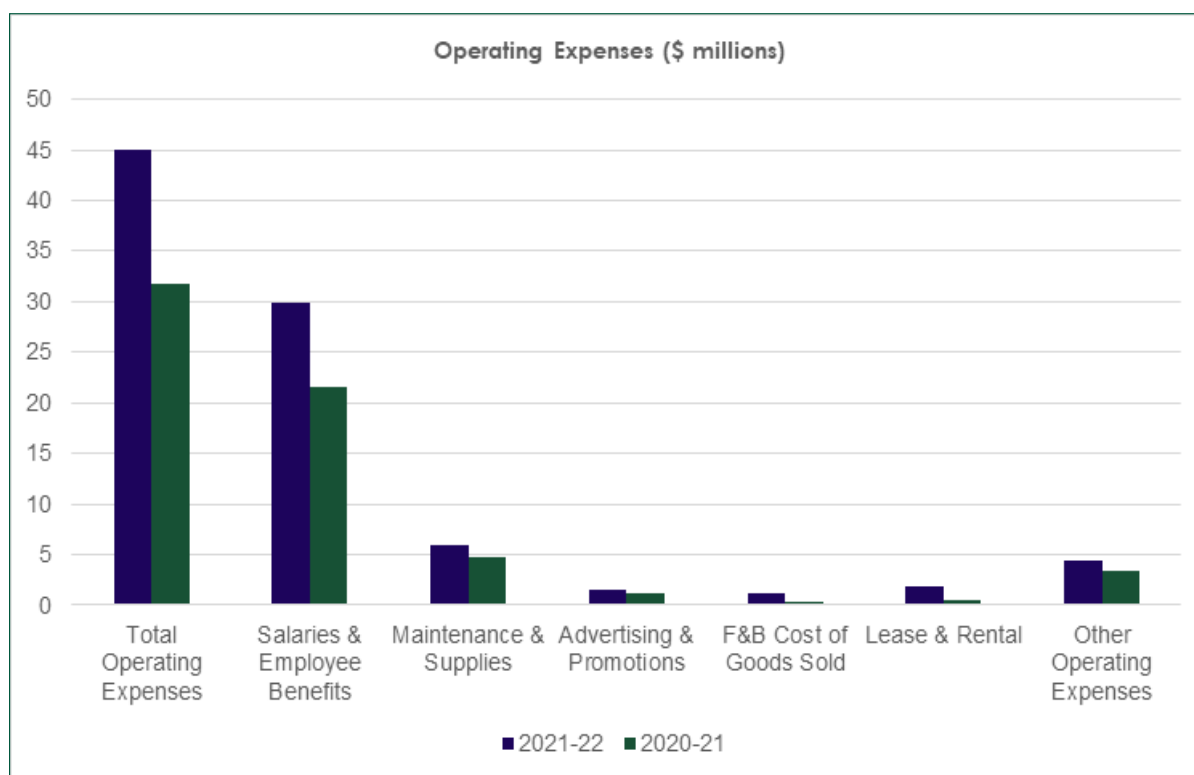


The above chart reflects total expenses for each year. These expense categories include operating expenses, depreciation, contractual obligations, taxes and finance expense.

While operating in a mature gaming market, SaskGaming has managed to stabilize net income and long-term financial sustainability by effectively managing expenses, while also retaining a focus on customer service. Strategies include ensuring staffing levels are adjusted to meet customer demand and expenses related to new initiatives are incurred with a direct strategic impact.

The temporary closures of Casinos Regina and Moose Jaw during the first and fourth quarters of 2020-21, and the first quarter of 2021-22 had a significant impact on expenses. SaskGaming focused on ensuring expenditures during the period promoted guest and employee safety and contributed to limiting the financial impacts of the pandemic.

While cost restraint has been effective in mitigating the loss of revenue stemming from a mature and competitive market, in order to stabilize and grow earnings SaskGaming has prioritized investment in technology, facilities and new initiatives. The budgeted expenses for 2022-23 reflect continued recovery from the pandemic, as well as investment in the future.



The above chart reflects operating expenses for the year ended March 31, 2022, and highlights the significant changes compared to the year ended March 31, 2021.

Operating expenses for the year ended March 31, 2022, were \$45.0 million, which was an overall increase of \$13.3 million (42.0 per cent) from the year ended March 31, 2021. Increases occurred across most expense categories with the casino re-openings and expanded offerings. The most significant increases included:

- Salaries and employee benefits increased by \$8.3 million (38.4 per cent) primarily due to employees returning from temporary layoff and vacancies filled throughout the year, as well as by merit and cost of living increases for employees and increased cost of employee benefits.
- Maintenance and supplies increased by \$1.2 million (25.0 per cent). This increase was driven by an increase in repair and maintenance requirements as casino operations increased, compared to reduced usage in the prior year when the casinos were closed or operating at lower levels.
- Advertising and promotions increased by \$0.5 million (45.5 per cent). In the prior year limited advertising and promotional activity took place as a result of the temporary casino closures.
- Food and beverage cost of goods sold increased by \$0.9 million (300.0 per cent). Consistent with increased food and beverage revenue, the increase in cost of goods sold was primarily due to increased food and beverage offerings during the year, including the re-opening of the newly renovated Union Station Restaurant + Bar at Casino Regina.
- Lease and rental costs increased by \$1.4 million (280.0 per cent), primarily as a result of increased gaming lease expenses as the casinos were operational for a larger portion of the year. Gaming equipment leases are only incurred when the casinos and gaming equipment are operational.
- Other operating expense categories showed a collective increase of \$1.0 million (29.4 per cent). Consistent with other expense categories this increase was primarily driven by increased operations compared to the prior year. In addition, entertainment events returned in November 2021 for the first time since March 2020.

Liquidity and Capital Resources

SaskGaming secures capital investment dollars through a combination of internally generated cash from operations and debt. The corporation's maximum debt level is determined by the Government of Saskatchewan through Order-in-Council. Through this process, SaskGaming may borrow up to \$56.2 million, which includes finance leases and temporary loans. The corporation also has an available line of credit of \$3.0 million at a financial institution.

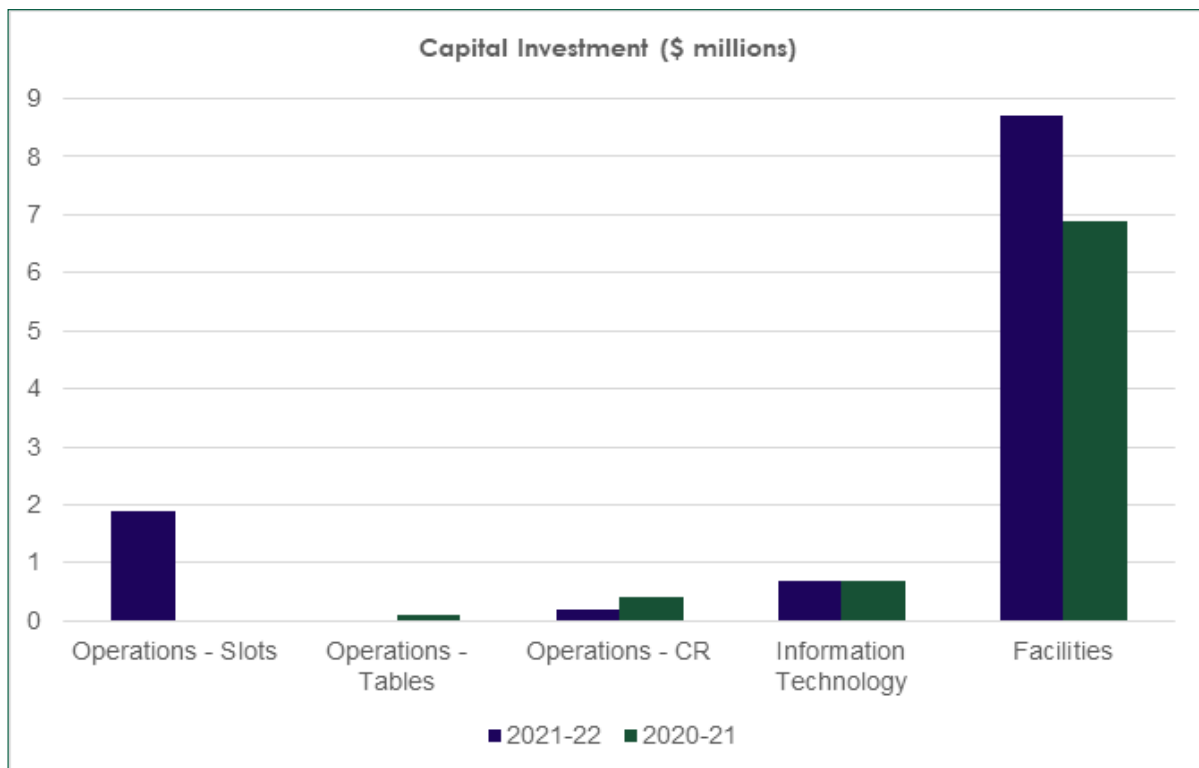
During the year SaskGaming held financing through the GRF in the form of a promissory note for \$5.0 million (2021 - \$5.0 million) with a maturity date of March 17, 2022, and an interest rate of 0.24 per cent (2021 - 0.24 per cent). This promissory note was repaid on the maturity date and no further financing was required.

SaskGaming also leases the Casino Moose Jaw property and has an outstanding lease liability of \$4.0 million (March 31, 2021 - \$4.5 million).

SaskGaming does not have share capital but has received equity advances from Crown Investments Corporation (CIC) to form its equity capitalization. SaskGaming received equity advances of \$11.7 million (2021 - \$4.0 million) from CIC. Total outstanding equity advances are \$15.7 million (2021 - \$4.0 million).

Capital Infrastructure

For the period ending March 31, 2022, SaskGaming invested a total of \$11.5 million (March 31, 2021 - \$8.1 million) in capital infrastructure.



SaskGaming's multi-year property renovations at Casino Regina continued to progress in 2021-22. The property renovations began in 2019-20 with the refresh of the Union Station Restaurant + Bar, which re-opened to the public in July 2021. Renovations continued in 2020-21 with updates to the east and Central Hall areas of the Casino Regina gaming floor. The focus in 2021-22 was on the west gaming area, which included the new Crossroads food outlet, poker room and GameSense Information Centre. Renovations continue to make their way towards the Show Lounge, which will be renovated in 2022-23.

In addition to property renovations, the corporation continued to enhance the guest experience, which resulted in investments in information technology to further modernize gaming technology. The Slot Machine Replacement Program also resumed with \$1.9 million spent on refreshing SaskGaming's slot machine offerings.

SaskGaming continued to pursue initiatives to contribute to environmental sustainability, which were supported by upgrades to the heating and cooling systems. As well, the corporation's commitment to guest and employee safety was supported by physical security improvements made to the Casino Regina property.

Disbursements

SaskGaming is required to distribute 50 per cent (March 31, 2021 - 50 per cent) of its income to the GRF each year. For the period ending March 31, 2022, SaskGaming distributed \$9.6 million to the GRF. As a result of the temporary casino closures due to the pandemic in the prior year, the corporation was in a net loss position for the period ending March 31, 2021, and therefore had no disbursements to the GRF.

SaskGaming is also required to distribute 80 per cent (March 31, 2021 - 80 per cent) of net income to its shareholder, CIC, in the form of a dividend. The impacts of the temporary closures of Casinos Regina and Moose Jaw resulted in a net loss position for the period ending March 31, 2021. As a result, SaskGaming did not declare or pay dividends for the period.

With the continuing impacts of the pandemic, the dividend for the period ending March 31, 2022, was also waived by CIC.

Strategic Scorecard Measures and Performance Management

Corporate Strategy

To achieve the corporation's vision of being the number one entertainment choice in its markets, SaskGaming has four strategic priorities – Guest Experience, Employee Experience, Responsible Corporation and Financial Sustainability. These priorities are aligned with the following Saskatchewan Crown Sector Strategic Priorities:

- Customer Service
- Resource Optimization
- Innovation & Technology
- Sustainability
- Private Sector Engagement

The government has also identified the need for an enhanced focus from the Crown sector on economic recovery and Crown collaboration.

As part of the annual performance management process, SaskGaming measures the progress towards achieving the corporation's strategic priorities through the balanced scorecard. The scorecard metrics and targets are developed by management and approved by both the SaskGaming and Crown Investments Corporation (CIC) Board of Directors. SaskGaming reports against these balanced scorecard targets quarterly.

Balanced Scorecard Performance Measures

SaskGaming's performance relative to its balanced scorecard measures for the 12 months ended March 31, 2022, is outlined in the following section.

For the tables below, the results can be interpreted as follows:

- Exceeded = 121 per cent or greater than target
- Achieved = 95 per cent to 120 per cent of target
- Progressing = 80 per cent to 95 per cent of target
- Not Met = Less than 80 per cent of target

Guest Experience

BSC MEASURES	2020-21 Actual	2021-22 Target	2021-22 Actual	
Guest Satisfaction	N/A	75.0%	78.0%	Achieved
Mystery Shopper	N/A	93.0%	97.4%	Achieved
Percent of Rated Play	New	60.0%	56.9%	Progressing

Strategy

Providing an engaging and entertaining guest experience is a priority for SaskGaming. For 2021-22, the focus was the continued modernization of gaming products and implementing year two of a three-year refresh of Casino Regina. Full implementation and training for the updated GameOn 2.0 Customer Service Program, SaskGaming's internal customer service philosophy, could not take place due to public health restrictions resulting from the pandemic and the need for employees to focus on re-opening the casinos.

Result

SaskGaming scored 78.0 per cent on the Guest Satisfaction survey, above the target of 75.0 per cent. In the survey, guests cited positive interactions with employees and comments about the refreshed Casino Regina property. The result confirmed the importance of excellent customer service and the value of the property renovations. Exceeding the target was encouraging given that Casino Regina was under construction, with parts of the gaming floor closed while the survey was being conducted.

The Mystery Shopper Program score was 97.4 per cent, above the target of 93.0 per cent. Employee performance remains high particularly in the areas of listening, politely dealing with requests and knowledge of promotions.

Percent of rated play (the percentage of players using their Players Club cards) is a new measure for 2021-22. Actual results were lower than expected due to low carded guest attendance, limited promotions and very few Show Lounge tickets and events to drive Players Club sign-ups and carded play.

Promotional activity began to ramp up later in the year and the impact can be seen as rated play (cumulative) hit 56.9 per cent (still slightly below the target of 60.0 per cent).

2022-23 Focus

For 2022-23, SaskGaming will focus on the following strategic initiatives:

- Complete the Renovations at Casino Regina – Renovate the west end of the casino including the Show Lounge and the inclusion of a sports bar area.
- Finalize the Gaming Modernization Project – Implement the Bally's Elite Bonusing Suite and electronic funds transfer functionality to deliver an enhanced guest experience.
- Integrate the GameOn 2.0 Customer Service Program – Complete the training, implementation and measurement of GameOn 2.0 to ensure an enhanced guest experience.

Employee Experience

BSC MEASURES	2020-21 Actual	2021-22 Target	2021-22 Actual	
Employee Engagement*	N/A	56 th	57 th	Achieved
Indigenous Representation	39.9%	41.0%	39.2%	Achieved
Employee Wellness Index	New	Establish a target for 2022-23		

**Conducted every second year – measured as a percentile of North American Casinos without hotels*

Strategy

The pandemic had a significant impact on SaskGaming employees through 2020-21 and the beginning of 2021-22. Over that period the casino properties were closed on two different occasions, resulting in temporary employee layoffs. When the casinos re-opened and employees were recalled, they needed to adapt to changing public health restrictions including mandatory masking and new vaccine requirements. To gauge the impact of the pandemic on employees, an Employee Engagement Survey was conducted, and, for the first time, an Employee Wellness Survey was also conducted. To improve the employee experience in 2021-22 work continued on the following strategies:

- Indigenous Employment Strategy
- Employee Learning Strategy

- Employee Satisfaction
- Employee Wellness Strategy
- Employee Safety

Result

The Employee Engagement Survey, which is normally conducted every two years, was not completed in 2020-21 because of the casino closures and temporary employee layoffs due to the pandemic. The survey was completed in 2021-22, placing SaskGaming in the 57th percentile of North American casinos without hotels. This was slightly above the target and the 2018 result of the 56th percentile. This result was encouraging given the impacts of the pandemic on employees. A thorough review of the underlying results of the individual business units within the corporation was completed to provide insight into improving employee engagement for the next survey.

Indigenous representation improved slightly as the year progressed and vacancies could be filled. The measure finished the year at 39.2 per cent (slightly below the target of 41.0 per cent).

A Wellness Index was introduced to the balanced scorecard to monitor the effectiveness of the Wellness Strategy. The Wellness Index considers the results of an annual Wellness Survey, vacation usage, overtime usage, employee injury incidents and use of the Employee Family Assistant Plan. The objective for the Wellness Index was to set a target for 2022-23, which was established at 72.2 per cent, while working towards a long-term goal of 83.6 per cent.

2022-23 Focus

For 2022-23, SaskGaming will focus on the following strategic initiatives:

- Indigenous Employment Strategy – To improve Indigenous recruitment, retention and advancement by ensuring SaskGaming has a welcoming, culturally diverse environment and provides the supports necessary for employee success.
- Employee Learning Strategy – Implement training to support employees and help improve the guest experience.
- Implement Employee Wellness Strategy – Provide tools and supports to employees to improve overall employee wellness.
- Employee Satisfaction – Implement strategies in all business units to identify and address the key dissatisfaction drivers within the organization.

Responsible Corporation

BSC MEASURES	2020-21 Actual	2021-22 Target	2021-22 Actual	
Guest Awareness of Responsible Gambling	N/A	84.0%	78.0%	Progressing
Public Opinion of Community Support	N/A	60.0%	53.3%	Progressing
GHG* Emissions	New	Establish a target for 2022-23		
Crown Collaboration (\$M)	New	50.0	48.3**	Achieved

*Greenhouse Gas Emissions

**Q3 forecast

Strategy

SaskGaming operates with the highest standards of integrity and is driven to continually improve its impact, contributions and relationships with suppliers, partners and its local communities.

The corporation's community relations mission is to demonstrate good corporate citizenship and to employ best practices in the gaming industry for corporate social responsibility and community investment. This is accomplished through community sponsorships, in-kind support and donations. A focus area for SaskGaming is investments allocated to Indigenous projects, programs and initiatives.

SaskGaming is also committed to robust responsible gaming practices and has adopted the internationally recognized GameSense program that combines responsible play education with information on the risks associated with gambling.

System and information security is a top enterprise risk for SaskGaming, taking significant steps to ensure its systems are secure and employees are well trained in cybersecurity awareness.

Other commitments SaskGaming makes to be a responsible corporation include facility improvements to improve the safety of employees and guests, reducing greenhouse gas (GHG) emissions, supporting Saskatchewan businesses, and collaborating with other government agencies to reduce costs and increase efficiencies.

Result

For 2021-22, the target for Guest Awareness of Responsible Gambling was set at 84.0 per cent with the actual result being 78.0 per cent. This result was based on a gap in operations caused by the temporary casino closures due to the pandemic. Consistent operation of the casinos will address this issue. It is important to note the GameSense Information Centre at Casino Regina was renovated and relocated to a more central area as part of the property renovations which will also help to improve this score.

For 2021-22, the target for Public Opinion of Community Support was set at 60.0 per cent. However, due to the lack of community programming and advertising during the temporary casino closures, the actual result was 53.3 per cent. Results are expected to improve when community programming returns to more normal operations.

In 2021-22, a GHG Emissions target was set and will be measured starting in the next fiscal year. The 2022-23 target establishes a benchmark and maintains emissions at 2019-20 levels. The target is 7,468 tons working towards a long-term goal of 7,000 tons.

Many significant GHG emission reduction projects were completed prior to 2019-20, including the installation of new roof top units and the move to LED lighting in and around the properties, to name a few. SaskGaming last reported a target for GHG emissions of approximately 9,000 tons in 2012, which is 20.5 per cent greater than the 2019-20 benchmark value, showing how impactful the reduction projects have been over the past decade.

Crown Collaboration savings for all agencies (including SaskGaming) are totaled by CIC and reported in each subsidiary Crown's balanced scorecards. SaskGaming has participated on a number of committees including co-leading the Indigenous engagements initiative, investment attraction, red tape reduction, strategic procurement, information technology, mental health and supporting Saskatchewan's technology sector.

2022-23 Focus

For 2022-23, SaskGaming will focus on the following strategic initiatives:

- Community Relations – Return to normal programming.
- Responsible Gambling – Implement responsible gambling pre-commitment tools on slot machines.
- Improve Energy Efficiency – Improve energy utilization to reduce consumption and costs.
- Support Economic Recovery – Support Saskatchewan businesses through procurement processes and seek opportunities to support Indigenous suppliers.
- Crown Collaboration – Promote the Crown sector "One Team" objective and encourage all employees to help identify innovation, improvement, partnership and collaboration opportunities.
- Improve Cyber Security – Reduce cyber security risk by executing on action plans developed in 2021-22.

Financial Sustainability

BSC MEASURES	2020-21 Actual	2021-22 Target	2021-22 Actual	
Income (Loss) Before Payment to the GRF (\$000s)	(13,428)	9,464	19,098	Exceeded
EBITDA Margin	(2.5%)	32.4%	42.2%	Exceeded
Debt Ratio	15.9%	11.9%	5.3%	Exceeded
Payroll Percentage	70.0%	44.2%	38.4%	Achieved

Strategy

SaskGaming's long-term plan provides a path to sustainable growth for stakeholders by reinvesting capital into technology, products and infrastructure. The plan is financially sustainable and can be achieved while maintaining a commitment to the shareholder, CIC, to provide dividend payments.

Result

Income Before Payment to the GRF at the end of 2021-22 was \$19.1 million compared to a budget of \$9.5 million. Slot revenue exceeded expectations due to higher than expected spend per guest and the negative effects of the public health restrictions having less of an impact than originally expected. In addition to this, demand for table games exceeded expectations and operating expenses were also below budget.

EBITDA Margin and Payroll Percentage finished the year exceeding their targets, with revenue above budget expectations and operating expenses below budget expectations.

The Debt Ratio continues to fall as debt is retired.

2022-23 Focus

For 2022-23, SaskGaming will focus on the following strategic initiatives:

- Online Gaming – Introduction of an online gaming platform in partnership with the Saskatchewan Indian Gaming Authority.
- Sports Betting – The online gaming platform will have single-event sports betting, which is a new line of business for SaskGaming.
- Capital Investment – Completing the renovation of Casino Regina and the continuation of gaming modernization.

Risk Management and Disclosure

SaskGaming's Board of Directors is responsible for risk management at SaskGaming. The process is managed through an Enterprise Risk and Opportunities Management (EROM) policy and framework.

The Board of Directors reviews and approves the following:

- The corporation's risk management policy and framework; and
- Annually, the risk assessment report which contains:
 - o management's complete risk register and assessment of top corporate-wide risks;
 - o management's list of processes and controls relied upon to mitigate the top corporate-wide risks;
 - o the designated risk and control owners; and
 - o any strategies developed to address key risks determined to be insufficiently mitigated.

All risks defined as top corporate-wide risks are reviewed and reported quarterly to the Executive Committee, Audit and Finance Committee and Board of Directors. By policy, all EROM reports provided to the Board of Directors are also provided to Crown Investments Corporation.

Separated by risk category in the following pages are SaskGaming's six top corporate-wide risks, as well as the mitigation activities that address each risk.

Strategic Risk

Sustainable Income	
Risk	Mitigation Activities
The inability to take advantage of opportunities to grow or support the business as SaskGaming's ability to move beyond the traditional gaming market being outside the corporation's control. This could lead to a decline in income and not meeting the shareholder's dividend expectations.	In partnership with the Saskatchewan Indian Gaming Authority (SIGA), SaskGaming is introducing an online gaming platform. The platform will be managed by SaskGaming and operated by SIGA.
	The online gaming platform will include full single-event sports betting functionality.

Operational Risks

Business Interruption	
Risk	Mitigation Activities
SaskGaming is unable to provide services due to a business interruption (situations include accidents, labour disruption, loss of a key supplier, sabotage, weather, major technology failure, public health event) resulting in loss of revenue, dissatisfied guests, etc.	SaskGaming's Business Continuity Management Program (BCMP) includes an IT Disaster Recovery Plan (DRP), a pandemic plan, strike contingency plans, a crisis communications plan, as well as a business continuity plan. These plans are supported by business impact assessments, critical supplier's lists, departmental action plans and checklists, etc. The BCMP is reviewed and exercised annually and updated as required to ensure it is current.
	Emergency measure procedures have been developed and are available on the intranet to assist employees in responding to various emergency situations.
	The surveillance digital video recording system has failover capabilities in the event of a disaster.
	Annual fire drills are conducted at both casinos.
	The data centre and all critical gaming applications are located off-site for protection.
	SaskGaming carries business interruption insurance.
	All critical applications are located on diverse infrastructure spanning multiple locations for high availability and continuity.
	For critical applications located at the data centre, SaskGaming's third-party IT contractor has a DRP for all managed hosting customers to support a quick recovery following a business interruption.

Systems & Information Security	
Risk	Mitigation Activities
Loss or theft of revenue, proprietary information, unauthorized knowledge and use of confidential information resulting from inappropriate or unlawful access to data can result in litigation and/or a loss of guest and stakeholder confidence and thereby have a negative financial impact.	A semi-annual account audit is conducted to ensure access is correct. The audit includes contractors and external vendors. Privileged accounts are reviewed on a quarterly basis.
	There is a standardized process in place for assigning permissions within applications to enhance security.
	A third-party IT contractor performs daily backups of the corporation's data in case of emergencies. SaskGaming tests the recovery of these backups at least annually. It also has a DRP which is reviewed, updated and tested annually.
	A third-party IT contractor monitors the managed hosting environment. Any suspicious activity is investigated, remediated and reported to SaskGaming management.
	SaskGaming monitors network activity through a third-party provider including centralized log/event monitoring of all servers and networking equipment. The third-party IT contractor creates security incidents and notifies SaskGaming with a recommend course of action.
	SaskGaming uses anti-virus software to detect and remediate viruses and malware on desktop computers.
	Passive penetration testing is done on the network to identify security risks.
	To enhance employee education, SaskGaming has implemented mandatory cybersecurity awareness training. In addition, SaskGaming employees have the option to take additional training on various IT security topics.
	Policies on IT security and acceptable use of technology exist to ensure staff are well trained in IT security.
	To enhance awareness, security information is prepared and distributed to staff.
	Annually, all employees reaffirm that they will abide by the Acceptable Use of Technology policy.

Talent Management	
Risk	Mitigation Activities
Not effectively developing and managing the culture, human resources and intellectual capital results in an unsatisfied workforce and the inability to sustain the capability of the corporation to achieve its business objectives including Indigenous representation. This includes attraction, training, retention, workforce planning, labour relations, safety and wellness.	The corporate Learning Hub is in place and operating to host eLearning training.
	An "ASK" program was established where general employee issues can be raised with management and addressed in a timely manner.
	A Succession Planning and Management Framework is in place. Annually, critical positions and key business processes are reviewed, identified and mitigation plans
	An Attendance Support Program is in place, with quarterly reporting and dedicated resources to assist managers in the administration of the program.
	A communication plan is in place that uses various mediums to communicate information to employees.
	The Kronos time and attendance system (including mobile) is fully in place and operational.
	A Situational Leadership and Coaching for Excellence training program was completed to support leaders within the organization.
	Human resource-related policies are in place and updated to ensure they are current.
	Strike contingency plans have been developed.
	The Indigenous Employment Strategy was developed and is being implemented.
	A third-party contract is in place to support employee workplace accommodations, return to work plan implementation and additional attendance supports for employees.
	GameOn 2.0 Customer Service Program training was developed and implemented to support the Guest Experience Strategy.
	A Learning Strategy was developed and is being implemented.
	A Wellness Strategy was developed and is being implemented.
	A biennial Employee Engagement Survey was conducted to identify issues impacting employee engagement.
	Employee Engagement Committees were established to review the employee survey results, discuss concerns and develop strategies to improve employee engagement.
	Social Committees are in place to organize and co-ordinate social events that are identified and suggested by employees and to contribute to employee engagement.

IT Infrastructure & Architecture	
Risk	Mitigation Activities
Insufficient information technology infrastructure or resources, or the inability to leverage technological innovation results in the inability to support the Corporation's business and information systems requirements efficiently and effectively.	Networking best practices have been implemented to ensure no single points of failure exist within SaskGaming's Wide Area Network (WAN) and other Local Area Network (LAN) segments where redundancy is required.
	Critical network equipment follows a hardware refresh cycle to ensure equipment is replaced before it reaches its functional end of life.
	Critical network hardware includes vendor hardware and software support which provides assurance that failed equipment will be replaced and software issues are resolved with vendor assistance.
	SaskGaming and the third-party IT contractor use a change management process to make approved and well-planned changes to the infrastructure.
	Passive penetration testing is done on the network on an annual basis to identify potential security risks.
	An incident management process is used to track and report infrastructure incidents. This process links to the change management process.
	SaskGaming's IT Governance Committee meets quarterly to review and evaluate IT projects and new requests and prioritize them on business need and risk to the corporation.
	The contract with the third-party IT contractor of managed hosting services has defined service level agreements with associated financial penalties which are reported monthly.
	A resource plan is used to capture the resource requirements to cover core work, the IT program, and other service requests to compare against the existing capacity to determine where and what types of additional resources are required.

Guest Experience	
Risk	Mitigation Activities
Failure to consistently meet guest expectations regarding facilities, safety and customer service results in a loss of business, declining revenues and loss of market share.	A refreshed GameOn 2.0 Customer Service Program was implemented to improve guest experience.
	The slot floor response system is used to provide guests with more timely service as well as proactively identify slot machine issues.
	The casinos are being refreshed and renovated to enhance the guest experience.
	Free parking is offered as an improved service for guests.
	Floor Security is stationed at every casino entrance to detect and prevent prohibited guests from entering.
	Floor Security is available to provide escorts to guests upon request.
	Strategically directed food and beverage product offerings are created to provide an enhanced experience for select clientele.
	Customer service training and the Mystery Shopper Program are used to maintain high service standards.
	Targeted surveys are used to assess guest experience and understand expectations.
	The Players' Club Program is used to reward guests for their play.
	The Diamond Lounge provides benefits to top-tiered Players' Club members.
	Implementation of the GameOn 2.0 Customer Service Program will ensure delivery of a high-quality guest experience.
	An applicant tracking system and staffing process is used to support the GameOn 2.0 Customer Service Program.

Stakeholder Engagement

Public and Guest Communications

SaskGaming's public and guest communications are focused on transparency, accuracy and timeliness, while utilizing digital, print and broadcast mediums to connect with stakeholders.

During the pandemic, the corporation was highly reliant on its social media and websites to provide regular updates on the latest public health restrictions and plans to re-open Casinos Regina and Moose Jaw. Once all public health orders were lifted, the corporation's social media and websites resumed deployment of their regular strategies.

Casinos Regina and Moose Jaw's gaming floors use front-of-house electronic signage to inform guests of promotions, entertainment offerings, responsible gambling and recent winners. Until public health orders were lifted, this electronic signage also included messaging on COVID-19 health and safety measures.

SaskGaming conducts targeted advertising through television, radio, billboards and direct mail. This includes the Players Club newsletter, which restarted publication in August 2021 after a hiatus due to the pandemic. Players Club kiosks on the gaming floors were again accessible by players once the casino properties were re-opened.

Corporate information is posted to the websites, including SaskGaming's mandate and goals, corporate social responsibility framework, quarterly financial statements and annual reports.

Guest Engagement and Feedback

Guest engagement and feedback is central to SaskGaming improving its products and services and ensuring guest needs are being met.

In 2021-22, this included the deployment of a Guest Satisfaction Survey, which was last executed in 2019-20.

Guests are also encouraged to submit feedback and engage with SaskGaming through comment cards, email, in-person discussions and other ad-hoc surveys.

Employee Communications

Sharing of information with employees and ensuring two-way communication is key to fostering organizational success and delivering an exceptional customer experience.

Casinos Regina and Moose Jaw operate in a shift work environment, with employees working varied hours with limited access to email or a smartphone. As such, the corporation uses an array of mediums to connect with employees at all levels of the organization. These include an employee intranet, a weekly employee newsletter and a weekly email to managers and supervisors and an employee intranet.

Other internal communications methods utilized by SaskGaming include corporate memos from senior leadership, an "ASK" question-and-answer feature for employees to anonymously submit their questions to management and back-of-house electronic signage.

Management's Report on Financial Statements

The accompanying financial statements have been prepared by management in accordance with International Financial Reporting Standards. Financial information included elsewhere in this annual report is consistent with that in the financial statements. Management is responsible for the integrity, objectivity and reliability of the financial statements.

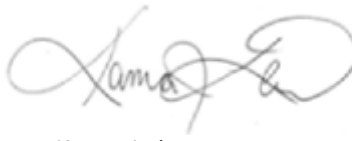
The financial statements for the period ended March 31, 2022 have been approved by the Saskatchewan Gaming Corporation's Board of Directors.

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, 2022. The auditor's report, which follows, outlines the scope of their examination and sets forth their opinion.



Susan Flett
President and CEO



Kama Leier
Vice President of Finance and Risk

May 26, 2022

Management's Report on Internal Control Over Financial Reporting

I, Susan Flett, 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 included in the Annual Report of the Saskatchewan Gaming Corporation (SaskGaming). Based on our knowledge, having exercised reasonable diligence, the financial statements included in the Annual Report, fairly present, in all material respects the financial condition, results of operations, and cash flows, as of March 31, 2022.
- b. That based on our knowledge, having exercised reasonable diligence, the financial statements included in the Annual Report 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, 2022 were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.



Susan Flett
President and CEO



Kama Leier
Vice President of Finance and Risk

May 26, 2022

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, 2022
- the consolidated statement of comprehensive income (loss) 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 significant accounting policies.

(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, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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 “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ 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 auditors' 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 auditors' report thereon, included in the Annual Report as at the date of this auditors' 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 auditors' 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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance 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 text, there is a long, horizontal, slightly wavy line that extends to the right, serving as a flourish or underline.

Chartered Professional Accountants

Regina, Canada
May 26, 2022

Saskatchewan Gaming Corporation


Consolidated Statement of Financial Position

As at March 31

(Thousands of Dollars)	Note	2022	2021
ASSETS			
Current			
Cash		\$ 22,299	\$ 4,711
Accounts receivable		90	45
Inventory		120	56
Prepaid expenses		857	775
		23,366	5,587
Property, plant and equipment	4	68,565	64,518
		<u>\$ 91,931</u>	<u>\$ 70,105</u>
LIABILITIES AND EQUITY			
Current			
Trade and other payables		\$ 12,780	\$ 10,256
Short-term debt	5	-	4,988
Payable to the General Revenue Fund (GRF)	6	3,563	-
Current portion of lease liabilities	7	579	522
		16,922	15,766
Lease liabilities	7	3,404	3,983
		20,326	19,749
Equity advance	8	15,700	4,000
Retained earnings		55,905	46,356
		71,605	50,356
		<u>\$ 91,931</u>	<u>\$ 70,105</u>
Description of business	1		
Commitments and contingencies	9		

(See accompanying notes)

On behalf of the Board:



Director



Director

Saskatchewan Gaming Corporation

Consolidated Statement of Comprehensive Income (Loss)

For the year ended March 31

(Thousands of Dollars)	Note	2022	2021
Revenue	10	\$ 77,785	\$ 30,898
Operating expenses	11,18	44,979	31,672
Depreciation		7,469	6,702
Contractual obligations	9	3,015	3,015
Taxes	12	2,779	2,433
Finance expense	13	445	504
		58,687	44,326
Income (loss) before payment to GRF		19,098	(13,428)
Payment to GRF	6	9,549	-
Net income (loss)		9,549	(13,428)
Other comprehensive income		-	-
Comprehensive income (loss)		\$ 9,549	\$ (13,428)

(See accompanying notes)

Consolidated Statement of Changes in Equity

For the year ended March 31

(Thousands of Dollars)	2022			2021		
	Retained Earnings	Equity Advance	Total	Retained Earnings	Equity Advance	Total
Equity, beginning of year	\$ 46,356	\$ 4,000	\$ 50,356	\$ 59,784	\$ -	\$ 59,784
Comprehensive income (loss)	9,549	-	9,549	(13,428)	-	(13,428)
Equity advance	-	11,700	11,700	-	4,000	4,000
Equity, end of year	\$ 55,905	\$ 15,700	\$ 71,605	\$ 46,356	\$ 4,000	\$ 50,356

(See accompanying notes)

Saskatchewan Gaming Corporation

Consolidated Statement of Cash Flows

For the year ended March 31

(Thousands of Dollars)	<u>2022</u>	<u>2021</u>
Operating activities		
Net income (loss)	\$ 9,549	\$ (13,428)
Adjustments for:		
Finance expense	445	504
Depreciation	7,403	6,689
Loss on sale of property, plant and equipment	66	13
Changes in non-cash working capital balances		
Accounts receivable	(45)	143
Inventory	(64)	91
Prepaid expenses	(82)	(149)
Trade and other payables	2,524	(1,619)
Payable to GRF	3,563	(2,498)
	<u>23,359</u>	<u>(10,254)</u>
Investing activities		
Purchases of property, plant and equipment	<u>(11,516)</u>	<u>(8,117)</u>
	<u>(11,516)</u>	<u>(8,117)</u>
Financing activities		
Equity advance received	11,700	4,000
Interest paid	(433)	(516)
Repayment of short-term debt	(5,000)	-
Repayment of lease liabilities	<u>(522)</u>	<u>(471)</u>
	<u>5,745</u>	<u>3,013</u>
Change in cash	17,588	(15,358)
Cash, beginning of year	<u>4,711</u>	<u>20,069</u>
Cash, end of year	<u>\$ 22,299</u>	<u>\$ 4,711</u>

(See accompanying notes)

Saskatchewan Gaming Corporation

Notes to the Consolidated Financial Statements

March 31, 2022

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 manages and operates Casino Regina and Casino Moose Jaw. SaskGaming was established under *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. 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 Her Majesty in Right of the Province of Saskatchewan, and, as a provincial Crown corporation, is not subject to provincial or federal income taxes. As well, SaskGaming is not subject to provincial capital taxes.

SaskGaming operates under the direction of its owner, Crown Investments Corporation of Saskatchewan (CIC). CIC is the Government of Saskatchewan's holding corporation for its commercial Crown corporations. The financial results of SaskGaming are included in the consolidated financial statements of CIC.

On March 11, 2020, the World Health Organization (WHO) declared the novel coronavirus disease (COVID-19) a global pandemic. The pandemic resulted in governments worldwide enacting emergency measures to combat the spread of the virus. On the advice of Saskatchewan Health Authority and the Chief Medical Officer, SaskGaming suspended operations at the close of gaming day on March 16, 2020. Under the Re-open Saskatchewan Plan, Casinos Regina and Moose Jaw re-opened on July 9, 2020 and operated following the public health guidelines and restrictions until December 19, 2020, when public health advice again required the closure of the casinos.

The casinos remained closed until June 20, 2021, when they were permitted to re-open in accordance with direction from the Chief Medical Health Officer, with a 150 person maximum capacity. On July 11, 2021 all restrictions were lifted, including capacity restrictions and social distancing requirements within the casinos. On September 17, 2021 a mandatory masking mandate was reinstated and effective October 1, 2021 all guests were required to be fully vaccinated or show a recent negative COVID-19 test. These remaining measures were lifted by the end of February 2022 and the casinos began operating with no restrictions.

2. Basis of Preparation

a) Statement of compliance

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

The consolidated financial statements were authorized for issue by the Board of Directors on May 26, 2022.

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. Significant 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.

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.

Ancillary revenues include food, beverage, parking and Show Lounge revenue.

Food, beverage and parking 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, 2022, SaskGaming expensed \$1,790 thousand in short-term leases (2021 - \$436 thousand) and \$22 thousand in low-value leases (2021 - \$25 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 other liabilities: trade and other payables, short-term debt, payable to the GRF and dividend payable. 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.

(ii) Embedded derivatives

Derivatives may be embedded in other host instruments and are treated as separate derivatives when their economic characteristics and risks are not clearly and closely related to those of the host instrument, when the embedded derivative has the same terms as those of a stand-alone derivative, and the combined contract is not held-for-trading or designated at fair value. These embedded derivatives are measured at fair value with subsequent changes recognized in net income.

SaskGaming had no contracts with embedded derivatives as at March 31, 2022 (March 31, 2021 - no embedded derivatives).

j) Impairment

i) Financial assets

SaskGaming recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. SaskGaming measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased, SaskGaming performs a quantitative and qualitative analysis based on SaskGaming's historical experience and forward-looking information. SaskGaming assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due. SaskGaming considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to SaskGaming in full, without recourse by SaskGaming to actions such as realizing security.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

ii) 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 income 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 has assessed the impact of new standards, 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, 2022. This includes:

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. The amendments are effective for annual periods beginning on or after January 1, 2023. SaskGaming does not expect any material impact with the adoption of these amendments.

Accounting Estimates (Amendments to IAS 8)

The amendments introduce a new definition for accounting estimates, which clarifies that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for annual periods beginning on or after January 1, 2023. SaskGaming does not expect any material impact with the adoption of these amendments.

Accounting Policies (Amendments to IAS 1)

The amendments require companies to disclose their material accounting policies rather than significant accounting policies and clarify that accounting policies related to immaterial transactions or events do not need to be disclosed. The amendments also clarify that not all accounting policies that relate to a material transaction or event are themselves material to the financial statements. The amendments are effective for annual periods beginning on or after January 1, 2023. SaskGaming does not expect any material impact with the adoption of these amendments.

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, 2020	\$ 15,154	\$ 49,189	\$ 46,148	\$ 8,805	\$ 119,296
Additions	-	6,735	1,329	53	8,117
Disposals	-	(3,486)	(2,412)	-	(5,898)
Balance at March 31, 2021	<u>\$ 15,154</u>	<u>\$ 52,438</u>	<u>\$ 45,065</u>	<u>\$ 8,858</u>	<u>\$ 121,515</u>
Balance at April 1, 2021	\$ 15,154	\$ 52,438	\$ 45,065	\$ 8,858	\$ 121,515
Additions	-	8,490	3,026	-	11,516
Disposals	-	(234)	(1,824)	-	(2,058)
Transfers	-	(237)	237	-	-
Balance at March 31, 2022	<u>\$ 15,154</u>	<u>\$ 60,457</u>	<u>\$ 46,504</u>	<u>\$ 8,858</u>	<u>\$ 130,973</u>
Accumulated Depreciation					
Balance at April 1, 2020	\$ -	\$ 24,278	\$ 28,153	\$ 3,762	\$ 56,193
Depreciation	-	2,117	4,372	200	6,689
Disposals	-	(3,486)	(2,399)	-	(5,885)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 22,909</u>	<u>\$ 30,126</u>	<u>\$ 3,962</u>	<u>\$ 56,997</u>
Balance at April 1, 2021	\$ -	\$ 22,909	\$ 30,126	\$ 3,962	\$ 56,997
Depreciation	-	2,954	4,245	204	7,403
Disposals	-	(234)	(1,758)	-	(1,992)
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 25,629</u>	<u>\$ 32,613</u>	<u>\$ 4,166</u>	<u>\$ 62,408</u>
Carrying Amounts					
At March 31, 2021	<u>\$ 15,154</u>	<u>\$ 29,529</u>	<u>\$ 14,939</u>	<u>\$ 4,896</u>	<u>\$ 64,518</u>
At March 31, 2022	<u>\$ 15,154</u>	<u>\$ 34,828</u>	<u>\$ 13,891</u>	<u>\$ 4,692</u>	<u>\$ 68,565</u>

SaskGaming leases building and land under a finance lease agreement. At March 31, 2022, the net carrying amount of leased building was \$3,516 thousand (March 31, 2021 - \$3,720 thousand) and the leased land was \$1,176 thousand (March 31, 2021 - \$1,176 thousand).

5. Short-term Debt

During the year, SaskGaming repaid a promissory note through the General Revenue Fund with a maturity date of March 17, 2022 and a fixed interest rate of 0.24%. The promissory note had a carrying value of \$5,000 thousand (2021 - \$4,988 thousand).

6. Payment to the General Revenue Fund

SaskGaming pays monies to the GRF to the extent required to meet the Government's obligations under the *The Saskatchewan Gaming Corporation Act* to the First Nations Trust, the Community Initiatives Fund and the Métis Development Fund.

As a result of the net loss for the year-ended March 31, 2021, no payment to the GRF was required. Payments resumed for the year-ended March 31, 2022 when SaskGaming returned to a net income position.

7. 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)	2022	2021
Total future minimum lease payments	\$ 5,173	\$ 6,128
Less: future finance charges on lease	(1,190)	(1,623)
Present value of lease liabilities	3,983	4,505
Less: current portion of lease liabilities	(579)	(522)
Lease liabilities	<u>\$ 3,404</u>	<u>\$ 3,983</u>

As at March 31, 2022, 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	\$ 3,820	\$ 398
Present value of finance lease liabilities	579	3,013	391

8. Equity Advance

SaskGaming does not have share capital. However, SaskGaming has received equity advances from CIC to form its equity capitalization. The advances reflect an equity investment in SaskGaming by CIC. During the 2021-22 fiscal year, SaskGaming has received \$11,700 thousand in equity advances from CIC (2021 - \$4,000 thousand).

9. 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.

10. Revenue

(Thousands of Dollars)	2022	2021
Gaming revenue	\$ 73,397	\$ 29,459
Ancillary revenue	4,059	1,240
Other	329	199
	<u>\$ 77,785</u>	<u>\$ 30,898</u>

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

11. Operating Expenses

(Thousands of Dollars)	2022	2021
Salaries and employee benefits	\$ 28,416	\$ 20,565
Employee future benefits	1,434	1,076
Maintenance and supplies	6,003	4,754
Lease and rental	1,878	499
Advertising, promotions and sponsorships	1,640	1,118
Food and beverage cost of goods sold	1,219	322
Printing and communication	709	613
Professional services	616	623
Entertainment	206	-
Other direct operating	2,858	2,102
	<u>\$ 44,979</u>	<u>\$ 31,672</u>

12. Taxes

SaskGaming is on the prescribed list of lottery corporations pursuant to Section 188 of *The Excise Tax Act*. In lieu of collecting Goods and Services Tax (GST) on revenue at the retail level, SaskGaming calculates and remits GST according to a formula prescribed by the Canada Revenue Agency (CRA). The formula requires SaskGaming to pay 10 per cent on the purchase of goods and services related to gaming activities.

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 provincial Crown corporation, SaskGaming is not subject to federal or provincial income or capital taxes.

13. Finance Expense

(Thousands of Dollars)	2022	2021
Interest on lease liabilities	\$ 433	\$ 484
Interest on short-term debt	12	20
	<u>\$ 445</u>	<u>\$ 504</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, 2022, SaskGaming expensed \$1,434 thousand (March 31, 2021 - \$1,076 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, 2022 (March 31, 2021 - 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. During the year, as a result of the casino closures due to COVID-19, CIC did not require SaskGaming to declare a dividend (2021 – no dividend).

SaskGaming funds its capital requirements through internal operating activities and debt. SaskGaming's maximum debt level is determined by the Government of Saskatchewan through Order-in-Council. Through this process, SaskGaming may borrow up to \$56.2 million, which includes finance leases and temporary loans. SaskGaming also has an available line of credit of \$3.0 million at a financial institution. SaskGaming repaid \$5,000 thousand in financing through the General Revenue Fund in the form of a promissory note (2021 – nil).

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 finance lease obligations. Total equity is equal to equity advances and retained earnings.

For fiscal 2022, SaskGaming's goal is a debt to equity ratio of 11.9%.

The debt ratio is as follows:

(Thousands of Dollars)	2022	2021
Lease obligation	\$ 3,983	\$ 4,505
Short-term debt	-	4,988
Total debt	3,983	9,493
Equity advance	15,700	4,000
Retained earnings	55,905	46,356
Capitalization	<u>\$ 75,588</u>	<u>\$ 59,849</u>
Debt ratio	5.3%	15.9%

17. Financial Risk Management

SaskGaming has exposure to the following risks from its use of financial instruments: market risk, 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 fair value of the short-term debt is considered to approximate its carrying value due to its short-term nature.

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)			2022		2021	
Financial Instruments	Classification ¹	Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	FVTPL	Level One	\$ 22,299	\$ 22,299	\$ 4,711	\$ 4,711
Accounts receivable	AC	Level Two	90	90	45	45
Trade and other payables	AC	Level Two	12,780	12,780	10,256	10,256
Short-term debt	AC	Level Two	-	-	4,988	4,988
Payable to the GRF	AC	Level Two	3,563	3,563	-	-

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, 2021.

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, 2021.

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.

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

At March 31, 2022

(Thousands of Dollars)

Financial Liabilities	Contractual Cash Flows						
	Carrying Amount	Total	0 - 6 months	7 - 12 months	1 - 2 years	3 - 5 years	More than 5 years
Trade and other payables	\$ 12,780	\$ 12,780	\$ 12,780	\$ -	\$ -	\$ -	\$ -
Payable to the GRF	3,563	3,563	3,563	-	-	-	-
Lease liabilities	3,983	5,173	478	478	955	2,865	397
	<u>\$ 20,326</u>	<u>\$ 21,516</u>	<u>\$ 16,821</u>	<u>\$ 478</u>	<u>\$ 955</u>	<u>\$ 2,865</u>	<u>\$ 397</u>

At March 31, 2021

(Thousands of Dollars)

Financial Liabilities	Contractual Cash Flows						
	Carrying Amount	Total	0 - 6 months	7 - 12 months	1 - 2 years	3 - 5 years	More than 5 years
Trade and other payables	\$ 10,256	\$ 10,256	\$ 10,256	\$ -	\$ -	\$ -	\$ -
Short-term debt	4,988	4,988	-	4,988	-	-	-
Lease liabilities	4,505	6,128	478	478	955	2,865	1,352
	<u>\$ 19,749</u>	<u>\$ 21,372</u>	<u>\$ 10,734</u>	<u>\$ 5,466</u>	<u>\$ 955</u>	<u>\$ 2,865</u>	<u>\$ 1,352</u>

18. Related Party Transactions

SaskGaming is controlled by the Government of Saskatchewan through its ownership of SaskGaming's parent, 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, 2022, the aggregate amount of SaskGaming's transactions with other government-related entities is approximately 5.0 per cent of direct operating expenses (March 31, 2021 – 7.4 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)	2022	2021
Short term employee benefits	\$ 1,448	\$ 1,522
Post-employment benefits (defined contribution pension plan)	78	104
	<u>\$ 1,526</u>	<u>\$ 1,626</u>

19. Subsequent Events

SaskGaming has entered into an agreement with Saskatchewan Indian Gaming Authority (SIGA) to provide online gaming services in Saskatchewan. The online gaming platform will be provided by a third party and is expected to be operational in fiscal 2022-23.

Governance

Mandate and Authority

The Saskatchewan Gaming Corporation (SaskGaming) was established as a Treasury Board Crown corporation under *The Saskatchewan Gaming Corporation Act* with the mandate to establish and operate casinos in Saskatchewan. Effective April 1, 2008, SaskGaming became a Crown corporation under the direction of Crown Investments Corporation (CIC), the holding company for Saskatchewan's Crown corporations.

SaskGaming is accountable to the Government of Saskatchewan through a Board of Directors appointed by the Lieutenant Governor in Council. Through the Chair, the Board is accountable to the Minister Responsible for SaskGaming.

SaskGaming operates Casinos Regina and Moose Jaw under the regulatory authority of the Saskatchewan Liquor and Gaming Authority (SLGA). Day-to-day operating practices at the casinos are governed by provincial regulations. SaskGaming also operates in accordance with statutory provisions under the Criminal Code of Canada and *The Alcohol and Gaming Regulation Act, 1997*.

Profit Sharing

In a normal operating year, SaskGaming pays 50 per cent of its net income to the General Revenue Fund (GRF) to fulfill the government's legislated commitment to the First Nations Trust and the Community Initiatives Fund (CIF) as outlined in *The Saskatchewan Gaming Corporation Act*. Half of SaskGaming's commitment flows to the First Nations Trust and the other half flows to the CIF.

- The First Nations Trust distributes funding to all First Nations in the province and requires these funds to be spent on economic development, social development, justice, educational development, recreational facilities development and operation, senior and youth programs, cultural development, community infrastructure, health initiatives and other charitable purposes.
- The CIF is overseen by the Ministry of Parks, Culture and Sport and provides grants to initiatives that enhance human development and community vitality.
 - By agreement, a portion of the funds established for the CIF are allocated to the Métis Development Fund, also known as the Clarence Campeau Development Fund (CCDF). Its mission is to improve the economic circumstances of Saskatchewan's Métis people by providing funding for business development, community economic development, development of management skills and assistance to new and existing Métis-owned businesses.
 - This agreement specifies an 80/20 split (CIF/CCDF) on the first \$10 million and an equal share (50/50) of any remaining revenues.

The remaining 50 per cent of SaskGaming's net income is available for dividend distribution through CIC for other priorities of government. The unused portion remaining is retained by SaskGaming for future needs.

Shareholder Direction and Communications

As the shareholder of SaskGaming, CIC establishes the general strategic direction (as it does for all subsidiary Crowns) and, in turn, SaskGaming supports that strategic direction.

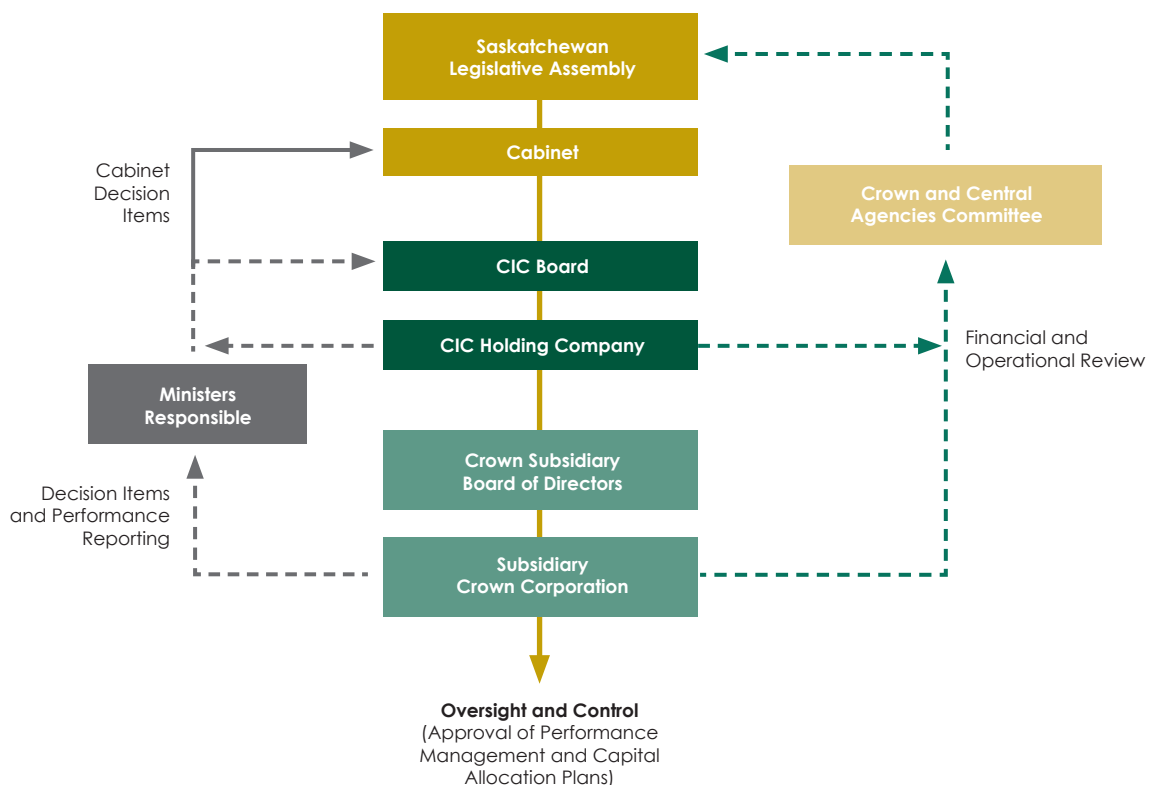
CIC communicates with SaskGaming through written policies or directives issued by CIC management or the CIC Board of Directors, and verbally through discussions with SaskGaming senior leaders. SaskGaming reports to CIC on a regular basis on matters such as Balanced Scorecard results, financial statements and budget forecasts, capital expenditures and other requested information on an ad hoc basis. Where required by legislation or directive, SaskGaming submits information and/or decision items for review and approval by CIC and Cabinet.

The President and CEO of SaskGaming reports to a Board of Directors appointed by the Lieutenant Governor in Council. The Board is comprised of seven members, three of whom are nominated by the Federation of Sovereign Indigenous Nations (FSIN).

Through the Chair, SaskGaming's Board of Directors is accountable to the Minister Responsible for SaskGaming. The Minister functions as a link between SaskGaming and Cabinet, as well as the Legislative Assembly of Saskatchewan.

The Legislative Assembly appoints members to the Standing Committee on Crown and Central Agencies at the beginning of each legislative session. This committee holds public hearings and is empowered to review the annual report, financial statements and operations of Crown corporations and related agencies. The Minister Responsible for SaskGaming and the corporation's senior management are called before the committee to answer questions about the year(s) under review.

The following chart illustrates the accountability structure for Crown corporations:



Regulatory Compliance

The Saskatchewan Gaming Corporation Casino Regulations, 2002 govern the day-to-day operating practices at Casinos Regina and Moose Jaw. SaskGaming is also subject to a number of acts including *The Financial Administration Act*, *The Tabling of Documents Act*, *The Crown Corporations Act*, *The Freedom of Information and Protection of Privacy Act* and *The Heritage Property Act*.

SaskGaming has detailed policies and procedures in place to ensure compliance with all regulatory standards, and a compliance officer tasked with ensuring we meet our obligations. SaskGaming representatives from Finance and Risk and the Corporate Auditor meet quarterly with SLGA compliance investigators to discuss operational matters and to review new or existing policies and procedures. SaskGaming senior leaders are also in regular contact with SLGA through written and verbal interactions.

Role of the Board of Directors

The Board of Directors functions as a steward of the corporation and has a statutory authority and an obligation to manage the affairs and the business of the corporation. In satisfaction of this obligation, the Board provides oversight, while delegating to management the responsibility for day-to-day operations. The fundamental objective of the Board is to act in the best interests of SaskGaming, taking into account the public policy and business objectives of the corporation, with a view to enhancing shareholder value.

Visit casinoregina.com for the Board's Terms of Reference.

Board Composition

The composition of the Board of Directors is set out in SaskGaming's governing legislation. The Board consists of not more than seven members, all of whom are appointed by the Lieutenant Governor in Council. Three members of the SaskGaming Board are nominated by the FSIN. Cabinet may fill any vacancy that occurs on the Board.

Board Appointment and Renewal

While the appointment of directors is ultimately made by the Lieutenant Governor in Council, it follows recommendations provided by CIC and the SaskGaming Board of Directors.

The Governance and Human Resources Committee leads the process for assessing the skills and competencies of Board and committee members to support the strategic direction and the operational needs of the corporation. The Committee, in compliance with the CIC Board of Directors Appointment Policy, reviews potential candidates and recommends approval of qualified candidates to the SaskGaming Board for consideration by the CIC Board of Directors. Recommendations may also include an appropriate mix of skills, qualifications and expertise required for new directors.

Compensation Practices

Compensation rates for directors are set by the CIC Board of Directors. Directors receive quarterly retainers when they are engaged in work for the corporation, including performance of any duties on behalf of the corporation or as a member of a Committee of the Board.

The CIC Board sets compensation rates according to the level of responsibility of the Board. In 2021-22, the quarterly retainer for members of the SaskGaming Board of Directors was \$5,000 for the Chair and \$3,500 per director.

Committee Chairs also receive a quarterly retainer and members of committees receive a per diem for attendance at meetings. The Chair of the Audit and Finance Committee receives a \$650 quarterly retainer, and the Chair of the Governance and Human Resources Committee receives a \$500 retainer. The maximum per diem for members of committees is \$650 for a full-day and \$350 for a half-day meeting.

Board expenses for the fiscal period ending March 31, 2022, were \$124,375.

Code of Conduct

Members of the SaskGaming Board of Directors are governed by SaskGaming's Code of Business Conduct and Ethics policy, and the CIC Code of Conduct for Directors of subsidiary Crown corporations. The CIC Code assists the Boards of subsidiary Crowns to fulfill their statutory and fiduciary obligations and maintain a reputation for the highest standards of public trust and confidence in serving the interests of all stakeholders more effectively. The Governance and Human Resources Committee serves as ethics advisor to the Board, administers and enforces the CIC Code and reports annually to the Board on compliance with the Code.

CEO Assessment and Executive Compensation

The Board monitors and evaluates the performance of the President and CEO on an ongoing basis. The Board Chair with input from Board members annually reviews and recommends to the Board the performance objectives, work plans and development plans for the President and CEO for the upcoming year. The Governance and Human Resource Committee, with the Board Chair, conducts an annual performance review of the President and CEO, based on agreed upon objectives and developmental initiatives, which are approved by the Board and updated each year. The committee shares the results of the annual performance review with the Board.

The Executive Compensation Plan for Crown corporations is defined by the shareholder, CIC. As a result, Executive compensation at SaskGaming complies with the guidelines established by CIC's Crown Executive Compensation Policy, Procedures and Guidelines. Within the guidelines set by CIC, the Governance and Human Resources Committee monitors and annually reviews the compensation and benefit programs, policies and incentive compensation plans for Executive and recommends to the Board, where appropriate, any changes to the compensation levels for the President and CEO or Executive. Incentive compensation is tied to the achievement of corporate targets, and the extent to which the targets are achieved determines Executive eligibility for performance compensation.

Direct reports of the President and CEO, including all Executive members, are required by legislation to file and report the details of their compensation and benefits, and any changes to their compensation and benefits, to the Clerk of the Saskatchewan Legislature within 14 days of the change. In addition, the Crown and Central Agencies Committee of the Legislative Assembly requires all Crown corporations, including SaskGaming, to file an annual Crown Payee Disclosure Report which includes the total compensation of Executive members. The report is available on the CIC website. The Governance and Human Resources Committee and the Board annually review the details of the report.

Succession Planning

SaskGaming has a workforce plan to ensure the corporation has the right people, competencies and skills needed to be successful. The workforce plan links to the Learning Strategy, which includes a competency framework.

The Governance and Human Resources Committee approves and/or recommends the corporation's human resources policies (that relate to the terms and conditions of employment and compensation), guidelines, procedures and systems, and reports changes in policies to the Board. The committee reviews annually the corporation's Succession Planning and Retention Framework and makes recommendations to the Board where changes are required. The committee semi-annually reviews updates regarding identified critical positions and associated mitigation plans to ensure a robust plan is in place and to better manage risk associated with talent management.

The committee is also responsible for the succession plan for the President and CEO, and annually reviews and updates the succession plan as necessary and makes recommendations regarding the succession plan to the Board.

Board Committees

The Board has the authority to appoint any committees that it considers necessary for conducting the business of the corporation. The Board has developed Terms of Reference prescribing the scope, duties and responsibilities of the committees it has appointed to assist it in fulfilling its obligations.

Audit and Finance Committee

The mandate of the Audit and Finance Committee is to assist the Board in meeting its responsibilities by ensuring the adequacy and effectiveness of the corporation's financial reporting, internal controls, management information systems and risk management. The committee is directly responsible for the

corporate audit function, approving the corporate audit charter, plan and resources, and reviewing audit results. The committee has responsibility to:

- Oversee the work of the Corporate Auditor and External Auditor;
- Approve the Corporate Auditor's annual audit plan, including any significant mid-year changes to the plan;
- Resolve any disagreements regarding accounting, internal controls or auditing matters;
- Retain independent counsel, accountants or others to advise the committee as required, or to assist in conducting an investigation; and
- Seek any information it requires from external parties or employees to conduct an investigation.

The committee has the authority to authorize investigations into any matter referred to it by the Board, or any other matter within the committee's scope of responsibilities. The committee meets in-camera with the corporation's Corporate Auditor, as necessary, to better understand the information presented by Corporate Audit or any other relevant issues. The committee also meets regularly with the appointed External Auditor.

Key work of the committee in 2021-22 included the review and recommendation of the corporation's External and Internal Audit Plans; the 2021-22 Consolidated Financial Statements; the Management Discussion and Analysis section of the 2021-22 Annual Report; the SaskGaming Payee Disclosure Reports; the public Quarterly Financial Reports; quarterly Performance Management Plan Reports; reports from the Internal Auditor; the appointment of the External Auditor; the quarterly Enterprise Risk Management Status Reports; and the CEO Compliance Certificate.

In 2021-22, the committee held a total of four meetings.

Members: Paul Pastor (Chair), Blair Ross (Ex Officio), Tim Bear, Ernest Standingready.

Governance and Human Resources Committee

The Governance and Human Resources Committee serves as an advisory body to the Board, providing leadership to the Board in relation to governance processes, policies and principles of the corporation and assisting the Board in nominating potential candidates for positions on the Board. The committee oversees SaskGaming's overall employment environment and is responsible for the corporation's policies for human resource management, compensation and succession planning. The committee also provides input annually to the Board on the performance objectives, work plans and development plans for the President and CEO. The committee also provides input to the Board Chair's annual performance review of the President and CEO.

The committee develops and reviews the effectiveness of the corporation's governance practices and biennially reviews the Terms of Reference of the Board and its committees. The committee annually reviews the corporation's diversity initiatives and monitors the corporation's Code of Business Conduct and Ethics Policy and other workplace policies. It serves as ethics advisor to the Board, administering and enforcing CIC's Code of Conduct and reporting annually to the Board on compliance with the Code.

Key work of the committee in 2021-22 was to review and recommend the Annual Succession and Retention Plan and semi-annual updates; the summary of litigation pertaining to human resource matters; all of the compensation and benefits programs and, in particular, those that apply to the Executive; the semi-annual Representative Workforce Reports and the Annual Diversity Initiatives; changes to the Executive Compensation in terms of the pay-at-risk plan and results for the previous performance year; performance targets for the Executive; and to assist the Chair of the Board in the completion of the annual performance review of the President and CEO.

In 2021-22, the committee held a total of four meetings.

Members: Eileen Libby (Chair), Blair Ross (Ex Officio), Chief Cadmus Delorme, Donna Strudwick.

Governance Practices

SaskGaming's approach to corporate governance is substantially consistent with the guidelines set out in the Canadian Securities Administrators (CSA) National Policy 58-201 – Corporate Governance Guidelines and National Instrument 58-101 – Disclosure of Corporate Governance Practices.

The National Policy and National Instrument address the key areas of responsibility for effective corporate governance, including responsibility for stewardship of the corporation, the Board's role in working with management and the functioning of the Board. Although SaskGaming is not legally obligated to comply with CSA governance guidelines, the corporation has benchmarked its corporate governance practices against the CSA National Policy and National Instrument Guidelines in the following corporate governance scorecard.

CSA National Policy 58-201 and National Instrument 58-101 Disclosure of Corporate Governance Practices	SaskGaming's Corporate Governance Practices	Consistent with CSA Guidelines?
1. Board of Directors Composition The Board should have a majority of independent directors.	There are seven members on the SaskGaming Board appointed by the Lieutenant Governor in Council. The Federation of Sovereign Indigenous Nations (FSIN) nominates three members, and the provincial Cabinet appoints four members. All directors are independent.	Yes
Disclosure of significant shareholders (ability to exercise the majority of votes to elect directors).	Saskatchewan Gaming Corporation, as a statutory Crown corporation, does not have any issued share capital. Although CSA is reviewing governance of controlled companies, this feature is not applicable to SaskGaming.	Not Applicable

(a) Disclose the identity of directors; and	Blair Ross, Board Chair: Independent, President and COO, Co-founder of SRG Security Resource Group.	Yes
(b) Describe who is independent and the basis for the determination of independence.	<p>Eileen Libby, Board Vice-Chair: Independent, Partner at MLT Aikins LLP.</p> <p>Paul Pastor: Independent, Partner, Buckberger Baerg & Partners LLP.</p> <p>Tim Bear: Independent, Community Navigator, Sakimay First Nation.</p> <p>Cadmus Delorme: Independent, Chief of the Cowessess First Nation, FSIN appointee.</p> <p>Ernest Standingready: Independent, elected Councillor and Treaty 4 Headman for Ocean Man Nakota First Nation, FSIN appointee.</p> <p>Donna Strudwick: Independent, Senior Office Inspector, Rural Board of Examiners.</p> <p>None of the directors or their "associates" work with or for the corporation, or have material contracts or relationships with the corporation, or have received remuneration from the corporation in excess of the fees and compensation as directors or committee members or as directors of subsidiaries of the corporation.</p>	
(c) Indicate whether directors are directors of any other issuer that is a reporting issuer.	SaskGaming does not have share capital, and therefore is not an issuer.	Not Applicable
(d) Do directors hold regularly scheduled in-camera meetings to facilitate open and candid discussion? If so, how many meetings were held in the previous 12 months?	At each regular meeting, the Board sets aside time on the agenda for an in-camera session where management is excused from the meeting. The Board held five meetings in 2021-22.	Yes
(e) The Chair should be independent to provide leadership for the directors.	The Board structure of SaskGaming is such that the Board Chair is independent.	Yes

(f) Disclose the attendance record of each Director for Board meetings held in the most recently completed financial year.

The following are the attendance statistics for Board meetings:

Director	Board	Audit & Finance	Governance & HR	Total
Delorme	5/5	-	3/4	8/9
Libby	5/5	-	3/4	8/9
Pastor	5/5	4/4	-	9/9
Ross	5/5	4/4	4/4	13/13
Standingready	4/5	4/4	-	8/9
Strudwick	5/5	-	4/4	9/9
Bear	5/5	4/4	-	9/9

For the purposes of this report, members who attended meetings in part were considered to be present.

2. Board Mandate

The Board should adopt a written mandate which explicitly acknowledges responsibility for the stewardship of the corporation and which delineates its roles and responsibilities, including responsibility for:

The Board has written Terms of Reference that set out its responsibility to function as stewards of the corporation, and the obligation to manage the affairs and business of the corporation. While the fundamental objective of the Board is to act in the best interests of the corporation, the Board has a responsibility to ensure congruence among shareholder expectations, corporate plans and management performance. The Board Terms of Reference are available to the public on the corporate website.

Yes

The Board adopts an Annual Work Plan to ensure the duties and responsibilities identified in the Terms of Reference are scheduled to be achieved.

(a) Satisfaction regarding the integrity of the Chief Executive Officer (CEO) and executive and the creation of a culture of integrity;

The CEO and Executive act in accordance with the governing legislation, the corporation's Code of Business Conduct and Ethics Policy and Board Terms of Reference which are available to the public on the corporate website.
The Board has approved the Integrity Matters policy, which provides a mechanism for anonymous internal reporting of actual or potential business misconduct.

Yes

Each of the committees established by the Board has its own Terms of Reference, which are available on the corporate website. Board members are also governed by the CIC's Code of Conduct for directors of subsidiary Crown corporations.

(b) The adoption of a strategic planning process and approval of a strategic plan that takes into account, among other things, the opportunities and risks of the business;

SaskGaming has an integrated strategic planning process using the Balanced Scorecard methodology to build clarity about the strategic direction, ensure alignment with shareholder priorities and to translate that direction into a results-focused, actionable performance plan.

Yes

(c) The identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;

Management and the Board developed an Enterprise Risk Management Framework in 2009 that integrated the corporation's Risk Management Program into its annual planning process.

Yes

Risk is an important responsibility of the Board. It receives and discusses reports on corporate-wide risks and mitigation strategies quarterly, it receives a quarterly report on compliance with gaming regulations and instituted a quarterly compliance certificate process for the CEO and CFO in 2012.

(d) Succession planning, including appointing, training and monitoring senior management;

SaskGaming has a Talent Management Plan to ensure the corporation has the right people, competencies and skills needed to be successful. The plan includes the Learning, Indigenous Employment and Wellness Strategies, as well as the Health and Safety Program.

Yes

In support of SaskGaming's commitment to the training and development of employees, the Governance and Human Resources Committee approves and/or recommends the corporation's human resources policies, guidelines, procedures and systems, and reports changes in policies to the Board. The committee reviews and makes recommendations to the Board regarding the corporation's Succession Planning and Management Framework as necessary, which was developed in 2011 and amended from time to time to help SaskGaming meet its current and long-term needs and ensures it can meet its business plan goals. The committee semi-annually reviews updates regarding identified critical positions and associated mitigation plans.

The committee is also responsible for the succession plan for the President and CEO, annually updating the position description outlining primary duties, responsibilities and accountabilities and making recommendations regarding the succession plan to the Board.

(e) A communications policy for the corporation;

SaskGaming is committed to the principles of transparency, openness and timeliness in communications with its owner, employees, stakeholders and the public. The corporation complies with communication requirements set by the shareholder. The Board approved a non-partisan communications policy (2019) that the corporation continues to follow.

Yes

(f) The integrity of the corporation's internal control and information management systems;

The Board has appointed an Audit and Finance Committee to assist the Board in fulfilling its responsibilities with respect to the adequacy and integrity of the corporation's financial reporting, internal control systems, risk management and relationship with external auditors. These areas are also audited by the Internal Auditor as part of their annual work plan.

Yes

(g) Development of approach to corporate governance, principles and guidelines;

The Governance and Human Resources Committee is mandated through its Terms of Reference to be responsible to the Board for the development, review and effectiveness of SaskGaming's corporate governance practices. The Committee also serves as the ethics advisor to the Board.

Yes

(h) General mandate re: stakeholder relations, and expectations and responsibilities of directors.

The duties of directors are set out in legislation. A Code of Conduct applicable to the directors of all subsidiary Crown corporations also guides members of the Board.

Yes

The primary responsibility of the Board of Directors is to foster the long-term success of the corporation consistent with the Board's responsibility to its shareholder.

The Chair of the Board participates in a CIC Chairs forum conducted by the statutory shareholder, where feedback and communication are provided to all Crown corporation Board Chairs on the expectations of the holding company as representatives of the shareholder.

Building on the base of directors' duties outlined in legislation, the Terms of Reference for the Board and its committees are reviewed annually.

3. Position Descriptions

(a) The Board should develop position descriptions for the Board Chair and Chair of each Board Committee;

The Board has developed position descriptions for the Board Chair, the committee Chairs and individual directors which set out the duties and responsibilities of each.

Yes

(b) Together with the CEO, develop a position description for the CEO delineating management's responsibilities and approving corporate goals and objectives that the CEO is responsible to meet.

The Board has developed the Board's Terms of Reference which outline the responsibilities of the Board and management.

Yes

The Board has approved a position description that sets out the primary duties, responsibilities and accountabilities of the President and CEO.
The Board has also approved policies for expenditure authorities for the President and CEO and Executive officers. These policies clearly outline the limits of their authorities and the levels for which matters must receive Board approval.

The Board reviews and approves the annual Performance Management Plan, Balanced Scorecard targets and budget. The President and CEO is expected to deliver these outcomes.

4. Orientation and Continuing Education

The Board should ensure new directors receive comprehensive orientation and fully understand the role and the contribution they are expected to make; and, the Board should provide continuing education opportunities for all Directors.

The Governance and Human Resources Committee has responsibility to provide an appropriate orientation program for new directors and a continuing education program for all directors.

Yes

Directors receive an orientation to the corporation and the industry from management. CIC delivers a comprehensive training program for directors focusing on best governance practices and the Board's role and responsibilities. Some directors also undertook governance training offered through CIC.

**5. Code of Business Conduct
and Ethics**

(a) The Board should adopt a written Code of Business Conduct and ethics applicable to directors, officers and employees of the corporation which is designed to promote integrity and deter wrongdoing. The Code should address conflicts of interest, protection, proper use of corporate assets and opportunities, confidentiality, fair dealing, compliance with laws, rules and regulations and provide a mechanism to report illegal or unethical behaviour.

Directors of the corporation are required to abide by CIC's Code of Conduct for directors of subsidiary Crown corporations. The Governance and Human Resources Committee, as the ethics advisor to the Board, is required to administer, monitor and enforce the Code of Conduct, which includes reporting annually to the Board concerning compliance. Directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination of their independence.

The Governance and Human Resources Committee annually reviews the enforcement of and compliance with corporate policies related to employee conduct, harassment and violence in the workplace.

Yes

(b) The Board should monitor compliance with the Code and grant any waivers required for Directors and executive officers. Any waivers for a material departure from the Code for any Directors or officers should be granted by the Board.

The Governance and Human Resources Committee monitors and reports annually to the Board concerning compliance with the CIC's Code of Conduct for directors of subsidiary Crown corporations. The committee also advises directors on conflicts of interest, including actions for avoiding a conflict or potential conflict of interest.

Yes

6. Nomination of Directors

(a) The Board should appoint a Nominating Committee composed of entirely independent Directors, with a written charter establishing the Committee's purpose, responsibilities, member qualifications, appointment, removal, structure and operations

SaskGaming does not have a separate nominating committee; however, SaskGaming's Governance and Human Resources Committee performs the function of a nominating committee.

Yes

As stated in the Terms of Reference, the Committee will, in compliance with the CIC Board of Directors Appointment Policy, review potential candidates and recommend approval of qualified candidates to the Board for consideration by the CIC Board of Directors. The committee also reviews and recommends a candidate for appointment of Board Chair, reviews and makes recommendations regarding the composition of the Board and the committees, and reviews and recommends appropriate committee structure.

All of the Governance and Human Resources Committee members are independent.

CSA National Policy 58-201 and National Instrument 58-101 Disclosure of Corporate Governance Practices	SaskGaming's Corporate Governance Practices	Consistent with CSA Guidelines?
(b) The Board should adopt a nomination process which first considers the competencies and skills of the Board as a whole; assesses the competencies and skills possessed by each existing director; and, identifies competencies and skills each new nominee would bring to the Board, including the ability to devote sufficient time and resources to the job.	<p>The Governance and Human Resources Committee is responsible for assessing the skills and competencies of Board and committee members to support the strategic direction and the operational needs of the corporation. The Board may make recommendations to the CIC Board respecting the appropriate mix of skills, qualifications and expertise required for new directors.</p> <p>The Board has developed position descriptions for the Board Chair, the committee Chairs and individual directors which set out the duties, responsibilities and expectations of each position.</p> <p>(For reference: <i>The Saskatchewan Gaming Corporation Act</i> requires appointment of directors through Order-in-Council and limits the Board to recommend candidates only.)</p>	Yes
<p>7. Compensation</p> <p>(a) The Board should appoint a Compensation Committee composed entirely of independent Directors, with a written charter to establish the Committee's purpose, responsibilities, member qualifications, appointment, removal, structure, operations and manner of reporting to the Board.</p>	<p>The Board has appointed a Governance and Human Resources Committee, which has the responsibility to make recommendations to the Board on human resources and compensation-related matters. Written Terms of Reference prescribe the scope, duties and responsibilities of the committee. The committee has been given the authority to retain any outside advisor it deems necessary.</p> <p>The Board monitors and evaluates the performance of the President and CEO on an ongoing basis. The Governance and Human Resources Committee conducts an annual performance review of the President and CEO.</p> <p>The Governance and Human Resources Committee is comprised of independent directors.</p>	Yes

b) The Compensation Committee should be responsible for reviewing and approving corporate goals and objectives relative to the CEO's compensation, the CEO's performance in light of those corporate goals and objectives and determining the CEO's compensation level based on the evaluation; as well as reviewing executive compensation prior to public disclosure.

The Governance and Human Resources Committee annually reviews and recommends to the Board the performance objectives, work plans and development plans for the President and CEO for the upcoming year. The committee, with the Board Chair, conducts an annual performance review of the President and CEO, based on agreed upon objectives and developmental initiatives, which are approved by the Board and updated each year. The committee shares the results of the annual performance review with the Board. The committee reviews the President and CEO position profile as required, or at least every three years, and recommends any amendments to the Board for approval.

Yes

The Executive Compensation Plan for Crown corporations is defined by CIC. As a result, Executive compensation at SaskGaming aligns with the guidelines established by CIC. Within the guidelines set by CIC, the Governance and Human Resources Committee monitors and annually reviews the compensation and benefit programs, policies and incentive compensation plans for executive and recommends to the Board, where appropriate, any changes to the compensation levels for the President and CEO or Executive. Incentive compensation is tied to the achievement of corporate targets and the extent to which the targets are achieved determines Executive eligibility for performance compensation.

Direct reports of the CEO, including all Executive members, are required by legislation to file and report the details of their compensation and benefits and any changes to the Clerk of the Saskatchewan Legislature within 14 days of the change. In addition, the Crown and Central Agencies Committee of the Legislative Assembly requires all Crown corporations, including SaskGaming, to file an annual Crown Payee Disclosure Report which includes the total compensation of Executive members. The report is available on the CIC public website. The Governance and Human Resources Committee and the Board annually review the details of the report.

(c) The Compensation Committee should be responsible to make recommendations to the Board with respect to director compensation

Compensation levels for directors, the Board Chair and committee Chairs are set by the CIC Board of Directors.

Yes

8. Other Board Committees

Identify Standing Committees other than audit, compensation and nominating, and describe their function.

The Board has the authority to appoint any committee it considers necessary for the efficient conduct of the affairs and business of the corporation.

Yes

9. Board Assessments

The Board, its Committees and each individual Director should be regularly assessed with respect to their effectiveness and contribution in terms of the Board or Committee's terms of reference, or an individual Director's position description and competencies and skills.

The Board follows a process to evaluate the performance of the Board, Board Chair, committees, committee Chairs and individual directors. Evaluations are conducted biennially. The Board and Board Chair are evaluated one year, and the committees, committee Chairs and directors evaluated in the alternate year.

Yes

10. Director Term Limits and Other Mechanisms of Board Renewal

Disclose whether or not the issuer has adopted term limits for the Directors on its Board or other mechanisms of board renewal and, if so, include a description of those Director term limits or other mechanisms of Board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

The SaskGaming Board is appointed by the Lieutenant Governor in Council. Three members of the SaskGaming Board are nominated by the FSIN. Cabinet may fill any vacancy that occurs on the Board.

Yes

11. Policies Regarding the Representation of Women on the Board

(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women Directors. If the issuer has not adopted such a policy, disclose why it has not done so.

The corporation does not appoint or hire the directors of the Board, so no policy relating to the identification and nomination of women directors exists. The SaskGaming Board is appointed by the Lieutenant Governor in Council. The FSIN nominates three members, and the provincial Cabinet appoints four members. Currently, two out of seven directors of the Board are women.

Yes

CSA National Policy 58-201 and National Instrument 58-101 Disclosure of Corporate Governance Practices	SaskGaming's Corporate Governance Practices	Consistent with CSA Guidelines?
<p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <p>(i) a short summary of its objectives and key provisions,</p> <p>(ii) the measures taken to ensure that the policy has been effectively implemented,</p> <p>(iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and</p> <p>(iv) whether and, if so, how the Board or its Nominating Committee measures the effectiveness of the policy.</p>	Not applicable.	Not applicable.
<p>12. Consideration of the Representation of Women in the Director Identification and Selection Process</p> <p>Disclose whether and, if so, how the Board or Nominating Committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the issuer does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the issuer's reasons for not doing so.</p>	The corporation does not appoint or hire the directors of the Board, so no policy relating to the identification and nomination of women directors exists.	Yes
<p>13. Consideration Given to the Representation of Women in Executive Officer Appointments</p> <p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	The level of representation of women is considered when hiring at the Executive officer level. Preference is given to qualified women during the hiring process.	Yes

14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

(a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's Board or in executive officer positions of the issuer by a specific date.

SaskGaming has no target regarding the representation of women on the Board and no target regarding the representation of women in Executive officer positions.

Not applicable

(b) Disclose whether the issuer has adopted a target regarding women on the issuer's Board. If the issuer has not adopted a target, disclose why it has not done so.

SaskGaming has not adopted a target as the Board is appointed by the Lieutenant Governor in Council.

Yes

(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

SaskGaming has not adopted a target as the representation of women in Executive level positions is already considered during the hiring process.

Yes

(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:

Not applicable.

Not applicable

(i) the target, and

(ii) the annual and cumulative progress of the issuer in achieving the target.

15. Number of Women on the Board and in Executive Officer Positions

(a) Disclose the number and proportion (in percentage terms) of Directors on the issuer's Board who are women.

Twenty-nine per cent, or two out of seven directors on the board, are women.

Provided

(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

Forty per cent, or two out of five Executive officers are women, (including the President and CEO).

Provided

Board of Directors

Blair W. Ross, C.Dir., Board Chair, of Pilot Butte, Saskatchewan, is President and Chief Operating Officer and co-founder of SRG Security Resource Group Inc. (SRG) – a Saskatchewan-based security firm providing Security Guard and Patrol, 24 CCTV real-time monitoring and cyber security services across Canada. SRG is a wholly owned subsidiary of SSC Security Services Corp., a Saskatchewan-based publicly traded Security Company of which he is the Chief Operating Officer. Mr. Ross has over 30 years' experience in business with the majority of his experience gained in the private security industry. In those years, he has built and managed security operations from the ground up and has managed the security personnel at large scale events (e.g. the Pan American Games) across Canada. Mr. Ross is a recipient of Her Majesty Queen Elizabeth II Diamond Jubilee Medal for his community business and volunteerism. He is also a recipient of an Honourary Lifetime Big Brother award. Mr. Ross has volunteered his time on the Board of Directors of the Hospitals of Regina Foundation and has co-chaired the CTV Sandra Schmirler Charity Golf Classic.

Eileen Libby, Q.C., Board Vice-Chair, Governance and Human Resources Committee Chair, of Regina, Saskatchewan, is a partner at MLT Aikins LLP. She acts as counsel to unionized and non-unionized employers in the full range of labour relations and employment law matters, including collective bargaining negotiations, arbitrations, restructurings, labour relations board matters, human rights proceedings, and occupational health and safety matters. Ms. Libby also practices extensively in the areas of professional regulation and health law. She has appeared before all levels of courts in Saskatchewan, the Canada Industrial Relations Board, the Saskatchewan Labour Relations Board, boards of arbitration, human rights tribunals and professional regulatory bodies. She is the recipient of numerous awards and distinctions, including Administrative and Public Lawyer of the Year (2016, 2018 and 2020) and Labour and Employment Lawyer of the Year (2012) by Best Lawyers. Ms. Libby is also recognized as a leading practitioner in the Canadian Legal Expert Directory in the areas of Labour (Management), Employment (Employer) and Workplace Human Rights (Employer).

Paul Pastor, CPA, CA, CBV, Audit and Finance Committee Chair, graduated from the University of Saskatchewan in 2006. He obtained his Chartered Professional Accountant designation in 2008 and his Chartered Business Valuator designation in 2014. Mr. Pastor is a founding partner at Buckberger Baerg & Partners LLP, a Saskatoon-based professional accounting firm. Mr. Pastor brings a diverse and unique skill set through his extensive experience in assurance services, business valuations, litigation support, transaction support and business consulting. His experience serving a wide variety of clients in a number of different industries gives Mr. Pastor a clear vision of western Canada's business landscape and a clear understanding of his clients' needs.

Tim Bear is a proud member of the Ochapowace First Nation, for which he has served as Headman for the past six years. During his two terms in this position, he has been Chairman of the Finance and Administration, Recreation and Lands, and Laws and Natural Resources departments. Mr. Bear has 16 years of gaming experience in both operations and management with the Saskatchewan Indian Gaming Authority and currently sits on the Federation of Sovereign Indigenous Nations' Gaming Commission and Treasury Board. He earned an Electronics Technician Certificate from the Saskatchewan Institute of Applied Science and Technology, as well as a Certificate in Gaming Management from the University of Nevada, Reno. Mr. Bear is an avid supporter of youth sports and has volunteered his time in numerous capacities, including Zone 1 Director of the Saskatchewan Hockey Association and Head Coach of Saskatchewan's National Aboriginal Hockey Championships team.

Chief Cadmus Delorme, Cree and Saulteaux heritage, is a citizen and current Chief of the Cowessess First Nation. Mr. Delorme has obtained his Institute of Corporate Director designation, a Master of Public Administration from the Johnson-Shoyama Graduate School of Public Policy and a Bachelor of Business Administration along with a Certificate in Hospitality, Tourism and Gaming Entertainment Management from the First Nations University of Canada (FNUUniv). In 2012, he was awarded the Queen Elizabeth II Diamond Jubilee Medal for his student leadership and the hospitality he showed Prince Charles and The Duchess of Cornwall when they visited FNUUniv. Chief Delorme has also been named one of CBC Saskatchewan's Future 40, which celebrates the province's new generation of leaders, builders and change-makers under the age of 40. Chief Delorme worked as the Student Recruitment Officer for FNUUniv from 2013 to 2016, when he was elected Chief. He was re-elected to a second term as Chief of the Cowessess First Nation in April 2019.

Ernest Standingready is a citizen of the Ocean Man Nakota First Nation and brings a wealth of knowledge in the areas of general management, administration, operations and strategic development. He is a 20-year veteran of the Saskatchewan gaming industry, having worked in many roles from the front line to Executive management with the Saskatchewan Indian Gaming Authority. Mr. Standingready has a Bachelor of Business Administration from the University of Regina, a Certificate in Project Management from the University of Regina and a Certificate in Hospitality, Tourism and Gaming Entertainment Management from the First Nations University of Canada. He is a past elected Councillor and Treaty 4 Headman for the Ocean Man Nakota First Nation and sits on many other boards and committees. Ernest is currently the Director of Operations for the Peepeekisis Cree Nation located in the Treaty Four territory. Mr. Standingready is committed to enhancing the lives of Indigenous and non-Indigenous peoples in the Treaty relationship. He believes in positive cooperative partnerships and understands the strength they can deliver for everyone.

Donna Strudwick has extensive experience in municipal administration. She has served on the Rural Municipal Administrators' Association of Saskatchewan's Board of Directors and is currently the Senior Office Inspector for the Rural Board of Examiners. In 2013, Ms. Strudwick was the recipient of the Lou Jacobs Award, acknowledging her service in the field of local government administration in Saskatchewan. She has held several board and committee positions and is a past Show Chairman of the Western Canada Farm Progress Show. Ms. Strudwick resides in Balgonie, Saskatchewan and remains actively involved in her community and the family's grain farming operation.

Executive Team

Susan Flett, President and CEO

Susan joined SaskGaming in 2000 as Director of Player Relations and went on to become Director of Marketing in 2004. She was appointed Vice President of Marketing in 2010 and became Chief Marketing Officer in 2013. In 2015, Susan was appointed President and CEO of the corporation.

Before joining SaskGaming, Susan held positions at Crown Life Canada, Crown Investments Corporation and Saskatchewan Transportation Company. In 1999, she was honoured with the Lieutenant Governor's Medal for Outstanding Public Service in Saskatchewan as a part of the Crown Investments Corporation of Saskatchewan's Strategic Management Team and Corporate Secretariat.

Susan's previous community service includes serving as a director on the boards of the Regina Downtown Business Improvement District, Moose Jaw Multiplex and Regina Symphony Orchestra.

Susan completed her Bachelor of Administration at the University of Regina. She also holds a Certificate in Human Resource Management from Queen's University and has completed the Executive Program at Queen's University.

In 2020, she completed the Chartered Director Education Program through Edwards School of Business at the University of Saskatchewan.

Dallas Ferguson, Senior Vice President of Operations

Dallas originally joined SaskGaming in 1996, serving in several operational roles and as Vice President of Human Resources and Aboriginal Affairs until 2007. After working in senior roles at the St. Eugene Golf Resort & Casino, Wal-Mart Canada and The Salvation Army, he returned to the corporation in January 2016 as Senior Vice President of Operations.

Dallas has completed a number of undergraduate programs in the hospitality and human resource management fields through Queen's University, the University of Guelph and the University of Nevada, Reno.

In his spare time Dallas is an avid golfer, hunter and fisherman. He is also a member of the Métis Nation - Saskatchewan, Local 13.

Steve Tunison, Senior Vice President of Marketing and Communications

Steve has over 20 years of marketing and business experience in both the public and private sectors. He originally joined SaskGaming in 2010 as Director of Marketing and held that role until 2014 when he moved over to SaskTel as Director of Corporate Sales.

Steve rejoined SaskGaming in April 2019 as Vice President of Marketing. His portfolio expanded to include Strategic Planning in January 2019 and Communications and Online Gaming in September 2021.

He holds a Bachelor of Physical Activity Studies from the University of Regina, an Advanced Graduate Diploma and an MBA from Athabasca University.

Steve is also a Certified Management Consultant.

Blaine Pilatzke, Vice President of Corporate Services

Blaine attended the University of Saskatchewan and graduated from the University of Regina.

Blaine spent 17 years working in the labour relations field before taking on the role of Director of Labour Relations at SaskGaming in 2004. He was appointed Vice President of Human Resources in 2007 and became Vice President of Corporate Services in 2015.

Blaine completed his Master of Human Resource Management at the Kenneth Levene Graduate School of Business in 2018.

Kama Leier, CPA, Vice President of Finance and Risk

Kama is a Chartered Professional Accountant (CPA) and spent 15 years in public practice before joining SaskGaming in 2016 as Corporate Auditor. In November 2021, she was appointed Vice President of Finance and Risk.

Active in her community, Kama has held several leadership roles including Chair of the Board of Governors for the Regina Symphony Orchestra and Chair of the Audit Committee for Access Communications.

She is also involved at CPA Saskatchewan and sits on the Registration Committee and as a Board Member for the CPA Saskatchewan Scholarship Fund.

Kama holds a Bachelor of Commerce from McGill University and completed the Chartered Director Education Program through Edwards School of Business at the University of Saskatchewan.

Appendix

Balanced Scorecard Reference Table

Measure	Description	Purpose	Methodology
Guest Experience			
Guest Satisfaction Measured: At least once per year Lead: Marketing & Communications	Measures the overall satisfaction of guests during their visit to Casinos Regina and Moose Jaw.	Objectively measures guest's overall satisfaction with their casino experience.	<p>An exit survey is conducted at least once a year with guests that have visited the properties.</p> <p>Guests are asked to rate their satisfaction, on a scale of one to 10. The Guest Satisfaction score is based on guest's response to the question "Overall, how satisfied are you with your most recent visit to the casino?" The score is based on the percentage of respondents that rated each casino between seven and 10.</p> <p>The scores from Casinos Regina and Moose Jaw are weighted on an 80/20 basis. This rule of thumb reflects the relative scale of operation of each location.</p>
Mystery Shopper Measured: At least once per year Lead: Marketing & Communications and Operations	<p>The Mystery Shopper Program rates casino employees' ability to provide customer service related to following the four dimensions of the GameOn 2.0 Customer Service Program:</p> <ul style="list-style-type: none"> Greeting guests (20%); Anticipating guest needs (20%); Meeting guest needs (20%); and Engaging guests (40%). 	Objectively measures service quality provided by casino employees.	<p>An external consultant conducts a series of transactions with employees to measure their service experience quantitatively and qualitatively against the four service dimensions of the GameOn 2.0 Customer Service Program using a five-point scale. The consultant uses a pre-planned checklist of service actions and behaviors to rate each dimension.</p> <p>The Mystery Shopper Program assesses specific staff positions at both casinos.</p> <p>The scores from Casinos Regina and Moose Jaw are weighted on an 80/20 basis. This rule of thumb reflects the relative scale of operation of each location.</p>

Measure	Description	Purpose	Methodology
Guest Experience			
Percent of Rated Play Measured: Quarterly Lead: Marketing & Communications and Operations	The percentage of SaskGaming's total gaming win that is generated by players using their Players Club card.	Measures the percentage of gaming win for which SaskGaming "knows" the player and can track their play, their preferences, etc. and tailor offerings and promotions to improve their experience and the value of the player to SaskGaming.	<p>This is a new measure for 2021-22.</p> <p>Percent of Rated Play = $\frac{[(\text{Total Carded Slot Win} + \text{Total Carded Table Win}) / (\text{Total Slot Win} + \text{Total Table Win})] \times 100}{1}$</p> <p>Win is defined as Net Revenue (Gross Revenue less coupons).</p>

Measure	Description	Purpose	Methodology
Employee Experience			
Employee Engagement Industry Percentile Measured: Biennially Lead: Marketing & Communications	Measures SaskGaming employees' level of satisfaction with their work environment.	The purpose of the survey is to confirm or discover what motivates employees, what drives loyalty and what genuinely keeps employees engaged in order to increase staff retention and reduce turnover.	<p>SaskGaming implements the survey every second year. The results are reviewed to determine the responses and actions that are required to address opportunities to improve.</p> <p>The Employee Satisfaction Survey is implemented by the National Business Research Institute (NBRI).</p> <p>The score is an industry percentile. For example, 50th would mean an average level of employee satisfaction among similar North American casinos without hotels.</p>
Indigenous Representation Measured: Quarterly Lead: Corporate Services	This measure focuses SaskGaming's employee attraction and retention efforts to achieve 50% Indigenous representation as per the Gaming Framework Agreement with the Federation of Sovereign Indigenous Nations.	A measure of Indigenous representation of SaskGaming's workforce.	<p>The percentage is calculated using the number of self-declared Indigenous employees, relative to the total number of employees.</p> <p>Note: this calculation does not include casual employees who have not worked in the past three months.</p>

Measure	Description	Purpose	Methodology
Employee Experience			
Employee Wellness Index Measured: Quarterly Lead: Corporate Services and Marketing & Communications	A measure of the mental and physical "wellness" of SaskGaming employees.	To measure the effectiveness of the employee wellness programs implemented by SaskGaming.	<p>The index has five components, each is measured against the ideal state for the metric and the percentages are calculated and applied based on weight:</p> <ol style="list-style-type: none"> 1. Wellness Survey (weight - 40%). Annual survey of SaskGaming employees conducted by a third party. 2. Vacation Usage (weight - 15%). Measured by taking the total hours taken for vacation days, scheduled days off and statutory holidays as a percentage of total hours worked for full time employees. 3. Overtime Usage (weight - 15%). Calculated by subtracting the ideal percentage (0%) from the percentage of overtime hours out of total hours of in-scope employees and magnifying the difference by a factor of 10. 4. Employee Injury Incidents (weight - 15%). There are three components to this metric: Workers Compensation Board (WCB) time loss claims (10%), WCB no time loss claims (2.5%) and near misses (2.5% - as reported to the Return to Work and Safety Consultant). Calculation is done by calculating the number of each type of incident by the total number of full-time equivalent employees and multiplying by 10. 5. Employee and Family Assistance Plan (EFAP) Utilization (weight - 15%). Determined by the percentage of employees who access one or more of the services available through the EFAP.

Measure	Description	Purpose	Methodology
Responsible Corporation			
Guest Awareness of Responsible Gambling Measured: At least once per year Lead: Marketing & Communications	A measure of casino guests' awareness of the responsible gambling information and support programs offered by SaskGaming.	SaskGaming is committed to offering casino entertainment in a socially responsible manner. This includes providing all guests with information and education about the casino environment so they can make informed, responsible choices about their play.	<p>This methodology prompts respondent by asking if they remember specific elements of the GameSense program as they are leaving the properties.</p> <p>The score is based on the percentage of respondents that could recall at least one of the components of the GameSense program.</p> <p>The scores from Casinos Regina and Moose Jaw are weighted on an 80/20 basis. This rule of thumb reflects the relative scale of operation of each location.</p>
Public Opinion of Community Support Measured: Annually Lead: Marketing & Communications	A measure of public opinion in Regina and Moose Jaw of SaskGaming's performance in supporting and giving back to the community.	<p>SaskGaming is committed to contributing 1.0% of its Net Income before Payment to the General Revenue Fund to community support along with planned community support initiatives.</p> <p>Community support is a pillar of SaskGaming's Corporate Social Responsibility Framework.</p>	<p>As part of an online, web-based omnibus provincial poll, focusing only on residents of Regina (for Casino Regina) and Moose Jaw (for Casino Moose Jaw), respondents are asked: "How well is Casino Regina/Moose Jaw doing at giving back to the community through charitable or community donation and sponsorships?"</p> <p>Respondents choose an answer from 'very well', 'well', 'somewhat well', 'not well' and 'unsure'. The measure totals all the respondents who indicated that the casinos do somewhat well, well, or very well.</p>

Measure	Description	Purpose	Methodology
Responsible Corporation			
Crown Collaboration Measured: Quarterly Lead: Corporate Services	Measure of the benefits achieved through collaboration among Saskatchewan Crown corporations.	Intended to drive benefits across the Crown sector, to align to Saskatchewan's Growth Plan and to support the Crown Sector Strategic Priorities.	Crown Investments Corporation (CIC) totals the cost savings from collaboration initiatives across the crown sector and provides the sector total for reporting in each Crown's balanced scorecard.
Greenhouse Gas (GHG) Emissions Measured: Annually Lead: Operations	Level of GHG Emissions from a baseline set in 2021-22.	To track SaskGaming's performance in supporting Saskatchewan's climate change plan to reduce carbon emissions.	<p>This is a new measure for 2021-22.</p> <p>GHG emissions measured in metric tons will be calculated using technology that monitors electrical usage on a real time basis and provides data and recommendations to manage more efficiently, peak load, overall usage and minimize downtime and machinery failure.</p>

Measure	Description	Purpose	Methodology
Financial Sustainability			
Income Before Payment to General Revenue Fund Measured: Quarterly Lead: Finance & Risk	A measure of profitability over a period of time.	This measure shows Income Before Payment to the General Revenue Fund (GRF) since the GRF payment is a distribution of income, similar to dividends being paid by a private corporation, and does not reflect SaskGaming's operations.	Revenue – (operating expenses + interest expense + depreciation + taxes).
EBITDA Margin Measured: Quarterly Lead: Finance & Risk	SaskGaming has chosen to use Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) as an operational efficiency measure.	EBITDA margin is used by investors and lenders as a determination of the firm's profitability.	$(\text{Revenue} - \text{Direct operating expenses}) / \text{Revenue} \times 100\%$
Debt Ratio Measured: Quarterly Lead: Finance & Risk	SaskGaming uses Debt Ratio as a measure of financial flexibility of the capital structure of the corporation.	Debt Ratio is used as a measure of SaskGaming's financial leverage.	$[\text{Debt} / (\text{Debt} + \text{Equity})] \times 100$
Payroll Percentage Measured: Quarterly Lead: Finance & Risk	Measures the ratio of payroll to revenue.	Payroll is a significant operating cost for SaskGaming. Payroll margin indicates if the use of payroll is efficient and effective, ensuring the financial success of the corporation.	$\text{Payroll Margin} = \text{Total Payroll (Salaries, Wages and Benefits)} / \text{Revenue} \times 100$

SaskGaming

