Annual Report

2025-26

Saskatchewan Liquor and Gaming Authority

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Letters of Transmittal

The Honourable
Warren Kaeding
Minister Responsible for
the Saskatchewan Liquor
and Gaming Authority

Office of the Lieutenant Governor of Saskatchewan

I respectfully submit the Annual Report for the Saskatchewan Liquor and Gaming Authority (SLGA) for the fiscal year ending March 31, 2026. This report includes the financial statements in the form required by Treasury Board and in accordance with *The Alcohol and Gaming Regulation Act, 1997*.

The 2025-26 financial statements show a net income of $241.5 million which contributes to the growth and prosperity of the province.

Effective June 8, 2026, Max Hendricks was appointed President and CEO succeeding Greg Tuer. I thank Greg for his contributions and look forward to Max's leadership in advancing the organization's mandate. This change does not impact the financial results for the year ending March 31, 2026.

Warren Kaeding
Minister Responsible for the Saskatchewan Liquor and Gaming Authority

Max Hendricks
President and CEO of the
Saskatchewan Liquor and
Gaming Authority

The Honourable Warren Kaeding
Minister Responsible for the Saskatchewan Liquor and Gaming Authority

Dear Minister:

I have the honour of submitting SLGA's Annual Report for the fiscal year ending March 31,2026.

Max Hendricks
President and CEO, Saskatchewan Liquor and Gaming Authority

Organization Overview

Mandate

SLGA is the provincial regulator of liquor, gaming and cannabis and the wholesale distributor of liquor in Saskatchewan.

Mission

We serve the public by providing a modern framework for the liquor, gaming and cannabis sectors to operate fairly and safely in Saskatchewan.

Vision

A better Saskatchewan through excellence in regulation and liquor distribution.

About SLGA

SLGA is a Treasury Board Crown Corporation operating under *The Alcohol and Gaming Regulation Act, 1997*. SLGA achieves its mandate through socially responsible, fair and effective services at offices in Regina and Saskatoon and a liquor distribution centre in Regina.

SLGA issues liquor permits to businesses that serve liquor for on-site consumption (e.g., restaurants and taverns), to operate liquor retail stores to sell liquor for off-site consumption and to local producers who manufacture liquor in the province. As of March 31, 2026, there were 2,604 liquor permits issued in the province, including 635 liquor retail store permits. During 2025-26, SLGA issued 9,742 special occasion permits to individuals, businesses or organizations to sell or serve liquor products at special events like weddings, anniversaries and festivals.

SLGA regulates ticket lotteries (e.g., Lotto 6/49 and scratch tickets), video lottery terminal sites operated in Saskatchewan, casinos (seven SIGA casinos and two operated by SaskGaming), online gaming (PlayNow.com) and horse racing. As of March 31, 2026, there were 1,100 registered gaming employees and 111 registered gaming suppliers. Charitable gaming is licensed and regulated by SLGA and includes bingos, raffles, breakopen tickets, Texas Hold'em poker and Monte Carlo events. During 2025-26, SLGA issued 8,369 charitable gaming licences throughout the province.

SLGA permits and regulates cannabis which is distributed and retailed by the private sector. As of March 31, 2026, there were 204 cannabis retail store permits issued throughout Saskatchewan along with four wholesale permits and 164 licensed producer registrations.

SLGA employed 249 (215 full-time and 34 part-time) people as of March 31, 2026.

The Annual Report provides an update on SLGA's progress toward its 2025-26 Business Plan.

Progress on Goal 1: Maximize SLGA's net income to contribute to a strong Saskatchewan

A balanced budget and strong economy are among the goals outlined in Saskatchewan's Growth Plan. As a contributor to the General Revenue Fund, SLGA's net income helps the Government meet these goals. SLGA plans to achieve this goal by focusing on improving operations to positively impact liquor wholesale net income.

Strategy: *The approach we took to achieve our goal*
Evaluate strategies to amend the selection of liquor products available to liquor retailers in Saskatchewan to align with the preferences of liquor retail customers.

Key Actions: *What we did to get there*

- Support new provincial liquor retailers through their introduction to the wholesale ordering process and provide sales data to assist them in their initial product selection.
    - SLGA supported 41 new liquor retailers in the province by providing them with a product ordering guide which includes information on how to order and receive product through SLGA's distribution centre. A list of the top 1,000 selling products in the province was also provided to assist new retailers in planning their initial liquor orders.
- Assess activities to maximize SLGA's net income, including attracting marketing investment from liquor suppliers.
    - SLGA introduced a new monthly catalog in March 2026 called Quick Picks that features seasonal products available at a discount for liquor retailers to order through SLGA's Distribution Centre. SLGA will assess the impact of this catalog in the coming months.
    - SLGA worked with liquor suppliers to promote products to liquor retailers through wholesale price promotions. For the fiscal year ending March 31, 2026, liquor suppliers offered price promotions to liquor retailers totalling $5.4 million which is a 15 per cent ($700,000) increase from the prior year.
    - SLGA and Hospitality Saskatchewan's annual Food and Beverage Expo generated nearly $7 million in revenue for SLGA through the sale of approximately 108,000 cases. Approximately 140 liquor suppliers had booths that featured more than 500 products. The event created awareness of the products suppliers and craft producers have available for liquor retailers.

Performance Measure Results:

SLGA net income

The majority of SLGA's net income is from the wholesale distribution of liquor products. SLGA net income helps fund Government of Saskatchewan initiatives.

Target net income: $246.6 million

- SLGA's net income was below the target by $5.1 million. This can be attributed to changing preferences of liquor customers to products that generate lower wholesale revenue, reduced consumption leading to lower volume sales and investments in SLGA infrastructure.

Fiscal Year	Budget Net Income (Millions)	Actual Net Income (Millions)
2025-26	$246.6	$241.5
2024-25	$259.6	$271.4
2023-24	$223.5	$305.5
2022-23	$444.4	$518.4
2021-22	$423.4	$477.4

Progress on Goal 2: Ensure liquor, gaming and cannabis products are provided fairly and safely

Liquor, gaming and cannabis products and services can contribute to social harms when not used in a safe manner. SLGA regulates these industries and works to ensure that businesses are operating within the regulatory framework which helps to promote community well-being. SLGA plans to achieve this goal by continuing to modernize SLGA's regulatory environment, responding to societal change while ensuring fair and safe operations, increasing focus on SLGA's role in supporting social responsibility and continuing to support a strong environment of compliance.

Strategy: *The approach we took to achieve our goal*
Define SLGA's role and regulatory requirements within the new provincial gaming structure.

Key Actions: *What we did to get there*

- Continue to implement a regulatory framework to establish SLGA's expanded role as lottery regulator to protect the integrity of lotteries in the province.
  - Regulation of ticket lotteries (e.g., Lotto 6/49, scratch tickets, etc.) was added to SLGA's responsibilities in June 2023 when Government restructured gaming to separate operational and regulatory responsibilities. SLGA has worked closely with gaming stakeholders in the province (Lotteries and Gaming Saskatchewan, Western Canada Lottery Corporation, Sask Sport and Sask Lotteries) as it developed its regulatory approach for ticket lotteries. In 2025-26, SLGA implemented processes to register approximately 1,000 current and new ticket lottery retailers, employees and suppliers in the province. This work will continue in 2026-27.

Strategy: *The approach we took to achieve our goal*
Participate in strategic partnerships with other organizations to work collaboratively on social responsibility initiatives.

Key Actions: *What we did to get there*

- Explore initiatives to support the increased sale of low/non-alcoholic products to meet the demands of liquor retailers, changing needs of consumers and support community well-being.
  - An online option was launched in March 2026 to make ordering of low/non-alcoholic products easier and more efficient for liquor retailers who choose to order these products through SLGA's distribution centre.

Strategy: *The approach we took to achieve our goal*
Promote successful liquor compliance outcomes through a balance of education and enforcement.

Key Actions: *What we did to get there*

- Communicate and implement revisions to the liquor sanctioning process to increase compliance with Saskatchewan laws.
    - The maximum administrative penalty for liquor permittees and gaming registrants that do not comply with *The Alcohol and Gaming Regulation Act, 1997,* regulations or terms and conditions was increased to $25,000. This was communicated publicly via a news release Changes to Fees and Charges in 2025-26. This change better aligns Saskatchewan with other liquor jurisdictions and the existing penalties for cannabis offences.

Performance Measure Results:

Retail store permittee (RSP) compliance with Saskatchewan laws
SLGA employs minors to attempt to buy liquor and cannabis products from retailers to assess compliance with Saskatchewan laws related to the sale and service of alcohol and cannabis to minors.

Target: Increase compliance by five percentage points compared to the prior year.

- Liquor RSP compliance declined to 65 per cent from 67 per cent in the prior year.
- Cannabis RSP compliance declined to 73 per cent from 80 per cent in the prior year.
- During the year, SLGA continued to send letters of acknowledgment to permittees that refused to serve minors. SLGA also communicates to retailers about the importance of compliance during inspections and other periodic communication.
- SLGA continues to review the results and look for ways to incentivize compliance.

Liquor RSPs complying with Saskatchewan laws by not selling liquor to minors

Reporting Period	Compliance %
April 2025 to March 2026	65%
April 2024 to March 2025	67%
April 2023 to March 2024	65%
August 2022 to March 2023	80%
April 2019 to March 2020	58%

Cannabis RSPs complying with Saskatchewan laws by not selling cannabis to minors

Reporting Period	Compliance %
April 2025 to March 2026	73%
April 2024 to March 2025	80%
April 2023 to March 2024	82%
February 2023 to March 2023	100%

Note: During the period February 2023 to March 2023, it was mandatory for cannabis retailers to ask all customers for identification before selling any cannabis product.

Progress on Goal 3: Provide responsive and collaborative service to support our customers, employees, partners and stakeholders

SLGA works with businesses to distribute and regulate liquor, cannabis and gaming products and services. Obtaining feedback from these businesses allows SLGA to identify areas to improve its programs and services. These improvements can support the growth of businesses and reduce red tape in alignment with the goals set out in the Growth Plan. SLGA plans to achieve this goal by modernizing SLGA's business processes and supporting technology systems, efficiencies, data management and customer interaction.

Strategy: *The approach we took to achieve our goal*
Explore technology enhancements that support improved business processes.

Key Actions: *What we did to get there*

- Improve SLGA operations through the selection of an integrated human resource, financial and liquor distribution system.
  - The Keystone project was initiated in 2025-26. A discovery phase was completed to confirm system requirements to modernize and streamline SLGA's core systems. The project then moved into the design and build phase.
- Continue to modernize and improve the efficiency of SLGA systems.
  - SLGA modernized processes by enhancing online application and renewal options for liquor permit holders.
  - Additional information about improvements can be found in the Improvement and Innovation Highlights section of this report.

Strategy: *The approach we took to achieve our goal*
Continue obtaining feedback from SLGA's customers, employees, partners and stakeholders to drive continuous improvement and strategic decision making.

Key Actions: *What we did to get there*

- Administer customer surveys and analyze the results to improve customer satisfaction where applicable.
  - In April 2025, SLGA conducted a survey of liquor retailers, liquor suppliers and local Saskatchewan producers that attended the Food and Beverage Expo to measure their satisfaction with the event. See the performance measure section for the survey results.
  - During the year, 22 engagement sessions were held that reached 87 charitable gaming stakeholders. The sessions gathered feedback from stakeholders that will be used to improve the charitable gaming application process and update the charitable gaming terms and conditions.

Performance Measure Results:

Customer satisfaction
Customer satisfaction measures how well a customer's experience meets their needs. The results can lead to improvements and an improved customer experience.

Target: 80 per cent or higher for all external customer groups with established benchmarks that are surveyed during the year.

Customer Group	Satisfaction Score (Change from Previous Survey)
Food and Expo Attendees Survey participants were asked "How satisfied were you with the Food and Beverage Expo?" (Survey group included liquor retail store permittees, liquor wholesalers and licensed liquor producers).	87% (+7 percentage points).

Progress on Goal 4: Build an internal culture that establishes SLGA as a great place to work

SLGA employees are the heart of the organization. SLGA's core values of one team, respect and integrity, serving citizens and excellence and innovation help to encourage an environment where employees are engaged and enabled to do their best in support of SLGA's vision and mission. SLGA plans to achieve this goal by improving retention and recruitment of skilled and experienced employees, ensuring SLGA's internal culture reflects living SLGA's values across the organization and improving the overall work environment, including physical and mental well-being, for improved staff satisfaction and safety.

Strategy: *The approach we took to achieve our goal*
Improve employee engagement by addressing employee feedback.

Key Actions: *What we did to get there*

- Develop and implement actions based on the results of the 2025 Employee Engagement and Culture Survey to continue improving employee engagement.
    - The Employee Engagement and Culture survey was administered in September 2025. The survey response rate was 76 per cent which was one of the highest response rates in the past nine years of conducting the survey. An all-staff meeting provided employees with high-level survey results and the areas of focus for action plan development to improve employee engagement. Survey results are included in the performance section.
    - SLGA provided all employees with access to an online skills platform to assist them in developing leadership, communication, technical skills and wellness. Development of these skills can aid employees in potential career advancement.

Strategy: *The approach we took to achieve our goal*
Prioritize physical and psychological safety for all employees.

Key Actions: *What we did to get there*

- Continue to deliver actions and improve processes to achieve and sustain a healthy and safe workplace.
    - Improvements made to processes and equipment included the following:
        - Replaced Automated External Defibrillators (AED) and provided AED and first aid training for head office staff.
        - Refreshed emergency kits for employees to take with them when traveling to out of city locations for work related activities.
        - The Distribution Centre had a routine inspection performed by Labour Relations and Workplace Safety that focused on ergonomics and employee safety at work. The inspection did not identify any areas of concern, providing assurance that safe procedures are in place.

Performance Measure Results:

Employee engagement score (score)

- The employee engagement score is calculated using the average agreement score to questions that ask employees to provide their engagement with SLGA as an organization and in their work. Complete surveys are conducted every two years.

Target: Five percentage point increase from the 2023 survey of 57 per cent

- SLGA's employee engagement score was 65 per cent which exceeded the target by increasing eight percentage points from the prior survey.

Survey Year	SLGA Employee Engagement Score
2025	65%
2023	57%
2021	65%

Number of medical aid and time loss injuries

Providing a safe workplace can help to increase employee satisfaction and productivity.

Target: Zero workplace injuries. Benchmark for 2024 was five injuries.

- During the calendar year the number of time loss workplace injuries increased by one while no time loss injuries remained the same as the prior year.

	2021	2022	2023	2024	2025
Time loss injuries	7	10	8	3	4
No time loss injuries	8	10	4	2	2
Total injuries	15	20	12	5	6

2025-26 Improvement and Innovation Highlights

1	**Distribution Centre Risk Management.** • The SLGA Distribution Centre is responsible for liquor distribution in the province. Ensuring it is running in an effective, efficient and safe manner is important to minimize business disruptions and meet liquor retailer needs. • During 2025-26, the Distribution Centre strengthened efficiency, safety and service performance through targeted operational improvements and a continued focus on workplace culture. • The Distribution Centre also gained assurance that safety processes are working from an Occupational Health and Safety inspection with no contraventions, supported by ongoing monthly inspections, regular safety huddles and quarterly joint organizational health committee meetings.

2	**System Modernization**
	• As technology continues to evolve, having effective modern systems becomes even more important to help conduct effective and efficient work. SLGA made improvements to the following systems and processes:
	    • Commercial liquor permittees such as restaurants can now renew their liquor permit online. This helps to modernize liquor permitting and increase flexibility for regulatory customers.
	    • Liquor retail store permittees can now submit their liquor permit applications and renewals electronically to increase efficiency.
	    • SLGA updated systems to begin registering ticket lottery retailers in the province as part of SLGA's responsibility to regulate ticket lotteries in Saskatchewan.
	    • Updated processes to improve documentation and tracking of financial reporting for charitable gaming grant payments paid by Lotteries and Gaming Saskatchewan.

3	**Recruitment and Retention Strategies** • Having adequate resources to perform the processes necessary throughout SLGA is vital to maximizing net income and employee well-being. SLGA explored strategies to maintain an adequate complement of employees to ensure SLGA has the required resources to perform daily operations. • During the last quarter of the fiscal year, SLGA completed a review of recruitment processes with a focus on continuous improvement and efficient client support. The process now places a greater emphasis on verifying the validity of screening criteria, assessment and interview questions. This helps to ensure SLGA can hire people with the skills to meet SLGA's needs and provide effective services to SLGA customers and stakeholders.

Financial Summary

SLGA Net Income to Budget and Prior Year

As noted in the table below, SLGA net income for 2025-26 was $5.1 million below SLGA's budget and $29.9 million below the prior year. SLGA's net income has declined from the prior year mainly due to all permit revenue owing from previously held liquor permit auctions being collected. The remainder of the variance from the prior year and the variance from budget is due to changing liquor preferences of consumers and investments in SLGA infrastructure.

	2024-25 Actual (Millions)	2025-26 Budget (Millions)	2025-26 Actual (Millions)
SLGA Net Income	$271.4	$246.6	$241.5
Revenues:			
Liquor Sales	$624.5	$621.7	$613.4
Licence and Other Income	$ 12.1	$ 13.0	$ 13.3
Permit Revenue[1]	$ 19.0	$ 0.7	$ 0.7
Total Revenue	$655.6	$635.4	$627.4

Source: SLGA Financial Statements, Statement 2

SLGA Revenue to Budget and Prior Year

As noted in the table above, SLGA's total revenue for 2025-26 was $627.4 million, $8.0 million below budget and a decrease of $28.2 million from the prior year:

- Wholesale liquor sales were $8.3 million below budget and $11.1 million below the prior year.
- Licence and other income was $0.3 million above budget and $1.2 million above the prior year.
- Permit revenue was equal to budget and $18.3 million below the prior year.

SLGA Net Income

SLGA's net income is essential funding to support government programs and services. While SLGA net income has declined year over year, it continues to be a significant contributor to the General Revenue Fund.

Additional financial information can be found in the Government of Saskatchewan Public Accounts located at https://publications.saskatchewan.ca/#/categories/893.

[1] Permit revenue refers to funds collected from SLGA's retail store permit auctions.

MANAGEMENT'S REPORT

The accompanying financial statements, and related financial information throughout the Annual Report, have been prepared by management using IFRS Accounting Standards as issued by the International Accounting Standards Board. Management is responsible for the integrity, objectivity, and reliability of the financial statements.

SLGA's management has established and maintains a system of internal controls that provides reasonable 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 financial records are maintained. An auditing function exists within SLGA, which objectively assesses the effectiveness of internal controls.

The Provincial Auditor has examined SLGA's financial statements. The Auditor's Report to the Members of the Legislative Assembly of Saskatchewan expresses an independent opinion on the fairness of presentation of SLGA's financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Greg Tuer
President & CEO

Warren Fry, CPA, CMA
Vice-President, Corporate Services

Regina, Saskatchewan
May 27, 2026

David Wishlow, CPA, CMA
Director, Financial Services

Provincial Auditor of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of the Saskatchewan Liquor and Gaming Authority, which comprise the statement of financial position as at March 31, 2026, and the statements of comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Saskatchewan Liquor and Gaming Authority as at March 31, 2026, and the results of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Saskatchewan Liquor and Gaming Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board for Treasury Board's approval, 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 Saskatchewan Liquor and Gaming Authority'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 Saskatchewan Liquor and Gaming Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Saskatchewan Liquor and Gaming Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Saskatchewan Liquor and Gaming Authority'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 Saskatchewan Liquor and Gaming Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Saskatchewan Liquor and Gaming Authority 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.

We 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 identified during the audit.

T. Clemett

Regina, Saskatchewan
May 27, 2026

Tara Clemett, CPA, CA, CISA
Provincial Auditor
Office of the Provincial Auditor

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Statement 1

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
STATEMENT OF FINANCIAL POSITION
As at March 31

	Notes	2026 (000's)	2025 (000's)
Current assets:			
Cash		$ 630	$ 660
Due from General Revenue Fund	**4**	23,388	28,881
Trade and other receivables	**10**	17,044	14,564
Current portion long term receivable – LGS	**10**	3,060	3,060
Prepaid expenses		1,471	1,914
Inventory	**6**	22,387	19,725
Total current assets		67,980	68,804
Non-current assets:			
Long term receivable – LGS	**10**	14,728	17,510
Long term receivable – permit & other	**10 & 23**	97	123
Property, plant and equipment	**7**	34,746	23,236
Intangible assets	**8**	3,813	4,475
Total non-current assets		53,384	45,344
Total Assets		$ 121,364	$ 114,148
Current liabilities:			
Trade and other payables		$ 17,076	$ 15,960
Payable to the General Revenue Fund	**5**	66,398	67,829
Goods and Services Tax payable	**11**	599	1,158
Provisions	**19**	738	576
Lease liabilities	**9**	1,152	63
Contract liability	**23**	---	1,898
Total current liabilities		85,963	87,484
Non-current liabilities:			
Accrued pension liability	**12**	24,149	26,992
Lease liabilities	**9**	11,252	504
Total non-current liabilities		35,401	27,496
Total Liabilities		$ 121,364	$ 114,980
Equity			
Retained earnings (deficit) and unrealized (losses)/gains (Statement 3)		---	(832)
Total Equity		$ ---	$ (832)
Total Liabilities & Equity		$ 121,364	$ 114,148

Contingencies (Note 18)

(See the accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended March 31

	Notes	2026 Budget (000's) (Note 15)	2026 Actual (000's)	2025 Actual (000's)
Operating				
Revenues:				
Liquor sales	**14**	$ 621,707	$ 613,412	$ 624,544
Licence and other income		12,981	13,248	12,107
Permit revenue	**23**	700	700	18,957
		635,388	627,360	655,608
Cost of sales:				
Cost of liquor	**6**	339,217	334,412	340,731
Gross profit		296,171	292,948	314,877
Expenses (Schedule 1):				
Liquor, Gaming, and Cannabis		49,542	50,965	43,855
Total expenses		49,542	50,965	43,855
Operating Income		$ 246,629	$ 241,983	$ 271,022
Finance Income and Expense				
Finance income		---	14	4
Finance expense		---	(389)	(27)
Net Finance Income (Loss)		---	(375)	(23)
Net Income from continuing operations		$ 246,629	$ 241,608	$ 270,999
Discontinued Operations	**23**			
(Loss) Earnings from discontinued operations		---	(92)	(1,322)
Gains from disposal of held for sale assets		---	---	1,714
Net income (loss) from discontinued operations		$ ---	$ (92)	$ 392
Net Income		$ 246,629	$ 241,516	$ 271,391
Other Comprehensive Income (OCI)				
Remeasurement of defined benefit obligation	**12**	---	2,292	(2,013)
Total OCI		$ ---	$ 2,292	$ (2,013)
Total Comprehensive Income		$ 246,629	$ 243,808	$ 269,378

(See the accompanying notes to the financial statements)

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
STATEMENT OF CHANGES IN EQUITY
For the Year Ended March 31

	Retained earnings (deficit)	Net actuarial gain (loss) on defined benefit pension plans	Total
	(000's)	(000's)	(000's)
Equity			
Balance April 1, 2024	$ (6,521)	$ 5,485	$ (1,036)
Net income	271,391	---	271,391
Other comprehensive income (loss)	---	(2,013)	(2,013)
Dividends	(269,174)	---	(269,174)
Balance March 31, 2025 (to Statement 1)	$ (4,304)	$ 3,472	$ (832)
Net income	241,516	---	241,516
Other comprehensive income (loss)	---	2,292	2,292
Dividends	(242,976)	---	(242,976)
Balance March 31, 2026 (to Statement 1)	$ (5,764)	$ 5,764	$ ---

(See the accompanying notes to the financial statements)

Statement 4

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2026 (000's)	2025 (000's)
Operating		
Receipts from customers	$ 647,356	$ 684,086
Interest received	290	343
Interest paid	(389)	(90)
Payments to suppliers and other	(366,318)	(401,684)
Payments to employees	(28,320)	(25,635)
Payments to grant recipients	(991)	(1,043)
Payment of Goods and Services Tax	(13,542)	(11,717)
Net cash provided by operating activities	$ 238,086	$ 244,260
Investing		
Purchase of property, plant and equipment	(611)	(353)
Purchase of intangible assets	(810)	(544)
Proceeds from current and long term receivable - LGS	3,060	3,060
Proceeds from disposal of property, plant and equipment	9	4
Proceeds from sale of stores	---	1,797
Net cash provided by (used in) investing activities	$ 1,648	$ 3,964
Financing		
Cash deposited in General Revenue Fund	(244,407)	(251,455)
Payment of lease liabilities	(850)	(847)
Net cash (used in) financing activities	$ (245,257)	$ (252,302)
Net increase (decrease) in cash position	(5,523)	(4,078)
Cash position, beginning of year	29,541	33,619
Cash position, end of year	$ 24,018	$ 29,541
Cash position consists of:		
Cash	$ 630	$ 660
Due from General Revenue Fund	23,388	28,881
	$ 24,018	$ 29,541

(See the accompanying notes to the financial statements)

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2026

1. Description of Business

The Saskatchewan Liquor and Gaming Authority (SLGA) is a corporation located in Canada. The address of SLGA's registered office and principal place of business is 2500 Victoria Avenue, Regina, SK, S4P 3M3.

SLGA is the provincial regulator of liquor, gaming and cannabis and the wholesale distributor of liquor in Saskatchewan.

From October 9, 2016 to March 31, 2024, SLGA Retail Inc. operated as a wholly owned subsidiary under the direction of the SLGA. SLGA and SLGA Retail Inc. operated under *The Alcohol and Gaming Regulation Act, 1997*, with SLGA overseeing the operation of SLGA Retail Inc.'s retail liquor stores until their closing on March 11, 2023 (Note 23) and SLGA Retail Inc.'s eventual dissolution, effective March 31, 2024. Any remaining SLGA Retail Inc. assets and liabilities were transferred to SLGA at March 31, 2024.

SLGA operates as a Treasury Board Crown Corporation under the direction of the Government of Saskatchewan. As such, SLGA is not subject to federal or provincial income or capital taxes. The financial results of SLGA are included in the Summary Financial Statements of the Province of Saskatchewan.

2. Basis of Preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). SLGA's Board of Directors approved these financial statements on May 27, 2026.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments classified as fair value through profit and loss which are measured at fair value. Historical cost is generally based on fair value of the consideration given in exchange for assets or liabilities.

(c) Functional and Presentation Currency

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

(d) Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. These estimates and assumptions are based on several factors, including historical experience, current events including, but not limited to, actions that SLGA may undertake in the future, along with other assumptions that SLGA believes are reasonable under the circumstances. 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 judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Useful lives of property, plant and equipment (note 3(e), note 7); intangible assets (note 3(f), note 8); and right of use assets (note 3(h) and note 7).
- Measurement of defined benefit obligations (note 12(b), note 3(k)(i)).
- Provisions (note 19, note 3(i)).
- Measurement of lease liabilities (note 9, note 3(h)).
- Cash generating units (CGUs) for SLGA are SLGA liquor operations (note 3(g)(ii)).

3. Material Accounting Policies

(a) <u>Adoption of Amendments to Accounting Standards</u>

(i) Adoption of amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates*

SLGA adopted the amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates* (IAS 21) with a date of initial application of April 1, 2025. In accordance with the transitional provisions of IAS 21, SLGA has applied the amendments to IAS 21 prospectively. The amendments clarify when a currency is exchangeable into another currency and how an entity estimates a spot rate when a currency lacks exchangeability. There was no impact to the financial statements upon adoption of the amendments to the standards.

(b) <u>Recent Pronouncements Not Yet Effective and That Have Not Been Adopted Early</u>

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the International Accounting Standards Board (IASB) or IFRS Interpretations Committee (IFRIC) that are not yet effective. The standards and amendments issued that are applicable to SLGA are as follows:

(i) Amendments to IFRS 7, *Financial Instruments: Disclosures* and IFRS 9, *Financial Instruments*

The amendments issued May 2024 to IFRS 7 and IFRS 9 provide further guidance on financial liabilities settled using an electronic payment system, the assessment of the contractual cash flow characteristics of financials assets, and disclosures.

The amendments issued July 2024 to IFRS 7 require disclosure of the gain or loss on derecognition relating to financial assets in which the entity has continuing involvement.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2026, with early application permitted. No significant impact to SLGA's financial statements is expected.

(ii) Adoption of IFRS 18, *Presentation and Disclosure in the Financial Statements* (IFRS 18)

In April 2024, the newly introduced IFRS 18 standards were issued and will replace IAS 1, *Presentation of Financial Statements*. IFRS 18 sets out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information representing an entity, with a focus on the statement of comprehensive income with newly defined subtotal categories, disclosure of management-defined performance measures, and greater aggregation and disaggregation of information.

The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2027, with early application permitted. With the issue of IFRS 18, some paragraphs were moved from IAS 1 to IAS 8, *Basis of Preparation of Financial Statements* and IFRS 7, *Financial Instruments: Disclosures*. An entity shall apply those amendments when it applies IFRS 18. SLGA is assessing the impact of the new standards on the presentation of its financial statements.

(c) Revenue Recognition

SLGA evaluates all contractual arrangements it enters into and evaluates the nature of the promises it makes, and rights and obligations under the arrangement, in determining the nature of its performance obligations. Where such performance obligations are concluded to be distinct from each other, the consideration SLGA expects to be entitled under the arrangement is allocated to each performance obligation based on its relative estimated stand-alone selling prices.

(i) Liquor sales

Sales are recorded upon shipment from the SLGA or 3rd party distributor warehouse and are net of returns, container deposits, Goods and Services Tax and Liquor Consumption Tax.

(ii) Licence fees

Liquor and gaming licence fees are recorded over the period of the licence.

(iii) Permit revenue

Under the liquor permit purchase agreements, the winning bidders have up to 18 months to make the payments amounting to the full bid/purchase price for each permit, upon which control over the permit is completely transferred to the winning bidders. As such, permit revenue is recorded when the winning bidders pay the purchase price in full. SLGA recorded a receivable and a contract liability when the winning bidder signed the permit purchase agreement.

(d) Inventories

Inventories of wines, coolers, spirits and beer are valued at the lower of average cost and net realizable value.

Cost for liquor inventories is determined using the weighted average cost method. Inventory cost includes the costs of purchase plus other costs, such as excise duties and taxes and transportation that were directly incurred to bring inventories to their location. Previous write-downs of inventories to net realizable values were reversed when inventory values increase.

(e) Property, Plant and Equipment

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

Property, plant and equipment, including right of use assets, are depreciated commencing in the year in which these assets are available for use on a straight-line basis at rates designed to allocate the cost of these assets over their estimated useful lives. The estimated useful lives of right-of-use assets are determined on the length of the lease contract. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Rates are as follows:

- Buildings 5 – 40 years
- Furniture & equipment 3 – 10 years

Leasehold improvements are depreciated over the lesser of the life of the asset or the term of the lease.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as necessary.

Property, plant and equipment is derecognized on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in comprehensive income when the asset is derecognized.

(f) Intangible Assets

Intangible assets consist of software and are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized on a straight-line basis over the estimated useful lives of three to seven years. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in comprehensive income when the asset is derecognized.

(g) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in comprehensive income and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through comprehensive income.

SLGA recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. SLGA 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, SLGA performs a quantitative and qualitative analysis based on SLGA's historical experience and forward-looking information. SLGA assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. SLGA considers a financial asset to be in default when it is more than 90 days past due.

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 SLGA'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 comprehensive income. 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.

(h) Leases

At inception of a contract, SLGA assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

SLGA recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are included in property, plant and equipment.

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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, SLGA's incremental borrowing rate.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in SLGA's estimate of the amount expected to be payable under a residual value guarantee, or if SLGA changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In the year ended March 31, 2025, pursuant to the closure of the liquor segment (Note 23), SLGA had 3 remaining leases; one lease contract expired and two contracts were terminated by March 31, 2025. SLGA recognized termination fees of $0.2 million and gains of $0.4 million in earning/loss from discontinued operations. SLGA had no leases remaining from discontinued operations for the year ended March 31, 2026.

(ii) Short-term leases and leases of low-value assets

SLGA has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. SLGA recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Provisions

Provisions are recognized when SLGA has a present obligation (legal or constructive) as a result of a past event, it is probable that SLGA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks, uncertainties and timing surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(j) Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rates. Revenues and expenses are translated at rates of exchange prevailing on the transaction dates. Translation gains and losses on foreign currency denominated monetary items are taken into income in the current year.

(k) Employee Benefits

(i) Defined benefit plan

A defined benefit plan is a post-employment plan other than a defined contribution plan. Total cost of the pension benefits earned by employees, who are members of SLGA's defined benefit plan (closed to new members since 1977), is determined using the projected unit credit method prorated on service. Remeasurements comprising of actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recorded in other comprehensive income will not be subsequently reclassified to comprehensive income. Past service cost is recognized in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability. Defined benefit costs are split into three categories:

- Past-service cost, gains and losses on curtailments and settlements.
- Net interest expense or income.
- Remeasurement.

SLGA presents the first two components of defined benefit costs in the line item "Salaries, wages and benefits" in Schedule 1. Curtailments gains and losses are accounted for as past-service cost.

Remeasurements are recorded in other comprehensive income.

The accrued pension liability recognized in the statement of financial position represents the actual deficit in SLGA's defined benefit plan.

The discount rate used to determine the accrued benefit obligation is determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and the amount of expected benefit payments. Pension plan assets are valued at fair value for the purposes of calculating the expected return on plan assets.

(ii) 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 statement of comprehensive income when services are rendered by employees.

Employees hired after 1977 are members of a defined contribution pension plan. SLGA expenses contributions it is required to make for current service of those employees. SLGA's liability for these employees is limited to the required employer's contributions.

(iii) Other employee benefits

Long service gratuity is a benefit paid to employees over age 50 upon retirement. The gratuity is calculated as one half of a day's pay for every year of employment with SLGA upon retirement. Changes in the provision for long service gratuity are included in comprehensive income.

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

(l) Grants

Grants are recognized when approved and eligibility criteria, if any, are met.

(m) Financial Instruments

(i) Non-derivative financial assets and liabilities

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

Cash and Due from General Revenue Fund are classified as fair value through profit or loss and are recorded at fair value. Cash denominated in foreign currency is translated at the foreign exchange rate in effect at year end.

Trade and other receivables and long term receivables are classified as amortized cost. Financial assets classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial assets are measured at amortized costs using the effective interest model, less any impairment losses.

SLGA has the following non-derivative financial liabilities which are classified as other liabilities: trade and other payables, payable to the General Revenue Fund, goods and services tax 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.

SLGA 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 assets are transferred. Any interest in transferred financial assets that is created or retained by SLGA is recognized as a separate asset or liability. SLGA derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, SLGA 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 comprehensive income.

SLGA has not identified any material embedded derivatives in any of its financial instruments that are required to be separately valued.

(n) <u>Software-as-a-Service (SaaS) Arrangement</u>

Saas arrangements are service contracts providing SLGA with the right to access the cloud provider's application software over the contract period. As such, SLGA does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give SLGA the power to obtain the future economic benefits flowing from the software itself or to restrict others' access to those benefits. Costs incurred to configure or customize, and the ongoing fees to obtain access to the cloud provider's application software, are recognized as expenses when the services are received.

4. Due from General Revenue Fund

Most of SLGA's bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. During the year, the General Revenue Fund did not pay interest on SLGA's bank accounts.

5. Disposition of Retained Earnings

Subsection 182(5) of *The Alcohol and Gaming Regulation Act, 1997* (Act) allows SLGA to provide interest free advances to the Minister of Finance for deposits in the General Revenue Fund (GRF) until Treasury Board determines the disposition of SLGA's retained earnings. Under subsection 182(1) of the Act, Treasury Board may, at any time, direct that all or any portion of SLGA's retained earnings be transferred to the GRF. Treasury Board has directed

SLGA to transfer $243.0 million (2025 - $269.2 million) to the GRF under subsection 182(1) of the Act. At March 31, amounts payable to GRF were determined as follows:

	2026 (000's)	2025 (000's)
Payable to GRF at beginning of year	$ 67,829	$ 50,110
Deposits during the year	(244,407)	(251,455)
Dividend to GRF	242,976	269,174
Payable to GRF at end of year	$ 66,398	$ 67,829

6. Inventory

	2026 (000's)	2025 (000's)
Wines, coolers and spirits in warehouse	$ 22,387	$ 19,725

The cost of liquor inventories recognized as an expense during the year ended March 31, 2026 was $334.4 million (2025 – $340.7 million). During the year, SLGA had no write-downs of inventory below cost and no reversals of inventories previously written down. As of March 31, 2026 there was no amount of inventory pledged as security.

7. Property, Plant and Equipment

(000's)	Land	Buildings	Furniture and Equipment	Right of Use Assets	Leasehold Improvements	Held for Sale	Total
Cost							
Balance, April 1, 2024	$ 2,578	$ 30,809	$ 4,264	$ 12,543	$ 1,104	$ 3,537	$ 54,835
Additions/adjustments	---	76	277	4	---	---	357
Disposals/ Retirements	---	---	(154)	(11,530)	---	(3,537)	(15,221)
Balance, March 31, 2025	$ 2,578	$ 30,885	$ 4,387	$ 1,017	$ 1,104	$ ---	$ 39,971
Additions/adjustments	---	65	1,116	12,687	---	---	13,868
Disposals/ Retirements	---	---	(192)	---	---	---	(192)
Balance, March 31, 2026	$ 2,578	$ 30,950	$ 5,311	$ 13,704	$ 1,104	$ ---	$ 53,647
Accumulated Depreciation							
Balance, April 1, 2024	$ ---	$ 10,662	$ 3,088	$ 11,208	$ 1,104	$ 3,066	$ 29,128
Depreciation expense	---	1,051	441	908	---	---	2,400
Disposals/ Retirements	---	---	(159)	(11,568)	---	(3,066)	(14,793)
Balance, March 31, 2025	$ ---	$ 11,713	$ 3,370	$ 548	$ 1,104	$ ---	$ 16,735
Depreciation expense	---	844	456	1,060	---	---	2,360
Adjustments	---	---	---	---	---	---	---
Disposals/ Retirements	---	---	(194)	---	---	---	(194)
Balance, March 31, 2026	$ ---	$ 12,557	$ 3,632	$ 1,608	$ 1,104	$ ---	$ 18,901
Net Book Value							
Balance, March 31, 2025	$ 2,578	$ 19,172	$ 1,017	$ 469	$ ---	$ ---	$ 23,236
Balance, March 31, 2026	$ 2,578	$ 18,393	$ 1,679	$ 12,096	$ ---	$ ---	$ 34,746

8. Intangible Assets

(000's)		Total
Cost		
Balance, April 1, 2024	$	43,195
Additions/adjustments		544
Disposals/retirements/write-offs		---
Balance, March 31, 2025	$	43,739
Additions/adjustments		810
Disposals/retirements		---
Balance, March 31, 2026	$	44,549
Accumulated depreciation		
Balance, April 1, 2024	$	37,270
Depreciation expense		1,997
Disposals/retirements/write-offs		(3)
Balance, March 31, 2025	$	39,264
Depreciation expense		1,472
Disposals/retirements		---
Balance, March 31, 2026	$	40,736
Net Book Value		
Balance, March 31, 2025	$	4,475
Balance, March 31, 2026	$	3,813

9. Leases

SLGA leases buildings from third parties which comprise right-of-use assets (included in property, plant and equipment – see note 7) and have corresponding lease liabilities:

Leases liabilities

(000's) At March 31,		2026		2025
Contractual undiscounted cash flows				
One year or less	$	1,624	$	85
Between one and five years		6,256		184
Greater than five years		6,542		---
Total undiscounted lease liabilities	$	14,422	$	269
Discounted lease liabilities included in the statement of financial position				
Current	$	1,152	$	63
Non-current	$	11,252	$	504

Interest on lease liabilities

(000's) For the year ended March 31,		2026		2025
Amounts recognized as continued operations	$	389	$	27
Amounts recognized as discontinued operations		---		63
Amounts recognized in comprehensive income	$	389	$	90

Amounts recognized in the statement of cash flows
(000's)

For the year ended March 31,		2026		2025
Interest paid on lease liabilities	$	389	$	90
Lease liability principal payments		850		847
Total cash outflow for leases	$	1,239	$	937

10. Trade and Other Receivables and Long Term Receivables

		2026		2025
		(000's)		(000's)
Current Receivables				
Trade receivables	$	17,044	$	14,039
Permit receivable (Note 23)		---		525
Current portion long term receivable – LGS (Note 13)		3,060		3,060
Total Current Receivables	$	20,104	$	17,624
Long term receivable – LGS (Note 13)		14,728		17,510
Long term receivable – permit & other		97		123
Total Receivables	$	34,929	$	35,257

11. Goods and Services Tax (GST)/Harmonized Sales Tax (HST)

SLGA pays GST/HST to the Canada Revenue Agency and claims input tax credits on all its liquor and other taxable purchases.

12. Post Employment Benefits

SLGA sponsors a defined benefit pension plan and participates in a defined contribution pension plan covering substantially all of its employees.

(a) Defined Contribution Plan

The defined contribution plan is called the Public Employees Pension Plan (PEPP). SLGA is required to contribute a specified percentage of payroll costs to PEPP to fund the benefits. The only obligation of SLGA with respect to PEPP is to make the specified contributions. During the year, SLGA paid PEPP and expensed its required contributions of $2.0 million (2025 - $1.6 million).

(b) Defined Benefit Plan

The Liquor Board Superannuation Commission administers the defined benefit plan, Liquor Board Superannuation Plan (Plan), for SLGA. The Plan provides pensions calculated at two per cent of a member's average salary for the five years of highest salary, multiplied by the number of years of service to a maximum of 35. This Plan has been closed to new members since 1977.

TELUS Health performed the valuation of the Plan as at September 30, 2023 and Eckler Ltd extrapolated the valuation to March 31, 2026. The accrued benefit obligation is based on a number of assumptions about future events including: discount rate, mortality, retirement rates and inflation. The following significant assumptions were adopted in measuring the accrued benefit obligation:

	2026	2025
Expected long-term rate of return on plan assets	4.80%	4.50%
Inflation rate	2.00%	2.00%
Discount rate	4.90%	4.50%
Indexing increases to pensions as a percentage of Consumer Price Index	70%	70%
Expected average remaining service life*	0 years	0 years

* SLGA does not have any contributing employees, all have reached 35 years of service.

The following illustrates the effect of changing certain assumptions from assumed rate of: inflation 2.00 per cent and discount rate 4.90 per cent.

	Long-Term Assumptions			
	Inflation*		Discount Rate	
	3.00%	1.00%	5.9%	3.9%
(Decrease) increase in liability	(4.2%)	4.4%	(8.3%)	9.7%

* A change in the inflation rate of 1 per cent has a corresponding change in the discount rate of 1 per cent.

SLGA's pension costs are included in salary, wages and benefits on Schedule 1 and OCI.

	2026 (000's)	2025 (000's)
Current service cost – defined contribution plan	$ 1,977	$ 1,646
Net interest expense	1,327	1,405
Components of pension costs recorded in profit or loss	3,304	3,051
Return on plan assets (excluding net interest expense)	(928)	(742)
Actuarial (gains) losses	(1,364)	2,755
Components of defined benefit costs recorded in OCI	(2,292)	2,013
Total of components of benefit cost	$ 1,012	$ 5,064

Information about SLGA's defined benefit plan is as follows:

		2026 (000's)		2025 (000's)
Accrued benefit obligation				
Accrued benefit obligation, beginning of year	$	38,278	$	36,980
Interest cost		1,654		1,734
Benefits paid		(3,054)		(3,191)
Actuarial (gain) loss				
- Change in financial and mortality assumptions		(1,220)		2,901
- Experience (gain) loss		(144)		(146)
	$	35,514	$	38,278
Plan Assets				
Fair value of plan assets, beginning of year	$	11,286	$	10,778
Actual return on plan assets		1,254		1,071
Employer contributions		1,879		2,628
Benefits paid		(3,054)		(3,191)
Fair value of plan assets, end of year	$	11,365	$	11,286
Accrued pension liability	$	24,149	$	26,992

The plan holds all of its assets in various pooled funds. The Plan's holdings consist of 22.9 per cent (2025 – 22.0 per cent) in a Canadian equity pooled fund, 28.2 per cent (2025 – 27.7 per cent) in foreign equity pooled funds, 46.6 per cent (2025 – 46.3 per cent) in a bond index fund and 2.3 per cent (2025 – 4.0 per cent) in a short term investment pooled fund.

The major categories of plan assets at the end of the reporting period for each category are as follows:

		2026 (000's)		2025 (000's)
Cash	$	63	$	65
TD Canadian Bond Index Fund		5,287		5,215
Equity Instruments				
- TD Canadian Equity Index Fund		2,603		2,472
- TD International Equity Index Fund		1,601		1,642
- TD Pooled US Fund		1,599		1,478
- TD Canadian Short Term Investment Fund		256		456
Total equity instruments		6,059		6,048
	$	11,409	$	11,328

The Plan limits its investment in foreign equities including foreign pooled funds to 38 per cent of the cost of the investment portfolio and is denominated in Canadian dollars. The Plan's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager.

The TD Canadian Equity Index Fund, the TD Pooled US Fund and the TD International Equity Index Fund all may use derivative financial instruments such as forward and futures contracts, options and swaps, as permitted by the Canadian Securities legislation, to gain exposure to the S&P/TSX Composite Index, the S&P 500 Index and the MSCI EAFE Index and their underlying components respectively, to hedge against movements in currency exchange rates and equity indices, and to increase liquidity within the portfolio. Sufficient cash or securities will be held within each fund to cover all derivative obligations.

Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices. Derivative transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at market value using market prices. Where market prices are not readily available, other valuation techniques are used to determine market value.

The total cash inflow is the amount of employer contributions expected to be received by the pension plan together with interest on investments of 4.80 per cent and employer contributions calculated as 68.2 per cent of total benefit payments. The total cash outflows are the amounts that are required to pay all pension obligations. Forecast of cash flows have been determined using the long-term assumptions used in the valuation. All amounts are based on actual dollar forecasts.

	($000's)			
	Contributions	Benefits Paid	Investment Return	Net Cash Outflow
2027	2,110	3,094	522	(462)
2028	2,074	3,041	500	(467)
2029	2,036	2,985	478	(471)
2030	1,996	2,926	456	(474)
2031	1,954	2,865	434	(477)
Total next 5 years	10,170	14,911	2,390	(2,351)
Total 5-10 years	9,062	13,286	1,832	(2,392)
Total 11-30 years	19,181	28,121	2,581	(6,359)
Total 31-50 years	634	928	31	(263)

13. Casino Operating Agreement with the Saskatchewan Indian Gaming Authority

Effective June 11, 2007 the Province and the Federation of Sovereign Indigenous Nations (FSIN) agreed to amend the 2002 Framework Agreement for the purpose of increasing economic and employment opportunities for Aboriginal peoples through casino development within the parameters of *The Criminal Code of Canada.*

The 2002 Framework Agreement required the Province to retain a portion of the net profits from slot machines in the GRF and distribute the remaining profits to the First Nations Trust, and the Community Development Corporations. To implement the 2002 Framework Agreement, SLGA and SIGA made agreements for casino operations and slot machine management. The Casino Operating Agreement required SIGA to pay the net profits from slot machines to SLGA. This agreement also ensured SLGA recovered the cost of slot machines, the related computer system and interest over the useful life up until the transfer of the province's gaming policy and management to Lotteries and Gaming Saskatchewan (LGS) on June 1, 2023.

Due to the prolonged closure of casinos in response to the COVID-19 pandemic, SIGA's ability to make all required payments to SLGA had been reduced and therefore both parties agreed in March 29, 2021 to a Forbearance and Debt Repayment Agreement to provide SIGA with additional time to repay their indebtedness. Subsequent to the June 1, 2023 cessation of contractual agreements between SLGA and SIGA, LGS has issued an interest-free promissory note to assume SIGA's contractual and legal obligation in relation to the unsecured loan provided by SLGA in accordance with the June 7, 2021 Forbearance and Debt Repayment Agreement. During the year ended March 31, 2026, SLGA received total payments of $3.1 million towards this loan, of which $17.8 million remains outstanding as at year-end (2025 – $20.6 million). The loan is non-interest bearing with $0.3 million repayable monthly until June 2032.

14. Liquor Sales to Retail Store Permittees

	2026 (000's)	2025 (000's)
Wines, coolers and spirits	$ 364,199	$ 365,931
Beer	249,213	258,613
Total	$ 613,412	$ 624,544

15. 2026 Budget

These amounts represent the budget approved by SLGA's Board of Directors on September 11, 2024. The Treasury Board subsequently approved the budget.

16. Segmented Information

SLGA operates in three segments – liquor, gaming and cannabis.

The liquor segment reflects the wholesale licensing of beverage alcohol activities within the province.

The gaming segment reflects the licensing and support of charitable and religious organizations that conduct and manage bingos, casinos, and raffles.

The cannabis segment reflects the regulation of cannabis.

Key amounts by segment as follows:

SEGMENTS

	2026 (000'S)				2025 (000'S)
	Liquor	Gaming	Cannabis	Total	Total
Revenues	$ 613,412	$ ---	$ ---	$ 613,412	$ 624,544
Other income	12,784	517	661	13,962	31,068
Total revenues	626,196	517	661	627,374	655,612
Direct expenses	334,412	---	---	334,412	340,731
Operating expenses (Schedule 1)	38,080	8,121	5,153	51,354	43,882
Total expenses	372,492	8,121	5,153	385,766	384,613
Subtotal	253,704	(7,604)	(4,492)	241,608	270,999
Net income (loss) from discontinued operations	(92)	---	---	(92)	392
Other comprehensive income	2,292	---	---	2,292	(2,013)
Total comprehensive income	$ 255,904	$ (7,604)	$ (4,492)	$ 243,808	$ 269,378
Retained earnings (deficit) beginning of year	(527)	(173)	(132)	(832)	(1,036)
Dividend to General Revenue Fund	255,377	(7,777)	(4,624)	242,976	269,174
Retained earnings (deficit) end of year	$ ---	$ ---	$ ---	$ ---	$ (832)
Property, plant and equipment and intangible assets	$ 34,565	$ 2,600	$ 1,394	$ 38,559	$ 27,711
Property, plant and equipment and intangible asset purchases	$ 11,580	$ 2,172	$ 926	$ 14,678	$ 901
Depreciation	$ 3,166	$ 470	$ 196	$ 3,832	$ 4,397

17. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to SLGA 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 related parties).

Government-related entities are exempt from providing disclosure about individual related party transactions, other than the transactions with key management personnel disclosed below. Instead, government-related entities are required to disclose the types and extent of individually or collectively significant transactions with related parties. In determining individually significant transactions, SLGA considers the size, type and terms of the transaction.

SLGA has a lease with the Ministry of SaskBuilds and Procurement expiring July 1, 2035. In 2025-26 it incurred expenses of $1.2 million (2025 - $0.4 million) related to this lease. This is included in right of use assets and lease liabilities.

SLGA also pays Saskatchewan provincial sales tax on all its taxable purchases to the Saskatchewan Ministry of Finance. Taxes paid are recorded as part of the cost of those purchases. SLGA also collects liquor consumption tax from customers and remits to the Saskatchewan Ministry of Finance. All other transactions with related parties are routine operating transactions that are settled at prevailing market prices under normal trade terms.

SLGA's Key Management Personnel Compensation

Key management personnel include the president and vice presidents. The compensation (including benefits) provided to key management personnel for services rendered is shown below:

	2026 (000's)	2025 (000's)
Salaries and executive benefits	$ 1,075	$ 932
Employment benefits	120	190
	$ 1,195	$ 1,122

18. Contingencies

As part of ongoing operations SLGA faces legal actions initiated by third parties and contract disputes.

At March 31, 2026 there were actions outstanding against SLGA, which the likelihood of loss is unlikely. Settlements arising from the resolution of these actions will be accounted for in the year in which the settlements occur.

19. Provisions

		Short-term Employee Benefits (000's)
Balance, April 1, 2024	$	516
Provisions made during the period		576
Provisions used during the period		(516)
Balance, March 31, 2025	$	576
Provisions made during the period		738
Provisions used during the period		(576)
Balance, March 31, 2026	$	738

Short-Term Employee Benefits

The provision for short-term employee benefits represents annual sick leave and long service gratuity entitlements.

20. Financial Risks

(a) Fair Value

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

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

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

Financial Instruments	Classification[1]	Fair Value Hierarchy	2026 (000's) Carrying Amount	2026 (000's) Fair Value	2025 (000's) Carrying Amount	2025 (000's) Fair Value
Cash	FVTPL	Level One	$ 630	$ 630	$ 660	$ 660
Due from General Revenue Fund	FVTPL	Level One	23,388	23,388	28,881	28,881
Trade and other receivables	AC	N/A	17,044	17,044	14,564	14,564
Current portion long term receivable – LGS	AC	N/A	3,060	3,060	3,060	3,060
Long term receivable – LGS	AC	N/A	14,728	14,728	17,510	17,510
Long term receivable – permit & other	AC	N/A	97	97	123	123
Trade and other payables	OFL	N/A	17,076	17,076	15,960	15,960
Payable to General Revenue Fund	OFL	N/A	66,398	66,398	67,829	67,829
GST Payable	OFL	N/A	599	599	1,158	1,158

[1] Classification:
FVTPL – Fair value through profit and loss, AC – Amortized Cost, OFL - Other financial liabilities

SLGA is exposed to a number of financial risks in the normal course of operations.

(b) Credit and Interest Rate Risk

SLGA is exposed to minimal credit risks from the potential non-payment of accounts receivable as most trade receivables are short-term and are collected shortly after year end, and the majority of its long term receivables are from a related party.

The maximum credit risk from these financial instruments is limited to the carrying value of the financial assets summarized below:

	2026 (000's)	2025 (000's)
Cash	$ 630	$ 660
Due from General Revenue Fund	23,388	28,881
Trade and other receivables	17,044	14,564
Current portion long term receivable – LGS	3,060	3,060
Long term receivable – LGS	14,728	17,510
Long term receivable – permit & other	97	123
	$ 58,947	$ 64,798

As of March 31, 2026, there was no impairment required on any of the financial assets of SLGA.

SLGA has evaluated the interest rate risk as low and has done nothing to mitigate the risk.

(c) Foreign Currency Exchange Risk

SLGA is exposed to foreign exchange risk due to purchase transactions for liquor. As of March 31, 2026, SLGA had $12 thousand (2025 - $0.1 million) in United States (U.S.)

financial liabilities. SLGA is also exposed to foreign exchange risks resulting from a U.S. dollar denominated cash deposit account. This U.S. dollar denominated cash deposit account is included in SLGA's Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. As of March 31, 2026, SLGA has $669 thousand (2025 – $700 thousand) in this account.

In 2026, SLGA recorded a $385 thousand loss (2025 - $28 thousand gain) due to the variation in the foreign exchange rates.

To date, SLGA has not entered into financial derivative contracts to manage exposure to fluctuations in foreign exchange rates.

(d) Liquidity Risk

Liquidity risk is the risk that SLGA will not be able to meet its financial obligations as they fall due. SLGA relies on funds generated from its operations to meet operating requirements and to finance capital investment.

Contractual cash flows - 2026
(In 000's)

Financial Liabilities	Carrying amount	Total	0 - 6 months	7 - 12 months	1 - 2 years	3 - 5 years	Greater than 5 years
Trade and other payables	$ 17,076	$ 17,076	$ 17,076	$ ---	$ ---	$ ---	$ ---
Payable to the GRF	66,398	66,398	66,398	---	---	---	---
GST payable	599	599	599	---	---	---	---
Provisions	738	738	738	---	---	---	---
Accrued pension liability	24,149	24,149	1,547	1,547	3,041	8,776	9,238
	$ 108,960	$ 108,960	$ 86,358	$ 1,547	$ 3,041	$ 8,776	$ 9,238

Contractual cash flows - 2025
(In 000's)

Financial Liabilities	Carrying amount	Total	0 - 6 months	7 - 12 months	1 - 2 years	3 - 5 years	Greater than 5 years
Trade and other payables	$ 15,960	$ 15,960	$ 15,960	$ ---	$ ---	$ ---	$ ---
Payable to the GRF	67,829	67,829	67,829	---	---	---	---
GST payable	1,158	1,158	1,158	---	---	---	---
Provisions	576	576	576	---	---	---	---
Accrued pension liability	26,992	26,992	1,590	1,589	3,102	8,972	11,739
	$ 112,515	$ 112,515	$ 87,113	$ 1,589	$ 3,102	$ 8,972	$ 11,739

21. Capital

Treasury Board determines the disposition of SLGA's retained earnings (Note 5). SLGA management's objectives to manage its capital are to use capital to provide an appropriate return on investment to the Government of Saskatchewan and to preserve financial flexibility in order to maintain SLGA's ability to meet financial obligations.

SLGA does not set a target rate of return on capital for managing its operations but rather promotes year-over-year sustainable profitable growth. SLGA is not subject to any externally imposed capital requirements.

22. Funds Held in Trust

SLGA holds funds in trust on behalf of employees as part of SLGA's extended health care plan. At March 31, 2026, SLGA held $589 thousand (2025 - $634 thousand) on behalf of in-scope employees.

23. Discontinued Operations

<u>Liquor retailing changes</u>

The plan for all liquor retailers was implemented on October 9, 2016. This included creating a wholesale model for the distribution of liquor and converting all SLGA liquor stores, franchises, private stores and commercial permittees with offsale endorsements to retail store permittees. Retail store permittees are all eligible to access wholesale prices from SLGA's distribution centre. As well, the plan allowed all liquor retailers, retail store permittees and commercial permittees, to purchase liquor from any other liquor retailer in Saskatchewan.

In 2016-17 SLGA released RFPs for 50 retail store permittee opportunities. These opportunities were for communities with an existing SLGA store that would be closed as the new private stores open as well as the addition of 11 new retail opportunities.

On October 27, 2022, the Government of Saskatchewan announced its intention to completely exit from the retail liquor segment in 2022-23. Subsequently, all 34 SLGA Retail Inc.'s liquor stores ceased operations by March 11, 2023 and the liquor store permits were offered for sale to the public in an auction process that ended on February 24, 2023. SLGA and the Government of Saskatchewan committed to a plan to liquidate the retail liquor segment. SLGA remaining liquor assets, including property and equipment, were classified as assets held for sale on the Statement of Financial Position. Depreciation of these assets ceased March 11, 2023. The carrying amounts of these assets approximate or are less than their fair values. Under a Special Resolution of the Shareholders, effective March 31, 2024, SLGA Retail Inc. was dissolved pursuant to Section 16-3(4) of *The Business Corporations Act, 2021.* Prior period earnings for the now dissolved SLGA Retail Inc., have been classified as discontinued operations on the Statement of Comprehensive Income.

(a) Discontinued operations

The impact of discontinued operations on net (loss) income comprise the following:

	2026 (000's)	2025 (000's)
Revenue:		
Other Revenue	$ 10	$ ---
Expenses:		
Salary, wages and benefits – liquor	$ 82	$ 190
Other operating – liquor	20	1,132
	102	1,322
Gains (losses) from disposal of held for sale assets	$ ---	$ 1,714
(Loss) earnings from discontinued operations	$ (92)	$ 392

The impact of discontinued operations on cash flows comprise the following:

	2026 (000's)	2025 (000's)
Cash from (used in) operating activities	$ (104)	$ (867)
Cash from (used in) investing activities	3,060	4,861
Net change in cash and cash equivalents	$ 2,956	$ 3,994

(b) Permit revenue

For each liquor permit being sold and before its dissolution on March 31, 2024, SLGA Retail Inc. initially recognized a receivable and a contract liability upon signing the purchase agreement with the successful bidder, both recorded at the full purchase price of the permit. Thereafter, the receivable amount was drawn down for each payment made by the successful bidder, with the contract liability balance remaining unchanged until the successful bidder made full payment amounting to the purchase price of the liquor permit. Subsequently, SLGA Retail Inc. fully recognized the contract liability in revenue.

During the year ended March 31, 2024, SLGA Retail Inc. had fully transferred control of 16 of the liquor permits to the successful bidders and recognized permit revenue of $21.0 million. Immediately prior to its dissolution, pursuant to *The Alcohol Control Amendment Regulations, 2024* SLGA Retail Inc. transferred to SLGA the rights and obligations of 18 liquor permits that were in the process of being sold. For the year ended March 31, 2026, $Nil million is due to SLGA from the successful bidder of an aggregate total purchase price of $Nil million (2025 - $0.5 million due of $0.7 million aggregate total).

The year-over-year continuity between accounts receivable, contract liabilities and permit revenue, are as follows:

	2026		2025	
	Trade and other receivables (000's)	Contract liabilities (000's)	Trade and other receivables (000's)	Contract liabilities (000's)
Balance – beginning of year	$ 525	$ 700	$ 7,594	$ 18,957
Purchase agreements signed	---	---	700	700
Cancelled and reauctioned	---	---	---	---
Forfeited deposits	---	---	---	---
Payments made by winning bidder	(525)	---	(7,769)	---
Recognized as permit revenue	---	(700)	---	(18,957)
Balance – end of year	$ ---	$ ---	$ 525	$ 700

Included in the statement of financial position is $Nil million of trade and other receivables, $Nil of long term receivable – permit & other, and $Nil million in contract liabilities (2025 - $0.3 million trade and other receivables, $Nil million long term receivable - permit & other, and $1.2 million contract liabilities) related to the sale of new retail liquor permits that are not part of discontinued operations.

24. Keystone Project

The Keystone Project was launched as part of the wider Enterprise Resource Planning (ERP) Modernization Program to replace SLGA's core financial, HR and supply chain systems. It will address key risks and opportunities relating to service delivery, process efficiency, security and support standards, and technology obsolescence. Costs incurred include items related to internal employee salaries and benefits, project delivery and various program planning and consulting costs.

The Keystone Project is accounted for as a SaaS arrangement and expenses are recognized when the services are received. SLGA's total contractual commitments for 2026-27 related to this project are $14.7 million.

	2026 (000's)	2025 (000's)
Consulting services	$ 6,476	$ ---
Salaries and employee benefits	338	---
Other	2	---
Total expenses	$ 6,816	$ ---

Schedule 1

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
SCHEDULE OF SEGMENTED OPERATING EXPENSES
For the Year Ended March 31

	Liquor		Gaming		Cannabis		Total	
	2026 (000's)	2025 (000's)	2026 (000's)	2025 (000's)	2026 (000's)	2025 (000's)	2026 (000's)	2025 (000's)
Salaries, wages and benefits	$ 19,237	$ 18,133	$ 5,711	$ 5,149	$ 3,340	$ 3,171	$ 28,288	$ 26,453
Information technology	7,204	1,500	702	422	523	393	8,429	2,315
Depreciation	3,119	3,290	385	250	321	400	3,825	3,940
Professional and contractual services	2,341	2,423	508	576	504	609	3,353	3,608
Debit/credit charges	2,230	2,341	47	47	---	---	2,277	2,388
Rent utilities and insurance	914	1,364	173	334	110	210	1,197	1,908
Grants (Note 3(l))	717	693	149	142	124	160	990	995
Sundry	808	530	18	20	4	6	830	556
Travel and business	324	285	204	146	102	68	630	499
Operations and maintenance	497	470	39	40	8	7	544	517
Service charges & interest	286	47	98	16	62	10	446	73
Communication	110	107	40	56	26	26	176	189
Stationery and supplies	111	169	17	25	8	15	136	209
Customer service programs	114	97	---	---	---	---	114	97
Honoraria and related expenses	33	22	20	13	13	9	66	44
Advertising, printing, and promotion	31	40	10	11	8	9	49	60
Goods and services tax	4	31	---	---	---	---	4	31
	$ 38,080	$ 31,542	$ 8,121	$ 7,247	$ 5,153	$ 5,093	$ 51,354	$ 43,882

Appendix A

Saskatchewan Liquor and Gaming Licensing Commission

The Saskatchewan Liquor and Gaming Licensing Commission (Commission) is an independent quasi-judicial body which reviews:

a) decisions of SLGA with respect to gaming registrations, liquor and cannabis permits and compliance matters;
b) decisions of SIGA casino operators and SaskGaming respecting involuntary casino exclusions of patrons from their casinos;
c) decisions of the Indigenous Gaming Regulators (IGR) with respect to on-reserve charitable gaming registrations and compliance matters.

The Commission's primary role is to serve as an independent and fair quasi-judicial review body mandated to ensure proper application of the legislation and regulations governing liquor, gaming, horse racing and cannabis to ensure the fairness and integrity of SLGA regulatory decisions. Any party who disagrees with a regulatory decision of SLGA or IGR has the right to apply to the Commission for a review. Similarly, any individual (such as a casino patron) who has been involuntarily excluded from a casino by SaskGaming or SIGA may request a review by the Commission.

The Commission provides written decisions which are public records and are maintained in the office of the Commission Registrar.

Hearings are held each month, in either Saskatoon or Regina. Seven hearings (four in Regina and three in Saskatoon) relating to 10 incidents were held in 2025-26; four related to liquor sanctions, three related to cannabis sanctions, two related to a SLGA gaming registration cancellation and one related to a SIGA casino admission ban.

The Commission members during the year were:

- Roy Ludwig, Chair, Estevan
- Ray Sadler, Vice Chair, Biggar
- Cindy Gross, Secretary, Swift Current
- Neil Wylie, Saskatoon
- Alan Fraser, Prince Albert
- Patricia Hughes, Prince Albert
- Frederick Kovach, Kenosee Lake

The Commission also has a part-time Registrar.

Since 1997, the Commission has initiated procedural changes and is constantly developing its own policies to continue to ensure equitable treatment of all parties appearing before it. The Commission also makes written recommendations to SLGA regarding any significant regulatory issues that come to its attention through contact with the industries within its jurisdiction. It also continues to stay up to date in the changing environment of administrative law and the industries it regulates through its own research and training opportunities.

Appendix B

2025-26 Results at a glance

SLGA net income (millions)	$241.5
Total liquor sales (millions)	$613.4
Liquor net income (millions)	$253.6
Number of SLGA employees	249
Number of active liquor permittees	2,604
Number of active liquor retail store permittees	635
Number of Saskatchewan craft liquor producers	58
Number of active Saskatchewan craft liquor permits	90
Special order listings	7,865
Total SLGA distributed products (core listings and special orders)	10,585
Privately distributed products	804
Total retail products available (excluding Saskatchewan craft direct delivery)	11,389
Number of special occasion permits issued	9,742
Number of cannabis retail store permits issued	204
Number of cannabis wholesale permits issued	4
Number of cannabis licensed producer registrations	164
Number of sanctions and warnings (liquor, gaming and cannabis)	530
Number of conditions, issues and violations (gaming registrations and casinos)	168
Number of registered gaming employees	1,100
Number of registered gaming suppliers	111
Total number of bingo, raffle, breakopen, charitable gaming event, Texas Hold’em and Monte Carlo licences	8,369
Number of bingo halls	6
Total gross bingo sales (millions)	$5.2
Total gross raffle sales (millions)	$73.9
Total gross breakopen sales (millions)	$1.7
Total gross charitable gaming event sales (millions)	$51.4
Total gross sales for charity (bingo, raffle, breakopen, charitable gaming event, Texas Hold’em and Monte Carlo) (millions)	$132.4
Total net proceeds to charity (bingo, raffle, breakopen, charitable gaming event, Texas Hold’em and Monte Carlo) (millions)	$39.9