Annual Report

for the year ended December 31, 2023

GAME HOST

Gamehost Inc.

Consolidated Financial Statements

For the Year ended December 31, 2023

pivotal
CHARTERED PROFESSIONAL ACCOUNTANTS

Pivotal LLP
#201, 33 McKenzie Crescent
Red Deer County, Alberta
T4S 2H4

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Gamehost Inc.:

Opinion

We have audited the accompanying consolidated financial statements of Gamehost Inc. ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2023, and December 31, 2022, the consolidated statements of profit and comprehensive profit, changes in equity and cash flows for the years then ended, and notes, including a summary of material accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Gamehost Inc. as at December 31, 2023, and December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we have not provided a separate opinion on these matters.

Goodwill and Intangibles Impairment Analysis – refer to Note 4(f), Note 4(i) ii), and Note 19.

The Company assesses goodwill and intangible asset impairment by comparing the recoverable amounts of its cash-generating units to their carrying values. The Company determined the recoverable amounts of the cash-generating units based on a value in use calculation. The value in use calculation uses discounted cash flow projections that employ the following key assumptions:

- Future cash flows and growth projections;
- Associated estimates and risk assumptions in the determination of future cash flows; and
- Weighted average cost of capital.

Changes in these assumptions could have a significant impact on the value in use, the Company's assessment of impairment of goodwill and intangible assets, or both. Given the significant judgments made by management, auditing the key assumptions required a high degree of auditor judgment.

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How the Key Audit Matter Was Addressed in the Audit

Our audit procedures focused on the key assumptions made by the Company and included the following, among others:

- Compared management's historical cash flow projections to historical results;
- Evaluated the reasonableness of management's forecasts of future cash flows by comparing forecasts to:
    - Historical revenues;
    - Underlying analysis detailing growth plans and estimates; and
    - Communications with management and the board of directors.
- Reviewed management's sensitivity analysis of future cash flows for reasonableness; and
- Evaluated the reasonableness of the discount rate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the management discussion and analysis but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 Company, cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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.

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We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences or doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Devender Minhas.

Pivotal LLP

Red Deer County, Alberta
March 12, 2024

Chartered Professional Accountants

Gamehost Inc.
Consolidated Statements of Profit and Comprehensive Profit

In thousands *(Except per share figures)*	Notes	*Audited* twelve months ended December 31 2023	2022	*Unaudited* three months ended December 31 2023	2022
Operating revenue	7	**$ 83,360.3**	$ 69,736.4	**$ 21,296.0**	$ 18,776.6
Cost of sales					
Other	8	**(45,212.0)**	(42,250.6)	**(11,753.0)**	(11,641.6)
Depreciation	17, 18	**(3,354.6)**	(3,756.4)	**(808.8)**	(969.5)
		(48,566.6)	(46,007.0)	**(12,561.8)**	(12,611.1)
Gross profit		**34,793.7**	23,729.4	**8,734.2**	6,165.5
Lease and other income (loss)	9	**192.0**	(560.4)	**51.2**	(5.5)
Administrative expenses					
Other	10	**(3,687.8)**	(3,079.4)	**(954.4)**	(787.3)
Depreciation	17, 18	**(921.1)**	(978.8)	**(210.9)**	(245.6)
		(4,608.9)	(4,058.2)	**(1,165.3)**	(1,032.9)
Profit from operating activities		**30,376.8**	19,110.8	**7,620.1**	5,127.1
Fair value adjustment	20, 25	**-**	(354.1)	**-**	(354.1)
Net finance costs	11	**(3,015.6)**	(2,459.6)	**(727.6)**	(753.1)
Profit before income taxes		**27,361.2**	16,297.1	**6,892.5**	4,019.9
Income tax (expense) recovery	12	**(6,303.7)**	(3,330.2)	**(1,502.8)**	257.2
Profit and comprehensive profit		**$ 21,057.5**	$ 12,966.9	**$ 5,389.7**	$ 4,277.1
Profit and comprehensive profit attributable to:					
Shareholders		**$ 21,057.5**	$ 12,670.7	**$ 5,389.7**	$ 4,277.1
Non-controlling interest		**-**	296.2	**-**	-
		$ 21,057.5	$ 12,966.9	**$ 5,389.7**	$ 4,277.1
Earnings per share					
Basic and fully diluted	13	**$ 0.97**	$ 0.56	**$ 0.25**	$ 0.19
Weighted average number of common shares outstanding	22				
Basic and fully diluted		**21,769.8**	22,479.2	**21,459.0**	22,339.0

The accompanying notes are an integral part of the consolidated financial statements.

Gamehost Inc.

Consolidated Statements of Financial Position

In thousands	Notes	***Audited*** December 31, 2023	***Audited*** December 31, 2022
Assets			
Current			
Cash		**$ 13,979.2**	$ 15,614.5
Restricted cash	14	**594.4**	628.8
Trade and other receivables	15	**3,384.4**	2,068.2
Inventories	16	**753.4**	717.0
Prepaid expenses		**867.0**	600.0
Income tax receivable		**73.2**	379.3
		19,651.6	20,007.8
Property, plant and equipment	17	**72,466.8**	75,257.0
Right-of-use assets	18 a)	**9,223.7**	10,033.9
Investment property	20	**1,163.8**	1,220.0
Goodwill and licences	19	**76,890.8**	76,890.8
		$ 179,396.7	**$ 183,409.5**
Liabilities			
Current			
Trade and other payables		**$ 4,546.3**	$ 4,624.6
Loans and borrowings	21	**20,699.1**	27,259.7
Lease liabilities	18 b)	**745.5**	729.1
Dividends payable		**855.0**	668.8
		26,845.9	33,282.2
Loans and borrowings	21	**25,468.0**	27,242.5
Lease liabilities	18 b)	**10,862.2**	11,618.0
Deferred tax liabilities	12	**7,422.5**	7,395.9
		70,598.6	79,538.6
Equity	22		
Share capital		**143,453.3**	151,327.6
Deficit		**(34,655.2)**	(47,456.7)
Equity attributable to Shareholders		**108,798.1**	103,870.9
		$ 179,396.7	$ 183,409.5

The accompanying notes are an integral part of the consolidated financial statements.

Gamehost Inc.

Consolidated Statements of Changes in Equity

In thousands

	Notes	Share capital	Deficit	Total	Non-controlling interest	Total equity
		Audited				
Equity as at January 1, 2022		$ 154,622.7	$ (46,622.8)	$ 107,999.9	$ 6,527.6	$ 114,527.5
Profit and comprehensive income		-	12,670.7	12,670.7	296.2	12,966.9
Dividends to shareholders of the Company		-	(6,728.4)	(6,728.4)	-	(6,728.4)
Acquistion of non-controlling interest		-	(6,776.2)	(6,776.2)	(6,823.8)	(13,600.0)
Shares repurchased for cancellation		(3,295.1)	-	(3,295.1)	-	(3,295.1)
Equity as at December 31, 2022		$ 151,327.6	$ (47,456.7)	$ 103,870.9	$ -	$ 103,870.9
Profit and comprehensive income		**-**	**21,057.5**	**21,057.5**	**-**	**21,057.5**
Dividends declared to shareholders of the Company	22	**-**	**(8,256.0)**	**(8,256.0)**	**-**	**(8,256.0)**
Shares repurchased for cancellation	22	**(7,874.3)**	**-**	**(7,874.3)**	**-**	**(7,874.3)**
Equity as at December 31, 2023		**$ 143,453.3**	**$ (34,655.2)**	**$ 108,798.1**	**$ -**	**$ 108,798.1**

The accompanying notes are an integral part of the consolidated financial statements.

Gamehost Inc.
Consolidated Statements of Cash Flows

In thousands		*Audited*		*Unaudited*	
		twelve months ended December 31		**three months ended December 31**	
	Notes	**2023**	**2022**	**2023**	**2022**
Cash provided by (used in):					
Operating activities					
Profit and comprehensive profit		**$ 21,057.5**	$ 12,966.9	**$ 5,389.7**	$ 4,277.1
Adjustments for:					
Depreciation of property, plant and equipment		**4,275.7**	4,735.2	**1,019.7**	1,215.1
`	11	**3,321.2**	2,608.6	**789.9**	806.1
Foreign exchange gain	11	**(3.2)**	(16.4)	**(3.2)**	(3.8)
Fair value adjustment	20, 25	**-**	354.1	**-**	354.1
Income tax expense (recovery)	12	**6,303.7**	3,330.2	**1,502.8**	(257.2)
		34,954.9	23,978.6	**8,698.9**	6,391.4
Change in:					
Non-cash working capital:					
Trade and other receivables		**(1,316.2)**	2,816.2	**(985.1)**	(293.3)
Inventories		**(36.4)**	(148.9)	**(3.0)**	(14.4)
Prepaid expenses		**(267.0)**	(7.5)	**68.4**	402.9
Trade and other payables		**(43.9)**	775.4	**25.8**	(272.5)
Finance costs paid		**(3,318.0)**	(2,473.6)	**(786.7)**	(761.1)
Income taxes paid		**(5,971.0)**	(4,161.1)	**(1,992.0)**	(667.0)
Net cash provided by operating activities		**24,002.4**	20,779.1	**5,026.3**	4,786.0
Investing activities					
Purchase of property, plant and equipment	17	**(675.3)**	(2,498.8)	**(71.2)**	(287.0)
Investment property	20	**56.2**	(62.0)	**-**	(62.0)
Net cash used in investing activities		**(619.1)**	(2,560.8)	**(71.2)**	(349.0)
Financing activities					
Proceeds of loans and borrowings	21	**5,924.1**	3,272.0	**1,706.0**	-
Payments on loans and borrowings	21	**(14,241.2)**	(11,303.2)	**(2,831.7)**	(1,718.1)
Payments on lease liabilities	18 b)	**(757.4)**	(847.5)	**(190.2)**	(237.7)
Dividends paid	22	**(8,069.8)**	(6,059.6)	**(2,154.0)**	(2,012.5)
Share repurchases	22	**(7,874.3)**	(3,295.1)	**(2,958.6)**	(842.4)
Net cash used in financing activities		**(25,018.6)**	(18,233.4)	**(6,428.5)**	(4,810.7)
Net increase (decrease) in cash		**(1,635.3)**	(15.1)	**(1,473.4)**	(373.7)
Opening cash		**15,614.5**	15,629.6	**15,452.6**	15,988.2
Closing cash		**$ 13,979.2**	$ 15,614.5	**$ 13,979.2**	$ 15,614.5

The accompanying notes are an integral part of the consolidated financial statements.

1 REPORTING ENTITY

Gamehost Inc. (the “Company” or "Gamehost") is a publicly listed company incorporated in Canada under the Business Corporations Act (Alberta). The Company's shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol "GH". The head office is located at 104 - 548 Laura Avenue, Red Deer Country, Alberta T4E 0A5. The registered office and location of records is located at 1400, 350 – 7th Avenue SW Calgary, Alberta T2P 3N9.

Gamehost Inc., its wholly owned subsidiaries Gamehost Limited Partnership, and Deerfoot Inn & Casino Inc, collectively ("Gamehost") operates entirely in the province of Alberta. Operations include Deerfoot Inn & Casino ("Deerfoot") in Calgary, Rivers Casino & Entertainment Centre ("Rivers") in Fort McMurray, Great Northern Casino ("Great Northern"), Service Plus Inns & Suites (“Service Plus”), and Encore Suites by Service Plus Inns ("Encore") all located in Grande Prairie.

The Company is also the owner of an investment property located adjacent to its operating properties in Grande Prairie.

Gaming operations of the Company are controlled by Alberta Gaming, Liquor and Cannabis Commission ("AGLC"), including Company owned table games and government owned slot machines and electronic gaming tables, together referred to as electronic gaming devices ("EGD"), video lottery terminals ("VLT"), and lottery ticket kiosks. Hotel operations of the Company include full and limited service hotels, and banquet and convention services. Food, beverages and entertainment are offered at each of the Company’s casino locations.

2 BASIS OF PREPARATION

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These Consolidated Financial Statements were approved and authorized for issue by the Board of Directors on March 12, 2024.

3 CHANGES IN MATERIAL ACCOUNTING POLICIES

During the Year, the Company adopted the following polices and/or applied the following amended International Accounting Standards ("IAS") and IFRS issued by the IASB that are effective for annual reporting periods beginning on or after January 1, 2023.

- IAS 1 - Presentation of Financial Statements (Amendments to Disclosure of Accounting Policies and IFRS Practice Statement 2, Making Materiality Judgements). The amendments require entities to disclose material accounting policies instead of significant accounting policies. Application of the amendments had no material impact on the Company's financial statements.

- IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (Amendments to Definition of Accounting Estimates). The amendments clarify the difference between accounting policies and estimates to ensure changes are applied either retrospectively or prospectively. Application of the amendments had no impact on the Company's financial statements.

- IAS 12 - Income Taxes (Amendments to Deferred Tax related to Assets and Liabilities arising from a Single Transaction). The amendments require that entities recognize both a deferred tax asset and a deferred tax liability when transactions give rise to equal and offsetting temporary differences. Application of the amendments had no impact on the Company's financial statements.

3 CHANGES IN MATERIAL ACCOUNTING POLICIES (Continued)

Standards and amendments to standards and interpretations that are not yet effective for the year ended December 31, 2023 have not been applied in preparing these consolidated financial statements but are described below. For those standards where earlier application is permitted, the Company expects to apply the changes at the effective date.

- IFRS 16 - Leases (Amendments to Lease Liability in a Sale-and-Leaseback). The amendments affect the way a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The Amendments are effective for annual reporting periods on or after January 1, 2024.

- IAS 1 - Presentation of Financial Statements (Amendments to Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants). The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a entity's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance. The amendments are effective for annual reporting periods on or after January 1, 2024.

Management continues to assess the impact of the above future accounting changes on the Company's consolidated financial statements.

4 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all subsidiaries of the Company and to all periods presented in these Consolidated Financial Statements unless otherwise indicated.

(a) Basis of consolidation

i) Business combinations

The Company applies the acquisition method to account for business combinations. The Company measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

ii) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with policies adopted by the Company.

iii) Transactions eliminated on consolidation

Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

4 MATERIAL ACCOUNTING POLICIES (Continued)

(b) Financial instruments

The Company’s financial assets and liabilities are classified by category and method of measurement under IFRS 9.

Financial asset/liability	Measurement method
Cash	FVTPL
Trade and other receivables	Amortized Cost
Trade and other payables	Amortized Cost
Dividend payable	Amortized Cost
Loans and borrowings	Amortized Cost

i) Non-derivative financial assets

The Company classifies its non-derivative financial assets in the trade and other receivables category. Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables are comprised of cash and trade and other receivables inclusive of any Expected Credit Losses ("ECL").

ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Other financial liabilities are comprised of trade and other payables, loans and borrowings, and dividends payable.

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

iii) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(c) Cash

Cash includes cash on hand and balances with financial institutions. Cash balances with financial institutions earn interest at a rate of bank prime less 2.50%.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the first-in, first-out method and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

(e) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized as a net amount in profit or loss.

ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

iii) Depreciation

The estimated useful lives for the current and comparative years are as follows:

Land Improvements	2.0% straight line, 8.0% declining balance
Buildings	4.0% to 5.0% declining balance
Building components	20.0% straight line
Leaseholds	7 to 15 years straight line
Furniture and equipment	20.0% to 100.0% declining balance

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

4 MATERIAL ACCOUNTING POLICIES (Continued)

(f) Goodwill and licences

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is grouped with licences. See [Note 4(a) i)] for the policy on measurement of goodwill at initial recognition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, see [Note 4(i) ii)].

Licenses

Licenses are issued by the AGLC and allow for the operation of government owned slot machines, VLT's and lottery ticket kiosks as well as private operator owned table games in private operator facilities. They are measured at cost less accumulated impairment losses. Licenses are renewable every six years for a nominal fee. The Company does not foresee a limit to the period over which the licenses are expected to generate cash inflows for the Company. Factors that support an indefinite life for licenses include: license holders are subject to rigorous diligence investigation at each license renewal; licenses come with a high cost of maintenance by holders in the form of extensive capital outlay for facilities and staff to support the daily operation of regulated games and equipment; licenses are not subject to competition and are not dependant on the useful life of other assets of the Company. There is not a single case of an Alberta licence being rescinded by the AGLC after being issued.

(g) Investment property

Investment property is property held either to earn rental income or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Initial measurement is at cost including any transaction costs, but not costs normally associated with operation of the property. The Company measures investment property at fair value with any change therein recognized in profit or loss.

(h) Leases

i) As a Lessee

The Company 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.

The Company elects not to recognize right-of-use assets and lease liabilities for identified assets of any class when the contract is short-term (less-than-or-equal-to twelve months) or when the identified asset is of low-value. Short-term and low-value leases consist primarily of small equipment and are recorded to cost of sales or administrative expenses on a straight-line basis over the lease term.

Right-of-use ("ROU") assets

The Company recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any direct costs incurred and an estimate of any costs to dismantle, remove or restore any underlying asset, less any incentives received.

4 MATERIAL ACCOUNTING POLICIES (Continued)

The ROU 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 ROU asset or the end of the lease term. Estimated useful lives of ROU assets are determined on the same basis as property, plant and equipment. ROU assets may be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The estimated useful life of ROU assets range from 2 to 5 years for equipment and 3 to 15 years for buildings amortized straight-line.

Lease liabilities

A lease liability is initially measured at the present value of the unpaid lease payments at commencement date, discounted using the interest rate implicit in the lease if it is readily available, otherwise the Company's incremental borrowing rate is used.

When a contract contains lease and non-lease components, the Company elects, by class, whether to apply the practical expedient of combining lease and non-lease components. At inception or on reassessment of a contract that contains a lease component, the Company separates non-lease components from lease components for building leases. Non-lease components typically include insurance, property tax and common area maintenance costs and are treated as operating expenses in the period payments are made. For equipment, the Company accounts for both lease and any non-lease components together and the combined amounts are recognized on a straight-line basis over the term of the lease.

Lease payments included in the measurement of the lease liability may be comprised of fixed payments, residual value guarantees, any purchase options the Company is reasonably certain to exercise, lease payments for any renewal periods that are reasonably certain to be exercised or early termination penalties the Company is reasonably certain to incur. Renewal periods for the Rivers property lease were included in determining ROU assets.

Lease liabilities are remeasured when there is a change in the estimate of future lease payments resulting from a change in rates or underlying assumptions used in determining the previous amounts expected to be payable. The lease liability is measured at amortized cost using the effective interest rate method. Any resulting adjustment from remeasuring the lease liability is recorded to the carrying amount of the ROU asset, or if the carrying amount of the ROU asset is nil, then to profit and loss.

A lease modification is treated as a new lease when there has been a change to the scope of the previous lease that results in a change in the consideration paid. Where a lease modification is not the result of a change in scope the modification is treated as a remeasurement of the existing lease.

Lease payments that depend on performance measures or usage of the identified asset are considered variable lease payments. Variable lease payments are expensed in cost of sales in the period in which they are incurred. A property lease at Rivers includes provision for variable lease payments, but none were included in determining ROU assets as they were not deemed likely.

4 MATERIAL ACCOUNTING POLICIES (Continued)

ii) As a Lessor

When the Company is the lessor, it determines at inception whether the lease is an operating lease or a finance lease. The Company assesses whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. When this is the case, the lease is a finance lease; when not, it is an operating lease. A key consideration in this assessment is whether the lease is for the majority portion of the economic life of the asset. None of the Company's leases extend for the majority of an assets economic life.

All of the Company's leases are operating leases and lease payments are recognized as they become due as income on a straight-line basis over the term of the lease. Lease inducements, when provided to a lessee, are amortized to lease revenue on a straight line basis over the term of the lease.

(i) Impairment

i) Financial Assets

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries, and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Loans and receivables are comprised of cash and trade, lease, loan and other receivables inclusive of ECL. Loans include non-material amounts owed by tenants for tenant improvements and any arrears. Lease payments are due in advance. A significant portion of the Company's trade, lease, loan and other receivables are considered to have negligible credit risk. Other receivable amounts include government subsidies and gaming funds or automated teller machine ("ATM") funds that are systematically deposited to the Company's bank accounts by AGLC or our white label ATM transaction processor, respectively, within 30 days of the date they become due. Trade receivable amounts are mostly aged corporate accounts that relate to hotel stays and or banquets.

The Company's write-off policy requires objective evidence that there is no reasonable expectation of recovery in the form of bankruptcy notice or a complete cessation of communication from the customer.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there are any indicators of impairment. If any such indicators exist, then the asset's recoverable amount is estimated. For goodwill and licences that have indefinite useful lives, the recoverable amount is estimated each year at the same time or more frequently if indicators of impairment exist. A significant rise in interest rates during the Year indicated impairments may exist. Subsequent measurements did not support impairment charges.

4 MATERIAL ACCOUNTING POLICIES (Continued)

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 pre-tax 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"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which goodwill is monitored for internal reporting purposes [Note 19].

The Company's corporate assets do not generate separate cash inflows and are utilized by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

iii) Investment property

Investment property is measured at fair value. Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value was determined using value-in-use methodology.

(j) Fair value hierarchy

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs), and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as derived from prices. The Company used level 2 inputs in determining fair value for loans and borrowings.

- Level 3 inputs are unobservable inputs for the asset or liability. The Company used level 3 inputs in determining the fair value of its investment property. A recoverable amount for the Company's investment property was calculated by discounting future expected cashflows.

4 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Income taxes

Income tax expense is comprised of current income tax and deferred income tax. Current income tax and deferred income tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. Deferred income tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred income tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. Deferred tax assets and liabilities may also be offset when they relate to different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Employee benefits

Contributions to a health spending plan are expensed in the period in which contributions are made.

(m) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as the principal or agent.

For contracts with customers, a five step model is utilized to achieve the core revenue recognition principle: (1) identify the contract(s) with customers; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the obligations in the contract; and (5) recognize revenue when, or as, the Company satisfies a performance obligation.

4 MATERIAL ACCOUNTING POLICIES (Continued)

The following specific recognition criteria must also be met before revenue is recognized:

i) Gaming operations

The Company has various retailer agreements with AGLC, which do not meet the definition of a contract with a customer as prescribed by IFRS 15 and require an assessment of principal versus agent in the services the Company provides under these agreements. Specifically any wagering transaction with a casino patron. The Company has determined that its obligations to provide goods or services under these agreements is strictly under the authority of the AGLC and thus is acting as an agent under that authority. Accordingly, revenue is recognized net of any amounts belonging to the AGLC. Patrons participating in gameplay are wagering with the AGLC. Terms and conditions of the AGLC retailer agreements are dictated solely by AGLC, which include what, when and how the Company must meet its obligations to be entitled to fixed percentage commissions based on gaming wins net of prizes paid. The Company's significant obligations include providing facilities, utilities and insurance to house and for the safe operation of AGLC equipment, providing staff to support gameplay, and providing cash floats to facilitate gameplay and the payout of prizes won.

Revenues from gaming operations consist of the Company’s fixed percentage commission of gaming wins net of prizes paid, which are set by the AGLC at its sole discretion, and are recognized in profit or loss in the same period in which the game is played. Related operating costs are recorded in profit or loss in the period they are incurred.

ii) Hotel operations

Revenues from room rentals and incidental services are recognized in profit or loss when services are rendered to customers, when the selling price is fixed or determinable, and when collection is reasonably assured. Related operating costs are recorded in profit or loss in the period they are incurred.

Contracts with customers are limited to blocks of rooms and/or banquet services, where goods and services are delivered over a brief span of time. These larger individual contracts require a deposit which is recorded as a contract liability until the Company satisfies its obligations under the contract. Individual contracts are not material in amount. Recorded deposits, either independently or in the aggregate, are not material in amount.

iii) Food and beverage operations

Revenues from food and beverage sales are recognized in profit or loss when goods are rendered to customers, when the selling price is fixed and determinable, and when collection is reasonably assured. Related operating costs are recorded in profit or loss in the period they are incurred.

In certain locations, food and beverage sales are commission based. When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commissions earned by the Company. The Company is an agent in food and non-alcoholic beverage sales at Great Northern and Rivers and has negotiated fixed percentage commissions with third party food operators.

The Company offers live entertainment for which tickets are sold in advance and recorded as a contract liability until the entertainment event has been delivered. Individual contracts are not material in amount. Recorded advance payments, either independently or in the aggregate, are not material in amount.

4 MATERIAL ACCOUNTING POLICIES (Continued)

iv) Investment property

Lease revenues from investment property are recognized in profit or loss per the terms and conditions stipulated in operating lease agreements with tenants and when lease payments are reasonably assured. Related operating costs are recorded in profit or loss in the period they are incurred.

(n) Finance income and finance costs

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

Finance costs comprise of interest expense on borrowings including interest accretion on lease liabilities and net foreign exchange rate gains (losses).

Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss using the effective interest method. No interest was capitalized during the Year.

(o) Foreign currency

Foreign currency transactions are recorded at the exchange rate on the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the retranslation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit and loss account on a net basis. Non-monetary assets and liabilities at historical cost are measured at the exchange rate at the date of the transaction. Exchange gains and losses recorded in the Company's financial statement are immaterial in the ordinary course of business.

(p) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders, and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements and reported amounts of revenues and expenses during the reporting period. Estimates, judgements, and assumptions are reviewed on an on-going basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results may be different from estimates.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

- Fair value of investment property

Estimated future cash flows were discounted using the Company's weighted average cost of capital to determine fair value using value-in-use methodology. Management estimated cash flow in year 1 based on a current leases and known expenses. Management assumed cash flows based on securing tenants for the remaining vacant space in years 2 through 5 at market rates.

- Estimated useful life of long-term assets

Estimates are made in determining components of an asset's useful life that are based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries. The Company treats carpet as a major component of buildings. The Company has determined gaming licences to have indefinite useful lives.

- Lease liabilities

The measured amount of lease liabilities is determined by calculating the present value of future lease payments. The present value of future lease payments is discounted using the Company's estimated cost of incremental borrowing. Estimating the incremental cost of borrowing requires significant judgement and thus could have a significant quantitative impact on recorded lease liabilities.

Judgement is required when determining lease terms. Where contracts include options for lease extension and/or termination and it is reasonably certain that the option(s) will or will not be exercised, the lease term is adjusted accordingly. The Rivers property lease includes extensions which are expected to be exercised.

Lease liabilities are remeasured when there are changes in future lease payments. The discount rate is also re-evaluated at remeasurement date and any resulting adjustment to the lease liability will also result in a corresponding adjustment to the ROU asset.

- Income taxes

Deferred tax assets and liabilities are due to temporary differences between the carrying amount for accounting purposes and the tax basis of certain assets and liabilities. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based on amounts recorded on the consolidated statements of financial position and are subject to the accounting estimates inherent in those balances. The tax basis of assets and liabilities are based on the applicable income tax legislation, regulations and interpretations. The timing of the reversal of the temporary differences are based on estimations of the Company's future financial results.

Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation will result in adjustments to the expectations of future timing difference reversals and may require material deferred tax adjustments.

(In thousands, except share information)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

- Goodwill and licences

  The Company has estimated future cash flows based on historical results and third party provincial economic growth forecasts with sensitivity to a 10.0% reduction. These were discounted using the Company's weighted average cost of capital, all of which can affect the recoverable amounts of CGU's which may result in permanent impairment charges to goodwill and/or licences.

6 OPERATING SEGMENTS

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Operating results of each segment for which specific financial information is available are reviewed regularly by the Company's Chief Operating Officer ("COO"), to make decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the COO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the Year to acquire or develop property, plant and equipment, and licences.

The Company's reportable segments are strategic business units that offer different services. They are managed separately because of their unique operational and marketing requirements. Each segment complements the other segments. The Gaming segment includes three casinos offering slot machines, electronic gaming tables, VLT's, lottery ticket kiosks and table games. The Hotel segment includes three hotels catering to mid-range clients. The Food and Beverage segment has operations that are located within the casinos and hotels as a complement to those segments.

twelve months ended December 31, 2023	Gaming	Hotel	Food & Beverage	Corporate and Other [1]	Total
Operating revenue	$ 48,680.2	$ 16,217.8	$ 18,517.4	$ (55.1)	$ 83,360.3
Lease and other revenue	-	-	96.8	95.2	192.0
Total revenues	$ 48,680.2	$ 16,217.8	$ 18,614.2	$ 40.1	$ 83,552.3
Profit (loss) before income taxes	$ 24,007.3	$ 4,184.9	$ 3,853.9	$ (4,684.9)	$ 27,361.2
Segment assets	$ 83,293.8	$ 67,032.8	$ 27,008.9	$ 2,061.2	$ 179,396.7
Segment liabilities	$ 27,786.5	$ 23,334.6	$ 10,700.8	$ 8,776.7	$ 70,598.6
Capital expenditures	$ 274.1	$ 272.3	$ 128.9	$ (56.2)	$ 619.1

(In thousands, except share information)

6 OPERATING SEGMENTS (Continued)

twelve months ended December 31, 2022	Gaming	Hotel	Food & Beverage	Corporate and Other [1]	Total
Operating revenue	$ 40,515.0	$ 13,782.7	$ 15,419.8	$ 18.9	$ 69,736.4
Lease and other revenue	(156.8)	(86.1)	(185.8)	(131.7)	(560.4)
Total revenues	$ 40,358.2	$ 13,696.6	$ 15,234.0	$ (112.8)	$ 69,176.0
Profit (loss) before income taxes	$ 16,698.5	$ 2,522.9	$ 1,847.1	$ (4,771.4)	$ 16,297.1
Segment assets	$ 85,670.2	$ 67,651.5	$ 27,622.6	$ 2,465.2	$ 183,409.5
Segment liabilities	$ 31,172.5	$ 27,380.5	$ 12,274.4	$ 8,711.2	$ 79,538.6
Capital expenditures	$ 1,506.2	$ 466.7	$ 526.0	$ 61.8	$ 2,560.7

[1] Corporate and Other consists of revenues and expenses which are not allocated to operating segments and do not meet the definition of an operating segment on their own.

7 OPERATING REVENUE

	twelve months ended December 31		three months ended December 31	
Operating revenue	2023	2022	2023	2022
Sale of goods	18,673.1	15,234.0	5,570.4	5,048.2
Room letting	15,709.0	13,391.0	3,552.1	3,343.8
AGLC commissions	26,215.4	21,540.8	6,617.5	5,552.3
Other services	22,762.8	19,570.6	5,556.0	4,832.3
	83,360.3	69,736.4	21,296.0	18,776.6

Sale of goods is comprised of entertainment and food & beverage net of any commissions. Room letting includes both hotel guest rooms and banquet and meeting rooms. AGLC commissions include slot machines, VLT's, lottery and EGT's. Other services includes the operator's share of live table games net of customer wins, cash dispensing, and miscellaneous revenues.

8 COST OF SALES BY NATURE

	twelve months ended December 31		three months ended December 31	
Cost of sales - Other	2023	2022	2023	2022
Food, beverage and other inventory used	4,770.7	4,148.4	1,360.1	1,275.9
Human resources [8 (a)]	22,957.8	20,658.3	6,077.8	5,567.0
Marketing and promotions	3,861.7	3,898.3	1,020.0	1,016.7
Operating	11,031.2	11,005.1	2,665.3	3,206.4
Direct overhead and other	2,590.6	2,540.5	629.8	575.6
	45,212.0	42,250.6	11,753.0	11,641.6

(In thousands, except share information)

8 (a) Human resources

Human resources	twelve months ended December 31 2023	2022	three months ended December 31 2023	2022
Wages and salaries	20,389.1	18,611.6	5,432.5	4,944.6
Canada pension plan remittances	1,056.2	904.0	258.3	224.9
Employment insurance remittances	458.7	399.9	110.4	100.0
Other human resource related expenses	1,053.8	742.8	276.6	297.5
	22,957.8	20,658.3	6,077.8	5,567.0

The Company does not have a defined benefit plan obligation. Employee benefits are limited to those under the Canada Pension Plan ("CPP"), for which the Company makes regular contributions with each payroll period. In addition to contributions to CPP, the Company also has an employee Health Spending Plan ("HSP"). Benefits under this plan are limited to fixed annual Company contributions, which if not used for allowable medical expenses as defined by the Canada Revenue Agency, are paid out as taxable income to the employee.

9 LEASE AND OTHER INCOME (LOSS)

Lease and other income (loss)	twelve months ended December 31 2023	2022	three months ended December 31 2023	2022
Investment property				
Gross revenue	95.2	-	32.4	-
Operating costs	(125.7)	(131.6)	(33.7)	(59.6)
Net profit	(30.5)	(131.6)	(1.3)	(59.6)
Lease revenues from food services operators	207.3	178.9	51.8	51.9
Other income (loss)	15.2	(607.7)	0.7	2.2
	192.0	(560.4)	51.2	(5.5)

Lease and other income is comprised of net profits from investment property leasing activities, lease income from food services operators at the Company's Great Northern and Rivers casinos and other miscellaneous incomes. As lessor, the Company is responsible for all exterior or building shell maintenance and capital expenditures at the Company's investment property. Additionally, the Company manages the operational costs including property tax, building insurance, repairs and maintenance and security of the investment property which costs are shared pro-rata by property tenants as common area costs. The investment property has available vacant space. The Company is currently negotiating a new lease with an the existing food services operator at Great Northern.

As at December 31, 2023	1 year or less	2 to 5 years	More than 5 years
Future minimum lease revenue	117.0	522.1	504.1

As at December 31, 2022	1 year or less	2 to 5 years	More than 5 years
Future minimum lease revenue	288.3	861.7	949.9

(In thousands, except share information)

10 ADMINISTRATIVE EXPENSES - OTHER

	twelve months ended December 31		three months ended December 31	
Administrative expenses - Other	2023	2022	2023	2022
Corporate salaries	519.7	451.8	141.5	114.0
Management fees	2,311.1	1,816.9	641.7	471.5
Legal and other professional fees	211.4	251.5	211.3	251.3
General and other	645.6	559.2	(40.1)	(49.5)
	3,687.8	3,079.4	954.4	787.3

11 NET FINANCE COSTS

	twelve months ended December 31		three months ended December 31	
Net finance costs recognized in profit or loss	2023	2022	2023	2022
Interest income on bank deposits	302.4	132.6	59.1	49.2
Finance income	302.4	132.6	59.1	49.2
Loan interest and interest accretion on lease liabilities	3,321.2	2,608.6	789.9	806.1
Foreign exchange gain	(3.2)	(16.4)	(3.2)	(3.8)
Finance costs	3,318.0	2,592.2	786.7	802.3
Net finance costs recognized in profit	3,015.6	2,459.6	727.6	753.1

12 INCOME TAX

Current income tax

twelve months ended December 31	2023	2022
Current tax expense	$ 6,277.1	$ 4,024.4
Deferred tax expense (recovery)		
Permanet differences in deferred tax carrying values	26.6	(694.2)
Income tax expense	$ 6,303.7	$ 3,330.2

Reconciliation of effective tax rate

Actual income tax expense differs from the expected income tax expense that would have been computed by applying the statutory income tax rate to profit before income taxes for the following reasons:

twelve months ended December 31	2023	2022
Profit attributable to Shareholders before income taxes	$ 27,361.2	$ 16,000.9
Combined federal and provincial statutory tax rate	23.0%	23.0%
Expected income tax expense	6,293.1	3,680.2
Adjustments in determining income tax expense		
Permanent differences in income	10.6	(350.0)
Income tax expense	$ 6,303.7	$ 3,330.2

Substantially enacted tax laws, as they relate to the Company's liability for current and deferred taxes, have been factored into the determination of reported taxes.

(In thousands, except share information)

12 INCOME TAX (Continued)

Deferred income tax

a) Recognized deferred tax assets and liabilities

The income tax effects of temporary differences that give rise to significant portions of the deferred tax liabilities are presented below:

as at	December 31, 2023			December 31, 2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Leased right-of-use assets	2,669.8	-	2,669.8	2,839.8	-	2,839.8
Goodwill and licences	-	(5,517.3)	(5,517.3)	-	(5,372.9)	(5,372.9)
Property, plant and equipment including ROU assets	-	(4,575.0)	(4,575.0)	-	(4,862.8)	(4,862.8)
Deferred tax assets (liabilities)	2,669.8	(10,092.3)	(7,422.5)	2,839.8	(10,235.7)	(7,395.9)

b) Movement in deferred tax balances

twelve months ended	December 31, 2023			December 31, 2022		
	Opening	Recognized in profit	Closing	Opening	Recognized in profit	Closing
Lease liabilities	2,839.8	(170.0)	2,669.8	2,974.8	(135.0)	2,839.8
Goodwill and licences	(5,372.9)	(144.4)	(5,517.3)	(6,405.5)	1,032.6	(5,372.9)
Property, plant and equipment including ROU assets	(4,862.8)	287.8	(4,575.0)	(4,659.4)	(203.4)	(4,862.8)
Deferred tax assets (liabilities)	(7,395.9)	(26.6)	(7,422.5)	(8,090.1)	694.2	(7,395.9)

13 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to common shareholders and the weighted average number of common shares outstanding. The Company had no potentially dilutive common shares during the periods reported.

	twelve months ended December 31		three months ended December 31	
	2023	2022	2023	2022
Profit and comprehensive profit attributable to shareholders	$ 21,057.5	$ 12,670.7	$ 5,389.7	$ 4,277.1
Weighted average common shares outstanding	21,769.8	22,479.2	21,459.0	22,339.0
Basic and fully diluted earnings per share	$ 0.97	$ 0.56	$ 0.25	$ 0.19

(In thousands, except share information)

14 RESTRICTED CASH

Restricted cash consists of progressive jackpot funds that have accumulated over time on specific progressive table games. Progressive jackpot funds are not available for use in general operations. Included in trade and other payables is $594.4 thousand ($628.8 thousand - 2022) relating to progressive jackpots.

15 TRADE AND OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
AGLC, ATM and statutory amounts	1,856.4	1,343.7
Hotel guest accounts	1,528.0	724.5
	3,384.4	2,068.2

AGLC and statutory amounts are expected to clear the month following. Hotel and guest accounts are monitored closely for changes in payment patterns and remain well within Company targets for days sales outstanding. No adjustments have been made to estimates for expected credit losses.

16 INVENTORIES

	December 31, 2023	December 31, 2022
Consumables	134.8	146.7
Merchandise	84.6	51.8
Product supplies	534.0	518.5
	753.4	717.0

Consumables consist of supplies that are used in daily operations including uniforms and playing cards. Product supplies include food, condiments, liquor and mix. During the Year, consumables and product supplies recognized as cost of sales amounted to $4,770.7 thousand ($4,148.4 thousand - 2022). No inventories were written down, and no reversals of previous write-downs occurred during the Year.

(In thousands, except share information)

17 PROPERTY, PLANT AND EQUIPMENT

The carrying values of property, plant and equipment which comprise of owned assets that do not meet the definition of investment property are reconciled below:

	Land	Land Improvement	Buildings	Building Components	Leaseholds	Furniture and Equipment	Total
Cost							
At January 1, 2022	$ 11,564.1	$ 4,215.6	$ 88,598.9	$ 263.1	$ 8,396.3	$ 25,125.1	$ 138,163.1
Additions	-	-	1,700.8	205.4	3.8	588.8	2,498.8
At December 31, 2022	$ 11,564.1	$ 4,215.6	$ 90,299.7	$ 468.5	$ 8,400.1	$ 25,713.9	$ 140,661.9
Additions	-	-	43.6	-	29.2	602.5	675.3
At December 31, 2023	$ 11,564.1	$ 4,215.6	$ 90,343.3	$ 468.5	$ 8,429.3	$ 26,316.4	$ 141,337.2
Accumulated depreciation							
At January 1, 2022	$ -	$ 1,157.4	$ 35,618.9	$ 212.3	$ 2,955.6	$ 21,679.4	$ 61,623.6
Depreciation	-	84.8	2,307.9	23.0	384.4	999.2	3,799.3
At December 31, 2022	$ -	$ 1,242.2	$ 37,926.8	$ 235.3	$ 3,340.0	$ 22,678.6	$ 65,422.9
Depreciation	-	84.8	2,251.1	38.9	381.1	691.6	3,447.5
At December 31, 2023	$ -	$ 1,327.0	$ 40,177.9	$ 274.2	$ 3,721.1	$ 23,370.2	$ 68,870.4
Carrying value							
At December 31, 2022	$ 11,564.1	$ 2,973.4	$ 52,372.9	$ 233.2	$ 5,060.1	$ 3,053.3	$ 75,257.0
At December 31, 2023	$ 11,564.1	$ 2,888.6	$ 50,165.4	$ 194.3	$ 4,708.2	$ 2,946.2	$ 72,466.8

Equipment provided by and owned by AGLC including slot, VLT, EGT, and lottery terminals are not included in property, plant and equipment.

18 LEASES

The Company's leases are comprised of predominantly a property lease for the Rivers Casino & Entertainment Centre and numerous pieces of small equipment throughout the Company, collectively known as right-of-use assets. The corresponding lease liabilities for ROU assets are subject to remeasurement for changes in future lease payments with corresponding adjustments made to the carrying value of the ROU asset.

Additional lease payments are recognized in profit (loss) and consist of short-term leases with durations of twelve months or less, and leases of low value consisting primarily of small equipment. Additional lease payments also include variable portions of property leases based on usage such as property tax and insurance portions of common area property costs.

(In thousands, except share information)

18 LEASES (Continued)

a) Right-of-use assets

	Buildings	Furniture and Equipment	Total
Cost			
At January 1, 2022	$ 12,808.3	$ 752.5	$ 13,560.8
Additions	-	86.4	86.4
Modifications and remeasurements	215.3	-	215.3
At December 31, 2022	$ 13,023.6	$ 838.9	$ 13,862.5
Additions and disposals	-	18.0	18.0
At December 31, 2023	$ 13,023.6	$ 856.9	$ 13,880.5
Accumulated depreciation and impairments			
At January 1, 2022	$ 2,312.3	$ 580.4	$ 2,892.7
Depreciation expense	779.6	156.3	935.9
At December 31, 2022	$ 3,091.9	$ 736.7	$ 3,828.6
Depreciation expense	774.4	53.8	828.2
At December 31, 2023	$ 3,866.3	$ 790.5	$ 4,656.8
Carrying value			
At December 31, 2022	$ 9,931.7	$ 102.2	$ 10,033.9
At December 31, 2023	$ 9,157.3	$ 66.4	$ 9,223.7

b) Lease liabilities

The following table reconciles the opening and ending balances of lease liabilities:

Lease liabilities at January 1, 2022	$ 12,892.9
Lease payments	(1,297.6)
Interest accretion	450.1
Additions	86.4
Lease modifications and remeasurements	215.3
Current lease liabilities at December 31, 2022	(729.1)
Non-current lease liabilities at December 31, 2022	$ 11,618.0

Lease liabilities at January 1, 2023	$ 12,347.1
Lease payments	(1,184.3)
Interest accretion	426.9
Additions	18.0
Current lease liabilities at December 31, 2023	(745.5)
Non-current lease liabilities at December 31, 2023	$ 10,862.2

(In thousands, except share information)

18 LEASES (Continued)

Lease payments were discounted using rates ranging from 3.50% to 6.45% at lease origination or modification.

The Company expects the following maturities of its undiscounted lease commitments:

Lease liabilities contractual cash flows (undiscounted)	December 31, 2023	December 31, 2022
One year or less	$ 1,149.8	$ 1,183.9
Two to five years	4,519.0	4,553.6
More than five years	8,842.0	9,874.4
	$ 14,510.8	$ 15,611.9

c) Lease payments recognized in profit and comprehensive profit

The following table summarizes the amounts recognized in profit and comprehensive profit for lease payments:

	December 31, 2023	December 31, 2022
Lessor activities		
Net (income) loss from lessor activities	$ (70.0)	$ 33.8
Net (income) loss from subletting right-of-use assets	(113.7)	85.3
Lessee activities		
Interest accretion on lease liabilities	$ 426.9	$ 450.1
Depreciation expense on right-of-use assets	828.2	935.9
Variable and usage expenses related to right-of-use assets	380.6	380.0
Expenses related to short-term leases	450.6	453.9
Expenses related to low-value leases	5.8	5.8
Lease expense recognized in profit and comprehensive profit	$ 1,908.4	$ 2,344.8

19 GOODWILL AND LICENCES

	Goodwill	Licenses	Total
Cost			
At January 1, 2022	$ 57,890.8	$ 22,500.0	$ 80,390.8
At January 1, 2023	$ 57,890.8	$ 22,500.0	$ 80,390.8
At December 31, 2023	$ 57,890.8	$ 22,500.0	$ 80,390.8
Accumulated depreciation and impairments			
At January 1, 2022	$ -	$ 3,500.0	$ 3,500.0
At January 1, 2023	$ -	$ 3,500.0	$ 3,500.0
At December 31, 2023	$ -	$ 3,500.0	$ 3,500.0
Carrying value			
At December 31, 2022	$ 57,890.8	$ 19,000.0	$ 76,890.8
At December 31, 2023	$ 57,890.8	$ 19,000.0	$ 76,890.8

Goodwill and licences with indefinite lives are tested annually for impairment. For the purpose of impairment testing, licences are allocated to the Company's CGUs which represent the lowest level within the Company at which the licences are monitored for internal management purposes, which is not higher than the Company's operating segments.

The fair value measurement of the Company's CGUs have been categorized as Level 3 in the fair value hierarchy based on the inputs to the valuation techniques used.

(In thousands, except share information)

19 GOODWILL AND LICENCES (Continued)

Recoverable amounts for the tested CGUs are all based on the higher of fair-market-value-less-cost-to-sell or value-in-use. The Company applied specific cash flow estimates for year one and 1.0% growth rates thereafter for all CGU's. Following year five, a consistent 1.0% growth rate was applied to arrive at terminal value. The Company discounted cash flows based on the Company's weighted average cost of capital of 11.6%. Cash flow projections incorporate estimates of annual gaming revenue, food and beverage, hotel and ancillary revenues, operating and administrative expenses, and capital maintenance expenditures. These estimates incorporate past experience and the Company's current view of future activity. The Company prepared a sensitivity analysis and determined a reasonable cushion to recoverable values exists to rule out any impairment charges.

CGU	Discount rate	Cash flow determination year 1	Growth rate year 2	Growth rate thereafter
Great Northern	11.6%	Specific	1.0%	1.0%
Rivers	11.6%	Specific	1.0%	1.0%
Service Plus	11.6%	Specific	1.0%	1.0%
Encore	11.6%	Specific	1.0%	1.0%
Deerfoot Casino	11.6%	Specific	1.0%	1.0%
Deerfoot Hotel	11.6%	Specific	1.0%	1.0%

The carrying and recoverable amounts allocated to each CGU which indicate that no impairment exists are as follows:

	December 31, 2023			December 31, 2022		
CGU	Carrying Value	Recoverable Amount	Excess	Carrying Value	Recoverable Amount	Excess
Great Northern	36,390.2	78,063.8	41,673.6	36,653.5	66,172.4	29,518.9
Rivers	27,970.7	61,690.0	33,719.3	29,086.2	67,749.5	38,663.3
Deerfoot Casino	64,776.6	121,605.2	56,828.6	64,939.2	128,254.8	63,315.6
Deerfoot Hotel	16,338.1	40,535.1	24,197.0	16,234.8	32,063.7	15,828.9
	145,475.6	301,894.1	156,418.5	146,913.7	294,240.4	147,326.7

	December 31, 2023			December 31, 2022		
Included in CGU Carrying Value	Licenses	Goodwill	Total	Licenses	Goodwill	Total
Great Northern	-	29,379.7	29,379.7	-	29,379.7	29,379.7
Rivers	-	13,199.5	13,199.5	-	13,199.5	13,199.5
Deerfoot Casino	19,000.0	12,249.3	31,249.3	19,000.0	12,249.3	31,249.3
Deerfoot Hotel	-	3,062.3	3,062.3	-	3,062.3	3,062.3
	19,000.0	57,890.8	76,890.8	19,000.0	57,890.8	76,890.8

(In thousands, except share information)

20 INVESTMENT PROPERTY

Investment property		Total
At January 1, 2022	$	1,512.1
Fair value adjustment		(354.1)
Capital maintenance		62.0
At December 31, 2022	$	1,220.0
Capital maintenance reclassified		(56.2)
At December 31, 2023	$	1,163.8

The Company owns a commercial strip in Grande Prairie which it classifies as an investment property. A portion of the property is leased for 10 years at market rates with a national restaurant chain. The lease includes two 5 year options to extend. The lease commenced March 1, 2023. The Company is actively pursuing tenants for the remainder of the vacant space.

21 LOANS AND BORROWINGS

The Company has a fixed rate term loan ("Term loan 1") secured by land and buildings. The Company is making blended monthly principal and interest payments on Term loan 1, amortized over 20 years and 3 months.

The Company has a variable rate term loan ("Term loan 2") secured by land and buildings. The Company is making blended monthly principal and interest payments on Term loan 2, amortized over 10 years.

A demand revolving credit line with an available limit of $30,000.0 thousand is secured by the same assets as the Company's term loans, and requires interest only payments.

The carry value of pledged assets for the above three loans total $77,897.1 thousand and include Rivers and all Grande Prairie assets.

The Company has a fixed rate term loan ("Term loan 3") secured by the Deerfoot land and buildings. The company is making blended monthly principal and interest payments on the loan, amortized over 20 years and 3 months.

The Company has a variable rate term loan ("Term loan 4") secured by the Deerfoot land and buildings. The Company is making blended monthly principal and interest payments on Term loan 4, amortized over 10 years.

The carry value of pledged Deerfoot assets for the above two loans total $81,059.3 thousand.

(In thousands, except share information)

21 LOANS AND BORROWINGS (Continued)

	Amortization Period	December 31, 2023		December 31, 2022	
Credit facilities available at face value					
Revolving credit line		$	30,000.0	$	30,000.0
Term loan 1	1-Mar-40		12,748.7		13,321.5
Term loan 2	1-Dec-30		3,730.0		4,129.3
Term loan 3	1-Mar-40		4,606.8		4,809.7
Term loan 4	1-May-32		6,160.4		6,678.4
		$	57,245.9	$	58,938.9
Carrying value of borrowed amounts					
Current liabilities					
Revolving credit line		$	18,921.2	$	25,563.3
Term loan 1			592.0		572.8
Term loan 2			424.6		408.2
Term loan 3			209.7		202.9
Term loan 4			551.6		512.5
			20,699.1		27,259.7
Non-current liabilities					
Term loan 1			12,156.7		12,748.7
Term loan 2			3,305.4		3,721.1
Term loan 3			4,397.1		4,606.8
Term loan 4			5,608.8		6,165.9
			25,468.0		27,242.5
		$	46,167.1	$	54,502.2
Revolving credit line [1]			7.20% (P +0.00%)		6.450% (P +0.00%)
Term loan 1 [2]			3.50%		3.50%
Term loan 2 [1]			7.20% (P +0.00%)		6.450% (P +0.00%)
Term loan 3 [2]			3.50%		3.50%
Term loan 4 [1]			7.20% (P +0.00%)		6.450% (P +0.00%)

[1] Last change in the Prime rate (P) - July 12, 2023.

[2] Interest rate secured to December 1, 2024

(In thousands, except share information)

22 EQUITY

Common shares of the Company have no par value. The Company is authorized to issue an unlimited number of common shares without nominal or par value to which shares shall be attached the right to vote at any meeting of shareholders of the Company, receive any dividend declared by the Company, and receive the remaining property of the Company upon dissolution.

	twelve months ended December 31, 2023			twelve months ended December 31, 2022		
	Shares		Amount	Shares		Amount
Opening number of common shares	22,291.8	$	151,327.6	22,686.1	$	154,622.7
Common shares purchased for cancellation under normal course issuer bid	(917.3)		(7,874.3)	(394.3)		(3,295.1)
Ending number of common shares	21,374.5	$	143,453.3	22,291.8	$	151,327.6

	twelve months ended December 31		three months ended December 31	
Weighted average number of common shares	2023	2022	2023	2022
Opening balance of common shares	22,291.8	22,686.1	21,705.7	22,398.3
Weighted average effect of common shares purchased for cancellation	(522.0)	(206.9)	(246.7)	(59.4)
Weighted average common shares outstanding	21,769.8	22,479.2	21,459.0	22,339.0

Normal course issuer bid(s)

On July 21, 2022 the Company commenced a normal course issuer bid (the "2022 Bid"). Pursuant to the 2022 Bid, Gamehost was authorized to purchase for cancellation up to a maximum of 1,124.7 thousand common shares, being equal to 10% of Gamehost's public float on July 11, 2022. The 2022 Bid terminated on July 20, 2023. Common shares purchased under the 2022 Bid totaled 756.3 thousand at prices averaging $8.31/common share before commissions for an aggregate $6,284.2 thousand. During the Year, the Company purchased for cancellation 585.3 thousand common shares under the 2022 Bid at prices averaging $8.39/common share including commissions for an aggregate $4,908.6 thousand.

On August 14, 2023 the Company commenced a normal course issuer bid (the "2023 Bid"). Pursuant to the 2023 Bid, Gamehost is authorized to purchase for cancellation up to a maximum of 1,085.3 thousand common shares, being equal to 5% of Gamehost's issued and outstanding common shares on July 31, 2023. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost may not purchase more than 2,445 common shares in any one day, such amount being equal to 25.0% of the average daily trading volume for the six months ended July 31, 2023 which was 9.8 thousand common shares. The 2023 Bid will terminate on August 13, 2024 or such earlier time as the 2023 Bid is completed or terminated at the option of the Company. During the Year, the Company purchased for cancellation 331.9 thousand common shares under the 2023 Bid at prices averaging $8.93/common share including commissions for an aggregate $2,965.7 thousand.

The Company did not have any options, warrants, or rights that would be potentially dilutive during the Year.

(In thousands, except share information)

22 EQUITY (Continued)

Dividends

Dividends declared at Record Date	2023		2022	
	per Share	Dividends	per Share	Dividends
January	$ 0.0300	668.6	$ -	-
February	0.0300	662.6	-	-
March	0.0300	657.2	0.0300	677.6
April	0.0300	653.7	0.0300	675.0
May	0.0300	651.2	0.0300	674.4
June	0.0300	651.2	0.0300	674.0
July	0.0300	651.2	0.0300	673.6
August	0.0300	651.2	0.0300	672.6
September	0.0300	651.2	0.0300	672.0
October	0.0300	647.9	0.0300	670.8
November	0.0400	855.0	0.0300	669.6
December	0.0400	855.0	0.0300	668.8
	$ 0.3800	8,256.0	$ 0.3000	6,728.4

The Company's board of directors reviews dividend policy at each regularly scheduled meeting.

Other shares

The Company may cause to be issued unlimited numbers of shares or other securities, provided they do not rank ahead of the common shares of the Company as to dividends, voting rights, and other rights protected by the Limited Partnership Agreement.

23 RELATED PARTY TRANSACTIONS

Related party transactions are measured at the exchange amount, which is the amount agreed to by the Company and the related parties.

The Company had related party transactions with David Will and Darcy Will and/or companies owned or controlled by David Will and/or Darcy Will (collectively the “Wills”). The Wills are key management personnel, directors of the Company, and significant shareholders. Together, the Wills control 34.8% (33.5% - 2022) of the outstanding common shares of the Company at end of the Year.

- The Company incurred $1,733.9 thousand ($1,298.2 thousand - 2022) in management compensation with the Wills for the Year which is included in administrative expenses. Compensation is in the form of short term employee benefits, director fees, management agreements, and a general partnership agreement between Gamehost Inc, Gamehost Limited Partnership and the managing partner, Gamehost Management Inc. Management fees stipulated in management services agreements are based on a percentage of revenues and/or earnings before interest, taxes, depreciation and amortization. $3.6 thousand ($27.4 thousand - 2022) remains in accounts payable at the end of the Year.

  - A management services agreement between the Company and the Wills stipulates that the Wills are entitled to 1.5% of gross operating profit before interest, taxes, depreciation, amortization, and extraordinary items of the Company. These amounts are included in administrative expenses.

23 Related party transactions (cont.)

- The management services company engaged to perform the services referred to above is also the general partner of Gamehost Limited Partnership. The partnership agreement stipulates that the general partner is entitled to 0.01% of all cash distributions of the partnership. These amounts are included in administrative expenses.

- A management services agreement between Deerfoot and the Wills stipulates that the Wills are entitled to 1.5% of the gross revenues plus 2.0% of operational earnings before interest, taxes, depreciation, amortization, and extraordinary items of Deerfoot. These amounts are included in administrative expenses.

- The Company incurred $69.4 thousand ($nil – 2022) of charter aircraft rental expenses for the Year with Will Air Inc., a company controlled by the Wills, which is included in administrative expenses.

- The Company incurred $91.0 thousand ($85.7 thousand – 2022) of office rent expenses for the Year which is included in administrative expenses. Deerfoot rents its head office space from DJ Will Holdings Limited, a company wholly owned by David Will. $8.3 thousand ($nil - 2022) remains in accounts payable at the end of the Year.

- The Company incurred $547.9 thousand ($564.2 thousand – 2022) in allocated expenses during the Year which is included in operating expenses. DJ Will Holdings Limited and DarcyCo Holdings Ltd, companies wholly owned by David Will and Darcy Will respectively, allocate portions of their holding companies expenses incurred for the benefit of the Company based on usage. $46.8 thousand ($8.9 thousand - 2022) remains in accounts payable at the end of the Year.

- The Company advanced $101.4 thousand ($2,469.7 thousand - 2022) for construction projects during the Year which is included in property, plant and equipment. From time to time, the Company engages DJ Will Construction Inc, a company controlled by the Wills, to act as general contractor for capital projects. $nil (Credit note $61.9 thousand - 2022) remains in accounts payable at the end of the Year.

The Company incurred $185.2 thousand ($112.5 thousand – 2022) in directors fees for the Year paid to other directors of the Company which is included in administrative expenses.

The Company directly incurred $215.4 thousand ($189.1 thousand – 2022) of charter aircraft rental expenses during the Year with Noren Air Inc., a company controlled by the Company's COO. These costs are included in administrative expenses. $nil ($18.0 thousand - 2022) remains in accounts payable at the end of the Year.

The Company directly incurred $34.4 thousand ($nil – 2022) of office rental expenses during the Year with 669293 Alberta Ltd., a company controlled by the Company's COO. These costs are included in administrative expenses.

The Company incurred $635.0 thousand ($580.0 thousand – 2022) during the Year in key management personnel compensation paid or accrued to other officers or companies controlled by other officers of the Company, which is included in administrative expenses. Included in these figures are monthly fees paid under an operational services agreement between the Company and the Company's COO for overseeing site operations of the Company.

(In thousands, except share information)

24 COMMITMENTS

The Company has various other contractual commitments. Future undiscounted minimum payments of these commitments are:

Commitments

	Total	One year or less	Two to five years	More than five years
	149.5	129.1	20.4	-

25 DETERMINATION OF FAIR VALUES

Some of the Company's accounting policies require the determination of fair value. Fair values have been determined for measurement and disclosure purposes as follows:

Non-financial assets

The Company's non-financial assets requiring impairment testing consist of property, plant and equipment [Note 4(e)], goodwill and licences [Note 4(f)]. The Company's goodwill and licenses have indefinite lives. Non-financial assets have been grouped together in CGUs.

No events have occurred or are expected to occur that would change our assessment of the Company's determination of CGUs. Factors used in determination of the Company's CGUs, such as customer base and independent cash flows, remain consistent with the date of determination of the Company's CGUs [Note 19].

Indications of impairment of the Company's non-financial assets required management to test for impairment and measure fair values. No impairment loss has been recorded or reversed during the Year.

Financial assets and liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	December 31, 2023		December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets carried at amortized cost				
Cash	13,979.2	13,979.2	15,614.5	15,614.5
Restricted cash	594.4	594.4	628.8	628.8
Trade and other receivables	3,384.4	3,384.4	2,068.2	2,068.2
	17,958.0	17,958.0	18,311.5	18,311.5
Liabilities carried at amortized cost				
Trade and other payables	4,546.3	4,546.3	4,624.6	4,624.6
Loans and borrowings	46,167.1	46,167.1	54,502.2	54,502.2
	50,713.4	50,713.4	59,126.8	59,126.8

25 DETERMINATION OF FAIR VALUES (Continued)

Valuation techniques

Investment property

The Company's investment property is measured at fair value and categorized as Level 3 in the fair value hierarchy [Note 4 (i) iii)]. An appraisal completed in 2018 is not currently considered reliable as a fair reflection of the property's value due to COVID-19's impact on the retail and restaurant sector, which is considered the highest and best use for the property. Management used value-in-use methodology and a discount rate of 11.6% on estimated annual cash flows over five years and a terminal growth rate of 1.0% thereafter in determining fair value.

Loans and borrowings

Loans and borrowings consist of term debt, revolving debt, and lease liabilities and are accounted for at amortized cost, using the effective interest rate method. The fair value required to be disclosed is measured using current rates offered to the Company for similar debt with similar terms and risk profiles, and is therefore classified within Level 2 of the fair value hierarchy.

26 FINANCIAL RISK AND CAPITAL MANAGEMENT

Financial risk management

The Company is exposed to certain risks as a result of holding financial instruments including interest rate risk, credit risk, liquidity risk, foreign currency risk, and industry risk.

Interest rate risk

The Company’s interest rate risk arises primarily from its variable rate debt in the aggregate amount of $28,811.7 thousand. The Company is paying interest at 7.2% on revolving debt at the end of the Year. A 1.0% increase in interest rates would have an unfavourable impact on earnings of $288.1 thousand or $0.01/common share on an annualized basis.

Credit risk

Credit risk arises from cash held with banks and credit exposure to customers and lessees. The Company’s day-to-day commercial banking is with 'A' rated Canadian financial institutions. Day-to-day commercial banking is not concentrated with a single financial institution.

The Company, in the normal course of operations, monitors the financial condition of its customers, lessees and other receivables. A significant portion of lessee receivables are tied to point-of-sale systems (POS) owned by the Company from which the Company collects all revenues. Amounts due to the lessee are paid net of any commissions or past due rents. Therefore, lessee receivables are considered low risk. The Company does not have significant exposure to any individual customer or counterparty. Stated credit terms are typically 30 days, but in practice extend 90 to 120 days for select customers operating in the energy sector which is common industry practise. Individual accounts are monitored at minimum monthly and any unexpected changes are escalated to senior management on a case-by-case basis. Individual accounts are considered fully collectable until a notice of receivership is received or communication from the customer ceases.

(In thousands, except share information)

26 FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Carrying amounts of accounts receivable are reduced for ECL based on historical results and a factor for any deterioration in the economic and credit environment. Direct losses are recorded on an account-specific basis when appropriate. Carrying amounts of accounts receivable are reduced by direct write-off to earnings in the period of loss recognition. A rapid recovery from the impact of COVID-19 in the general economy and a sharp improvement of fortunes in the fossil fuel sector have reduced credit risks substantially. Management continues to monitor all accounts closely. Day-sales-outstanding at the end of the Year was well within Company targets. At the end of the Year, past due accounts and accounts written off are not material. The Company has not recorded an adjustment for ECL.

Liquidity risk

Liquidity risk arises from excess financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient, readily available reserves in order to meet on-going liquidity requirements.

Accounts payable, excluding accrued liabilities, are due in 90 days or less.

The Company has term loans scheduled for monthly blended payments that will fully amortize term loan balances by December 2030, May 2032, and March 2040.

AGLC requires all casinos to maintain a Minimum Continuing Net Working Capital Position ("MCNWCP"). The MCNWCP is a requirement for casino operations only. Additional working capital from non-casino operations and available debt facilities can be used to satisfy the requirement. The calculation of MCNWCP includes cash floats, restricted cash, one month's operating expenses, and one month's interest costs on debt facilities. The Company is in compliance with this requirement.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments:

As at December 31, 2023	Carrying amount	Contractual cash flows	1 year or less	years 2 to 5	More than 5 years
Trade and other payables	4,546.3	4,546.3	4,546.3	-	-
Term loans	27,245.9	35,804.3	3,056.4	12,225.5	20,522.4
Revolving credit facility	18,921.2	18,921.2	18,921.2	-	-
Dividends payable	855.0	855.0	855.0	-	-
	51,568.4	60,126.8	27,378.9	12,225.5	20,522.4
As at December 31, 2022					
Trade and other payables	4,624.6	4,624.6	4,624.6	-	-
Term loans	28,938.9	38,462.3	2,988.3	11,953.2	23,520.8
Revolving credit facility	25,563.3	25,563.3	25,563.3	-	-
Dividends payable	668.8	668.8	668.8	-	-
	59,795.6	69,319.0	33,845.0	11,953.2	23,520.8

Foreign currency risk

The Company's foreign currency risk arises primarily from the purchases of specialized goods and services in United States dollars. While not significant, fluctuations in the exchange rate between the Canadian and United States dollar result in exchange gains or losses. The Company mitigates foreign currency risk by purchasing United States dollars when deterioration in exchange rates is expected. United States currency is held in United States dollar denominated bank accounts for this purpose.

(In thousands, except share information)

26 FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Industry risk

The Company's operations are all located in Alberta, and to varying extents derive portions of their business income from corporate clients in the energy sector. As a result, the Company is exposed to some industry risk.

Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to fund maintenance and growth expenditures. A secondary objective is to manage capital to allow the Company to pay regular dividends to its shareholders. The Company's capital is comprised of net debt and shareholder equity:

	December 31, 2023	December 31, 2022
Total debt including revolving loans	46,167.1	54,502.2
Less cash	(13,979.2)	(15,614.5)
Net debt	32,187.9	38,887.7
Total equity	108,798.1	103,870.9
	140,986.0	142,758.6

Current debt instruments will be maintained or eliminated to the extent they allow for repayment. The Company’s fixed rate debt instruments do not allow for additional payments without penalty. Debt maintenance includes regular amortized monthly principal payments and intermittent payments on outstanding revolving debt instruments when surplus cash is available.

Larger scale expansions or acquisitions would be funded by debt or equity at the discretion of the directors of the Company.

The Company intends to repay existing non-revolving debt obligations over a period of time which will allow it to maintain and grow the payment of regular dividends at a sustainable rate. Current interest rates allow for scheduled amortization periods of between 10 years and 20 years, 3 months in meeting dividend objectives.

The Company may use normal course issuer bid(s), to repurchase for cancellation, shares trading on the open market when prices are below their inherent value.

Financing restrictions on dividends caused by debt covenants

The Company's revolving loans and term loans require the maintenance of certain financial covenants and conditions. Specifically, the Company must maintain a cash flow coverage ratio of not less than 1.25 to 1. At the end of the Year, the Company's cash flow coverage ratio is 4.5 to 1 (3.2 to 1 - December 31, 2022). The Company must also maintain a debt to tangible net worth ratio of not greater than 3.0 to 1, the actual ratio being 1.8 to 1 at the end of the Year (2.5 to 1 - December 31, 2022).

27 SUBSEQUENT EVENTS

Regular monthly dividends

The Company declared a regular monthly dividend of $0.04 per common share for each of January, February and March 2024, payable on or about the 15th day of the subsequent months.

Management Discussion and Analysis

For the Fourth Quarter Ended December 31, 2023

To Our Shareholders

Management and Directors of Gamehost Inc. (the “Company”) present results for the twelve and three months ended December 31, 2023 (the "Year" and "Quarter" respectively).

Operating revenue for the Quarter was up 13.4% to $21,296.0 thousand ($18,776.6 thousand - 2022) and EBITDA to Shareholders was up 36.1% to $8,698.9 thousand ($6,391.4 thousand - 2022). Earnings per share for the Quarter was $0.25 ($0.19 - 2022). All revenue streams produced year over year gains during the Quarter.

All three regions of the province where the Company operates, Calgary, Grande Prairie and Fort McMurray, turned in year-over-year gains in revenue, cashflow and margins for the Quarter. The rate of population growth in Alberta is at levels not seen since the 1980's. The population growth is generally positive and indicative of the provinces strong economy and relative affordability compared to many of our provincial counterparts.

Comparative results for the Quarter reflect a two percentage point increase in the operators share of electronic gaming device Hold from 15% to 17%. AGLC approved the temporary, two year, increase effective April 1, 2023. The increase is intended to incentivize operators to make investments in their facilities or promotions that will increase gaming revenues and will be evaluated at regular intervals by AGLC during the two year period. Management is hopeful that results following the two year period will support the change being made permanent.

Effective the month of November 2023, the Company's board of directors approved a 33.3% increase in the regular monthly dividend from $0.03 per share to $0.04 per share for a new annualized rate of $0.48 per share. The Company's directors review dividend policy at all regularly scheduled meetings. The dividend payout ratio at the end of the Year was 36.0%.

During the Quarter, the Company repurchased 331,149 shares for an aggregate $2,958.5 thousand. It is expected that a proposed share buyback tax will receive royal assent in the new year resulting in a 2.0% tax being applied to the value of any share buybacks beginning January 1, 2024. Management and the Company's board of directors are evaluating the impact of the new tax. Remaining surplus cash was applied to revolving debt. Together with scheduled debt repayments, during the Quarter, the Company retired $1,125.7 thousand of debt reducing debt to EBITDA ratio to 1.3.

2023 has been one of Gamehost's best years ever. We are cautiously optimistic for continued strong Company performance in 2024. The major energy infrastructure projects of Transmountain Pipeline and Coastal Gaslink Pipeline are set for completion/commissioning in the new year. Both projects, long in development, will continue to support Alberta's economy and businesses like ours for decades.

12-Mar-24

On behalf of all Management and Directors, sincerely,

<signed David J. Will>

David J. Will
President and Chief Executive Officer
Gamehost Inc.

<signed Darcy J. Will>

Darcy J. Will
Vice President and Secretary
Gamehost Inc.

Management's discussion and analysis

For the twelve and three months ended December 31, 2023

This Management's Discussion and Analysis ("MD&A") of the business, operating results, liquidity, capital resources, and other financial information of Gamehost Inc. (the "Company") is prepared as at March 12, 2024. This MD&A should be read in conjunction with the Consolidated Financial Statements of the Company and accompanying notes for the period ended December 31, 2023 ("Financial Statements").

This MD&A covers the twelve and three months ended December 31, 2023 (the "Year" and "Quarter" respectively) with commentary focused on the Quarter. Readers are directed to prior MD&A for specific discussion of results of previous quarters. Previously issued financial statements and management discussion, and other disclosures of the Company, can be found on the Company website at www.gamehost.ca or SEDAR at www.sedar.com.

COVID-19

The following points record a timeline of significant events and Company responses to the COVID-19 pandemic relevant to the comparable period:

- January 20, 2022. Alberta Gaming Liquor and Cannabis ("AGLC") restricted operations by mandating beverage sales end by 11:00 PM and no beverage consumption outside of seated dining and lounge areas.

- February 9, 2022. Alberta entered Step 1 of a phased approach to elimination of all COVID-19 related restrictions. Step 1 includes an end to the Restriction Exemption Program ("REP") including proof of vaccination requirement at Company casinos. Food and beverage service on gaming floors can also resume, but termination of service at 11:00 PM remains in force.

- March 1, 2022. Alberta entered Step 2 of its phased approach to elimination of all COVID-19 related restrictions. Step 2 lifted the only remaining restrictions that have a direct impact on our business. Food and beverage service returns to normal operating hours.

- June 14, 2022. Alberta ended all remaining COVID-19 restrictions including masking on public transit and mandatory isolation. Some COVID-19 measures remain in place in Alberta's hospitals and senior care facilities.

- June 19, 2022. Alberta Health Services ended all remaining mandatory mask requirements at hospitals, treatment centres and long-term care facilities.

Caution to the reader

Use of Non-International Financial Reporting Standards ("IFRS") financial measures

This MD&A makes reference to financial measures that do not have any standardized meaning prescribed by IFRS. Specifically, the MD&A may reference earnings before interest, taxes, depreciation, and amortization ("EBITDA"), EBITDA-related calculations exclude any gains or losses on retirement of assets, foreign exchange gains or losses, and any fair market value adjustments recorded. EBITDA is reconciled to Profit and comprehensive profit on page 13. Dividend pay-out ratio, and normalized dividend pay-out ratio are both non-IFRS financial measures. Dividend pay-out ratio excludes gains or losses on the sale of assets and any capital expenditures funded by debt. Normalized pay-out ratio excludes additional items such as the cost of share repurchases and capital expenditures funded from operating cash flow.

Other industry specific terms and measures relating to the operations of the Company, used throughout this MD&A, are defined when they first appear and capitalized throughout this MD&A.

Forward-looking statements

This MD&A may contain forward-looking information. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements contain wording such as “anticipates,” “believes,” “could,” “expects,” “indicates,” “plans,” or other similar expressions that suggest future outcomes or events. Forward looking information contains risks and uncertainties of varying significance. The Company attempts to minimize the use of forward-looking information. Any use of forward-looking information reflects reasonable assumptions made on the basis of management’s current beliefs, with information known by management at the time of writing. Factors that may affect results include, but are not limited to, governmental legislation and regulation at the national, provincial or municipal level, general or local business and economic conditions, financial market volatility, the good standing of our business, gaming and liquor licenses, competition, consumer preferences and disposable incomes, demographic shifts, and weather patterns. Any number of these factors, or others, could cause actual results to differ from forward-looking information. Additional discussion about the inherent risks in forward-looking information and any Company assumptions of risk can be found in the "Business risks, opportunities and outlook" section at the end of this MD&A.

These factors and other risks and uncertainties are discussed in the Company’s continuous disclosure documents filed with the Canadian securities regulatory authorities from time to time, and included in the “Risk Factors” section of the Company’s most recent Annual Information Form. Continuous disclosure documents are on public record through SEDAR at www.sedar.com.

Forward-looking information contained in this MD&A or documents incorporated by reference are relevant only at the date of the MD&A or document date. Readers should not place undue reliance on forward-looking information, as there can be no assurances that the plans, intentions, or expectations upon which they are based will occur. The Company undertakes no obligation to publicly revise forward-looking information to reflect subsequent events or circumstances.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company’s internal control over financial reporting and disclosure controls and procedures include policies and procedures that: (1) pertain to the maintenance of records that reasonably, accurately, and fairly represent transactions of the Company; (2) provide reasonable assurance that transactions are recorded as required to permit the preparation of consolidated financial statements in accordance with IFRS and that receipts and expenditures are made with appropriate authorization of the Company’s management and directors; (3) and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

There has been no change in the Company's internal control over financial reporting or disclosure controls and procedures that occurred during the Year that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting. The effectiveness of internal control over financial reporting has been evaluated at December 31, 2023, and management has concluded that the Company's internal control over financial reporting is designed and operating effectively. There is no “material weakness” relating to the design of the Company's internal control over financial reporting. A “material weakness” is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the reporting issuer's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The Company used COSO 2013 as its framework for establishing internal control over financial reporting.

Organizational structure

Gamehost Inc. is incorporated in Canada under the Business Corporations Act (Alberta). The consolidated financial statements of the Company are comprised of the Company and its subsidiaries.

Shares

The Company had 21,374.5 thousand common shares issued and outstanding as at December 31, 2023 (22,291.8 thousand - December 31, 2022) and 21,374.5 thousand common shares issued and outstanding as at February 29, 2024, which trade on the Toronto Stock Exchange ("TSX") under the symbol GH. The Company is authorized to issue any number, and any class, of shares.

Address

The head office of the Company is located at #104, 548 Laura Avenue, Red Deer County, Alberta, T4E 0A5. The registered office of the Company is located at 1400, 350 – 7th Avenue SW, Calgary, Alberta, T2P 3N9.

Overview of Gamehost

The Company's activities are all in the province of Alberta, Canada. Operations include Rivers Casino & Entertainment Centre ("Rivers") in Fort McMurray, and Great Northern Casino ("Great Northern") in Grande Prairie, as well as Service Plus Inns & Suites ("Service Plus"), and Encore Suites by Service Plus Inns ("Encore Suites"), both limited service hotels, in Grande Prairie, and the Deerfoot Inn & Casino Inc. ("Deerfoot"), in Calgary.

Gaming operations of the Company are controlled by AGLC and the Interprovincial Lottery Corporation ("ILC"). Operations include Company owned live table games, AGLC owned slot machines, video lottery terminals ("VLT"), electronic gaming tables ("EGT"), and ILC owned lottery ticket kiosks. Hotel operations of the Company include full and limited service hotels, and banquet and convention services. Food, beverages, and entertainment are offered at each of the Company's casino locations.

The Company believes in a combined entertainment and hospitality model. Our model targets the entertainment seeker and social occasional gamer. Clean, inviting venues that deliver live entertainment, lounging and dining, rest and relaxation, together with gaming, are situated in community-based locales.

Overall financial results and condition of the Company

In year-over-year comparison for the Quarter, operating revenue was up $2,519.4 thousand or 13.4% from $18,776.6 thousand to $21,296.0 thousand, EBITDA to shareholders was up $2,307.5 thousand or 36.1% from $6,391.4 thousand to $8,698.9 thousand and net earnings to shareholders was up $1,112.6 thousand or 26.0% from $4,277.1 thousand to $5,389.7 thousand.

At the end of the Quarter, the Company had $179,396.7 thousand in total assets, a decrease of $4,012.8 thousand from the start of 2023. Cash balances of $13,979.2 thousand are down $1,635.3 thousand from start of 2023. Total bank debt at $46,167.1 thousand is down $8,335.1 thousand from $54,502.2 thousand at the start of 2023.

(In thousands, unless stated otherwise)

Quarterly performance summary

Quarterly performance	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating revenue	**$ 21,296.0**	$ 21,392.6	$ 20,833.1	$ 19,838.6	$ 18,776.6	$ 18,089.4	$ 17,927.9	$ 14,942.4
Cost of sales	**(12,561.8)**	(12,084.9)	(12,192.7)	(11,727.3)	(12,611.1)	(12,138.4)	(11,419.9)	(9,837.6)
Gross profit	**8,734.2**	9,307.7	8,640.4	8,111.3	6,165.5	5,951.0	6,508.0	5,104.8
Lease and other income (loss)	**51.2**	54.9	43.2	42.8	(5.5)	40.8	(133.5)	(462.1)
Administrative expenses	**(1,165.3)**	(1,094.1)	(1,075.3)	(1,274.1)	(1,032.9)	(974.9)	(978.0)	(1,072.3)
Profit from operating activities	**7,620.1**	8,268.5	7,608.3	6,880.0	5,127.1	5,016.9	5,396.5	3,570.4
Fair value adjustment	**-**	-	-	-	(354.1)	-	-	-
Net finance costs	**(727.6)**	(741.4)	(778.3)	(768.5)	(753.1)	(703.8)	(562.0)	(440.7)
Profit before income taxes	**6,892.5**	7,527.1	6,830.0	6,111.5	4,019.9	4,313.1	4,834.5	3,129.7
Income tax (expense) recovery	**(1,502.8)**	(1,752.8)	(1,483.5)	(1,564.5)	257.2	(1,230.7)	(1,377.3)	(979.4)
Profit and comprehensive profit	**5,389.7**	5,774.3	5,346.5	4,547.0	4,277.1	3,082.4	3,457.2	2,150.3
Non-controlling interest	**-**	-	-	-	-	-	(119.1)	(177.0)
Profit and comprehensive profit attributable to shareholders	**$ 5,389.7**	$ 5,774.3	$ 5,346.5	$ 4,547.0	$ 4,277.1	$ 3,082.4	$ 3,338.1	$ 1,973.3
Earnings per share								
Basic and diluted	**$ 0.25**	$ 0.27	$ 0.25	$ 0.21	$ 0.19	$ 0.14	$ 0.15	$ 0.09
Weighted average shares outstanding	**21,459.0**	21,706.5	21,761.2	22,161.1	22,339.0	22,433.1	22,497.1	22,651.8
Total Revenue to Shareholders [1]	**21,406.3**	21,534.7	20,950.8	19,962.8	18,820.3	18,146.0	17,433.6	13,748.3
EBITDA to Shareholders	**$ 8,698.9**	$ 9,459.7	$ 8,773.6	$ 8,022.6	$ 6,391.4	$ 6,182.3	$ 6,510.0	$ 4,528.8
EBITDA to Shareholders %	**40.6%**	43.9%	41.9%	40.2%	34.0%	34.1%	37.3%	32.9%
Dividends declared	**2,357.9**	1,953.6	1,956.1	1,988.5	2,009.2	2,018.2	2,023.4	677.5
Dividends declared per share	**$ 0.11**	$ 0.09	$ 0.09	$ 0.09	$ 0.09	$ 0.09	$ 0.09	$ 0.03
Normalized dividend payout ratio	**41.1%**	31.4%	33.8%	38.4%	53.3%	52.1%	45.7%	26.2%

[1] Includes food revenue at gross, finance income, lease and other income.

(In thousands, unless stated otherwise)

Operating segments

The Company's reportable segments are strategic business units that offer different services. They are managed separately because of their unique operational and marketing requirements. Each segment compliments the other segments. The Gaming segment includes three casinos offering slot machines and electronic gaming tables, together electronic gaming devices ("EGD"), VLT's, lottery ticket kiosks and live table games. The Hotel segment includes three hotels catering to mid-range clients. The Food and Beverage segment has operations that are located within the casinos and hotels as a compliment to those segments.

twelve months ended December 31, 2023	**Gaming**	**Hotel**	**Food & Beverage**	**Corporate and Other [1]**	**Total**
Total revenues	**48,680.2**	**16,217.8**	**18,614.2**	**40.1**	**83,552.3**
Profit (loss) before income taxes	**24,007.3**	**4,184.9**	**3,853.9**	**(4,684.9)**	**27,361.2**
Segment assets	**83,293.8**	**67,032.8**	**27,008.9**	**2,061.2**	**179,396.7**
Segment liabilities	**27,786.5**	**23,334.6**	**10,700.8**	**8,776.7**	**70,598.6**
Capital expenditures	**274.1**	**272.3**	**128.9**	**(56.2)**	**619.1**

twelve months ended December 31, 2022	Gaming	Hotel	Food & Beverage	Corporate and Other [1]	Total
Total revenues	40,358.2	13,696.6	15,234.0	(112.8)	69,176.0
Profit (loss) before income taxes	16,698.5	2,522.9	1,847.1	(4,771.4)	16,297.1
Segment assets	85,670.2	67,651.5	27,622.6	2,465.2	183,409.5
Segment liabilities	31,172.5	27,380.5	12,274.4	8,711.2	79,538.6
Capital expenditures	1,506.2	466.7	526.0	61.8	2,560.7

[1] Corporate and Other consists of revenues and expenses which are not allocated to segments and do not meet the definition of an operating segment on their own.

Operating revenue

Operating revenue consists of revenues generated by the Company's operating assets: Rivers, Great Northern, Service Plus, Encore Suites, and Deerfoot. Major revenue streams include rooming revenue, table gaming, slot machines, food and beverage sales, and ancillary revenues.

Operating revenue	**Q4 (twelve months)**			**Q4 (three months)**		
	2023	2022	+(-)	**2023**	2022	+(-)
Operating revenue	**83,360.3**	69,736.4	19.5%	**21,296.0**	18,776.6	13.4%

Operating revenues for the Quarter include a temporary 2% increased in operators share of slot win that was not in place for the comparable quarter.

(In thousands, unless stated otherwise)

Room revenue

Room revenue includes both guest and meeting room sales at hotels. Occupancy is calculated on guest rooms sold plus complimentary guest rooms, while Average Daily Rate ("ADR") is calculated as guest room revenue divided by sold rooms.

Room revenue	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
Room revenue	**15,709.0**	13,391.0	17.3%	**3,552.1**	3,343.8	6.2%
Occupancy	**67.9%**	62.3%	5.6%	**61.4%**	60.8%	0.6%
ADR	**$157.79**	$147.74	$10.05	**$155.81**	$151.69	$4.12
% of operating revenue	**18.8%**	19.2%	(0.4%)	**16.7%**	17.8%	(1.1%)

Rate increases implemented during the Year and continued moderate recovery in occupancy rates resulted in improved revenue during the Quarter.

At Encore Suites in Grande Prairie occupancy was 50.7% for the Quarter compared to 52.2% the prior year. ADR for the Quarter was $152.08 vs $150.50 in the prior year. Occupancy and ADR combined for a 2.0% reduction in guest room revenue for the Quarter.

Service Plus in Grande Prairie occupancy was 63.7% for the Quarter, down marginally from 65.2% the prior year. ADR for the Quarter was $130.52 vs $124.42 the prior year. Occupancy and ADR combined for a 3.1% increase in guest room revenue for the Quarter.

Deerfoot Inn in Calgary occupancy was 65.6% for the Quarter, up from 63.6% the prior year. ADR for the Quarter was $173.37 vs $169.17 the prior year. Occupancy and ADR combined for a 6.2% increase in guest room revenue for the Quarter.

Table game revenue

Table play and table revenue sharing is regulated in Alberta by AGLC. In general terms, 'Drop' is the total amount of money cashed to chips at most table games. 'Hold' is the amount kept by the table from the Drop. Hold % is the measure of the Hold to the Drop, and can fluctuate significantly. Table Hold % should average in the 17% range where practised players are involved. Greater participation by inexperienced players can result in higher Hold percentages. Drop, Hold, and Hold % are not always reliable indicators of table activity or performance.

Example 1 – A player buys $20,000 in chips at a table. The player plays one hand, loses $2,000, and cashes out. The Drop is high at $20,000, and the Hold is good at $2,000 considering the amount and duration of play. The Hold Percentage is low at 10%. The table was not busy.

Example 2 – A player buys $5,000 in chips at a table. The player plays all evening before losing $1,000 and cashing out. The Drop is low at $5,000, and the Hold is low at $1,000 considering the amount and duration of play. The Hold Percentage is high at 20%. The table was busy.

The preceding examples demonstrate how variables can provide fluctuating results for Drop, Hold, and Hold %. These statistics can be misleading. At the end of the day, the only measure that really counts is Hold.

(In thousands, unless stated otherwise)

Hold is shared in varying percentages between charities and the casino operator depending on the size and location of the casino. The operator's percentage of the Hold is the 'Net' or Net Table Revenue. The game of Poker has a 'Pot' rather than a Drop. The Pot is the total amount anted and bet by players at a poker table. 'Rake' is the total amount of the Pot that is retained by the table and is usually a flat fee for each hand played. Rake is shared in varying percentages between charities and the casino operator depending on agreements with AGLC. The operator's percentage of the Rake is the 'Net.' Consolidated financial statements of the Company report only the Net of the Hold or Rake.

Net table revenue	**Q4 (twelve months)**			**Q4 (three months)**		
	2023	2022	+(-)	**2023**	2022	+(-)
General, progressive and high limit	**12,593.3**	10,498.1	20.0%	**3,320.7**	2,592.4	28.1%
Poker	**3,761.4**	3,016.6	24.7%	**784.0**	606.1	29.4%
Total	**16,354.7**	13,514.7	21.0%	**4,104.7**	3,198.5	28.3%
% of operating revenue	**19.6%**	19.4%	0.2%	**19.3%**	17.0%	2.3%

# of tables	**End of Quarter**		
	2023	2022	+(-)
All Others	**35**	36	(1)
Poker	**16**	15	1
Progressive Table Games	**17**	16	1
Total	**68**	67	1

Drop and Hold %	**Q4 (twelve months)**			**Q4 (three months)**		
	2023	2022	+(-)	**2023**	2022	+(-)
Drop	**101,105.7**	96,192.6	5.1%	**25,004.9**	23,700.7	5.5%
Hold %	**22.8%**	20.2%	2.6%	**24.1%**	19.8%	4.3%

Tables had another strong Quarter on solid Table Drop and above average Hold %.

Rivers table Drop for the Quarter was up 18.0% in year-over-year comparison. Hold % was lower by 6.3 percentage points in year-over-year comparison. Drop and Hold % combined for a 8.1% decrease in Hold for the casino. Poker revenues were down 11.1% in year-over-year comparison for the Quarter. Operating hours for tables was increased by eleven hours per week beginning November 1, 2023.

Great Northern table Drop for the Quarter was up 30.7% in year-over-year comparison. Hold % was higher by 4.7 percentage points in year-over-year comparison. Drop and Hold % combined for a 55.5% increase in Hold for the casino. Poker revenues were up 9.1% in year-over-year comparison for the Quarter. The property added 17 hours per week to their table operations effective September 30, 2023 to meet increased demand.

Deerfoot table Drop for the Quarter was down 1.3% in year-over-year comparison. Hold % was higher by 5.8 percentage points in year-over-year comparison. Drop and Hold % combined for a 31.4% increase in Hold for the Quarter. Poker revenues were up 43.7% in year-over-year comparison for the Quarter.

(In thousands, unless stated otherwise)

Electronic Gaming Device Revenue ("EGD")

EGD revenue includes revenue from slot machines and electronic gaming tables. In Alberta, EGD machine odds are regulated by AGLC. The revenue sharing arrangement for amounts won by the machines (Win) is also set by AGLC. Under the current arrangement, casino operators, charities and the Government of Alberta ("GOA") share the Win on a 17/15/68 split respectively. This is a temporary allocation of Win from April 1, 2023 through March 31, 2025 following which it may return to the original 15/15/70 split. Average machine Win/day is determined by the number of hours each machine operates, how much money is played on each machine ("Cash Play") during hours of operation, and amount of Win for each machine. Cash Play will be the sum of all cash or chits fed into EGD's and machine credits awarded. Revenue to the operator, or 'Net,' is determined by all of the above factors.

EGD statistics	**Q4 (twelve months)**			**Q4 (three months)**		
	2023	2022	+(-)	**2023**	2022	+(-)
Cash Play	**2,045,331.9**	1,865,452.5	9.6%	**512,189.3**	469,552.3	9.1%
Win %	**7.5%**	7.4%	0.1%	**7.3%**	7.6%	(0.3%)
Average active machines [1]	**1,606**	1,617	(11.0)	**1,602**	1,606	(4.0)

[1] Simple average of machines in operation at the end of each month

EGD revenue	**Q4 (twelve months)**			**Q4 (three months)**		
	2023	2022	+(-)	**2023**	2022	+(-)
Net	**25,298.5**	20,708.5	22.2%	**6,395.3**	5,320.4	20.2%
% of operating revenue	**30.3%**	29.7%	0.6%	**30.0%**	28.3%	1.7%

Trailing 52 week provincial Cash Play in Alberta continued producing weekly records through the Quarter. Coupled with a temporary two year increase in the operators' share of EGD Win, from 15.0% to 17.0%, EGD revenues were significantly higher.

Rivers Cash Play for the Quarter was down slightly by 1.1% and Win % was 10 basis points lower. Together with a 2.0% increase in the operator's share of the Win these factors combined for an increase in Net revenue of 10.5%.

Great Northern Cash Play for the Quarter was up 22.4% while Win % was lower by 40 basis points. Together with a 2.0% increase in the operator's share of Win these factors combined for an increase in Net revenue of 32.2%.

Deerfoot Cash Play for the Quarter was up 8.1% while Win % was 20 basis points lower. Together with a 2.0% increase in the operator's share of Win these factors combined for an increase in Net revenue of 19.3%.

Food & beverage (“F&B”) revenue

Food service operating arrangements differ by property from 100% owner operations to combinations of owner and third party operating agreements. Only beverage service is delivered directly by the Company at all locations. Where food operations are run by a third party, the Company records only the commission on those sales.

F&B Revenue	**Q4 (twelve months)**			**Q4 (three months)**		
	2023	2022	+(-)	**2023**	2022	+(-)
Food & mix	**7,870.2**	6,329.2	24.3%	**2,303.4**	2,079.8	10.8%
Liquor	**10,214.8**	8,852.1	15.4%	**2,887.1**	2,878.9	0.3%
Total	**18,085.0**	15,181.3	19.1%	**5,190.5**	4,958.7	4.7%
% of operating revenue	**21.7%**	21.8%	(0.1%)	**24.4%**	26.4%	(2.0%)

(In thousands, unless stated otherwise)

There does appear to be the beginnings of a pull back in discretionary spending by our consumers. It notably shows in F&B sales. Though quarterly comparable F&B sales are positive, they did not keep pace with revenue streams in gaming. Earlier in 2023 customers were itching to get out without much concern for prices. They wanted to return to former enjoyments. Consumers are now starting to pay attention to how the costs for those enjoyments have increased.

Rivers F&B revenues, net of commissions, were down 4.4% in year-over-year comparison for the Quarter. Gross food sales were down 15.8% during the Quarter and liquor sales declined 4.9%.

Great Northern F&B revenues, net of commissions, were up 3.8% in year-over-year comparison for the Quarter. Though positive, F&B revenue did not keep pace with growth in gaming activity. Gross food sales were up 8.4% while liquor was higher by 3.7%.

Deerfoot F&B revenues were up 6.6% in year-over-year comparison for the Quarter. Food sales were the main contributor being up 10.2% while liquor was up 1.3%.

Ancillary revenue

Ancillary revenue includes the more significant items of automated teller ("ATM") fees including cash call kiosks, VLT, lottery ticket sales, live entertainment sales, cigarette sales, equipment rentals, other guest room charges and miscellaneous revenues.

Ancillary revenue	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
Total	**7,913.1**	6,940.9	14.0%	**2,053.4**	1,955.2	5.0%
% of operating revenue	**9.5%**	10.0%	(0.5%)	**9.6%**	10.4%	(0.8%)

Ancillary revenue followed the trajectory of EGD's higher on the back of ATM revenues.

Cost of sales

The Company's consolidated statement of comprehensive income uses the 'Function' rather than the 'Nature' method of reporting operating expenses. Costs are reported based on their function within the Company. For example, wage costs that are a function of generating revenue are considered a cost of sales rather than by nature a human resource expense. The Company includes in cost of sales all costs of product sold, direct marketing and promotion expenses, direct human resources costs and administrative personnel where they are integral to managing sales, and all other direct operating costs at the facility level. Depreciation of the facility assets are also included in cost of sales.

Cost of sales	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
Total	**48,566.6**	46,007.0	5.6%	**12,561.8**	12,611.1	(0.4%)
% of operating revenue	**58.3%**	66.0%	(7.7%)	**59.0%**	67.2%	(8.2%)

(In thousands, unless stated otherwise)

Cost of sales - cost of product

Cost of product includes the costs of food, beverage and other incidental items purchased for resale. Cost of product will follow the performance of F&B revenue. Other incidental items of cost of product are made up of mostly room service charges in the hotel for such items as long distance telephone calls, movie rentals, laundry, etc. Cost of product as a percentage of corresponding revenues will fluctuate moderately for food & mix and liquor categories depending on the sales mix of individual products. More significant variations in the cost of product percentage can be experienced for sales of other incidental items, due to the dissimilar nature of the products included.

Cost of product	**Q4 (twelve months)**			**Q4 (three months)**		
	2023	2022	+(-)	**2023**	2022	+(-)
Food & Mix	**2,491.9**	2,199.6	13.3%	**730.3**	652.5	11.9%
Liquor	**1,990.7**	1,743.0	14.2%	**555.1**	545.3	1.8%
Other	**288.1**	205.8	40.0%	**74.7**	78.1	(4.4%)
Total	**4,770.7**	4,148.4	15.0%	**1,360.1**	1,275.9	6.6%
% of operating revenue	**5.7%**	5.9%	(0.2%)	**6.4%**	6.8%	(0.4%)

Cost of product %	**Q4 (twelve months)**			**Q4 (three months)**		
	2023	2022	+(-)	**2023**	2022	+(-)
Food & Mix	**31.7%**	34.8%	(3.1%)	**31.7%**	31.4%	0.3%
Liquor	**19.5%**	19.7%	(0.2%)	**19.2%**	18.9%	0.3%
Other	**44.8%**	43.9%	0.9%	**34.0%**	55.4%	(21.4%)

Great Northern and Rivers have commission-based third party arrangements for food services. Neither location figures prominently into cost of sales % for food. Menu prices, choices and meal portioning have been modified at all locations during the Year to mitigate the effects of higher input costs.

The Company implemented some new software at Deerfoot during the Year. The new technology has improved food portioning and inventory at the property.

Promotional efforts to shift the liquor sales mix to higher margin products had moderate success during the Year.

Cost of sales - operating labour

Operating labour includes wages, salaries, bonuses, benefit costs, payroll taxes and other miscellaneous human resource costs directly attributable to the smooth and safe operation of each facility. No corporate overhead costs are included.

Operating labour	**Q4 (twelve months)**			**Q4 (three months)**		
	2023	2022	+(-)	**2023**	2022	+(-)
Operating labour	**22,957.8**	20,658.3	11.1%	**6,077.8**	5,567.0	9.2%
% of operating revenue	**27.5%**	29.6%	(2.1%)	**28.5%**	29.6%	(1.1%)

Though the company has responded to higher wage demands, higher gaming revenues in particular, are providing economies of scale for labour and driving down cost as a percentage of income.

(In thousands, unless stated otherwise)

Cost of sales - marketing and promotions

Marketing and promotions include all donations, sponsorships, and complimentary services offered at properties in addition to direct sales and advertising expenses. Staff promotions, including discounted meal vouchers, are also included under this heading.

Marketing	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
Total	**3,861.7**	3,898.3	(0.9%)	**1,020.0**	1,016.7	0.3%
% of operating revenue	**4.6%**	5.6%	(1.0%)	**4.8%**	5.4%	(0.6%)

Promotional spending is shifted to more direct to customer loyalty type spending controlling expenses while maintaining effectiveness.

Cost of sales - other operating costs

Significant expenditures in this classification include entertainment, certain components of premises leases, repairs & maintenance, utilities, property taxes, depreciation, and operating supplies.

Other operating costs	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
Total	**16,976.4**	17,302.0	(1.9%)	**4,103.9**	4,751.5	(13.6%)
% of operating revenue	**20.4%**	24.8%	(4.4%)	**19.3%**	25.3%	(6.0%)

Lower repairs and maintenance ("R&M") spending and benefits kicking in from forward contracted electricity resulted in significant year-over-year reductions in other operating expenses during the Quarter.

Lease and other income

Lease and other income	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
Investment property						
Gross revenue	**95.2**	-	100.0%	**32.4**	-	100.0%
Operating costs	**(125.7)**	(131.6)	4.5%	**(33.7)**	(59.6)	43.5%
Net profit	**(30.5)**	(131.6)	76.8%	**(1.3)**	(59.6)	97.8%
Lease revenues from food services operators	**207.3**	178.9	15.9%	**51.8**	51.9	(0.2%)
Other income (loss)	**15.2**	(607.7)	102.5%	**0.7**	2.2	(68.2%)
Total	**192.0**	(560.4)	134.3%	**51.2**	(5.5)	1030.9%

The Company has an investment property, a commercial strip, located adjacent to its other Grande Prairie properties. The property is partially leased for a term of ten years with two five year renewal options. The company continues to pursue tenants for vacant space.

Lease revenues arise from leases to third party food service operators occupying space at each of Great Northern and Rivers. The Company is currently negotiating a new lease with the food service operator at Great Northern.

(In thousands, unless stated otherwise)

Administrative expenses

Administrative expenditures include all costs not directly attributable to the operation of the Company's operating assets. Management fees, costs associated with being a public issuer, professional fees, corporate office costs, corporate travel expenses, and depreciation of corporate assets are included in this category.

Administrative expenses	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
Total	**4,608.9**	4,058.2	13.6%	**1,165.3**	1,032.9	12.8%
% of operating revenue	**5.5%**	5.8%	(0.3%)	**5.5%**	5.5%	0.0%

Higher administration costs for the Quarter result most significantly from higher management fees which are revenue and profit based.

Net finance costs

Interest expense is recorded on the Company's demand term debt and revolver. Interest expense also includes interest accretion on leased right-of-use assets. Interest income is earned on cash balances held in the Company's bank accounts. Amounts are netted for presentation purposes.

Net finance costs	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
Total	**3,015.6**	2,459.6	22.6%	**727.6**	753.1	(3.4%)

Three rate increases on variable rate debt during the first half of the Year were offset by accelerated debt reduction of $8,334.3 thousand during the Year resulting in lower net finance costs in comparative results for the Quarter.

Income tax

Income tax includes provision for current income taxes, timing differences between depreciation recorded and amounts allowed for tax purposes on property, plant and equipment, capital property and leases. Originations and changes in timing differences are also recorded to income tax expense in the period in which the originations or changes occur. Taxes are calculated using corporate tax rates substantively enacted for the period the taxes are expected to be payable.

Income tax	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
Provision for current income tax	**6,277.1**	4,024.4	56.0%	**1,555.2**	1,123.9	38.4%
Taxes arising from changes in timing differences	**26.6**	(694.2)	(103.8%)	**(52.4)**	(1,381.1)	(96.2%)
Income tax expense	**6,303.7**	3,330.2	89.3%	**1,502.8**	(257.2)	(684.3%)

The combined federal and provincial tax rate in Alberta is 23.0% for 2023 (23.0% - 2022).

The Company has deferred tax assets related to leased assets which are netted against lease liabilities. Management expects the future benefits of these assets to be fully realized.

(In thousands, unless stated otherwise)

Reconciliation of EBITDA to shareholders to Profit and comprehensive profit

EBITDA to shareholders to Profit and comprehensive profit	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
EBITDA to shareholders	**34,954.8**	23,612.5	48.0%	**8,698.9**	6,391.4	36.1%
Adjustments:						
Amortization on property, plant and equipment	**(4,275.7)**	(4,735.2)	(9.7%)	**(1,019.7)**	(1,215.1)	(16.1%)
Fair value adjustment	**-**	(354.1)	(100.0%)	**-**	(354.1)	(100.0%)
Finance costs	**(3,317.9)**	(2,592.2)	28.0%	**(786.7)**	(802.4)	(2.0%)
Income tax (expense) recovery	**(6,303.7)**	(3,330.2)	89.3%	**(1,502.8)**	257.2	(684.3%)
EBITDA attributable to non-controlling interest	**-**	366.1	(100.0%)	**-**	0.1	(100.0%)
Profit and comprehensive profit	**21,057.5**	12,966.9	62.4%	**5,389.7**	4,277.1	26.0%

Facility enhancement

Capital expenditures	Q4 (twelve months)			Q4 (three months)		
	2023	2022	+(-)	**2023**	2022	+(-)
Capital maintenance	**619.1**	2,560.8	(75.8%)	**71.2**	349.0	(79.6%)

Following extensive renovations and improvements undertaken in recent years, capital maintenance costs have normalized on an annualized basis.

Financial condition

Liquidity

Net cash provided by operating activities totaled $5,026.3 thousand for the Quarter versus $4,786.0 in the comparable prior year quarter. Cash balances totaled $13,979.2 thousand compared to $15,614.5 thousand at the start of 2023. Factors affecting the Company's ability to generate cash in the near and longer terms are listed in the section 'Forward looking statements.' These factors are discussed in more specific terms in the section 'Business risks, opportunities and outlook.'

The Company has a $30,000.0 thousand revolving credit facility of which $11,078.8 thousand was available to be drawn at the end of the Quarter.

The Company's cash balances are made up of cash floats and traditional bank balances.

Working capital

Internal working capital requirements for the Company consists of cash floats for the operation of gaming tables, EGD's, VLT, ATM machines, TITO terminal, POS terminals, progressive jackpots and petty cash. Float amounts are set by management and will fluctuate based on activity levels in the casinos. Management works to minimize any float balances on premises to a maximum 165% of combined average daily slot and VLT Cash Play and table Drop activity levels with cash surplus held in bank accounts or used to reduce revolving debt.

In addition to cash floats on premises, the Company maintains cash sufficient to fund one month's operating expenses, one month's interest cost on traditional debt facilities and one month's dividends payable to the Common Shareholders less amounts due to related parties. Unused portions of revolving debt are considered working capital in the Company's determination of internal working capital.

Inventory levels and receivable targets vary by operation. Minimum targets include a food and beverage inventory turnover ratio of 8.0 times. Receivables include statutory and AGLC amounts which can expected to be cleared within 30 days. Other trade receivables are limited to hotel and banquet operations. Operations are expected to maintain a day's-sales-outstanding ("DSO") not greater than 45 days. The Company's objective is to maintain the highest relationship with suppliers and remit all payables within stated terms, typically 30 days, but the Company will take advantage of all early payment discounts offered.

AGLC requires all casinos to maintain a Minimum Continuing Net Working Capital Position ("MCNWCP"). The MCNWCP is a requirement for casino operations only. Additional working capital from non-casino operations and available debt facilities can be used to satisfy the requirement. The calculation of MCNWCP includes cash floats, restricted cash, one month's operating expenses, and one month's interest costs on debt facilities.

The Company's term debt includes demand clauses in the event certain performance covenants are not met. The Company's lender does not consider term debt to be current obligations. The Company is compliant with all debt covenants.

Commitments

The Company has various other contractual commitments. Future undiscounted minimum payments of these commitments are:

Commitments

Total	One year or less	Two to five years	More than five years
149.5	129.1	20.4	-

Dividend policy and practice

The board of directors of the Company is responsible for determining the dividend policy of the Company. Under the Alberta Business Corporations Act ("ABCA"), the dividend policy must comply with the requirements of the ABCA, including satisfying the dividend test applicable to ABCA companies (i.e. an ABCA company shall not declare or pay a dividend if there are reasonable grounds for believing that (a) a company is, or would after the payment be, unable to pay its liabilities as they become due, or (b) the realizable value of the company's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes).

The Company's board of directors has currently endorsed a regular monthly dividend of $0.04 per common share. The Company's Board of Directors retain the right to modify the dividend policy from time to time at its discretion.

Dividend pay-out ratio

There is no standardized method for calculating dividend pay-out ratio under IFRS. The Company's method for determining its dividend pay-out ratio deducts all debt service costs, depreciation and interest expenses on right-of-use assets and current income tax expenses from EBITDA earned during the same period, regardless of the timing of settlement for those costs. Dividend pay-out ratio is normalized for reporting purposes by removing non-routine or volatile items such as capital maintenance or share repurchases paid for from operating cash flow and any gains or losses on disposal of assets.

(In thousands, unless stated otherwise)

Dividend pay-out ratio	**Q4 (twelve months)**			**Q4 (three months)**		
	2023	2022	+(-)	**2023**	2022	+(-)
EBITDA to Shareholders	**34,954.8**	23,612.5	48.0%	**8,698.9**	6,391.4	(36.1%)
Adjustments (excl. Non-controlling interest portions)						
Scheduled principal payments on demand debt	**(1,693.1)**	(1,494.6)	13.3%	**(431.2)**	(428.4)	0.7%
Interest expensed	**(2,894.3)**	(2,140.1)	35.2%	**(686.0)**	(717.0)	(4.3%)
Depreciation and interest - right of use assets	**(1,166.3)**	(1,294.9)	(9.9%)	**(294.1)**	(350.6)	(16.1%)
Current Income tax expense	**(6,277.1)**	(4,024.4)	56.0%	**(1,555.2)**	(1,123.9)	38.4%
Cash available for distribution	**22,924.0**	14,658.5	56.4%	**5,732.4**	3,771.5	52.0%
Dividends declared	**8,256.0**	6,728.4	22.7%	**2,357.8**	2,009.2	17.4%
Surplus to dividends declared	**14,668.0**	7,930.1	85.0%	**3,374.6**	1,762.3	91.5%
Normalized dividend pay-out ratio [1]	**36.0%**	**45.9%**	(9.9%)	**41.1%**	**53.3%**	(12.2%)

Cash dividends declared

2023 dividend summary		**Date**				
Month	**Per Share**	**Declared**	**Record**	**Payment**	**Shares o/s**	**Dividends**
January	**$ 0.0300**	**16-Jan-23**	**31-Jan-23**	**15-Feb-23**	**22,287.7**	**668.6**
February	**0.0300**	**10-Feb-23**	**28-Feb-23**	**15-Mar-23**	**22,088.1**	**662.6**
March	**0.0300**	**14-Mar-23**	**31-Mar-23**	**14-Apr-23**	**21,907.2**	**657.2**
April	**0.0300**	**17-Apr-23**	**30-Apr-23**	**15-May-23**	**21,790.1**	**653.7**
May	**0.0300**	**9-May-23**	**31-May-23**	**15-Jun-23**	**21,706.5**	**651.2**
June	**0.0300**	**15-Jun-23**	**30-Jun-23**	**14-Jul-23**	**21,706.5**	**651.2**
July	**0.0300**	**17-Jul-23**	**31-Jul-23**	**15-Aug-23**	**21,706.5**	**651.2**
August	**0.0300**	**8-Aug-23**	**31-Aug-23**	**15-Sep-23**	**21,706.5**	**651.2**
September	**0.0300**	**18-Sep-23**	**30-Sep-23**	**13-Oct-23**	**21,706.5**	**651.2**
October	**0.0300**	**16-Oct-23**	**31-Oct-23**	**15-Nov-23**	**21,595.7**	**647.9**
November	**0.0400**	**14-Nov-23**	**30-Nov-23**	**15-Dec-23**	**21,374.5**	**855.0**
December	**0.0400**	**19-Dec-24**	**31-Dec-23**	**15-Jan-24**	**21,374.5**	**855.0**
Total	**$ 0.3800**					**8,256.0**

2022 dividend summary		Date				
Month	Per Share	Declared	Record	Payment	Shares o/s	Dividends
January	$ -				22,673.4	-
February	-				22,658.9	-
March	0.0300	7-Mar-22	31-Mar-22	15-Apr-22	22,583.7	677.6
April	0.0300	18-Apr-22	30-Apr-22	13-May-22	22,498.7	675.0
May	0.0300	16-May-22	31-May-22	15-Jun-22	22,481.0	674.4
June	0.0300	13-Jun-22	30-Jun-22	15-Jul-22	22,467.6	674.0
July	0.0300	15-Jul-22	31-Jul-22	15-Aug-22	22,453.2	673.6
August	0.0300	9-Aug-22	31-Aug-22	15-Sep-22	22,420.0	672.6
September	0.0300	15-Sep-22	30-Sep-22	14-Oct-22	22,400.0	672.0
October	0.0300	17-Oct-22	31-Oct-22	15-Nov-22	22,363.5	670.8
November	0.0300	8-Nov-22	30-Nov-22	15-Dec-22	22,318.8	669.6
December	0.0300	15-Dec-22	31-Dec-22	13-Jan-23	22,291.8	668.8
Total	$ 0.3000					6,728.4

(In thousands, unless stated otherwise)

Productive capacity

The Company's assets include land, land improvements, buildings, leases, leasehold improvements, and furniture, fixtures and equipment. At the end of the Quarter, productive capacity of the Company consisted of 122 guest rooms and 1 meeting room at Service Plus, 94 guest rooms and one meeting room at Encore Suites, and 188 guest rooms, 10 meeting/banquet rooms, 1 showroom, 3 restaurants and three lounges at Deerfoot. Both Great Northern and Rivers have a showroom for live events and separate cafe and/or lounge dining areas. Also included in productive capacity are the Company's interests in three gaming licenses, one each for Rivers Casino & Entertainment Centre, Great Northern Casino, and Deerfoot Inn & Casino. Together these licenses provide a revenue stream for the Company from an available 1,602 EGD's, 54 VLT's, 68 table/poker games, and other ancillary equipment.

Productive capacity	**Gaming sq. ft**	**Non-gaming sq. ft.**	**Guest rooms**	**F&B, banquet, live event seating**	**EGD's and VLT's**	**Tables including poker**	**Lease/ retail sq. ft.**
At January 1, 2022	114,356	26,074	404	3,270	1,703	62	15,043
Additions (deletions)							
Deerfoot					(20)	4	
Rivers					(1)		
Great Northern - renovation				20	(18)	1	
At December 31, 2022	114,356	26,074	404	3,290	1,664	67	15,043
Additions (deletions)							
Deerfoot - into-service (out-of-service)					(5)	1	
Great Northern, into-service (out-of-service)					(3)		
at December 31, 2023	114,356	26,074	404	3,290	1,656	68	15,043

AGLC, from time to time, will adjust machine types and placements with new product or higher performing product. The Company added 1 poker table at Deerfoot during the year to accommodate increased demand.

Productive capacity maintenance

Productive capacity maintenance costs for facilities of the Company are minimal. Maintaining the shine on our properties so that they continue to attract guests is largely a program of regular refurbishment such as paint or new carpets. For the most part, maintenance costs are treated as operational expenses at the time they are incurred and as such are already included in the periodic cash provided by (used for) operating activities as reported in consolidated financial statements. Management may, however, undertake smaller capital projects to be paid from cash generated from operating activities. These capital costs, when funded from operating cash flow, would fall into the category of productive capacity maintenance.

Liquor sales require the Company to hold valid liquor licenses issued by AGLC. Productive capacity maintenance of liquor sales is most significantly related to keeping these licenses in good standing, and requires the Company to pay for liquor orders electronically prior to delivery from AGLC wholesale division.

EGD's and VLTs are owned and maintained by AGLC. Lottery equipment is owned and maintained by ILC. Live table games are owned or leased and maintained by the Company. Productive capacity maintenance of both tables and electronic gaming devices are more significantly measured in terms of maintenance of the Company's charitable gaming facility operator licenses issued by AGLC. Holders of these licenses must adhere to a strict set of terms and conditions. The Company's three licenses were renewed for six year terms expiring in June 30, 2029. The Company considers the licenses to have indefinite life.

Normal annual capitalized costs for productive capacity maintenance are not expected to exceed $0.8 million in any given year.

Discretionary and other items

From time to time, at their discretion, management or directors may elect to use or reserve cash for other purposes. Discretionary uses of cash reduce the availability of cash for distribution to shareholders.

Long-term unfunded contractual obligations

The Company has no long-term unfunded contractual obligations. The Company does not have a pension plan or stock based compensation plan. The benign nature of the Company's operations does not require that reserves be set up for environmental clean up, asset retirement, or other real or potential liabilities.

Capital Strategy

Current debt instruments will be maintained or eliminated to the extent they allow for repayment. Debt maintenance includes regular amortized monthly principal payments, and intermittent payments on outstanding revolving debt instruments when surplus cash is available. Management's objective is to limit total debt to EBITDA to a ratio of 1.5 to 1 or less until such time as opportunities encourage or conditions require a different strategy.

Larger scale expansions or acquisitions would be funded by debt or equity at the discretion of the directors of the Company.

The Company intends to repay existing non-revolving debt obligations over a period of time, which will allow it to pay dividends in the manner described under "Dividend policy and practice." Current loan agreements and interest rates allow for scheduled amortization periods of between 10 years and 20 years, 3 months.

Financing restrictions on dividends caused by debt covenants

The Company has four term loans secured by assets owned or leased by the Company. The loans require blended principal and interest payments, which are scheduled to amortize over 10 years and 20 years, 3 months. The Company also has a revolving loan secured by the same assets requiring interest only payments.

Income taxes

The Company is subject to income taxes and makes installment payments based on estimated taxable income.

Tax attributes of dividends to Shareholders

Dividends paid to Shareholders are considered 'eligible dividends.' Eligible dividends are subject to a schedule of gross-up rates and enhanced dividend tax credits, providing the investor with a more favourable income stream for tax purposes. Generally, the Income Tax Act aims to provide a lower tax rate on all dividends ultimately sourced from income subject to the usual corporate level tax rates in Canada (i.e., income that is not income of a Canadian- controlled private corporation (CCPC) subject to the small business rate).

(In thousands, unless stated otherwise)

Income taxes

Income taxes include provisions for income taxes payable on current year taxable income, and temporary differences and carry-forwards, which give rise to future income tax assets and liabilities. Taxes are calculated using the applicable combined federal and Alberta tax rate substantively enacted. To the extent taxes can be deferred, they will be calculated at the rate of tax expected at the time the future tax asset or liability will be realized.

Current income tax

twelve months ended December 31	2023	2022
Current tax expense	6,277.1	4,024.4
Deferred tax expense (recovery)		
Permanet differences in deferred tax carrying values	26.6	(694.2)
Income tax expense	6,303.7	3,330.2

Reconciliation of effective tax rate

Actual income tax expense differs from the expected income tax expense that would have been computed by applying the statutory income tax rate to earnings before income taxes for the following reasons:

twelve months ended December 31	2023	2022
Shareholder profit excluding income tax	27,361.2	16,000.9
Income tax using Company's domestic tax rate	23.0%	23.0%
Expected income tax expense	6,293.1	3,680.2
Changes in income tax expense resulting from:		
Effect of changes in temporary differences in deferred tax carrying values	(26.6)	(650.0)
Adjustment to income taxes from prior year CRA return	-	300.0
Permanent differences in income	37.2	-
Income tax expense	6,303.7	3,330.2

(In thousands, unless stated otherwise)

Capital resources

The Company has two term loans secured by its Fort McMurray and Grande Prairie assets, Term loan 1 and Term loan 2. The Company is making blended monthly principal and interest payments on the loans.

The Company has a revolving loan secured by its Fort McMurray and Grande Prairie assets with an available limit of $30.0 million. The revolving loan requires interest-only payments at the lender's prime rate.

The Company has two term loans secured by its Deerfoot assets, Term loan 3 and Term loan 4. The Company is making blended monthly principal and interest payments on the loans.

	Amortization Period	December 31, 2023	December 31, 2022
Credit facilities available at face value			
Revolving credit line		30,000.0	30,000.0
Term loan 1	1-Mar-40	12,748.7	13,321.5
Term loan 2	1-Dec-30	3,730.0	4,129.3
Term loan 3	1-Mar-40	4,606.8	4,809.7
Term loan 4	1-May-32	6,160.4	6,678.4
		57,245.9	58,938.9
Carrying value of borrowed amounts			
Current liabilities			
Revolving credit line		18,921.2	25,563.3
Term loan 1		592.0	572.8
Term loan 2		424.6	408.2
Term loan 3		209.7	202.9
Term loan 4		551.6	512.5
		20,699.1	27,259.7
Non-current liabilities			
Term loan 1		12,156.7	12,748.7
Term loan 2		3,305.4	3,721.1
Term loan 3		4,397.1	4,606.8
Term loan 4		5,608.8	6,165.9
		25,468.0	27,242.5
		46,167.1	54,502.2
Interest rate			
Revolving credit line [1]		7.20% (P +0.00%)	6.450% (P +0.00%)
Term loan 1 [2]		3.50%	3.50%
Term loan 2 [1]		7.20% (P +0.00%)	6.450% (P +0.00%)
Term loan 3 [2]		3.50%	3.50%
Term loan 4 [1]		7.20% (P +0.00%)	6.450% (P +0.00%)

[1] Rate at the end of the Year

[2] Interest rate secured to December 1, 2024

The Company may cause to be issued unlimited numbers of shares or other securities provided they do not rank ahead of the common shares of the Company as to dividends, voting rights, and other rights protected by the Limited Partnership Agreement.

Financial instruments

Fair value

The fair value of cash, restricted cash, trade and other receivables, trade and other payables, loans and borrowings and dividends payable, approximate their carrying value due to the short-term maturities of these instruments.

Interest rate risk

The Company's interest rate risk arises primarily from its variable rate debt in the aggregate amount of $28,811.7 thousand. The Company is paying interest at 7.20% on variable rate debt at the end of the Quarter. A 1.0 percentage point increase in interest rates would have an unfavourable impact on earnings of $288.1 thousand or $0.01/common share on an annualized basis.

Credit risk

Credit risk arises from cash held with banks and credit exposure to customers and lessees. The Company's day-to-day commercial banking is with 'A' rated Canadian financial institutions. Day-to-day commercial banking is not concentrated with a single financial institution.

The Company, in the normal course of operations, monitors the financial condition of its customers, lessees and other receivables. A significant portion of lessee receivables are tied to point-of-sale systems (POS) owned by the Company from which the Company collects all revenues. Amounts due to the lessee are paid net of any commissions or past due rents. Therefore, lessee receivables are considered low risk. The Company does not have significant exposure to any individual customer or counterparty. Stated credit terms are typically 30 days, but in practice extend 90 to 120 days for select customers operating in the energy sector which is common industry practise. Individual accounts are monitored at minimum monthly and any unexpected changes are escalated to senior management on a case-by-case basis. Individual accounts are considered fully collectable until a notice of receivership is received or communication from the customer ceases.

Carrying amounts of accounts receivable are reduced for expected credit losses ("ECL") based on historical results and a factor for any deterioration in the economic and credit environment. Direct losses are recorded on an account-specific basis when appropriate. Carrying amounts of accounts receivable are reduced by direct write-off to earnings in the period of loss recognition. Strength in the fossil fuel sector has reduced credit risk. Management continues to monitor all accounts. DSO at the end of the Period is well within Company targets. The Company has not recorded an adjustment for ECL.

Liquidity risk

Liquidity risk arises from excess financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient, readily available reserves in order to meet on-going liquidity requirements.

Accounts payable, excluding accrued liabilities, are due in 90 days or less.

The Company has term loans scheduled for monthly blended payments that will fully amortize term loan balances by December 2030, May 2032, and March 2040.

(In thousands, unless stated otherwise)

AGLC requires all casinos to maintain a Minimum Continuing Net Working Capital Position (“MCNWCP”). The MCNWCP is a requirement for casino operations only. Additional working capital from non-casino operations and available debt facilities can be used to satisfy the requirement. The calculation of MCNWCP includes cash floats, restricted cash, one month’s operating expenses, and one month’s interest costs on debt facilities. The Company is in compliance with this requirement.

Following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments:

As at December 31, 2023	Carrying amount	Contractual cash flows	1 year or less	2 to 5 years	More than 5 years
Trade and other payables	4,546.3	4,546.3	4,546.3	-	-
Term loans	27,245.9	35,804.3	3,056.4	12,225.5	20,522.4
Revolving credit facility	18,921.2	18,921.2	18,921.2	-	-
Dividends payable	855.0	855.0	855.0	-	-
	51,568.4	60,126.8	27,378.9	12,225.5	20,522.4
As at December 31, 2022					
Trade and other payables	4,624.6	4,624.6	4,624.6	-	-
Term loans	28,938.9	38,462.3	2,988.3	11,953.2	23,520.8
Revolving credit facility	25,563.3	25,563.3	25,563.3	-	-
Dividends payable	668.8	668.8	668.8	-	-
	59,795.6	69,319.0	33,845.0	11,953.2	23,520.8

Foreign currency risk

The Company's foreign currency risk arises primarily from the purchases of specialized goods and services in United States dollars. While not significant, fluctuations in the exchange rate between the Canadian and United States dollar result in exchange gains or losses. The Company mitigates foreign currency risk by purchasing United States dollars when deterioration in exchange rates is expected. United States currency is held in United States dollar denominated bank accounts for this purpose.

Industry risk

The Company's operations are all located in Alberta, and to varying extents derive portions of their business income from corporate clients in the energy sector. As a result, the Company is exposed to some industry risk.

Inflation risk

The Company is exposed to inflation risk. Waning supply/demand imbalances lingering from COVID-19, geopolitical events, and labour shortages are all putting pressure on inflation. The Company has increased wages, and prices for Company products and services where possible. Inflation has been most significant in rising food and utility costs. The Company may not be able to pass inflated operating costs onto consumers.

Shareholder equity

The Company is authorized to issue an unlimited number of shares of any class. Common shares are valued at the original contributed capital amount, as at the 2003 plan of arrangement forming the former Gamehost Income Fund, plus fair value adjustments on former Class B limited partnership units that were converted to common shares, plus shares purchased by the Company for cancellation under normal course issuer bids, plus convertible debentures that were converted to common shares, and amortization of a conversion privilege on the Company's matured debentures.

On July 21, 2022 the Company commenced a normal course issuer bid (the "2022 Bid"). Pursuant to the 2022 Bid, Gamehost was authorized to purchase for cancellation up to a maximum of 1,124.7 thousand common shares, being equal to 10% of Gamehost's public float on July 11, 2022. The 2022 Bid terminated on July 20, 2023. Common shares purchased under the 2022 Bid totaled 756.3 thousand at prices averaging $8.31/common share before commissions for an aggregate $6,284.2 thousand. During the Year, the Company purchased for cancellation 585.3 thousand common shares under the 2022 Bid at prices averaging $8.39/common share including commissions for an aggregate $4,908.6 thousand.

On August 14, 2023 the Company commenced a normal course issuer bid (the "2023 Bid"). Pursuant to the 2023 Bid, Gamehost is authorized to purchase for cancellation up to a maximum of 1,085.3 thousand common shares, being equal to 5% of Gamehost's issued and outstanding common shares on July 31, 2023. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost may not purchase more than 2,445 common shares in any one day, such amount being equal to 25.0% of the average daily trading volume for the six months ended July 31, 2023 which was 9.8 thousand common shares. The 2023 Bid will terminate on August 13, 2024 or such earlier time as the 2023 Bid is completed or terminated at the option of the Company. During the Year, the Company purchased for cancellation 331.9 thousand common shares under the 2023 Bid at prices averaging $8.93/common share including commissions for an aggregate $2,965.7 thousand.

Related party transactions

Related party transactions are measured at the exchange amount, which is the amount agreed to by the Company and the related parties.

The Company had related party transactions with David Will and Darcy Will and/or companies owned or controlled by David Will and/or Darcy Will (collectively the “Wills”). The Wills are key management personnel, directors of the Company, and significant shareholders. Together, the Wills control 34.8% (33.5% - 2022) of the outstanding common shares of the Company at end of the Year.

- The Company incurred $1,733.9 thousand ($1,298.2 thousand - 2022) in management compensation with the Wills for the Year which is included in administrative expenses. Compensation is in the form of short term employee benefits, director fees, management agreements, and a general partnership agreement between Gamehost Inc, Gamehost Limited Partnership and the managing partner, Gamehost Management Inc. Management fees stipulated in management services agreements are based on a percentage of revenues and/or earnings before interest, taxes, depreciation and amortization. $3.6 thousand ($27.4 thousand - 2022) remains in accounts payable at the end of the Year.

    - A management services agreement between the Company and the Wills stipulates that the Wills are entitled to 1.5% of gross operating profit before interest, taxes, depreciation, amortization, and extraordinary items of the Company. These amounts are included in administrative expenses.

    - The management services company engaged to perform the services referred to above is also the general partner of Gamehost Limited Partnership. The partnership agreement stipulates that the general partner is entitled to 0.01% of all cash distributions of the partnership. These amounts are included in administrative expenses.

    - A management services agreement between Deerfoot and the Wills stipulates that the Wills are entitled to 1.5% of the gross revenues plus 2.0% of operational earnings before interest, taxes, depreciation, amortization, and extraordinary items of Deerfoot. These amounts are included in administrative expenses.

- The Company incurred $69.4 thousand ($nil – 2022) of charter aircraft rental expenses for the Year with Will Air Inc., a company controlled by the Wills, which is included in administrative expenses.

- The Company incurred $91.0 thousand ($85.7 thousand – 2022) of office rent expenses for the Year which is included in administrative expenses. Deerfoot rents its head office space from DJ Will Holdings Limited, a company wholly owned by David Will. $8.3 thousand ($nil - 2022) remains in accounts payable at the end of the Year.

- The Company incurred $547.9 thousand ($564.2 thousand – 2022) in allocated expenses during the Year which is included in operating expenses. DJ Will Holdings Limited and DarcyCo Holdings Ltd, companies wholly owned by David Will and Darcy Will respectively, allocate portions of their holding companies expenses incurred for the benefit of the Company based on usage. $46.8 thousand ($8.9 thousand - 2022) remains in accounts payable at the end of the Year.

- The Company advanced $101.4 thousand ($2,469.7 thousand - 2022) for construction projects during the Year which is included in property, plant and equipment. From time to time, the Company engages DJ Will Construction Inc, a company controlled by the Wills, to act as general contractor for capital projects. $nil (Credit note $61.9 thousand - 2022) remains in accounts payable at the end of the Year.

The Company incurred $185.2 thousand ($112.5 thousand – 2022) in directors fees for the Year paid to other directors of the Company which is included in administrative expenses.

The Company directly incurred $215.4 thousand ($189.1 thousand – 2022) of charter aircraft rental expenses during the Year with Noren Air Inc., a company controlled by the Company's COO. These costs are included in administrative expenses. $nil ($18.0 thousand - 2022) remains in accounts payable at the end of the Year.

The Company directly incurred $34.4 thousand ($nil – 2022) of office rental expenses during the Year with 669293 Alberta Ltd., a company controlled by the Company's COO. These costs are included in administrative expenses.

The Company incurred $635.0 thousand ($580.0 thousand – 2022) during the Year in key management personnel compensation paid or accrued to other officers or companies controlled by other officers of the Company, which is included in administrative expenses. Included in these figures are monthly fees paid under an operational services agreement between the Company and the Company's COO for overseeing site operations of the Company.

Business risks, opportunities and outlook

General economic outlook

Protectionism, geopolitical instability and inflation are contributing to slowing global growth. A protracted property crisis in China is front and centre in its global effect.

Eyes are ever present on the Bank of Canada in its efforts to fight inflation and still engineer a soft landing for the Canadian economy. The trend on inflation is encouraging and an easing in monetary policy is anticipated in 2024, but not assured. High interest rates are expected to take a greater toll on Canadian consumers as mortgages renew at high rates over the course of the next two years. It is argued that Canada is already in a technical recession, if not masked by the positive effects of high immigration.

Local economic outlook

Alberta is known foremost for it's oil and gas sector, but that is changing as the province diversifies. After leading the country with provincial growth of 2.6% in 2023, Alberta's economy is projected to slow to 1.2% in 2024. Inflation and elevated interest rates will take an increasing toll on the Alberta consumer who is carrying high levels of debt in relation to income.

The completion and commissioning of the Transmountain pipeline in 2024 is expected to reduce the differential on Western Canadian Select from Alberta and allow for increased production from Alberta's oil sands. This should spur additional investment in the Fort McMurray region.

The Grande Prairie region is expected to continue to benefit from elevated energy related activity due in large part to the completion and commissioning of LNG Canada's export facility on Canada's west coast and the Costal Gaslink pipeline that will ship the natural gas. LNG Canada is one of seven LNG export projects in various stages of approval/development off of British Columbia's coast. A recent pause on LNG development in the USA by the current administration provides Canada with a potential opportunity to realize more of these projects.

The City of Calgary has often been the leader in GDP per capita in all of Canada. The City's growth is expected to outpace the rest of Alberta as relative housing affordability and generally lower living costs continue to attract new population. The province and city continue to see positive trends in economic diversification.

Government regulation

The Alberta and Canadian gaming industries are highly regulated by provincial governments resulting in high barriers of entry. Revenue sharing agreements between governments and operators are subject to change by unilateral government action. Revenue sharing and operator agreements are not the same from province to province. Neither are they the same for traditional casino operators and First Nations casino operators. Traditional casino operators in Alberta receive less favourable compensation when compared to competing Alberta First Nations operators and some of their provincial counterparts.

Competition

AGLC's online gambling site, PlayAlberta.ca, which includes some sports betting, largely attracts net new money from unregulated offshore virtual sites rather than divert from Alberta's land-based casinos. Money gambled through PlayAlberta.ca goes directly into general revenues for the province with no direct benefit to charitable organizations as is the case through Alberta's land-based casinos. In August 2023, AGLC announced a long term partnership with BtoBet to assist in the growth and improvement of the sportsbook on PlayAlberta.ca.

Management is not aware of any gaming expansions that could have a material effect on the Company’s operations.

There are eight slot gaming licences issued in the Calgary region including a racing entertainment centre (REC) located in an adjacent county to the north. The Company's Deerfoot Inn & Casino is located deep in the south east quadrant of the city with the nearest casino competition some 13 kilometres to the north west. There is sparse nearby competition to the Deerfoot's rooming business. The closest being a property operated by a related party to Deerfoot. This property operates at a different price point to the Deerfoot and has been beneficial in boosting room capacity for banquets and conferences held at Deerfoot Inn & Casino. Otherwise, the next closest comparable competition is an older property located 4.2 kilometres to the north, which also offers banquet and convention services.

A First Nations casino on Calgary's western edge also provides hotel accommodations, meeting/conference space and event space. The First Nations live entertainment showroom allows for larger single night performances than can be accommodated at Deerfoot, but otherwise, the Deerfoot maintains a superior overall location and conference packaging.

The Great Northern Casino in Grande Prairie is the only full service casino in the city. Evergreen Park, the area's Agribition and trade grounds located 8.5 kilometres from the city centre, operates a small REC with off-track betting, 99 slot machines and VLTs. Great Northern Casino has the city's premier intimate live entertainment space. The F&B market is competitive and ever-changing, but the casino's unique offering and location give it a competitive niche.

The Company's Service Plus and Encore Suites hotel properties operate in a highly competitive market. Both properties succeed on superior location and service. The properties are located adjacent to and across the street, respectively, from the Great Northern Casino and help to drive foot traffic to the casino. The locations are in advantageous proximity to the area's community college, Gateway Power Centre big box shopping outlet, and the Grande Prairie Regional Hospital. Each of the two properties serve the mid-scale market at different price points catering to a wide clientele of business and leisure travellers.

The Company's Rivers Casino & Entertainment Centre Casino in Fort McMurray operates without any gaming-related competition in the trading area. At present, gaming demand is well served by the Company's current capacity.

Information Security

Gamehost relies on information technology systems for the efficient management and operation of its business. Reliability and security of these systems is essential to effective uninterrupted operations and information privacy. The Company relies significantly on AGLC systems and security protocols related to AGLC owned and controlled electronic games. Additional Company owned and implemented technology systems are deployed and continually monitored. Although AGLC and Company information technology systems contain safeguards against unauthorized access, there is risk that safeguards could fail or be breeched. Failure of, or malicious security breach to, any AGLC or Company systems could result in adverse consequences, including but not limited to: unavailability, disrupted functionality, loss, corruption, ransom, or unauthorized disclosure of sensitive Company, customer, vendor or employee information. The Company attempts to prevent any such failures or breeches through the implementation of effective internal controls, processes, procedures, and technology security measures. The Company contracts third party providers, skilled in the area of information systems to advise, implement, and manage network and information security, but there can be no assurance that these measures will be fully effective. There were no known or detected breeches during the Period. AGLC requires the Company to implement policies and procedures that effectively assess, monitor and test against cyber attacks. Accordingly, the Company has developed a rotating three year plan to mitigate cyber security risks and conducts ongoing training and awareness for all staff.

International Financial Reporting Standards (IFRS)

<u>Standards, amendments and interpretations effective and applied</u>

During the Year, the Company adopted the following polices and/or applied the following amended International Accounting Standards ("IAS") and IFRS issued by the IASB that are effective for annual reporting periods beginning on or after January 1, 2023.

- *IFRS 17 - Insurance Contracts - The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied prospectively. Application of the amendments had no impact on the Company's financial statements.*

- *IAS 1 - Presentation of Financial Statements (Amendments to Disclosure of Accounting Policies and IFRS Practice Statement 2, Making Materiality Judgements). The amendments require entities to disclose material accounting policies instead of significant accounting policies. Application of the amendments had no material impact on the Company's financial statements.*

- *IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (Amendments to Definition of Accounting Estimates). The amendments clarify the difference between accounting policies and estimates to ensure changes are applied either retrospectively or prospectively. Application of the amendments had no impact on the Company's financial statements.*

- *IAS 12 - Income Taxes (Amendments to Deferred Tax related to Assets and Liabilities arising from a Single Transaction). The amendments require that entities recognize both a deferred tax asset and a deferred tax liability when transactions give rise to equal and offsetting temporary differences. Application of the amendments had no impact on the Company's financial statements.*

Standards, amendments and interpretations not yet effective or applied

Standards and amendments to standards and interpretations that are not yet effective for the year ended December 31, 2023 have not been applied in preparing these consolidated financial statements but are described below. For those standards where earlier application is permitted, the Company expects to apply the changes at the effective date.

- *IFRS 16 - Leases (Amendments to Lease Liability in a Sale-and-Leaseback). The amendments affect the way a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The Amendments are effective for annual reporting periods on or after January 1, 2024.*

- *IAS 1 - Presentation of Financial Statements (Amendments to Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants). The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a entity's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance. The amendments are effective for annual reporting periods on or after January 1, 2024.*

Management continues to assess the impact of the above future accounting changes on the Company's consolidated financial statements.

Additional information

All required public disclosures including material documents, press releases, annual information form, and consolidated financial statements of the Company can be found on SEDAR at www.sedar.com. Additional information about the Company can be found at www.gamehost.ca.

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Darcy Will - Secretary
Jim McPherson
Jerry Van Someren
Tim Sebastian
Peter Miles

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Darcy Will - Vice President
Elston Noren - Chief Operating Officer
Craig Thomas - Chief Financial Officer

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