

British Columbia Lottery Corporation

**2026/27 – 2028/29
Service Plan**

February 2026



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Board Chair's Accountability Statement



The 2026/27 – 2028/29 BC Lottery Corporation (BCLC) Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of February 2, 2026, have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BCLC's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of BCLC's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read "GM".

Greg Moore
Board Chair, BCLC
February 2, 2026

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Strategic Direction

In 2026/27, the public sector organizations will do their part to support the Government of British Columbia's prioritizing support for people by taking action to make life better for everyone.

Despite a challenging fiscal environment due to global uncertainty, trade relationship reordering, and low resource prices, over the past year Government made significant progress on efforts to reduce costs for British Columbians, hire more doctors and nurses, and build more homes, hospitals and schools, faster. Crown Agencies will continue to advance these key priorities even as tariffs, trade policies, and instability outside of the province's borders continue to put pressure on the province's finances.

Ongoing fiscal pressure means all parts of Government, including Crown Agencies must continue to do their part to maximize efficiencies and make sure every dollar counts.

To respond to these extraordinary times, Crown Agencies will support Government's focus on expanding trade and investment both within Canada and abroad and delivering major projects that offer good jobs and opportunities for people and communities. This focus on economic growth and prosperity is critical to delivering the revenue needed to provide services and infrastructure.

Good relationships and mutually beneficial partnerships with First Nations are critical to building a better future for everyone in British Columbia. Crown Agencies will continue supporting efforts to implement the Declaration on the Rights of Indigenous Peoples Act Action Plan. Through collaboration and open dialogue, we aim to foster trust, stability and certainty for all.

This 2026/27 service plan outlines how BCLC will support the Government's priorities and selected action items identified in the most recent BCLC [Mandate Letter](#).

Purpose of the Organization and Alignment with Government Priorities

BCLC conducts and manages commercial gambling in a socially responsible manner for the benefit of British Columbians. Through Operational Services Agreements with private-sector service providers, BCLC offers slot machines, table games and bingo at 26 casinos, 10 community gaming centres (CGCs) and one commercial bingo hall. BCLC's lottery and sports betting products are sold at approximately 3,400 retail locations operated by private-sector retailers through Lottery Retailer Agreements. PlayNow is BCLC's secure and regulated online and mobile channel, with a growing portfolio of lottery games, sports betting, slots, table games and bingo entertainment. BCLC also provides online gambling services and web-based and mobile platforms to the Province of Manitoba through an operating contract with Manitoba Liquor & Lotteries and to Saskatchewan players through an exclusive licensing agreement with the Saskatchewan Indian Gaming Authority (SIGA) and Lotteries and Gaming

Saskatchewan. In addition, BCLC licenses its player health program, GameSense, to partners across North America.

BCLC's business strategy is guided by its social purpose "to generate win-wins for the greater good." This purpose guides BCLC's decisions so that through its actions, social benefits are created, which contribute to a better world. The social purpose compels BCLC to consider how the organization creates additional value for players, employees, business partners, suppliers, communities, Indigenous rights and title holders, and municipal and provincial governments.

BCLC's gambling revenue benefits British Columbians through provincial government investments in programs and services such as education, health care, communities and culture. First Nations receive a seven percent entitlement of BCLC net income through the [BC First Nations Gaming Revenue Sharing Limited Partnership](#).¹ Additionally, in accordance with the Province's Host Financial Assistance Agreements, municipal governments and First Nations that host casinos or CGCs typically receive a 10 percent share of net gaming income generated by those facilities.

As a Crown corporation, BCLC is governed by B.C.'s Gaming Control Act and reports to the Ministry of Finance through the Crown Agencies Secretariat (CAS). The Gaming Policy and Enforcement Branch (GPEB) in the Ministry of Public Safety and Solicitor General has regulatory oversight of all gambling in B.C., including all commercial gambling operated by BCLC.² BCLC also adheres to requirements set out in federal anti-money laundering (AML) legislation and is monitored by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) for compliance with those requirements.

BCLC is focused on delivering on our strategic priorities, as established by Government and as outlined in the Mandate Letter. These instructions form part of our strategic context and, along with economic and market trends, inform the business choices the organization makes.

¹ BCLC net income as defined in the Long-Term BC First Nations Gaming Revenue Sharing and Financial Agreement.

² GPEB will transition to the independent gambling control office (IGCO) when the [new Gaming Control Act](#) and regulations come into force on April 13, 2026.

Performance Planning

Goal 1: Deliver engaging experiences for our players

BCLC's long-term success depends on its ability to adapt to evolving player preferences. By accelerating the development of digital capabilities, the organization will deliver competitive, personalized and responsible gambling entertainment experiences while safeguarding the integrity and security of BCLC and the broader industry.

Performance Measures

Performance Measure ¹	2024/25 Actuals	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[1.1] Percentage of casino player base that has an Encore Rewards account	53%	54%	57%	64%	70%

Data sources: BCLC iTrak (an internal software platform used for daily log reporting and incident management) and BCLC Enterprise Data Warehouse.

Discussion

Encore Rewards is BCLC's casino loyalty program. BCLC intends to attract more players to use the Encore Rewards program by simplifying the registration process, providing enhanced membership value and improving the awareness of the program and the new membership app. Planning is also underway to launch a new and improved rewards and incentives program, which will eventually replace the current Encore Rewards, with an expected launch in fiscal 2026/27.

BCLC expects to see a steady increase in casino loyalty program members in the next three fiscal years. In 2027/28, the target shows a larger increase, reflecting a full year since the launch of the new rewards and incentives program. It is expected that the additional benefits offered by the new program will result in further responsible growth in BCLC's player base with rewards and incentives accounts.

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[1.2] Player Experience Index - Enterprise	77.20	77.87	78.54	79.21

Data source: Continuous tracking survey conducted online by a third-party research professional. Study uses market research industry standard techniques to randomize the sample while retaining gender, age and regional balance that is consistent with B.C. population figures available from Statistics Canada's Census. To qualify for these measures, a respondent will need to have played at least one BCLC game in the past year.

Discussion

BCLC aims to provide the best player experience. The Player Experience Index (PXi) is a measure out of 100 and was developed to account for the various aspects of a player's experience such as customer service, atmosphere/environment, information, safety and

comfort, wait times, variety of products and amenities, fairness, value for money and how engaged players feel. Each quarter, these aspects of the purchase experience are measured to create the PXI scores for each channel, line of business and overall enterprise level.

The PXI score is BCLC's core metric to measure player satisfaction and will allow BCLC to pinpoint the specific areas of player experience that need to be addressed and optimized.

Objective 1.1: Increase the percentage of player base that has a verified player account with BCLC

BCLC is working towards 100 percent account-based known play in casinos to allow for more personalized gambling experiences and player health programming.

Key Strategies

- Introduce a digital registration process at casinos and CGCs to simplify Encore Rewards membership sign-up.
- Streamline the account verification process for Encore Rewards members.
- Utilize the new Encore Rewards app to deliver personalized experiences and targeted promotions for players.
- Continue to roll out fast-track entry lanes for rewards and incentive program members across casinos and CGCs.
- Deploy foundational technology to enable future enhancements to the Encore Rewards app.

Discussion

With 100 percent account-based and verified play already in place on PlayNow, BCLC's focus is on increasing account-based and verified play in casinos through its rewards and incentives program. For players who visit casinos, BCLC's Encore Rewards loyalty program is optional, so creating a seamless registration process and offering enhanced membership benefits will be key to encouraging players to voluntarily sign up.

Increasing account-based known play in casinos will provide BCLC with additional data and will allow it to deepen its knowledge of players, address their pain-points, offer personalized experiences for play and player health, provide enhanced rewards and incentives, and further strengthen BCLC's anti-money laundering (AML) program.

Objective 1.2: Ensure BCLC's products and experiences meet or exceed players' expectations

BCLC wants players to have a positive experience with the entertainment choices available in its brick-and-mortar and online gambling spaces.

Key Strategies

- Transition to a new iGaming platform, which will provide a more user-friendly experience, enhance promotional capabilities and provide the technological foundation for a new iCasino app.
- Introduce enhancements to Lotto Max, including increasing the jackpot from \$80 million to \$90 million and continue to offer new lottery products and explore new regional and interactive games.
- Continue to explore enhancements to sportsbook offerings to enhance the player experience for sports bettors and compete against illegal operators.
- Enhance land-based casino offerings with new games and experiences in select casinos and continue to refresh online games.
- Introduce a new rewards and incentives program with a focus on maximizing new digital marketing capabilities, while providing enhanced personalization and player health programming.

Discussion

BCLC operates within a highly competitive entertainment market where consumers have an increasing number of choices for their discretionary spending. To maintain its competitive position, BCCLC focuses on player-centric strategies. Enhancing the player experience on PlayNow remains a key business priority and is critical to competing with illegal online operators.

As the contract for PlayNow's existing iCasino platform is nearing expiration, BCCLC completed a public procurement process to secure a new vendor and will be transitioning to a new platform. New technologies continue to create opportunities to respond to players' needs and expectations, including mobile-enabled experiences. BCCLC will continue to focus on enhancing capabilities within its mobile apps.

Goal 2: Generate responsible net income for the benefit of all British Columbians

BCCLC conducts and manages gambling for the benefit of British Columbians. As an organization it must continue to balance generating revenue with reducing gambling-related harm and promoting responsible gambling across business operations.

Performance Measures

Performance Measure	2024/25 Actuals	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[2.1] Percentage of BCLC players who score as high risk on the Problem Gambling Severity Index (PGSI)	13%	15%	12%	11%	11%

Data source: Continuous tracking survey conducted online by a third-party research professional.

Discussion

The Problem Gambling Severity Index (PGSI) is a self-reported, standardized measure of assessing at-risk gambling behaviours. It is a globally used tool based on research of common signs and consequences of problematic gambling. Players who score eight or higher are considered to be high risk for problem gambling. Measuring PGSI allows BCLC to monitor the proportion of high-risk players in its player base and to understand how to make safer products and environments.

BCLC continues to see a gradual increase in PGSI scores as it evolves product offerings to remain competitive against illegal competitors in the burgeoning iGaming market. However, future targets reflect BCLC's commitment to decreasing those scores.

Performance Measure	2024/25 Actuals	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[2.2] Net Income (\$ millions)	1,408	1,378	1,403	1,454	1504

Data source: BCLC's financial plan, see page 21.

Discussion

Funds generated by lottery, casino and sports betting help support health care, education and community programs across B.C. The generated net income after investments delivers BCLC's financial return to the Province of B.C.

BCLC's PlayNow is the only legal option for online gambling in British Columbia and the only site that delivers net income back to the Province. Since the Government of Ontario began licensing private-sector online gambling sites in 2022, there has been an influx of advertising across Canada for sites that are only licensed in Ontario. These advertisements drive players outside of Ontario to international-affiliated sites of the same brand, which are not regulated in B.C. and are thus illegal. PlayNow competes with these sites as well as illegal gambling operators from outside of Canada, hindering BCLC's market share and revenue growth in the iGaming space. Revenue projections from PlayNow assumes BCLC continues to operate in a closed market and there are no regulatory changes that would impact the current operating environment.

Fiscal year 2026/27 net income is projected at \$1.403 billion, a year over year increase of \$25 million or 1.8 percent. Revenue is expected to increase year over year driven by new initiatives aimed to capitalize on lean opportunities in an uncertain economy. The cost structure reflects increased costs due to higher direct costs in line with higher revenue and post implementation costs to support the ongoing requirements of new initiatives. Additionally, it also reflects prudent cost containment measures in the areas of staffing, travel, meetings, professional fees, and advertising.

Objective 2.1: Reduce harms associated with gambling

Growing responsibly requires a focus on reducing harms associated with gambling. BCLC strives to lower PGSI scores among higher-risk players through various interventions and education programs.

Key Strategies

- Leverage predictive analytics and account-based gambling solutions to deliver proactive, personalized player health strategies and enable early intervention for high-risk play.
- Continue integrating safer gambling messages within sports marketing and promotions to address unique issues facing sports bettors.
- Continue to evolve BCLC's GameSense program and offerings across all lines of business to educate and support players with more positive gambling behaviours.
- Reinforce safer gambling behaviours and raise awareness of the risks associated with frequent unsafe gambling such as chasing losses and borrowing money to gamble.
- Tailor GameSense programming and marketing to promote safer gambling to South Asian males between the ages of 18-35 as well as Indigenous communities who are more at risk of experiencing harm from gambling.

Discussion

BCLC's Player Health Strategy is focused on understanding players and their behaviours to help implement strategies to support them in safer play. Sports betting is one of the key areas of concern noted in the Player Health Strategy, and part of BCLC's harm minimization efforts. The move towards account-based and verified play in casinos will create new opportunities for personalized interactions and will help to further influence and support safer gambling behaviours.

This year, BCLC will launch a predictive analytics tool that enables proactive strategies for player protection by identifying and intervening in riskier play. As part of this tool, two programs will be introduced to personalize the player health experience for PlayNow users. The first program will engage players showing signs of increasing risk, while the second will focus on those identified as highest risk, delivering targeted interventions to reduce harmful play. Together, these programs reinforce BCLC's commitment to industry-leading approaches to player protection in iGaming.

Objective 2.2: Optimize net income through investment to sustain the long-term health of the business

BCLC serves the Province by operating gambling in a secure and responsible manner, while also proactively investing in new systems, technology and talent that support the responsible generation of revenue for Government.

Key Strategies

- Leverage the investment in new lottery systems and technology to enhance player engagement through improved digital and in-store experiences and greater personalization.
- Shift from a product-centric to an experience-centric focus to create new offerings and broaden the player base while encouraging cross-play with other gaming lines of business.
- Continue to enhance BCLC's iGaming platform and offerings to attract new players.
- Collaborate with local governments, Indigenous rights and title holders, casino service providers and vendors to advance opportunities for new and improved facilities in communities across the province where there is under-served market demand.
- Continue to manage costs and look for ways to operate more efficiently and effectively.

Discussion

First Nations are entitled to seven percent of BCLC net income³ through the BC First Nations Gaming Revenue Sharing Limited Partnership. In accordance with the Province's Host Financial Assistance Agreements, local governments, including First Nations, that host casinos or CGCs typically receive a 10 percent share of net gaming income generated by those facilities. The Province uses the remaining funds to help support public services that benefit all British Columbians, such as health care, education, community programs and other essential services.

BCLC is making foundational investments to help retain and grow revenues. It is focused on leveraging new technology to enhance its personalization capabilities and player experiences. These investments include building a compelling rewards and incentives program and providing other new offerings that appeal to players. Further, transitioning to a new iCasino vendor provides new capabilities that will enhance the player experience and help encourage players to stay within the BCLC ecosystem, rather than playing with illegal sites whose profits do not go back to the Province of B.C. This transition offers opportunities for experiences that will attract players who are moving away from traditional/land-based entertainment offerings.

³ BCLC net income as defined in the Long-Term BC First Nations Gaming Revenue Sharing and Financial Agreement.

Goal 3: Amplify our social and economic impact across the province

As a Crown corporation and social purpose organization, BCLC has the opportunity and mandate to amplify its commitment to the greater good.

Performance Measures

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[3.1 a] Social purpose progress measure	173 (78%)	189 (85%)	189 (85%)	189 (85%)

Data Source: [United Way Social Purpose Institute Purpose Assessment Scorecard](#).

Discussion

BCLC uses an assessment framework, originally developed by the United Way B.C. Social Purpose Institute, as a method to measure its social purpose progress. In alignment with the assessment framework, BCLC is actively integrating social purpose across seven key areas.⁴

Targets have been updated and moved up a year from the prior year's service plan to reflect the significant progress that BCLC made in fiscal 2025/26, which was a time of scaling and integration in implementing its roadmap to embed social purpose throughout business operations. The 2026/27 target represents an additional seven percent increase over 2025/26, prior to levelling off when the organization is expected to reach a mature and sustained level of adoption of the assessment framework.

⁴Within the seven areas there are 44 outcomes that support the assessment framework and identified associated actions. Examples of these outcomes include: our company leaders visibly demonstrate support for our purpose; our internal communications reinforce our purpose with employees; and our office practices and physical premises visibly demonstrate our purpose ethic. The 44 outcomes are ranked on a scale of one to five to indicate progress with five representing the outcome has been consistently implemented/completion. A top score of 220 would indicate all indicators have been met. The framework leverages a self-assessment model.

Performance Measure ¹	2019 Baseline	2025 Forecast	2026 Target	2027 Target	2028 Target
[3.2 a] Scope 1 emissions (tonnes of CO2)	824	195	98	49	26
[3.2 b] Scope 2 emissions (tonnes of CO2)	52	72	50	35	35
Total percentage of Scope 1 and 2 emissions reduction from 2019 baseline year	N/A	70%	83%	90%	93%

Data sources: Scope 1 emissions are collected and quantified using natural gas bills from Fortis BC, fleet vehicle fuel usage report, and internal records of refrigerant use and diesel consumption. Scope 2 emissions are collected and quantified using electricity bills from BC Hydro. By entering the Scope 1 and 2 primary data into the Climate Action Secretariat's government portal, the equivalent tonnes of CO₂ emissions are calculated according to the GHG Protocol.

¹GHG emissions are calculated and reported over the course of a regular calendar year (January to December of the reporting year).

Discussion

In line with implementation of the Climate Change Strategy, BCLC remains on track to meet or exceed provincial Scope 1 and 2 emissions reduction targets. Specifically, targets reflect that BCLC is committed to reducing Scope 1 and 2 GHG emissions by 50 percent by 2026 and 100 percent by 2030, from a 2019 base year (calendar).

Objective 3.1: Integrate our social purpose and Environmental, Social and Governance (ESG) Framework into our business to create a positive impact

BCLC's social purpose is to generate win-wins for the greater good, and the organization is working to bring its purpose to life through a focus on promoting human connections across its culture (internal), community programs, partnerships, products and experiences – and by building understanding of human connection and why it matters. BCLC is continually seeking ways to further integrate social purpose into all that it does. The organization's Environmental, Social and Governance (ESG) Framework supports and complements its social purpose – supporting positive outcomes for employees, stakeholders, Indigenous rights and title holders and the community at large.

Key Strategies

- Continue to embed social purpose into all operations, decisions, behaviours and relationships to increase the positive community and economic impact of gambling entertainment.
- Leverage BCLC's refreshed brand to build awareness and differentiation of BCLC as a purpose-led brand and enhance player and public connection to its social purpose through marketing campaigns.

- Activate social purpose through community and partnership programs focused on bringing people together for entertainment, fun and connection and building understanding of why human connection matters.
- Implement an updated ESG Framework to manage ESG-related risks and opportunities.

Discussion

BCLC has a roadmap to integrate social purpose into every facet of its business. It outlines seven key areas of focus including business model, governance and leadership, people and culture, operations, customer experience and marketing, business ecosystem, and monitoring and reporting.

In 2025, BCLC launched a refreshed corporate brand which reflects the organization's commitment to fostering human connection for players across B.C. and differentiates BCLC from illegal competitors. In 2026/27, BCLC will continue to advance this brand strategy through marketing campaigns that articulate its purpose and strengthen public understanding of how gambling revenues contribute to communities throughout the province. Additionally, BCLC will continue implementation of its ESG Framework, which was updated in fiscal 2025/26 for implementation between fiscal years 2026/27 and 2029/30 to better align with its purpose and strategy and address ESG-related risks and opportunities.

Objective 3.2: Reduce greenhouse gas (GHG) emissions throughout our value chain

This objective supports BCLC's commitment to align with and exceed the Government of British Columbia's [CleanBC](#) plan, highlighting strategies for minimizing GHG emissions and moving towards a low-carbon economy.

Key Strategies

- Continue implementation of BCLC's Climate Change Strategy, finalized in fiscal 2025/26, to reduce emissions and incorporate climate adaptation and resiliency into operations.
- Continue to develop and annually update strategic energy management plans to reduce energy and emissions across operations and the value chain.
- Explore energy conservation pilot initiatives with casino service providers to reduce their GHG emissions in their facilities while integrating climate adaptation measures and reducing operational costs.

Discussion

BCLC is focused on the implementation of its new Climate Change Strategy, which includes detailed action plans to reduce GHG emissions (Scope 1, 2 and 3 emissions⁵) and address climate risks and opportunities. This supports the organization's plans to reduce emissions in

⁵ Scope 1 emissions are direct emissions from owned or controlled resources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in BCLC's value chain, including both upstream and downstream emissions from the generation of purchased energy. Source: GHG Protocol

alignment with the Province's [CleanBC](#) plan and net-zero by 2050 ambition, while also integrating climate adaptation and resiliency strategies.

In line with the Climate Change Strategy, initiatives to minimize Scope 1 and Scope 2 emissions include implementing energy conservation measures at BCLC's Kamloops headquarters, as identified through an integrated energy audit completed in fiscal 2025/26. These measures include replacing HVAC systems with low-carbon solutions and upgrading lighting and controls. Other measures to reduce scope 1 emissions include purchasing renewable natural gas for BCLC's Vancouver office and transitioning fleet vehicles to hybrids or electric.

BCLC is also developing plans to decarbonize Scope 3 emissions throughout its value chain as part of its Climate Change Strategy. This requires working with service providers to conduct energy audits and energy-conservation pilot projects across the province. The pilots will inform key learnings that highlight available incentives that could be incorporated at other sites to amplify collective energy-conservation impacts.

Goal 4: Progress reconciliation journey with Indigenous Peoples

Indigenous reconciliation is a priority for BCLC. As a Crown corporation, BCLC has a mandate to establish a clear and sustainable path to lasting reconciliation with Indigenous Peoples and is committed to aligning with the [United Nations Declaration on the Rights of Indigenous Peoples Declaration](#), the [Declaration Act](#) and the [Truth and Reconciliation Commission of Canada's Calls to Action](#).

Performance Measure

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[4.1] Percentage of actions started or complete from the Indigenous Reconciliation Action Plan (IRAP)	N/A	50%	75%	100%

Data source: BCLC's Indigenous Reconciliation Action Plan Scorecard.

BCLC's [Indigenous Reconciliation Action Plan \(IRAP\)](#) serves as a roadmap for the organization's efforts to advance Indigenous reconciliation. Progress is tracked by measuring the percentage of IRAP actions that have been started or completed. There are 50 actions across the areas of meaningful relationships, education, economic reconciliation and employment outcomes. As some actions were already started in the previous fiscal years, before the IRAP was finalized, the 2026/27 reflects 50 percent being started or complete. BCLC expects to see 100 percent of the actions started or complete by the end of 2028/29, which is the last year of the three-year IRAP. Indigenous reconciliation is a long-term journey that continues to evolve as the organization progresses. The IRAP and the results from the actions BCLC have taken over the

first three years will be reviewed, revised and ultimately culminate in a renewed IRAP for 2029/30.

Objective 4.1: Advance integration of Indigenous reconciliation across BCLC's operations and programs

BCLC recognizes the socio-economic inequities between Indigenous and non-Indigenous peoples and the harm these inequities have caused Indigenous peoples in Canada. Using the tools at BCLC's disposal is critical to work towards making progress on reconciliation across its operations and programs.

Key Strategies

- Implement BCLC's new IRAP in collaboration with Indigenous rights and title holders.
- Complete year two of the Committed level towards achieving the [Canadian Council for Indigenous Business](#)'s Partnership Accreditation in Indigenous Relations (PAIR) certification.

Discussion

BCLC is early in its Indigenous reconciliation journey. The development of BCLC's IRAP provides BCLC with concrete steps structured around four key pillars, each of which has corresponding commitments, goals and supporting actions:

1. Meaningful Relationships

Commitment: Build genuine relationships based on mutual respect and shared benefits, fostering long-term, reciprocal partnerships that extend beyond strategic relationships.

2. Education

Commitment: To build cultural awareness and understanding of Indigenous history, contemporary realities and reconciliation efforts.

3. Economic Reconciliation

Commitment: Create initiatives, policies and programs that empower Indigenous people and communities to realize sustainable economic benefit from BCLC's activities.

4. Employment Outcomes

Commitment: Support equitable recruitment, professional development and advancement opportunities for Indigenous people at BCLC.

Fiscal 2026/27 will be the first full year that BCLC is focused on implementing actions in the IRAP. BCLC will implement these in collaboration with Indigenous communities to maximize positive outcomes and generate win-wins for the greater good. Examples include delivering specialized training on Indigenous recruitment to People & Culture staff; evaluating the employment life cycle with an Indigenous lens; and developing and implementing a mechanism to communicate procurement opportunities proactively with Indigenous-owned businesses. BCLC is also working towards greater engagement with First Nations rights and

title holders in BCLC's casino-development process and improving relationships with First Nations service providers that are new to the business.

Implementation of the IRAP supports BCLC's efforts towards achieving PAIR certification through the Canadian Council for Indigenous Business. This certification validates organizational performance in Indigenous relations in the areas of leadership, community, employment and business development. The PAIR certification process takes three years to complete. In 2026/27, BCLC will work towards completing year two and will submit for certification in 2027/28.

Financial Plan

Financial Summary

\$ Millions	2025/26 Forecast	2026/27 Budget	2027/28 Plan	2028/29 Plan
Revenue	2,849	2,916	2,992	3,089
Direct Costs	901	920	944	974
Gaming Support Costs	93	106	106	109
Operating Costs	293	297	293	300
Amortization and Other	99	100	104	107
Total Costs	1,386	1,423	1,447	1,490
Net Income Before Taxes	1,463	1,493	1,545	1,599
Taxes	85	90	91	95
Net Income	1,378	1,403	1,454	1,504
Liabilities	594	603	579	576
Accumulated Deficit	(18)	(18)	(18)	(18)
Accumulated Other Comprehensive Income	104	104	104	104
Total Deficit	86	86	86	86
Capital Expenditures	98	95	90	90

Note: The above financial information was prepared based on International Financial Reporting Standards.

Note: Figures may not tie to total Business Units Income Statement in Appendix B due to rounding.

Key Forecast Assumptions, Risks and Sensitivities

Net income targets are established through a forecasting process that analyzes relevant revenue trends for each product category to build a projection of baseline contribution margin (revenues less direct costs). Baseline costs were estimated after a rigorous budgeting process. Incremental revenues and costs from planned strategic initiatives are incorporated into the financial plan.

Fiscal year 2026/27 casino gaming revenue projections are expected to show modest growth of 1.0 percent versus fiscal year 2025/26 reflecting initiatives aimed to retain and drive player traffic as well as offering new engaging slot content.

Private sector service providers own and operate gambling facilities under contract with BCLC and some employ unionized staff. Union contract agreement expiry dates vary by facility, with different contracts for sites expiring in the next few years. BCLC revenue targets assume there will be no labour disruptions in fiscal year 2026/27.

In fiscal year 2026/27, lottery revenue is expected to increase by 4.0 percent from prior year, despite softness of Lotto Max and Lotto 6/49 sales being observed nationally and expectation of normalized jackpot roll patterns.⁶ These risks are being mitigated through increasing distribution and leveraging retailer partnerships as well as launching new initiatives such as the annualization of Big Spin (a new instant Scratch & Win game) and the launch of Lotto Max enhancements, which offer additional prize offerings, a larger top prize and extra chance to win.

Fiscal year 2026/27 iGaming revenue is expected to grow by 5.7 percent from prior year. After more than doubling revenue in fiscal 2021/22 and reaching a record-breaking year in fiscal 2022/23, revenue growth began to plateau due to intensifying competition from illegal operators. Leveraging the new iGaming platform to better compete with the illegal operators and to support year over year revenue growth will be key to successfully migrating play from illegal sites. Revenue projections assume the online market in British Columbia continues to be a closed market and there are no regulatory changes that would materially change the current operating environment.

Direct costs include private sector service provider and retailer commissions, lottery ticket and bingo paper printing, supplies and leases. Commissions have been forecasted using rates in current operating agreements. Direct costs are driven by revenue projections of each product category and the cost ratios per category have remained relatively steady. Direct costs are forecasted to increase in line with revenue by product category.

Gaming support costs are expenses that support revenue generation, including systems support and maintenance, data transmission, equipment installation, product delivery,

⁶ A jackpot roll refers to a situation in lotteries where the jackpot prize is not won, and the prize money is carried or “rolled” over to the next draw. This increases the jackpot amount for the subsequent draw, making it larger.

internet-based software license and service fees, and upgrading gambling equipment. Costs in this area are forecasted to increase in line with industry trends as BCLC continues to make investments in technology to sustain and enhance core systems that support player experiences.

Changes in technology delivery have driven a market shift from on-premises owned and constructed assets to cloud-based services (cloud). Business technology industry leaders are continuing to drive a fundamental shift from capital intensive upgrade project costs to annual operating costs. Higher post-implementation costs on newly completed projects are expected to continue.

Operating costs include advertising and marketing, staffing costs, professional fees, rent, equipment, communications and financial costs. Operating costs support the operationalization of revenue generating initiatives and maintaining base operations in BCLC's environment. Resources continue to be invested to modernize the PlayNow platform to remain competitive in the online gambling industry and deliver best in technology, infrastructure, entertainment, social purpose and player experiences.

Initiatives underway to update technology and to implement the corporate strategy require significant resources from a work effort, capital and operating perspective, and are essential to ensure the long-term health of players and the organization. The financial implications of these initiatives continue to be refined, and resources rationalized as necessary to respond to risks and opportunities as they arise during the fiscal year.

Sensitivity Analysis

As indicated above, the business planning process involves a thorough analysis of relevant revenue trends by product category to determine the year-over-year baseline growth assumptions. Given BCLC's fiscal 2026/27 revenue is projected to be over \$2.9 billion, small percentage changes in the underlying revenue assumptions can result in large dollar value changes to revenue. At the same time, BCLC's revenue is generated from games of chance and the outcomes of these games are inherently unpredictable. Incremental revenue driven by new and strategic initiatives is added to baseline operations. In addition to usual forecasting sensitivities, current economic conditions remain uncertain which could cause a significant impact on revenue and resulting net income projections.

The forecast risks and sensitivities on fiscal 2026/27 BCLC revenue are estimated as follows:

- A modest growth is assumed in the fiscal 2026/27 casino revenue projections. A five percent change in casino revenue projections represents a revenue impact of \$92 million on an annual basis.
- Lottery revenue is expected to increase with new initiatives launched in the previous fiscal year and planned to launch in the current 2026/27 fiscal year. The rate of market adoption and launch timing of these initiatives can impact revenue. A five percent change to overall lottery revenue represents a revenue impact of \$28 million on an annual basis.

- iGaming revenue is projected to continue to increase driven by leveraging technology. Initiatives to drive revenue will need to mitigate continued competition from illegal competitors. A five percent change to the overall PlayNow revenue represents a revenue impact of \$26 million on an annual basis.

Management's Perspective on Financial Outlook

Delivering on BCLC's net income commitments to Government continues to be challenging given current economic uncertainty despite some positive economic outlook indicators such as B.C. inflation trending slightly downwards and the Bank of Canada decreasing interest rates in 2025. The overall gambling industry in B.C. is at a mature stage with a modest growth outlook. BCLC's net income forecasts continue to be subject to several risks and uncertainties over the fiscal plan period.

BCLC's two major channels (lottery and casino) are mature and face market growth challenges in the outgoing years. Revenue increases are modest in the upcoming fiscal year 2026/27, and margins are sensitive to shifts in product mix. Lottery revenues are heavily dependent on the national games' jackpot rolls, resulting in lottery revenue volatility. As well, revenues from these channels are from a core, aging player base. BCLC has recognized that further investment is required to address high revenue concentration in a relatively small player segment by appealing to younger demographics that typically make up light and casual players and whose interactions tend to skew higher online.

The iGaming channel, which delivers products on PlayNow, more than doubled its revenue over the pandemic-impacted years and revenue levels have been sustained despite increased advertising and lucrative player acquisition incentives offered from illegal sites which continue to threaten BCLC's market share.

BCLC is continually tapping into a younger adult demographic as it shifts from a product-centric company to an experience-centric one. BCLC will address this shift by expanding its sports book offerings and creating new offerings to attract new players.

The projections presented position BCLC to maintain operational efficiency and make the necessary strategic investments to ensure the long-term health of the business. BCLC continues to focus on innovation to grow its player base, retain existing intended players and provide opportunities to increase their frequency of play and the number of different games played by supporting and enhancing existing products and developing new content and experiences.

BCLC is committed to managing its business responsibly in this ever-evolving environment. Investment decisions which enable future business growth and competitiveness are balanced with cost management to deliver net income commitments to Government. BCLC is continually managing costs and looking for ways to operate the business more efficiently and effectively.

Appendix A: Subsidiaries and Operating Segments

Active Subsidiaries

B.C. Lottotech International Inc.

The consolidated financial statements of BCLC include B.C. Lottotech International Inc. ("Lottotech"), a wholly owned subsidiary of BCLC. The primary purpose of Lottotech is to optimize sales taxes through the purchase of capital assets for leasing to BCLC. The main operating activities are revenue from the lease of assets to BCLC and the depreciation associated with capital acquisitions. The management and oversight of Lottotech is consolidated within BCLC operations and the Board reviews and approves capital purchases through BCLC's annual business planning and budget process.

The majority of BCLC capital expenditures (refer to Financial Plan) are planned to be purchased through Lottotech.

Lottotech's business activities are in alignment with BCLC's mandate, strategic priorities, and fiscal plan. Lottotech's publicly available financial summary can be found in [BCLC's 2025/26 Annual Service Plan Report](#).

Financial Summary

\$ Millions	2025/26	2026/27	2027/28	2028/29
	Forecast	Budget	Plan	Plan
Total Revenues	78.3	84.1	87.5	90.6
Total Expenses	78.1	83.9	87.3	90.4
Income from Operations	0.2	0.2	0.2	0.2
Other Expenses	(4.2)	(1.3)	(1.3)	(1.3)
Net Income (Loss)	(4.0)	(1.1)	(1.1)	(1.1)

Business Units' Income Statement

\$ millions	2025/26 <u>Forecast</u>	2026/27 <u>Budget</u>	2027/28 <u>Plan</u>	2028/29 <u>Plan</u>
Lottery				
Revenue	529	550	558	562
Less: direct expenses	116	117	118	119
	413	433	441	443
Operating expenses:				
General Operating	76	73	73	74
Gaming Support	30	34	35	37
Amortization	22	22	25	29
Other	3	1	1	1
	132	130	134	140
Net Income Before Taxes	281	304	307	303
Taxes	19	20	20	21
Net income	<u>262</u>	<u>284</u>	<u>287</u>	<u>282</u>

iGaming				
Revenue	493	521	562	605
Less: direct expenses	104	118	126	135
	389	403	436	470
Operating expenses:				
General Operating	59	64	62	65
Gaming Support	22	26	19	20
Amortization	4	4	4	4
Other	2	2	2	2
	87	97	86	91
Net Income Before Taxes	302	306	350	380
Taxes	16	19	18	19
Net income	<u>286</u>	<u>287</u>	<u>331</u>	<u>360</u>

Casino & Community				
Gaming				
Revenue	1,826	1,844	1,871	1,922
Less: direct expenses	682	684	700	721
	1,145	1,160	1,171	1,202
Operating expenses:				
General Operating	157	160	158	161
Gaming Support	40	46	51	52
Amortization	61	66	68	67
Other	7	5	5	5
	266	277	283	286
Net Income Before Taxes	879	883	889	916

Taxes	50	51	53	54
Net income	829	832	836	862

Note 1: Totals may not tie due to rounding.

Operating Segments

BCLC's operating segments consist of casino and community gaming, lottery, and iGaming. BCLC's casino and community gaming operations are results from land-based gaming facilities offering slots, tables and bingo games. Lottery operations are results from brick-and-mortar retail sales of lottery draw-based games, lottery instant tickets and sports betting. iGaming operations are results of BCLC's website PlayNow.com, which extends all BCLC's product offerings for play online. Operating costs for any departments that are not directly dedicated to supporting one of these areas of operations are allocated proportionally across these areas based on their revenues.

Appendix B: Mandate Letter from the Minister Responsible



Date: May 23, 2025

Mr. Greg Moore
Chair of the Board of Directors for
BC Lottery Corporation
74 West Seymour Street
Kamloops, BC V2C 1E2

Dear Mr. Moore,

On behalf of Premier Eby and Executive Council, I would like to extend my thanks to you and your board members for your organization's leadership, dedication, and expertise in which you serve the people of British Columbia.

Public sector organizations—including Crown corporations, Health Authorities and Post-Secondary Institutions—support British Columbians by delivering vital public services and are accountable to the public through their Minister responsible. Your continued leadership in advancing and preserving the public interest strengthens trust in public institutions.

This mandate letter, which I am sending in my capacity as Minister responsible for the British Columbia Lottery Corporation (BCLC), communicates our government's priorities for the entire public sector and provides specific direction and expectations of your organization for the duration of Government's term.

Government's priority is to make a tangible difference in people's lives through growing the economy, creating good paying jobs, strengthening health care and making our communities and neighbourhoods safer for British Columbians. British Columbians expect public sector organizations to deliver responsible, quality services equitably in all regions across the province. This includes strategic stewardship in planning, operations, financial, risk, and human resource management including information security and privacy protection. Providing equitable service requires due consideration of the diverse needs of local communities with specific attention to the unique needs of rural, remote and First Nation communities.

In the current economic and fiscal context including the threat of U.S. tariffs and other global economic challenges affecting British Columbian families, your organization is to



work with ministry staff to review all existing programs and initiatives to ensure programs remain relevant, efficient, sustainable, grow the economy, and help keep costs low for British Columbians. Public sector organizations are expected to adhere to the principles of: cost consciousness, accountability, appropriate compensation, service, and integrity. This includes following the spirit and intent of core government fiscal management practices to make all efforts to achieve administrative and operating efficiencies while delivering core programs and services.

Strategic stewardship requires public sector organizations keep up-to-date systems and implement effective cybersecurity practices, including maintaining information management and cybersecurity policies, guidelines, and standards; assessing enterprise risk for high-value information and services, including confidential and sensitive data; and continuously evaluating and updating security practices to align with industry standards. The [Office of the Chief Information Officer](#) within the Ministry of Citizens' Services is available to support and offer guidance to your organization in any of these areas including communication protocols with core government.

As required by the *Climate Change Accountability Act*, you must ensure your organization implements plans and strategies for minimizing greenhouse gas emissions and managing climate risk. Your organization is expected to work with my ministry to report out on these plans and activities as required by legislation. Public sector organizations will continue to take action on climate change, a commitment that remains foundational and key to a healthy and prosperous BC for future generations.

Underlying all this work is our partnership with Indigenous peoples and our commitment to advancing reconciliation. I expect your organization to comply with the *Declaration on the Rights of Indigenous Peoples Act*, including implementing existing commitments made under it. I expect your organization to work in partnership with First Nations rights-holders to advance shared interests.

Public sector organizations must also adhere to government direction provided through the [Public Sector Employers' Council Secretariat](#) (PSEC) with respect to public sector compensation and bargaining mandates. Your organization's compensation decisions must be consistent with policy direction provided through PSEC. Please coordinate closely with PSEC before finalizing compensation decisions for existing CEOs or Presidents and Vice Presidents and in the recruitment of new CEOs or Presidents. PSEC consultation is also encouraged prior to hiring for Vice President positions.



The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with government's strategic direction and priorities. Within CAS, the [Crown Agencies and Board Resourcing Office](#) will continue to support your board on recruitment, appointments and professional development by ensuring board composition and governance reflects the diversity of our province.

To support the annual budget process, you are to provide annual updates to Treasury Board on BCLC's operations, including financial forecasts, program delivery, risks and issues. Additional guidance related to the content and timing of these updates will be provided by Treasury Board Staff.

I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and as you develop plans to address the following priorities:

- Continue to work with government to operationalize the new *Gaming Control Act*.
- Continue to work with law enforcement partners, service providers, the gambling regulator and CAS to analyze the effectiveness of policies and procedures implemented to disrupt and combat money laundering in B.C. casinos.
- Continue to seek opportunities to strengthen BCLC's ability to identify and respond to early warning signs of high-risk gambling to mitigate the impacts of gambling products and behaviours. This includes advancing BCLC's Player Health Strategy.
- As appropriate, and in alignment with responsible gambling practices, continue to bring forward engaging products and services to personalize player experiences and increase revenue from online and land-based play.
- Work with government to develop a policy framework for gaming facility development that involves First Nations Rights and Title Holders and is aligned with the *Declaration on the Rights of Indigenous Peoples Act*.
- Optimize BCLC's financial performance and net returns to the Province of British Columbia, including aligning with the spirit and intent of government's financial and hiring directives.



Each board member is asked to sign this letter to acknowledge this direction from government to your organization. The signed letter is to be posted publicly on your website by June 2025.

I look forward to continuing to work with you and your board colleagues to ensure the sustainable delivery of the services the public relies on.

Sincerely,

A handwritten signature in black ink, appearing to read "Brenda Bailey".

Honourable Brenda Bailey
Minister of Finance

Date: May 23, 2025

cc: Honourable David Eby, KC
Premier

Shannon Salter
Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service

Doug Scott
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Elenore Arend
Associate Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Pat Davis
Chief Executive Officer/President
BC Lottery Corporation



Greg Moore
Chair, BC Lottery Corporation
Date: 11 June 2025

Leah George-Wilson
Director, BC Lottery Corporation
Date: 13 June 2025

Bobbi Sadler
Director, BC Lottery Corporation
Date: 10 June 2025

Karen Horcher
Director, BC Lottery Corporation
Date: 9 June 2025

Gil Malfair
Director, BC Lottery Corporation
Date: 11 June 2025

Christine Dacre
Director, BC Lottery Corporation
Date: 11 June 2025

Meena Brisard
Director, BC Lottery Corporation
Date: 10 June 2025