



FISCAL 2022–23 BUSINESS PLAN

ONTARIO LOTTERY AND GAMING CORPORATION

This document contains forward-looking statements about OLG's expected or potential future business and financial performance. Forward-looking statements include, but are not limited to, statements about possible transformation initiatives; future revenue and profit guidance; and other statements about future events or conditions. Forward-looking statements are not guaranteeing future performance and involve risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, the COVID-19 pandemic; the economic environment; customer demand; changes in government policy; foreign currency exchange rates; the outcome of litigations; and changes in government or regulation.

Although such statements are based on management's current estimates and expectations and currently available competitive, financial and economic data, forward-looking statements are inherently uncertain. The reader is cautioned that a variety of factors could cause business conditions and results to differ materially from what is contained herein.

Certain comparative figures in this Business Plan have been reclassified, where necessary, to reflect the current year's presentation.

Please note that the financial figures have been rounded or truncated, which means that certain charts or tables may not add or cross-tabulate.

The information contained in this document is current to December 9, 2021.

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EXECUTIVE SUMMARY

The April 2021 launch of Ontario Lottery and Gaming Corporation (OLG)'s "Game ON" strategy marked a pivotal moment for the organization. This strategy helps capitalize on our unique value proposition in Ontario's entertainment marketplace and builds on our strengths such as our trusted brand and world-class Responsible Gambling (RG) platform, while unlocking value for the Province and our partners. We are pleased to share that, during a year of continued disruption to our business, we are projecting to deliver \$1.5 billion in Net Profit to the Province (NPP) in fiscal 2021-22 – exceeding our commitment of \$1.3 billion by 19 per cent as we continue our recovery from the COVID-19 pandemic and support a fulsome economic recovery.

Prior to the COVID-19 pandemic, OLG generated three years of stable profits for the Province. OLG will return to and then surpass these contributions. Our plan assumes no further disruptions from the pandemic and no impacts from emerging variants of concern. We project a full recovery to pre-pandemic levels in fiscal 2022-23 and, under our new Game ON strategy, we will see our NPP rise to more than \$3.5 billion by fiscal 2025-26, an increase of \$1.2 billion from fiscal 2019-2020. We plan to deliver on this ambitious goal by transforming our business, leveraging our scale, realizing synergies within our diverse product portfolio and pursuing new business development opportunities. This strategy will optimize our vast footprint of channels and sectors – across digital gaming, sports, land-based casinos, charitable gaming sites, and approximately 10,000 retail lottery locations across the province.

OLG's resilience was confirmed by the fact that our lottery business continued to perform well, despite COVID-19 health and safety protocols. In fact, in fiscal 2021-22, OLG's lottery business is projected to deliver \$1.2 billion in NPP, which is the second highest annual return from the business in the past six fiscal years. Delivering the next phase of growth for lottery will require us to meet the changing needs of our customers with self-serve technologies and digital products. Visitation and revenue for Ontario casinos are expected to continue to rebound as restrictions relax, indicated by recovery trends seen in US casinos with visitation and revenue up to 85 per cent of pre-COVID-19 levels on average in key markets as of early 2021. Land-based Gaming growth will come from supporting and enabling our casino partners as they deliver an enhanced gaming experience and invest for revenue growth. At the same time, OLG's Digital business will continue to grow weekly active players and benefit from the accelerated growth in e-commerce. Legislative changes will alter the competitive environment for our organization, with new entrants coming into the Ontario online gaming market in early 2022. We believe the investments we are making into OLG.ca will firmly establish it as a market leader in the new competitive digital environment.

We are moving in a new and bold direction that is purpose-led, customer-obsessed, fosters accountability across the organization and leverages relationships with key partners. We have realigned our organization along our three core lines of business – Lottery, Land-based Gaming and Digital – which will empower OLG employees to seize

opportunities for growth. Above all, we will grow NPP while continuing our strong focus on Responsible Gaming, always striving to ensure the health of our players, integrity of our games and public safety. As an organization, we are proud to submit a business plan that summarizes the exciting changes taking place at our organization as well as our comprehensive plan to support continued growth in NPP.

WHO WE ARE

OUR PURPOSE

We contribute to a better Ontario by delivering great entertainment experiences for our customers

OUR TRUTHS

We Care for Ontario

We're here to do good. We help build communities, create jobs and support our partners. 100% of our profits are reinvested in Ontario. Giving back is at the heart of all we do. This defines us. Motivates us. Inspires us

We Play as One Team

We play. We share. We challenge. We respect, support and value each other and our partners. Only together can we compete and win

We are Player Obsessed

Knowing our players allows us to deliver the excitement they crave, in a safe and responsible way. That's what keeps them coming back. Their loyalty makes our business stronger and our ability to give back even greater

We Dream Big & Champion Change

We think big, move fast and welcome change. We are bold, curious, open and always taking our game to the next level

We Celebrate our Differences

We all bring value to the team. And our different perspectives, backgrounds and orientations make OLG a great place to work. Together we are more creative, innovative and inclusive

HOW WE CARE FOR ONTARIO

Since 1975, we have generated approximately \$55 billion to benefit the people and Province of Ontario. These funds have helped support key provincial priorities such as the operation of hospitals, amateur sport, local and provincial charities, and problem gambling research in prevention and treatment, among many other initiatives. In addition, there are several direct beneficiaries of Lottery and Gaming proceeds, including host communities, Ontario First Nations, lottery retailers and Ontario's horse racing industry.

In fiscal 2022-23, we project our operations to benefit the province's economy in many ways including¹:

- **\$2.3 billion** in Net Profit to the Province (NPP)^{1,2}
- OLG projects to provide, among other contributions:
 - **\$2.8 billion** in prizes to our valued customers
 - **\$332 million** in commissions to our lottery retailers across the province
 - **\$130 million** to Ontario First Nations through the Gaming Revenue Sharing and Financial Agreement
 - **\$116 million** in direct funding to Ontario's horse racing industry through the Amended and Restated Funding Agreement for Live Horse Racing
 - **\$165 million** to municipalities and Indigenous Communities that host Land-based Gaming facilities and Charitable Gaming Centres

We also invest in Corporate Social Responsibility programs that support Responsible Gambling and charitable organizations, and project to invest¹:

- **\$12 million** in our Responsible Gambling program, including *PlaySmart* Centres, education and technology, program delivery, staff training and self-exclusion, including capital costs for facial recognition systems
- **\$58 million** in Charitable Gaming proceeds that are distributed to participating local charities selected by municipalities with Charitable Gaming sites
- **\$2 million** in corporate sponsorships including community building festivals and events

¹ Projections for fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

² Net Profit to the Province is calculated on an accrual basis by adding back win contribution to net income. Due to the impact COVID-19 had on the Corporation, OLG did not provide dividends to the Province of Ontario during fiscal 2020-21.

HOW WE PLAY

Demand for new entertainment experiences in Ontario is evolving and we are excited to grow both our traditional retail lottery and gaming products and our new digital offerings. We are uniquely positioned to be a leader in the gaming industry due to our unprecedented scale and reach across Ontario. We will leverage our assets to create the most diverse, trusted and exciting gaming experiences for the people of Ontario.

RETAIL LOTTERY

Our lottery business has performed well through the pandemic, despite retail closures, with fiscal 2020-21 proceeds exceeding the previous year by four per cent or \$156 million. Proceeds are expected to grow over five per cent in fiscal 2021-22.

Our retail lottery network is comprised of ~10,000 retail partners and terminals across the province that act as essential customer touchpoints for OLG. These touchpoints are operated by OLG retail lottery partners who collectively receive over \$300 million in annual commissions from the sale of our lottery products. Our lottery business offers a variety of products in four categories: national draw-based games, regional games, INSTANT tickets and sports games. Our lottery portfolio engages up to 40 per cent of adult Ontarians every week and upwards of 70 per cent of the adult population every year. The lottery business continues to be a key driver of growth and brand equity across the province.

NATIONAL

Our National Lottery products include well-known games like LOTTO MAX, LOTTO 6/49 and Daily Grand as well as two National INSTANT products. These products deliver consistent revenues and have experienced record-breaking results over the fiscal 2020-21 year.

REGIONAL

Our regional games portfolio has evolved since the introduction of our first ever product, Lottario, in 1978. We now offer 12 products that span across categories such as Pick games, Poker games, and other popular themes like Mega Dice or Wheel of Fortune.

In fiscal 2020-21, we introduced an innovative new product to our regional portfolio called LIGHTNING LOTTO. It is the world's first lottery game to draw the winning numbers before sales even begin, with each ticket giving customers three chances to match the winning numbers and take home a Jackpot that starts at \$125,000 and grows with each ticket sold. LIGHTNING LOTTO also won the *Best New Draw Game* at the North American Association of State and Provincial Lotteries (NASPL) Awards and substantially exceeded revenue projections.

INSTANTS

OLG has approximately 75 INSTANT ticket products with prices ranging from \$1 to \$50 that offer a variety of popular themes such as Cash For Life, Crossword, and Bingo.

We are always looking to deliver new and exciting offerings to our customers. In June 2021, we launched the world's first add-on game for INSTANT tickets called INSTANT TOP UP. It encourages INSTANT players to “seize the moment” with a chance to win a growing jackpot in-store by adding INSTANT TOP UP to their purchase. The game adds an exciting instant win opportunity at the point of sale leveraging the capabilities and features of our new Elite lottery terminals.

SPORTS

Our current retail sports offering delivers sports betting products such as Proline, ProPicks and Point Spread, at retail locations across the province. OLG is launching a new and innovative retail sports offering in early 2022 that includes Single Event Wagering.

We will continue to evolve our sports betting offering in retail environments in line with customer demand and market evolution.

LAND-BASED GAMING

CASINO GAMING

The effects of the COVID-19 pandemic were most strongly felt by our Land-based Gaming (LBG) Service Providers. The casino sites were closed from mid-March 2020 to mid-July 2021 with intermittent re-openings operating under fluctuating capacity restrictions. As of the end of August 2021, casino sites were open with enhanced safety protocols, vaccine certificates and social distancing, with full recovery to pre-COVID-19 levels expected by fiscal 2023-24 under this plan.

Our casino gaming offering spans the province of Ontario and is divided into nine geographical bundles that operate casino gaming sites. As of November 2021, there are 28 OLG partner-operated casino properties across these bundles. These properties create upwards of 11,000 direct jobs and 16,000 indirect jobs in communities across Ontario – numbers that are expected to grow following further expansion activities. The casino gaming sites also directly benefit the communities that host them, including Indigenous and municipal governments, with \$158 million projected to be delivered in fiscal 2022-23 representing contributions to communities that host casinos.

Our casino gaming offering was also designed with the intention of driving private sector capital investment to create and sustain world-class gaming entertainment infrastructure in Ontario. Our casino partners have and will continue to invest significantly in capital (including net new gaming sites and expansions of their non-gaming amenities) across Ontario.

CHARITABLE GAMING

The COVID-19 pandemic closed Charitable Gaming (cGaming) sites across the province in mid-March 2020; however, due to the geography and restriction specifications, most cGaming sites were able to reopen in some capacity with intermittent closures as early as mid-July 2020, operating under substantially diminished capacity and offering. The cGaming sites are expected to make a full recovery by F23.

Our charitable gaming offering includes 37 cGaming centres that offer both classic paper-based play and a variety of break open ticket games in electronic form. We work closely with our cGaming partners to conduct and manage Charitable Gaming for the people and province of Ontario. Charities that participate in our cGaming program province-wide have benefited from the \$310 million generated since 2005 and the host municipalities have received an additional \$37 million.

In fiscal 2019–20, we prioritized the work focused on the creation of a stable charitable gaming industry that will enable them to continue to provide social and economic benefits to communities across Ontario. This work meant partnering with the cGaming industry to implement a new operating model that expanded the product offering available to customers and supported the long-term sustainability of the cGaming industry. This has and will continue to result in materially increased payments provided to ~2,200 charitable organizations and twenty-eight municipalities throughout the province.

HORSE RACING

The horse racing properties across the province experienced the highest degree of variation in capacity and operating restrictions of our three LBG offerings. Horse racing tracks closed in mid-March of 2020 and underwent a staggered reopening in June of 2021. The closure period limited capacity at sites to horse owners and friends and family, with the sites opening to the public in July 2021 at 25 per cent, which scaled in stages to 100 per cent by October 2021. The industry is expected to demonstrate a full recovery from the impacts of the COVID-19 pandemic by F23.

We are committed to supporting the Ontario Horse Racing industry and have worked together to introduce a new funding agreement, effective April 1, 2019, that provides a framework for the industry to manage its own affairs and grow wagering and quality horse supply, while being held accountable for the public funds it receives. The agreement stipulates that we, as OLG, will continue providing financial support for purses, operations and capital at racetracks as well as breeding programs for horsepeople, for up to 19 years. This agreement provides funding stability for the industry and enhances reporting, transparency and accountability for the effective management of this funding.

DIGITAL

Our digital business has grown substantially as proceeds in fiscal 2020-21 increased 156 per cent or \$217 million over the prior year.

Our digital platform, OLG.ca, continues to be a key focus of our long-term growth strategy. We continue to improve our digital offering by enhancing customer journeys, developing our network of digital customer touchpoints to increase accessibility, and expanding our product offering by adding new games across all our product verticals: lottery, casino and sports. Our digital presence has grown exponentially since OLG.ca's launch in October 2020, with the addition of fully transactional native apps, our Proline+ sports betting solution launch, and live dealer launch all creating more play options for our customers. These new launches have resulted in robust growth in both customers and revenues for OLG.

These advancements in the digital offering will provide OLG the flexibility to respond to evolving customer preferences and ensure continued revenue growth as forecasted in this business plan.

SPORTS

In response to the legalization of Single Event Wagering OLG launched our new and innovative Proline+ digital sports betting solution on August 27th, 2021 that includes Single Event Wagering to better serve the needs of Ontario sports bettors. The new solution offers dynamic, competitive odds, new sports, new games and the addition of the new live betting options, among other things. We will continue to evolve our sports betting offering in both digital and retail environments in line with customer demand and market evolution.

RESPONSIBLE GAMBLING – PLAYSMAST PROGRAM

We are committed to the highest standards of Responsible Gambling (RG) and we will continue to invest in player health as a cornerstone of our success. Our *PlaySmart* offering is our unique approach to helping players – new and seasoned – build knowledge, understand the risks, gain insights into personal playing behaviours, engage in positive play habits, and know how to obtain help if needed.

PlaySmart is player-focused, offering gambling education and support resources targeted to a range of player types, products, and channels. By increasing gambling literacy, fostering positive play habits, and increasing awareness of acute support services, *PlaySmart* helps players keep their gambling fun, and know where to turn if it's not.

PlaySmart's RG efforts for fiscal 2022-2023 include projects and initiatives that will: work to reduce stigma for gambling support resources; optimize new RG communications tactics; better understand digital player activity; train OLG and Service Provider employees to confidentially fulfill their RG responsibilities by promoting informed choice and positive play; maintain and build on

OLG's accreditation and reputation in the RG space, and importantly, structure and guide our work for the next three years. Specific initiatives include:

- The development of a new RG 3-Year plan, which will articulate RG goals, milestones, and tactics in support of OLG's Game ON strategic priorities.
- The launch of OLG's enhanced and re-branded voluntary Self-Exclusion program as My PlayBreak, a tool that helps players stay on track when they want to take a break from gambling.
- The implementation and optimization of messaging to high-risk players to create personal awareness of gambling behaviour and drive uptake of limit setting tools.
- The investigation into the declined use *My PlaySmart* limit-setting tools on OLG.ca, and identification of strategies and tactics to increase tool uptake.
- The development and execution of product support campaigns and content, complementing new platform and product launches (e.g., Quick Draw Keno) with "How to Play" RG education.
- The development and execution of educational awareness campaigns addressing specific play behaviours for online bettors
- A revitalized PlaySmart Employee Training Program which will unify training across the lines of business, and transition to eLearning delivery for internal OLG and external Service Provider employees

To make sure our RG efforts are continuously improving, *PlaySmart's* program elements and initiatives are regularly evaluated for efficacy, compared with current best practices, and monitored for compliance with legislative and regulatory standards. In 2021, the *PlaySmart* program was once again recertified with Level 4 accreditation from the World Lottery Association (WLA) – the highest level possible. In 2014 and 2018, the WLA awarded OLG with "Best Overall Responsible Gaming Program" in recognition of *PlaySmart*. Furthermore, all Ontario casinos are accredited by the Responsible Gambling Council's internationally recognized RG Check, with OLG's digital platform (OLG.ca) set for RG Check renewal in 2022.

WHAT AFFECTS US

As vaccination rates continue to increase across the province and capacity restrictions are lifted for facilities requiring proof of COVID-19 immunization, OLG will continue to monitor general economic recovery indicators and recreational spend.

RECOVERY FROM OF THE COVID-19 PANDEMIC

The pandemic took its toll on our business, as it has on many around the globe. Land-based gaming casinos, horse racing sites and charitable gaming centres across the province were closed for much of fiscal 2020-21³ — with intermittent re-openings at reduced occupancy levels.

Despite the challenges we faced in fiscal 2020–21 with closures and restrictions, OLG continued to drive the performance of our Lottery and Digital Gaming business. We met our pre-pandemic financial targets for Lottery, despite operating with restrictions and reduced retail sales in the first half of the fiscal year.

Our Land-based Gaming business is recovering. In fiscal 2021-22, all casinos re-opened to the public (beginning mid-July 2021) and capacity restrictions were lifted.

We remain focused on the continued safe recovery of Land-based Gaming and sustaining and growing our Lottery and Digital Gaming business.

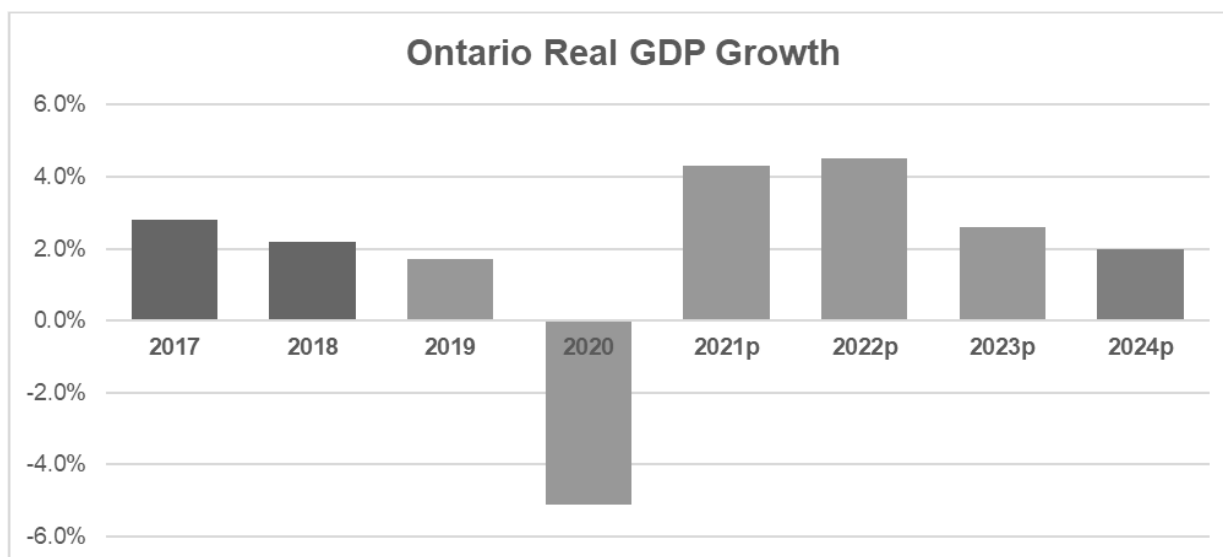
ECONOMIC AND INDUSTRY LANDSCAPE

Ontario's economy has recovered substantially from the COVID-19 pandemic. and the Ontario Ministry of Finance is forecasting a Compound Annual Growth Rate (CAGR) of 3.1 per cent from 2021 to 2024.

After a period of decline and stagnated growth due to the pandemic, Ontario's economy is expected to exhibit GDP growth of upwards of four per cent over 2021 and 2022 then return to more stable GDP growth rates around two per cent for 2023 and 2024, according to the Ontario Ministry of Finance.

Ontario's Real GDP remains a key economic indicator and input to our corporate planning process, an increase in real GDP will have positive impacts on OLG NPP.

³ Closures began mid-March 2020. Partial re-openings followed October through December 2020 and mid-February through April 2021 with fluctuating and varied capacity restrictions and social distancing requirements.



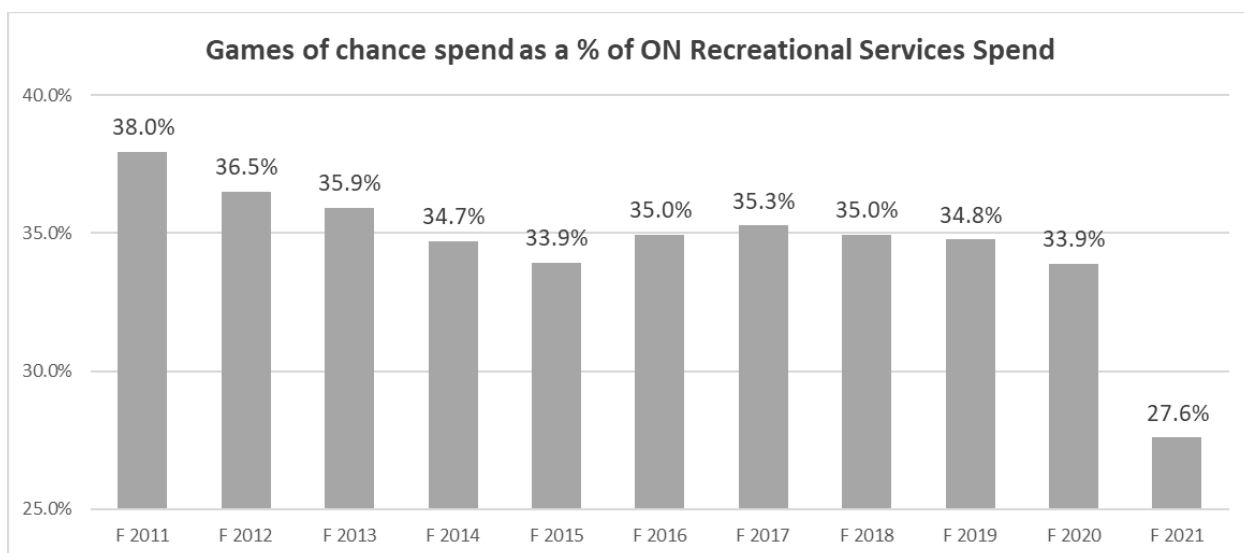
Source: 2021 Ontario Economic Outlook and Fiscal Review

RECREATIONAL SPEND

OLG and charitable lotteries have represented a consistent percentage of recreational spending in Ontario for approximately the last decade, with games of chance averaging 35.3 per cent of total recreational spend from fiscal 2011–20.⁴

In fiscal 2021, the games of chance percentage fell to 27.6 per cent due to pandemic-related closures and restrictions imposed on land-based gaming sites as well as shifting entertainment preferences caused by behaviours accelerated during the COVID-19 pandemic. We expect the games of chance percentage to return to pre-COVID-19 levels in line with the relaxation of restrictions.

⁴ StatsCan Data 2021 – Recreational Spend Ontario - CANSIM 384-0041

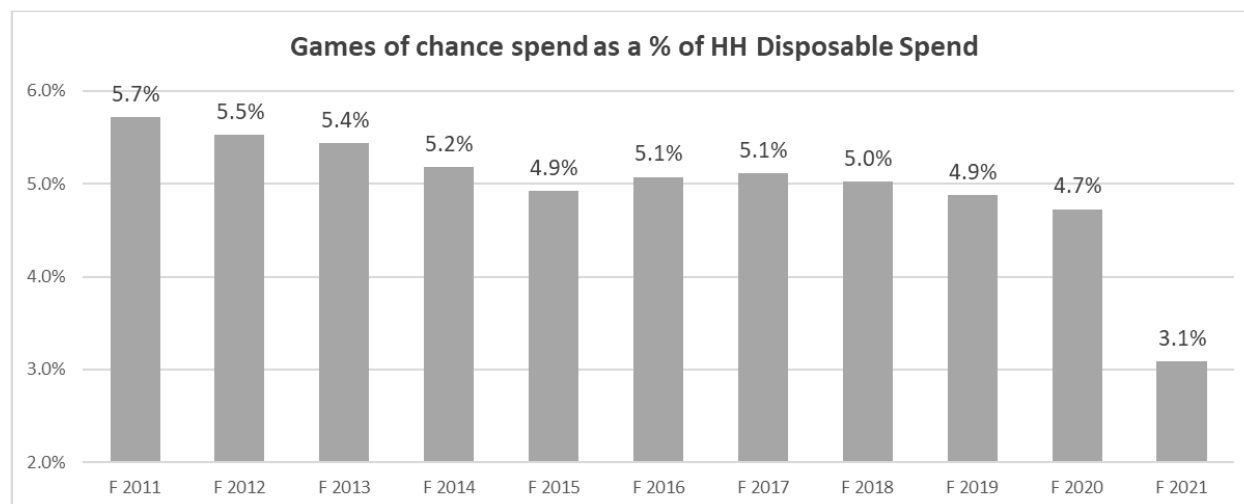


Source: StatsCan 2021 Data

Recreational spending includes recreational and sporting services, cable and other program distribution services, cinemas, and photographic and cultural services.

HOUSEHOLD SPEND

OLG and charitable lotteries have consistently captured five per cent of Ontario Households Disposable expenditure from fiscal 2011-20.⁵ This capture rate fell sharply during the pandemic as more disposable expenditure was allocated towards other spend categories such as alcoholic beverages and recreation and culture.

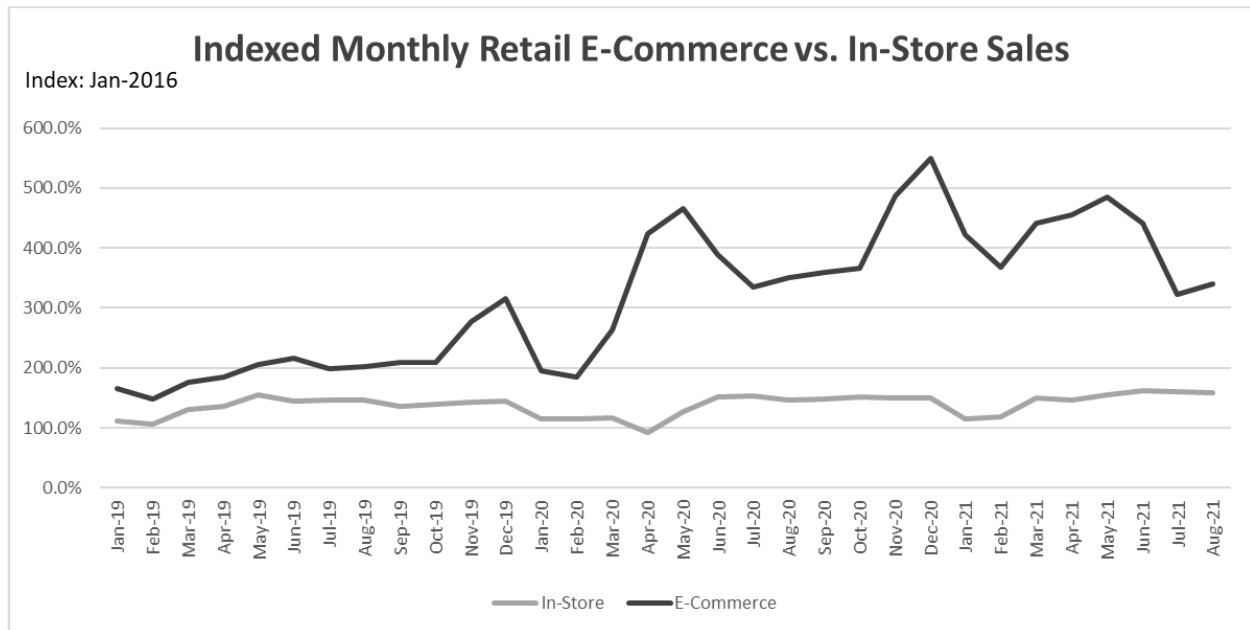


Source: StatsCan 2021 Data

⁵ StatsCan Data 2021 – ON Disposable Expenditure - CANSIM 384-0041 Excerpt

Statistics Canada monitors the percentage of disposable income Ontario households spend on games of chance. It remains one of many economic indicators that act as key inputs to our planning process.

DIGITAL ENVIRONMENTS (Self-serve/ ecommerce)



Source: StatsCan Monthly Retail Trade Survey

The progression towards digital environments has been monitored by OLG for many years. During the pandemic we saw a significant acceleration in this progression due to changing consumer behaviours, which we expect will continue. As indicated by the above graph, we saw a significant spike in e-commerce sales in March 2020, followed by a sustained upward trend while retail sales remained flat. However, in physical retail environments, we have been tracking the accelerating adoption of self check-out options and noted that three quarters of Canadians now prefer using self-checkout⁶. These changing customer behaviours suggest the need for the development of self-serve lottery purchase options.

ONTARIO DIGITAL GAMING MARKET

In its 2019 and 2020 budget, the Province announced its intention to establish a safe, secure, and regulated market for online gambling that will reflect consumer choice while providing protections for those who play on these websites. OLG has and will continue to actively support this initiative. The iGaming landscape in Ontario will welcome a new competitive set of global competitors in the digital gaming space. Despite these new competitors, OLG will remain Ontario's trusted source for online gaming and is committed to consistently delivering best-in-class digital products and experiences for customers across the province.

⁶ SOTI 2019 Annual Connected Retailer Survey (U.S.) | 73% of customers prefer self-serve check-out compared to engaging with in-store associates

OUR STRATEGIC DIRECTION

DELIVERING ON OUR MANDATE

We have a single shareholder, the Government of Ontario. We report to the government through the Minister of Finance, who provides direction to OLG through its Board of Directors and sets specific priorities for the Corporation.

The fiscal 2022–23 Business Plan and our Game ON strategic playbook directly support the expectations of the government in its mandate for OLG. We will:

- Lottery & Digital:
 - Continue to develop initiatives that support competitiveness and increase revenue generation, including OLG's Game ON strategy, expanding digital offerings and evaluating opportunities for new lottery initiatives, while working with the Ministry to ensure policy and approval coordination and alignment with government priorities
 - Continue to pursue digital delivery and customer service capabilities at OLG, including exploring and implementing digital modernization strategies aimed at meeting and exceeding customer needs
 - Continue to support the government's priorities for internet gaming, as outlined in the 2021 Ontario Budget, Ontario's Action Plan: Protecting People's Health and Our Economy

- Land-based Gaming:
 - Work with the government, public health officials, service providers and the Alcohol and Gaming Commission of Ontario to ensure the health and safety of customers and staff of land-based gaming facilities remains paramount, especially in the context of COVID-19
 - Proceed with OLG's land-based gaming modernization, including work pertaining to the Windsor Casino
 - Continue to help the horse racing industry build a more sustainable future for the rural businesses, jobs and communities that depend on it. This should be accomplished through financial support provided by the Long-Term Funding Agreement

- Operational:
 - Work towards resuming business levels within current provincial restrictions, with a view to maximizing revenue streams and minimizing risks to the operations
 - Improve customer-focused approaches across all business lines while ensuring private sector service providers adhere to responsible gambling standards, social responsibility programs and that respect for customer privacy remains strong

- Consult with service providers and other stakeholders, other provincial gaming crown corporations and the Interprovincial Lottery Corporation to develop strategies for the provincial gaming sector in the COVID-19 environment
 - Identify efficiencies within OLG's workforce that reflect our new role within a modernized gaming framework in Ontario
- Stakeholder:
 - Continue working with government to support relationships with First Nations partners, including the Ontario First Nations Limited Partnership, to improve collaboration and continued good-faith discussions on other priorities
 - Continue to work with the Alcohol and Gaming Commission of Ontario to review each agency's respective roles and responsibilities in oversight of service providers to increase efficiencies and avoid unnecessary duplication.

OUR GAME ON STRATEGIC PLAYBOOK

For fiscal 2022–23, our strategic playbook outlines three aspirations and five supporting Strategic Priorities that will support the achievement of our Business Plan.

To solidify our position as the entertainment leader in Ontario, we will be guided by three aspirations:

1. **Customer-Obsessed Gaming Market Leader in Canada with a Globally Admired Digital Entertainment Platform:** Dominant multi-channel brand and a center of excellence for product and technology innovation
2. **Top Employer and Winning Culture:** Agile, delivery-focused, fun and accountable workforce with a competitive mindset and an ability to attract and retain top talent
3. **Exemplary Partner known for Value Creation:** Distinguished by a proven record of delivery for our shareholder, stakeholders and business partners

WE WILL FOCUS ON THE FOLLOWING FIVE STRATEGIC PRIORITIES TO DELIVER ON BOTH OUR MANDATE AND ASPIRATIONS:

1. **Build a fun, inclusive and performance-driven culture that is a destination for top talent,** by upskilling and reskilling talent to prepare for our future, attracting and retaining the best talent, and enabling new ways of working to drive our strategy.

Every element of our new strategic direction depends on our culture and talent. To support the achievement of our purpose, aspirations and growth potential, we transformed our organizational structure and ways of working. Our new organizational structure is decidedly customer-centric and organized around our three core lines of business – Lottery, Land-based Gaming and Digital. The business lines will be supported and enabled by a suite of exemplary shared services across: Enterprise Technology; Finance and Enterprise Analytics; People and Culture; Risk and Audit; Brand, Communications and Sustainability; and Governance, Legal and Compliance.

We are committed to fostering a culture of performance by providing our employees with the direction and the trust to accomplish business objectives. Our new strategic direction, aspirations and values provide clear direction and our new organizational structure places end-to-end ownership of results – from idea to implementation and continuous improvement – squarely in the hands of our teams.

We have also taken action to embrace the diverse perspectives and talents inherent in the cultural richness of Ontario and Canada. We are committed to being a welcoming and inclusive workplace that values diversity as a source of strength. We have renewed our Diversity, Equity and Inclusion Strategy, which governs our approach to enhancing support for Black, Indigenous and people of colour working at OLG. The Strategy is

embedded into our new direction, reinforcing fairness and equity across the organization as a pillar of our success.

2. **Drive share growth in digital gaming and accelerate speed to market** by relentlessly acquiring and onboarding digital customers and deploying digital product offerings that resonate with them.

As the preferences and needs of our digital customers are evolving faster than ever, we are focused on improving our digital products and web and apps ecosystem to meet and exceed these needs. This means aggressively growing our digital offering by adopting new agile approaches, placing the customer at the centre of everything we do and leveraging our unique assets (i.e., brand awareness among ~80 per cent of Ontarians). We will also explore new partnership opportunities to expand and enrich our digital ecosystem.

This growth has already materialized in the launch of our immersive mobile app for iOS and Android that complements our responsive website at OLG.ca, our new and innovative sports betting solution, an expanded iLottery and iCasino game offering and digital Live Dealer casino games, among other achievements. Our results also demonstrate the impacts of this work, as our digital customer base has grown to well over one million customers.

We are gaining digital momentum and expect to be competitive in the liberalized Ontario market offering a fulsome and diverse product set. In support of this, we are actively working on achieving key milestones on our product roadmap, such as:

- New and enhanced payment options and mechanisms to improve our customer experience i.e., Direct Pay
- Initiatives to help us better serve our digital customers i.e., VIP Program
- New and innovative products across iLottery, iCasino and Sports to continue delivering new, unique and exciting experiences
- Communicating these changes to our new and existing customers through media and promo campaigns

3. **Re-open land-based gaming operations and identify new opportunities for growth**, by meeting new/expanded casino opening dates and advocating for our charity and horseracing stakeholders.

Developing and sustaining the long-term vibrancy and excitement of the casino experience in Ontario is our ambition for the land-based gaming market, and we are committed to working towards this outcome in partnership with our Land-based Gaming Service Providers.

The Land-based Gaming offering is and will continue to be one of our largest and most unique customer touchpoints. We will continue to support our partners to drive long-term growth and investment, setting the stage for future opportunities such as new gaming innovations, physical sportsbooks and digital partnerships. We will see a series of additional casinos open their doors in the coming years, as well as see globally recognized brands enter the market.

In addition, we will continue to work with the horse racing industry and our charitable gaming partners to enrich community-based entertainment in support of good causes province-wide.

Of course, a key effort for us and our land-based gaming partners has been ensuring the successful re-opening of land-based gaming sites - including horse racing and charitable gaming – over fiscal 2021-2022.

4. **Remove barriers to expand lottery distribution and products, and aggressively leverage it as a competitive advantage**, by enhancing our lottery presence and products.

Our lottery offering is core to our business, and we will seek to continue to grow and enhance our retail lottery product and presence by expanding our retail footprint and exploring additional cross-channel promotional opportunities with our digital business.

We are also actively working on enabling activities with the Province to pave the way for OLG to introduce new complementary capabilities such as:

- Explore self-serve lottery technologies in existing retail and new retail environment to ensure lottery remains available despite shifting customer shopping behaviours
- Launching new Quick Draw Keno games in existing retail and new retail environments. Jurisdictions that have introduced similar games have been highly successful
- Optimizing our INSTANTs offering with inventive new products and creative marketing
- Jointly with ILC, developing the technology that enables delivery of our lottery products on third party eCommerce sites
- Continually refreshing our portfolio of national lottery games in collaboration with ILC

An example of our commitment to innovating as well as extending the reach and excitement of our core lottery business is our planned retail Sports Betting lottery offering. The legalization and advances in single event wagering, dynamic competitive odds, more sports, events and markets, and same day cash payouts are new and innovative aspects to our new retail sports offering, which will launch in early 2022. Our bet builder digital app will also give our retail sports players access to more sports and markets with the

convenience of building their tickets and scanning at retail instead of filling out a paper slip.

5. **Obsess over understanding our customers across all products and channels – and how they integrate**, to enhance our ability to retain customers, increase cross-game play among existing customers and provide a best-in-class customer experience that contributes to revenue growth.

We are reinventing our business in order to place the customer at the center of everything we do. In the process we will gain a deeper understanding of our customers across all products and channels. We will evolve internal ways of working to align to the changing demands of gaming customers and marketplace dynamics. We will discover, learn and re-define how customers interact with all aspects of our business. This understanding will help us create a consistently great customer experience and deliver seamless cross-play opportunities across OLG and partner offerings.

The OLG brand remains one of our greatest assets, especially in the face of increased digital competition. We plan to uphold its brand promise while extending the brand and go-to-market strategy to deepen brand loyalty among existing players and attract new customers. To achieve this, our outreach will increasingly go “digital first” and seek to engage prospective players in unexpected places.

Additionally, we will reform our customer care to better support our customers. This includes offering more diverse connection points, including the integration of automated tools and best-in-class practices designed to improve the overall experience and drive productivity. Customer centricity and player health will be our north star, delivered through insightful, powerful customer data and analytics. We will also continue to invest in our customer health by continuously improving our world-leading *PlaySmart* program, as a strategic advantage, to ensure the OLG customer journey is supported by enhanced choice and optionality for customized responsible gambling tools. We will accomplish this by deploying the full power of state-of-the-art technologies and education platforms to maximize player health.

These priorities will guide our performance throughout the fiscal year and enable us to continue to grow our contribution to the Province, solidifying our commitment to further developing and growing the Ontario gaming market for the benefit of our customers and other stakeholders.

RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

OLG has a formal Enterprise Risk Management (ERM) program that enables healthy risk taking as we deliver on our mandate and strategy. Our risk management framework and process support strategy development and execution. Risks introduced by the chosen strategy and risks that could impact the execution of the strategy are identified, assessed and monitored. To ensure the success of our strategy, we prioritize and mitigate key risks that require management focus:

COMPETITION

We know that the landscape of regulated gaming markets is changing. New legislation that introduced single event sports wagering and opening of the online gaming market will increase competition from global competitors. New entrants will continue to add customer choice. Our Game ON strategy is key to strengthening our competitive position in this landscape by deploying new digital product offerings and acquiring and onboarding new digital customers. We will continue to extend the reach of our lottery offerings into new distributions channels and revitalize the portfolio of products, launching new and innovative games in retail locations and optimizing INSTANT product offerings.

PRIVATE SECTOR ENGAGEMENT

OLG is increasingly reliant on third parties to deliver and support critical growth initiatives in our Game ON strategy. Partnering with third parties comes with the inherent risk that they do not deliver as expected. This is why OLG continues to mature our third-party management programs to address this risk and ensure performance expectations are met.

The pandemic had a significant impact on Land-based Gaming Service Providers at casinos and charitable gaming centres, including prolonged closures, operational adjustments from new public health measures, and delayed developments of new properties and amenities.

Our Game ON strategy prioritizes working with private sectors partners with a focus on:

- Post-pandemic recovery of land-based gaming sites and advancement of development plans that create long-term growth of casinos, creating jobs across the province and increasing benefit to host communities
- Evolving customer offerings with charitable gaming operators
- Delivering exceptional customer experiences and new products through our technology providers that support OLG's Digital and Lottery businesses

PEOPLE & CULTURE

To acquire and retain the talent that supports the achievement of OLG's priorities, our Game ON strategy focuses on creating an environment where employees are engaged and invested in the health of our organization. This includes:

- Embracing more flexible work options, including remote work
- Continuing to build a more inclusive and diverse environment
- Implementing agile ways of working to increase agility and speed to market
- Evolving and promoting OLG's employer brand

COMPLIANCE & SOCIAL RESPONSIBILITY

OLG operates in a highly regulated environment. As the gaming environment changes, laws, regulations and government policies will evolve. There may also be changes to customer gambling behaviour as we expand our reach and deliver new offering to customers through implementation of our strategy.

Maintaining the trust of our customers, partners and shareholder throughout these changes is critical. OLG has programs in place that:

- Maintain compliance with laws, regulations and policies including anti-money laundering and privacy
- Dedicate resources to research and monitor gambling behaviour and, deliver tools that enable healthy play

We continue to review and mature these programs to ensure their alignment with our business model and risk appetite. For example, in the area of anti-money laundering compliance, we are in the process of developing and implementing enhanced measures to detect, disrupt and prevent money laundering.

TECHNOLOGY

Everything we do relies on technology. As we expand our offerings and digitize our business, our technology footprint continues to grow, and we must ensure that access to systems and/or information is not compromised. We also must ensure that our legacy systems can continue to sustain and enable growth of the core business. Managing these areas of risk is part of OLG's day-to-day operations.

To protect against cyber threats, OLG maintains a mature cyber security program. Additionally, to ensure private sector partners maintain an adequate level of security, OLG sets expectations for its partners within contracts and monitors compliance.

Assessments of legacy technologies are completed to establish priorities for improvements and to secure resources. Investments in legacy systems are balanced with investments in new

technologies to ensure that our infrastructure can support growth initiatives in our Game ON strategy.

COMMUNICATIONS

OLG regularly communicates with its shareholder, the Government of Ontario, and its stakeholders, including customers, the public, the news media, employees and various entities in the private sector. Our communications are clear, open, transparent and demonstrate the Corporation's accountability to Ontarians. We also ensure these communications are aligned with the Government of Ontario on legislation, regulations, public policy and emerging issues, and we partner with Indigenous Communities and a range of external stakeholders to support this effort, including municipal governments, the horse racing industry, the charitable gaming industry, lottery retailers and casino operators.

External and internal communications, marketing and stakeholder outreach strategies support new business and product developments as well as mandatory and voluntary financial disclosures. We also promote responsible play across all of our product offerings with our award-winning and globally recognized *PlaySmart* program and provide information on how and where customers can seek help should they experience problems with gambling through *PlaySmart* centres at land-based gaming sites and digitally on *PlaySmart.ca*.

CUSTOMER SERVICE AND COMPLAINT HANDLING

The OLG Support Centre fields phone calls, email, instant messaging and other forms of correspondence from customers and the retail network. This includes:

OLG.ca: managing customer interactions through chat, email and phone

Inside Sales: managing inbound and outbound Retailer interactions for INSTANT ticket orders, supplies and returns

Player Protection: managing inbound and outbound customer complaints related to potential retailer theft, fraud and dishonesty

Retail Compliance: managing the Retailer Mystery Shop Program interactions related to ticket validations and the ID Under 25 Program, in addition to monitoring compliance to OLG's retail policy manual

Social Media: managing social media interactions (e.g., Facebook and Twitter for Lottery, Land-based Gaming, *PlaySmart* and OLG.ca)

In addition to routine correspondence, the Support Centre is responsible for fielding customer and retailer complaints. To that end, OLG has developed operating policies and procedures that:

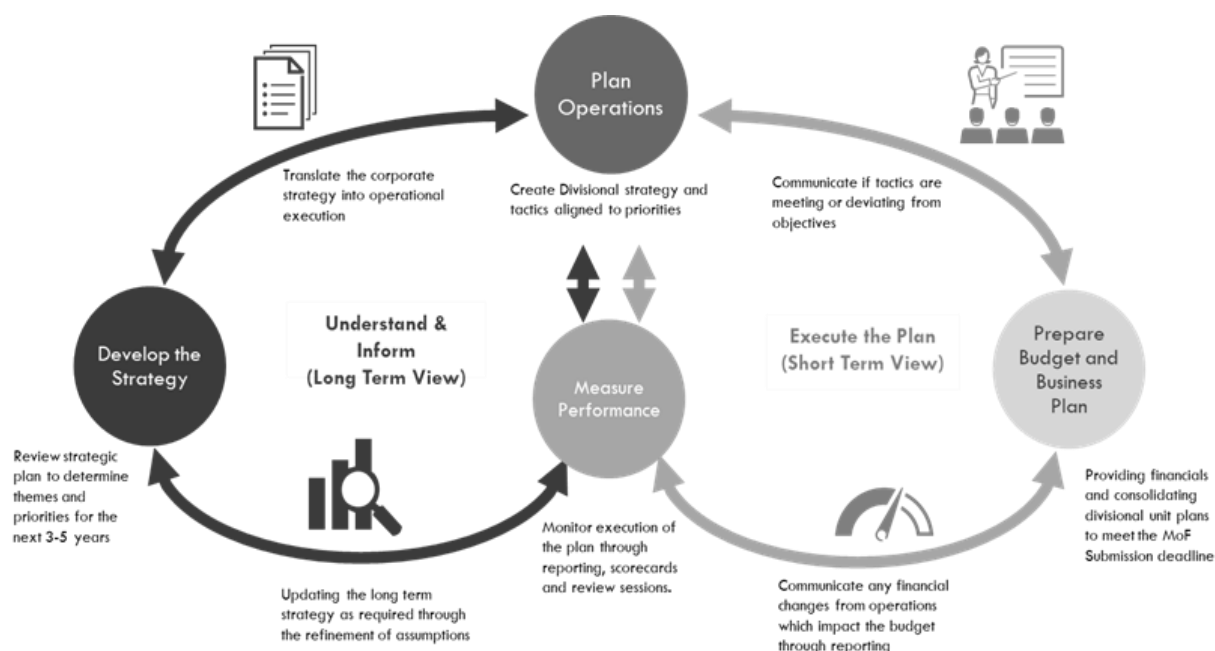
- ensure complaints from the public are handled completely with the appropriate skill sets and levels of authority
- handle complaints regarding suspicious activity at retail locations differently from complaints about lottery products and services

- ensure clear, separate accountabilities and reporting structures for those involved in building retailer relationships and those investigating retailers for potential fraud, theft and dishonesty
- ensure an open and cooperative relationship with the Alcohol and Gaming Commission of Ontario (AGCO) and the Ontario Provincial Police when investigating complaints
- ensure there are quality assurance mechanisms to verify that each complaint has been handled properly and to continually improve the processes for handling such complaints

FINANCIAL PLAN FISCAL 2022–23 TO FISCAL 2025–26

PLANNING APPROACH

OLG employs a management cycle that connects strategy development, planning and budgeting with execution, monitoring and measurement, and control. The setting of the fiscal 2022–23 budget forms just one important aspect of the Corporate Planning Framework, which is integrally linked to and supportive of the Strategic Priorities and planned initiatives.



The primary objectives of our fiscal 2022–23 planning and budgeting process are:

- support the development and communication of our long-term strategy
- align operating plans with the strategies of the Corporation
- maximize allocation of scarce resources
- demonstrate fiduciary responsibility

PRINCIPLES

We use a hybrid approach to planning and budgeting by employing:

- assumption and scenario driver-based support for development of key revenue items
- historical trend analysis as appropriate
- adjustments for known and anticipated impacts for pandemic recovery
- relevant macroeconomic data to inform the expected operating environment
- zero-base budgeting principles where practical

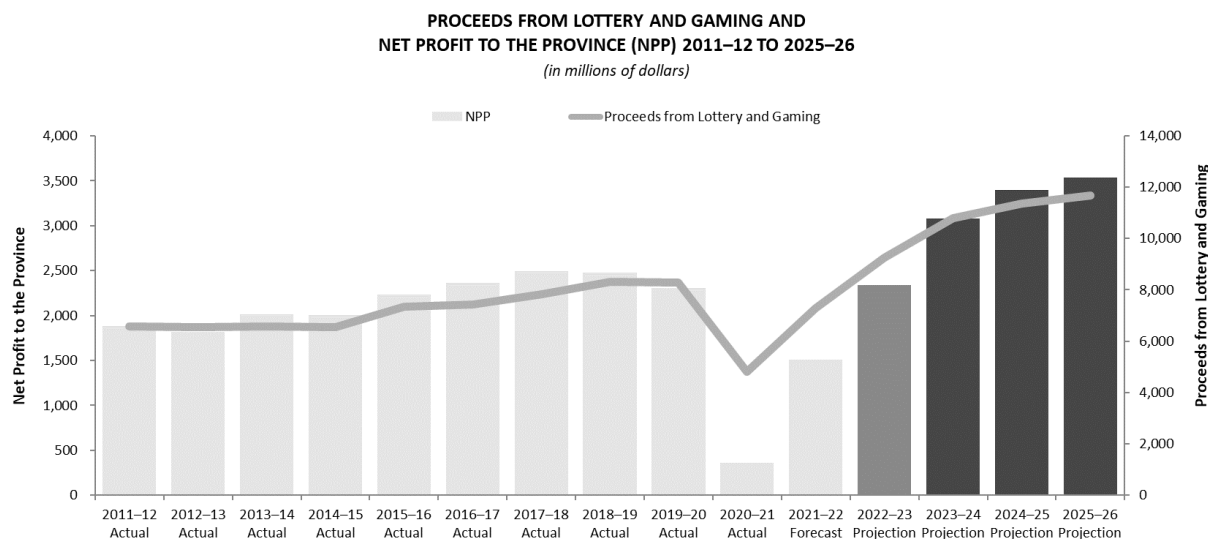
The budget and financial projections have been prepared in accordance with International Financial Reporting Standards (IFRS).

USE OF ESTIMATES

Preparation of the Fiscal 2022–23 Business Plan requires OLG to make estimates and assumptions that affect the expected amounts of revenue and expenses for the years covered by the plan. Estimates include but are not limited to: assumptions about possible strategic initiatives; future revenue and profit guidance; and other assumptions about future events or conditions including the COVID-19 pandemic and recovery and timing of casino expansions and service provider transition. Forward-looking statements involve uncertainties that could cause actual results to differ materially from those projected. These uncertainties include but are not limited to: the economic environment; customer demand; changes in government policy; the outcome of litigation; the competitive environment; and the timing and scale of potential capital investments.

Actual results will differ from these estimates.

FINANCIAL PLAN



Fiscal 2022–23 is seen as a critical investment year that will restore our organization to pre-pandemic profitability and enable the Integrated Strategic Plan (ISP) for improved financial performance, with a four-year business plan that drives growth to over \$3.5 billion in annual NPP by fiscal 2025–26 on improved organizational productivity.

The financial plan directly supports OLG's Strategic Priorities. This year's business plan focuses on the following key themes:

- Sustaining and growing lottery retail base business
- Continued recovery of land-based gaming
- Advancement and growth of OLG's digital platform

OLG will recover from the impacts of the COVID-19 pandemic in fiscal 22-23, with future growth supported by casino expansions, growth in Digital, and Lottery expansion initiatives. From fiscal 2011–12 through fiscal 2019–20, prior to the COVID-19 pandemic, we achieved a Compound Annual Growth Rate (CAGR) for NPP of 2.6 per cent, and based on this plan, the projected CAGR for NPP is expected to be 14.8 per cent from fiscal 2022–23 through 2025–26 driven by a new horizon of sustainable and responsible growth and pursuit of efficiencies and savings.

PLAN OVERVIEW

Following is the Summary of Proceeds and Total Revenue for Consolidated OLG for the current planning cycle fiscal 2022–23 through fiscal 2025–26. OLG’s fiscal year covers the period between April 1 and March 31. The budget and financial projections have been prepared in accordance with International Financial Reporting Standards (IFRS).

(in millions of dollars)

	Forecast	Budget	Projection	Projection	Projection
<i>For the fiscal year</i>	2021–22	2022–23	2023–24	2024–25	2025–26
Lottery	4,478	4,517	4,710	4,910	4,956
Land Based Gaming and Business Development	2,294	4,120	5,391	5,658	5,807
Digital	508	613	703	800	912
Proceeds from Lottery and Gaming	7,280	9,250	10,803	11,367	11,674
Less: Prizes	(2,655)	(2,760)	(2,889)	(3,043)	(3,105)
Less: Service Provider Fees	(1,194)	(2,068)	(2,565)	(2,824)	(2,892)
Gaming Revenue	3,430	4,422	5,350	5,500	5,678
Non-Gaming Revenue	12	20	30	2	-
Lease Revenue	85	100	100	136	140
Total Revenue	3,527	4,542	5,479	5,639	5,818

In fiscal 2022–23, proceeds from Lottery and Gaming are budgeted to be \$9.3 billion, continuing to recover to the levels contemplated in the previous business plan, and are projected to grow over the next four years as land-based gaming recovers from the impacts of the pandemic. Proceeds from Lottery and Gaming are projected to increase at a CAGR of 8.1 per cent, reaching \$11.7 billion by fiscal 2025–26.

The following activities are anticipated to contribute to the projected proceeds from Lottery and Gaming by fiscal 2025–26:

- introducing new INSTANT and national draw-based games
- expanding retail network via self-serve options and new channels
- optimizing single event wagering following legalization
- additional capital investment by Land-based Casino Gaming Service Providers related to the introduction of new, relocated and/or expanded facilities, particularly in the GTA bundle
- continuing the rapid growth of the Digital business from new product development and deployment

Our revenue from Land-based Casino Gaming and Charitable Gaming is reported as total proceeds less certain defined amounts paid to service providers, which primarily include fixed fees, variable fees that are calculated as a percentage of total gaming revenue, as defined in the Casino Operating and Services Agreements, and amounts that are permitted for capital improvements.

Fees paid to all OLG service providers are projected to increase to \$2.1 billion in fiscal 2022–23 from \$1.2 billion in fiscal 2021–22 forecast, an increase of \$874 million or 73.2 per cent. The main reason for this increase is the expected recovery in proceeds from land-based gaming sites.

NET PROFIT TO THE PROVINCE (NPP)

(in millions of dollars)

	Forecast	Budget	Projection	Projection	Projection
<i>For the fiscal year</i>	2021–22	2022–23	2023–24	2024–25	2025–26
Net Profit to the Province	1,507	2,332	3,075	3,392	3,531

The fiscal 2022–23 NPP is budgeted to be \$2.3 billion, an increase of \$825 million or 54.8 per cent compared to the fiscal 2021–22 forecast. Over the plan period, NPP is projected to grow to over \$3.5 billion, representing a CAGR of 14.8 per cent, due to significant revenue recovery and development in Land-based Casino Gaming, supplemented by growth in both Lottery and Digital.

Our operating expenses are projected to remain flat at \$1.3 billion in the fiscal 2022–23 plan in comparison to the fiscal 2021–22 forecast. As the recovery of Land-based Gaming continues from fiscal 2022–23 through fiscal 2025–26 and with the transition of Caesars Windsor, OLG's operating expenses fluctuate. While we anticipate these expenditures will continue to decline through the life of the planning horizon, they will be partially offset by increases in marketing investment to drive the proceeds growth strategies in Lottery and Digital and respond to the new competitive environment. Marketing expenditures represent 1.91 per cent of total proceeds in line with fiscal 2019-20 levels and are meaningfully lower than prior years as a percentage of proceeds. As a percentage of proceeds, operating expenses are projected to decline from 15 per cent in fiscal 2022–23 to 11 per cent in fiscal 2025–26 primarily due to the transition of Caesars Windsor to a Service Provider, combined with continued focus on expenditure management.

OLG funding for the continued sustainability of the horse racing industry is expected to be \$116 million in fiscal 2022–23, decreasing to \$69 million by fiscal 2025–26 as stipulated in the Long-term Funding Agreement. Payments to Ontario First Nations, 1.7 per cent of gross revenues as defined in the Gaming Revenue Sharing and Financial Agreement (GRSFA), are projected to follow the recovery in proceeds from Lottery and Gaming.

APPENDIX

LEGISLATIVE FRAMEWORK

The objects of the Corporation as established by government and defined in the *Ontario Lottery and Gaming Corporation Act, 1999*, are:

- to develop, undertake, organize, conduct and manage lottery schemes on behalf of Her Majesty in right of Ontario
- to provide for the operation of gaming sites
- to ensure that lottery schemes and gaming sites are conducted, managed and operated in accordance with the *Criminal Code (Canada)*, this Act and the *Gaming Control Act, 1992* and the regulations made under them
- to provide for the operation of any business that the Corporation considers to be reasonably related to operating a gaming site or lottery scheme, including any business that offers goods and services to persons who play lottery schemes in a gaming site
- if authorized by the Lieutenant Governor in Council, to enter into agreements to develop, undertake, organize, conduct and manage lottery schemes on behalf of, or in conjunction with, the government of one or more provinces of Canada
- to undertake activities with respect to the support of live horse racing in Ontario
- to do such other things as the Lieutenant Governor in Council may by order direct

BOARD OF DIRECTORS' MANDATE

The Board of Directors oversees the overall management of the affairs of the Corporation in accordance with its objectives as set out in the Act, the Corporation's bylaws, the approved business plan and the Memorandum of Understanding between the Corporation and the Minister of Finance. The board's mandate is to direct management's focus to optimizing the Corporation's overall performance and increasing shareholder value by executing its various responsibilities, which include:

- to establish the goals, objectives and strategies for the Corporation consistent with the Corporation's mandate and applicable government policies
- to approve the annual business plan as well as operating and capital budgets
- to define and assess business risks
- to review the adequacy and effectiveness of internal controls in managing risks
- to appraise the performance of the President and Chief Executive Officer
- to oversee a code of conduct to ensure the highest standards in dealing with customers, suppliers and staff, with due regard to ethical values and the interests of the community at large in all corporate endeavours
- to track the overall performance of the Corporation

- to remain informed and provide input, as required, concerning communications with the Government of Ontario and stakeholders
- to ensure compliance with key policies, laws and regulations

The board operates through four working committees:

AUDIT AND RISK MANAGEMENT COMMITTEE

The primary function of the Audit and Risk Management Committee is to assist the board in fulfilling its oversight responsibilities by reviewing and monitoring the Corporation's financial statements, systems of internal controls including those over financial reporting, capital expenditure program and Enterprise Risk Management program, as well as the compliance systems that have been established. In addition, the Committee assists the board by inquiring into and overseeing the financial matters of the Corporation. It reviews the budget framework, policies and procedures, oversees and contributes to the development of the annual budget and projections and reviews financial performance.

GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Governance and Corporate Social Responsibility Committee assists the board in developing and monitoring governance policies and practices. It helps identify policy areas for review and presents recommendations to the board for consideration so that the board can ensure the Corporation's adherence to the highest standards in corporate governance. In addition, the committee assists the board and the Corporation in fulfilling its social responsibility in the conduct of its business. It inquires into and oversees such areas as responsible gambling, game integrity and the Smart Serve food and beverage service.

PEOPLE, CULTURE AND COMPENSATION COMMITTEE

The People, Culture and Compensation Committee helps ensure that the Corporation has sufficient organizational strength at the senior management level to achieve its short- and long-term goals. It also recommends, for board approval, the compensation and benefit plans for senior management.

TRANSFORMATION AND TECHNOLOGY COMMITTEE

The Transformation and Technology Committee assists the board in overseeing matters pertaining to the development and review of the Corporation's strategic plans and the development, review and implementation of associated information technology and major business transformation plans and programs aimed at achieving the Corporation's mission, vision, strategic direction, objectives and goals.

GOVERNANCE AND MANAGEMENT STRUCTURE

Classified as an Operational Enterprise Agency of the Province of Ontario, OLG has a single shareholder, the Government of Ontario, and reports through its Board of Directors to the Minister of Finance. Members of the board and its Chair are appointed by the Lieutenant Governor in Council. Neither the Chair nor members of the board are full-time, nor are they members of management.

A Memorandum of Understanding (MOU) sets out the framework for and clarifies the roles, relationships, mutual expectations and accountability mechanisms between the Minister of Finance and the Corporation, as required by the Management Board of Cabinet Agencies and Appointments Directive.

OLG MANAGEMENT/ACCOUNTABILITY STRUCTURE

