GREAT CANADIAN GAMING CORPORATION

INDEPENDENT AUDITOR'S REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

(Expressed in millions of Canadian dollars, except for per share information)

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Independent Auditor's Report

To the Shareholders and the Board of Directors of
Great Canadian Gaming Corporation

Opinion

We have audited the consolidated financial statements of Great Canadian Gaming Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of (loss) earnings and other comprehensive (loss) income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year ended December 31, 2020. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Long-Lived Assets, including Property, Plant and Equipment ("PPE"), Intangible Assets, and Goodwill – Refer to notes 4, 7(a), 9, 10 and 11 to the financial statements

Key Audit Matter Description

Long-lived assets, including PPE, Intangible Assets and Goodwill, are assessed for impairment at the end of each reporting period for events or circumstances that might indicate that the carrying value of a specific asset or cash generating unit ("CGU") exceeds the recoverable amount. As a result of the temporary business interruption due to the COVID-19 pandemic, indicators of impairment were identified for all CGUs. The recoverable amount of each CGU was determined based on fair value less costs to sell using discounted cash flows models. There were two CGUs (Orangeville Raceway Limited and Hastings Entertainment Inc.) in British Columbia with an aggregated carrying value of $54.7 million and one CGU in Ontario (Ontario Gaming West GTA Limited Partnership) with a carrying value of $407.9 million, (collectively, the "identified CGUs") that had a higher degree of estimation uncertainty requiring management to make significant estimates and assumptions relating to forecasted cash flows, the determination of the re-opening timelines, the ramp-up period of growth for each casino after reopening and the selected discount rates. The recoverable amount of each of the identified CGUs exceeded its carrying value as of December 31, 2020 and, no impairment charge was recognized.

Given the significant judgments made by management to estimate the recoverable amounts of the identified CGUs, performing audit procedures to evaluate the reasonableness of the estimates and assumptions related to the determination of the re-opening timelines, the ramp-up period of growth for each casino after reopening and the selected discount rates ("significant assumptions") required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the significant assumptions used by management to estimate the recoverable amounts of the identified CGUs included the following, among others:

- Assessed the reasonableness of the re-opening timelines and ramp-up period of growth by comparing against:
    - Underlying analyses detailing business strategies and growth plans;
    - Third-party economic research including data from peer companies;
    - Federal and provincial health guidelines.
- With the assistance of fair value specialists, evaluated the reasonableness of the discount rates by testing the source information underlying the determination of the discount rates and developing a range of independent estimates and comparing those to the discount rates selected by management.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Beverley Pao.

Deloitte LLP

Chartered Professional Accountants

Vancouver, British Columbia

March 1, 2021

GREAT CANADIAN GAMING CORPORATION
Consolidated Statements of Financial Position
(Expressed in millions of Canadian dollars)
As at December 31

			2020		2019
Assets					
Current					
Cash		**$**	**434.8**	$	329.7
Accounts receivable	Note 6		**40.8**		79.6
Income taxes receivable			**36.4**		-
Prepaids, deposits and other assets			**30.1**		25.0
			542.1		434.3
Property, plant and equipment	Note 7(a)		**1,465.5**		1,275.3
Right-of-use assets	Note 8(a)		**960.2**		985.7
Intangible assets	Note 9		**82.1**		91.1
Goodwill	Note 10		**13.5**		13.5
Deferred tax assets	Note 18(b)		**17.1**		12.4
Cash on deposit with Canada Revenue Agency	Note 18(c)		**38.9**		38.9
Other assets			**0.6**		0.7
		$	**3,120.0**	$	2,851.9
Liabilities					
Current					
Accounts payable and accrued liabilities		**$**	**144.9**	$	241.8
Lease liabilities	Note 8(b)		**36.8**		34.4
Income taxes payable			**-**		0.7
Other liabilities			**5.4**		5.1
			187.1		282.0
Long-term debt	Note 12		**1,333.9**		869.8
Lease liabilities	Note 8(b)		**917.5**		925.8
Deferred credits, provisions and other liabilities	Note 14		**29.2**		30.1
Deferred tax liabilities	Note 18(b)		**79.7**		83.0
			2,547.4		2,190.7
Equity					
Share capital and reserves	Note 15		**369.9**		337.0
Retained earnings			**95.3**		190.4
Equity attributable to shareholders of the Company			**465.2**		527.4
Non-controlling interests	Note 22		**107.4**		133.8
Total equity			**572.6**		661.2
		$	**3,120.0**	$	2,851.9

These Consolidated Financial Statements were approved and authorized by the Company's Board of Directors for issuance on March 1, 2021.

GREAT CANADIAN GAMING CORPORATION
Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income
(Expressed in millions of Canadian dollars, except for per share information)
For the years ended December 31,

		2020	2019
Revenues	Note 16	**$ 442.3**	$ 1,355.6
Expenses			
Human resources		**142.0**	430.8
Property, marketing and administration		**134.0**	370.2
Share of profit of equity investment		**(2.9)**	(2.7)
Amortization		**156.3**	152.8
Share-based compensation	Note 15	**17.1**	12.2
Interest and financing costs, net	Note 12(f)	**101.6**	87.3
Business acquisition, restructuring and other	Note 17	**24.7**	3.6
Gain on sale of land	Note 7(b)	**-**	(6.6)
Foreign exchange gain		**(0.1)**	(2.3)
		572.7	1,045.3
(Loss) earnings before income taxes from continuing operations		**(130.4)**	310.3
Income taxes	Note 18(a)	**(28.5)**	65.4
Net (loss) earnings from continuing operations		**$ (101.9)**	$ 244.9
Net earnings attributable to discontinued operations	Note 28	**-**	52.1
Net (loss) earnings		**$ (101.9)**	$ 297.0
Net (loss) earnings from continuing operations attributable to:			
Shareholders of the Company		**$ (82.3)**	$ 174.4
Non-controlling interests		**(19.6)**	70.5
		$ (101.9)	$ 244.9
Net (loss) earnings attributable to:			
Shareholders of the Company		**$ (82.3)**	$ 226.5
Non-controlling interests		**(19.6)**	70.5
		$ (101.9)	$ 297.0
Net (loss) earnings		**$ (101.9)**	$ 297.0
Other comprehensive loss			
Items that are or may be reclassified subsequently to net earnings			
Current period changes in fair values of derivatives designated as cash flow hedges from continuing operations, net of income taxes		**-**	(0.4)
Foreign currency translation of discontinued operations		**-**	(0.9)
Reclassification of foreign currency differences on disposal of discontinued operations		**-**	(2.9)
		-	(4.2)
Total comprehensive (loss) income		**$ (101.9)**	$ 292.8
Total comprehensive (loss) income attributable to:			
Shareholders of the Company		**$ (82.3)**	$ 222.3
Non-controlling interests		**(19.6)**	70.5
		$ (101.9)	$ 292.8
Net (loss) earnings per common share from continuing operations attributable to shareholders of the Company			
Basic		**$ (1.49)**	$ 3.00
Diluted		**$ (1.49)**	$ 2.91
Net earnings per common share from discontinued operations attributable to shareholders of the Company		**$ -**	$ 0.89
Basic		**$ -**	$ 0.87
Diluted			
Net (loss) earnings per common share attributable to shareholders of the Company			
Basic		**$ (1.49)**	$ 3.89
Diluted		**$ (1.49)**	$ 3.78
Weighted average number of common shares (in thousands)	Note 19		
Basic		**55,309**	58,171
Diluted		**55,309**	59,836

GREAT CANADIAN GAMING CORPORATION

Consolidated Statements of Changes in Equity

(Expressed in millions of Canadian dollars, except for share information)

		Share Capital Number [1]	Share Capital Amount	Reserves	Share Capital and Reserves	Accumulated Other Comprehensive Income	Retained Earnings	Equity Attributable To Shareholders	Non-Controlling Interests	Total Equity
At January 1, 2019		58,144	$ 266.5	$ 54.2	$ 320.7	$ 4.2	$ 144.5	$ 469.4	$ 153.3	$ 622.7
Share-based compensation	Note 15	-	-	9.3	9.3	-	-	9.3	-	9.3
Exercise of incentive share options	Note 15	1,632	35.5	(6.0)	29.5	-	-	29.5	-	29.5
Repurchase of common shares	Note 15	(4,409)	(22.5)	-	(22.5)	-	(162.9)	(185.4)	-	(185.4)
Net earnings		-	-	-	-	-	226.5	226.5	70.5	297.0
Other comprehensive loss from continuing operations		-	-	-	-	(0.4)	-	(0.4)	-	(0.4)
Other comprehensive loss from discontinued operations		-	-	-	-	(3.8)	-	(3.8)	-	(3.8)
Distributions		-	-	-	-	-	-	-	(55.9)	(55.9)
Acquisition of non-controlling interest		-	-	-	-	-	(17.7)	(17.7)	(34.1)	(51.8)
At December 31, 2019		55,367	$ 279.5	$ 57.5	$ 337.0	$ -	$ 190.4	$ 527.4	$ 133.8	$ 661.2
At January 1, 2020		55,367	$ 279.5	$ 57.5	$ 337.0	$ -	$ 190.4	$ 527.4	$ 133.8	$ 661.2
Share-based compensation	Note 15	-	-	14.3	14.3	-	-	14.3	-	14.3
Exercise of incentive share options	Note 15	1,167	25.1	(4.0)	21.1	-	-	21.1	-	21.1
Repurchase of common shares	Note 15	(473)	(2.5)	-	(2.5)	-	(12.8)	(15.3)	-	(15.3)
Net loss		-	-	-	-	-	(82.3)	(82.3)	(19.6)	(101.9)
Distributions		-	-	-	-	-	-	-	(6.8)	(6.8)
At December 31, 2020		**56,061**	**$ 302.1**	**$ 67.8**	**$ 369.9**	**$ -**	**$ 95.3**	**$ 465.2**	**$ 107.4**	**$ 572.6**

[1] Number of shares presented in thousands.

GREAT CANADIAN GAMING CORPORATION
Consolidated Statements of Cash Flows
(Expressed in millions of Canadian dollars)
For the years ended December 31,

		2020	2019
Cash Flows from Operating Activities			
(Loss) Earnings before income taxes from continuing operations		$ **(130.4)**	$ 310.3
Adjustments to reconcile earnings before income taxes to cash generated by operating activities:			
Amortization		**156.3**	152.8
Share-based compensation	Note 15	**17.1**	12.2
Interest and financing cost, net	Note 12(f)	**101.6**	87.3
Gain on sale of land	Note 7(b)	**-**	(6.6)
Foreign exchange gain		**(0.1)**	(2.3)
Other		**(5.0)**	(5.6)
Changes in non-cash operating working capital	Note 20(a)	**(32.6)**	9.7
Income taxes paid		**(16.5)**	(101.3)
Cash generated by operating activities from continuing operations		**90.4**	456.5
Cash generated by operating activities from discontinued operations		**-**	4.4
Cash generated by operating activities		**90.4**	460.9
Cash Flows from Investing Activities			
Capital expenditures, net of related accounts payable	Note 20(b)	**(308.7)**	(403.0)
Proceeds from sale of land	Note 7(b)	**-**	15.9
Interest income received		**5.0**	5.3
Other		**0.4**	0.8
Cash used in investing activities from continuing operations		**(303.3)**	(381.0)
Cash generated by investing activities from discontinued operations		**-**	65.2
Cash used in investing activities		**(303.3)**	(315.8)
Cash Flows from Financing Activities			
Payment of lease liabilities	Note 8(b)	**(87.0)**	(82.8)
Increase in borrowings under credit facilities	Note 12	**606.5**	390.4
Proceeds from Senior Unsecured Debentures	Note 12	**189.0**	-
Repayment of debt	Note 12	**(329.0)**	(155.0)
Debt financing transaction costs	Note 12	**(9.0)**	(2.8)
Proceeds from exercise of incentive share options, net of issuance costs	Note 15	**21.1**	29.5
Repurchase of common shares	Note 15	**(16.1)**	(191.2)
Amount of distributions to non-controlling interests		**(6.8)**	(55.9)
Acquisition of non-controlling interest		**-**	(51.8)
Interest paid		**(50.8)**	(34.4)
Cash generated by (used in) financing activities		**317.9**	(154.0)
Effect of foreign exchange on cash		**0.1**	1.8
Cash inflow (outflow)		**105.1**	(7.1)
Cash, beginning of year		**329.7**	336.8
Cash, end of year		$ **434.8**	$ 329.7

See Accompanying Notes to the Consolidated Financial Statements

1. NATURE OF BUSINESS

Great Canadian Gaming Corporation (the “Company”) operates 26 gaming, entertainment, and hospitality facilities in Ontario, British Columbia (“B.C.”), New Brunswick and Nova Scotia. The principal office is located at 39 Wynford Drive, North York, Ontario, M3C 3K5. The registered and records office is located at 1500-1055 West Georgia Street, Vancouver, B.C., V6E 4N7.

Great Canadian Gaming Corporation is a publicly listed company incorporated in Canada under the Company Act (British Columbia). The Company’s common shares are listed on the Toronto Stock Exchange (“TSX”) under TSX symbol: “GC”. The Company’s common shares are expected to be acquired by Apollo Funds under the Arrangement described in Note 29.

2. BASIS OF PRESENTATION

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

These Consolidated Financial Statements were prepared on a going concern basis, under the historical cost convention, except for the revaluation of certain financial instruments. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in Note 4.

a) *Temporary Business Interruption*

The COVID-19 coronavirus pandemic (the “Pandemic”) continues to have a significant impact on the Company’s business since the temporary suspension of all of its gaming facilities and ancillary amenities on March 16, 2020.

In late 2020, the Company reopened its gaming properties in Ontario and Atlantic under restricted operating conditions but was required to temporarily close these properties again at various dates in the fourth quarter of 2020 due to localized health authority mandates. All Ontario properties were closed prior to the end of the year. The Atlantic properties, with the exception Casino Nova Scotia Halifax, remained open as at December 31, 2020. In British Columbia, the Company’s properties remain closed since March 16, 2020 as mandated by the provincial government.

Any reopened sites follow rigorous and detailed health and safety protocol developed by the Company which meet or exceed all requirements from corresponding provincial health authorities. The operational environment at all reopened gaming properties includes reduced guest capacity and availability of slot machines, and the temporary closure of substantially all table games and non-gaming amenities. The Company will continue to follow the direction of provincial governments and local health authorities, which continues to be rapidly fluctuating and will require the Company to adjust the operating environment in the future as conditions evolve.

The Company’s capital program has also been impacted by the Pandemic. The Government of Ontario mandated the closure of all non-critical construction projects from April 4, 2020 to May 19, 2020, which temporarily halted the remainder of the Company’s Ontario capital projects under development. Subsequent to December 31, 2020, the Company was required to suspend all non-critical construction activities in Ontario on January 14, 2021. The suspensions were lifted at Pickering Casino Resort and Great Blue Heron Casino on February 16, 2021 but remain in effect at Casino Woodbine. Although restrictions at certain properties were lifted and construction recommenced with appropriate workplace safety measures in place, the Company continues to reassess the timing of its development projects in Ontario. Despite the impact on timing, the Company does not expect a material impact to the total planned capital spend on its development projects.

2. BASIS OF PRESENTATION (Continued)

a) Temporary Business Interruption (Continued)

The Company has undertaken several measures in response to the Pandemic. Management continued to monitor the potential implications of the Pandemic on the business and at all times prioritized the health and safety of its team members and guests. Prior to the temporary suspension, the Company assessed its working capital requirements and increased its liquidity to better position it to sustain a potential closure. At December 31, 2020, the Company had $434.8 in cash and $972.3 of available undrawn credit on its credit facilities. The Company worked closely with the respective Provincial Crown corporations to ensure its Operating Agreements remain in good standing during the suspension period. In response to the closures of its sites, the Company made operational adjustments to reduce its human resources and property, marketing and administration expenses in an effort to reduce its cash outflows during the temporary suspension period.

In addition, the Company has applied for eligible government assistance related to the Pandemic to further reduce its cash outflows. For the year ended December 31, 2020, the Company recognized $21.3 of eligible government assistance which was recorded as a reduction against related expenses.

The Company also completed amendments to each of its credit agreements to temporarily waive certain financial and other covenants for a defined period. Certain waivers require maintenance of a liquidity covenant during the waiver period. Upon expiry of the waivers, further waiver amendments may be required to be negotiated with creditors in a scenario of an extended temporary suspension.

The temporary business interruption as described above has adversely impacted the Company’s financial position. Based on the Company’s actions taken to date, management has concluded that the Company has adequate resources to continue in operation for at least the next 12 months and that there are no material uncertainties regarding the Company’s ability to continue as a going concern. In making this determination, the Company applies judgment around forecasted net cash flows impacted from restricted operating conditions that may be imposed on the Company by the local health authorities during the Pandemic, and the assessment on the likelihood of the continued support from its lenders to provide temporary waivers on certain financial and other covenants, as may be required in a scenario of an extended temporary suspension. Given the dynamic nature of the Pandemic, the duration and magnitude of the operating restrictions remains uncertain, including the impact of any additional health and safety measures introduced on reopening.

b) Discontinued Operations

On June 27, 2019, the Company sold all the shares of its wholly-owned subsidiary, Great American Gaming Corporation (“GAGC”), which represented the Company’s U.S. region, a segment that was previously reported in the Company’s Annual Financial Statements. Financial results of GAGC, including comparative information, have been presented as discontinued operations in the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income and in the Consolidated Statements of Cash Flows (see Note 28).

(Expressed in millions of Canadian dollars, except for per share information)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Principles of consolidation and business combination

i) Basis of Consolidation

These Consolidated Financial Statements include the balances, operations and cash flows of the Company and its subsidiaries. Subsidiaries are entities over which the Company has control, where control is defined as the power to govern financial and operating policies. Control is achieved when the Company has power over its subsidiaries, has exposure or rights to variable returns from the subsidiaries and has the ability to use its power to affect the amount of its returns. The effects of potential voting rights that are currently exercisable and Board of Directors presence are also considered when assessing whether control exists. Subsidiaries are fully consolidated from the date the Company acquires control of them and are deconsolidated from the date control ceases. Intercompany balances and transactions with subsidiaries are eliminated upon consolidation.

For subsidiaries that are not wholly-owned subsidiaries but are controlled by the Company, the net assets (liabilities) and net profit (loss) attributable to outside shareholders are presented as amounts attributable to non-controlling interests in the Consolidated Statements of Financial Position and Consolidated Statements of Earnings and Other Comprehensive Income.

As at December 31, 2020, the Company's principal operating entities which the Company consolidates were:

Entity	Abbreviation	Location of operations	Ownership interest at December 31, 2020 and 2019
Flamboro Downs Limited	FDL	Ontario	100%
Georgian Downs Limited	GDL	Ontario	100%
Ontario Gaming East Limited Partnership	OGELP	Ontario	90.5%
Ontario Gaming GTA Limited Partnership *(doing business as One Toronto Gaming)*	OTG	Ontario	50%
Ontario Gaming West GTA Limited Partnership	OGWGLP	Ontario	100%
Chilliwack Gaming Ltd.	CGL	British Columbia	100%
Great Canadian Casinos Inc.	GCCI	British Columbia	100%
Great Canadian Entertainment Centres Ltd.	GCEC	British Columbia	100%
Hastings Entertainment Inc.	HEI	British Columbia	100%
Orangeville Raceway Limited	ORL	British Columbia	100%
Great Canadian Gaming (New Brunswick) Ltd.	GCGNB	New Brunswick	100%
Metropolitan Entertainment Group	MEG	Nova Scotia	100%

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Principles of consolidation and business combination (Continued)

i) Basis of Consolidation (Continued)

Under these principal operating entities, the Company operated 26 gaming, entertainment and hospitality facilities in the Ontario, B.C. and Atlantic regions:

Ontario	British Columbia	Atlantic
OTG	*GCCI*	*GCGNB*
Casino Woodbine	River Rock Casino Resort	Casino New Brunswick
Pickering Casino Resort[1]	Hard Rock Casino Vancouver	
Casino Ajax	Elements Casino Victoria	*MEG*
Great Blue Heron Casino	Casino Nanaimo	Casino Nova Scotia Halifax
	Bingo Esquimalt	Casino Nova Scotia Sydney
OGWGLP		
Elements Casino Mohawk	*ORL*	
Elements Casino Brantford	Elements Casino Surrey	
Elements Casino Flamboro[2]		
Elements Casino Grand River	*CGL*	
	Elements Casino Chilliwack	
OGELP		
Shorelines Casino Peterborough	*GCEC*	
Shorelines Casino Belleville	Chances Dawson Creek	
Shorelines Casino Thousand Islands	Chances Maple Ridge	
Shorelines Slots at Kawartha Downs		
	HEI	
FDL	Hastings Racecourse & Casino	
Flamboro Downs Racetrack[2]		
GDL		
Georgian Downs Racetrack		

(1) The construction of the casino portion of Pickering Casino Resort was completed by the end of 2020.
(2) Elements Casino Flamboro and Flamboro Downs Racetrack operate in the same location, and together, they are considered one gaming facility.

ii) Investment in Associates

Equity method investees are entities over which the Company has significant influence, but not control. Generally, in order to have significant influence, the Company has a shareholding of between 20% and 50% of the voting rights. The equity method is used to account for investees over which the Company has significant influence, which results in the presentation of these investments within "other assets" on the consolidated statements of financial position. The investment is initially recorded at cost, and is increased by the investment's periodic net earnings and decreased by any distributions that are received. The Company's share of the investment's net earnings is included in "share of profit of equity investment" on the Consolidated Statements of Earnings and Other Comprehensive Income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Translation of foreign currency transactions

The Company's Consolidated Financial Statements are presented in Canadian dollars, which is the functional currency of the Company's operations. Transactions completed in foreign currencies are translated into Canadian dollars at the rates prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are reflected in the Consolidated Financial Statements at the exchange rates prevailing at the reporting dates, with the resulting gain or loss included in the Consolidated Statements of Earnings and Other Comprehensive Income.

The Company had U.S. operations up until June 27, 2019 (see Note 2(b)). The U.S. operations were measured in the currency in which they operated and were translated into Canadian dollars at each reporting date. Assets and liabilities were translated into Canadian dollars from U.S. dollars using the exchange rates in effect on the reporting dates. Revenues and expenses were translated at average exchange rates prevailing during the period. The resulting translation gains and losses were included as a separate component of other comprehensive income ("OCI").

c) Operating segments

The Company's operating segments are organized on a regional basis and are reported in a manner consistent with the internal reporting regularly provided to the Chief Executive Officer, the Company's Chief Operating Decision Maker ("CODM"), to make resource allocation decisions and assess performance.

d) Cash

Cash includes cash in banks and cash floats held on site for casino operations.

e) Accounts receivable

Accounts receivable balances are primarily due from Provincial Crown corporations, racetrack operators, and the federal government for sales tax rebates. The credit loss allowance for accounts receivable is estimated based on an assessment of individual accounts and the length of time balances have been outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization, and impairments. Amortization is expensed on a straight-line basis from the month assets are available for use over the estimated useful lives of the assets generally at the following rates, which are intended to reduce the carrying value:

Land	not amortized
Buildings	lesser of useful life or 40 years
Building improvements	lesser of useful life or 10 years
Equipment	lesser of useful life or 10 years
Leasehold improvements	lesser of useful life or lease term, including renewal term, if applicable

During the construction period of facilities, the Company capitalizes construction and overhead costs, including borrowing costs, directly attributable to the construction project. The costs of construction of the Company's facilities are classified as properties under development. When the property or portion thereof is substantially complete and available for use, costs cease to be capitalized, are transferred from properties under development to their respective asset component categories, and are amortized separately over the assets' estimated useful lives down to the estimated residual value, if applicable.

The amortization method, useful life and residual values are assessed annually and the carrying values are tested for impairment as described in Note 3(k).

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the asset is available and authorized for immediate sale and when management considers the sale of the asset to be highly probable to occur within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

g) Leases

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Leases (Continued)

Right-of-use assets

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

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment, which are intended to reduce the carrying value to the estimated residual value, if any. In addition, the right-of-use asset is subject to impairment assessment and adjusted for certain remeasurements of its associated lease liability.

Lease Liabilities

The lease liability is initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate specific to the lease.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments;
- lease payments that depend on an index or a rate (such as inflation), initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in net earnings if the carrying amount of the right-of-use asset is nil.

A lease modification is accounted for as a separate lease if there is an increase in the scope of a lease and a corresponding increase in consideration, such as adding the right to use one or more underlying assets in a contract. Otherwise, a lease modification is considered a remeasurement of the lease liability, as discussed above.

Lease payments that depend on performance measures or usage of the underlying asset are considered variable lease payments, which are recognized in “property, marketing and administration” expense in the period in which they occur. Lease payments that are initially structured based on a variable event, but for which the event will be resolved after the commencement date, will become in-substance fixed payments when the variability is resolved.

Recognition Exemptions

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes short-term leases and leases of low-value assets in “property, marketing and administration” expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Nova Scotia Capital Reserve Account

The Amended and Restated Operating Contract (“AROC”) dated June 20, 2014 with the Nova Scotia Gaming Corporation (“NSGC”) includes a provision for the reimbursement of the Company’s qualifying expenditures under the NSGC’s Capital Reserve (“CR”) Account.

Under the AROC, the Company deposits a specified amount annually to a CR Account. Reimbursement of qualifying expenditures is received from the CR Account, or if there is an insufficient balance in the CR Account, the reimbursement is recorded as a receivable from NSGC and recorded as a reduction in the cost of the related expenditures at the time approval is given by NSGC. As provided for in the AROC, to the extent a receivable balance exists, the Company earns interest on the balance at a rate of bank prime less 0.5% per annum. The annual CR Account contribution for the period from April 1, 2020 to March 31, 2021 has been waived by NSGC.

i) Intangible assets

The Company has finite-lived intangible assets which consist of gaming operating agreements in Ontario, British Columbia, Nova Scotia and New Brunswick, lease agreements in Ontario, and other gaming-related rights. Intangible assets are primarily generated through acquisitions and are amortized over their estimated useful lives. Judgment is used to estimate an intangible asset’s useful life and is based on an analysis of all pertinent factors, including expected use of the intangible asset, contractual provisions that enable renewal or extension of the intangible asset’s legal or contractual life without substantial cost, and renewal history. The remaining useful lives of the intangible assets are reviewed at the end of each annual reporting period, with any changes in the estimate of an intangible asset’s useful life or the amortization method being treated as a change in accounting estimate and applied prospectively. Intangible assets are assessed for impairment as described in Note 3(k).

j) Goodwill

Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair value of the tangible and intangible net assets at the date acquired, and is allocated to the cash generating unit (“CGU”) expected to benefit from the acquisition. A CGU is the smallest group of assets for which there are separately identifiable cash flows.

Goodwill is not amortized but is assessed for impairment at least annually and whenever events or circumstances indicate that its carrying value may not be fully recoverable. The impairment test requires comparing the carrying values of the Company’s CGUs, including goodwill, to their recoverable amounts. The Company determines the value in use using estimated future cash flows discounted at an after-tax rate that reflects the risk adjusted weighted-average cost of capital. Any excess of the carrying value amount of a CGU over the recoverable amount is expensed in the period the impairment is identified. An impairment loss recorded for goodwill is not reversed in a subsequent period.

Upon disposal of a business, any related goodwill is included in the determination of gain or loss on disposal. Goodwill associated with the Company’s foreign operations is translated to the Canadian dollar reporting currency at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Impairment of long-lived assets

Long-lived assets, including property, plant and equipment and intangible assets, are assessed for impairment at the end of each reporting period for events or circumstances that indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the recoverable amount of the asset is estimated to determine whether there is an impairment loss. The recoverable amount of an asset is first tested on an individual basis, if determinable, or otherwise at the CGU level. Corporate level assets are allocated to the respective CGUs where an allocation can be done on a reasonable and consistent basis.

The recoverable amount is the higher of fair value less costs to sell and value in use. The best evidence of fair value is the value obtained from an active market or binding sale agreement. Where neither exists, fair value is based on the best information available to reflect the amount the Company could receive for the asset (or CGU) in an arm's length transaction. The value in use method estimates the net present value of future cash flows expected to be generated by the asset (or CGU), discounted using an after-tax discount rate that reflects the current market rates and risks specific to the asset (or CGU).

An impairment loss is recorded when the carrying value of an asset (or CGU) exceeds its estimated recoverable amount.

In cases where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to its current recoverable amount, to the extent that the new carrying amount does not exceed the carrying amount that would have existed had the original impairment loss not been recorded. The reversal of an impairment loss is immediately recorded in the Consolidated Statements of Earnings and Other Comprehensive Income.

l) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business. They are classified as current liabilities if payment is due within one year or less and are recorded initially at fair value and subsequently measured at amortized cost, using the effective interest rate method.

m) Provisions

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of the expected expenditures required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provisions due to the passage of time is recorded in "interest and financing costs, net" on the Consolidated Statements of Earnings and Other Comprehensive Income. Provisions are not recorded for future operating losses.

n) Debt transaction costs

Debt transaction costs relate to the costs associated with securing long-term financing and credit facilities, and are recorded net of the long-term debt instrument. These costs are expensed to "interest and financing costs, net" on the Consolidated Statements of Earnings and Other Comprehensive Income over the term of the related debt using the effective interest method. When a credit facility is retired by the Company, any remaining balance of related debt transaction costs is expensed to "interest and financing costs, net" on the Consolidated Statements of Earnings and Other Comprehensive Income.

o) Comprehensive income

Comprehensive income consists of net earnings and OCI as presented on the Consolidated Statements of Earnings and Other Comprehensive Income. OCI represents changes in shareholders' equity in a period arising from changes in fair value of derivatives designated as cash flow hedges, net of taxes, and the unrealized effect of foreign currency translation of foreign operations.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Financial instruments

Financial assets and liabilities are initially measured at fair value and are recognized in the Company's Consolidated Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")), are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at FVTPL are recognized immediately in profit or loss.

Financial Assets

Financial assets are initially recorded at fair value and are measured subsequently at either amortized cost, fair value through other comprehensive income, or fair value through profit or loss depending on the classification of the financial assets.

Amortized Cost
Financial assets are measured subsequently at amortized cost using the effective interest rate method if acquired principally to collect contractual cash flows of principal and interest on specified dates. Interest income calculated using the effective interest rate method is recognized in profit or loss through "interest and financing costs, net" on the Consolidated Statements of Earnings and Other Comprehensive Income.

Fair Value Through Other Comprehensive Income ("FVTOCI")
Financial assets are measured subsequently at FVTOCI using the effective interest rate method if acquired to collect contractual cash flows of principal and interest on specified dates and to sell the financial asset. Interest income calculated using the effective interest rate method is recognized in profit or loss through "interest and financing costs, net" on the Consolidated Statements of Earnings and Other Comprehensive Income. Any other changes to the carrying amount of the financial asset are recognized in OCI.

Fair Value Through Profit or Loss ("FVTPL")
Financial assets are measured subsequently at FVTPL by default or do not meet the criteria for being measured at amortized cost or FVTOCI. Fair value gains or losses at the end of each reporting period are recognized in profit or loss through "interest and financing costs, net" on the Consolidated Statements of Earnings and Other Comprehensive Income to the extent they are not part of a designated hedging relationship.

Impairment of Financial Assets
At the end of each reporting period, the Company assesses whether to recognize a loss allowance for expected credit losses ("ECL") for a financial asset or a group of financial assets, other than those classified as FVTPL. If there is objective evidence that an ECL exists, the loss is recognized in profit or loss with a corresponding adjustment to the carrying amount of the financial asset through a loss allowance account. The ECL is estimated as the difference between the contractual cash flows that the Company is entitled to receive and the cash flows that the Company expects to receive.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Financial instruments (Continued)

Financial Liabilities

Financial liabilities that are held-for-trading are measured subsequently at FVTPL, with gains and losses arising on changes in fair value recognized in profit or loss through “interest and financing costs, net” on the Consolidated Statements of Earnings and Other Comprehensive Income to the extent they are not part of a designated hedging relationship. Changes in fair value of the financial liability due to changes in the credit risk of the liability is recognized in OCI, unless the recognition of the effects of changes in the liability’s credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

All other financial liabilities not classified as FVTPL are measured subsequently at amortized cost using the effective interest rate method.

Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss. When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

Classification of Financial Instruments

The following table summarizes the Company's selected financial instrument classifications:

Financial instrument	Classification
Cash	Amortized Cost
Accounts receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Other liabilities	Amortized Cost
Long-term debt	Amortized Cost

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Share-based compensation

The Company has equity-settled and cash-settled share-based compensation plans.

Equity-settled share-based compensation
The Company measures the fair value of its employee share option awards using the Black-Scholes option pricing model. Under this method, the Company recognizes compensation expense for employee share option awards, based on the grant date fair value, over the vesting period of the options.

The Company adjusts the share-based compensation expense based on the number of share options expected to vest at the end of the reporting period.

If granted share options are cancelled during the vesting period (other than those cancelled by forfeiture when the vesting conditions are not satisfied), the Company recognizes the remaining compensation expense associated with the cancelled share options in the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income immediately upon cancellation.

Cash-settled share-based compensation
The Company provides cash-settled share-based compensation such as Deferred Share Units (“DSUs”) and Restricted Share Units (“RSUs”). DSUs provided to non-employee directors vest immediately and are settled with cash when the unit holder ceases to be a director. The liability, which is based on the market value of the Company’s common shares, is initially recorded on the grant date as “deferred credits, provisions and other liabilities” on the Consolidated Statements of Financial Position, and is re-measured at each reporting period and the date when the unit holder ceases to be a director. The initial liability and subsequent changes arising from increases or decreases in the market value of the underlying common shares are recorded as “share-based compensation” on the Consolidated Statements of Earnings and Other Comprehensive Income.

The Company has two RSU plans: the Great Canadian Incentive Plan RSU (“GCIP RSU”) and a cash-settled RSU plan (“Cash RSU”). The GCIP RSU provided to employees are granted after a fiscal year if targeted operating results are achieved and then vest over a period of one to two years from the date they are granted. Cash RSUs provided to employees are granted during the fiscal year for services rendered and vest over a period of three years from the date they are granted. The liability, which is based on the number of RSUs expected to vest, is recorded as “accounts payable and accrued liabilities” for payments that will be made within one year and as “deferred credits, provisions and other liabilities” on the Consolidated Statements of Financial Position for payments that will be made after one year. The liability is re-measured each reporting period until the redemption date. The initial liability and subsequent changes in the value of the underlying common shares are recorded as “share-based compensation” on the Consolidated Statements of Earnings and Other Comprehensive Income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Revenue recognition

The Company evaluates all contractual arrangements it enters into and evaluates the nature of the promises it makes, and rights and obligations under the arrangement, in determining the nature of its performance obligations. Where such performance obligations are concluded to be distinct from each other, the consideration the Company expects to be entitled under the arrangement is allocated to each performance obligation based on its relative estimated stand-alone selling prices. Performance obligations that are concluded not to be distinct are combined together into a single unit of account. Revenue is recognized at an amount equal to the transaction price allocated to the specific performance obligation when it is satisfied.

The Company's arrangements include some or all of the following sources of revenue:

Gaming revenues

Gaming revenues presented in these Consolidated Financial Statements include the following sources:

- *Operating agreements with Provincial Crown corporations*

  The Company's gaming operations in Canada are conducted pursuant to operating agreements with Provincial Crown corporations ("Operating Agreements"). The Company earns a service fee for operating and managing gaming facilities. The Company's gaming revenues represent the fees earned under the terms of the Operating Agreements, which are determined using a prescribed formula based on gross gaming revenues generated at the respective facilities plus additional consideration under the Facility Investment Commission ("FIC") program from British Columbia Lottery Corporation ("BCLC") and Permitted Capital Expenditures ("PCE") from Ontario Lottery and Gaming Corporation ("OLG"). Gross gaming revenues belong to the Provincial Crown corporations and represent the amounts wagered on gaming activities less the payout or prizes won by customers.

- *Facility Investment Commission*

  Effective June 3, 2018, the Company receives FIC under new Operational Services Agreements ("OSAs") with BCLC, calculated as 5% of Gross Gaming Revenues generated by its B.C. properties for qualified expenditures that the Company is committed to make for its Minimum Investment Required ("MIR"), a term defined in the OSA. Certain non-capital expenditures, such as marketing and maintenance costs, are considered to be qualified costs eligible for FIC. FIC is recognized when Gross Gaming Revenues are generated and subject to meeting MIR requirements.

- *Permitted Capital Expenditures*

  In Ontario, the Company is entitled to additional consideration up to a predefined amount per gaming property in each operating year for incurring PCE, a term defined in the Company's COSAs with OLG. Revenue is recognized as eligible expenditures are incurred up to the predefined annual amount. PCE approved by OLG can be carried forward for up to four years. PCE incurred, including amounts incurred in prior years that are carried forward, in excess of the current period's annual amount represents variable consideration which is not recorded in the Consolidated Financial Statements until the Company is able to conclude that it will receive consideration for the services provided.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Revenue recognition (Continued)

- *Customer loyalty programs*

  For customer loyalty programs operated by the Company, a portion of gaming revenues received for which loyalty rights are earned by our customers are recorded as a contract liability based on the rewards' allocated amount using their relative selling price and then subsequently recognized as revenue in a future period when the rewards are redeemed. The revenue classification at that time will depend on the type of rewards redeemed.

  The estimated selling price of loyalty rewards is determined using an equivalent cash cost approach which uses historical data of award redemption patterns considering the alternative goods or services for which the rewards can be redeemed. The estimated selling price of rewards is adjusted for an estimate of rewards that will not be redeemed based on historical redemption patterns. Historically non-redeemed loyalty rewards have not been significant.

- *Promotional allowances*

  Promotional allowances relating to gaming revenues are recorded at the face value offered to guests without charge and are deducted from revenues when redeemed.

Hospitality revenues

Hospitality revenues, which include food and beverage revenues, hotel revenues, and theatre offerings, are recorded as goods are delivered, or services are performed. Advance deposits on rooms and advance ticket sales are recorded as a deposit liability until services are provided to the customer.

Promotional allowances related to hospitality revenues are recorded at the retail value of food and beverage, accommodations, and other incentives furnished to guests without charge and are deducted from hospitality revenues when redeemed.

Racetrack, lease and other revenues

On-site and simulcast racetrack revenues generated in B.C., net of amounts returned as winning wagers, simulcast fees, and provincial and federal pari-mutuel taxes, are pooled into a shared industry fund (the "B.C. Horse Racing Industry Fund") and then distributed to the Company and the B.C. horse racing breeders associations according to an agreed allocation. During 2019, the Company was allocated 43% of the shared industry funds (2018 - 43%). The remainder was allocated to the B.C. horse racing breeders associations for administration and distribution of racing purses and breeder supplements.

In Ontario, under the terms of the revenue sharing agreements among the Ontario Racing Membership, pari-mutuel revenues are pooled and shared among the Ontario Racing Member Racetracks. The Company also receives transition funding under a funding agreement until March 31, 2021. The Company's share of this revenue is recognized on a systematic basis over the periods in which the Company records the related eligible horse racing costs for which the funding is intended to compensate.

Lease revenues include income for leasing the slot machine areas at Georgian Downs and Flamboro Downs and are recorded over time, generally on a straight-line basis over the term the leasing service is provided. Effective May 1, 2018, Flamboro Downs earns lease revenues from Elements Casino Flamboro, a gaming facility operated by OGWGLP. Since the Company controls OGWGLP, the lease revenues earned by Flamboro Downs and the related expense incurred by OGWGLP have been eliminated upon consolidation starting May 1, 2018.

Other revenues include automated teller machine ("ATM") commissions, and other income from ancillary services.

ATM commissions are generated when customers withdraw cash from the ATMs located at the Company's properties and are recognized as revenue when the transaction occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Government Grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to the grant and the grant will be received. Government grants that compensate the Company for expenses incurred are recorded as a reduction against the related expenses.

t) Taxation

Income tax expense represents the sum of current and deferred taxes. Current and deferred taxes are recognized in net earnings, except to the extent it relates to items recognized in OCI or in equity.

Current tax
The tax currently payable is based on taxable income for the year. Taxable income differs from earnings as reported in the Consolidated Statements of Earnings and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are not expected to be taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities on the Consolidated Statements of Financial Position and the corresponding tax bases used in the computation of taxable income, as well as the benefit of tax losses available to be carried forward to future years to the extent it is probable it will be realized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit (loss) nor accounting earnings (loss).

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The Company recognizes the income tax benefit of uncertain tax positions only when it is probable that the tax position taken will be sustained upon examination by the applicable tax authority.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

u) Shareholders' net (loss) earnings per common share

Basic net earnings per common share is calculated using the weighted-average number of common shares outstanding during the period. Diluted net earnings per common share is presented using the treasury stock method and is calculated by dividing net earnings applicable to common shares by the sum of the weighted-average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

v) Non-controlling interests

The following subsidiaries of the Company are partially owned by non-controlling interests as follows:

NCI ownership interest at December 31, 2020 and 2019	
OTG	50%
OGELP	9.5%

Revenues earned by the Company for services performed for a partially owned subsidiary are recognized as expenses in the subsidiary's net earnings prior to allocation to the non-controlling interest.

Net earnings of partially owned subsidiaries allocated to non-controlling interests are reflected on the Consolidated Statements of Earnings and Other Comprehensive Income.

The proportionate share of net assets of the partially owned subsidiaries is reflected as "non-controlling interests" on the Consolidated Statements of Changes in Equity.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the change in carrying amount of the non-controlling interests and the fair value of consideration paid or received is recognized in equity attributable to shareholders.

Financial information relating to non-controlling interests is disclosed in Note 22.

w) Litigations

The Company is subject to legal proceedings, claims and investigations in the ordinary course of business. Liabilities related to such matters are recorded when it is both probable that a liability has been incurred and the amount of the liability can be reasonably estimated. All legal costs associated with litigation are expensed as incurred.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

The estimates and judgments used in determining the recorded amounts and applying the Company's critical accounting estimates and judgments in these Consolidated Financial Statements include the following:

- *Control of Subsidiaries*

  The Company consolidates the balances, operations and cash flows of the entities which it controls. In determining control, management assesses whether the Company has power over the entity, exposure, or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

  In determining if the Company has power over its Ontario partnerships, management makes judgments when identifying which activities of these partnerships are relevant in significantly affecting returns and the extent of the existing rights that give the Company the current ability to direct the relevant activities, as discussed in Note 3(a).

  The operations and development of the Ontario partnerships are the key relevant activities and through the management service agreement and development service agreement, the Company has the ability to contractually direct the relevant activities of these partnerships. Other parties with protective rights do not have power that prevents the Company's exercise of power over these partnerships. Based on management's evaluation of the key criteria, it was determined the Company controls its Ontario partnerships.

- *Revenue Recognition*

  The application of IFRS 15 requires the Company to make a number of estimates and judgments, including the determination of the nature of its performance obligations under its contracts, the assessment of the amount it expects to be entitled for variable consideration in determining the transaction price, and the timing of recognition and allocation of the transaction price to loyalty programs based on the estimated relative selling price method.

  In analyzing its contracts with the Provincial Crown corporations, the Company first evaluates whether its various promises to provide goods or services represents that of the principal in the transactions with casino patrons or as the provincial body's agent in providing such services. In Canada, the Company has concluded its services are as an agent since the legal party in the wagering transaction with customers rests with the Provincial Crown corporations and the Company is engaged to provide services under their authority. As a result, revenue is recognized net of the amounts belonging to the Provincial Crown corporations.

- *Estimated useful lives of long-lived assets*

  Judgment is used to estimate each component of an asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

- *Residual values of property, plant and equipment*

  Judgment is used to estimate the residual values of property, plant and equipment, if the residual values were incorrect, it could result in an increase or decrease in the annual amortization expense and future impairment charges.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

- *Identification of Leases*

  In assessing whether a contract is, or contains, a lease, management makes judgments when determining whether the contract involves the use of an identified asset, and whether the Company has the right to control the use of the identified asset.

- *Lease Liabilities*

  The Company's lease liabilities are measured at the present value of the lease payments discounted using the applicable incremental borrowing rate of the Company. Determination of the discount rate requires significant judgment and may have significant quantitative impact on the lease liability valuations.

  Under IFRS 16, the lease term considers extension periods where it is reasonably certain that a lease extension option will be exercised or that a lease termination option will not be exercised. Judgment is required when determining the term of leases with extension or termination options, specifically for property leases whose terms are dependent on factors such as the term of its respective operating agreement with the Provincial Crown corporation.

  Remeasurement of the lease liability as a result of changes in future lease payments (due to timing of payments or change in index or rate) or changes in the lease term (which will require a revised discount rate at the date of reassessment) will result in an adjustment to the corresponding right-of-use asset.

- *Equity-settled share-based compensation*

  The Company estimates the cost of equity-settled share-based compensation using the Black-Scholes option pricing model. The model takes into account an estimate of the expected life of the option, the current price of the underlying common share, the expected volatility, an estimate of future dividends on the underlying common share, the risk-free rate of return expected for an instrument with a term equal to the expected life of the option, and the expected forfeiture rate.

- *Cash-settled share-based compensation*

  The cost of cash-settled share-based compensation provided to employees incorporates an expected forfeiture rate based on historic employee retention to estimate the expected number of cash-settled securities that will vest. If the actual employee retention rate over the vesting period differs from the estimated rate, the amount of cash required to settle the liability could be higher or lower than the accrued liability and the change would be reflected in share-based compensation expense.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

- *Income taxes*

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

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

  The Company's operations are conducted in countries with complex tax laws and regulations that can require significant interpretation. As such, the Company and the tax authorities could disagree on tax filing positions and any reassessment of the Company's tax filings could result in material adjustments to tax expense, taxes payable and deferred income taxes.

- *Contingencies*

  Provisions are accrued for liabilities with uncertain timing or amounts, if, in the opinion of management, it is both likely that a future event will confirm that a liability had been incurred at the date of the Consolidated Financial Statements of Financial Position and the amount can be reasonably estimated. In cases where it is not possible to determine whether such a liability has occurred, or to reasonably estimate the amount of loss until the performance of some future event, no accrual is made until that time. In the ordinary course of business, the Company may be party to legal proceedings which include claims for monetary damages asserted against the Company and its subsidiaries. The adequacy of provisions is regularly assessed as new information becomes available

  The Company does not record contingent assets.

- *Determination of CGUs*

  The Company's assets are grouped into CGUs based on their ability to generate separate identifiable cash flows. The determination of CGUs involves an assessment regarding the interdependency of cash inflows, and the Company's organizational structure.

- *Impairment of long-lived assets*

  The determination of long-lived asset impairment requires significant estimates and assumptions to determine the recoverable amount of an asset and/or CGU, wherein the recoverable amount is the higher of fair value less costs to sell and value in use. The value in use method involves estimating the net present value of future cash flows derived from the use of the asset and/or CGU, including the terminal value, and requires the use of judgments regarding the appropriate discount rate and growth rate.

  The estimates of future cash flows require a number of key assumptions about future business performance. These assumptions and estimates are primarily based on the relevant business' historical experience, economic trends, and consider past communications with relevant stakeholders of the Company. These key assumptions include the future revenue levels and expenses including human resource and property, marketing and administration expenses. The key assumptions are subject to a number of factors and it is possible that actual results could vary materially from management's estimates. Significant changes in the key assumptions utilized in the estimate of future cash flows could result in an impairment loss or reversal of an impairment loss.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

- *Segment Reporting*

  The preparation of financial statements requires management to make judgments that affect the financial statement disclosure of information regularly reviewed by the Company's CODM used to make resource allocation decisions and to assess performance.

  Significant judgments were made in determining operating segments to reflect the manner in which the CODM now reviews the operations and business performance of the Company. Management has considered the regular process used by the CODM to assess performance, the budgeting process, and public statements about how an entity operates its business. As the CODM monitors the Company's operating results on a regional basis, management has determined each region to be an operating segment.

5. CHANGES IN ACCOUNTING STANDARDS

The Company has considered the following amendments to IAS that have been issued and are effective:

- COVID-19 – Related Rent Concessions (effective June 1, 2020 with early adoption permitted) is an amendment to IFRS 16*, Leases* which exempts lessees from considering eligible lease concessions that are a direct consequence of the Pandemic as lease modifications. The amendment applies to Pandemic-related rent concessions that reduce lease payments due on or before June 30, 2021. During the temporary business interruption, the Company received rent reductions from certain landlords on its leased properties. The Company has adopted this amendment for the year ended December 31, 2020. Under this exemption, lease concessions are accounted for as a variable lease payment, which are recognized in "property, marketing and administration" expense in the period in which they occur.

- Amendments to IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* (effective January 1, 2020 with early adoption permitted) were made to refine the definition of material in IAS 1 and align the definitions used across IFRS Standards and other publications. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition and the threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. These amendments did not impact the Company's Consolidated Financial Statements.

The Company has not applied the following amendments to IAS that have been issued but are not yet effective:

- Amendments to IAS 1, *Presentation of Financial Statements* (effective January 1, 2023) clarify the presentation of liabilities in the statement of financial position. The classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period and is unaffected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. Management is currently assessing the impact of this amendment.

- Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* (effective January 1, 2022) clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts. The amendments apply to contracts existing at the date when the amendments are first applied. Management is currently assessing the impact of this amendment.

(Expressed in millions of Canadian dollars, except for per share information)

6. ACCOUNTS RECEIVABLE

	December 31, 2020	December 31, 2019
Due from Provincial Crown corporations	**$ 5.7**	$ 44.9
Trade receivables	**16.6**	16.0
Sales tax receivable	**18.5**	18.7
	$ 40.8	$ 79.6

7. PROPERTY, PLANT AND EQUIPMENT

a) *Reconciliation of carrying amount*

	Land	Buildings, Building Improvements and Leasehold Improvements	Equipment	Properties Under Development	Total
Cost					
Balance at January 1, 2019	$ 92.8	$ 1,033.4	$ 299.6	$ 153.2	$ 1,579.0
Additions	0.1	0.7	4.6	435.4	440.8
Disposals[(1)]	(4.4)	(17.0)	(6.3)	(1.2)	(28.9)
Transferred to right-of-use assets	(5.2)	(52.0)	-	-	(57.2)
Transfers	-	67.5	94.7	(162.2)	-
Translation and other	(0.1)	(0.7)	(0.3)	-	(1.1)
Balance at December 31, 2019	$ 83.2	$ 1,031.9	$ 392.3	$ 425.2	$ 1,932.6
Additions[(2)]	**-**	**0.7**	**3.5**	**277.7**	**281.9**
Disposals	**(0.2)**	**-**	**-**	**-**	**(0.2)**
Transfers	**-**	**267.5**	**80.5**	**(348.0)**	**-**
Balance at December 31, 2020	**$ 83.0**	**$ 1,300.1**	**$ 476.3**	**$ 354.9**	**$ 2,214.3**
Accumulated amortization and impairment					
Balance at January 1, 2019	$ (11.2)	$ (401.2)	$ (177.5)	$ -	$ (589.9)
Amortization	-	(38.2)	(51.7)	-	(89.9)
Disposals[(1)]	-	8.7	5.2	-	13.9
Transferred to right-of-use assets	-	7.6	-	-	7.6
Translation and other	-	0.7	0.3	-	1.0
Balance at December 31, 2019	$ (11.2)	$ (422.4)	$ (223.7)	$ -	$ (657.3)
Amortization	**-**	**(36.9)**	**(54.6)**	**-**	**(91.5)**
Balance at December 31, 2020	**$ (11.2)**	**$ (459.3)**	**$ (278.3)**	**$ -**	**$ (748.8)**
Carrying amount					
At December 31, 2019	$ 72.0	$ 609.5	$ 168.6	$ 425.2	$ 1,275.3
At December 31, 2020	**$ 71.8**	**$ 840.8**	**$ 198.0**	**$ 354.9**	**$ 1,465.5**

(1) Disposals primarily relate to the sale of GAGC's property, plant, and equipment following the sale of the Company's shares of GAGC on June 27, 2019, as disclosed in Note 28.
(2) The Company capitalized borrowing costs of $12.0 for the year ended December 31, 2020 (2019 - $5.0) related to the development of gaming properties in Ontario.

b) *Sale of Land*

On February 14, 2019, the Company sold a parcel of vacant land within the B.C. operating segment for proceeds of $15.9, resulting in a gain of $6.6, net of associated disposal costs.

(Expressed in millions of Canadian dollars, except for per share information)

8. LEASES

The Company's right-of-use assets and corresponding lease liabilities primarily consist of property, vehicle and office equipment leases. Modifications and remeasurements to the lease liability relate to changes in lease terms and changes in future lease payments arising from changes in the inflation rate, with the corresponding adjustment made to the carrying amount of the right-of-use asset.

a) *Right-of-use assets*

		Land		Building and Building Improvements		Equipment		Total
Cost								
Balance at January 1, 2019	$	19.8	$	976.0	$	0.2	**$**	**996.0**
Additions		-		9.3		-		**9.3**
Modifications and remeasurements		-		35.5		-		**35.5**
Balance at December 31, 2019	$	19.8	$	1,020.8	$	0.2	$	1,040.8
Modifications and remeasurements		**-**		**30.2**		**-**		**30.2**
Balance at December 31, 2020	**$**	**19.8**	**$**	**1,051.0**	**$**	**0.2**	**$**	**1,071.0**
Accumulated Amortization								
Balance at January 1, 2019	$	-	$	-	$	-	**$**	**-**
Amortization		(1.0)		(54.0)		(0.1)		**(55.1)**
Balance at December 31, 2019	$	(1.0)	$	(54.0)	$	(0.1)	$	(55.1)
Amortization		**(1.0)**		**(54.7)**		**-**		**(55.7)**
Balance at December 31, 2020	**$**	**(2.0)**	**$**	**(108.7)**	**$**	**(0.1)**	**$**	**(110.8)**
Carrying amount								
At December 31, 2019	$	18.8	$	966.8	$	0.1	$	985.7
At December 31, 2020	**$**	**17.8**	**$**	**942.3**	**$**	**0.1**	**$**	**960.2**

b) *Lease liabilities*

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

Lease liabilities recognized at January 1, 2019	$	947.3
Lease payments		(82.8)
Interest accretion		50.9
Additions		9.3
Lease modification and other remeasurements		35.5
Current portion of lease liabilities		(34.4)
Non-current portion of lease liabilities at December 31 2019	**$**	**925.8**

Current and non-current lease liabilities at January 1, 2020	$	960.2
Lease payments		(87.0)
Interest accretion		50.9
Lease modification and other remeasurements		30.2
Current portion of lease liabilities		(36.8)
Non-current portion of lease liabilities at December 31, 2020	**$**	**917.5**

(Expressed in millions of Canadian dollars, except for per share information)

8. LEASES (Continued)

b) Lease liabilities (Continued)

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

Contractual undiscounted cash flows:		
Less than one year	$	86.0
Two to three years		169.6
Four to five years		164.7
More than five years		1,048.5
Total undiscounted lease liabilities as at December 31, 2020	**$**	**1,468.8**

c) Lease payments recognized in net (loss) earnings

The following table summarizes the amounts recognized in "property, marketing and administration" expense with respect to lease payments not included in lease liabilities:

	Year ended December 31,			
		2020		2019
Variable lease payments based on performance or usage	**$**	**7.6**	$	29.0
Expenses related to short-term leases		**7.2**		32.2
Expenses related to leases of low value assets		**0.1**		0.1
Lease payments recognized in net earnings	**$**	**14.9**	$	61.3

The Company's variable lease payments based on performance or usage consisted primarily of property leases. Included in variable lease payments are $0.9 related to lease concessions granted as a result of the Pandemic.

The Company's short-term leases consisted primarily of gaming assets and leases of low value assets consisted primarily of office equipment.

9. INTANGIBLE ASSETS

		Operational Services Agreements		**Ontario Lease Agreements**		**Total**
Cost						
Balance at January 1, 2019, December 31, 2019 and December 31, 2020	**$**	**187.1**	**$**	**106.0**	**$**	**293.1**
Accumulated amortization						
Balance at January 1, 2019	$	(105.0)	$	(89.0)	$	(194.0)
Amortization		(4.0)		(4.0)		(8.0)
Balance at December 31, 2019	**$**	**(109.0)**	**$**	**(93.0)**	**$**	**(202.0)**
Amortization		(5.0)		(4.0)		(9.0)
Balance at December 31, 2020	**$**	**(114.0)**	**$**	**(97.0)**	**$**	**(211.0)**
Carrying amount						
At December 31, 2019	$	78.1	$	13.0	$	91.1
At December 31, 2020	**$**	**73.1**	**$**	**9.0**	**$**	**82.1**

(Expressed in millions of Canadian dollars, except for per share information)

10. GOODWILL

		Total
Cost		
Balance at January 1, 2019	$	49.9
Foreign exchange movements		(0.4)
Disposal[1]		(8.6)
Balance at December 31, 2019 and 2020	**$**	**40.9**
Impairments		
Balance at January 1, 2019, December 31, 2019 and December 31, 2020	**$**	**(27.4)**
Carrying amount		**Total**
At December 31, 2019 and 2020	**$**	**13.5**

(1) The Company sold all the shares of GAGC on June 27, 2019, as disclosed in Note 28, resulting in a disposal of GAGC's goodwill.

11. IMPAIRMENT ANALYSIS OF LONG-LIVED ASSETS

The temporary business interruption, as discussed in Note 2(a), has had a significant impact on the Company's business and therefore management has undertaken an assessment for indicators of impairment of the carrying values of its long-lived assets, including property, plant and equipment, right-of-use assets, intangible assets, and goodwill. As a result, management performed an impairment test to assess whether the recoverable amount of each CGU exceeded their carrying values.

The determination of the recoverable amount required use of significant estimates and judgments regarding forecasted cash flows used, including the extent of operating restrictions on the Company's business, such as timing of the reopening of the Company's properties and the availability of gaming and non-gaming amenities during the Pandemic. The forecasted cash flows reflect the estimated impact from restricted operating conditions that may be imposed on the Company by the local health authorities during the Pandemic. Management has also estimated the ramp-up period of growth and projected cash flows over the term of the Company's operating agreements that are applicable to each CGU. The discount rate applied to each CGU's forecasted cash flows ranged from 10.5% to 11.5%. The terminal growth rate used was 2%, consistent with observed long-term average growth rates in the market. Based on procedures performed, no impairment was required as at December 31, 2020.

(Expressed in millions of Canadian dollars, except for per share information)

12. LONG-TERM DEBT

			December 31, 2020		December 31 2019
Senior Secured Credit Facilities of GCGC, net of unamortized transaction costs of $3.8 (December 31, 2019 - $4.2)	Note 12(a)	**$**	**346.2**		345.8
Senior Unsecured Debentures of GCGC, net of unamortized transaction costs of $7.2 (December 31, 2019 - $nil)	Note 12(b)		**181.8**		-
Non-recourse Revolving and Capital Expenditure Credit Facilities of OTG, net of unamortized transaction costs of $7.6 (December 31, 2019 - $11.1)	Note 12(c)		**571.1**		319.5
Non-recourse Revolving Credit Facility of OGWGLP, net of unamortized transaction costs of $2.3 (December 31, 2019 - $3.0)	Note 12(d)		**138.6**		109.6
Non-recourse Revolving Credit Facility of OGELP, net of unamortized transaction costs of $0.8 (December 31, 2019 - $1.1)	Note 12(e)		**96.2**		94.9
		$	**1,333.9**	$	869.8

a) *Senior Secured Credit Facilities of GCGC*

The Company has a Senior Secured Credit Facilities agreement, comprising a revolving facility and a term loan facility, which matures on November 6, 2023. On March 2, 2020, the Company amended its Senior Secured Credit Facilities agreement by increasing the capacity of its revolving facility by $150.0. The Senior Secured Credit Facilities has an aggregate capacity of $900.0, comprising a $550.0 revolving facility and a fully drawn $350.0 term loan facility. The Senior Secured Credit Facilities are guaranteed and secured by the assets of the Company and its wholly owned subsidiaries, except for OGWGLP, which has its own credit facility as described in Note 12(d).

Draws on the credit facilities can be prime rate loans or bankers' acceptances. The interest rates and standby fees applicable to this revolving credit are listed in Note 26(d).

As at December 31, 2020, the Company had $497.7 (2019 – $347.6) of available undrawn credit on its Senior Secured Credit Facilities after deducting outstanding letters of credit of $52.3 (2019 - $52.4). Concurrent with the acquisition of the non-controlling interest in OGWGLP (see Note 27), OGWGLP's performance letter of credit under the COSA of the West GTA Gaming Bundle was released and the Company replaced it with a $50.0 performance letter of credit secured by its senior secured revolving facility.

Transaction costs associated with the amendments to the Senior Secured Credit Facilities agreement totaled $6.5 are amortized through the "interest and financing costs, net" line of the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income over the remaining term of the Senior Secured Credit Facilities.

As a result of the temporary suspension of operations (as described in Note 2(a)), the Company entered into amending agreements with its lenders on April 27, 2020 and on November 27, 2020 to temporarily waive compliance with its financial covenants under the Senior Secured Credit Facilities, subject to maintaining a minimum liquidity balance of $250.0 comprised of cash on deposit with banks and available undrawn credit on the facility at all times during the waiver period. The waiver period will be in effect until September 29, 2021. Transaction costs for the amendments related to the waivers were expensed to "interest and financing costs, net" line of the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income.

12. LONG-TERM DEBT (Continued)

b) Senior Unsecured Debentures of GCGC

On March 2, 2020, the Company closed a senior unsecured debenture offering for gross proceeds of $180.0. On April 30, 2020, the over-allotment option was completed for additional gross proceeds of $9.0, bringing the aggregate total received for the debenture offering to $189.0, less applicable transaction costs. The debentures bear interest from the date of issuance at 5.25% per annum, payable semi-annually and will mature on December 31, 2026. The debentures are listed on the Toronto Stock Exchange (“TSX”) under the symbol GC.DB.

The debentures will not be redeemable before December 31, 2022, except upon the occurrence of a change of control of the Company in accordance with the terms of the Indenture governing the debentures. There are customary provisions for early redemptions of the Senior Unsecured Debentures during defined periods prior to maturity with payment of defined premiums.

The debentures are classified as a financial liability and initially recorded at fair value of $189.0, net of transaction costs of $8.1 and are measured subsequently at amortized cost. Transaction costs incurred to date associated with the debenture offering are amortized through the “interest and financing costs, net” line of the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income over the term of the debentures.

Subject to required regulatory approval and provided no event of default has occurred under the terms of the governing indenture agreement, the Company has the option to satisfy its obligation to pay the principal amount of the debentures due on or before maturity (plus any applicable premium) by cash or by issuing common shares. The Senior Unsecured Debentures are not subject to any financial covenants. As at December 31, 2020, GCGC was in compliance with its operational and other covenants under the terms of the Indenture.

On June 2, 2020, the Company received approval from the TSX to commence a normal course issuer bid to purchase up to $18.9 of its debentures, representing approximately 10% of the $189.0 aggregate principal. The bid commenced on June 5, 2020 and will expire on June 4, 2021. All debentures purchased by the Company will be subsequently cancelled. The Company has not purchased any debentures for cancellation under this issuer bid. Any future repurchases of debentures under the normal course issuer bid require approval from Apollo Funds under the Arrangement described in Note 29.

12. LONG-TERM DEBT (Continued)

c) Non-recourse Revolving and Capital Expenditures Credit Facilities of OTG

OTG has non-recourse credit facilities that provide an aggregate capacity of up to $1,100.0, comprising a $900.0 capital expenditures facility and a $200.0 revolving facility, for the acquisition, operation, construction, and development of its gaming facilities in the GTA Gaming Bundle. OTG's assets are pledged as collateral on the credit facilities. The credit facilities agreement matures on March 6, 2023. Draws on the credit facilities can be prime rate loans or bankers' acceptances. The interest rates and standby fees applicable to this revolving credit are listed in Note 26(d).

In accordance with a condition under the credit agreement for the advancing of funds, the Company has agreed to contribute its 50% share of the 35% equity contribution target to support the completion of the GTA development program. The equity contributions can first be satisfied by reinvested cash flows generated from the business, with any shortfalls of the target coming from cash injections from the sponsors, of which $100.0 can be deferred and drawn against the credit facility. In the event of default, the remaining committed equity amount can be called to complete the balance of the development program.

As at December 31, 2020, OTG had $438.4 (2019 - $703.0) of available credit on its Non-recourse Revolving and Capital Expenditures credit facilities, after deducting outstanding letters of credit of $82.9 (2019 - $66.4). OTG is not subject to any financial covenants.

Transaction costs associated with the issuance of the credit facilities totaled $17.5 are amortized through the "interest and financing costs, net" line of the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income over the term of the credit facilities.

As a result of the temporary suspension of operations (as described in Note 2(a)), OTG entered into amending agreements with its lenders on April 29, 2020 and on November 27, 2020 to temporarily waive compliance with certain operational and other covenants under the non-recourse revolving and capital expenditures credit facilities. The waiver period will be in effect until June 30, 2021 and can be extended to September 29, 2021 at OTG's option. Transaction costs for the amendments related to the waivers were expensed to "interest and financing costs, net" line of the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income.

12. LONG-TERM DEBT (Continued)

d) Non-recourse Revolving Credit Facility of OGWGLP

OGWGLP has a non-recourse revolving credit facility for the acquisition, operation, construction and development of its gaming facilities in the West GTA Gaming Bundle. On November 27, 2020, OGWGLP amended its non-recourse revolving credit facility, which has a capacity of $160.0. The non-recourse revolving credit facility agreement matures on November 1, 2024. Draws on the credit facilities can be prime rate loans or bankers' acceptances. The interest rates and standby fees applicable to this revolving credit are listed in Note 26(d).

As at December 31, 2020, OGWGLP had $19.1 (2019 - $87.4) of available credit on its non-recourse revolving credit facility. OGWGLP did not have any letters of credit outstanding as at December 31, 2020 (2019 - $nil).

Transaction costs associated with the issuance and amendment of the credit facility totaled $4.0 are amortized through the "interest and financing costs, net" line of the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income over the term of the credit facility.

As a result of the temporary suspension of operations (as described in Note 2(a)), OGWGLP entered into amending agreements with its lenders on April 27, 2020 and on November 27, 2020 to temporarily waive compliance with its financial and certain other covenants under the non-recourse revolving credit facility, subject to maintaining a minimum liquidity balance of $20.0 comprised of cash on deposit with banks and available undrawn credit on the facility at all times during the waiver period. The waiver period will be in effect until September 29, 2021. Transaction costs for the amendments related to the waivers were expensed to "interest and financing costs, net" line of the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income.

(Expressed in millions of Canadian dollars, except for per share information)

12. LONG-TERM DEBT (Continued)

e) Non-recourse Revolving Credit Facility of OGELP

On September 6, 2019, the Company amended the Credit and Guarantee Agreement of the non-recourse revolving credit facility of OGELP, which has a capacity of $130.0 and matures on September 6, 2023. OGELP's assets are pledged as collateral on the credit facility. Draws on the credit facilities can be prime rate loans or bankers' acceptances. The interest rates and standby fees applicable to this revolving credit are listed in Note 26(d).

As at December 31, 2020, OGELP had $17.1 (2019 - $18.1) of available undrawn credit on its credit facility after deducting outstanding letters of credit of $15.9 (2019 - $15.9).

Transaction costs associated with the amendment of the Credit and Guarantee Agreement totaled $1.2 are amortized through the "interest and financing costs, net" line of the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income over the term of the credit facility.

As a result of the temporary suspension of operations (as described in Note 2(a)), OGELP entered into an agreement with its lenders on April 27, 2020 and on November 27, 2020 to temporarily waive compliance with its financial covenants and certain other covenants under the non-recourse revolving credit facility, subject to maintaining a minimum liquidity balance of $20.0 comprised of cash on deposit with banks and available undrawn credit on the facility at all times during the waiver period. The waiver period will be in effect until September 29, 2021. Transaction costs for the amendments related to the waivers were expensed to "interest and financing costs, net" line of the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income.

f) Interest and financing costs, net

	Year ended December 31, **2020**	2019
Interest and financing costs on long-term debt	**$ 55.4**	$ 42.6
Interest accretion on lease liabilities (Note 8(b))	**50.9**	50.9
Bank charges	**0.4**	0.8
Interest income and other	**(5.1)**	(7.0)
	$ 101.6	$ 87.3

Excluded from the table above is interest on long-term debt of $12.0 (2019 - $5.0) related to the development of gaming properties in Ontario, which was capitalized to property, plant and equipment.

(Expressed in millions of Canadian dollars, except for per share information)

13. CAPITAL DISCLOSURES

The Company's capital structure comprises:

- Shareholders' equity;
- Long-term debt;
- Cash; and
- Outstanding letters of credit.

The Company's objectives are to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk levels and to manage capital in a manner that balances the interests of equity and debt holders.

The Company manages its capital structure in light of changes in economic conditions and the risk characteristics of the Company's operations. To maintain or adjust its capital structure, the Company may, with approval from the Board, issue, amend or repay debt, repurchase common shares, or undertake other activities as appropriate. The Board reviews and approves the capital and operating budgets, as well as any material transactions that are not part of the ordinary course of business, including proposals for acquisitions or other major financing transactions, investments, or divestitures.

The Company's major capital allocation decisions include a comparison of the expected financial returns from those investments to its estimated weighted-average cost of capital. The Company currently plans to use its cash, cash flows from operations, and established debt facilities to finance its business development plans.

The Company monitors its capital structure and must comply with certain financial covenants and other requirements related to its long-term debt, as disclosed in Note 12. The Company intends to manage its capital by operating at a level that provides a conservative margin compared to the limits of its covenants. The Company has complied with all imposed capital requirements during the year ended December 31, 2020.

During the year ended December 31, 2020, there were no material changes to the Company's objectives or strategies on its capital structure. In 2020, the Company issued Senior Unsecured Debentures and entered into amending agreements with each of its credit facilities, as discussed in Note 12.

14. DEFERRED CREDITS, PROVISIONS AND OTHER LIABILITIES

	December 31, 2020	December 31, 2019
Deferred credits	**$ 13.6**	$ 14.3
Provisions	**5.2**	6.5
Deferred compensation	**10.4**	9.3
	$ 29.2	$ 30.1

Deferred credits, non-current relates to agreements entered into between the Company with the South Coast British Columbia Transportation Authority ("TransLink") and Canada Line Rapid Transit Inc. ("Canada Line") in 2008 to build and operate a 1,200 stall multi-level parking garage at Bridgeport Station, across from the River Rock Casino Resort ("River Rock") in Richmond, British Columbia.

The land and cash received from TransLink is being treated as assistance for the cost of providing future parking services to Canada Line's passengers. Accordingly, the fair value of the land received of $17.2 was accounted for as a non-monetary transaction and cash of $4.5 was recorded as "cash", with a corresponding credit to "deferred credits". These "deferred credits" are amortized on a straight-line basis over a period of 32 years.

Translink may exercise its option to purchase the portion of the parking garage used by the 1,200 stalls if certain events defined in the agreement occur. Examples of these include the relocation of River Rock, or the Company failing to provide Canada Line's passengers access to the parking stalls as set out in the agreement.

Deferred compensation includes cash-settled share-based compensation as described in Note 15(c) and (d).

15. SHARE CAPITAL AND RESERVES

The Company is authorized to issue an unlimited number of common shares with no par value.

a) Share repurchases

On June 27, 2019, the Company received approval from the TSX to renew a normal course issuer bid for up to 3,971,976 of its common shares. The bid commenced on July 3, 2019 and expired July 2, 2020. All purchases under this issuer bid ended in January 2020 when the Company purchased for cancellation the remaining 172,724 common shares available under the bid at a weighted-average price per share of $42.29.

On June 29, 2020, the Company announced receiving approval from the TSX to renew a normal course issuer bid for up to 3,674,077 of its common shares, representing approximately 10% of the Company's common shares in the public float. The bid commenced on July 3, 2020 and will end on July 2, 2021, or earlier if the number of shares sought in the issuer bid has been obtained. The Company will not purchase shares during its self-imposed blackout periods and reserves the right to terminate the bid earlier. Purchases will be made by way of open market purchases through the facilities of the TSX, and other Canadian market places, and payment for the shares will be in accordance with the TSX's rules. All shares purchased by the Company will be subsequently cancelled. Under the current issuer bid, the Company purchased for cancellation 300,471 common shares during the year ended December 31, 2020 at a weighted-average price per share of $26.55. The Company did not repurchase any common shares subsequent to December 31, 2020. Any future repurchases of shares under the normal course issuer bid require approval from Apollo Funds under the Arrangement described in Note 29.

b) Share option plan

The changes in the number of share options and their weighted-average exercise price during the years ended December 31, 2020 and 2019 were as follows:

	December 31, 2020		December 31, 2019	
	Options (1)	**Weighted-Average Exercise Price**	Options (1)	Weighted-Average Exercise Price
Outstanding, beginning of period	**4,707**	**$ 30.20**	5,188	$ 22.93
Granted	**-**	**-**	1,215	44.58
Cancelled(2)	**(1,180)**	**44.63**	-	-
Forfeited	**(36)**	**42.40**	(64)	23.50
Exercised(3)	**(1,167)**	**18.12**	(1,632)	18.06
Outstanding, end of period	**2,324**	**$ 28.77**	4,707	$ 30.20

(1) Option information is presented in thousands.
(2) These options were voluntarily cancelled on June 22, 2020, resulting in the immediate recognition of the remaining share-based compensation costs of $6.9.
(3) Subsequent to December 31, 2020, 1,543 options were exercised at a weighted-average exercise price of $29.00.

For the year ended December 31, 2020, the weighted-average share price at the time of share option exercises was $37.33 (2019 - $50.79).

15. SHARE CAPITAL AND RESERVES (Continued)

b) Share option plan (Continued)

Options outstanding and exercisable at December 31, 2020 were as follows:

	Options Outstanding				Options Exercisable		
Exercise Prices	**Number Outstanding[(1)]**	**Weighted-Average Remaining Contractual Life**	**Weighted-Average Exercise Price**		**Number Exercisable[(1)]**	**Weighted-Average Vested Exercise Price**	
$24.07	834	1.2 years	$	24.07	834	$	24.07
$29.61	850	1.9 years		29.61	850		29.61
$33.79	640	2.0 years		33.79	-		-
	2,324	1.7 years	$	28.77	1,684	$	26.87

(1) Option information is presented as options for thousands of common shares.

The average fair values of share options granted to employees at the time of the grants and the weighted-average assumptions used in applying the Black-Scholes option pricing model are shown below. The Company did not grant any share options during the year ended December 31, 2020.

	Year ended December 31,			
		2020		2019
Option award fair value	**$**	**-**	$	11.80
Risk-free interest rate		**-**		1.6%
Expected lives [(1)]		**-**		3.5 years
Expected volatility [(2)]		**-**		32.9%

(1) Estimated based on the Company's vesting policy and historical exercise pattern.

(2) Based on the historical volatility of the Company's share price over the most recent period consistent with the expected lives of the options.

The Company recorded equity-settled share-based compensation expense of $14.3 for the year ended December 31, 2020 (2019 - $9.3)

c) Deferred Share Units

The changes in DSUs provided to non-employee directors of the Company were as follows:

	Year ended December 31,	
Number of Units (in thousands)	**2020**	2019
Outstanding, beginning of period	**166**	184
Issued	**19**	14
Settled in cash	**-**	(32)
Outstanding, end of period	**185**	166

Related to these DSUs, the Company recorded a liability of $8.3 in “deferred credits, provisions and other liabilities” at December 31, 2020 (2019 - $7.4), and cash-settled share-based compensation of $0.9 for the year ended December 31, 2020 (2019 – recovery of $0.1).

15. SHARE CAPITAL AND RESERVES (Continued)

d) *Restricted Share Units*

The changes in RSUs provided to employees of the Company were as follows:

	Year ended December 31,	
Number of Units (in thousands)	**2020**	2019
Outstanding, beginning of period	**245**	119
Issued	**-**	198
Forfeited	**(31)**	(22)
Settled in cash	**(95)**	(50)
Outstanding, end of period	**119**	245

Assuming both a constant market price for the Company's common shares and no award forfeitures, the RSUs would result in cash settlement payments of $3.8 in 2021 and $1.6 in 2022.

Related to these RSUs, the Company recorded a liability of $3.0 in "accounts payable and accrued liabilities" at December 31, 2020 (2019 - $3.0), $0.9 in "deferred credits, provisions and other liabilities" at December 31, 2020 (2019 - $1.8), and cash-settled share-based compensation of $1.9 for the year ended December 31, 2020 (2019 - $3.0).

e) *Employee share purchase plan*

Eligible employees of the Company who have completed three months of continuous service may elect to participate in the Employee Share Purchase Plan ("Share Purchase Plan") by contributing a portion of their gross pay to purchase the Company's shares in the open market. Employees whose terms and conditions of employment are established by collective bargaining are not eligible to participate in the Share Purchase Plan. In April 2016, the Company began matching 10% of the employees' contributions to the Share Purchase Plan, up to a maximum of 0.5% of each employee's earnings. As at December 31, 2020, 463,517 (2019 – 494,506) common shares were held by employees under the Share Purchase Plan and 27.0% of eligible employees participated in the Plan (2019 – 21.9%).

16. REVENUES

	Year ended December 31,	
	2020	2019
Gaming revenues	**$ 398.7**	$ 1,182.8
Hospitality revenues	**19.2**	110.5
Racetrack, lease and other revenues	**24.4**	62.3
	$ 442.3	$ 1,355.6

17. BUSINESS ACQUISITION, RESTRUCTURING AND OTHER

	Year ended December 31,	
	2020	2019
Restructuring[(1)]	**$ 12.4**	$ 6.4
Business acquisition and other[(2)]	**12.3**	(2.8)
	$ 24.7	$ 3.6

(1) Restructuring costs primarily consisted of severance payments.
(2) Business acquisition and other costs for the year ended December 31, 2020 consisted of pre-opening costs related to the development of Pickering Casino Resort and costs associated with the Arrangement with Apollo Funds (see Note 29). Business acquisition and other costs for the year ended December 31, 2019 included proceeds received from the marketing trust lawsuit with BCLC.

(Expressed in millions of Canadian dollars, except for per share information)

18. INCOME TAXES

a) *Income tax recognized in net (loss) earnings*

The Company's income tax is as follows:

		Year ended December 31, 2020		2019
Current tax (recovery) expense	**$**	**(20.6)**	$	66.3
Deferred tax recovery		**(7.9)**		(0.9)
Total income tax	**$**	**(28.5)**	$	65.4

The Company's income tax for the years ended December 31, 2020 and 2019 can be reconciled to (loss) earnings before income taxes from continuing operations as follows:

		Year ended December 31, 2020		2019
Applicable statutory income tax rate (1)		**27.11%**		26.70%
(Loss) earnings before income taxes from continuing operations(2)	**$**	**(130.4)**	$	310.3
Expected income tax for the period		**(35.3)**		82.8
Effect of:				
Non-deductible share-based compensation		**3.9**		2.5
Non-taxable portion of gain from sale of land		**-**		(0.9)
Non-controlling interest(2)		**5.2**		(18.7)
Other items		**(2.3)**		(0.3)
Total income tax	**$**	**(28.5)**	$	65.4

(1) The income tax rate used for the reconciliation is the weighted average applicable statutory rates used by the corporate entities in Ontario, B.C., New Brunswick and Nova Scotia.

(2) (Loss) earnings before income taxes from continuing operations includes 100% of OTG's, OGWGLP's and OGELP's earnings, however, the Company is only required to pay corporate income tax on its share of OTG's, OGWGLP's and OGELP's taxable income, respectively, with the remaining taxable income picked up by the non-controlling interest partners of the partnerships. Accordingly, there is a reconciling item relating to the partnerships' earnings allocated to the non-controlling interest.

(Expressed in millions of Canadian dollars, except for per share information)

18. INCOME TAXES (Continued)

b) Deferred tax balances

The following are the major deferred tax assets (liabilities) recognized and movements thereon during the current and prior year:

2020	Opening balance	Recognized in net loss	**Closing balance**
Temporary differences			
Property, plant and equipment	$ (69.6)	$ 8.6	**$ (61.0)**
Intangible assets	(7.7)	(3.6)	**(11.3)**
Deferred compensation costs	3.2	0.2	**3.4**
Deferred credits, provisions and other liabilities	2.0	(1.0)	**1.0**
Other	1.2	2.8	**4.0**
	(70.9)	7.0	**(63.9)**
Unused tax losses and credits			
Non-capital loss carry-forwards	-	0.8	**0.8**
Capital loss carry-forwards	0.3	0.2	**0.5**
	0.3	1.0	**1.3**
	$ (70.6)	$ 8.0	**$ (62.6)**

2019	Opening balance	Recognized in net earnings	Closing balance
Temporary differences			
Property, plant and equipment	$ (69.8)	$ 0.2	$ (69.6)
Intangible assets	(10.5)	2.8	(7.7)
Deferred compensation costs	3.6	(0.4)	3.2
Deferred credits, provisions and other liabilities	2.2	(0.2)	2.0
Other	0.2	1.0	1.2
	(74.3)	3.4	(70.9)
Unused tax losses and credits			
Capital loss carry-forwards	1.8	(1.5)	0.3
	1.8	(1.5)	0.3
	$ (72.5)	$ 1.9	$ (70.6)

The deferred tax balances are presented on the Consolidated Statements of Financial Position as:

	Year ended December 31, 2020	2019
Deferred tax assets	**$ 17.1**	$ 12.4
Deferred tax liabilities	**(79.7)**	(83.0)
Net deferred tax liabilities	**$ (62.6)**	$ (70.6)

The Company has not recognized any deferred tax assets (2019 - $nil) that are dependent on future taxable profits in excess of those that will arise from the reversal of existing taxable temporary differences.

The Company has recognized a deferred tax asset relating to capital loss carry-forwards of $3.7 (2019 - $2.2) which may be used to offset future years' capital gains. Management believes the Company will generate future capital gains in excess of the losses in the jurisdiction to which the losses relate. These losses may be carried forward indefinitely.

18. INCOME TAXES (Continued)

c) Other income tax-related matters

The Canada Revenue Agency ("CRA") has conducted audits of the Company's and its subsidiaries' Facility Development Commission ("FDC") filing positions of its B.C. operations for the 2009 to 2014 years. The Company received FDC from BCLC prior to June 3, 2018, calculated as a fixed percentage of Gross Gaming Revenues (defined as amounts wagered on gaming activities, less the payout or prizes to winning customers) generated by the B.C. properties, for incurring qualified, primarily capital, gaming-related expenditures.

CRA has taken the position that FDC was received by the Company and its subsidiaries during 2009 and subsequent years as service fee income and should be included in taxable income when received. For income tax purposes, the Company and its subsidiaries treat the reimbursement by BCLC of the approved gaming related property, plant and equipment costs as a reduction in the capital cost of the asset. CRA's current position is inconsistent with the results of CRA's findings in their previous audits of the Company's Great Canadian Casinos Inc. subsidiary for the 2000 and 2001 taxation years.

If CRA's current position prevails, it would accelerate the timing of the Company's and its subsidiaries' recognition of taxable income, but would also increase the tax depreciation deduction (capital cost allowance) that they could recognize in prior and future years.

Based on the FDC received from BCLC between January 1, 2009 and June 2, 2018, if CRA's current position on FDC prevails, preliminary estimates indicate the Company's consolidated current tax expense would increase $56.5, deferred tax expense would decrease $55.4, and interest and financing costs would increase $17.2, resulting in a one-time $18.3 decrease in net earnings and a corresponding decrease to basic net earnings attributable to the shareholders of the Company per share of approximately $0.33 per share, based on the number of shares outstanding as at December 31, 2020.

During 2015, the Company received notices of reassessment from CRA for itself and three of its subsidiaries related to the income tax treatment of FDC received from BCLC in 2009 and 2010. During 2016, the Company and five of its subsidiaries received notices of reassessment related to the income tax treatment of FDC received from BCLC in 2011, and 2012, and in some cases 2013. As a part of the notices of reassessment received during 2016, the CRA waived $1.1 of interest relating to the 2011 and 2012 taxation years. During 2017, the Company and five of its subsidiaries received notices of reassessment related to the income tax treatment of FDC received from BCLC in 2013 and 2014.

The Company strongly disagrees with the CRA's current position on FDC and CRA's adjustments to the taxable income of it and its subsidiaries in respect of FDC. Management believes that it is probable that the Company's and its subsidiaries' tax filing positions with respect to FDC will prevail and consequently the Company and its subsidiaries have not accrued for additional income tax liabilities, income tax expenses, and interest as a result of the reassessments received from CRA.

The Company and its subsidiaries intend to vigorously defend their tax filing positions and the five subsidiaries that have received notices of reassessment from CRA for 2009 to 2014 have filed notices of objection with CRA's Appeals Division. In order to file a notice of objection, the Company and its subsidiaries are required to pay at least 50% of the amounts reassessed and will record a corresponding income tax receivable from CRA until the dispute is resolved. As at December 31, 2020, the Company and its subsidiaries have deposited a net amount of $38.9 (2019 - $38.9) to CRA and is reflected in "cash on deposit with Canada Revenue Agency" on the Consolidated Statements of Financial Position.

During 2018, five of the Company's subsidiaries received notices of confirmation for the taxation years under audit. The five subsidiaries filed notices of appeal to the Tax Court of Canada to each notice of confirmation received. During the first quarter of 2019, the Company and its subsidiaries received the Respondent's Replies to the notices of appeal. In response to the Pandemic, the Company and the Respondent agreed to delay the process with revised timelines still to be determined.

The Company and its subsidiaries plan to file notices of objection to CRA's Appeals Division to each notice of reassessment that may be received for any subsequent years.

19. SHARE INFORMATION

The following table sets forth the computation of basic and diluted net earnings per common share attributable to the shareholders of the Company. Share information below is presented in thousands.

	Year ended December 31, **2020**	2019
Weighted-average number of common shares outstanding	**55,309**	58,171
Dilutive adjustment for share options	**-**	1,665
Diluted weighted-average number of common shares	**55,309**	59,836

The number of outstanding share options (in thousands) that are anti-dilutive and therefore are not included in the above calculation were 2,324 at December 31, 2020 (2019 – 1,215). During a loss period, the assumed exercise of in-the-money share options has an anti-dilutive effect and therefore are excluded from the computation of dilutive earnings per share.

20. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash operating working capital

	Year ended December 31, **2020**	2019
Accounts receivable	**$ 38.8**	$ (12.1)
Prepaids, deposits and other assets	**(2.6)**	(0.1)
Accounts payable and accrued liabilities	**(68.8)**	21.9
	$ (32.6)	$ 9.7

b) Capital expenditures, net of related accounts payable

	Year ended December 31, **2020**	2019
Purchases of property, plant and equipment	**$ (281.9)**	$ (440.8)
Change in related accounts payable	**(26.8)**	37.8
	$ (308.7)	$ (403.0)

(Expressed in millions of Canadian dollars, except for per share information)

21. SEGMENT INFORMATION

As a result of the temporary business interruption, as discussed in Note 2(a), the Chief Operating Decision Maker ("CODM") now evaluates Free Cash Flow as an additional measure during the Pandemic period in assessing each region's performance and allocating resources to each region. Segment information for each operating segment are as follows:

	Ontario	B.C.	Atlantic	Corporate	Total
Year ended December 31, 2020					
Gaming revenues	**$ 325.1**	**$ 54.6**	**$ 19.0**	**$ -**	**$ 398.7**
Hospitality revenues	**5.9**	**9.9**	**3.4**	**-**	**19.2**
Racetrack, lease and other revenues	**17.8**	**5.7**	**0.9**	**-**	**24.4**
Revenues	**$ 348.8**	**$ 70.2**	**$ 23.3**	**$ -**	**$ 442.3**
Adjusted EBITDA[(1)]	**$ 181.9**	**$ 14.6**	**$ (1.5)**	**$ (25.8)**	**$ 169.2**
Free Cash Flow	**$ (252.9)**	**$ (8.3)**	**$ (8.4)**	**$ (56.8)**	**$ (326.4)**
Year ended December 31, 2019					
Gaming revenues	$ 843.2	$ 265.4	$ 74.2	$ -	$ 1,182.8
Hospitality revenues	26.1	66.2	18.2	-	110.5
Racetrack, lease and other revenues	36.4	22.1	3.8	-	62.3
Revenues	$ 905.7	$ 353.7	$ 96.2	$ -	$ 1,355.6
Adjusted EBITDA	$ 404.3	$ 152.5	$ 31.7	$ (31.2)	$ 557.3
Free Cash Flow	$ (130.8)	$ 118.9	$ 29.0	$ (71.6)	$ (54.5)

Segment Assets	Ontario	B.C.	Atlantic	Corporate	Total
As at December 31, 2020					
Cash	**$ 196.8**	**$ 58.9**	**$ 6.6**	**$ 172.5**	**$ 434.8**
Total assets	**$ 2,220.2**	**$ 618.5**	**$ 96.6**	**$ 184.7**	**$ 3,120.0**
As at December 31, 2019					
Cash	$ 221.2	$ 82.5	$ 16.6	$ 9.4	$ 329.7
Total assets	$ 2,079.3	$ 653.6	$ 103.3	$ 15.7	$ 2,851.9

The following table is a reconciliation of Adjusted EBITDA, as presented in the above tables, to net (loss) earnings as presented in the Company's Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income

	Year ended December 31,	
	2020	2019
Adjusted EBITDA	**$ 169.2**	$ 557.3
Less:		
Amortization	**156.3**	152.8
Share-based compensation	**17.1**	12.2
Interest and financing costs, net	**101.6**	87.3
Business acquisition, restructuring and other	**24.7**	3.6
Gain on sale of land	**-**	(6.6)
Foreign exchange gain	**(0.1)**	(2.3)
Income taxes	**(28.5)**	65.4
Net (loss) earnings from continuing operations	**$ (101.9)**	$ 244.9

(Expressed in millions of Canadian dollars, except for per share information)

21. SEGMENT INFORMATION (CONTINUED)

The following table is a reconciliation of Free Cash Flow, as presented above, to cash generated by operating activities as presented in the Company's Consolidated Statements of Cash Flows:

	Year ended December 31, 2020	2019
Free cash flow	**$ (326.4)**	$ (54.5)
Add (less):		
Capital expenditures, net of related accounts payable	**308.7**	403.0
Payment of lease liabilities	**87.0**	82.8
Interest paid	**50.8**	34.4
Other[1]	**(29.7)**	(9.2)
Cash generated by operating activities from discontinued operations	**-**	4.4
Cash generated by operating activities	**$ 90.4**	$ 460.9

(1) Consists of (i) "business acquisition, restructuring and other" from the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income and (ii) "other" adjustments to reconcile earnings before income taxes to cash generated by operating activities from the Consolidated Statements of Cash Flows.

22. NON-CONTROLLING INTERESTS

The following table summarizes the financial information relating to non-controlling interests held in the Company's subsidiaries, before intercompany eliminations:

	2020	2019
As at December 31,		
Total assets	**$ 810.9**	$ 751.4
Total liabilities	**$ 703.5**	$ 617.6
Total equity	**$ 107.4**	$ 133.8
For the years ended December 31,		
Revenues	**$ 101.3**	$ 369.1
Net (loss) earnings	**$ (19.6)**	$ 70.5

23. KEY MANAGEMENT COMPENSATION

Key management personnel comprise the Company's Board of Directors and executive officers. Key management compensation was as follows:

	Year ended December 31, 2020	2019
Human resources [1]	**$ 6.6**	$ 4.6
Share-based compensation [2]	**15.7**	9.3
Total	**$ 22.3**	$ 13.9

(1) Human resources included salaries, employee benefits and non-equity based compensation.
(2) Share-based compensation consisted of equity-settled and cash-settled share-based compensation as described in Note 15 and included the share-based compensation of $6.9 related to share options that were voluntarily cancelled on June 22, 2020.

As at December 31, 2020, the liabilities of the Company include amounts due to key management personnel of $2.1 (2019 - $0.6) in "accounts payable and accrued liabilities" and $9.9 (2019 - $8.5) in "deferred credits, provisions and other liabilities" of the Consolidated Statements of Financial Position.

24. EMPLOYEE FUTURE BENEFITS

The Company maintains multiple defined contribution pension plans for its Canadian employees. Under these plans, participating eligible employees contribute a minimum of 2% of their gross pay and can make additional voluntary contributions ranging from 1% to 14% of their gross pay. The Company makes contributions representing 2% to 4% of eligible employees' gross pay. Contributions made by the Company during the year ended December 31, 2020 totaled $2.0 (2019 - $5.5).

25. COMMITMENTS AND CONTINGENCIES

a) Guarantees and indemnifications

The Company may provide guarantees and indemnifications in conjunction with transactions in the normal course of operations. These are recorded as liabilities when reasonable estimates of the obligations can be made. Guarantees and indemnifications that the Company has provided include obligations to indemnify:

i) directors and officers of the Company and its subsidiaries for potential liability while acting as a director or officer of the Company, together with various expenses associated with defending and settling such suits or actions due to association with the Company, the risk of which is mitigated by the Company's directors' and officers' liability insurance;
ii) certain vendors of acquired companies or property for obligations that may or may not have been known at the date of the transaction;
iii) certain financial institutions for costs that they may incur as a result of representations made in debt and equity offering documents; and
iv) lessors of leased properties for personal injury claims that may arise at the facilities the Company operates.

b) Other contractual commitments

The Company's other contractual commitments are described in Note 26(b).

(Expressed in millions of Canadian dollars, except for per share information)

26. FINANCIAL INSTRUMENTS

The Company's financial instruments and the types of risks to which their carrying values are exposed are as follows:

	Risks			
			Market risks	
Financial instrument	Credit	Liquidity	Interest rate	Currency
Measured at amortized cost:				
Cash in banks	x			x
Accounts receivable	x			
Accounts payable and accrued liabilities		x		x
Long-term debt		x	x	
Other liabilities		x	x	

a) Credit risk

Credit risk is the risk that a party to one of the Company's financial instruments will cause a financial loss to the Company by failing to discharge an obligation. The carrying values of the Company's financial assets, which represent the maximum exposure to credit risk, are as follows:

	December 31, 2020	December 31, 2019
Cash in banks	**$ 429.8**	$ 180.9
Accounts receivable	**40.8**	79.6
	$ 470.6	$ 260.5

Cash in banks: Credit risk associated with these assets is minimized substantially by ensuring that these financial assets are placed primarily with major financial institutions that have minimum grade "A" credit ratings.

Accounts receivable: Credit risk associated with most of these assets is minimized due to their nature. Accounts receivable primarily consisted of sales tax receivable, receivables related to capital project reimbursements, and amounts due from Provincial Crown corporations. The credit loss allowance for accounts receivable is estimated based on an assessment of individual accounts and the length of time balances have been outstanding. As at December 31, 2020, the credit loss allowance for accounts receivable is $1.0 (2019 - $1.0).

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by monitoring its capital structure (see Note 13), regularly monitoring forecast and actual cash flows, managing the maturity profiles of financial assets and financial liabilities and maintaining credit capacity within the revolving credit facilities (see Note 12).

As discussed in Note 2(a), some of the Company's operations resumed under restricted operating conditions, but were required or may be required to temporarily close depending on changes to localized health authority mandates. Depending on the extent of operating restrictions on the Company's business, the Company may generate negative net operating cash flows. The Company's ability to settle its contractual obligations is subject to the temporary waivers on its credit agreements (see Note 12) remaining in place, including any future extensions, as required, and/or the timing of when operating restrictions are lifted.

(Expressed in millions of Canadian dollars, except for per share information)

26. FINANCIAL INSTRUMENTS (Continued)

b) *Liquidity risk (Continued)*

The Company expects the following maturities of its financial liabilities (including interest), lease liabilities (see Note 8(b)) and other contractual commitments:

	Expected payments by period as at December 31, 2020				
	Within 1 year	2 - 3 years	4 - 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 144.9	$ -	$ -	$ -	**$ 144.9**
Senior Unsecured Debentures	9.9	19.8	19.8	198.9	**248.4**
Senior Secured Credit Facilities	17.0	381.4	-	-	**398.4**
Non-recourse credit facilities	38.6	728.5	146.1	-	**913.2**
Provisions	5.1	0.9	1.4	6.2	**13.6**
Lease liabilities	86.0	169.6	164.7	1,048.5	**1,468.8**
Other contractual commitments(1)(2)	245.7	11.3	6.1	-	**263.1**
Total	**$ 547.2**	**$ 1,311.5**	**$ 338.1**	**$ 1,253.6**	**$ 3,450.4**

(1) Other contractual commitments in the table above include commitments for capital expenditures of $239.8 related to the Company's developments of its Ontario gaming facilities, which will be settled over the duration of the related developments.

(2) Under the COSA, OTG, OGWGLP, and OGELP have each covenanted to OLG that OLG shall realize gaming revenue in each year that is equal to or greater than an agreed upon threshold in respect of each operating year, or to otherwise pay to OLG the amount by which the gaming revenue realized in year is less than the applicable threshold in respect of such year (each such payment, a "Threshold Top-Up Amount"). Based on each of the partnerships' operating results under normal operating conditions and the interim compensation model in place during the Pandemic, the likelihood that these partnerships will fail to generate sufficient gaming revenue for OLG for any year is expected to be remote, and as such, no provision has been made for Threshold Top-Up Amounts.

(Expressed in millions of Canadian dollars, except for per share information)

26. FINANCIAL INSTRUMENTS (Continued)

c) *Market risk*

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates and/or foreign currency exchange rates. A sensitivity analysis of the effect on the carrying amount of the Company's financial instruments that are subject to foreign currency risk has been performed by applying reasonably possible changes in foreign currency rates relative to the Company's functional currency, the Canadian dollar. Displayed in the table below is the effect on the Company's U.S. dollar denominated financial assets and liabilities if the value of the U.S. dollar were to decrease or increase relative to the Canadian dollar by 10% from the actual period end rate.

	Foreign Currency Risk			
	-10%		+10%	
	Net earnings	OCI	Net earnings	OCI
Financial Assets				
Cash	$ (0.1)	$ -	$ 0.1	$ -
Accounts receivable	-	-	-	-
Financial Liabilities				
Accounts payable and accrued liabilities	0.2	-	(0.2)	-
Total (decrease) increase	$ 0.1	$ -	$ (0.1)	$ -

d) *Interest rates on credit facilities*

The Company and its subsidiaries' credit facilities have interest rates on advanced amounts and a standby fee on the unused facility that are based on the respective entity's Total Debt to Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ratio ("Total Leverage Ratio") (a non-IFRS term as defined in the underlying credit agreement), which is calculated quarterly on a trailing twelve month basis.

As a result of the amendments made to the credit facility agreements to temporarily waive compliance with financial and other covenants (see Note 12), fixed margins will apply during the waiver period instead of margins based on Total Leverage Ratio. After the waiver period, Total Leverage Ratio will be calculated based on pro-forma trailing twelve month results. Below are the interest rates and standby fees applicable for each credit facility as at December 31, 2020:

i. *Senior Secured Credit Facilities Agreement*

As at December 31, 2020, prime rate loans and bankers' acceptances are subject to prime plus margin of 2.00% and current market rate plus margin of 3.00%, respectively, and the applicable standby fee is 0.60%. These rates will be fixed until the waiver period expires on September 29, 2021.

ii. *Non-recourse Revolving and Capital Expenditures Credit Facilities of OTG*

As at December 31, 2020, prime rate loans and bankers' acceptances are subject to prime plus margin of 2.25% and current market rate plus margin of 3.25%, respectively, and the applicable standby fee is 0.65%. These rates will be fixed until the waiver period expires on June 30, 2021, or on September 29, 2021 if OTG exercises its option to extend the waiver period.

iii. *Non-recourse Revolving Credit Facility of OGWGLP*

As at December 31, 2020, prime rate loans and bankers' acceptances are subject to prime plus margin of 2.75% and current market rate plus margin of 3.75%, respectively, and the applicable standby fee is 0.84%. These rates will be fixed until the waiver period expires on September 29, 2021.

iv. *Non-recourse Revolving Credit Facility of OGELP*

As at December 31, 2020, prime rate loans and bankers' acceptances are subject to prime plus margin of 2.25% and current market rate plus margin of 3.25%, respectively, and the applicable standby fee is 0.73%. These rates will be fixed until the waiver period expires on September 29, 2021.

26. FINANCIAL INSTRUMENTS (Continued)

d) Interest rates on credit facilities (Continued)

v. Interest rate sensitivity analysis

A sensitivity analysis has been determined based on the exposure to interest rates for floating rate liabilities at the reporting date as described in Note 12. The analysis is prepared assuming the amount of liability outstanding at reporting date was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher or lower and all other variables were held constant, the Company's net earnings would decrease or increase by $11.7. This is mainly attributable to the Company's exposure to variable rate borrowings on its credit facilities.

e) Fair values

The fair values of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short term nature.

The disclosure of the three-level fair value hierarchy reflects the significance of the inputs used in measuring fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, either directly or indirectly.

Level 3 – Inputs that are not based on observable market data.

The Company's Senior Unsecured Debentures (Note 12(b)) are Level 1 financial instruments that are based on unadjusted quoted prices trading in active markets. As at December 31, 2020, the Senior Unsecured Debentures had a fair value of $190.0 (2019 – N/A) and a carrying value of $181.8 (2019 – N/A).

The Company's long-term debt instruments, except for the Senior Unsecured Debentures, are Level 2 financial instruments as they are estimated based on quoted prices that are observable for similar instruments or on the current rates offered to the Company for debt of the same maturity. As at December 31, 2020, the Company's long-term debt instruments, excluding the Senior Unsecured Debentures, had a fair value of $1,166.6 (2019 - $889.1) and a carrying value of $1,152.1 (2019 - $869.8).

The Company's contingent future trailing payments related to the acquisition of Elements Casino Chilliwack (formerly Chances Chilliwack) are recurring Level 3 financial instruments as they require management to make assumptions regarding the measurement of fair value using significant inputs that are not based on observable market data. As at December 31, 2020, the fair value and carrying value of the Company's contingent future trailing payments was $4.2 (2019 - $6.2), of which $0.1 (2019 - $0.7) was recorded in "other liabilities" and $4.1 (2019 – $5.4) was recorded in "deferred credits, provisions and other liabilities" on the Consolidated Statements of Financial Position.

The valuation technique used in the determination of the fair value measurement of contingent future trailing payments is the discounted cash flow approach. The valuation model considers the present value of the cash flows expected to be paid as trailing payments. The key unobservable inputs are the estimated future slot revenues at Elements Casino Chilliwack and the discount rate. The estimated fair value of this liability increases with higher estimated future slot revenues and lower discount rates. The calculation of the fair value of the contingent future trailing payments is performed by the Company annually and reviewed periodically.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 2 and Level 3 financial instruments during the period.

(Expressed in millions of Canadian dollars, except for per share information)

27. ACQUISITION OF NON-CONTROLLING INTEREST

On November 4, 2019, the Company completed the acquisition of Clairvest Group Inc.'s ("Clairvest") ownership interests in both OGWGLP and OTG. As a result, the Company now owns 50% of OTG and 100% of OGWGLP.

Carrying amount of NCI acquired	$	34.1
Cash consideration paid		(51.8)
Decrease in equity attributable to shareholders of the Company	$	(17.7)

28. DISCONTINUED OPERATIONS

On June 27, 2019, the Company sold all the shares of its wholly-owned subsidiary, GAGC, which represented the Company's U.S. region, for proceeds of $56.0 in U.S. dollars ($73.4 in Canadian dollars).

The operations of GAGC up to the date of sale have been classified as discontinued operations.

The following table presents the revenues and expenses of discontinued operations included in the Consolidated Statements of Earnings and Comprehensive Income:

(in Canadian dollars)		**Year ended December 31, 2019**
Revenues	$	19.3
Human resources		(8.9)
Property, marketing and administration		(5.6)
Other expenses[(1)]		(1.4)
Net earnings from operating activities	$	3.4
Gain on sale of discontinued operations		53.6
Income tax on gain on sale of discontinued operations		(4.9)
Net earnings attributable to discontinued operations	$	52.1
Shareholders' net earnings per common share		
Basic	$	0.89
Diluted	$	0.87

(1) Other expenses consist of amortization, business acquisition and restructuring, and income taxes from operations.

A gain of $53.6 arose on disposal of GAGC, being the difference between the proceeds on the sale of $73.4 less the net assets, attributable goodwill, and disposal costs of $19.8. Net cash proceeds of $65.2 comprised cash proceeds of $73.4, net of cash of $8.2 attributable to disposal costs and cash retained in the disposed business.

Net earnings attributable to discontinued operations of $52.1 for the year ended December 31, 2019 are attributable entirely to the shareholders of the Company.

29. ARRANGEMENT WITH APOLLO FUNDS

The Company entered into an arrangement agreement with Raptor Acquisition Corp., a company existing under the laws of British Columbia and an affiliate of funds managed by affiliates of Apollo Global Management, Inc. together with its subsidiaries ("Apollo Funds"), dated November 10, 2020 and amended on December 20, 2020, under which Apollo Funds agreed to acquire all the outstanding common shares of the Company for $45.00 per share (the "Arrangement").

The transaction is not subject to a financing condition but is subject to a number of closing conditions, including required regulatory approvals. To date, the Company has received approval of the Arrangement by its shareholders and from the Supreme Court of British Columbia. If the Arrangement is terminated by the Company in certain circumstances, including as a result of the Company failing to satisfy any closing conditions, the Company must pay a $75.0 termination fee to Apollo Funds. The Arrangement is expected to close in the second quarter of 2021.