

Business Plan

2025-28



Choices Albertans can trust.

Land Acknowledgment

AGLC respectfully acknowledges that we operate on the traditional territory of many peoples, including the Indigenous peoples who are signatories to Treaties 4, 6, 7, 8 and 10. We also acknowledge the Métis people of Alberta, who have a strong connection and share a deep history with this land. We acknowledge, honour and respect the wisdom of the Elders - past, present and future.



Table of contents

6 About AGLC

- Vision, mission and cultural commitments
- Our purpose, legislation and board governance

8 Purpose of the plan

9 Strategic outlook

10 Benefits to Albertans

11 Strategy and actions

- Corporate strategic actions
- Customer and industry strategies
- People strategy
- Digital strategy

18 Budgets and targets

19 Performance measures

LEN RHODES

As Alberta remains on track for continued economic and population growth, pressures on the labour market and evolving consumer preferences remain key considerations for our province's gaming, liquor and cannabis industries. In light of these economic factors, Alberta Gaming, Liquor and Cannabis (AGLC) is focused on business development while prioritizing an effective regulatory environment and promoting social responsibility for the benefit of all Albertans.

AGLC's success in advancing these goals is very much dependent on the input we have gathered from our partners in industry. With a customer first approach, both the Board and AGLC staff work tirelessly to foster closer relationships with industry partners to ensure we have a deep understanding of what it takes to grow Alberta's competitive advantage.

It is these perspectives that help define our strategy and shape the priorities and actions set out in the business plan. We are focused on driving innovation, advancing market opportunities and improving service delivery. This is complemented by continued policy evolution to reduce barriers and set the right conditions for businesses to thrive. Our efforts extend to Alberta's charities, as we look to further enhance policies, streamline processes and introduce greater flexibility into Alberta's charitable gaming model.

AGLC's strategy balances our focus on growth with creating an environment for the safe and responsible enjoyment of products and experiences. We continue to

evolve the GameSense, DrinkSense and CannabisSense programs to promote a message of moderation while ensuring regulatory oversight that supports the integrity of the gaming, liquor and cannabis industries in our province.

As we advance this plan, we remain committed to transforming our policies and operations to meet the changing needs and expectations of Alberta's businesses and consumers. I look forward to the continued engagement with industry and collaboration with government to ensure AGLC's path remains true to the needs of industry and Alberta's economy.

Original signed by

Len Rhodes
Board Chair



The 2025-28 business plan reflects AGLC's continued commitment to innovation, customer centricity and transforming our operations to deliver leading-edge services. Based on changes in the economic landscape, input we've gathered from gaming, liquor and cannabis industries and the guidance of our Board, we've refined specific actions to advance our strategic plan and deliver choices Albertans can trust.

I am so proud of how much we have accomplished this past year and am excited about the work we have planned. We have reduced our red tape by nearly 50 per cent, but we know that it is about more than a number. It's about continuing to improve – not just reduce – our policy and put in place innovative solutions to encourage business growth guided by effective regulation and social responsibility.

Enabling our people and digital capabilities to support these efforts is paramount, which is why we will continue to invest in these areas. Our

people are the backbone of AGLC. We will continue to evolve our culture, foster strong leadership and develop the skills and capabilities necessary to support our people and organization. This, combined with technology solutions that will enable greater self-service, automation and set the groundwork for artificial intelligence, will allow us to deliver a truly customer-centric experience for Albertans.

The focus on our team and technology position us well to deliver on initiatives that support our province's gaming, liquor and cannabis industries and charitable sector. Key actions within the plan include:

- Advancing land-based gaming opportunities;
- Enhancing and expanding AGLC's online gaming offerings;
- Expanding the direct-to-consumer framework for out-of-province liquor sales;
- Evaluating the cannabis business model to look for efficiencies; and
- Increasing online services and support to create efficiencies for industry partners.

This work will be complemented by a robust but flexible regulatory approach and growing social responsibility program – all undertaken with a responsible allocation of resources and strategic, thoughtful investment in modernizing our operations.

I look forward to the coming year and advancing the actions we have set out that will allow us to continue delivering on our vision. We will continually strive to provide innovative, customer-centric service and adapt as needed to support a thriving business community and deliver a lasting impact for Albertans.

Original signed by

Kandice Machado
Chief Executive Officer



KANDICE MACHADO

About AGLC

AGLC is the Crown commercial enterprise that oversees the gaming, liquor and cannabis industries in Alberta. We uphold a commitment to balancing choice and social responsibility to provide choices Albertans can trust.

Vision

Strengthen Alberta through its leading-edge gaming, liquor and cannabis industries.

Mission

Create an environment for responsible choices to deliver economic and social benefits for Albertans.

Cultural commitments

Integrity

We hold ourselves to a high standard. That means operating fairly and honourably with colleagues, customers and stakeholders, even when no one is watching.

Innovation

We are always reinventing. The first answer is not always the best answer, so we let our curiosity continuously challenge the status quo.



Respect

We listen and empower. Our culture adapts and ensures all are heard to build a vibrant Alberta. And when we misstep, we take accountability.

Inclusion

We embrace the power of diversity. Each of our unique talents, experiences and relationships come together to form one stronger AGLC.

Collaboration

We harness the power of multiple minds and ideas. By breaking down internal and external boundaries to work together, we amplify our achievements.

Our purpose

Gaming

AGLC regulates charitable gaming activities, promoting responsible player experiences, conducting and managing provincial gaming and lottery activities, innovating the player gaming experience and operating the online gaming website, PlayAlberta.ca.

Liquor

AGLC regulates the manufacture, importation, sale, purchase, possession, storage, transportation and use of liquor; overseeing a stable liquor distribution network; and promoting responsible consumption of liquor in Alberta.

Cannabis

AGLC regulates Alberta's non-medical cannabis industry, distributing cannabis and promoting responsible and informed cannabis use.

Legislation and Board governance

AGLC is the Crown commercial enterprise and agency that oversees the gaming, liquor and cannabis industries in Alberta, with the exception of any online gaming conducted and managed by the province of Alberta. These core businesses are conducted in alignment with the priorities of the Government of Alberta and are established in accordance with the Gaming, Liquor and Cannabis Act (GLCA) and the Criminal Code (Canada).

The Board is responsible for governance and overseeing the management of AGLC's business affairs. Consisting of up to nine independent

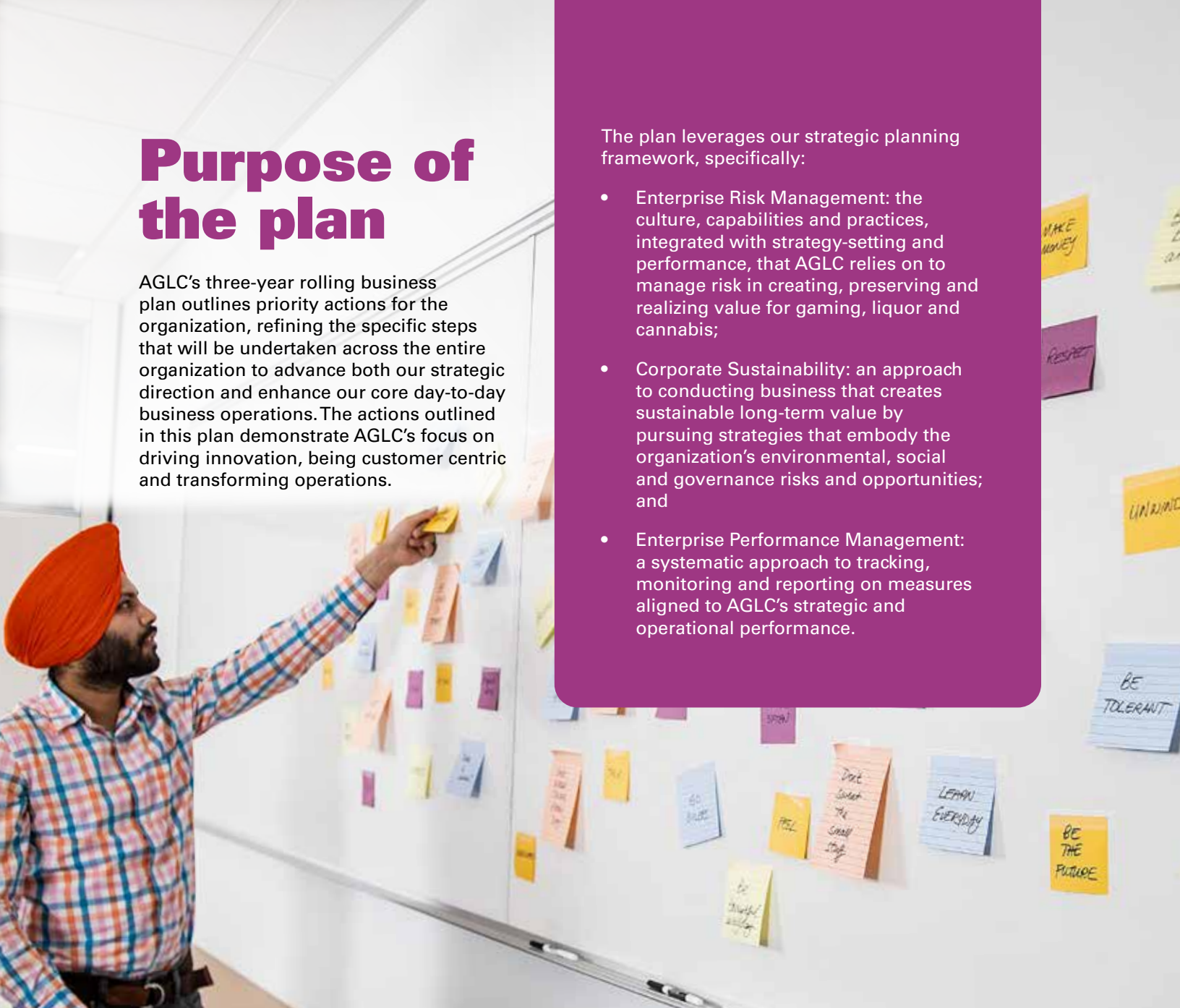
members, the Board is appointed by the Lieutenant Governor in Council and includes designating a Board Chair. Board members serve terms of up to three years in length, with a maximum service of up to 10 years in total. AGLC follows all Government of Alberta practices for compensation for members of provincial agencies, boards and commissions. Biographies of AGLC board members are available on aglc.ca.

Purpose of the plan

AGLC's three-year rolling business plan outlines priority actions for the organization, refining the specific steps that will be undertaken across the entire organization to advance both our strategic direction and enhance our core day-to-day business operations. The actions outlined in this plan demonstrate AGLC's focus on driving innovation, being customer centric and transforming operations.

The plan leverages our strategic planning framework, specifically:

- Enterprise Risk Management: the culture, capabilities and practices, integrated with strategy-setting and performance, that AGLC relies on to manage risk in creating, preserving and realizing value for gaming, liquor and cannabis;
- Corporate Sustainability: an approach to conducting business that creates sustainable long-term value by pursuing strategies that embody the organization's environmental, social and governance risks and opportunities; and
- Enterprise Performance Management: a systematic approach to tracking, monitoring and reporting on measures aligned to AGLC's strategic and operational performance.



The business plan's content is further shaped by the influence of external factors including industry. It is a document that reflects the thoughtful and deliberate choices and actions required to make impactful changes for the future. These actions and collaborations with industry and government are outlined in the subsequent sections of the plan, illustrating the intentional steps AGLC will take to make a lasting impact in the years ahead.

This plan also fulfills AGLC's accountability to the Government of Alberta as a Crown commercial enterprise. In accordance with this role, AGLC prepares a business plan and annual report each fiscal year, which are submitted to government

pursuant to Section 10 of the *Sustainable Fiscal Planning and Reporting Act*. The business plan is referenced as part of the Government of Alberta's annual budget process and is aligned with the strategic priorities of the government at the time of publication. The annual report for fiscal year 2025-26 will serve as AGLC's accountability tool, providing an overview of achievement of the objectives and actions outlined in this business plan.

Choices Albertans can trust.

Strategic outlook

The following factors shaped development of the business plan and budget, and also signal opportunities and/or potential challenges that may influence achievement of AGLC's vision, mission and strategic plan.

Economy

Alberta's economic indicators, encompassing real gross domestic product, unemployment, population, interprovincial migration, and inflation, are key inputs within AGLC's planning framework. The demand for gaming, liquor and cannabis products and experiences among Albertans can be impacted by changes in the province's economic conditions, which can have an impact on revenue and expenses.

Consumer

Understanding how consumer behaviour and preferences change over time is essential for the success of the gaming, liquor and cannabis business lines. Health consciousness, convenience, accessibility, shifting tastes and buy local attitudes are consumer behaviour trends that can impact our lines of business.

By closely monitoring and adapting to these trends, AGLC can align with evolving consumer needs and preferences, fostering long-term success in the marketplace.

Public health and safety

AGLC aims to reduce potential social harms related to gambling, liquor and cannabis by empowering Albertans with the tools, information and resources they need to make informed choices. This includes maintaining a regulatory and policy environment that places an emphasis on our commitment to compliance that is essential to ensure industry integrity in the gaming, liquor and cannabis industries. These measures will establish safeguards in new and emerging opportunities within these sectors, promoting public health and safety to ensure AGLC continues to provide choices Albertans can trust.

Industry approach

AGLC actively engages with industry to identify emerging risks and opportunities and collaboratively develop innovative products and experiences to ensure industry and consumer needs are met. As business landscapes continue to evolve for gaming, liquor and cannabis, maintaining a regulatory environment that strikes the right balance of protecting consumers while allowing industry to thrive requires collaboration. AGLC will continue to foster open communication and cultivate agility to respond to evolving industry needs.

Technology

AGLC is a technology-centric organization that is undergoing a transformation to modernize its capabilities including new technologies, use of data, and employee skills. Through the organization's digital strategy, AGLC is accelerating the adoption and delivery of new capabilities that will enable the organization to respond more effectively to evolving market demands and industry needs.

Sustainable growth

Achieving sustainable growth requires AGLC to be fiscally prudent, while being ethical and accountable to current and future communities. A robust financial planning and accountability framework coupled with a corporate sustainability focus, positions AGLC to continue to achieve profitable growth while balancing the impact on Albertans and the environment.



Benefits to Albertans

AGLC is committed to making a positive impact and contributing to the communities it serves.

Revenue generated from gaming, liquor and cannabis support government funded projects and initiatives that Albertans rely on.



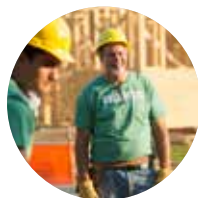
Social services



Healthcare



Education



Housing



Community development



Infrastructure

\$2.3B

Expected contributions in 2025-26 to Alberta's General Revenue Fund that supports projects and initiatives Albertans rely on.

\$1,540M

Gaming operations

\$783M

Liquor operations

\$9M

Cannabis operations

Host First Nation Communities

- Six Host First Nation (HFN) casinos operating in Alberta on reserve land.
- Casino funds are used for charitable programs that directly benefit the Host First Nation community, such as: community safety programs, cultural events, education, elders/seniors support, medical/health aid, life skills training, and housing and infrastructure¹.

\$161.1M

Expected to be allocated in 2025-26 from Alberta's General Revenue Fund to the First Nations Development Fund.

Alberta is the only province that licenses charities to conduct and manage casino events. Those charitable gaming proceeds support programs and services throughout the province¹.



Research



Education



Sports



Volunteer experiences



Activities for older adults



Youth development

¹In 2023-24 total proceeds to charities were \$409.3 million of which \$79.1 million were earned by HFN charities.

Strategy and actions

At AGLC, we are delivering leading-edge gaming, liquor and cannabis industries by:



Driving innovation through tested yet forward-thinking new products, services and ways of working.



Being customer centric, making AGLC the easiest and most adaptable organization to do business with.



Transforming our operations to deliver an effective and efficient modern service experience.

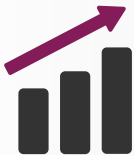
Guided by our strategic plan and in pursuit of our vision, the actions we have planned over the next three years will strengthen Alberta's competitive advantage.

CORPORATE STRATEGIC ACTIONS



Policy Evolution

Evolve policy through stakeholder engagement to reduce barriers and advance business growth.



Enterprise Performance Management

Advance the Enterprise Performance Management (EPM) program to drive organizational performance by tracking, monitoring and reporting on core measures and introducing business area-level measures.



Corporate Sustainability

Launch the Corporate Sustainability program by setting clear environmental, social and governance goals and targets, and fostering organizational awareness.



Branding

Enhance AGLC's brand to increase awareness and positively impact employee and customer experiences.



Culture

Evolve our culture so employees feel united through a shared sense of purpose by championing our culture statement and commitments to shape a more vibrant and engaged workplace.

AGLC'S CULTURE STATEMENT

For decades, AGLC has been a force for good—strengthening our communities, supporting our industries and empowering Albertans with choices they can trust! Our journey is a testament of our commitment to continually reimagine tomorrow, and our people are the spark that ignites creativity and propels us forward. Our promise is to provide a sense of community where you feel connected, your work is meaningful, we learn and grow together, and your unique contributions are celebrated—a workplace that you can feel good about!





Customer and Industry Strategies

ACTIONS

Gaming

Liquor

Advance land-based gaming opportunities with enhanced access, player experiences and devices.

Enhance and expand AGLC's online gaming offerings to meet evolving consumer expectations.

Evolve warehousing and distribution model to ensure relevancy, effectiveness and efficiency.

Expansion of direct-to-consumer framework for out-of-province liquor sales.

Migrate Winner's Edge loyalty program to enable casino operators to create and manage site-specific promotions and contests.

Explore expansion of Winner's Edge loyalty program to other gaming offerings.

Collaborate with the Government of Alberta on the liquor markup model.

Review liquor retail experience.

Support casino operators to deliver on renovation and expansion plans.

DESIRED OUTCOMES



OBJECTIVES

- Drive economic growth, private sector investments and business opportunities.
- Collaborate with stakeholders, be transparent and reduce red tape.
- Improve customer centricity, choice and responsible experiences.

Cannabis

All

Provide policy input to advance cannabis market opportunities.

Re-evaluate cannabis business model to ensure relevancy, effectiveness and efficiency.

Continue to advance SMART training and social responsibility programs in alignment with new business growth.

Combat the illegal market through coordinated, cross-jurisdictional efforts focused on educational and enforcement activities.

Expansion of responsible public consumption options.

- Improved collective intelligence to understand responsible choice while meeting market needs and growing Alberta’s competitive advantage.
- Increased economic opportunities by prioritizing modernization and automation, positioning Alberta as the best place to do business.

People Strategy

OBJECTIVES

- Establish an HR function that supports building the organization of the future.
- Foster a strong leadership presence that evolves AGLC's culture.
- Build a high-performance workforce by establishing a compelling employee experience.

ACTIONS

Redesign HR services to enhance employee and leader experiences.

Advance the corporate learning and development program to support the development of employee competencies.

Establish leader competencies and deliver leader learning programs to close gaps and support succession planning.

Refresh health and wellness programs and services.

Refresh recognition program.

Enhance employee engagement methods to inform workplace decisions with data and insights.

Create a compelling employee experience through 'Authentically AGLC' programs.

Leverage the employer brand to increase awareness in the marketplace and deploy a recruitment strategy that attracts and retains top talent.

Refresh succession planning framework.

DESIRED OUTCOMES

Transformed culture that values employee experience and innovation by leveraging digital fluency and technical skills to address current and future workforce needs.

Digital Strategy

OBJECTIVES

- Develop a modernized Information Technology (IT) workforce aligned with business needs.
- Integrate the right people with the right technology through effective, ethical and repeatable processes.
- Achieve a data driven organization through the data maturity principles of data quality and availability.

ACTIONS

Strengthen IT governance including resource and performance measurement, in alignment with EPM, to deliver an effective value management framework.

Establish new IT services such as cloud security, architecture practices and digital services to modernize IT operations.

Develop leadership's digital fluency to support adoption of artificial intelligence, customer relationship management, master data management and role-based access control.

Expand digital services through the use of artificial intelligence and other automation tools.

Expand internal and external self-service capabilities through customer relationship management and portal technologies.

Enable essential digital technology including integration, master data management and identity management to increase operational efficiencies, improve decision making and support risk mitigation.

Redesign IT service management capabilities including enhancement of application, security, data and infrastructure domains.

Modernization and enhancement of regulatory applications to improve and streamline regulatory services with a focus on case management.

Continue modernization of business applications through implementation of the enterprise resource planning system for core services such as finance, supply chain management and liquor product pricing.

Review and implement prioritized enhancements to the enterprise resource planning system.

DESIRED OUTCOMES

Integrated IT initiatives that advance AGLC as a modern organization delivering measurable benefits.

Budget and targets

Budget 2025-28 reflects the actions that will be taken across the organization to advance both strategic direction and support core day-to-day operations. The budget and targets reflect AGLC's budget context and continued commitment to responsible fiscal management while balancing the need to invest to drive innovation, be customer centric and transform our operations.

Budget 2025-26 delivers a financial return of **\$2.3 billion** in net operating income for the benefit of all Albertans. This is a \$30.4 million (1.3%) increase from budget 2024-25, due to **improved revenue** performance combined with **reduced operating expenses**. Capital investment of \$148.5 million is budgeted in 2025-26, with the majority supporting sustainment initiatives.

Target years are projected to deliver year over year increases, trending upwards to \$2.4 billion by 2027-28, an increase of \$28.4 million (1.2%) in 2026-27 and an increase of \$46.7 million (2.0%) in 2027-28.

The operating budget is allocated to each line of business for transparency and impacts the value they provide to Albertans.

(in millions)

	Actuals 2023-24*	Budget 2024-25*	Budget 2025-26	Target 2026-27	Target 2027-28
Gaming net revenue	\$1,506.5	\$1,504.0	\$1,565.1	\$1,619.6	\$1,663.9
Liquor net revenue	823.2	844.3	821.0	808.8	795.8
Cannabis net revenue	63.9	69.6	71.5	77.8	85.9
Net revenue	2,393.6	2,417.9	2,457.6	2,506.2	2,545.6
Operating expenses	370.6	470.6	466.7	486.6	479.6
Other revenue	24.4	20.9	25.2	24.9	25.2
Net income from ticket lottery	322.8	333.5	316.0	316.0	316.0
Net operating income	\$2,370.2	\$2,301.7	\$2,332.1	\$2,360.5	\$2,407.2
Net operating income by line of business					
Gaming net operating income	1,568.8	1,486.8	1,539.7	1,577.3	1,620.9
Liquor net operating income	790.6	807.8	783.4	769.7	760.9
Cannabis net operating income ²	10.8	7.1	9.0	13.5	25.4
Net operating income	\$2,370.2	\$2,301.7	\$2,332.1	\$2,360.5	\$2,407.2
<i>*restated for comparison purposes¹</i>					
Capital investment	\$136.4	\$122.9	\$148.5	\$132.0	\$120.8

1. Lottery ticket sales through Play Alberta restated hereinafter in Net income from ticket lottery and related commissions in Operating expenses.
2. Does not include cannabis tax revenue collected by the Government of Alberta.

Performance measures

AGLC regularly monitors and reports on its performance. This ensures AGLC is achieving its purpose, delivering on strategy and managing all actions described in this plan.

The following performance measures provide transparency and accountability to our stakeholders and Albertans that goals and objectives are being achieved, and targets are being met.

	Actuals 2023-24*	Budget 2024-25*	Budget 2025-26	Target 2026-27	Target 2027-28
Financial (in millions)					
Gaming net operating income	\$1,568.8	\$1,486.8	\$1,539.7	\$1,577.3	\$1,620.9
Liquor net operating income	\$790.6	\$807.8	\$783.4	\$769.7	\$760.9
Cannabis net operating income ¹	\$10.8	\$7.1	\$9.0	\$13.5	\$25.4

	Actuals 2023-24	Target 2024-25	Target 2025-26	Target 2026-27	Target 2027-28
Compliance²					
Charitable gaming activities	99%	99%	99%	99%	99%
Liquor licensees	99%	99%	99%	99%	99%
Cannabis licensees	98%	98%	98%	98%	98%

Awareness					
GameSense	51%	52%	52%	52%	51%
DrinkSense	40%	41%	42%	42%	41%
CannabisSense	30%	33%	34%	34%	33%

Responsible use³					
Responsible gamblers	95%	97%	97%	97%	97%
Responsible drinkers	93%	89%	89%	89%	89%
Responsible cannabis consumers	<i>*pending development as a national standardized tool and/or metric has not yet been established</i>				

	Actuals 2023-24	Target 2024-25	Target 2025-26	Target 2026-27	Target 2027-28
Customer service and brand⁴					
Stakeholder satisfaction index	93%	93%	94%	94%	94%

- Does not include cannabis tax revenue collected by the Government of Alberta.
- Calculated by total inspections during the fiscal year, minus incidents resulting in penalties, divided by total inspections during the fiscal year.
- Responsible gamblers and responsible drinkers performance metrics exclude Albertans that do not gamble or consume alcohol.
- Indexes are comprised of a series of questions from multiple surveys of licensees and adult Albertans, as well as internal employee surveys.



web: aglc.ca
Email: contactus@aglc.ca

