POLLARD banknote limited

2024 ANNUAL REPORT

CONTENTS

LETTER TO SHAREHOLDERS

Enclosed please find our 2024 Annual Report. 2024 was a significant year for Pollard Banknote as a number of key milestones were reached. In addition to achieving another record year for sales and Adjusted EBITDA[1], our ongoing focus and investment in our proprietary in-house iLottery solution resulted in the awarding of a key contract to provide our Catalyst™ iLottery platform and eInstant gaming portfolio to the Kansas Lottery. Subsequent to year end, on February 13, 2025 our solution was successfully launched after the fastest iLottery implementation in North American history. Our internally produced eInstant games also went live during the year in Alberta and Ireland and are currently being integrated for implementation in other lotteries for roll-out in 2025. We are very confident of future success in further deployments of our iLottery platform and eInstant portfolio in lotteries in North America and around the world.

Our strategy of repricing our instant ticket contracts continued to be successful helping to drive improved gross margins throughout 2024. With the majority of contracts now re-priced, incremental positive margin impact will continue through 2025 as a result of these higher priced contracts now being in effect for the entire year.

Important acquisitions were made in our charitable games group, expanding our product offering with the addition of the leading manufacturer of bingo markers, Clarence J. Venne, LLC, and subsequent to year end the purchase of Pacific Gaming, LLC, a leader in the provision of bingo electronics, handhelds, blowers, point-of-sale systems, and bingo management systems. Our charitable games group now provides the complete selection of products and solutions to assist charities throughout North America in raising funds to support their good causes.

2024 financial highlights include achieving record sales of $557.1 million, up 7.1% from 2023. Combined sales[1] in the year, including our share of our NeoPollard Interactive LLC joint venture sales, attained $665.9 million, up 10.9% from $600.6 million in 2023. Net Income of $35.2 million was 12.1% higher than 2023 Net Income of $31.4 million. Our Adjusted EBITDA[1] attained a new annual record of $114.5 million, up 25.4% from 2023. Cash flow from operating activities generated $73.9 million compared to $64.6 million in 2023.

Our vision is clear. We will be the partner of choice to help our lottery and charitable gaming customers responsibly grow revenue for good causes through outstanding games, retail excellence and digital innovation. Built on our foundational values of integrity, growth, collaboration and innovation, our over 2,500 employees take great pride in helping these organizations attain success in reaching their goals within their communities. We thank all of our team members for their focus and commitment in pursuing these objectives first articulated at the founding of our company 118 years ago.

[1] See Non-GAAP measures for explanation

We also acknowledge our many customers, lottery and charitable organizations throughout the world, for their emphasis on expanding and improving gaming in a responsible way, reflecting a cornerstone of our vision. Our public shareholders have been very supportive of our journey since our initial public offering back in 2005 and allow us to focus on our long-term growth objectives. Last, but certainly not least, our Board of Directors, in particular our three independent Directors, are always available to provide guidance and leadership as we continue to execute our strategy.

We thank all of our stakeholders for their support, and we are looking forward to continued success in 2025 and beyond.

Douglas Pollard
Co-Chief Executive Officer

John Pollard
Co-Chief Executive Officer

March 31, 2025

DIRECTORS OF POLLARD BANKNOTE LIMITED

Gordon Pollard Executive Chair

Gordon Pollard joined Pollard Banknote in 1989 as Vice President, Marketing. He became Co–Chief Executive Officer in 1997 and on May 1, 2011, was appointed Executive Chair of the Board of Directors and is a former Director of the Manitoba Hydro Electric Board. Prior to 1989, he practiced law with a major Manitoba firm specializing in corporate and securities law. Mr. Pollard has an LL.B. from the University of Manitoba and a B.A. from the University of Winnipeg.

Dave Brown

Dave Brown is an Executive Vice-President of Richardson Financial Group Limited and a Managing Director of RBM Capital Limited (a private investment firm). Previously, he was Chief Executive Officer of Richardson Capital Limited, the private equity arm of James Richardson & Sons, Limited, the Corporate Secretary of James Richardson & Sons, Limited, and a partner in the independent law and accounting firm of Gray & Brown. He also serves as Independent Chair of the Board of Directors of Boyd Group Services Inc., as a Director of RF Capital Group Inc. and is a former Director of the Manitoba Hydro Electric Board. He has served various Manitoba charities including acting as Director of the Misericordia Hospital and Pavilion Gallery Museum Inc. and as Co-chair of Major Donors for the Children's Hospital Foundation Capital Campaign. He graduated from the University of Manitoba law school and is a Chartered Professional Accountant.

Lee Meagher

Lee Meagher founded Scootaround, Inc. in 1997, an international personal transportation solutions company providing rentals, sales and service to the travelling public. She served as its Chief Executive Officer from inception to 2019, when Scootaround merged its operations with Whill Inc., a Tokyo based mobility device company. She currently serves as one of the Directors of Scootaround Mobility Holdings Inc. and as Past Chair and Director of the Board of CancerCare Manitoba Foundation. She also serves as a Director of the Pan Am Clinic Foundation, sits on the Advisory Committee of The Co-Habit Project and is past Chair of the St. Boniface Hospital Research Foundation. She holds a B.A. from the University of Manitoba.

Carmele Peter

Carmele Peter is a Director of Exchange Income Corporation, where she was formerly President from 2014 to 2024, and Chief Administrative Officer from 2012 to 2014. Prior to joining Exchange Income Corporation, she practiced law for 23 years at the law firm of Aikins, MacAulay & Thorvaldson LLP, where she specialized in transactional and tax work. Ms. Peter was appointed K.C. in 2019. Ms. Peter also currently serves as a Director of James Richardson & Sons, Limited, Chair of the Manitoba Civil Service Superannuation Fund and is a member of the International Women's Forum.

Douglas Pollard

Douglas Pollard joined Pollard Banknote in 1997 as Vice President, Lottery Management Services and on May 1, 2011, was appointed Co–Chief Executive Officer. From 1997 to 1999 he was a Director and the General Manager of Imprimerie Spéciale de Banque, a subsidiary of Pollard Banknote based in Paris, France. Prior to 1997 Mr. Pollard was a Senior Consultant with PricewaterhouseCoopers. Mr. Pollard has an M.B.A. from The Richard Ivey School of Business at the University of Western Ontario and a B.A. from the University of Manitoba and is Chair of the Board of Directors of the Assiniboine Park Conservancy and the Chair of the Board of Directors of the CancerCare Manitoba Foundation.

John Pollard

John Pollard joined Pollard Banknote in 1986 as Vice President, Finance. He became Co–Chief Executive Officer in 1997. Prior to 1986, he was an associate with the accounting firm Deloitte & Touche LLP. Mr. Pollard has a B.Comm. (Honours) from the University of Manitoba and is a former member of the Institute of Chartered Accountants of Manitoba. He serves as a Director of The Winnipeg Foundation and as President and Director of Pulford Community Living Services Inc.

December 31, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2024

March 10, 2025

This management's discussion and analysis ("MD&A") of Pollard Banknote Limited ("Pollard") for the year ended December 31, 2024, is prepared as at March 10, 2025, and should be read in conjunction with the accompanying audited consolidated financial statements of Pollard and the notes therein as at December 31, 2024. Results are reported in Canadian dollars and have been prepared in accordance with IFRS Accounting Standards ("GAAP" or "IFRS").

Forward-Looking Statements

Certain statements in this report may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this document, such statements include such words as "may," "will," "expect," "believe," "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this document. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

Use of Non-GAAP Financial Measures

Reference to "EBITDA" is to earnings before interest, income taxes, depreciation, amortization and purchase accounting amortization. Reference to "Adjusted EBITDA" is to EBITDA before unrealized foreign exchange gains and losses, and certain non-recurring items including severance costs, acquisition costs, contingent consideration fair value adjustments and net insurance proceeds. Adjusted EBITDA is an important metric used by many investors to compare issuers on the basis of the ability to generate cash from operations and management believes that, in addition to net income, Adjusted EBITDA is a useful supplementary measure.

Reference to "Combined sales" is to sales recognized under GAAP plus Pollard's 50% proportionate share of NeoPollard Interactive LLC's ("NPi") sales, its iLottery joint venture operation. Reference to "Combined iLottery sales" is to sales recognized under GAAP for Pollard's 50% proportionate share of its Michigan Lottery joint iLottery operation plus Pollard's 50% proportionate share of NPi's sales, its iLottery joint venture operation.

EBITDA, Adjusted EBITDA, Combined sales and Combined iLottery sales are measures not recognized under GAAP and do not have a standardized meaning prescribed by GAAP. Therefore, these measures may not be comparable to similar measures presented by other entities. Investors are cautioned that EBITDA, Adjusted EBITDA, Combined sales and Combined iLottery sales should not be construed as alternatives to net income or sales as determined in accordance with GAAP as an indicator of Pollard's performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows.

Basis of Presentation

The results of operations in the following discussions encompass the consolidated results of Pollard for the years ended December 31, 2024 and 2023. All figures are in millions except for per share amounts.

POLLARD BANKNOTE LIMITED

Overview

Pollard is one of the leading providers of products and solutions to lottery and charitable gaming industries throughout the world. Management believes Pollard is the largest provider of instant tickets based in Canada and the second largest producer of instant tickets in the world. In addition, management believes Pollard is also the second largest bingo paper and pull-tab supplier to the charitable gaming industry in North America and, through our internal proprietary iLottery solution and our 50% joint venture, the largest supplier of iLottery solutions to the U.S. lottery market.

Pollard produces and provides a comprehensive line of instant tickets and lottery products and services including: licensed products, distribution, SureTrack® lottery management system, marketing, interactive digital gaming, including mkodo's world class game apps and GeoLocs™, PlayOn™ loyalty programs, retail management services, ScanACTIV™, EasyVEND™, lottery ticket dispensers and play stations and vending machines. Pollard also offers its state-of-the-art iLottery solution, Catalyst™ Gaming Platform, as well as eInstant games from its digital games studio. In addition, Pollard's charitable gaming product line includes pull-tab (or break-open) tickets, bingo paper, pull-tab vending machines, ancillary products such as pull-tab counting machines, bingo daubers and eTab systems marketed under the Diamond Game and Compliant Gaming trade names.

Pollard's lottery products are sold extensively throughout Canada, the United States and the rest of the world, wherever applicable laws and regulations authorize their use. Pollard serves over 60 instant ticket lotteries including a number of the largest lotteries throughout the world. Charitable gaming products are mostly sold in the United States and Canada where permitted by gaming regulatory authorities. Pollard serves a highly diversified customer base in the charitable gaming market of over 150 independent distributors with the majority of revenue generated from repeat business.

Acquisition

On July 31, 2024, Pollard acquired 100% of the business of Clarence J. Venne, LLC ("Venne") for a purchase price of $12.6 million U.S. dollars ($17.4 million) prior to standard working capital adjustments. Venne is one of the leading manufacturers of bingo daubers utilized primarily in the charitable gaming bingo market. The purchase price was funded from Pollard's credit facility and cash on hand.

Kansas iLottery contract

On August 26, 2024, Pollard announced it had been awarded its first contract in the United States to provide a full turnkey iLottery solution for the Kansas Lottery, powered by its proprietary, omnichannel Pollard Catalyst™ iLottery Gaming Platform, which was successfully launched on February 13, 2025.

Tariffs

Recently there has been uncertainty regarding the nature, extent and duration of various protectionist trade measures including tariffs and possible counter tariffs that have been and may be enacted within North America and the consequential impact on our cost structure. The structure of our business, with significant manufacturing facilities and other businesses long established in both the U.S. and Canada will help mitigate both cross border activity and material impacts on our financial results. We have the ability to produce almost all of the products we sell to our U.S. customers in our U.S.

manufacturing facilities. We will continue to assess both the short-term and long-term impacts and necessary countermeasures that can be undertaken to reduce the potential negative impacts.

The following financial information should be read in conjunction with the accompanying financial statements of Pollard and the notes therein as at and for the year ended December 31, 2024.

SELECTED FINANCIAL INFORMATION
(millions of dollars, except per share information)

	Year ended December 31, 2024	Year ended December 31, 2023(1)	Year ended December 31, 2022(1)
Sales	**$557.1**	$520.4	$483.7
Cost of sales	**452.4**	433.8	399.8
Gross profit	**104.7**	86.6	83.9
Gross profit as a % of sales	***18.8%***	*16.6%*	*17.3%*
Administration expenses	**65.0**	58.3	50.0
Administration expenses as a % of sales	***11.7%***	*11.2%*	*10.3%*
Selling expenses	**22.4**	20.7	17.4
Selling expenses as a % of sales	***4.0%***	*4.0%*	*3.6%*
NPi equity investment income	**(52.6)**	(39.1)	(22.3)
NPi equity investment income as a % of sales	***(9.4%)***	*(7.5%)*	*(4.6%)*
Other expenses	**0.1**	0.7	4.6
Other expenses as a % of sales	***0.0%***	*0.1%*	*1.0%*
Unrealized foreign exchange (gain) loss	**6.7**	(2.0)	4.4
Unrealized foreign exchange (gain) loss as a % of sales	***1.2%***	*(0.4%)*	*0.9%*
Net income	**35.2**	31.4	19.3
Net income as a % of sales	***6.3%***	*6.0%*	*4.0%*
Adjusted EBITDA	**114.5**	91.3	80.5
Adjusted EBITDA as a % of sales	***20.6%***	*17.5%*	*16.6%*
Net income per share (basic)	**$1.30**	$1.17	$0.72
Net income per share (diluted)	**$1.28**	$1.15	$0.71

	December 31, 2024	December 31, 2023	December 31, 2022
Total Assets	**$636.3**	$515.7	$506.7
Total Non-Current Liabilities	**$167.2**	$139.5	$142.7

(1) Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA
(millions of dollars)

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Net income	**$35.2**	$31.4	$19.3
Adjustments:			
Amortization and depreciation	**44.3**	45.0	41.0
Interest	**10.3**	10.5	8.3
Income taxes	**16.9**	6.1	2.9
EBITDA	**106.7**	93.0	71.5
Unrealized foreign exchange (gain) loss	**6.7**	(2.0)	4.4
Contingent consideration fair value adjustment	**(0.5)**	0.5	4.6
Severance costs	**1.3**	–	–
Acquisition costs	**0.3**	–	–
Net insurance proceeds	–	(0.2)	–
Adjusted EBITDA	**$114.5**	$91.3	$80.5

PRODUCT LINE BREAKDOWN OF REVENUE

	Year ended December 31, 2024	Year ended December 31, 2023
Lottery	75.2%	76.1%
Charitable	24.8%	23.9%

REVIEW OF OPERATIONS

Financial and operating information has been derived from, and should be read in conjunction with, the consolidated financial statements of Pollard and the selected financial information disclosed in this MD&A.

ANALYSIS OF RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

Sales

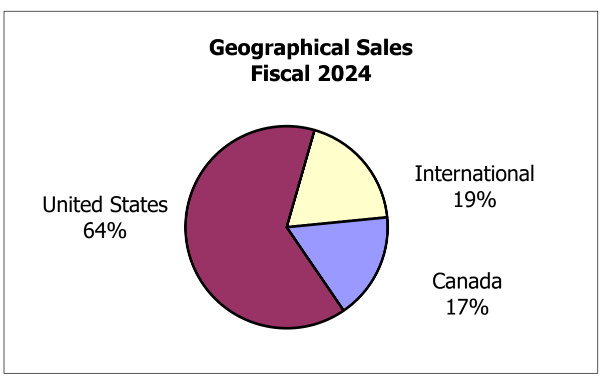
During the year ended December 31, 2024 ("Fiscal 2024" or "2024"), Pollard achieved sales of $557.1 million, compared to $520.4 million in the year ended December 31, 2023 ("Fiscal 2023" or "2023"). Factors impacting the $36.7 million sales increase were:

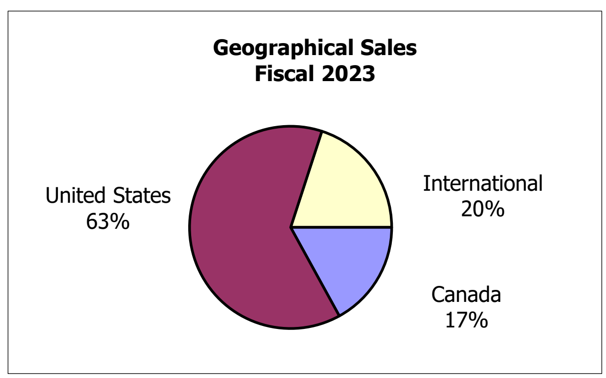
The higher instant ticket average selling price in Fiscal 2024 increased sales by $25.3 million as compared to 2023, primarily due to the change in customer mix and the impact of repriced contracts. This increase was partially offset by the decrease in instant ticket sales volumes of $18.2 million as compared to 2023, partly as a result of Pollard declining to produce certain lower margin work.

Higher sales of ancillary lottery products and services increased revenue by $15.7 million. This growth was largely due to increased sales of licensed products, digital and loyalty products, retail merchandising products and distribution services as compared to 2023.

Higher charitable eGaming ("eTab or eTabs") revenue increased sales by $4.4 million in 2024 primarily due to a higher number of eTab machines placed at bars, bingo halls and fraternal organizations as compared to 2023. Also, higher charitable gaming volumes increased sales by $8.1 million in Fiscal 2024 predominately as a result of the acquisition of Venne in the third quarter of 2024. Further increasing charitable sales in 2024 was the higher average selling price of charitable printed games which increased sales by $0.4 million as compared to 2023.

Lower Michigan iLottery sales in 2024 decreased revenue by $1.7 million as compared to 2023.





During Fiscal 2024, Pollard generated approximately 70.7% (2023 – 70.5%) of its revenue in U.S. dollars including a portion of international sales which are priced in U.S. dollars. During Fiscal 2024, the actual U.S. dollar value was converted to Canadian dollars at $1.359, compared to a rate of $1.352 in Fiscal 2023. This 0.5% increase in the U.S. dollar value resulted in an approximate increase of $2.1 million in revenue relative to Fiscal 2023. In addition, during 2024, the value of the Euro strengthened against the Canadian dollar resulting in an approximate increase of $0.6 million in revenue relative to 2023.

Cost of sales and gross profit

Cost of sales was $452.4 million in Fiscal 2024 compared to $433.8 million in Fiscal 2023. The increase of $18.6 million in cost of sales was primarily due to increased sales of ancillary lottery products and eTabs. Also increasing cost of goods sold were the additional costs associated with higher charitable gaming volumes and increased Pollard iLottery operational costs, including Kansas start-up related expenditures. Partially offsetting these increases in cost of sales were the lower expenses resulting from reduced instant ticket sales volumes as compared to 2023.

Gross profit increased to $104.7 million (18.8% of sales) in Fiscal 2024 compared to $86.6 million (16.6% of sales) in Fiscal 2023. This increase of $18.1 million in gross profit and the increase in gross profit percentage were primarily the result of higher instant ticket sales margins, largely as a result of the higher instant ticket average selling price, as well as increased sales of eTabs, charitable products, licensed products and retail merchandising products. Partially offsetting these increases was the reduction in Michigan iLottery gross profit in 2024 and increased Pollard iLottery operational costs.

Administration expenses

Administration expenses increased to $65.0 million in Fiscal 2024 compared to $58.3 million in Fiscal 2023. The increase of $6.7 million was largely a result of increased compensation expenses, consulting costs, software licensing costs and acquisition costs. Partially offsetting these increases was a decrease in professional fees.

Selling expenses

Selling expenses increased to $22.4 million in Fiscal 2024 compared to $20.7 million in Fiscal 2023. The increase of $1.7 million compared to 2023 was primarily due to higher compensation costs as well as the expansion of our charitable gaming distribution business and the acquisition of Venne.

Equity investment income

Pollard's share of income from NPi increased to $52.6 million in Fiscal 2024 from the $39.1 million in Fiscal 2023. This $13.5 million increase was primarily due to increased organic growth achieved on contracts held by NPi as compared to 2023. This growth was driven by greater gaming activity, in addition to the continued strong eInstants sales in North Carolina following their launch in the fourth quarter of 2023.

Other expenses

Other expenses were $0.1 million in Fiscal 2024 compared to $0.7 million in Fiscal 2023. The 2024 other expenses of $0.1 million was comprised of severance related costs of $1.3 million related to downsizing a portion of our operational workforce as a result of the expiry of a lottery service contract in Europe, mostly offset by $0.7 million of other income and $0.5 million contingent consideration fair value adjustment.

The 2023 other expenses of $0.7 million was comprised of $0.4 million of other expenses plus a $0.5 million contingent consideration fair value adjustment expense, partially offset by $0.2 million from an insurance settlement.

Foreign exchange

The net foreign exchange loss was $7.4 million in Fiscal 2024 compared to a net foreign exchange gain was $2.0 million in Fiscal 2023. The 2024 net foreign exchange loss of $7.4 million resulted from a net unrealized foreign exchange loss of $6.7 million, primarily due to the increased Canadian equivalent value of U.S. dollar denominated accounts payable and long-term debt due to the weakening of the Canadian dollar relative to the U.S. dollar, partially offset by the unrealized gain on U.S. dollar denominated accounts receivable. In addition, Pollard experienced a realized foreign exchange loss of $0.7 million primarily due to foreign currency denominated accounts payable paid at unfavorable exchange rates, which was partially offset by a realized foreign exchange gain mainly due to foreign currency denominated accounts receivable being converted into Canadian dollars at favorable foreign exchange rates.

The 2023 net foreign exchange gain of $2.0 million resulted from a net unrealized foreign exchange gain of $2.0 million, primarily due to the decreased Canadian equivalent value of U.S. dollar denominated accounts payable and long-term debt due to the strengthening of the Canadian dollar relative to the U.S. dollar, partially offset by the unrealized loss on U.S. dollar denominated accounts receivable. In addition, Pollard experienced a realized foreign exchange gain primarily due to foreign currency denominated accounts receivable being converted into Canadian dollars at favorable foreign exchange rates, which was offset by a realized foreign exchange loss mainly due to foreign currency denominated accounts payable paid at unfavorable exchange rates.

Adjusted EBITDA

Adjusted EBITDA increased to $114.5 million in Fiscal 2024 compared to $91.3 million in Fiscal 2023. The primary reasons for the increase of $23.2 million were the increase in gross profit (net of amortization and depreciation) of $17.4 million, the increase in equity investment income of $13.5 million and the increase in other income (net of contingent consideration adjustment and severance related costs) of $1.1 million. Partially offsetting these increases were the increase in administration expenses (net of acquisition costs) of $6.4 million, the increase in selling expenses of $1.7 million and the increase in realized foreign exchange losses of $0.7 million.

Interest expense

Interest expense decreased to $10.3 million in Fiscal 2024 from $10.5 million in Fiscal 2023, primarily as a result of the decrease in interest accretion of $0.8 million on the discounted contingent consideration liability relating to a previous acquisition and the decrease in average interest rates on long-term debt outstanding as compared to 2023. Partially offsetting these decreases to interest expense was the impact of more lease related interest expense in 2024 and the increase in average long-term debt outstanding as compared to 2023.

Amortization and depreciation

Amortization and depreciation totaled $44.3 million during Fiscal 2024 which decreased from $45.0 million during Fiscal 2023. The decrease of $0.7 million was primarily the result of certain property, plant and equipment becoming fully depreciated.

Income taxes

Income tax expense was $16.9 million in Fiscal 2024, an effective rate of 32.5%, which was higher than our domestic rate of 27.0% due primarily to the effect of withholding and other taxes partially offset by the effect of lower income tax rates in foreign jurisdictions.

Income tax expense was $6.1 million in Fiscal 2023, an effective rate of 16.3%, which was lower than our domestic rate of 27.0% due primarily to the effect of lower income tax rates in foreign jurisdictions.

Net income

Net income increased to $35.2 million in Fiscal 2024 compared to net income of $31.4 million in Fiscal 2023. The main reasons for the increase of $3.8 million include the increase in gross profit of $18.1 million, the increase in equity investment income of $13.5 million and the decrease in other expenses of $0.6 million. Partially offsetting these increases to net income were the increase in income tax expense of $10.8 million, the increase in net foreign exchange loss of $9.4 million, the increase in administration expenses of $6.7 million and the increase in selling expenses of $1.7 million.

Net income per share (basic and diluted) increased to $1.30 and $1.28 per share, respectively, in Fiscal 2024 from $1.17 and $1.15 per share, respectively, in Fiscal 2023.

Joint Venture iLottery

Pollard and Neogames US LLP, a subsidiary of Aristocrat Interactive S.a r.l, ("Neogames") together provide iLottery services to certain North American lotteries. In 2013, Pollard was awarded an iLottery contract from the Michigan Lottery. As a result, Pollard entered into a contract with Neogames to provide its technology in return for a 50% financial interest in the operation. Under IFRS, Pollard recognizes its 50% share in the Michigan Lottery contract in its consolidated statements of income in sales and cost of sales.

In 2014 Pollard, in conjunction with Neogames, established NeoPollard Interactive LLC ("NPi") to provide iLottery services for certain joint customer contracts, excluding the Michigan Lottery iLottery contract. Under IFRS, Pollard accounts for its investment in its joint venture, NPi, as an equity investment. Under the equity method of accounting, Pollard recognizes its share of the income and expenses of NPi separately as equity investment income.

(millions of dollars)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Sales – Pollard's share									
Michigan iLottery	$5.7	$6.0	$6.8	$7.1	$7.0	$7.2	$6.5	$7.3	$7.9
NPi	27.9	27.2	28.2	25.5	21.8	21.5	18.5	18.5	17.7
Combined iLottery sales	$33.6	$33.2	$35.0	$32.6	$28.8	$28.7	$25.0	$25.8	$25.6
Income before income taxes – Pollard's share									
Michigan iLottery	$1.3	$0.7	$2.1	$2.7	$2.5	$2.8	$1.8	$2.9	$2.9
NPi	12.6	13.6	14.1	12.2	11.0	11.1	8.8	8.2	8.3
Combined income before income taxes – Pollard's share	$13.9	$14.3	$16.2	$14.9	$13.5	$13.9	$10.6	$11.1	$11.2

Throughout 2023 and 2024, NPi's contracts achieved strong organic growth, adding to sales and income before taxes. In addition, quarterly sales and income before taxes are positively impacted during quarters where substantial draw-based game (Powerball® and Mega Millions®) jackpots are awarded. In the third and fourth quarters of 2024 income before income taxes from the Michigan iLottery was negatively impacted by lower sales and further negatively impacted by certain one-time higher processing costs in the third quarter.

Liquidity and Capital Resources

Cash provided by operating activities

For the year ended December 31, 2024, cash flow provided by operating activities was $73.9 million compared to cash flow provided by operating activities of $64.6 million in Fiscal 2023. Changes in the non-cash working capital provided $1.7 million in cash in 2024 compared to $9.6 million of cash provided in 2023. In Fiscal 2024, changes in the non-cash working capital increased cash flow from operations due primarily to an increase in accounts payable and accrued liabilities and a decrease in accounts receivable, partially offset by increases in contract assets, and prepaids. In Fiscal 2023, changes in the non-cash working capital increased cash flow from operations due primarily to a decreases in accounts receivable and inventory, and an increase to accounts payable and accrued liabilities, partially offset by increases to contract assets and prepaids.

Cash used for interest payments increased to $9.8 million in 2024 as compared to $9.7 million in 2023. Cash used for pension plan contributions increased to $4.8 million in 2024 as compared to $4.7 million used in 2023. Cash used for income tax payments increased to $30.8 million in 2024 from $24.2 million in 2023. Offsetting these uses of cash, Pollard received $52.6 million from our investment in our iLottery joint venture in 2024 as compared to $39.1 million received in 2023.

Cash used for investing activities

For the year ended December 31, 2024, cash used for investing activities was $77.2 million compared to $52.1 million used in the year ended December 31, 2023. In Fiscal 2024, Pollard used $28.4 million on additions to intangible assets, $25.6 million on capital expenditures and $23.2 million for acquisitions.

In Fiscal 2023, Pollard used $23.5 million on additions to intangible assets, $14.6 million on capital expenditures and $14.0 million for acquisitions, primarily relating to contingent consideration paid for a previous acquisition.

Cash provided by financing activities

Cash provided by financing activities was $16.8 million for the year ended December 31, 2024, compared to cash used for financing activities of $10.9 million for the year ended December 31, 2023. During Fiscal 2024, cash was provided by net proceeds from long-term debt received of $26.6 million. This cash inflow was partially offset by lease principal payments of $5.6 million and dividend payments of $5.1 million made during the year. During Fiscal 2023, lease principal payments of $6.7 million, dividend payments of $4.3 million and repayments of long-term debt of $0.9 million were made during the year.

As at December 31, 2024, Pollard had unused credit facility of $139.9 million and $22.4 million in available cash resources. These amounts, in addition to cash flow provided by operating activities, are available to be used for future working capital requirements, contractual obligations, capital expenditures, dividends and to assist in financing future acquisitions.

RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2024

SELECTED FINANCIAL INFORMATION

(millions of dollars, except per share amounts)

	Three months ended December 31, 2024	Three months ended December 31, 2023[1]
	(unaudited)	(unaudited)
Sales	**$140.3**	$135.5
Cost of sales	**117.9**	110.7
Gross profit	**22.4**	24.8
Administration expenses	**16.1**	15.6
Selling expenses	**5.3**	5.6
Equity investment income	**(12.6)**	(11.0)
Other (income) expenses	**(0.5)**	0.6
Income from operations	**14.1**	14.0
Foreign exchange (gain) loss	**4.4**	(2.9)
Interest expense	**2.7**	2.6
Income before income taxes	**7.0**	14.3
Income taxes:		
Current	**14.6**	5.1
Deferred reduction	**(5.8)**	(2.1)
	8.8	3.0
Net income (loss)	**($1.8)**	$11.3
Adjustments:		
Amortization and depreciation	**11.6**	11.5
Interest	**2.7**	2.6
Income taxes	**8.8**	3.0
EBITDA	**$21.3**	$28.4
Unrealized foreign exchange (gain) loss	**4.2**	(2.7)
Severance costs	**0.2**	–
Contingent consideration fair value adjustment	**(0.5)**	–
Adjusted EBITDA	**$25.2**	$25.7
Net income (loss) per share (basic)	**($0.07)**	$0.42
Net income (loss) per share (diluted)	**($0.06)**	$0.41

(1) Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

Sales

During the three months ended December 31, 2024, Pollard achieved sales of $140.3 million, compared to $135.5 million in the three months ended December 31, 2023. Factors impacting the $4.8 million sales increase were:

The higher instant ticket average selling price in the fourth quarter of 2024 increased sales by $2.7 million as compared to 2023, primarily due to the impact of repriced contracts and the change in customer mix, partially offset by a decrease in proprietary products. However, this increase to revenue was partially offset by the decrease in instant ticket sales volumes of $7.9 million as compared to 2023, primarily as a result of the timing of customer orders.

Higher sales of ancillary lottery products and services increased revenue by $3.8 million. This growth was largely due to increased sales of licensed products, digital and loyalty products and distribution services as compared to fourth quarter of 2023.

Higher charitable gaming volumes increased sales by $5.4 million in fourth quarter of 2024 predominately as a result of the acquisition of Venne in the third quarter of 2024. Further increasing charitable sales in 2024 was the higher average selling price of charitable printed games, which increased sales by $0.9 million as compared to 2023, and higher eTab revenue of $0.6 million in 2024.

Lower Michigan iLottery sales decreased revenue in the fourth quarter of 2024 by $0.4 million as compared to the fourth quarter of 2023.

During the three months ended December 31, 2024, Pollard generated approximately 70.1% (2023 – 64.9%) of its revenue in U.S. dollars including a portion of international sales which were priced in U.S. dollars. During the fourth quarter of 2024, the actual U.S. dollar value was converted to Canadian dollars at $1.362, compared to a rate of $1.370 during the fourth quarter of 2023. This 0.6% decrease in the U.S. dollar value resulted in an approximate decrease of $0.6 million in revenue relative to 2023. In addition, during the fourth quarter of 2024, the value of the Euro strengthened against the Canadian dollar resulting in an approximate increase of $0.3 million in revenue relative to 2023.

Cost of sales and gross profit

Cost of sales was $117.9 million in the fourth quarter of 2024 compared to $110.7 million in the fourth quarter of 2023. The increase of $7.2 million was primarily due to higher charitable gaming volumes, increased sales of ancillary lottery products and instant ticket production inefficiencies. Also increasing cost of goods sold was the increased Pollard iLottery operational costs, including Kansas start-up related expenditures. Partially offsetting these increases in cost of sales was the lower expenses related to reduced instant ticket sales volumes as compared to 2023.

Gross profit was $22.4 million (16.0% of sales) in the fourth quarter of 2024 compared to $24.8 million (18.3% of sales) in the fourth quarter of 2023. This decrease of $2.4 million in gross profit and the decrease in gross profit percentage were primarily the result of lower instant ticket sales margins, largely as a result of the lower instant ticket volumes, and the impact of higher costs resulting from production inefficiencies. Additionally, the reduction in Michigan iLottery gross profit and increased Pollard iLottery operational costs in 2024 further reduced gross profit. Partially offsetting these decreases in gross profit were increased charitable gaming products, including eTab, and digital and loyalty margins.

Our fourth quarter results, historically a lower quarter, were impacted negatively by three main factors:

- Our Kansas iLottery contract went live February 13, 2025. In the fourth quarter of 2024, startup and implementation costs were incurred during the implementation and roll out period which negatively impacted our margins.

- Our instant ticket margin was negatively impacted by much higher than usual spoilage on a very unique group of high value games. While a certain level of spoilage is expected, the fourth quarter was an unusual occurrence and magnitude and is not expected to reoccur going forward.

- Our instant ticket volumes were lower than we anticipated with a number of orders moving out of the fourth quarter due to the timing and requirements of several customers. The timing variations experienced in the fourth quarter were unusual. Our sales volume outlook in 2025 is to meet levels consistent with the overall volumes achieved in 2024.

Administration expenses

Administration expenses increased to $16.1 million in the fourth quarter of 2024 compared to $15.6 million in the fourth quarter of 2023. The increase of $0.5 million was largely a result of increased compensation expenses and software licensing costs.

Selling expenses

Selling expenses decreased to $5.3 million in the fourth quarter of 2024 compared to $5.6 million in the fourth quarter of 2023. The decrease was primarily due to lower compensation costs, including incentive accruals, partially offset by the increase in selling expenses from the acquisition of Venne.

Equity investment income

Pollard's share of income from NPi increased to $12.6 million in the fourth quarter of 2024 from the $11.0 million in the fourth quarter of 2023. This $1.6 million increase was primarily due to the continued strong eInstants sales in North Carolina following their launch in the fourth quarter of 2023.

Other (income) expenses

Other income was $0.5 million in the fourth quarter of 2024 compared to other expenses of $0.6 million in the fourth quarter of 2023. The 2024 other income of $0.5 million was comprised of $0.5 million of contingent consideration fair value adjustment and $0.2 million of other income, partially offset by severance related costs of $0.2 million related to downsizing a portion of our operational workforce as a result of the expiry of a lottery service contract in Europe.

Foreign exchange

The net foreign exchange loss was $4.4 million in the fourth quarter of 2024 compared to a net foreign exchange gain of $2.9 million in the fourth quarter of 2023. The 2024 net foreign exchange loss of $4.4 million resulted from a net unrealized foreign exchange loss of $4.2 million, primarily due to the increased Canadian equivalent value of U.S. dollar denominated accounts payable and long-term debt due to the weakening of the Canadian dollar relative to the U.S. dollar, partially offset by the unrealized gains on U.S. dollar denominated accounts receivable. In addition, Pollard experienced a realized foreign exchange loss of $0.2 million, which was primarily due to foreign currency denominated accounts payable paid at unfavorable exchange rates, which was partially offset by a realized foreign exchange gain mainly due to foreign currency denominated accounts receivable being converted into Canadian dollars at favorable foreign exchange rates.

The 2023 net foreign exchange gain of $2.9 million resulted from a net unrealized foreign exchange gain of $2.7 million, primarily due to the decreased Canadian equivalent value of U.S. dollar denominated accounts payable and long-term debt due to the strengthening of the Canadian dollar relative to the U.S. dollar, partially offset by the unrealized loss on U.S. dollar denominated accounts receivable. In addition, Pollard experienced a realized foreign exchange gain of $0.2 million, which was primarily due to foreign currency denominated accounts receivable being converted into Canadian dollars at favorable foreign exchange rates, partially offset by foreign currency denominated accounts payable paid at unfavorable exchange rates.

Adjusted EBITDA

Adjusted EBITDA decreased to $25.2 million in the fourth quarter of 2024 compared to $25.7 million in the fourth quarter of 2023. The primary reasons for the decrease of $0.5 million were the decrease in gross profit (net of amortization and depreciation) of $2.3 million, the increase in realized foreign exchange loss of $0.4 million and the increase in administration expenses of $0.5 million. Partially offsetting these decreases to Adjusted EBITDA were the increase in equity investment income of $1.6 million, the increase in other income (net of contingent consideration adjustment and severance related costs) of $0.8 million and the decrease in selling expenses of $0.3 million.

Interest expense

Interest expense increased to $2.7 million in the fourth quarter of 2024 from $2.6 million in the fourth quarter of 2023, primarily as a result of the increase in average long-term debt outstanding as compared to 2023, partially offset by the decrease in average interest rates on long-term debt outstanding.

Amortization and depreciation

Amortization and depreciation totaled $11.6 million during the fourth quarter of 2024 similar to $11.5 million during the fourth quarter of 2023.

Income taxes

Income tax expense was $8.8 million in the fourth quarter of 2024, an effective rate of 125.2%, which was higher than our domestic rate of 27.0% due primarily to the effect of withholding and other taxes.

Income tax expense was $3.0 million in the fourth quarter of 2023, an effective rate of 21.0%, which was lower than our domestic rate of 27.0% due primarily to the effect of lower income tax rates in foreign jurisdictions and the impact of the capital gains rate.

Net income (loss)

Net loss was $1.8 million in the fourth quarter of 2024 compared to net income of $11.3 million in the fourth quarter of 2023. The main reasons for the change of $13.1 million were the increase in net foreign exchange loss of $7.3 million, the increase in income tax expense of $5.8 million, the decrease in gross profit of $2.4 million and the increase in administration expenses of $0.5 million. Partially offsetting these increases to the net loss were the increase in equity investment income of $1.6 million, the increase in other income of $1.1 million and the decrease in selling expenses of $0.3 million.

Net loss per share (basic and diluted) was $0.07 and $0.06 per share, respectively, in the fourth quarter of 2024 compared to net income of $0.42 and $0.41 per share, respectively, (basic and diluted) in the fourth quarter of 2023.

Quarterly Information
(unaudited)
(millions of dollars, except for per share amounts)

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Sales(1)	$140.3	$153.2	$137.8	$125.7	$135.5	$129.1	$130.8	$125.1	$127.3
Adjusted EBITDA	25.2	33.3	32.3	23.7	25.7	24.8	22.1	18.6	22.4
Net income (loss)	(1.8)	18.2	11.9	6.9	11.3	7.7	7.5	4.8	10.5
Net income (loss) per share - basic	(0.07)	0.67	0.44	0.26	0.42	0.29	0.28	0.18	0.39

(1) Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

Working Capital

Net non-cash working capital varies throughout the year based on the timing of individual sales transactions and other investments. The nature of the lottery industry is few individual customers who generally order large dollar value transactions. As such, the change in timing of a few individual orders can significantly impact the amount required to be invested in inventory or receivables at a particular period end. The high value, low volume of transactions results in some significant volatility in non-cash working capital, particularly during a period of changing volumes. Similarly, the timing of the completion of the sales cycle through collection can significantly impact non-cash working capital.

Instant tickets are produced specifically for individual clients resulting in a limited investment in finished goods inventory. Customers are predominantly government agencies, which result in regular payments. There are a limited number of individual customers, and therefore the net investment in working capital is managed on an individual customer by customer basis, without the need for company-wide benchmarks.

The overall impact of seasonality does not have a material impact on the carrying amounts in working capital.

As at December 31, 2024, Pollard's investment in non-cash working capital decreased $1.7 million compared to December 31, 2023, primarily to an increase in accounts payable and accrued liabilities and a decrease in accounts receivable, partially offset by increases in contract assets, and prepaid expenses and deposits.

	December 31, 2024	December 31, 2023
Working Capital	$95.9	$81.8
Total Assets	$636.3	$515.7
Total Non-Current Liabilities	$167.2	$139.5

Credit Facility

Pollard's credit facility was renewed effective December 31, 2024. The credit facility provides loans of up to $155.0 million for its Canadian operations and US$95.0 million for its U.S. subsidiaries. The credit facility also includes an accordion feature which can increase the facility by $50.0 million. The borrowings for the Canadian operations can be denominated in Canadian or U.S. dollars, to a maximum of $155.0 million Canadian equivalent. Borrowings under the credit facility bear interest at fixed and floating rates based on Canadian and U.S. prime bank rates, Canadian Dollar Offered Rate ("CDOR") or Secured Overnight Financing Rate ("SOFR"). At December 31, 2024, the outstanding letters of guarantee drawn under the credit facility were $0.1 million. The remaining balance available for drawdown under the credit facility was $139.9 million.

Under the terms and conditions of the credit facility agreement Pollard is required to maintain certain financial covenants including our debt service coverage ratio and debt to income before interest, income taxes, amortization, depreciation and certain other items ratio. As at December 31, 2024, Pollard was in compliance with all financial covenants.

Pollard's credit facility is secured by a first security interest in all of the present and after acquired property of Pollard. Under the terms of the agreement the facility is committed for a four-year period, renewable

December 31, 2028. Principal payments are not required until maturity. The facility can be prepaid without penalties.

Pollard believes that its credit facility and ongoing cash flow from operations will be sufficient to allow it to meet ongoing requirements for investment in capital expenditures, working capital, dividends and acquisitions.

Economic Development Canada ("EDC") Facility

Effective November 29, 2024, Pollard renewed its annual agreement with EDC. This agreement provides a €15.0 million facility whereby Pollard can issue qualifying letters of credit against the EDC facility. The facility is guaranteed by a general indemnity from Pollard. As of December 31, 2024, the outstanding letters of credit drawn on this facility were $13.4 million (€9.0 million). As of December 31, 2023, the outstanding letters of credit drawn on this facility were $14.7 million (€10.1 million).

Outstanding Share Data

As at December 31, 2024, outstanding share data was as follows:

Common shares	27,061,419

As at March 10, 2025, outstanding share data was as follows:

Common shares	27,067,669

Share Options

Under the Pollard Banknote Limited Stock Option Plan the Board of Directors has the authority to grant options to purchase common shares to eligible persons and to determine the applicable terms. The aggregate maximum number of common shares available for issuance from Pollard's treasury under the Option Plan is 2,354,315 common shares. As at December 31, 2024, the total share options issued and outstanding were 381,250.

Dividends

On March 10, 2025, the Board of Directors declared a dividend of $0.05 per common share payable on April 15, 2025, for the quarter ending March 31, 2025.

Contractual Obligations

The following table outlines a schedule by year of contractual obligations outstanding, including related interest payments:

(millions of dollars)	Total	2025	2026	2027	2028	2029 & thereafter
Long-term debt	$183.7	$8.0	$8.0	$7.9	$159.8	$ –
Lease liabilities	19.3	6.1	5.2	4.1	2.8	1.1
Total	$203.0	$14.1	$13.2	$12.0	$162.6	$1.1

Pension Obligations

Pollard sponsors four non-contributory defined benefit pension plans, of which three are final pay plans and one is a flat benefit plan. As of December 31, 2024, the aggregate fair value of the assets of Pollard's defined benefit pension plans was $107.1 million and the accrued benefit plan obligations were $101.2 million. Pollard's total annual funding contribution for its defined pension plans in 2025 is expected to be approximately $1.3 million, compared to $2.9 million in 2024.

Off-Balance Sheet Arrangements

Aside from our short-term and low value leases, Pollard has no other off-balance sheet arrangements.

Related Party Transactions

The Control Group and affiliates

During the year ended December 31, 2024, Pollard paid property rent of $2.3 million (2023 - $3.0 million) and $0.7 million (2023 - $0.5 million) in plane charter costs to affiliates of the Control Group.

During the year ended December 31, 2024, the Control Group paid Pollard $0.07 million (2023 - $0.07 million) for accounting and administration fees.

At December 31, 2024, Pollard owed the Control Group and its affiliates $0.8 million (2023 - $0.1 million) for rent, expenses and other items. Included within property, plant and equipment and lease liabilities on the consolidated statement of financial position are right-of-use assets and corresponding liabilities for premises leased to Pollard from the Control Group. As at December 31, 2024, the net book value of the right-of-use assets was $7.1 million (2023 - $5.5 million) and the present value of the lease liabilities was $7.4 million (2023 - $5.5 million).

Material Accounting Policies and Estimates

Described in the notes to Pollard's 2024 audited consolidated financial statements are the accounting policies and estimates that Pollard believes are critical to its business. Please refer to note 2 (c) to the audited consolidated financial statements for the year ended December 31, 2024, for a discussion of the significant accounting estimates and judgements.

Future Changes in Accounting Policies

Described in the notes to Pollard's 2024 audited consolidated financial statements are the future accounting standards that Pollard believes are potentially applicable to its business. Please refer to note 4 in the audited consolidated financial statements for the year ended December 31, 2024 for a summary.

Industry Risks and Uncertainties

Pollard is exposed to numerous risks and uncertainties which are described in this MD&A and Pollard's most recent Annual Information Form dated March 10, 2025, which is available under Pollard's profile on SEDAR+ (www.sedarplus.ca).

Financial Instruments

Pollard has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Currency risk
Interest rate risk

Pollard's risk management policies are established to identify and analyze the risks, to set appropriate risk limits and controls to monitor risks and adherence to limits. The Audit Committee oversees how management monitors compliance with Pollard's risk management policies and procedures. The Audit Committee is assisted in its oversight role by Internal Audit, who undertakes regular reviews of risk management controls and utilizes the annual risk assessment process as the basis for the annual internal audit plan.

Risk Exposure

Currency risk

Pollard sells a significant portion of its products and services to customers in the United States and to some international customers where sales are denominated in U.S. dollars. In addition, a significant portion of its cost inputs are denominated in U.S. dollars. Pollard also generates revenue in currencies other than the Canadian and U.S. dollar, primarily in Euros.

Translation differences arise when foreign currency monetary assets and liabilities are translated at foreign exchange rates that change over time.

Interest rate risk

Pollard is exposed to interest rate risk relating to its fixed and floating rate instruments. Fluctuation in interest rates will have an effect on the valuation and repayment of these instruments.

Credit risk

Credit risk is the risk of financial loss if a customer or counterpart to a financial instrument fails to meet its financial obligations.

Liquidity risk

Liquidity risk is the risk that Pollard will not be able to meet its financial obligations as they fall due.

Risk Management

Currency risk

Pollard utilizes a number of strategies to mitigate its exposure to currency risk. Six manufacturing facilities are located in the U.S. and a significant amount of cost inputs for all production facilities are denominated in U.S. dollars, offsetting a large portion of the U.S. dollar revenue in a natural hedge.

Translation differences arise when foreign currency monetary assets and liabilities are translated at foreign exchange rates that change over time. As at December 31, 2024, the amount of financial assets denominated in U.S. dollars exceeded the amount of financial liabilities denominated in U.S. dollars by approximately $14.9 million. As at December 31, 2023, the amount of financial liabilities denominated in U.S. dollars exceeded the amount of financial assets denominated in U.S. dollars by approximately $86.1 million. A 50 basis point weakening/strengthening in the value of the Canadian dollar relative to the U.S. dollar would result in a decrease/increase in income before taxes of approximately $0.07 million for the year ended December 31, 2024 (2023 - $0.4 million).

Pollard also uses financial hedges, including foreign currency contracts, to help manage foreign currency risk. At December 31, 2024, and at December 31, 2023, Pollard had no outstanding foreign currency contracts.

Interest rate risk

A 50 basis point decrease/increase in interest rates would result in an increase/decrease in income before income taxes of approximately $0.8 million for the year ended December 31, 2024 (2023 - $0.6 million).

Credit risk

Credit risk on Pollard's accounts receivable is minimized as accounts receivable are mainly from governments and their agencies. They are generally collected in a relatively short period of time. Credit risk on foreign currency contracts is minimized since the counterparties are restricted to Schedule 1 Canadian financial institutions.

Liquidity risk

Pollard's approach is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The estimated 2025 requirements for capital expenditures, working capital and dividends are expected to be financed from cash flow provided by operating activities and the unused portion of Pollard's credit facility. Pollard enters into contractual obligations in the normal course of business operations.

Outlook

Retail sales of instant tickets are expected to remain at the levels we have experienced in the last few years, after the very significant growth experienced during 2020 and 2021. Strong interest remains in specialized higher value instant tickets and higher retail price points. Charitable gaming markets for both printed products and eTabs also continues to show strong demand. Digital and electronic gaming solutions across all sectors continues to be of growing interest to lotteries and charitable organizations.

Our repricing strategy for our rebid instant ticket contracts has been very successful since being introduced in early 2022, with a majority of our contracts now repriced. 2025 will see the full impact of these higher average selling prices as all of these repriced contracts are now in force, providing a positive impact on our gross margins.

Overall 2025 sales volumes of our instant tickets is expected to be similar to 2024 volumes, given expected steady overall retail sales and continued discretion of not pursuing incremental volumes that do not generate sufficient margins due to lower pricing.

On February 13, 2025, we successfully launched our iLottery solution for the Kansas Lottery, our first U.S implementation for our proprietary Catalyst™ Gaming Platform, including exclusive gaming content from our internal Game Studio. Ongoing interest in iLottery continues in both new opportunities for lottery jurisdictions as well as existing iLottery operations looking to replace end of life older technology with more modern solutions. The sales lifecycle process for these large complex technology solutions is long, often involving extended assessment periods, formal requests for information and requests for proposals. We remain actively engaged in a number of opportunities and will leverage the success of our Kansas implementation to further promote the advantages of our Catalyst™ Gaming Platform and eInstant game portfolio. Catalyst™ offers a state-of-the-art solution that delivers a complete central gaming system, providing the infrastructure platform for both iLottery sales and traditional sales at retail locations. The success of our internally developed Pollard iLottery solution provides an important complement to the ongoing success of our 50% owned iLottery joint venture.

While we remain very optimistic about all aspects of our business, there is uncertainty regarding the nature, extent and duration of various protectionist trade measures including tariffs that have been and may be enacted within North America. We believe the current structure of our business model, including extensive manufacturing facilities located within both Canada and U.S., will help mitigate any negative impact as we have the ability to produce almost all of the products we sell to our U.S. customers in our U.S manufacturing facilities. We will continue to monitor developments and assess any additional short and long term measures that can be taken to moderate any potential negative impacts.

Key acquisitions have been an important strategy in our success, and this continued in 2024 with the addition of Clarence J. Venne, LLC to the Pollard Charitable Gaming Group. We will continue to be active in identifying and acquiring key businesses that are both strategically important in expanding our offerings and business operations, and generating appropriate financial returns. Areas of focus include expanding our reach in the chartable gaming area as well as increasing our technological expertise across our gaming portfolio.

Significant investments were made in additional capital expenditures during 2024 including software development as we looked to take advantage of current opportunities. Going forward we will continue in this more aggressive investment mode with continued upgrades to our printed product presses, significant build up in the numbers of our state-of-the-art ICON eTab machines, expanded development of game content for both eTabs and eInstant games, and ongoing development of our CatalystTM Gaming Platform.

As our business continues to generate very strong cashflow, these investments will primarily be financed via internally generated cashflow, with the significant available capacity in our newly renewed debt facility available to fund any required additional requirements.

We are very proud of the achievements attained during 2024 and are very confident of continued growth in 2025. Strong demand across all of our markets, improving margins in our core instant ticket markets, growing charitable gaming markets, and key milestone successes in the important iLottery sector provide the foundation for a successful 2025 as we continue to be the partner of choice of lotteries and charitable gaming organizations around the world.

Disclosure Controls and Procedures

Under National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings," issuers are required to document the conclusions of the Chief Executive Officer and Chief Financial Officer (the "Certifying Officers") regarding the design of the disclosure controls and procedures. Pollard's management, with the participation of the Certifying Officers of Pollard, has concluded that the design of the disclosure controls and procedures as defined in National Instrument 52-109 are designed appropriately and are effective at providing reasonable assurance of achieving the disclosure objectives.

Internal Controls over Financial Reporting

Under National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings," issuers are required to document the conclusions of the Certifying Officers regarding the design of the internal controls over financial reporting. Management used the Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013) as the control framework in designing its internal controls over financial reporting. Pollard's management, with the participation of the Certifying Officers of Pollard, has concluded that the design of the internal controls over financial reporting as defined in National Instrument 52-109 are designed appropriately and are effective at providing reasonable assurance of achieving the financial reporting objectives.

Pollard has limited its design of ICFR to exclude controls, policies and procedures of Venne, as it was acquired not more than 365 days before the end of the financial period to which this MD&A relates.

No changes were made in Pollard's internal control over financial reporting during the year ended December 31, 2024, that have materially affected, or are reasonably likely to materially affect, Pollard's internal control over financial reporting.

Additional Information

Shares of Pollard Banknote Limited are traded on the Toronto Stock Exchange under the symbol PBL.

Additional information relating to Pollard, including the Audited Consolidated Financial Statements and the Annual Information Form for the year ended December 31, 2024, is available on SEDAR+ at www.sedarplus.ca.

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Management's Report

The accompanying consolidated financial statements and all the information contained in the annual report of Pollard Banknote Limited ("Pollard") are the responsibility of management and have been approved by the Board of Directors of Pollard. Financial and operating data elsewhere in the annual report is consistent with the information contained in the financial statements. The financial statements and all other information have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements include some amounts and assumptions based on management's best estimates which have been derived with careful judgment.

In fulfilling its responsibilities, management of Pollard has developed and maintains a system of internal accounting controls. These controls are designed to ensure that the financial records are reliable for preparing the financial statements. The Board of Directors of Pollard carries out its responsibility for the financial statements through the Audit Committee. The Audit Committee reviews Pollard's annual consolidated financial statements and recommends their approval by the Board of Directors. The auditors have full access to the Audit Committee with and without management present.

The consolidated financial statements have been audited by KPMG LLP Chartered Accountants, whose opinion is contained in this annual report.

"John Pollard"	*"Robert Rose"*
JOHN POLLARD Co-Chief Executive Officer	ROBERT ROSE Chief Financial Officer

March 10, 2025

Consolidated Financial Statements of

POLLARD BANKNOTE LIMITED

Years ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pollard Banknote Limited

Opinion

We have audited the consolidated financial statements of Pollard Banknote Limited (the "Entity"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as of December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by The International Accounting Standards Board (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity 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

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were 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 these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of the goodwill impairment analysis for cash generating units

Description of the matter

We draw attention to Notes 2(c), 3(l) and 11 to the financial statements. The goodwill balance as of December 31, 2024, was $122,377 thousand related to the Lotteries, Charitable gaming and Retail cash generating units and groups of cash generating units (CGUs). The Entity performs goodwill impairment testing at least on an annual basis. This requires an estimation of the recoverable amount of each CGU based on the greater of the “value in use” or “fair value less costs to sell” of the CGU. The determination of each of these amounts require the Entity to make significant estimates and assumptions which include projected revenue and discount rates.

Why the matter is a key audit matter

We identified the evaluation of the goodwill impairment analysis for the CGUs as a key audit matter. This matter represented an area of significant risk of misstatement given the magnitude of the goodwill balance. This matter required significant auditor judgment in evaluating the results of our audit procedures due to the high degree of estimation uncertainty involved in the Entity’s estimates and assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We compared the Entity’s historical revenue estimates to actual results to assess the Entity’s ability to accurately project revenue assumptions.

We evaluated the Entity’s projected revenue assumptions by comparing those assumptions to the Entity’s expected growth rates. We took into account changes in conditions and events affecting each CGU to assess the adjustments or lack of adjustments made in arriving at projected revenue.

We involved valuation professionals with specialized skills and knowledge to assist in assessing the discount rates used in the estimated recoverable amounts, by comparing them to discount rate ranges that were independently developed using publicly available information for comparable entities.

Other Information

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

- the information included in Management’s Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditor’s report thereon, included in a document likely to be entitled “2024 Annual Report”.

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 the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at 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 the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2024 Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 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 generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 Entity'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 Entity'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 Entity 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.

- 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.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity 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.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the 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 auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor's report is Austin Abas.

Winnipeg, Canada

March 10, 2025

Pollard Banknote Limited
Consolidated Statements of Financial Position
(*In thousands of Canadian dollars*)

		December 31, 2024		December 31, 2023[1]
Assets				
Current assets				
Cash	$	22,360	$	8,411
Restricted cash		37,413		20,905
Accounts receivable		79,119		75,676
Contract assets		12,305		7,159
Inventories (note 6)		67,454		60,509
Prepaid expenses and deposits		12,240		8,142
Income taxes receivable		–		2,401
Total current assets		230,891		183,203
Non-current assets				
Long-term assets (note 7)		11,127		7,783
Property, plant and equipment (note 8)		113,195		100,530
Equity investment (note 10)		415		518
Goodwill (note 11)		122,377		110,982
Intangible assets (note 12)		128,034		103,931
Deferred income taxes (note 13)		24,458		8,766
Pension asset (note 15)		5,811		–
Total non-current assets		405,417		332,510
Total assets	$	636,308	$	515,713

(1) Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

Pollard Banknote Limited
Consolidated Statements of Financial Position
(*In thousands of Canadian dollars*)

		December 31, 2024		December 31, 2023
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	$	120,388	$	92,231
Dividends payable		1,353		1,079
Income taxes payable		3,942		52
Current portion lease liabilities (note 9)		5,215		4,675
Current portion contract liabilities (note 18)		4,115		3,372
Total current liabilities		135,013		101,409
Non-current liabilities				
Lease liabilities (note 9)		12,253		12,872
Deferred income taxes (note 13)		1,656		2,701
Long-term debt (note 14)		151,056		119,687
Contract liabilities (note 18)		796		881
Other non-current liabilities		1,400		767
Pension liability (note 15)		–		2,592
Total non-current liabilities		167,161		139,500
Shareholders' equity				
Share capital (note 16)		152,011		150,711
Reserves		24,127		4,450
Retained earnings		157,996		119,643
Total shareholders' equity		334,134		274,804
Commitments and contingencies (note 17)				
Total liabilities and shareholders' equity	$	636,308	$	515,713

See accompanying notes to consolidated financial statements.

On behalf of the Board:

"Dave Brown" Director

"John Pollard" Director

Pollard Banknote Limited
Consolidated Statements of Income
(*In thousands of Canadian dollars, except for share amounts*)

Years ended December 31

		2024		2023(1)
Sales (note 18)	$	557,099	$	520,441
Cost of sales		452,377		433,860
Gross profit		104,722		86,581
Administration		64,950		58,296
Selling		22,399		20,678
Equity investment income (note 10)		(52,580)		(39,055)
Other expenses (note 19)		145		646
Income from operations		69,808		46,016
Finance costs (note 20)		20,162		13,404
Finance income (note 20)		(2,487)		(4,930)
Income before income taxes		52,133		37,542
Income taxes (note 13)				
Current		37,081		23,135
Deferred reduction		(20,146)		(17,011)
		16,935		6,124
Net income	$	35,198	$	31,418
Net income per share – basic (note 21)	$	1.30	$	1.17
Net income per share – diluted (note 21)	$	1.28	$	1.15

(1) Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

See accompanying notes to consolidated financial statements.

Pollard Banknote Limited
Consolidated Statements of Comprehensive Income
(*In thousands of Canadian dollars*)

Years ended December 31

		2024		2023
Net income	$	35,198	$	31,418
Other comprehensive income (loss):				
Items that are or may be reclassified to profit and loss:				
Foreign currency translation differences – foreign operations		19,677		(4,463)
Items that will never be reclassified to profit and loss:				
Defined benefit plans remeasurements, net of income taxes (note 13 & note 15)		8,196		(1,392)
Other comprehensive income (loss)		27,873		(5,855)
Comprehensive income	$	63,071	$	25,563

See accompanying notes to consolidated financial statements.

Pollard Banknote Limited
Consolidated Statements of Changes in Equity
(*In thousands of Canadian dollars*)

Year ended December 31, 2024

		Share capital	Translation reserve	Retained earnings	Total equity
Balance at December 31, 2023	$	150,711	4,450	119,643	274,804
Net income		–	–	35,198	35,198
Other comprehensive income					
Foreign currency translation differences – foreign operations		–	19,677	–	19,677
Defined benefit plans remeasurements, net of income taxes (note 13 & note 15)		–	–	8,196	8,196
Total other comprehensive income	$	–	19,677	8,196	27,873
Total comprehensive income	$	–	19,677	43,394	63,071
Issue of common shares (note 16)	$	1,300	–	(261)	1,039
Share based compensation		–	–	631	631
Dividends (note 16)		–	–	(5,411)	(5,411)
Balance at December 31, 2024	$	152,011	24,127	157,996	334,134

Year ended December 31, 2023

		Share capital	Translation reserve	Retained earnings	Total equity
Balance at December 31, 2022	$	149,849	8,913	93,172	251,934
Net income		–	–	31,418	31,418
Other comprehensive loss					
Foreign currency translation differences – foreign operations		–	(4,463)	–	(4,463)
Defined benefit plans remeasurements, net of income taxes		–	–	(1,392)	(1,392)
Total other comprehensive loss		–	(4,463)	(1,392)	(5,855)
Total comprehensive income (loss)	$	–	(4,463)	30,026	25,563
Issue of common shares	$	862	–	(172)	690
Share based compensation		–	–	927	927
Dividends		–	–	(4,310)	(4,310)
Balance at December 31, 2023	$	150,711	4,450	119,643	274,804

See accompanying notes to consolidated financial statements.

Pollard Banknote Limited
Consolidated Statements of Cash Flows
(*In thousands of Canadian dollars*)

Years ended December 31

	2024	2023[1]
Cash increase (decrease)		
Operating activities		
Net income	$ 35,198	$ 31,418
Adjustments		
Income taxes expense	16,935	6,124
Amortization and depreciation	44,242	44,990
Interest expense	10,287	10,517
Unrealized foreign exchange (gain) loss	6,709	(1,974)
Equity investment income (note 10)	(52,580)	(39,055)
Pension expense (note 15)	7,556	6,347
Contingent consideration fair value adjustment (note 19)	(541)	440
Interest paid	(9,763)	(9,708)
Income taxes paid	(30,767)	(24,195)
Equity investment distribution (note 10)	52,598	39,068
Pension contributions	(4,826)	(4,681)
Change in contract liabilities	295	460
Change in long-term assets	(3,269)	(4,785)
Change in non-cash equity investment (note 10)	139	–
Change in non-cash operating working capital (note 23)	1,691	9,633
	73,904	64,599
Investing activities		
Additions to property, plant and equipment (note 8)	(25,547)	(14,581)
Acquisitions (note 5)	(23,206)	(13,991)
Additions to intangible assets (note 12)	(28,435)	(23,519)
	(77,188)	(52,091)
Financing activities		
Net proceeds from issue of share capital	1,039	690
Net borrowings (repayments) of long-term debt (note 14)	26,564	(875)
Change in other non-current liabilities	587	298
Deferred financing charges paid (note 14)	(676)	(50)
Lease principal payments	(5,565)	(6,688)
Dividends paid	(5,137)	(4,310)
	16,812	(10,935)
Foreign exchange gain on cash held in foreign currency	421	247
Change in cash position	13,949	1,820
Cash position, beginning of year	8,411	6,591
Cash position, end of year	$ 22,360	$ 8,411

(1) Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

See accompanying notes to consolidated financial statements.

1. Reporting entity:

Pollard Banknote Limited ("Pollard") was incorporated under the laws of Canada on March 26, 2010. The address of Pollard's registered office is 140 Otter Street, Winnipeg, Manitoba, Canada, R3T 0M8.

The consolidated financial statements of Pollard as at and for the year ended December 31, 2024, comprise Pollard, Pollard's subsidiaries and its interest in other entities. Pollard is primarily involved in the manufacture and sale of lottery and charitable gaming products and solutions.

Pollard is controlled by JSP Equities Limited, Park Equities Limited and Oak Equities Limited (collectively, the "Control Group") who together own approximately 63.9% of Pollard's outstanding shares and have entered into a shareholders' agreement in which the parties have agreed to vote their common shares in the same manner, collectively, as a single block.

2. Basis of preparation:

(a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS").

On March 10, 2025, Pollard's Board of Directors approved these consolidated financial statements.

(b) Basis of preparation:

These consolidated financial statements have been prepared on a historical cost basis, except for the following material items in the statement of financial position:

- The pension asset is recognized as the net total of the fair value of plan assets less the present value of the defined benefit obligation determined using acceptable actuarial practices.

- The contingent consideration liability is recognized at the present value of the expected payments to be made under the agreement.

These statements are presented in Canadian dollars, Pollard's functional currency, and all values are rounded to the nearest thousand (except share and per share amounts) unless otherwise indicated.

Certain comparative figures for the prior period have been reclassified to conform to the presentation adopted in the current period.

2. Basis of preparation (continued):

(c) Use of estimates and judgments:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Actual results may differ from these estimates.

Information about judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next period are as follows:

Impairment of goodwill:

Pollard determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the "value in use" or "fair value less costs to sell" of the cash-generating units ("CGUs"), or groups of CGUs, to which goodwill is allocated. Estimating value in use requires Pollard to make estimates of the expected future cash flows from the CGUs, or groups of CGUs, to which goodwill is allocated. Pollard also chooses suitable discount rates in order to calculate the present value of those cash flows. Judgment is required in determining the level at which to test goodwill, including the grouping of CGUs that generate cash inflows. Further details are provided in note 11.

Employee future benefits:

Accounting for defined benefit plans requires Pollard to use actuarial assumptions. These assumptions include the discount rate and the rate of compensation increases. These assumptions depend on underlying factors such as economic conditions, government regulations, investment performance, employee demographics and mortality rates. Further details are provided in note 15.

Income taxes:

Pollard is required to evaluate the recoverability of deferred income tax assets. This requires an estimate of Pollard's ability to utilize the underlying future income tax deductions against future taxable income before they expire. In order to evaluate the recoverability of these deferred income tax assets, Pollard must estimate future taxable income. Further details are provided in note 13.

2. Basis of preparation (continued):

Leases:

Upon inception of all leases, Pollard assesses whether it is reasonably certain that lease extension options will be exercised. Pollard also makes assumptions as to the discount rate applied to the lease liability upon recognition. If there is a significant event or change in circumstances within Pollard's control, these judgments and assumptions could change and may result in material adjustments to right-of-use assets and corresponding lease liabilities. Further details are provided in note 9.

Acquisition accounting:

For acquisition accounting purposes, all identifiable assets and liabilities acquired in a business combination are recognized at fair value at the date of acquisition. Estimates and assumptions are used to calculate the fair value of these assets and liabilities. Changes to assumptions could significantly impact the fair values of certain assets, such as intangible assets. Pollard's significant assumptions used in determining the acquisition date fair value of intangible assets include projected revenue and related gross profit, discount rates, customer attrition, brand royalty rate, and projected revenue growth rates.

Contract assets:

Contract assets include consideration payable, which are certain non-recurring costs incurred in the initial phases of a contracts and that are not for a distinct good or services. These costs are capitalized as contract assets and amortized over the period they are expected to benefit. Significant assumptions are required to be made in order to calculate the fair value of these contract assets. These assumptions include allocation of the transaction price, expected sales volume and expected timing of the satisfaction of performance obligations. Changes to assumptions could significantly impact the amount of these contract assets.

3. Material accounting policies:

The following accounting standard amendments came into effect in 2024:

Amendments to International Accounts Standard ("IAS") 1 – Classification of Liabilities as Current or Non-current:

In January 2020, the International Accounting Standards Board ("IASB") issued amendments to IAS 1 *Presentation of Financial Statements* to clarify the classification of liabilities as current or non-current. For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. The 2020 amendments also clarify how a company classifies a liability that includes a counterparty conversion option.

In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)*, to improve the information a company provides about long-term debt with covenants. The amendments reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which a company must comply after the reporting date do not affect liability classification as at that date.

The amendments were implemented on January 1, 2024. Pollard has determined that the amendments have had no impact on the consolidated financial statements.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback:

In September 2022, the IASB issued *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).* The amendments introduce a new accounting model which impacts how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments clarify that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction and after initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments need to be applied retrospectively.

The amendments were implemented on January 1, 2024. Pollard has determined that the amendments have had no impact on the consolidated financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(In thousands of Canadian dollars, except for share amounts)

3. Material accounting policies (continued):

(a) Principles of consolidation:

These consolidated financial statements include the accounts of Pollard and all its subsidiaries.

Subsidiaries are entities which are under Pollard's control, where control is defined as the power to govern financial and operating policies of an entity so as to obtain benefits from its activities. Pollard holds 100% of the voting rights in, and therefore controls, its subsidiaries.

Significant subsidiaries:	Percent Ownership Interest	
	December 31, 2024	December 31, 2023
Pollard Holdings, Inc.	100	100
Pollard (U.S.) Ltd.	100	100
Pollard Games, Inc.	100	100
Pollard iLottery Inc.	100	100
Diamond Game Enterprises	100	100
Diamond Game Enterprises Canada ULC	100	100
Schafer Systems (2018) Inc.	100	100
Schafer Systems (UK) Limited	100	100
mkodo Limited	100	100
Compliant Gaming, LLC	100	100
Pollard Digital Solutions GmbH	100	100
Clarence J. Venne, LLC	100	–

All inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, have been eliminated.

(b) Business combinations:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets and equity instruments given, and liabilities incurred or assumed at the date of exchange.

Acquisition costs for business combinations are expensed as incurred and included in administration expenses. Identifiable assets acquired and liabilities assumed are measured at their fair value at the acquisition date.

The excess of the fair value of consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill.

3. Material accounting policies (continued):

Pollard performs a concentration test to clarify whether a transaction results in an asset or a business acquisition. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets.

(c) Restricted cash:

Pollard, under certain contractual arrangements, controls cash that is restricted in use. Pollard records an equal liability classified within accounts payable and accrued liabilities. Restricted cash includes player deposits held for the benefit of one of Pollard's iLottery customers. Pollard has excluded changes in the restricted cash and related liability from its calculation of the change in cash position in the statements of cash flows.

(d) Revenue recognition:

Revenue is recognized when a customer obtains control of the goods or services. Pollard determines revenue recognition through the following steps: a) identification of the contract with a customer, b) identification of the performance obligations in the contract, c) determination of the transaction price, d) allocation of the transaction price to the performance obligations in the contract and e) recognition of revenue when Pollard satisfies a performance obligation.

Many of Pollard's contracts have a single performance obligation, including the sale of instant tickets and related products, pull-tab (or break-open) tickets, bingo paper, pull-tab vending machines and gaming machines. The single performance obligation in these contracts is the promise to transfer the individual goods. Revenue is recognized at a point in time when the customer obtains control of a product, which typically takes place when legal title and physical possession of the product is transferred to the customer. These conditions are usually fulfilled upon delivery. However, under certain contracts, Pollard is compensated for its products based on its customers' sales of those products at retail. Pollard has concluded that control transfers to its customers at delivery of the product to the customer. As such, recognition of sales under these contracts occurs upon receipt of shipment. Pollard's sales under these contracts could vary year over year depending on the timing of shipments.

Pollard applies bill and hold sales accounting when products are held on behalf of customers provided all of the following conditions are met as of the reporting date: a) there is a substantive reason for the arrangement, b) the goods are separately identified as belonging to the customer, c) Pollard is no longer able to use the goods or direct the goods to another customer, and d) the goods are currently ready for physical transfer to the customer.

3. Material accounting policies (continued):

Certain Pollard contracts include multiple performance obligations, including license and royalty sales, iLottery services, loyalty programs, digital and lottery management services, training and consulting. Where such arrangements exist, the transaction price is allocated to the performance obligations based upon the relative fair value of the various elements. The fair values of each element are determined based on the current market price of each of the elements when sold separately. Revenue is then recognized upon satisfaction of each performance obligation.

Where Pollard provides software and related infrastructure, revenue is recognized over time based on the relevant measure of progress of the asset being transferred to the customer. Any amounts recognized as revenue, but not yet billed to the customer, are recorded as contract assets.

Pollard earns revenue from gaming machines and other equipment, and capitalizes the costs of installing gaming equipment. Revenue from the provision of gaming services is generally recognized as a daily fee or as a percentage of revenue generated by the gaming machines. Product support services, maintenance and periodic upgrades revenue is recognized over time as the related services are performed. Labour costs associated with performing routine maintenance on participating gaming machines is expensed as incurred and included in cost of sales.

Contract liabilities consist of customer advances for products or services to be rendered in the future and is recognized as income in future periods.

Volume rebates are accrued and recorded as a reduction to sales based on historical experience and management's expectations regarding future sales volumes.

(e) Inventories:

Raw materials, work-in-process and finished goods are valued at the lower of cost and net realizable value. The cost of raw material inventory is based on its weighted average cost and includes all costs incurred to acquire the materials. In addition to the direct costs of conversion, the cost of work-in-process and finished goods, which Pollard manufactures, also includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion.

3. Material accounting policies (continued):

(f) Goodwill:

Goodwill is comprised of the excess sale price over the underlying carrying amount of the net assets sold as at August 5, 2005, as part of the 26.7% of Pollard sold in conjunction with the Initial Public Offering ("IPO") and the excess fair value of the consideration transferred over the fair value of the identifiable net assets acquired of Pollard's subsidiaries.

(g) Intangible assets:

Expenditures related to internally generated intangible assets are recognized as intangible assets only if Pollard can demonstrate that the costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and Pollard has sufficient resources to complete development and to use or sell the asset. Amortization of internally generated intangible assets begins when the development is complete and the asset is available for use.

Deferred development

Deferred development consists of the cost of materials, direct labour and related employee benefits that are directly attributable to preparing the asset for its intended use and applicable borrowing costs incurred in respect of qualifying assets. Other development expenditures are expensed as incurred.

Capitalized development expenditures are measured at cost less investment tax credits (including scientific research and experimental development ("SR&ED") credits), accumulated amortization and accumulated impairment losses.

Computer software and licenses

Computer software consists of the cost of acquiring, developing and implementing these systems. Development and implementation costs include third party costs as well as direct labour and related employee benefits attributable to the asset. Minimum license fees, incurred in connection with our licensing agreements for our use of third-party brands, are capitalized and amortized over the estimated life of the asset.

Capitalized computer software costs and licenses are measured at cost less investment tax credits (including SR&ED credits), accumulated amortization and accumulated impairment losses.

3. Material accounting policies (continued):

Customer assets and patents

Customer assets and patents that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets, with finite useful lives, are amortized, on a straight-line basis, over their estimated useful lives as follows:

Asset	Rate
Customer assets	3.5 to 20 years
Patents	Term of patent
Computer software and licenses	2 to 15 years or term of license
Deferred development	5 years

Amortization methods, estimated useful lives and residual values are reviewed each annual reporting date and adjusted prospectively, if appropriate.

The carrying value of finite useful life intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Trademarks, trade names and brands

Trademarks, trade names and brands have been deemed to have an indefinite life and are not amortized. Pollard expects to maintain these assets indefinitely and therefore finite useful lives cannot be determined. For purposes of impairment testing, the fair value of the trademarks, trade names and brands are tested for impairment on an annual basis.

(h) Property, plant and equipment:

Property, plant and equipment ("PP&E") are stated at cost less investment tax credits (including SR&ED credits), accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and related employee benefits, other costs directly attributable to bringing the assets to working condition for their intended use and borrowing costs incurred in respect to qualifying assets.

3. Material accounting policies (continued):

Major spare parts are treated as PP&E when they have a useful life greater than a year. Once major spare parts are put in service, they are transferred into equipment and amortized accordingly.

An item of PP&E is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal of an item of PP&E is determined by comparing the proceeds from disposal with the carrying value of the PP&E and is recognized in the statement of income on a net basis.

The cost of each component of an item of PP&E is depreciated over its estimated useful life on a straight-line basis, commencing the date it is ready for use. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

Asset	Rate
Buildings	10 to 39 years
Leasehold improvements	Term of lease
Equipment	2 to 11 years
Furniture, fixtures and computers	3 to 9 years

Depreciation methods, useful lives and residual values are reviewed each annual reporting date and adjusted prospectively, if appropriate.

The carrying value of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

(i) Investment in joint venture:

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, rather than rights to the assets and obligations for the liabilities. Joint control is the agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require consent of both parties.

The consolidated financial statements include Pollard's 50% share of the income and expenses and equity movements of the entity accounted for under the equity method of accounting. Further details are provided in note 10.

3. Material accounting policies (continued):

(j) Investment in joint operation:

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require consent of both parties.

The consolidated financial statements include Pollard's interest in the Michigan Lottery iLottery joint operations: its assets, including its 50% share of any assets held jointly; its liabilities, including its 50% share of any liabilities incurred jointly and its 50% share of revenue and expenses.

(k) Financial instruments:

Financial assets are initially measured at fair value. On initial recognition, Pollard classifies its financial assets at either amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless Pollard changes its business model for managing financial assets. Financial liabilities are classified at amortized cost or FVTPL.

A financial asset is classified as measured at amortized cost if it meets both of the following conditions: a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is classified as measured at FVOCI if it meets both of the following conditions: a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, Pollard may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial liability is classified as measured at FVTPL if it is classified as held-for-trading, a derivative, contingent consideration or it is designated as such on initial recognition.

3. Material accounting policies (continued):

All financial liabilities not measured at FVTPL are classified as measured at amortized cost.

The fair value of each contract is included on the consolidated statement of financial position as either a financial asset or liability. Changes in fair value are recorded in either other comprehensive income or the consolidated statement of income, depending on the nature of the hedged item.

(l) Impairment:

Financial assets

Pollard applies the simplified approach to providing for expected credit losses, which requires the use of the lifetime expected credit loss provision for all accounts receivable. Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due under the contract and the cash flows that Pollard expects to receive. The expected cash flows reflect all available information, including Pollard's historical experience, the past due status, and forward-looking macroeconomic factors. Further details are provided in note 27 and note 28.

Non-financial assets

The carrying amount of Pollard's non-financial assets, other than inventories and deferred income tax assets, are reviewed at each reporting date to determine whether there is an indication that an asset may be impaired. If any such indication exists, or when the annual impairment testing for an asset is required, Pollard estimates the asset's recoverable amount. For goodwill the recoverable amount is estimated as of December 31 each year. An impairment loss is recognized if the carrying amount of an asset, or its related CGU, or group of CGUs, exceeds its estimated recoverable amount.

The recoverable amount of an asset, CGU, or group of CGUs is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, CGU, or group of CGUs. Pollard calculates fair values using appropriate valuation techniques, which are generally based on a forecast of expected future cash flows for intangible assets, and on a replacement cost approach, an income-based approach and/or a market-based approach for property, plant and equipment. These valuations are closely related to the assumptions made by management about the future return on the related assets and the discount rate applied.

3. Material accounting policies (continued):

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or CGUs.

Impairment losses are recognized in net income. Impairment losses recognized in respect to CGUs or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated, and then to reduce the carrying amounts of the other assets in the CGU or group of CGUs on a pro rata basis. An impairment loss in respect to goodwill is not reversed.

In respect to other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss can only be reversed to the extent that the asset's carrying value that would have been determined, net of amortization, if no impairment had been recognized.

(m) Share capital:

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

(n) Translation of foreign currencies:

The functional currency for each of Pollard's subsidiaries is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the respective functional currencies of each entity within the consolidated group using the exchange rates in effect at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates prevailing at the end of the reporting period. Non-monetary items measured at historical cost in a foreign currency are translated to the functional currency using the exchange rate prevalent at the date of acquisition. Non-monetary items denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate prevalent at the date that the fair value was determined.

Foreign currency differences arising from translation are recognized in net income, except for exchange differences arising on the translation of financial instruments qualifying as a cash flow hedge, which are recognized directly in other comprehensive income ("OCI").

3. Material accounting policies (continued):

The results and financial position of entities within the consolidated group that have a functional currency different from the presentation currency are translated into Canadian dollars as follows: assets and liabilities are translated at the exchange rate prevailing at the end of the reporting period; income and expenses are translated at the average rate for the reporting period; all resulting exchange differences are recognized in OCI.

On disposal of a foreign operation, the deferred cumulative amount recognized in OCI relating to that particular foreign operation is recognized in net income.

(o) Employee benefits:

Share based compensation

The grant date fair value of stock options granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards.

Deferred director compensation

Deferred director compensation is comprised of cash-settled share-based payments. Deferred share units ("DSU") are granted to eligible directors at the fair value of the common shares at the grant date. The DSUs earn notional dividends, equivalent to actual dividends declared on Pollard's shares. Right to payment of the outstanding DSUs is deferred until termination, retirement or death. The liability associated with the DSUs is recalculated at each reporting date and at settlement. Any change in the fair value of the liability is recognized as an expense within administration expenses in the consolidated statements of income.

Defined contribution plans

Pollard maintains four defined contribution plans. The obligation to contribute to these plans is recognized as an employee benefit expense as incurred.

Defined benefit plans

Pollard maintains four non-contributory defined benefit pension plans in Canada and the United States, three being final pay plans and one being a flat benefit plan. None of the plans have indexation features.

3. Material accounting policies (continued):

The costs of Pollard's defined benefit plans are recognized over the period in which employees render service to Pollard in return for the benefits. The defined benefit obligations associated with the plans are actuarially determined using the projected unit credit method pro-rated on service and management's best estimate of salary escalation and retirement ages of employees. The present value of the defined benefit obligations are determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that have maturity terms approximating the maturity terms of the related obligation and that are denominated in the currency in which the benefits will be paid. The expected return on pension plan assets is calculated utilizing the discount rate used to measure the defined benefit obligation at the beginning of the annual period.

Past service costs are recognized as an expense on a straight line basis over the average period until the benefits becomes vested. If the benefits have vested, past service costs are recognized in net income immediately.

Remeasurements that arise in calculating the present value of the defined benefit obligation and the fair value of plan assets are recognized immediately in OCI.

Pollard's pension asset is limited to the total of any unrecognized past services costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to Pollard's plans. An economic benefit is available to Pollard if it is realizable during the life of the plan, or on settlement of the plan liabilities.

(p) Income taxes:

Current income tax and deferred income tax are recognized in the statement of income except to the extent that the tax relates to items recognized directly in equity or in OCI. Current income tax is the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to tax payable in respect to previous years. Current income tax expense includes withholding taxes and U.S. state franchise taxes.

Deferred income tax is recorded to reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax basis. Deferred income tax assets and liabilities are determined based on the enacted or substantively enacted tax rates, which are expected to be in effect when the underlying items of income and expense are expected to be realized.

3. Material accounting policies (continued):

Deferred income tax is not recognized for: temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future, taxable temporary differences arising on the initial recognition of goodwill or temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment, except if it relates to an item previously recognized in equity, in which case the adjustment is made to equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax liabilities and assets, and they are levied by the same taxation authority on the same taxable entity, or on different tax entities which intend to settle their current income tax assets and liabilities on a net basis.

(q) Provisions:

Provisions are recognized when Pollard has a present legal or constructive obligation as a result of a past event that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. If Pollard has a contract that is onerous, the present obligation under the contract shall be recognized and measured as a provision.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3. Material accounting policies (continued):

(r) Finance costs and finance income:

Finance costs comprises interest expense on borrowings including amortization of deferred financing costs, interest expense on lease liabilities, accretion of contingent consideration, mark-to-market losses on foreign exchange contracts and net foreign exchange losses.

Borrowing costs that are not directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale, are expensed in the period incurred using the effective interest method.

Finance income comprises mark-to-market gains on foreign exchange contracts and net foreign exchange gains.

(s) Leases:

At inception of a contract, Pollard 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.

Pollard recognizes a right-of-use asset and a lease liability at the lease commencement date. 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 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 depreciated 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. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Pollard's incremental borrowing rate. Generally, Pollard uses its incremental borrowing rate as the discount rate.

3. Material accounting policies (continued):

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, a change in Pollard's estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Pollard presents right-of-use assets in "property, plant and equipment" on the statement of financial position.

Pollard accounts for short-term and low value leases by applying the recognition exemption available under IFRS 16.

Pollard's leases are for offices, manufacturing facilities, production equipment and office equipment.

4. Future accounting standards:

(a) Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates:

In August 2023, the IASB issued *Lack of Exchangeability (Amendments to IAS 21)*, to clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability. The amendments clarify that a currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose.

The amendments also clarify that when a currency is not exchangeable, a company needs to estimate a spot rate. A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. When estimating a spot rate a company can use an observable exchange rate without adjustment, or another estimation technique.

The amendments are effective for annual periods beginning on or after January 1, 2025. Pollard does not expect the amendments to have a significant impact on the consolidated financial statements upon adoption.

(b) IFRS 9 – Amendments to the Classification and Measurement of Financial Instruments:

On May 30, 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7.*

4. Future accounting standards (continued):

The amendments provide clarity on how to classify financial assets with environmental, social and corporate governance ("ESG") and similar features, by introducing an additional test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

The amendments also provide clarity as to when a company can derecognize financial liabilities that are settled through electronic payments offering an accounting policy option to allow for the derecognition of a financial liability before the delivery of cash on the settlement date if specified criteria are met.

The amendments are effective for annual periods beginning on or after January 1, 2026. Pollard is currently assessing the impact of the amendments on its consolidated financial statements.

(c) IFRS 18 – Presentation and Disclosure in the Financial Statements:

On April 9, 2024, the IASB issued *IFRS 18 Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. IFRS 18 replaces *IAS 1 Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged.

The new accounting standard introduces significant changes to the structure of a company's statement of income, more discipline and transparency in presentation of management's own performance measures (commonly referred to as 'non-GAAP measures') and less aggregation of items into large, single numbers.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. Pollard is currently assessing the impact of the new accounting standard on its consolidated financial statements.

5. Acquisitions:

(a) Charitable gaming distributor:

On August 1, 2023, Pollard acquired 100% of the equity of a distributor of charitable gaming products. The acquisition has been accounted for using the acquisition method. The total purchase price including the estimated amount of contingent consideration is $1,508, of which $1,017 was paid in 2023. Included in the net assets acquired is $548 of intangible assets related to customer assets and $863 of goodwill.

5. Acquisitions (continued):

During the measurement period, new information became available regarding the existence of a deferred tax liability related to the intangible assets acquired. An adjustment to the preliminary purchase price allocation was required, resulting in the recognition of a deferred tax liability of $134 and an increase in goodwill of $134.

Included in the purchase agreement is the opportunity for contingent consideration, based on the achievement of certain non-financial targets during a five-year period from the acquisition date. The maximum amount of contingent consideration payable is $576. During 2024, Pollard reassessed the progress towards achievement of these targets and as at December 31, 2024 determined that it is unlikely that these targets will be achieved. As such Pollard recorded a reversal of previously recognized contingent consideration of $541. As at December 31, 2024, Pollard has not accrued any amounts relating to the contingent consideration.

At June 30, 2024, the acquisition accounting was finalized.

(b) Charitable gaming assets:

On April 15, 2024, Pollard entered into an agreement to acquire certain assets used in the operation of electronic charitable games with licensed charitable gaming organizations and the transaction closed on June 7, 2024. The acquisition has been accounted for using the acquisition method. The total purchase price was $5,400. Included in the net assets acquired is $94 in computer equipment, $3,227 of intangible assets related to customer assets, $391 of intangibles assets related to trademarks and brands, $432 of intangibles assets related to computer software and licenses, and $1,256 of goodwill.

During the measurement period, new information became available regarding the valuation of the customer asset. An adjustment to the preliminary purchase price allocation was required, resulting in a decrease in the customer assets intangible of $378 and an increase in goodwill of $378.

The fair values of identifiable assets acquired are preliminary and are subject to change if new information becomes available.

(c) Clarence J. Venne, LLC:

On July 31, 2024, Pollard acquired 100% of the equity of Clarence J. Venne, LLC ("Venne"), a manufacturer of bingo daubers utilized primarily in the charitable gaming bingo market. The purchase price was funded by proceeds from Pollard's credit facility. The acquisition has been accounted for using the acquisition method. The fair values of the identifiable assets and liabilities have been based on management's best estimates and valuation techniques as at July 31, 2024, the acquisition date.

(In thousands of Canadian dollars, except for share amounts)

5. Acquisitions (continued):

Cash paid, net of cash acquired of $406	$	17,806
Purchase price payable		213
Total consideration	$	18,019
Accounts receivable	$	1,675
Inventories		5,251
Prepaid expenses and deposits		186
Property, plant and equipment		1,932
Accounts payable and accrued liabilities		(1,055)
Lease liabilities		(919)
Net tangible assets acquired	$	7,070
Customer relationships	$	5,492
Brand		1,270
Identifiable intangible assets acquired	$	6,762
Goodwill acquired	$	4,187

The goodwill acquired is largely attributable to the assembled workforce and the expected revenue synergies and cost savings after integration of Venne with Pollard. This goodwill is expected to be deductible for tax purposes. The fair values of identifiable assets and liabilities acquired are preliminary and are subject to change if new information becomes available during the measurement period.

If Venne had been acquired on January 1, 2024, incremental revenue of $10,872 and net income of $835, after depreciation and amortization of the fair values of identifiable assets acquired, would have been recognized in the year ended December 31, 2024.

The fair values of identifiable assets acquired are preliminary and are subject to change if new information becomes available.

6. Inventories:

	December 31, 2024	December 31, 2023
Raw materials	$ 32,334	$ 28,315
Work-in-process	3,402	2,812
Finished goods	31,718	29,382
	$ 67,454	$ 60,509

During 2024, Pollard recorded inventory write-downs of $1,035 representing an increase in the obsolescence reserves and reversals of previous write-downs of $197 due to changes in foreign exchange rates.

(In thousands of Canadian dollars, except for share amounts)

6. Inventories (continued):

During 2023, Pollard recorded inventory write-downs of $2,116 representing an increase in the obsolescence reserves and write-downs of $531 due to changes in foreign exchange rates.

The cost of sales reflects the costs of inventory, which includes direct material, direct labour and manufacturing overheads, and direct digital costs which includes direct labour, payment processing costs and hosting costs.

7. Long-term assets:

		December 31, 2024		December 31, 2023
Contract assets	$	5,634	$	3,719
Investment tax credits		4,552		3,340
Other long-term receivables		941		724
	$	11,127	$	7,783

Contract assets consist of consideration payable, an upfront credits to customers that are not attributable to a distinct good or service and will be recognized as a reduction in the transaction price of future performance obligations.

(In thousands of Canadian dollars, except for share amounts)

8. Property, plant and equipment:

Cost		Land	Buildings	Leasehold improve-ments	Equipment	Furniture, fixtures and computers	Assets in progress & spare parts	Total
Balance at January 1, 2023	$	2,185	51,955	6,439	231,764	10,814	16,406	319,563
Acquisitions		–	74	–	–	–	–	74
Additions/net transfers		–	10,397	174	15,197	1,011	(1,599)	25,180
Disposals		–	(10,551)	–	(8,762)	(7)	–	(19,320)
Effect of movements in exchange rates		(24)	(388)	(33)	(1,138)	(18)	(145)	(1,746)
Balance at December 31, 2023	$	2,161	51,487	6,580	237,061	11,800	14,662	323,751
Acquisitions		–	919	3	1,055	49	–	2,026
Additions/net transfers		–	3,359	167	17,070	1,132	7,688	29,416
Disposals		–	(3,046)	(15)	(4,148)	(810)	–	(8,019)
Effect of movements in exchange rates		82	2,219	182	4,730	192	566	7,971
Balance at December 31, 2024	$	2,243	54,938	6,917	255,768	12,363	22,916	355,145

Accumulated deprecation		Land	Buildings	Leasehold improve-ments	Equipment	Furniture, fixtures and computers	Assets in progress & spare parts	Total
Balance at January 1, 2023	$	–	28,364	4,266	179,327	6,986	–	218,943
Deprecation for the year		–	6,861	439	16,357	873	–	24,530
Disposals		–	(10,551)	–	(8,762)	(7)	–	(19,320)
Effect of movements in exchange rates		–	(210)	(22)	(696)	(4)	–	(932)
Balance at December 31, 2023	$	–	24,464	4,683	186,226	7,848	–	223,221
Deprecation for the year		–	5,677	427	15,581	721	–	22,406
Disposals		–	(3,046)	(15)	(4,148)	(810)	–	(8,019)
Effect of movements in exchange rates		–	1,100	124	3,025	93	–	4,342
Balance at December 31, 2024	$	–	28,195	5,219	200,684	7,852	–	241,950

Carrying amounts		Land	Buildings	Leasehold improve-ments	Equipment	Furniture, fixtures and computers	Assets in progress & spare parts	Total
At December 31, 2023	$	2,161	27,023	1,897	50,835	3,952	14,662	100,530
At December 31, 2024	$	2,243	26,743	1,698	55,084	4,511	22,916	113,195

(In thousands of Canadian dollars, except for share amounts)

9. Leases:

Pollard's leases are for offices, manufacturing facilities, production equipment and office equipment.

Pollard presents right-of-use assets in "property, plant and equipment" on the consolidated statement of financial position. The following tables present continuity schedules of Pollard's right-of-use assets by asset class:

		Buildings	Equipment	Total
Balance at January 1, 2023	$	11,278	1,314	12,592
Acquisitions		74	–	74
Additions		10,359	240	10,599
Depreciation		(5,884)	(598)	(6,482)
Effect of movements in exchange rates		(25)	(1)	(26)
Balance at December 31, 2023	$	15,802	955	16,757
Acquisitions		919	–	919
Additions		3,169	700	3,869
Depreciation		(5,189)	(515)	(5,704)
Effect of movements in exchange rates		603	14	617
Balance at December 31, 2024	$	15,304	1,154	16,458

Pollard's total cash outflows, principal and interest relating to its lease obligations classified under IFRS 16 *Leases* for the year ended December 31, 2024 were $6,639 (2023 – $7,239).

Pollard's interest expenses incurred relating to its lease obligations classified under IFRS 16 *Leases* for the year ended December 31, 2024 were $1,074 (2023 – $551).

The following is a schedule of lease payment commitments outstanding relating to lease obligations classified under IFRS 16:

2025	$	6,126
2026		5,172
2027		4,050
2028		2,879
2029 and thereafter		1,100
Total undiscounted cash flows	$	19,327
Discounting		(1,859)
Total discounted cash flows	$	17,468
Less: current portion lease liabilities		(5,215)
Lease liabilities	$	12,253

(In thousands of Canadian dollars, except for share amounts)

10. Equity investment:

NeoPollard Interactive, LLC ("NPi")

Pollard, in conjunction with NeoGames US, LLP, operates NPi. The entity was established to provide iLottery services in the United States and Canada, excluding the Michigan Lottery.

Investment in equity accounted entity		December 31, 2024		December 31, 2023
Balance, beginning of year	$	518	$	549
Investment distribution		(52,598)		(39,068)
Equity income		52,580		39,055
Non-cash change in investment value		(139)		–
Effects of movements in exchange rates		54		(18)
Balance, end of year	$	415	$	518

Net Assets		December 31, 2024		December 31, 2023
Current assets	$	71,472	$	51,677
Non-current assets		3,267		1,282
Total	$	74,739	$	52,959
Current liabilities	$	73,632	$	51,923
Total	$	73,632	$	51,923
Net assets – 100%	$	1,107	$	1,036
Attributable to Pollard – 50%		554		518
Elimination of unrealized profit on downstream sales		(139)		–
Carrying amount of investment	$	415	$	518

At December 31, 2024, included in the current assets of NPi is restricted cash relating to amounts held on behalf of iLottery customers of $31,724 (2023 – $26,238). There is an offsetting liability included in current liabilities.

Interest in equity accounted entity		2024		2023
Revenue – 100%	$	217,570	$	160,454
Revenue – attributable to Pollard – 50%	$	108,785	$	80,227
Comprehensive income – 100%	$	104,608	$	78,110
Comprehensive income – attributable to Pollard(1)	$	52,580	$	39,055

(1) Comprehensive income attributable to Pollard is greater than 50% due to services provided to NPi by Pollard. Pollard's share of these transactions is eliminated upon consolidation.

(In thousands of Canadian dollars, except for share amounts)

10. Equity investment (continued):

At December 31, 2024, included in the accounts receivable in the statement of financial position is a net amount owed from NPi of $1,279 (2023 – $6,285).

During the year ended December 31, 2024, Pollard provided services to NPi totaling $6,155 (2023 - $2,719), which are recorded in revenue.

Michigan iLottery

Pollard and NeoGames US, LLP operate the iLottery operation for the Michigan Lottery under a separate joint operating agreement. Pollard recognizes its interest in the joint operation by including its assets, including its 50% share of any assets held jointly, its liabilities, including its 50% share of any liabilities incurred jointly and its 50% share of revenue and expenses.

11. Goodwill:

		December 31, 2024		December 31, 2023
Balance, beginning of year	$	110,982	$	111,156
Acquisitions (note 5)		5,577		729
Effects of movements in exchange rates		5,818		(903)
Balance, end of year	$	122,377	$	110,982

Impairment assessment methodology

Pollard performs its annual goodwill impairment tests as at December 31. Goodwill has been allocated as follows to Pollard's CGUs and groups of CGUs:

		December 31, 2024		December 31, 2023
Lotteries	$	58,675	$	57,928
Charitable gaming		51,330		41,663
Retail		12,372		11,391
Total	$	122,377	$	110,982

For each acquisition an assessment is performed to determine if the acquired entity should be its own CGU or become part of an existing CGU.

For each CGU, or group of CGUs, the recoverable amounts have been determined based on a value in use calculation using cash flow projections from financial forecasts approved by senior management. These forecasts cover a period of five years and reflect an estimate of a terminal value. Included in these forecasts is an assumption of certain growth rates which was based on historical trends and expected future performance.

11. Goodwill (continued):

The calculation of value in use for the CGUs, or groups of CGUs described above are most sensitive to the following key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

- Revenue and related gross profit
- Foreign exchange rates
- Discount rates
- Growth rates

Revenue and related gross profit

Projected cash flows from revenue assumes the continuation of recent historical trends adjusted for expected new contract wins, anticipated contract renewal pricing changes and the expected impact of sales initiatives in conjunction with certain production efficiencies that are being developed or are expected to be developed.

Foreign exchange rates

A significant portion of revenue is denominated in U.S. dollars and Euros, partially offset by U.S. dollar denominated costs. In addition, certain financial assets and liabilities are denominated in U.S. currency. Projected cash flows assume an estimated exchange rate between Canadian dollars to U.S. dollars and Euros based on expected exchange rates during the forecast period.

Discount rates

Discount rates were calculated based on the estimated cost of equity capital and debt capital considering data and factors relevant to the economy, the industry and the CGUs, and groups of CGUs. These costs were then weighted in terms of a typical industry capital structure to arrive at an estimated weighted average cost of capital. The after-tax discount rates applied to the cash flow projections for the CGUs and groups of CGUs described above were as follows:

Lotteries	12.0%
Charitable gaming	12.0%
Retail	14.7%

Growth rates

Growth rates are based on estimated sustainable long-term growth rates of the CGUs and groups of CGUs. A terminal value growth rate of 2% was applied in the value in use calculations for all of the above CGUs and groups of CGUs.

(In thousands of Canadian dollars, except for share amounts)

11. Goodwill (continued):

Management believes that any reasonable possible change in any of the key assumptions on which the recoverable amounts of the CGUs, or groups of CGUs, are based would not cause the unit's carrying amounts to exceed its recoverable amount.

12. Intangible assets:

Cost		Customer assets	Patents	Trademarks and brands	Deferred development	Computer software and licenses	Total
Balance at January 1, 2023	$	67,983	7,079	5,839	1,793	96,344	179,038
Acquisitions		548	–	–	–	–	548
Additions (net of investment tax credits)		–	82	–	–	–	82
Additions – internally developed (net of investment tax credits)		–	–	–	–	23,437	23,437
Effect of movements in exchange rates		(826)	(7)	(76)	–	(510)	(1,419)
Balance at December 31, 2023	$	67,705	7,154	5,763	1,793	119,271	201,686
Acquisitions (note 5)		8,719	–	1,661	–	432	10,812
Additions (net of investment tax credits)		–	43	–	–	–	43
Additions – internally developed (net of investment tax credits)		–	–	–	–	28,392	28,392
Disposals		(213)	–	–	–	(449)	(662)
Effect of movements in exchange rates		4,697	104	569	–	4,737	10,107
Balance at December 31, 2024	$	80,908	7,301	7,993	1,793	152,383	250,378

Accumulated amortization		Customer assets	Patents	Trademarks and brands	Deferred development	Computer software and licenses	Total
Balance at January 1, 2023	$	39,820	5,761	–	1,708	32,287	79,576
Amortization for the year		6,216	184	–	85	12,527	19,012
Effect of movements in exchange rates		(446)	(11)	–	–	(376)	(833)
Balance at December 31, 2023	$	45,590	5,934	–	1,793	44,438	97,755
Amortization for the year		6,030	158	–	–	14,016	20,204
Disposals		(213)	–	–	–	(449)	(662)
Effect of movements in exchange rates		2,611	59	–	–	2,377	5,047
Balance at December 31, 2024	$	54,018	6,151	–	1,793	60,382	122,344

(In thousands of Canadian dollars, except for share amounts)

12. Intangible assets (continued):

Carrying amounts		Customer assets	Patents	Trademarks and brands	Deferred development	Computer software and licenses	Total
At December 31, 2023	$	22,115	1,220	5,763	–	74,833	103,931
At December 31, 2024	$	26,890	1,150	7,993	–	92,001	128,034

Amortization of intangible assets in 2024 of $20,049 (2023 – $19,012), was included in cost of sales.

As at December 31, 2024, the weighted average remaining useful life of customer assets was 8.1 years and the weighted average remaining useful life of computer software and licenses was 8.3 years for those assets being amortized.

13. Income taxes:

Income tax expense

		2024		2023
Current	$	37,081	$	23,135
Deferred reduction		(20,146)		(17,011)
Total	$	16,935	$	6,124

Income tax recognized in other comprehensive income (loss)

		Amount before tax	Tax expense	2024 Amount net of tax		Amount before tax	Tax expense	2023 Amount net of tax
Defined benefit plans remeasurements gain (loss)	$	11,162	(2,966)	8,196	$	(1,930)	538	(1,392)

(In thousands of Canadian dollars, except for share amounts)

13. Income taxes (continued):

Reconciliation of effective tax rate

			2024			2023
Net income for the year		$	35,198		$	31,418
Total income tax expense			16,935			6,124
Income before income taxes		$	52,133		$	37,542
Income tax using Pollard's domestic tax rate	27.0%	$	14,076	27.0%	$	10,137
Effect of tax rates in foreign jurisdictions	(7.1%)		(3,718)	(7.7%)		(2,908)
Non-taxable amounts	(1.5%)		(804)	(1.6%)		(602)
Non-deductible items relating to acquisitions	0.0%		–	0.3%		127
Withholding and other taxes	15.2%		7,928	0.0%		–
Other items	(2.9%)		(1,521)	(1.8%)		(667)
Effect of non-taxable items related to foreign exchange	1.8%		974	0.1%		37
	32.5%	$	16,935	16.3%	$	6,124

Deferred income tax assets and liabilities

Recognized deferred income tax assets and liabilities

Deferred income tax assets and liabilities are attributable to the following:

		Assets			Liabilities			Net	
		2024	2023		2024	2023		2024	2023
Property, plant and equipment	$	23	228	$	(16,537)	(17,176)	$	(16,514)	(16,948)
Intangible assets		11,983	8,337		(6,398)	(4,975)		5,585	3,362
Inventories		2,170	844		–	–		2,170	844
Employee benefits		2,531	1,796		(3,027)	–		(496)	1,796
Unrealized foreign exchange (gains) and losses		1,265	497		–	(365)		1,265	132
Unused tax losses		28,283	16,264		–	–		28,283	16,264
Contract liabilities		684	555		(513)	(434)		171	121
Other		2,547	688		(209)	(194)		2,338	494
Tax assets (liabilities)	$	49,486	29,209	$	(26,684)	(23,144)	$	22,802	6,065

(In thousands of Canadian dollars, except for share amounts)

13. Income taxes (continued):

Movement in temporary differences during the year

		January 1, 2024	Recognized in net income	Acquisitions	Recognized in other comprehensive income (loss)	Balance December 31, 2024
Property, plant and equipment	$	(16,948)	434	–	–	(16,514)
Intangible assets		3,362	2,223	–	–	5,585
Inventories		844	1,326	–	–	2,170
Employee benefits		1,796	674	–	(2,966)	(496)
Unrealized foreign exchange (gains) and losses		132	1,133	–	–	1,265
Unused tax losses		16,264	12,019	–	–	28,283
Contract liabilities		121	50	–	–	171
Other		494	1,978	(134)	–	2,338
Tax assets (liabilities)	$	6,065	19,837	(134)	(2,966)	22,802

		January 1, 2023	Recognized in net income	Acquisitions	Recognized in other comprehensive income (loss)	Balance December 31, 2023
Property, plant and equipment	$	(16,395)	(553)	–	–	(16,948)
Intangible assets		(1,088)	4,450	–	–	3,362
Inventories		715	129	–	–	844
Employee benefits		636	622	–	538	1,796
Unrealized foreign exchange (gains) and losses		672	(540)	–	–	132
Unused tax losses		3,365	12,899	–	–	16,264
Contract liabilities		(208)	329	–	–	121
Other		750	(256)	–	–	494
Tax assets (liabilities)	$	(11,553)	17,080	–	538	6,065

Recognized in the consolidated statements of comprehensive income as follows:

		2024		2023
Deferred reduction	$	(20,146)	$	(17,011)
Finance income (costs)		309		(69)
	$	(19,837)	$	(17,080)

Amounts included in finance income relate to unrealized foreign exchange.

(In thousands of Canadian dollars, except for share amounts)

13. Income taxes (continued):

As at December 31, 2024, Pollard has recognized the tax effect of $111,336 (2023 – $61,497) of tax losses available for carryforward, resulting in deferred tax assets of $28,283 (2023 – $16,264). Based on management's estimates of future taxable profits and available tax planning strategies, management has assessed it is probable that future taxable profits will be available against which these deferred tax assets can be utilized. A portion of these losses can be carried forward indefinitely. For the losses that expire, as at December 31, 2024, the average remaining time before expiry is 19 years.

As at December 31, 2024, Pollard had $99,593 in unused tax losses for which no deferred tax asset has been recognized, arising from the acquisition of Pollard Digital Solutions GmbH. These losses can be carried forward indefinitely.

14. Long-term debt:

	December 31, 2024	December 31, 2023
Credit facility, interest of 4.8% to 7.5% payable monthly, maturing 2028	$ 151,799	$ 119,944
Deferred financing charges, net of amortization	(743)	(257)
	$ 151,056	$ 119,687

(In thousands of Canadian dollars, except for share amounts)

14. Long-term debt (continued):

		Credit facility	Deferred financing	Total
Balance at January 1, 2023	$	122,058	(403)	121,655
Net repayments		(875)	–	(875)
Deferred financing charges paid		–	(50)	(50)
Total changes from financing cash flows		(875)	(50)	(925)
Effect of movements in exchange rates		(1,239)	–	(1,239)
Amortization of deferred financing charges		–	196	196
Total other changes		(1,239)	196	(1,043)
Balance at December 31, 2023	$	119,944	(257)	119,687
Net proceeds		26,564	–	26,564
Deferred financing charges paid		–	(676)	(676)
Total changes from financing cash flows		26,564	(676)	25,888
Effect of movements in exchange rates		5,291	–	5,291
Amortization of deferred financing charges		–	190	190
Total other changes		5,291	190	5,481
Balance at December 31, 2024	$	151,799	(743)	151,056

(a) Credit facility:

Effective December 31, 2024, Pollard renewed its credit facility. The credit facility provides loans of up to $155,000 for its Canadian operations and US$95,000 for its U.S. subsidiaries. The credit facility also includes an accordion feature which can increase the facility by $50,000. The borrowings for the Canadian operations can be denominated in Canadian or U.S. dollars, to a maximum of $155,000 Canadian equivalent. Borrowings under the credit facility bear interest at fixed and floating rates based on Canadian and U.S. prime bank rates, Canadian Dollar Offered Rate ("CDOR") or Secured Overnight Financing Rate ("SOFR"). At December 31, 2024, the outstanding letters of guarantee drawn under the credit facility were $79 (2023 – $73).

(In thousands of Canadian dollars, except for share amounts)

14. Long-term debt (continued):

Included in the total credit facility balance is a U.S. dollar denominated balance of US$52,000 (2023 – US$35,400). As of December 31, 2024, Pollard had unused credit facility available of $139,941 (2023 – $113,464).

Under the terms and conditions of the credit facility agreement Pollard is required to maintain certain financial covenants including our debt service coverage ratio and debt to income before interest, income taxes, amortization, depreciation and certain other items ratio. As at December 31, 2024, Pollard is in compliance with all financial covenants.

Pollard's credit facility is secured by a first security interest in all of the present and after acquired property of Pollard. Under the terms of the agreement the facility is committed for a four-year period, renewable December 31, 2028. Principal payments are not required until maturity. The facility can be prepaid without penalties.

(b) Economic Development Canada ("EDC") facility:

Effective November 29, 2024, Pollard renewed its annual agreement with EDC. This agreement provides a €15,000 facility whereby Pollard can issue qualifying letters of credit against the EDC facility. The facility is guaranteed by a general indemnity from Pollard. As of December 31, 2024, the outstanding letters of credit drawn on this facility were $13,385 (€8,983). As of December 31, 2023, the outstanding letters of credit drawn on this facility were $14,726 (€10,086).

15. Pension asset (liability):

		December 31, 2024		December 31, 2023
Fair value of benefit plan assets	$	107,056	$	91,573
Present value of benefit plan obligations		(101,245)		(94,165)
Net pension asset (liability)	$	5,811	$	(2,592)

Pollard sponsors non-contributory defined benefit plans providing pension benefits to its employees. Pollard has four defined benefit pension plans of which three are final pay plans and one is a flat benefit plan. None of the plans have indexation features. The measurement date for all the plans is December 31. Two of the plans of the U.S. subsidiaries require valuations annually with the last valuations being as of January 1, 2024. One of the Canadian plans of Pollard currently requires valuation every three years with the last valuation as of December 31, 2023. Pollard's other Canadian plan's valuation was as of January 1, 2021. Pollard's subsidiaries also maintain four defined contribution plans. The pension expense for these defined contribution plans is the annual funding contribution by the subsidiaries.

(In thousands of Canadian dollars, except for share amounts)

15. Pension asset (liability) (continued):

Pollard expects to contribute approximately $1,337 to its defined benefit plans in 2025.

The benefit plan assets are held in trust and are invested as follows:

	December 31, 2024	December 31, 2023
Equities	64.5%	65.3%
Bonds	33.6%	33.1%
Cash and cash equivalents	1.9%	1.6%
	100.0%	100.0%

Information about Pollard's defined benefit plans, in aggregate, is as follows:

	2024	2023
Benefit plan assets		
Fair value, beginning of year	$ 91,573	$ 79,526
Expected return on plan assets	4,278	4,098
Employer contributions	2,899	3,046
Benefits paid	(2,049)	(1,836)
Remeasurement gains	9,322	7,194
Administrative costs paid from plan assets	(149)	(151)
Effect of movements in exchange rates	1,182	(304)
Fair value, end of year	$ 107,056	$ 91,573

	2024	2023
Accrued benefit plan obligations		
Balance, beginning of year	$ 94,165	$ 78,538
Current service cost	5,386	4,662
Interest cost	4,364	3,997
Benefits paid	(2,049)	(1,836)
Remeasurement losses (gains)	(1,840)	9,124
Effect of movements in exchange rates	1,219	(320)
Balance, end of year	$ 101,245	$ 94,165
Net pension asset (liability)	$ 5,811	$ (2,592)

(In thousands of Canadian dollars, except for share amounts)

15. Pension asset (liability) (continued):

		2024		2023
Net defined benefit plans expense				
Current service cost	$	5,386	$	4,662
Interest on plan obligations		4,364		3,997
Actual return gain on plan assets		(13,600)		(11,292)
Difference between expected return and actual return on plan assets		9,322		7,194
Plan administrative costs		611		513
Net defined benefit plans expense		6,083		5,074
Defined contribution plans expense		1,473		1,273
Net pension plans expense	$	7,556	$	6,347

Actuarial assumptions

The principal actuarial assumptions used in measuring at the reporting date are as follows:

	2024	2023
Discount rate	4.7% to 5.8%	4.6% to 5.3%
Rate of compensation increase	0.0% to 3.0%	0.0% to 3.0%

Assumptions regarding future mortality have been based on published statistics and mortality tables. As of December 31, 2024 and December 31, 2023, Pollard used CPM2014 Private Sector projected CPM-B mortality table for its Canadian subsidiary's pension plans and the Pri-2012 mortality tables using scale MP-2021 for its U.S. subsidiary's pension plans.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts show below:

		Increase		Decrease
Discount rate (1% movement)	$	(15,525)	$	20,067
Rate of compensation (1% movement)	$	2,124	$	(2,015)
Future mortality (one year)	$	1,202	$	(1,219)

(In thousands of Canadian dollars, except for share amounts)

15. Pension asset (liability) (continued):

Remeasurements

		2024		2023
Remeasurement gains arising on plan assets	$	9,322	$	7,194
Remeasurement gains (losses) arising on plan liabilities from:				
Demographic assumptions	$	(2)	$	8
Financial assumptions		2,758		(7,600)
Experience adjustments		(916)		(1,532)
Remeasurement gains (losses) arising on plan liabilities	$	1,840	$	(9,124)
Net remeasurement gains (losses) on defined benefit plans	$	11,162	$	(1,930)

Remeasurements recognized in other comprehensive income (loss)

		2024		2023
Gains accumulated in retained earnings, beginning of year	$	159	$	1,551
Remeasurement gains (losses) recognized during the year, net of income taxes		8,196		(1,392)
Gains accumulated in retained earnings, end of year	$	8,355	$	159

16. Share capital:

	Shares		Amount
Authorized			
Unlimited common shares			
Unlimited preferred shares			
Issued			
Balance at January 1, 2023	26,917,669	$	149,849
Stock options exercised	55,000		862
Balance at December 31, 2023	26,972,669	$	150,711
Stock options exercised	88,750		1,300
Balance at December 31, 2024	27,061,419	$	152,011

16. Share capital (continued):

Dividends:

Dividends are paid on the common shares within 15 days of the end of each quarter and are fully discretionary, as determined by the Board of Directors of Pollard.

On November 13, 2024, a dividend of $0.05 per share was declared, paid on January 15, 2025, to the shareholders of record on December 31, 2024.

Ownership restrictions:

The holders of the common shares are entitled to one vote in respect to each common share held, subject to the Board of Directors ability to take constraint actions when a person, or group of persons acting in concert acquires, agrees to acquire, holds, beneficially owns or controls, either directly or indirectly, a number of shares equal to or in excess of 5% of the common shares (on a non-diluted basis) issued and outstanding ("Ownership Threshold"). The Board of Directors, in its sole discretion, can take the following constraint actions:

- place a stop transfer on all or any of the common shares believed to be in excess of the Ownership Threshold;
- suspend all voting and/or dividend rights on all or any of common share held believed to be in excess of the Ownership Threshold;
- apply to a court seeking an injunction to prevent a person from acquiring, holding, owning, controlling and/or directing, directly or indirectly, common shares in excess of the Ownership Threshold; and/or
- make application to the relevant securities commission to effect a cease trading order or such similar restriction, until the person no longer controls common shares equal to or in excess of the Ownership Threshold.

In addition, if a Gaming Regulatory Authority has determined that ownership by a holder of common shares is inconsistent with its declared policies, the Board of Directors is entitled to take constraint action against such shareholder. Any person who controls common shares equal to or in excess of the Ownership Threshold, may be required to file an application, be investigated and have suitability as a shareholder determined by a Gaming Regulatory Authority, if such Gaming Regulatory Authority has reason to believe such ownership would otherwise be inconsistent with its declared policies.

The shareholder must pay all the costs of the investigation incurred by any such Gaming Regulatory Authority.

(In thousands of Canadian dollars, except for share amounts)

16. Share capital (continued):

Capital management:

Pollard's objectives in managing capital are to preserve a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Pollard also strives to keep an optimal capital structure to reduce the overall cost of capital.

In the management of capital, Pollard includes long-term debt, share capital and retained earnings, but excludes reserves. The Board of Directors regularly monitors the levels of debt, equity and dividends.

Pollard monitors capital on the basis of funded debt to income before interest, income taxes, amortization, depreciation and certain other items ratio, working capital ratio and debt service coverage. Pollard has externally imposed capital requirements as determined through its bank credit facility. As at December 31, 2024, Pollard is in compliance with all financial covenants.

There were no changes in Pollard's approach to capital management during the current period.

Share based compensation:

Under the Pollard Banknote Limited Stock Option Plan the Board of Directors has the authority to grant options to purchase common shares to eligible persons and to determine the applicable terms.

The aggregate maximum number of common shares available for issuance from Pollard's treasury under the Option Plan is 2,354,315 common shares.

Changes in the number of options outstanding during the years ended December 31, 2024, and 2023 were as follows:

	2024			2023		
	Number		Weighted average exercise price	Number		Weighted average exercise price
Balance, beginning of year	470,000	$	21.46	312,500	$	19.98
Granted	–	$	–	225,000	$	21.33
Forfeited	–	$	–	(12,500)	$	21.33
Exercised	(88,750)	$	10.20	(55,000)	$	12.55
Balance, end of year	381,250	$	23.73	470,000	$	21.46

(In thousands of Canadian dollars, except for share amounts)

16. Share capital (continued):

As of December 31, 2024, no share options had expired. Options outstanding have been granted on five grant dates, with the exercise price being the common share price on the exercise price determination date. All of the outstanding options have seven year terms, vesting 25% per year over the first four years.

	2024			2023		
Exercise price	Number outstanding	Remaining time to exercise	Number exercisable	Number outstanding	Remaining time to exercise	Number exercisable
$ 10.00	–	–	–	75,000	0.32 years	75,000
$ 20.70	100,000	1.86 years	100,000	107,500	2.86 years	107,500
$ 18.31	25,000	2.21 years	25,000	25,000	3.21 years	18,750
$ 23.65	25,000	2.87 years	25,000	25,000	3.87 years	18,750
$ 61.13	25,000	3.42 years	18,750	25,000	4.42 years	12,500
$ 21.33	206,250	5.19 years	56,250	212,500	6.19 years	–
	381,250		225,000	470,000		232,500

17. Commitments and contingencies:

The following table outlines Pollard's maturity analysis of the undiscounted cash flow commitments outstanding relating to certain financial obligations and leases to which Pollard has applied the recognition exemption available under IFRS 16 *Leases* as of December 31, 2024:

2025	$	14,712
2026		5,519
2027		4,860
2028		3,334
2029 and thereafter		151

Pollard is contingently liable for outstanding letters of guarantee in the amount of $13,464 at December 31, 2024 (2023 – $14,799). These letters of guarantee are secured as disclosed in note 14.

Pollard is involved in litigation and claims associated with operations, the aggregate amounts of which are not determinable. While it is not possible to estimate the outcome of the proceedings, management is of the opinion that any resulting settlements would not materially affect the financial position of Pollard. Should a loss occur on resolution of these claims, such loss would be accounted for as a charge to income in the period in which the settlement occurs.

(In thousands of Canadian dollars, except for share amounts)

17. Commitments and contingencies (continued):

Pollard has agreed to indemnify Pollard's current and former directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain usual limitations. No claims with respect to such occurrences have been made and, as such, no amount has been recorded in these financial statements with respect to these indemnifications.

18. Revenue and contract balances:

In the following tables, revenue from contracts with customers is disaggregated by geographical segment and product line:

Revenue – geographical segment		2024		2023
Canada	$	93,860	$	90,553
United States		356,137		325,409
International		107,102		104,479
Total	$	557,099	$	520,441

Revenue – product lines		2024		2023
Lottery	$	419,040	$	395,952
Charitable		138,059		124,489
Total	$	557,099	$	520,441

The following tables provide information about receivables, contract assets and contract liabilities from contracts with customers:

Contract balances		December 31, 2024		December 31, 2023
Trade receivables, which are included in accounts receivable	$	69,258	$	64,146
Contract assets		12,305		7,159
Contract assets, which are included in long-term assets		5,634		3,719
Contract liabilities		4,911		4,253

(In thousands of Canadian dollars, except for share amounts)

18. Revenue and contract balances (continued):

Contract liabilities		December 31, 2024		December 31, 2023
Balance, beginning of year	$	4,253	$	2,159
Increases due to cash received		10,473		6,997
Revenue recognized		(9,854)		(4,917)
Effect of movement in exchange rates		39		14
Balance, end of year		4,911		4,253
Less: current portion		(4,115)		(3,372)
	$	796	$	881

19. Other expenses:

		2024		2023
Contingent consideration fair value adjustment	$	(541)	$	440
Severance related costs		1,323		–
Insurance proceeds (net)		–		(242)
Other (income) expenses		(637)		448
	$	145	$	646

20. Finance costs and finance income:

Finance costs		2024		2023
Interest	$	10,287	$	10,517
Foreign exchange loss		9,875		2,887
	$	20,162	$	13,404

Finance income		2024		2023
Foreign exchange gain	$	2,487	$	4,930
	$	2,487	$	4,930

(In thousands of Canadian dollars, except for share amounts)

21. Net income per share:

		2024		2023
Net income attributable to shareholders	$	35,198	$	31,418
Weighted average number of shares – basic		27,038,803		26,937,727
Weighted average impact of share options		403,866		475,408
Weighted average number of shares – diluted		27,442,669		27,413,135

Net income per share – basic	$	1.30	$	1.17
Net income per share – diluted	$	1.28	$	1.15

22. Personnel expenses:

		2024		2023
Wages and salaries	$	184,491	$	166,563
Benefits and government payroll remittances		34,355		29,640
Profit share		6,840		5,560
Expenses related to defined benefit pension plans		6,083		5,074
Expenses related to defined contribution pension plans		1,476		1,273
Share based compensation		650		1,155
	$	233,895	$	209,265

23. Supplementary cash flow information:

		2024		2023
Change in non-cash operating working capital:				
Accounts receivable	$	3,015	$	1,975
Contract assets		(4,914)		(2,138)
Inventories		716		1,142
Prepaid expenses and deposits		(4,529)		(1,811)
Income taxes receivable		–		28
Accounts payable and accrued liabilities		7,079		8,997
Current portion contract liabilities		324		1,620
	$	1,691	$	9,633

24. Related party transactions:

The Control Group and affiliates

During 2021, Pollard entered into a lease with an affiliate of the Control Group for land and building in Winnipeg, Manitoba for a five-year term (with an option to renew for an additional five-year term) for annual rent of $404 per year. The rental rates charged were based on current market value at the time of the leases as determined through an independent appraisal.

During 2023, Pollard entered into a lease with an affiliate of the Control Group for a manufacturing facility and office space in Winnipeg, Manitoba for a five-year term (with an option to extend for an additional five-year term) for annual rent of $1,116. The rental rates charged were based on current market value at the time of the leases as determined through an independent appraisal.

During 2024, Pollard entered into a lease amendment with an affiliate of the Control Group for land and building in Council Bluffs, Iowa. The amendment extended the term for a five-year term with annual rent of $583 U.S. dollars for the first year and increasing by 2% each subsequent year. The rental rate charged was based on the current market value at the time of the extension as determined through an independent appraisal.

During the year ended December 31, 2024, Pollard paid property rent of $2,314 (2023 – $3,035) and $658 (2023 – $473) in plane charter costs to affiliates of the Control Group.

During the year, the Control Group paid Pollard $76 (2023 – $72) for accounting and administration fees.

At December 31, 2024, included in accounts payable and accrued liabilities is an amount owing to the Control Group and its affiliates for rent, expenses and other items of $811 (2023 – $117).

Included within property, plant and equipment and lease liabilities on the consolidated statement of financial position are right-of-use assets and corresponding liabilities for premises leased to Pollard from the Control Group. As at December 31, 2024, the net book value of the right-of-use assets was $7,103 (2023 – $5,472) and the present value of the lease liabilities was $7,368 (2023 – $5,501).

Key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the company. The Board of Directors and the Executive Committee are considered key management personnel.

(In thousands of Canadian dollars, except for share amounts)

24. Related party transactions (continued):

Key management personnel compensation comprised:

		2024		2023
Salaries, incentives and benefits	$	5,624	$	5,425
Share based compensation		650		1,155
Expenses related to defined benefit pension plans		747		654
	$	7,021	$	7,234

As at December 31, 2024, key management personnel of Pollard, as a group, beneficially owned or exercised control or direction over 17,412,488 common shares of Pollard.

25. Sales to major customers:

For the year ended December 31, 2024, sales to one customer amounted to 10.9 percent of consolidated sales. In 2023, sales to one customer amounted to 12.9 percent of consolidated sales.

26. Segmented information:

Pollard has one reportable segment, which comprises its three operating segments, Lotteries, Charitable gaming and Retail. These operating segments have been aggregated together as they have similar economic characteristics, including similar customers and distribution methods. All operate in the highly regulated lottery and gaming industry.

Pollard's Co–CEO's review internal management reports of the combined reportable segment on a monthly basis.

The following table provides information on the property, plant and equipment, intangibles and goodwill by geographical location:

		December 31, 2024		December 31, 2023
Property, plant and equipment, intangibles and goodwill:				
Canada	$	109,726	$	104,485
United States		165,042		130,647
International		88,838		80,311
	$	363,606	$	315,443

27. Financial instruments:

The fair value of a financial instrument is the estimated amount that Pollard would receive or pay to terminate the instrument agreement at the reporting date.

The following methods and assumptions were used to estimate the fair value of each type of financial instrument by reference to various market value data and other valuation techniques as appropriate.

The fair values of accounts receivable, accounts payable and accrued liabilities and dividends payable approximate their carrying values given their short-term maturities.

The fair value of the long-term debt approximates the carrying value due to the variable interest rate of the debt.

The fair value of the other non-current liabilities approximates the carrying value based on the expected settlement amount of these liabilities.

Certain financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on the quoted prices observed in active markets for identical assets or liabilities

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – valuation techniques with significant unobservable market inputs

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

As at December 31, 2024, the cash and restricted cash recorded at fair value was classified as level one of the fair value hierarchy and the contingent consideration liability recorded at fair value was classified as level three of the fair value hierarchy. The fair value of the contingent consideration liability is calculated as the present value of the expected future payments, discounted using a risk-adjusted discount rate. A change to the expected future payments or discount rate would impact the fair value of the contingent consideration.

(In thousands of Canadian dollars, except for share amounts)

28. Financial risk management:

Pollard has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Currency risk
Interest rate risk

Pollard's risk management policies are established to identify and analyze the risks, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Audit Committee oversees how management monitors compliance with Pollard's risk management policies and procedures. The Audit Committee is assisted in its oversight role by Internal Audit, who undertakes regular reviews of risk management controls and utilizes the annual risk assessment process as the basis for the annual internal audit plan.

Credit risk

The following table outlines the details of the aging of Pollard's receivables and the related allowance for losses:

	December 31, 2024	December 31, 2023
Current	$ 68,709	$ 69,797
Past due for 1 to 60 days	8,857	4,437
Past due for more than 60 days	2,047	1,889
Less: allowance for losses	(494)	(447)
	$ 79,119	$ 75,676

Pollard has applied the expected credit loss model in evaluating the credit risk associated with its accounts receivable. As part of this analysis, Pollard has grouped its customers into two tranches: government lottery organizations and charitable gaming distribution networks. For sales to government lottery organizations, Pollard has assessed the loss allowance at zero based on the nature of the customer organizations, and no history of losses, collection issues, or significantly overdue receivables, as well as other customer-specific and forward-looking macroeconomic factors. Pollard has performed the same assessment for charitable gaming distribution network customers, resulting in the provision of a loss allowance, as shown in the table above.

Liquidity risk

Liquidity risk is the risk that Pollard will not be able to meet its financial obligations as they fall due.

(In thousands of Canadian dollars, except for share amounts)

28. Financial risk management (continued):

The following table outlines Pollard's maturity analysis of the undiscounted cash flows, including related interest payments, of certain financial liabilities as of December 31, 2024:

		Total	2025	2026	2027	2028	2029 & thereafter
Long-term debt	$	183,643	7,961	7,961	7,961	159,760	–
Lease liabilities		19,327	6,126	5,172	4,050	2,879	1,100
	$	202,970	14,087	13,133	12,011	162,639	1,100

Pollard's approach is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The estimated 2025 requirements for capital expenditures, working capital and dividends are expected to be financed from cash flow provided by operating activities and the unused portion of Pollard's credit facility. Pollard enters into contractual obligations in the normal course of business operations.

Currency risk

Pollard sells a significant portion of its products and services to customers in the United States and to some international customers where sales are denominated in U.S. dollars. In addition, a significant portion of its cost inputs are denominated in U.S. dollars. Pollard also generates revenue in currencies other than the Canadian and U.S. dollar, primarily in Euros.

Translation differences arise when foreign currency monetary assets and liabilities are translated at foreign exchange rates that change over time. As at December 31, 2024, the amount of financial assets denominated in U.S. dollars exceeded the amount of financial liabilities in U.S. dollars by approximately $14,854. As at December 31, 2023, the amount of financial the amount of financial liabilities denominated in U.S. dollars exceeded the amount of financial assets in U.S. dollars by approximately $86,141. A 50 basis point weakening/strengthening in the value of the Canadian dollar relative to the U.S. dollar would result in a decrease/increase in income before taxes of approximately $74 for the year ended December 31, 2024 (2023 – $431).

Pollard utilizes a number of strategies to mitigate its exposure to currency risk. Six manufacturing facilities are located in the U.S. and a significant amount of cost inputs for all production facilities are denominated in U.S. dollars, offsetting a large portion of the U.S. dollar revenue in a natural hedge.

28. Financial risk management (continued):

Pollard also uses financial hedges, including foreign currency contracts, to help manage foreign currency risk. At December 31, 2024, and at December 31, 2023, Pollard had no outstanding foreign currency contracts.

Interest rate risk

Pollard is exposed to interest rate risk relating to its fixed and floating rate instruments. Fluctuation in interest rates will have an effect on the valuation and repayment of these instruments.

A 50 basis point decrease/increase in interest rates would result in an increase/decrease in income before income taxes of approximately $759 for the year ended December 31, 2024 (2023 – $600).

Senior Management

John Pollard
CO-CHIEF EXECUTIVE OFFICER

Douglas Pollard
CO-CHIEF EXECUTIVE OFFICER

Steven Fingold
EXECUTIVE VICE PRESIDENT, CHARITABLE GAMING

Paul Franzmann
EXECUTIVE VICE PRESIDENT, CORPORATE DEVELOPMENT

Pedro Melo
EXECUTIVE VICE PRESIDENT, INFORMATION TECHNOLOGY

Margaret Proven
EXECUTIVE VICE PRESIDENT, HUMAN RESOURCES

Riva Richard
GENERAL COUNSEL AND EXECUTIVE VICE PRESIDENT, LEGAL AFFAIRS

Robert Rose
EXECUTIVE VICE PRESIDENT, FINANCE AND CHIEF FINANCIAL OFFICER

Robert Young
EXECUTIVE VICE PRESIDENT, GLOBAL LOTTERY

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Gordon Pollard EXECUTIVE CHAIR
Dave Brown[1]
Lee Meagher[1]
Carmele Peter[1]
John Pollard
Douglas Pollard

[1] Member of the Audit Committee, Compensation Committee and the Governance and Nominating Committee

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2024 ANNUAL REPORT