

ANNUAL REPORT 2024

Kiowa Casino Operations Authority

www.kiowacasino.com

198131 Hwy 36 Devol, OK 73531



ENTITY SUMMARY

Kiowa Casino & Hotel – Devol, OK (Red River)

Located on the Oklahoma-Texas border on Interstate 44, in Devol, Oklahoma, Kiowa Casino Red River features 63,000 square feet of gaming entertainment, hotel, and dining space with over 700 slot machines and nearly one dozen table games. The hotel includes 63 guest rooms, meeting rooms, and a fully-equipped business center. Dining options on the property include Morning Star Steakhouse and The Winners Circle Cafe. The property opened in 2007 and the hotel expansion was opened in 2018. Red River employs over 300 hundred team members.

Kiowa Casino Carnegie

Located in Carnegie, Oklahoma, on Highway 9, Kiowa Casino Carnegie features over 100 slot machines and light dining options at the Café. The property caters to local guests as well as traveling through on busy Highway 9. Kiowa Casino Carnegie opened in 2018.

ANNUAL HIGHLIGHTS

2023 was a busy and productive year for Kiowa Casino. After an exhaustive search, the Kiowa Casino Operations Authority (KCOA) Board of Directors recruited our new CEO, Robert “Bob” Dimmick to oversee Kiowa Casino Enterprises. Bob brings a wealth of gaming and marketing experience to the Kiowa Casino Enterprise.

Capitalizing on Bob’s experience and expertise in gaming, and after a thorough evaluation of property performance, the KCOA, Kiowa Casino Enterprises, and the Kiowa Tribe announced the closure of Kiowa Casino Verden on October 31, 2023. Verden provided more than 13 years of dedicated service to the community. This decision was not made lightly, and we extend our deepest gratitude to our loyal guests, team members, and the Verden community for their unwavering support over the years. Nearly all Kiowa team members were transferred to other

properties or to roles within Tribal operations in Carnegie.

In December of 2023, the KCOA paid off the refinanced Red River loan balance owed to lender Crossfirst Bank. When the Red River Casino was built, the KCOA secured financing through Luna Lending that was coupled with an exorbitant annual interest rate of 14.5%. For years, the Casino made monthly payments that barely touched the principal balance. The Casino spent millions of dollars in interest payments.

In 2018, the KIC approved the refinance of the debt balance of \$13 million. The KCOA secured a conventional loan with Crossfirst Bank at a much more affordable APR of 6.5%. Responsible fiscal management helped achieve sustainable economic outcomes.

The Hobart Casino project continues and construction should commence in May. Timberlake Construction Co. reports it will take 12-months to complete the build. The property is located on Highway 183 and 5th Street in Hobart, a major thoroughfare to Quartz Mountain State Park and Altus, OK. Financing has been secured utilizing the 2018 KIC approved resolution to borrow \$9 million.

The Hobart market feasibility study systematically evaluated the potential success and viability of a new casino in the target area. The study focused on understanding customer needs, market trends, and the competitive landscape. The results are positive and provided the KCOA with valuable insights to make an informed decision about whether to proceed with the Hobart project.

The KCOA Board of Directors are poised to face the coming adventures as we look to grow the Casino enterprise with planned developments and much needed capital improvements.



Rendering below of Hobart property.



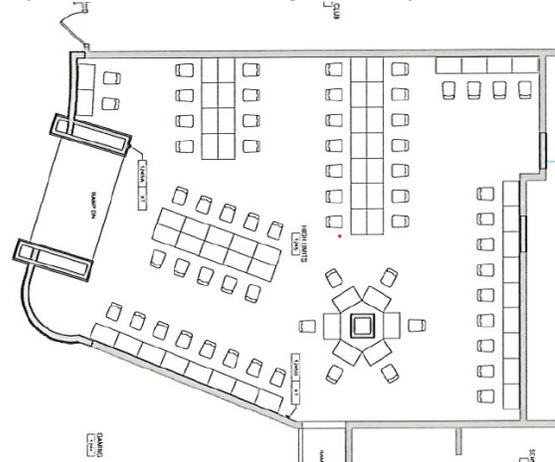
In March of 2024, the KCOA and Casino Executive team broke ground on a new Showcase Lounge gaming room, see insets below. The defunct Kiowa Sports Bar space is being renovated through a partnership with Gaming Capital Group (GCG). Rooted in the belief that a royal experience is all in the details, Kiowa Casino continues to prioritize excellence.



New entry design.



Proposed Showcase Lounge floor layout.



The Showcase Lounge will epitomize our commitment to detail, featuring 41 state-of-the-art games by Gaming Capital Group (GCG). This project is being funded by GCG with a three year commitment to place only CGC games in the lounge.

KEY STAFF

- CEO: Robert "Bob" Dimmick
- COO/GM: Darius McGee
- KCOA Chairman: Richard McMahon

KCOA & CASINO EFFICIENCIES / HIGHLIGHTS

- Established monthly meetings with Executive and Legislative branches, and Kiowa Gaming Commission
- Provide monthly financial reports to aforementioned groups for full transparency
- Hired CEO
- Paid off all loans
- Established KCOA Policies & Procedures
- Adopted drug & alcohol free policy
- Increased EBITDA to between 30 and 40% depending on revenue levels
- Reduced overall expenses at all properties
- Hired new HR Director
- Updated all job descriptions



- Performed compensation study align with market demands
- Established new performance review system
- Revitalized Independent Development Program for Kiowa employees
- Recreated all Organization Charts
- Received clean external audits
- Drafted 5 & 10 year strategic plans
- Partnered with Sovereign Bank, a Citizen Pottawatomie Tribe enterprise, tribes helping tribes

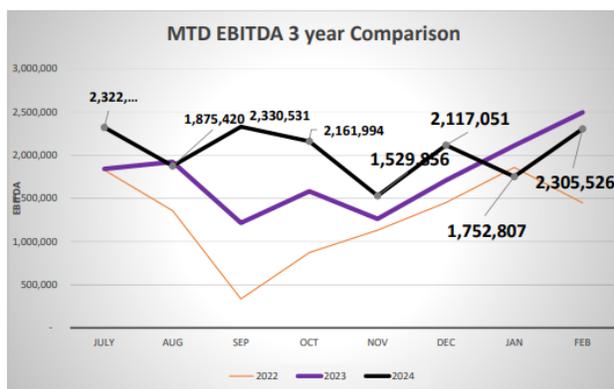
the KCOA successfully negotiated an increase to the annual distribution by \$2M. Now that the loan is paid off, the KCOA will work with the Executive and Legislative branches to recalculate a higher annual distribution back to the Tribe.

Annual Distribution:	\$6.0M
Land Lease paid to tribe:	\$1.2M
KGC/Regulatory fees:	\$1.2M
Taxes on casino sales:	\$150K
Other payments:	\$500K

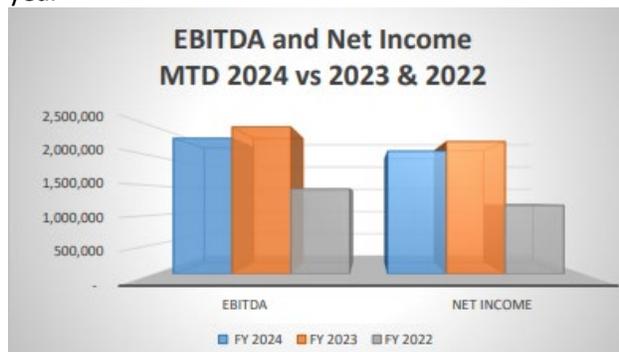
TOTAL ANNUAL DIST. TO TRIBE: **\$9,050,000.00**

PERFORMANCE

Combined, February EBITDA was down over last year but up over two years ago. Black represents FY 2024 and Purple FY 2023.



February 2024 Revenue is up 2.0% over last year. However, EBITDA is down 7.7% from last year



TRIBAL DISTRIBUTION

The Crossfirst Bank loan covenants for the 2018 refinance capped the annual distribution of casino revenue to the Tribe at \$4M. Banks do this to ensure they get their money. In 2022,

CURRENT CAPITAL IMPROVEMENT PROJECTS

- Devol exterior lighting replacement, \$1.5M
- Devol HVAC replacement, \$2.5M
- Devol raised floor & carpet, \$2.1M
- Devol generator replacement, TBD
- Devol administrative offices, \$1.2M
- Devol roof repair, TBD
- Gaming System upgrade, *all prop.* \$2.5M
- Software Upgrade, *all properties* \$986K

2024/2025 OUTLOOK

The KCOA and Casino Executive team are dedicating the remainder of 2024 to stabilize and fortify our existing portfolio. Our focus includes cost reduction, profit enhancement, and fine-tuning growth objectives. This collaborative effort with the Kiowa government marks a significant departure from past practices. The transparency improvements we've made pave the way for augmenting the annual distribution to the Tribe. We eagerly anticipate building a strong partnership with the current leadership, aligning our efforts to achieve shared tribal development goals.