

CREATIVE SASKATCHEWAN EQUITY INVESTMENTS

INVESTMENT OVERVIEW

Successful applicants to the Digital Game & Gamified eLearning Equity Investment Program will receive funding in the form of a recoupable investment. This investment is repaid from revenues generated by exploitation of the project.

The maximum contribution to a project is \$100,000 or 50% of the total project budget, whichever is the lesser.

EXPLOITATION FEES AND ENHANCEMENT COSTS

Creative Saskatchewan recognizes that in order to keep projects profitable, on-going expenses might be incurred. Depending on the project, applicants might be eligible to incur expenses that are deducted from revenues prior to Creative Saskatchewan recouping its share. These expenses include:

- Expenses related to the distribution and/or exploitation of the project (including fees and/or commissions to distribution entities for their services)
- Costs for upgrades or enhancements to the project that are proposed after the start of the exploitation period.

Applicants are allowed to deduct the above expenses to a maximum of 75% of the gross exploitation revenues in the project's first year of exploitation and up to a maximum of 50% of gross exploitation revenues in all following years. Deductions are approved on a case-by-case basis, and must be reasonable, actual and verifiable.

RECOUPMENT

After the deduction of eligible expenses (noted above), Creative Saskatchewan will recoup its investment from revenue generated by exploitation of the project in a manner no less favourable than other financial participants who provide recoupable financing to the project.

Creative Saskatchewan's recoupment is capped at 50%. When Creative Saskatchewan invests less than 50% of the project's recoupable financing, Creative Saskatchewan will recoup at the same percentage as its investment.

PROFIT PARTICIPATION

Once Creative Saskatchewan has recouped 100% of its investment, Creative Saskatchewan will participate in profits generated by exploitation of the project in the same manner in which it recouped its investment, except:

- Creative Saskatchewan will forego 50% of its profit participation share for the benefit of the applicant.