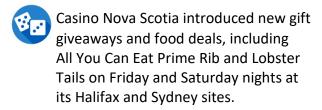
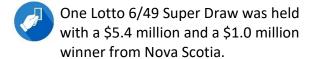


QUARTERLY REPORT

For the fourth quarter ended March 31, 2017

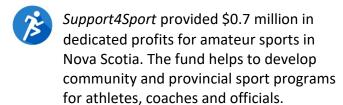
OPERATIONAL HIGHLIGHTS





- There were five Lotto Max \$50+ million plus MAXMILLION draws and three new Scratch'N Win tickets launched with the region's first \$30 ticket.
- Responsible Gambling Resource Centres distributed over 2,500 pieces of responsible gambling information.

COMMUNITY HIGHLIGHTS



Support4Culture provided \$1.2 million for initiatives such as the Artistic Innovation Program, the Built Heritage Development Fund and the Mi'kmaq Cultural Activities Program.

NSPLCC supported two Monte Carlo nights as part of the *Support4Communities* Casino Nights Program, helping raise more than \$18,000 for organizations across the province.

A Spotlight on Monte Carlo Fundraising Seminar was held in Dartmouth to provide charities with learning opportunities.



\$38.3 million was paid to the Province in the fourth quarter.

This is \$9.1 million higher than the same quarter last year due to lower expenses from the write-off of obsolete equipment done in 2015-16.

Overall, revenue from gaming is \$0.9 million higher than last year due to an increase in casino revenue as a result of new games and equipment.

Contributions and expenditures for responsible gambling and prevention programming initiatives totalled \$1.7 million.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at March 31 (unaudited)

(in thousands)

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ASSETS	<u>2017</u>	<u>2016</u>
Current assets Cash and cash equivalents Cash – restricted Trade and other receivables	\$ 6,130 5,290 1,491	\$ 6,025 5,766 1,588
Prepaid expenses Inventories	6,537 2,260 21,708	5,123 1,976 20,478
Non-current assets Property, plant and equipment Cash – casino capital replacement reserve Disputed HST assessments Investment in Atlantic Lottery Corporation Investment in Interprovincial Lottery Corporation	79,198 10,548 53,473 10,559	85,499 10,392 45,781 - 1
	153,779 \$ <u>175,487</u>	141,673 \$ 162,151
LIABILITIES and EQUITY		
Current liabilities Bank indebtedness Trade and other payables Deferred revenue Liabilities for unclaimed prizes Due to Atlantic Gaming Equipment Limited Other liabilities Due to Province of Nova Scotia	\$ 365 17,528 754 5,290 6,885 1,098 101,166 133,086	\$ 798 15,668 1,152 5,766 9,318 940 91,509 125,151
Non-current liabilities Due to Atlantic Gaming Equipment Limited Investment in Atlantic Lottery Corporation Inc. Other long term liabilities - asset retirement obligation EOUITY	18,826 - 254 19,080	22,061 833 269 23,163
Casino capital replacement reserve Retained earnings (deficit)	15,975 7,346 23,321	14,294 (457) 13,837
	\$ <u>175,487</u>	\$162,151_



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the fourth quarter ended March 31 (unaudited) (in thousands)

													(,,, e,	roadarrac
	2017					2016								
	Casinos	Ticket Lottery	Video Lottery	RG	Other	4th Quarter	Year to date	Casinos	Ticket Lottery	Video Lottery	RG	Other	4th Quarter	Year to date
Revenues	\$ 18,349	\$ 55,399	\$ 34,175	\$ -	\$ 7	\$ 107,930	\$ 431,691	\$ 17,350	\$ 56,307	\$ 33,400	\$ -	\$ 7	\$ 107,064	\$ 441,071
Expenses	15,670	42,443	10,017	495	1,569	70,194	288,274	14,646	45,361	16,679	369	1159	78,214	300,489
Net profit	2,679	12,956	24,158	(495)	(1,562)	37,736	143,417	2,704	10,946	16,721	(369)	(1,152)	28,850	140,582
Contributions				(1,185)	(1,573)	(2,758)	(12,609)				(1,156)	(1,591)	(2,747)	(13,056)
Net Income	2,679	12,956	24,158	(1,680)	(3,135)	34,978	130,808	2,704	10,946	16,721	(1,525)	(2,743)	26,103	127,526
Win Tax	3,285					3,285	13,770	3,135					3,135	13,933
Payment to Province	\$5,964_	\$ <u>12,956</u>	\$ 24,158	\$ <u>(1,680)</u>	\$ <u>(3,135)</u>	\$ 38,263	\$ <u>144,578</u>	\$5,839_	\$ <u>10,946</u>	\$ <u>16,721</u>	\$ <u>(1,525)</u>	\$ <u>(2,743)</u>	\$ 29,238	\$ <u>141,459</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the fourth quarter ended March 31 (unaudited) (in thousands)

	20	17	2016			
	4th Quarter	Year to date	4th Quarter	Year to date		
Casino Capital Replacement Reserve						
Balance, beginning of period	\$ 17,865	\$ 14,294	\$ 16,208	\$ 12,638		
Change in reserve	(1,889)	1,680	(1,914)	1,657		
Balance, end of period	15,976	15,974	14,294	14,295		
Retained Deficit						
Balance, beginning of period	3,122	(457)	(2,907)	(6,480)		
Net and comprehensive income	38,263	144,578	29,238	141,459		
Payment to Province	(38,263)	(144,578)	(29,238)	(141,459)		
Change in investment in Atlantic Lottery Corporation	4,224	7,803	2,450	6,023		
Balance, end of period	7,346	7,346	(457)	(457)		
Equity, end of period	\$ 23,322	\$ 23,320	\$ 13,837	\$ 13,838		



CONSOLIDATED STATEMENT OF CASH FLOWS

For the fourth quarter ended March 31 (unaudited) (in thousands)

	<u>2017</u>	<u>2016</u>
Operating		
Net Income	\$ 38,263	\$ 29,238
Allocation of income to Province	(38,263)	(29,238)
Depreciation	5,215	9,407
Loss on disposal of capital assets	5	53
Net transfers of property, plant and equipment	(100)	(5,887)
Net changes in non-cash working capital	(10,091)	(18,062)
Financing Decrease in obligation to	(4,971)	(14,489)
Atlantic Gaming Equipment Limited	(1,553)	(5,211)
Investing Purchases of capital assets, net additions Change in investment of Atlantic Lottery Corporation Increase in Casino Capital Replacement Reserve, net of cash	(1,830) 823 (1,834) (2,841)	3,951 4,549 (2,783) 5,717
Net decrease in cash & cash equivalents	(9,365)	(13,983)
Cash & cash equivalents, beginning of quarter	15,129	19,210
Cash & cash equivalents, end of quarter	\$ 5,764	\$ <u>5,227</u>

