

Operational Highlights

- Nova Scotia had a \$325,000 Scratch'N winner.
- A new ticket lottery game, "Hit or Miss", was launched on September 30th. Eight new Scratch'N Win tickets and six new Digital Instants games were also launched.
- There were six Lotto Max \$50+ million plus MAXMILLION draws.
- One new video lottery game, "Pharaoh's Fortune", was launched, and 90 replacement terminals were rolled out across the province.
- Casino Nova Scotia promotions included the continuation of "Dare to Deal" and the gifting program, and the launch of "Beat the Boss".

Community Highlights

- *Support4Sport* provided \$1.0 million in dedicated profits for amateur sports in Nova Scotia. The fund helps to develop sport programs for athletes, coaches and officials.
- *Support4Culture* provided \$1.5 million for initiatives such as Celtic Colours, a celebration of Gaelic culture, arts and heritage in Cape Breton.
- The Responsible Gambling Resource Centres in the casinos distributed approximately 740 pieces of responsible gambling information to patrons, and yourbestbet.ca had over 480 unique visitors.
- NSGC supported seven Monte Carlo nights as part of the *Support4Communities* Casino Nights program, helping raise more than \$120,000 for organizations in the host communities.

For more information visit: www.gamingns.ca



\$36.3 million was paid to the Province in the second quarter.

This is \$1.5 million lower than the same quarter last year, primarily due to lower profits in Ticket Lottery.

Overall, revenue from gaming is lower than the same quarter last year due to decreased ticket lottery sales, primarily in Lotto 6/49 and Breakopen.

Contributions and expenditures for responsible gambling and prevention programming initiatives totaled \$2.1 million.

Consolidated Statement of Financial Position

As at September 30, 2019 (unaudited) (in thousands)

ASSETS	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 11,443	\$ 17,142
Cash – restricted	5,644	6,216
Cash – casino capital replacement reserve	7,562	6,762
Trade and other receivables	10,546	14,117
Prepaid expenses	775	1,309
Inventories	<u>2,579</u>	<u>2,422</u>
	<u>38,549</u>	<u>47,968</u>
Non-current assets		
Property, plant and equipment	73,183	73,143
Disputed HST assessments	73,389	65,569
Investment in Atlantic Lottery Corporation	3,404	4,741
Investment in Interprovincial Lottery Corporation	<u>1</u>	<u>1</u>
	<u>149,977</u>	<u>143,454</u>
	<u>\$ 188,526</u>	<u>\$ 191,422</u>
LIABILITIES and EQUITY		
Current liabilities		
Trade and other payables	22,492	32,877
Deferred revenue	659	575
Liabilities for unclaimed prizes	5,644	6,216
Due to Atlantic Gaming Equipment Limited	6,297	6,970
Other liabilities	1,701	1,417
Due to Province of Nova Scotia	<u>116,193</u>	<u>110,232</u>
	<u>152,986</u>	<u>158,287</u>
Non-current liabilities		
Due to Atlantic Gaming Equipment Limited	10,351	8,924
Other long term liabilities	<u>1,555</u>	<u>252</u>
	<u>11,906</u>	<u>9,176</u>
EQUITY		
Casino capital replacement reserve	20,230	19,218
Accumulated other comprehensive income	<u>3,404</u>	<u>4,741</u>
	<u>23,634</u>	<u>23,959</u>
	<u>\$ 188,526</u>	<u>\$ 191,422</u>

DID YOU
KNOW?

Nova Scotia Gaming Corporation is the Crown Corporation responsible for managing the business of gaming in the province. We help make Nova Scotia a better place by returning 100% of the profits to government for programs and good causes that are important to Nova Scotians.

Consolidated Statement of Net and Comprehensive Income

For the second quarter ended September 30, 2019 (unaudited) [in thousands]



	2019						2018							
	Casinos	Ticket Lottery	Video Lottery	RG	Other	2nd Quarter	Year to date	Casinos	Ticket Lottery	Video Lottery	RG	Other	2nd Quarter	Year to date
Revenues	\$ 23,662	\$ 54,555	\$ 31,979	\$ -	\$ -	\$ 110,196	\$ 222,501	\$ 24,216	\$ 57,876	\$ 32,671	\$ -	\$ -	\$ 114,763	\$ 231,251
Expenses	19,539	43,999	10,095	289	973	74,895	153,123	19,994	45,724	11,384	183	911	78,196	157,719
Net Profit	4,123	10,556	21,884	(289)	(973)	35,301	69,378	4,222	12,152	21,287	(183)	(911)	36,567	73,532
Contributions	-	-	-	(1,130)	(2,125)	(3,255)	(8,523)	-	-	-	(1,132)	(2,012)	(3,144)	(8,312)
Net Income before win tax	4,123	10,556	21,884	(1,419)	(3,098)	32,046	60,855	4,222	12,152	21,287	(1,315)	(2,923)	33,423	65,220
Win Tax	4,260	-	-	-	-	4,260	8,228	4,334	-	-	-	-	4,334	8,194
Net Income	\$ 8,383	\$ 10,556	\$ 21,884	\$ (1,419)	\$ (3,098)	\$ 36,306	\$ 69,083	\$ 8,556	\$ 12,152	\$ 21,287	\$ (1,315)	\$ (2,923)	\$ 37,757	\$ 73,414

Consolidated Statement of Changes in Equity

For the second quarter ended September 30, 2019

(unaudited) [in thousands]

	2019		2018	
	2nd Quarter	Year to date	2nd Quarter	Year to date
Casino Capital Replacement Reserve, beginning of period	\$ 18,894	\$ 17,655	\$ 17,892	\$ 16,723
Change in reserve	1,336	2,575	1,326	2,495
Casino Capital Replacement Reserve, end of period	20,230	20,230	19,218	19,218
Accum. Other Comprehensive Income, beginning of period	3,404	3,404	4,741	4,741
Other comprehensive income (loss)	-	-	-	-
Accum. Other Comprehensive Income, end of period	3,404	3,404	4,741	4,741
Retained Earnings, beginning of period	-	-	-	-
Net Income	36,306	69,083	37,757	73,414
Payment to Province	(36,306)	(69,083)	(37,757)	(73,414)
Retained Earnings, end of period	-	-	-	-
Equity, end of period	\$ 23,634	\$ 23,634	\$ 23,959	\$ 23,959

Consolidated Statement of Cash Flows

For the second quarter ended September 30, 2019 (unaudited) [in thousands]

	<u>2019</u>	<u>2018</u>
Operating		
Net and comprehensive income	\$ 32,046	\$ 33,423
Depreciation	1,951	2,157
Loss on disposal of capital assets	16	10
Net transfers of property, plant and equipment	(1,107)	165
Net changes in non-cash working capital	<u>(2,743)</u>	<u>5,323</u>
	<u>30,163</u>	<u>41,078</u>
Financing		
Allocation of income to Province	(32,046)	(33,423)
Net changes in obligation to Atlantic Gaming Equipment Limited	<u>2,384</u>	<u>(1,709)</u>
	<u>(29,662)</u>	<u>(35,132)</u>
Investing		
Purchases of capital assets, net additions	(2,525)	(1,432)
Increase in Casino Capital Replacement Reserve, net of cash	<u>878</u>	<u>1,193</u>
	<u>(1,647)</u>	<u>(239)</u>
Net (decrease) / increase in cash & cash equivalents	(1,146)	5,707
Cash & cash equivalents, beginning of quarter	<u>12,589</u>	<u>11,435</u>
Cash & cash equivalents, end of quarter	<u>\$ 11,443</u>	<u>\$ 17,142</u>

**DID YOU
KNOW?**

Proceeds from the sale of designated lottery products fund the *Support4Sport* program. *Support4Sport* is the largest source of funding for amateur sports in the province and has helped raise over \$42 million since it was introduced in 2006.