

Operational Highlights

- Nova Scotia's two casinos remained closed through the quarter, and video lottery operations were shut-down until June 5, due to the threat of COVID-19.
- Nova Scotia had a \$2 million Scratch'N Win winner and a \$1 million Lotto 6/49 winner. Thirteen new Scratch'N Win tickets were launched.
- Ticket lottery sales saw a sixteen percent migration from retail outlets to online purchases compared to the previous year.
- Six new Digital Instant games were launched; "Volcano", "Genie Jackpots", "Gem Explosion Extreme", "Camo Cash Breakopen", "Big Diamond" and "Cashword Bonus".
- There were six Lotto Max \$50+ million plus MAXMILLION draws and two Lotto 6/49 jackpots over \$20 million.

Community Highlights

- *Support4Sport* provided \$1.1 million in dedicated profits for amateur sports in Nova Scotia. Awareness efforts through social media continued throughout the quarter.
- Nova Scotia Gaming sponsored Sport Nova Scotia's virtual annual edition of the *Support4Sport* Awards. The awards celebrated the athletic accomplishments of over 200 Nova Scotians from across the province.
- *Support4Culture* provided \$0.4 million to support arts, culture and heritage in Nova Scotia. Activities included partnering with Neptune Theatre for a weekly live virtual show called "Off the Leash with Jeremy Webb".
- *Support4Communities* activities were paused through the quarter due to COVID-19.

For more information visit: www.gamingns.ca



\$10.4 million was paid to the Province in the first quarter.

This is \$21.0 million lower than the same quarter last year, primarily due to lower profits in video lottery and casinos.

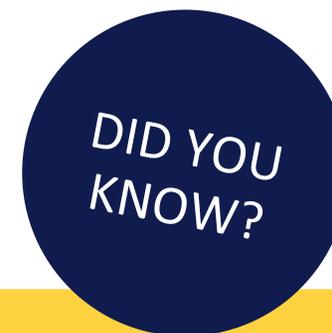
Overall, revenue from gaming is lower than the same quarter last year due to the required suspension of operations of video lottery terminals and casinos.

Contributions and expenditures for responsible gambling and prevention programming initiatives totalled \$1.8 million.

Consolidated Statement of Financial Position

As at June 30, 2020 (unaudited) (in thousands)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,578	\$ 12,589
Cash – restricted	6,470	5,370
Cash – casino capital replacement reserve	7,216	7,104
Trade and other receivables	9,452	8,557
Prepaid expenses	845	1,207
Inventories	2,460	2,995
	<u>33,021</u>	<u>37,822</u>
Non-current assets		
Property, plant and equipment	70,362	73,088
Disputed HST assessments	77,621	71,384
Investment in Atlantic Lottery Corporation	7,330	3,404
Investment in Interprovincial Lottery Corporation	1	1
	<u>155,314</u>	<u>147,877</u>
	<u>\$ 188,335</u>	<u>\$ 185,699</u>
LIABILITIES and EQUITY		
Current liabilities		
Trade and other payables	18,979	23,311
Deferred revenue	528	518
Liabilities for unclaimed prizes	6,470	5,370
Due to Atlantic Gaming Equipment Limited	5,541	6,297
Other liabilities	1,971	1,743
Due to Province of Nova Scotia	117,078	114,871
	<u>150,567</u>	<u>152,110</u>
Non-current liabilities		
Due to Atlantic Gaming Equipment Limited	10,622	9,258
Other long term liabilities	1,785	2,033
	<u>12,407</u>	<u>11,291</u>
EQUITY		
Casino capital replacement reserve	18,031	18,894
Accumulated other comprehensive income	7,330	3,404
	<u>25,361</u>	<u>22,298</u>
	<u>\$ 188,335</u>	<u>\$ 185,699</u>



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 causes that are important to Nova Scotians.

Consolidated Statement of Net and Comprehensive Income

For the first quarter ended June 30, 2020 (unaudited) (in thousands)



	2020						2019					
	Casinos	Ticket Lottery	Video Lottery	RG	Other	1st Quarter and Year to date	Casinos	Ticket Lottery	Video Lottery	RG	Other	1st Quarter and Year to date
Revenues	\$ 300	\$ 71,506	\$ 5,776	\$ -	\$ -	\$ 77,582	\$ 22,036	\$ 57,046	\$ 33,222	\$ -	\$ -	\$ 112,305
Expenses	417	59,112	5,521	130	804	65,984	18,227	46,807	12,153	208	832	78,228
Net profit	(117)	12,394	255	(130)	(804)	11,598	3,809	10,239	21,069	(208)	(832)	34,077
Contributions	-	-	-	(1,700)	(3,405)	(5,105)	-	-	-	(1,858)	(3,409)	(5,267)
Net Income	(117)	12,394	255	(1,830)	(4,209)	6,493	3,809	10,239	21,069	(2,066)	(4,241)	28,810
Win Tax	-	-	-	-	-	-	3,968	-	-	-	-	3,968
Payment to Province	\$ (117)	\$ 12,394	\$ 255	\$ (1,830)	\$ (4,209)	\$ 6,493	\$ 7,777	\$ 10,239	\$ 21,069	\$ (2,066)	\$ (4,241)	\$ 32,778

Consolidated Statement of Changes in Equity

For the first quarter ended June 30, 2020
(unaudited) (in thousands)

	2020	2019
	First Quarter & Year to date	First Quarter & Year to date
Casino capital replacement reserve balance, beginning of period	\$ 18,021	\$ 17,655
Change in reserve	10	1,239
Casino capital replacement reserve, end of period	18,031	18,894
Accum. Other Comprehensive Income, beginning of period	7,330	3,404
Other comprehensive income (loss)	-	-
Accum. Other Comprehensive Income, end of period	7,330	3,404
Retained Earnings, beginning of period	-	-
Net Income	6,493	32,778
Payment to province	(6,493)	(32,778)
Retained Earnings, end of period	-	-
Equity, end of period	\$ 25,361	\$ 22,298

Consolidated Statement of Cash Flows

For the first quarter ended June 30, 2020 (unaudited) (in thousands)

	<u>2020</u>	<u>2019</u>
Operating		
Net income	\$ 6,493	\$ 32,778
Depreciation	1,806	1,933
Loss on disposal of capital assets	-	5
Net transfers of property, plant and equipment	2,689	(1,927)
Net changes in short term liabilities	3	339
Net changes in non-cash working capital	(26)	3,596
	<u>10,965</u>	<u>36,724</u>
Financing		
Allocation of income to Province	(6,493)	(32,778)
Net changes in other long term liabilities	(61)	1,769
Net changes in obligation to Atlantic Gaming Equipment Limited	(3,235)	1,785
	<u>(9,789)</u>	<u>(29,224)</u>
Investing		
Purchases of capital assets, net additions	(36)	(5,875)
Increase in Casino Capital Replacement Reserve, net of cash	118	2,589
	<u>82</u>	<u>(3,286)</u>
Net increase / (decrease) in cash & cash equivalents	1,258	4,214
Cash & cash equivalents, beginning of quarter	<u>5,320</u>	<u>8,375</u>
Cash & cash equivalents, end of quarter	<u>\$ 6,578</u>	<u>\$ 12,589</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 \$46.8 million since it was introduced in 2006.