

Operational Highlights

- Nova Scotia had a \$17.4 million Lotto 6/49 winner. 17 new Scratch'N Win tickets were launched.
- Ticket lottery sales have seen a 13 percent migration from retail outlets to online purchases compared to the previous year.
- Seven new Digital Instant games were launched: "Medieval Fortunes", "Capitol Cash", "Lucky Rainbow", "500X The Cash", "Halloween Extreme", "The Price is Right" and "Cauldron of Cash".
- There were 11 Lotto Max \$50+ million plus MAXMILLION draws.
- Nova Scotia's two casinos remained closed throughout the quarter.

For more information visit: www.gamingns.ca

Community Highlights

- *Support4Sport* provided \$1.1 million in dedicated profits for amateur sports in Nova Scotia to develop community and sport programs for athletes, coaches and officials. The Nova Scotia Black and Indigenous Coach Mentorship Program was launched, the Virtual Atlantic Coaches Conference was held, and wheelchair tennis equipment was purchased to assist the development of Parasport programming.
- *Support4Culture* provided \$0.6 million to support arts, culture and heritage in Nova Scotia. Activities included funding for Cape Breton's KitchenFest, the Lumière Arts Festival and the Highland Arts Theatre (HAT). HAT is providing free access to programming to their surrounding community over the fall and winter months.
- NSGC's *Support4Communities* activities were paused through the quarter due to concerns over the spread of COVID-19; however, plans are underway to move the model online.



\$32.5 million was paid to the Province in the second quarter.

This is \$3.8 million lower than the same quarter last year, primarily due to lower profits in casinos.

Overall, revenue from gaming is higher than the same quarter last year primarily due to higher ticket lottery sales from online games, offset by the closure of casinos.

Contributions and expenditures for responsible gambling and prevention programming initiatives totalled \$1.2 million.

Consolidated Statement of Financial Position

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

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,594	\$ 11,443
Cash – restricted	6,968	5,644
Cash – casino capital replacement reserve	7,179	7,562
Trade and other receivables	11,472	10,546
Prepaid expenses	554	775
Inventories	<u>2,660</u>	<u>2,579</u>
	<u>41,427</u>	<u>38,549</u>
Non-current assets		
Property, plant and equipment	68,652	74,689
Disputed HST assessments	79,268	73,389
Investment in Atlantic Lottery Corporation	7,330	3,404
Investment in Interprovincial Lottery Corporation	<u>1</u>	<u>1</u>
	<u>155,251</u>	<u>151,483</u>
	<u>\$ 196,678</u>	<u>\$ 190,032</u>
LIABILITIES and EQUITY		
Current liabilities		
Trade and other payables	21,975	23,506
Deferred revenue	510	660
Liabilities for unclaimed prizes	6,968	5,644
Due to Atlantic Gaming Equipment Limited	5,541	6,297
Other liabilities	1,826	1,753
Due to Province of Nova Scotia	<u>123,287</u>	<u>116,193</u>
	<u>160,107</u>	<u>154,053</u>
Non-current liabilities		
Due to Atlantic Gaming Equipment Limited	9,414	10,351
Other long term liabilities	<u>1,780</u>	<u>1,994</u>
	<u>11,194</u>	<u>12,345</u>
EQUITY		
Casino capital replacement reserve	18,047	20,230
Accumulated other comprehensive income	<u>7,330</u>	<u>3,404</u>
	<u>25,377</u>	<u>23,634</u>
	<u>\$ 196,678</u>	<u>\$ 190,032</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 causes that are important to Nova Scotians.

Consolidated Statement of Net and Comprehensive Income

For the second quarter ended September 30, 2020 (unaudited) (in thousands)



	2020						2019							
	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	\$ 400	\$ 78,897	\$ 31,930	\$ -	\$ -	\$ 111,227	\$ 188,809	\$ 23,662	\$ 54,555	\$ 31,979	\$ -	\$ -	\$ 110,196	\$ 222,501
Expenses	417	63,956	10,137	159	834	75,503	141,487	19,539	43,999	10,095	289	973	74,895	153,123
Net Profit	(17)	14,941	21,793	(159)	(834)	35,724	47,322	4,123	10,556	21,884	(289)	(973)	35,301	69,378
Contributions	-	-	-	(1,000)	(2,220)	(3,220)	(8,325)	-	-	-	(1,130)	(2,125)	(3,255)	(8,523)
Net Income before win tax	(17)	14,941	21,793	(1,159)	(3,054)	32,504	38,997	4,123	10,556	21,884	(1,419)	(3,098)	32,046	60,855
Win Tax	-	-	-	-	-	-	-	4,260	-	-	-	-	4,260	8,228
Payment to Province	\$ (17)	\$ 14,941	\$ 21,793	\$ (1,159)	\$ (3,054)	\$ 32,504	\$ 38,997	\$ 8,383	\$ 10,556	\$ 21,884	\$ (1,419)	\$ (3,098)	\$ 36,306	\$ 69,083

Consolidated Statement of Changes in Equity

For the second quarter ended September 30, 2020
(unaudited) (in thousands)

	2020		2019	
	2nd Quarter	Year to date	2nd Quarter	Year to date
Casino Capital Replacement Reserve, beginning of period	\$ 18,031	\$ 18,021	\$ 18,894	\$ 17,655
Change in reserve	16	26	1,336	2,575
Casino Capital Replacement Reserve, end of period	18,047	18,047	20,230	20,230
Accum. Other Comprehensive Income, beginning of period	7,330	7,330	3,404	3,404
Other comprehensive income (loss)	-	-	-	-
Accum. Other Comprehensive Income, end of period	7,330	7,330	3,404	3,404
Retained Earnings, beginning of period	-	-	-	-
Net Income	32,504	38,997	36,306	69,083
Payment to Province	(32,504)	(38,997)	(36,306)	(69,083)
Retained Earnings, end of period	-	-	-	-
Equity, end of period	\$ 25,377	\$ 25,377	\$ 23,634	\$ 23,634

Consolidated Statement of Cash Flows

For the second quarter ended September 30, 2020 (unaudited) (in thousands)

	<u>2020</u>	<u>2019</u>
Operating		
Net income	\$ 32,504	\$ 32,046
Depreciation	1,740	2,015
Loss on disposal of capital assets	16	16
Net transfers of property, plant and equipment	195	(1,107)
Net changes in short term liabilities	(145)	(54)
Net changes in non-cash working capital	5,611	(1,423)
	<u>39,921</u>	<u>31,493</u>
Financing		
Allocation of income to Province	(32,504)	(32,046)
Net changes in other long-term liabilities	(5)	(39)
Net changes in obligation to Atlantic Gaming Equipment Limited	(1,208)	1,093
	<u>(33,717)</u>	<u>(30,992)</u>
Investing		
Purchases of capital assets, net additions	(241)	(2,525)
Increase in Casino Capital Replacement Reserve, net of cash	53	878
	<u>(188)</u>	<u>(1,647)</u>
Net increase / (decrease) in cash & cash equivalents	6,016	(1,146)
Cash & cash equivalents, beginning of quarter	<u>6,578</u>	<u>12,589</u>
Cash & cash equivalents, end of quarter	<u>\$ 12,594</u>	<u>\$ 11,443</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.