

Operational Highlights

- Video Lottery sites and both casinos were closed from late April to June 16th as a result of public health orders from an outbreak of COVID-19 in the province.
- Nova Scotia had two Lotto 6/49 \$1 million winners, a Lotto Max \$1 million MaxMillions winner and a \$675,000 Set for Life winner in the quarter.
- Nine new Scratch’N Win tickets and 11 new Digital Instant games were launched in the quarter.
- Ticket-in, Ticket-out functionality was launched in video lottery terminals.
- There were 13 Lotto Max \$50+ million plus MAXMILLION draws and three Lotto 6/49 jackpots over \$20 million.

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. Social media awareness efforts continued throughout the quarter.
- NSGC sponsored Sport Nova Scotia’s virtual annual edition of the *Support4Sport* Awards. The awards celebrated the commitment and dedication of over 200 individuals and organizations.
- *Support4Culture* provided \$0.2 million to support arts, culture and heritage in Nova Scotia. Awareness efforts through social media continued throughout the quarter.
- NSGC’s *Support4Communities* Casino Nights were paused during the quarter to respect the gathering limits in place to reduce the spread of COVID-19.



\$25.0 million was paid to the Province in the first quarter.

This is \$18.5 million higher than the same quarter last year, primarily due to fewer restrictions early in the quarter, before the third wave of the COVID-19 pandemic.

Overall, revenue from gaming is higher than the same quarter last year due to casino and video lottery sites that were open this year but closed in the quarter last year, and a number of large Lotto Max jackpots that did not occur in the prior year.

Contributions and expenditures for responsible gambling and prevention programming initiatives totalled \$1.9 million.

Consolidated Statement of Financial Position

As at June 30, 2021 (unaudited) (in thousands)

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 11,276	\$ 4,468
Cash – restricted	6,088	6,470
Cash – casino capital replacement reserve	7,468	7,216
Trade and other receivables	10,494	9,452
Prepaid expenses	759	845
Inventories	<u>3,209</u>	<u>2,460</u>
	<u>39,294</u>	<u>30,911</u>
Non-current assets		
Property, plant and equipment	63,798	70,361
Disputed HST assessments	83,246	77,622
Investment in Atlantic Lottery Corporation	14,774	7,330
Investment in Interprovincial Lottery Corporation	<u>1</u>	<u>1</u>
	<u>161,819</u>	<u>155,314</u>
	<u>\$ 201,113</u>	<u>\$ 186,225</u>
LIABILITIES and EQUITY		
Current liabilities		
Trade and other payables	21,136	16,869
Deferred revenue	569	528
Liabilities for unclaimed prizes	6,088	6,470
Due to Atlantic Gaming Equipment Limited	4,335	5,541
Other liabilities	1,877	1,971
Due to Province of Nova Scotia	<u>126,127</u>	<u>117,078</u>
	<u>160,132</u>	<u>148,457</u>
Non-current liabilities		
Due to Atlantic Gaming Equipment Limited	9,925	10,622
Other long term liabilities	<u>1,937</u>	<u>1,785</u>
	<u>11,862</u>	<u>12,407</u>
EQUITY		
Casino capital replacement reserve	14,345	18,031
Accumulated other comprehensive income	<u>14,774</u>	<u>7,330</u>
	<u>29,119</u>	<u>25,361</u>
	<u>\$ 201,113</u>	<u>\$ 186,225</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 Income

For the first quarter ended June 30, 2021 (unaudited) (in thousands)



	2021						2020					
	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	\$ 6,225	\$ 36,113	\$ 13,826	\$ -	\$ -	\$ 56,164	\$ 300	\$ 25,236	\$ 5,749	\$ -	\$ -	\$ 31,285
Expenses	5,279	13,065	8,084	154	708	27,290	417	12,838	5,498	130	804	19,687
Net profit	946	23,048	5,742	(154)	(708)	28,874	(117)	12,398	251	(130)	(804)	11,598
Contributions	-	-	-	(1,700)	(3,355)	(5,055)	-	-	-	(1,700)	(3,405)	(5,105)
Net Income	946	23,048	5,742	(1,854)	(4,063)	23,819	(117)	12,398	251	(1,830)	(4,209)	6,493
Win Tax	1,155	-	-	-	-	1,155	-	-	-	-	-	-
Payment to Province	\$ 2,101	\$ 23,048	\$ 5,742	\$ (1,854)	\$ (4,063)	\$ 24,974	\$ (117)	\$ 12,398	\$ 251	\$ (1,830)	\$ (4,209)	\$ 6,493

Consolidated Statement of Changes in Equity

For the first quarter ended June 30, 2021
(unaudited) (in thousands)

	2021	2020
	First Quarter & Year to date	First Quarter & Year to date
Casino capital replacement reserve balance, beginning of period	\$ 13,659	\$ 18,021
Change in reserve	686	10
Casino capital replacement reserve, end of period	14,345	18,031
Accum. Other Comprehensive Income, beginning of period	14,774	7,330
Other comprehensive income (loss)	-	-
Accum. Other Comprehensive Income, end of period	14,774	7,330
Retained Earnings, beginning of period	-	-
Net Income	24,974	6,493
Payment to province	(24,974)	(6,493)
Retained Earnings, end of period	-	-
Equity, end of period	\$ 29,119	\$ 25,361

Consolidated Statement of Cash Flows

For the first quarter ended June 30, 2021 (unaudited) [in thousands]

	<u>2021</u>	<u>2020</u>
Operating		
Net income	\$ 24,974	\$ 6,493
Depreciation and amortization	1,613	1,742
Net transfers of property, plant and equipment	(49)	2,689
Net changes in short term liabilities	(91)	3
Net changes in non-cash working capital	<u>2,608</u>	<u>(2,137)</u>
	<u>29,055</u>	<u>8,790</u>
Financing		
Allocation of income to Province	(24,974)	(6,493)
Net changes in other long term liabilities	(64)	(61)
Net changes in obligation to Atlantic Gaming Equipment Limited	<u>(1,012)</u>	<u>(3,235)</u>
	<u>(26,050)</u>	<u>(9,789)</u>
Investing		
Purchases of capital assets, net additions	(148)	(36)
Increase in Casino Capital Replacement Reserve, net of cash	<u>231</u>	<u>183</u>
	<u>83</u>	<u>147</u>
Net increase / (decrease) in cash & cash equivalents	3,088	(852)
Cash & cash equivalents, beginning of quarter	<u>8,188</u>	<u>5,320</u>
Cash & cash equivalents, end of quarter	<u>\$ 11,276</u>	<u>\$ 4,468</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 \$51.0 million since it was introduced in 2006.