

Operational Highlights

- There were seven Lotto Max \$50+ million plus MAXMILLION draws and two Lotto 6/49 jackpots over \$20 million.
- Both casinos remained open through the quarter with continued COVID-19 protocols including masking requirements and social distancing in place.
- Nova Scotia had a \$500,000 Daily Grand winner, two Scratch’N Win \$100,000 winners and four TAG \$100,000 winners in the quarter.
- Six new Scratch’N Win tickets and eight new Digital Instant games were launched in the quarter.
- Two new Video Lottery games were launched: Wild Witch, and Quick Hits.

For more information visit: www.gamingns.ca

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, which included highlighting Nova Scotians at the Tokyo Olympics and Paralympics.
- *Support4Culture* provided \$0.6 million to support arts, culture and heritage in Nova Scotia. Activities included partnering with Halifax Jazz Festival on their Community Series, which featured emerging artists from across the province.
- Preparations continue for Nova Scotia Gaming’s Gambling Literacy Awareness Week and Campaign, which will launch in January 2022.
- *Support4Communities* activities included sharing information on COVID-19 event protocols, in preparation for the return of Casino Night fundraisers in the future.



FINANCIAL HIGHLIGHTS

\$42.0 million was paid to the Province in the second quarter.

This is \$9.5 million higher than the same quarter last year, primarily due to fewer mandated closures as the COVID-19 pandemic subsided.

Overall, revenue is higher than the same quarter last year due to open casino sites that were closed last year due to Public Health orders.

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

Consolidated Statement of Financial Position

As at September 30, 2021 (unaudited) [in thousands]

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 11,552	\$ 12,108
Cash – restricted	6,607	6,968
Cash – casino capital replacement reserve	9,377	7,179
Trade and other receivables	9,822	11,472
Prepaid expenses	544	554
Inventories	<u>3,615</u>	<u>2,660</u>
	<u>41,517</u>	<u>40,941</u>
Non-current assets		
Property, plant and equipment	62,341	68,651
Disputed HST assessments	84,618	79,269
Investment in Atlantic Lottery Corporation	14,774	7,330
Investment in Interprovincial Lottery Corporation	<u>1</u>	<u>1</u>
	<u>161,734</u>	<u>155,251</u>
	<u>\$ 203,251</u>	<u>\$ 196,192</u>
LIABILITIES and EQUITY		
Current liabilities		
Trade and other payables	22,267	21,488
Deferred revenue	680	510
Liabilities for unclaimed prizes	6,607	6,968
Due to Atlantic Gaming Equipment Limited	4,335	5,541
Other liabilities	1,871	1,826
Due to Province of Nova Scotia	<u>125,524</u>	<u>123,288</u>
	<u>161,284</u>	<u>159,621</u>
Non-current liabilities		
Due to Atlantic Gaming Equipment Limited	8,881	9,414
Other long term liabilities	<u>1,868</u>	<u>1,780</u>
	<u>10,749</u>	<u>11,194</u>
EQUITY		
Casino capital replacement reserve	16,444	18,047
Accumulated other comprehensive income	<u>14,774</u>	<u>7,330</u>
	<u>31,218</u>	<u>25,377</u>
	<u>\$ 203,251</u>	<u>\$ 196,192</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 second quarter ended September 30, 2021 (unaudited) [in thousands]



	2021						2020							
	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	\$ 18,674	\$ 30,391	\$ 32,110	\$ -	\$ -	\$ 81,175	\$ 137,339	\$ 400	\$ 28,064	\$ 31,852	\$ -	\$ -	\$ 60,316	\$ 91,600
Expenses	15,713	12,338	10,844	231	491	39,617	66,908	417	13,107	10,075	159	834	24,592	44,278
Net Profit	2,961	18,053	21,266	(231)	(491)	41,558	70,431	(17)	14,957	21,777	(159)	(834)	35,724	47,322
Contributions	-	-	-	(1,000)	(2,101)	(3,101)	(8,155)	-	-	-	(1,000)	(2,220)	(3,220)	(8,325)
Net Income before win tax	2,961	18,053	21,266	(1,231)	(2,592)	38,457	62,276	(17)	14,957	21,777	(1,159)	(3,054)	32,504	38,997
Win Tax	3,514	-	-	-	-	3,514	4,669	-	-	-	-	-	-	-
Payment to Province	\$ 6,475	\$ 18,053	\$ 21,266	\$ (1,231)	\$ (2,592)	\$ 41,971	\$ 66,945	\$ (17)	\$ 14,957	\$ 21,777	\$ (1,159)	\$ (3,054)	\$ 32,504	\$ 38,997

Consolidated Statement of Changes in Equity

For the second quarter ended September 30, 2021

(unaudited) [in thousands]

	2021		2020	
	2nd Quarter	Year to date	2nd Quarter	Year to date
Casino Capital Replacement Reserve, beginning of period	\$ 14,345	\$ 13,659	\$ 18,031	\$ 18,021
Change in reserve	2,099	2,785	16	26
Casino Capital Replacement Reserve, end of period	16,444	16,444	18,047	18,047
Accum. Other Comprehensive Income, beginning of period	14,774	14,774	7,330	7,330
Other comprehensive income (loss)	-	-	-	-
Accum. Other Comprehensive Income, end of period	14,774	14,774	7,330	7,330
Retained Earnings, beginning of period	-	-	-	-
Net Income	41,971	66,945	32,504	38,997
Payment to Province	(41,971)	(66,945)	(32,504)	(38,997)
Retained Earnings, end of period	-	-	-	-
Equity, end of period	\$ 31,218	\$ 31,218	\$ 25,377	\$ 25,377

Consolidated Statement of Cash Flows

For the second quarter ended September 30, 2021 (unaudited) [in thousands]

	<u>2021</u>	<u>2020</u>
Operating		
Net income	\$ 41,971	\$ 32,504
Depreciation and amortization	1,578	1,676
Loss on disposal of capital assets	16	15
Net transfers of property, plant and equipment	(9)	195
Net changes in short term liabilities	(89)	(145)
Net changes in non-cash working capital	(169)	7,235
	<u>43,298</u>	<u>41,480</u>
Financing		
Allocation of income to Province	(41,971)	(32,504)
Net changes in other long term liabilities	(65)	(5)
Net changes in obligation to Atlantic Gaming Equipment Limited	(1,048)	(1,208)
	<u>(43,084)</u>	<u>(33,717)</u>
Investing		
Purchases of capital assets, net additions	(193)	(241)
Increase in Casino Capital Replacement Reserve, net of cash	255	118
	<u>62</u>	<u>(123)</u>
Net increase in cash & cash equivalents	276	7,640
Cash & cash equivalents, beginning of quarter	<u>11,276</u>	<u>4,468</u>
Cash & cash equivalents, end of quarter	<u>\$ 11,552</u>	<u>\$ 12,108</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.