

## Operational Highlights

- Online casino-style games (iCasino) were launched in Nova Scotia during the quarter with the goal of providing a safer, regulated alternative for those who choose to play online.
- Lotto Max fans were thrilled this quarter by the chance to win on 11 MaxMillion draws (\$50+ million).
- Exciting wins for Nova Scotian players included one Instant, one Daily Grand, one Lotto Max, two Scratch'N Win, and four large TAG prizes.
- Atlantic Lottery launched several new ticket games including: six Scratch'N Win, five Breakopen, and nine Digital Instant games.
- Casino Nova Scotia operations were minimally impacted by Hurricane Fiona. The properties continued to enhance the guest experience this quarter with the launch of the Texas BBQ Buffet.
- Casino Nova Scotia entertained guests by hosting a Tribute to ABBA show and the Buddy Holly Tribute Show.

## Community Highlights

- *Support4Sport* provided \$1.1 million in dedicated profits to support amateur sports in Nova Scotia and contributed to the 2022 ICF Canoe Sprint World Championships and 2022 49er, 49erFX, Nacra 17 World Sailing Championships. Both events brought top athletes from around the world to Nova Scotia and highlighted their outstanding achievements.
- *Support4Culture* provided \$1.1 million to support arts, culture and heritage in Nova Scotia. Activities included supporting the 2022 Halifax Jazz Festival, which delivered outstanding performances from talented artists.
- The first *Support4Communities* seminar took place in Bridgewater in September, with other seminars planned for the third quarter.
- Nova Scotia Gaming's "Know the Game" campaign, aimed at promoting gambling literacy, continued through the second quarter.



## FINANCIAL HIGHLIGHTS

### **\$42.5 million paid to the Province in the second quarter**

This is \$0.5 million higher than the same quarter last year.

Overall, revenue from gaming is higher than the same quarter last year due to higher than anticipated post-pandemic casino gaming revenues.

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

## Consolidated Statement of Financial Position

As at September 30, 2022 (unaudited) (in thousands)

<b>ASSETS</b>	<u>2022</u>	<u>2021</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 9,231	\$ 11,849
Cash – restricted	6,423	6,607
Cash – casino capital replacement reserve	14,636	9,377
Trade and other receivables	12,023	9,822
Prepaid expenses	713	544
Inventories	3,211	3,615
	<u>46,237</u>	<u>41,814</u>
<b>Non-current assets</b>		
Property, plant and equipment	55,638	62,341
Disputed HST assessments	90,294	84,618
Investment in Atlantic Lottery Corporation	25,778	14,774
Investment in Interprovincial Lottery Corporation	1	1
	<u>171,711</u>	<u>161,734</u>
	<u>\$ 217,948</u>	<u>\$ 203,548</u>
<b>LIABILITIES and EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables	20,743	22,564
Deferred revenue	544	680
Liabilities for unclaimed prizes	6,423	6,607
Due to Atlantic Gaming Equipment Limited	3,825	4,335
Other liabilities	2,118	1,871
Due to Province of Nova Scotia	130,592	125,524
	<u>164,245</u>	<u>161,581</u>
<b>Non-current liabilities</b>		
Due to Atlantic Gaming Equipment Limited	6,755	8,881
Other long-term liabilities	1,342	1,868
	<u>8,097</u>	<u>10,749</u>
<b>EQUITY</b>		
Casino capital replacement reserve	19,828	16,444
Accumulated other comprehensive income	25,778	14,774
	<u>45,606</u>	<u>31,218</u>
	<u>\$ 217,948</u>	<u>\$ 203,548</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, 2022 (unaudited) (in thousands)



	2022						2021							
	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	\$ 25,163	\$ 31,032	\$ 30,098	\$ -	\$ -	\$ 86,293	\$ 170,708	\$ 18,674	\$ 30,391	\$ 32,110	\$ -	\$ -	\$ 81,175	\$ 137,339
Expenses	20,899	13,908	9,182	556	535	45,080	87,993	15,713	12,338	10,844	231	491	39,617	66,908
Net Profit	4,264	17,124	20,916	(556)	(535)	41,213	82,715	2,961	18,053	21,266	(231)	(491)	41,558	70,431
Contributions	-	-	-	(1,000)	(2,229)	(3,229)	(8,537)	-	-	-	(1,000)	(2,101)	(3,101)	(8,155)
Net Income before win tax	4,264	17,124	20,916	(1,556)	(2,764)	37,984	74,178	2,961	18,053	21,266	(1,231)	(2,592)	38,457	62,276
Win Tax	4,517	-	-	-	-	4,517	8,266	3,514	-	-	-	-	3,514	4,669
Payment to Province	\$ 8,781	\$ 17,124	\$ 20,916	\$ (1,556)	\$ (2,764)	\$ 42,501	\$ 82,444	\$ 6,475	\$ 18,053	\$ 21,266	\$ (1,231)	\$ (2,592)	\$ 41,971	\$ 66,945

## Consolidated Statement of Changes in Equity

For the second quarter ended September 30, 2022

	2022		2021	
	2nd Quarter	Year to date	2nd Quarter	Year to date
Casino Capital Replacement Reserve				
Casino Capital Replacement Reserve, beginning of period	\$ 17,732	\$ 16,035	\$ 14,345	\$ 13,659
Change in reserve	2,096	3,793	2,099	2,785
Casino Capital Replacement Reserve, end of period	19,828	19,828	16,444	16,444
Accumulated Other Comprehensive Income				
Accum. Other Comprehensive Income, beginning of period	25,778	25,778	14,774	14,774
Other comprehensive income (loss)	-	-	-	-
Accum. Other Comprehensive Income, end of period	25,778	25,778	14,774	14,774
Retained Earnings				
Retained Earnings, beginning of period	-	-	-	-
Net Income	42,501	82,444	41,971	66,945
Payment to Province	(42,501)	(82,444)	(41,971)	(66,945)
Retained Earnings, end of period	-	-	-	-
Equity, end of period	\$ 45,606	\$ 45,606	\$ 31,218	\$ 31,218

## Consolidated Statement of Cash Flows

For the second quarter ended September 30, 2022 (unaudited) (in thousands)

	<u>2022</u>	<u>2021</u>
<b>Operating</b>		
Net income	\$ 42,501	\$ 41,971
Depreciation and amortization	1,381	1,578
Loss on disposal of property, plant and equipment	3	16
Net transfers of property, plant and equipment	244	(9)
Net changes in short-term liabilities	(53)	(89)
Net changes in non-cash working capital	1,488	128
	<u>45,564</u>	<u>43,595</u>
<b>Financing</b>		
Distribution of profit to the Province	(42,501)	(41,971)
Net change in other long-term liabilities	(4)	(65)
Net change in Due to Atlantic Gaming Equipment Limited	(789)	(1,048)
	<u>(43,294)</u>	<u>(43,084)</u>
<b>Investing</b>		
Purchases of capital assets, net additions	(1,035)	(193)
Increase in Casino Capital Replacement Reserve, net of cash	728	255
	<u>(307)</u>	<u>62</u>
Net increase in cash and cash equivalents	1,963	573
Cash and cash equivalents, beginning of quarter	<u>7,268</u>	<u>11,276</u>
Cash and cash equivalents, end of quarter	<u>\$ 9,231</u>	<u>\$ 11,849</u>

**DID YOU  
KNOW?**

Proceeds from the sale of designated lottery products fund the *Support4Sport* and *Support4Culture* programs. *Support4Sport* is the largest source of funding for amateur sports in the province and has helped raise over \$51 million since it was introduced in 2006. *Support4Culture* has raised over \$25 million since 2012 and supports arts and culture programs in the province.