

Operational Highlights

- Lotto 6/49 players were delighted by the chance to win on 22 gold ball jackpots exceeding \$20 million.
- Lotto Max fans were thrilled this quarter by the chance to win on 12 MaxMillion draws (\$50+ million).
- Exciting wins of \$100,000 or more for Nova Scotian players included two Scratch'N Win and six large TAG prizes.
- Atlantic Lottery launched several new ticket games including: eight Scratch'N Win, three Breakopen, twelve Digital Instant, one Video Lottery, and nineteen iCasino games.
- Casino Nova Scotia continued to enhance the guest experience this quarter by offering a Veterans Buffet prior to Remembrance Day, which provided armed forces and first responder personnel with a free buffet.
- Casino Nova Scotia entertained guests by hosting eight concerts throughout the quarter, including three sold out Songwriter's Circle shows and two sold out New Year's Eve concerts, featuring The Trews. Promotional events, such as gift give aways, took place every Friday and Saturday during the quarter.

Community Highlights

- *Support4Sport* provided \$1.1 million in dedicated profits to support amateur sports in Nova Scotia and contributed to the Nova Scotia Sport Hall of Fame Induction Night, which celebrated sport builders from across the province.
- *Support4Culture* provided \$0.7 million to support arts, culture and heritage in Nova Scotia. Activities included supporting Nova Scotia Music Week and Celtic Colours. Both of these events delivered outstanding performances from talented artists and showcased traditional Cape Breton Island culture.
- *Support4Communities* activities included supporting a Casino Night in Inverness, hosted by Mill Road Social Enterprises. Four *Support4Communities* seminars took place across the province throughout the third quarter.



FINANCIAL HIGHLIGHTS

\$47.8 million paid to the Province in the third quarter

This is \$10.0 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 and the launch of iCasino games on July 21, 2022.

Contributions and expenditures for responsible gambling and prevention programming initiatives totaled \$1.3 million.

Consolidated Statement of Financial Position

As at December 31, 2022 (unaudited) (in thousands)

ASSETS	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 12,421	\$ 6,209
Cash – restricted	7,342	8,040
Cash – casino capital replacement reserve	14,240	10,826
Trade and other receivables	12,755	6,889
Prepaid expenses	1,260	797
Inventories	3,079	3,452
	<u>51,097</u>	<u>36,213</u>
Non-current assets		
Property, plant and equipment	68,985	61,280
Disputed HST assessments	91,869	86,086
Investment in Atlantic Lottery Corporation	25,778	14,774
Investment in Interprovincial Lottery Corporation	1	1
	<u>186,633</u>	<u>162,141</u>
	<u>\$ 237,730</u>	<u>\$ 198,354</u>
LIABILITIES and EQUITY		
Current liabilities		
Trade and other payables	23,635	18,450
Deferred revenue	479	685
Liabilities for unclaimed prizes	7,342	8,040
Due to Atlantic Gaming Equipment Limited	3,825	4,335
Other liabilities	1,872	1,872
Due to Province of Nova Scotia	133,538	122,108
	<u>170,691</u>	<u>155,490</u>
Non-current liabilities		
Due to Atlantic Gaming Equipment Limited	18,987	8,066
Other long-term liabilities	1,283	1,793
	<u>20,270</u>	<u>9,859</u>
EQUITY		
Casino capital replacement reserve	20,991	18,231
Accumulated other comprehensive income	25,778	14,774
	<u>46,769</u>	<u>33,005</u>
	<u>\$ 237,730</u>	<u>\$ 198,354</u>

**DID YOU
KNOW?**

Nova Scotia Gaming Corporation is the 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 third quarter ended December 31, 2022 (unaudited) (in thousands)



	2022						2021							
	Casinos	Ticket Lottery	Video Lottery	RG	Other	3rd Quarter	Year to date	Casinos	Ticket Lottery	Video Lottery	RG	Other	3rd Quarter	Year to date
Revenues	\$ 23,533	\$ 37,205	\$ 31,437	\$ -	\$ -	\$ 92,175	\$ 262,883	\$ 15,794	\$ 30,867	\$ 27,026	\$ -	\$ -	\$ 73,687	\$ 211,026
Expenses	19,847	15,450	9,152	209	709	45,367	133,360	13,341	13,079	8,217	346	602	35,585	102,493
Net Profit	3,686	21,755	22,285	(209)	(709)	46,808	129,523	2,453	17,788	18,809	(346)	(602)	38,102	108,533
Contributions	-	-	-	(1,100)	(2,239)	(3,339)	(11,876)	-	-	-	(1,100)	(2,163)	(3,263)	(11,418)
Net Income before win tax	3,686	21,755	22,285	(1,309)	(2,948)	43,469	117,647	2,453	17,788	18,809	(1,446)	(2,765)	34,839	97,115
Win Tax	4,288	-	-	-	-	4,288	12,553	2,971	-	-	-	-	2,971	7,640
Payment to Province	\$ 7,974	\$ 21,755	\$ 22,285	\$ (1,309)	\$ (2,948)	\$ 47,757	\$ 130,200	\$ 5,424	\$ 17,788	\$ 18,809	\$ (1,446)	\$ (2,765)	\$ 37,810	\$ 104,755

Consolidated Statement of Changes in Equity

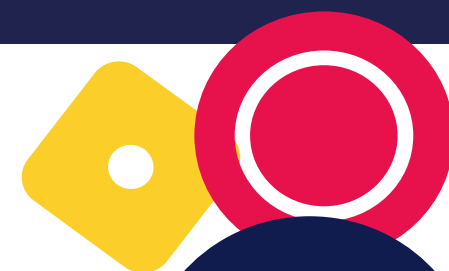
For the third quarter ended December 31, 2022
(unaudited) (in thousands)

	2022		2021	
	3rd Quarter	Year to date	3rd Quarter	Year to date
Casino Capital Replacement Reserve				
Casino Capital Replacement Reserve, beginning of period	\$ 19,828	\$ 16,035	\$ 16,444	\$ 13,659
Change in reserve	1,163	4,956	1,787	4,572
Casino Capital Replacement Reserve, end of period	20,991	20,991	18,231	18,231
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	47,757	130,200	37,810	104,755
Payment to Province	(47,757)	(130,200)	(37,810)	(104,755)
Retained Earnings, end of period	-	-	-	-
Equity, end of period	\$ 46,769	\$ 46,769	\$ 33,005	\$ 33,005

Consolidated Statement of Cash Flows

For the third quarter ended December 31, 2022 (unaudited) (in thousands)

	<u>2022</u>	<u>2021</u>
Operating		
Net income	\$ 47,757	\$ 37,810
Depreciation and amortization	1,329	1,359
Loss on disposal of property, plant and equipment	22	-
Net transfers of property, plant and equipment	(293)	(15)
Net changes in short-term liabilities	(109)	(93)
Net changes in non-cash working capital	2,929	(5,759)
	<u>51,635</u>	<u>33,302</u>
Financing		
Distribution of profit to the Province	(47,757)	(37,810)
Net change in other long-term liabilities	(51)	(75)
Net change in Due to Atlantic Gaming Equipment Limited	12,224	(815)
	<u>(35,584)</u>	<u>(38,700)</u>
Investing		
Purchases of capital assets, net additions	(14,485)	(348)
Increase in Casino Capital Replacement Reserve, net of cash	1,624	403
	<u>(12,861)</u>	<u>55</u>
Net increase (decrease) in cash and cash equivalents	3,190	(5,343)
Cash and cash equivalents, beginning of quarter	<u>9,231</u>	<u>11,552</u>
Cash and cash equivalents, end of quarter	<u>\$ 12,421</u>	<u>\$ 6,209</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 \$58 million since it was introduced in 2006. *Support4Culture* has raised over \$32 million since 2012 and supports arts and culture programs in the province.