



Quarterly Financial Report

For the six months ended September 30, 2025

For further information:

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Consolidated Statement of Financial Position

As at September 30
(\$000s, unaudited)

	2025	2024
Assets		
Current assets		
Cash	\$ 32,678	\$ 40,839
Trade and other receivables	52,636	53,928
Inventories	69,350	63,501
Prepayments	12,205	10,412
	<u>166,869</u>	<u>168,680</u>
Non-current assets		
Other receivable	8,631	8,631
Property and equipment, net	357,945	354,031
Right-of-use assets, net	53,980	59,225
Intangible assets, net	6,888	7,901
	<u>427,444</u>	<u>429,788</u>
Total assets	<u>\$ 594,313</u>	<u>\$ 598,468</u>
Liabilities and equity		
Current liabilities		
Trade and other payables	\$ 144,733	\$ 139,865
Contract liabilities	13,448	13,288
Payable to the Province of Manitoba	81,984	77,600
Current portion of long-term debt	46,751	51,884
Current portion of lease liabilities	8,501	8,716
	<u>295,417</u>	<u>291,353</u>
Non-current liabilities		
Long-term debt	237,840	241,355
Lease liabilities	56,056	60,760
	<u>293,896</u>	<u>302,115</u>
Equity		
Retained earnings	5,000	5,000
Total liabilities and equity	<u>\$ 594,313</u>	<u>\$ 598,468</u>

Consolidated Statement of Cash Flows

For the six months ended September 30
(\$000s, unaudited)

	2025	2024
Operating activities		
Net income	\$ 383,984	\$ 391,600
Add (deduct):		
Depreciation related to property and equipment	18,358	17,190
Depreciation on assets related to		
Conduct and Management agreements	679	374
Depreciation related to right-of-use assets	4,686	4,691
Amortization related to intangible assets	984	1,126
Interest on financing activities	6,422	6,948
Gain on disposal of property and equipment	(798)	(134)
	414,315	421,795
Changes in non-cash working capital items:		
Increase in trade and other receivables	(5,990)	(1,386)
Increase in inventories	(7,233)	(4,491)
Increase in prepayments	(1,673)	(4,156)
Decrease in trade and other payables	(7,990)	(1,169)
Decrease in contract liabilities	(871)	(295)
Cash provided by operating activities	390,558	410,298
Investing activities		
Purchase of property and equipment	(20,023)	(19,509)
Purchase of intangible assets	(44)	(465)
Proceeds from disposal of property and equipment	867	183
Cash used in investing activities	(19,200)	(19,791)
Financing activities		
Cash distributions to the Province of Manitoba:		
Current year	(322,000)	(339,000)
Prior year	(52,059)	(39,466)
Proceeds from long-term debt	26,677	17,406
Payment of principal and interest on long-term debt	(30,691)	(33,856)
Payment of principal and interest on lease liabilities	(5,778)	(5,666)
Cash used in financing activities	(383,851)	(400,582)
Net decrease in cash during the period	(12,493)	(10,075)
Cash, beginning of the period	45,171	50,914
Cash, end of the period	\$ 32,678	\$ 40,839

Operational Highlights

Consolidated net income and comprehensive income for the six months ended September 30, 2025 was \$384.0 million, a decrease of \$7.6 million from the same period last year.

NET INCOME BY LINE OF BUSINESS

(in thousands)	2025	2024		\$ change	% change
Cannabis Operations	\$ 26,438	\$ 23,177	↑	\$ 3,261	14.1%
Casinos	59,380	53,993	↑	5,387	10.0%
Liquor Operations	163,938	169,627	↓	5,689	3.4%
Lottery	18,892	24,978	↓	6,086	24.4%
Online Gaming	21,776	22,234	↓	458	2.1%
Video Lotto	93,560	97,591	↓	4,031	4.1%
Total	383,984	391,600	↓	7,616	1.9%

Revenue, net of cost of sales, increased \$5.2 million from last year, while the share of profit of Western Canada Lottery Corporation decreased \$6.9 million. On the expenditure side, operating expenses increased \$4.9 million; depreciation and amortization, GST expense and interest expense net of interest income increased \$0.4 million; and allocations and payments increased by \$0.6 million.



Consolidated Statement of Operations

For the six months ended September 30
(\$000s, unaudited)



	2025							2024
	Cannabis Operations	Casinos	Liquor Operations	Lottery	Online Gaming	Video Lotto	Total	Total
Revenue	\$ 90,912	\$ 139,242	\$ 462,790	\$ 729	\$ 36,544	\$ 170,951	\$ 901,168	\$ 899,863
Cost of sales	62,451	7,311	216,832	558	9,863	59,578	356,593	360,525
	28,461	131,931	245,958	171	26,681	111,373	544,575	539,338
Expenses								
Operating	1,189	57,781	66,730	4,031	7,099	6,790	143,620	138,722
Depreciation and amortization	-	9,461	8,366	-	32	6,169	24,028	23,007
Goods and Services Tax	-	1,436	-	115	1,082	1,236	3,869	4,339
	1,189	68,678	75,096	4,146	8,213	14,195	171,517	166,068
Operating income	27,272	63,253	170,862	(3,975)	18,468	97,178	373,058	373,270
Share of profit of Western Canada Lottery Corporation	-	-	-	23,474	4,018	-	27,492	34,421
Interest expense	-	(2,641)	(1,974)	(24)	(13)	(1,770)	(6,422)	(6,948)
Interest income	28	206	251	27	34	339	885	1,267
Income before allocations and payments	27,300	60,818	169,139	19,502	22,507	95,747	395,013	402,010
Allocations and payments	862	1,438	5,201	610	731	2,187	11,029	10,410
Net income and total comprehensive income	\$ 26,438	\$ 59,380	\$ 163,938	\$ 18,892	\$ 21,776	\$ 93,560	\$ 383,984	\$ 391,600

Notes to the Consolidated Financial Statements

1. These interim consolidated financial statements should be read in conjunction with the Manitoba Liquor and Lotteries Corporation 2024-25 Annual Report.
2. These interim consolidated financial statements have been prepared following the same accounting policies that are disclosed in the Annual Report.