



# Quarterly Financial Report

*For the nine months ended December 31, 2025*

For further information:

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## Consolidated Statement of Financial Position

As at December 31  
(\$000s, unaudited)

	2025	2024
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 44,616	\$ 31,081
Trade and other receivables	53,942	52,551
Inventories	60,640	59,285
Prepayments	9,747	10,197
	168,945	153,114
<b>Non-current assets</b>		
Other receivable	8,631	8,631
Property and equipment, net	366,471	348,977
Right-of-use assets, net	58,872	57,213
Intangible assets, net	6,452	7,431
	440,426	422,252
<b>Total assets</b>	<b>\$ 609,371</b>	<b>\$ 575,366</b>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Trade and other payables	\$ 139,173	\$ 131,151
Contract liabilities	13,697	13,770
Payable to the Province of Manitoba	89,531	78,826
Current portion of long-term debt	46,625	51,091
Current portion of lease liabilities	8,618	8,635
	297,644	283,473
<b>Non-current liabilities</b>		
Long-term debt	245,824	228,019
Lease liabilities	60,903	58,874
	306,727	286,893
<b>Equity</b>		
Retained earnings	5,000	5,000
<b>Total liabilities and equity</b>	<b>\$ 609,371</b>	<b>\$ 575,366</b>

## Consolidated Statement of Cash Flows

For the nine months ended December 31  
(\$000s, unaudited)

	2025	2024
<b>Operating activities</b>		
Net income	\$ 571,531	\$ 583,826
Add (deduct):		
Depreciation related to property and equipment	27,907	25,834
Depreciation on assets related to		
Conduct and Management agreements	1,018	649
Depreciation related to right-of-use assets	7,057	7,016
Amortization related to intangible assets	1,441	1,618
Interest on financing activities	9,655	10,365
Gain on disposal of property and equipment	(928)	(315)
	<u>617,681</u>	<u>628,993</u>
Changes in non-cash working capital items:		
Increase in trade and other receivables	(7,296)	(9)
Decrease (increase) in inventories	1,477	(275)
Decrease (increase) in prepayments	785	(3,941)
Decrease in trade and other payables	(13,550)	(9,883)
Increase (decrease) in contract liabilities	(622)	187
<b>Cash provided by operating activities</b>	<u><b>598,475</b></u>	<u><b>615,072</b></u>
<b>Investing activities</b>		
Purchase of property and equipment	(38,462)	(23,508)
Purchase of intangible assets	(65)	(487)
Proceeds from disposal of property and equipment	1,022	498
<b>Cash used in investing activities</b>	<u><b>(37,505)</b></u>	<u><b>(23,497)</b></u>
<b>Financing activities</b>		
Cash distributions to the Province of Manitoba:		
Current year	(502,000)	(530,000)
Prior year	(52,059)	(39,466)
Proceeds from long-term debt	47,677	17,406
Payment of principal and interest on long-term debt	(46,428)	(50,763)
Payment of principal and interest on lease liabilities	(8,715)	(8,585)
<b>Cash used in financing activities</b>	<u><b>(561,525)</b></u>	<u><b>(611,408)</b></u>
<b>Net decrease in cash during the period</b>	<b>(555)</b>	<b>(19,833)</b>
<b>Cash, beginning of the period</b>	<u><b>45,171</b></u>	<u><b>50,914</b></u>
<b>Cash, end of the period</b>	<u><u><b>\$ 44,616</b></u></u>	<u><u><b>\$ 31,081</b></u></u>



## Operational Highlights

Consolidated net income and comprehensive income for the nine months ended December 31, 2025 was \$571.5 million, a decrease of \$12.3 million from the same period last year.

### NET INCOME BY LINE OF BUSINESS

(in thousands)	2025	2024		\$ change	% change
Cannabis Operations	\$ 40,627	\$ 35,752	↑	\$ 4,875	13.6%
Casinos	83,284	76,700	↑	6,584	8.6%
Liquor Operations	248,119	258,140	↓	10,021	3.9%
Lottery	29,155	36,210	↓	7,055	19.5%
Online Gaming	32,459	33,273	↓	814	2.4%
Video Lotto	137,887	143,751	↓	5,864	4.1%
<b>Total</b>	<b>571,531</b>	<b>583,826</b>	<b>↓</b>	<b>12,295</b>	<b>2.1%</b>

Revenue, net of cost of sales, increased \$10.8 million from last year, while the share of profit of Western Canada Lottery Corporation decreased \$7.8 million. On the expenditure side, operating expenses increased \$12.6 million; depreciation and amortization, GST expense and interest expense net of interest income increased \$1.4 million; and allocations and payments increased by \$1.3 million.



## Consolidated Statement of Operations

For the nine months ended December 31  
(\$000s, unaudited)



	2025							2024
	Cannabis Operations	Casinos	Liquor Operations	Lottery	Online Gaming	Video Lotto	Total	Total
Revenue	\$ 138,334	\$ 206,815	\$ 698,378	\$ 1,097	\$ 57,902	\$ 255,060	\$ 1,357,586	\$ 1,348,313
Cost of sales	94,671	11,711	325,033	912	15,607	89,692	537,626	539,196
	<b>43,663</b>	<b>195,104</b>	<b>373,345</b>	<b>185</b>	<b>42,295</b>	<b>165,368</b>	<b>819,960</b>	<b>809,117</b>
<b>Expenses</b>								
Operating	1,784	89,475	102,384	6,270	13,161	10,671	223,745	211,116
Depreciation and amortization	-	14,300	12,507	-	51	9,547	36,405	34,468
Goods and Services Tax	-	2,279	-	181	1,896	1,856	6,212	6,528
	<b>1,784</b>	<b>106,054</b>	<b>114,891</b>	<b>6,451</b>	<b>15,108</b>	<b>22,074</b>	<b>266,362</b>	<b>252,112</b>
<b>Operating income</b>	<b>41,879</b>	<b>89,050</b>	<b>258,454</b>	<b>(6,266)</b>	<b>27,187</b>	<b>143,294</b>	<b>553,598</b>	<b>557,005</b>
Share of profit of Western Canada Lottery Corporation	-	-	-	36,322	6,329	-	42,651	50,477
Interest expense	-	(3,946)	(2,963)	(35)	(22)	(2,689)	(9,655)	(10,365)
Interest income	41	301	346	36	48	492	1,264	1,726
<b>Income before allocations and payments</b>	<b>41,920</b>	<b>85,405</b>	<b>255,837</b>	<b>30,057</b>	<b>33,542</b>	<b>141,097</b>	<b>587,858</b>	<b>598,843</b>
Allocations and payments	1,293	2,121	7,718	902	1,083	3,210	16,327	15,017
<b>Net income and total comprehensive income</b>	<b>\$ 40,627</b>	<b>\$ 83,284</b>	<b>\$ 248,119</b>	<b>\$ 29,155</b>	<b>\$ 32,459</b>	<b>\$ 137,887</b>	<b>\$ 571,531</b>	<b>\$ 583,826</b>

### 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.