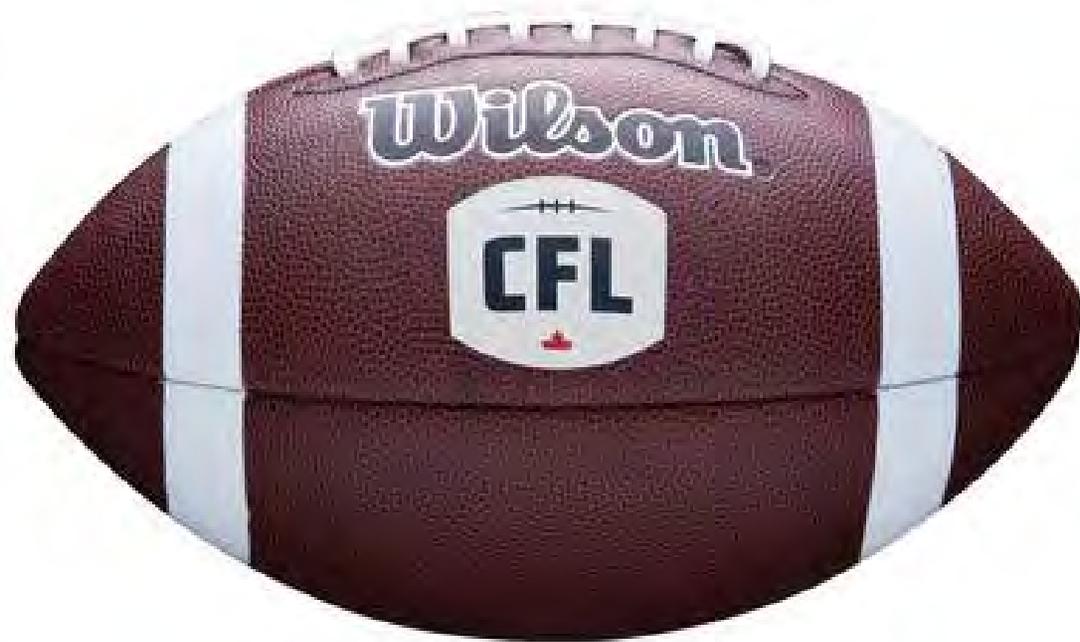


SCHEDULE N

Deloitte Economic Impact Analysis, dated May 2018

Deloitte.



Maritime Football Limited
Economic Impact Analysis

May 2018

Contents

1	Note to Reader	3
2	Disclaimers and Limiting Conditions	4
3	Executive Summary	5
4	Economic Impact Estimates – Stadium Construction	10
5	Economic Impact Estimates – Football Operations and Events	14
6	Estimation of Government Revenues	18
7	Appendix – Economic Impact Definitions and Modelling Approach	20

Note to Reader

Purpose of Report

The purpose of this report is to present estimated economic impacts associated with Maritime Football Limited's ("MFL"):

- Stadium construction; and
- Ongoing annual football operations and events held at the stadium.

This report does not quantify or comment on potential economic impacts related to developments on adjacent land. Furthermore, this report does not intend to identify and articulate potential business opportunities for MFL. Any commentary on the broader sports industry in Canada is meant to inform the reader of the market environment in which MFL operates, thus providing context to the outputs of the economic impact assessment.

Disclaimers and Limiting Conditions

This report has been provided for the purpose of informing Maritime Football Limited on the estimated economic impact of constructing the stadium, delivering games and events, and operating the team and stadium.

Deloitte does not assume any responsibility or liability for losses incurred by any party as a result of the circulation, publication, reproduction or use of this report contrary to its intended purpose.

The analysis are provided as of May 4th 2018, and we disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting this analysis, which may come or be brought to our attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the analysis after the date hereof, we reserve the right to change, modify or withdraw the analysis.

Observations are made on the basis of economic, industrial, competitive and general business conditions prevailing as at the date hereof. In the analysis, we may have made assumptions with respect to the industry performance, general business, and economic conditions and other matters, many of which are beyond our control, including government and industry regulation.

We do not provide assurance on the achievability of any forecasted results contained herein because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

We believe that our analysis must be considered as a whole and that selecting portions of the analysis or the factors considered by it, without considering all factors and analysis together, could create a misleading view of the issues related to the report.

Amendment of any of the assumptions identified throughout this report could have a material impact on our analysis contained herein. Should any of the major assumptions not be accurate or should any of the information provided to us not be factual or correct, our analysis, as expressed in this report, could be significantly different.

If prospective financial information provided by the client or its representatives has been used in this analysis, we have not examined or compiled the prospective financial information and, therefore, do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results, and those differences may be material.

We believe the information obtained from public sources or furnished to us by other sources is reliable. However, we issue no warranty or other form of assurance regarding the accuracy of such information.

Executive Summary

Executive Summary

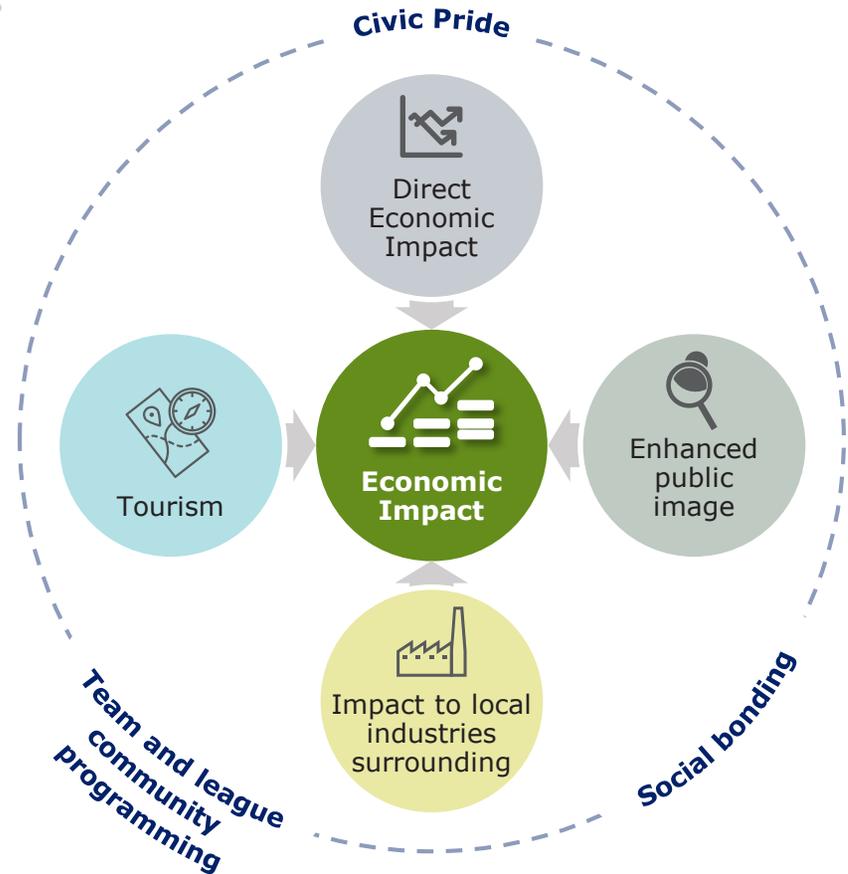
Introduction: The Economic Impact of Professional Sports¹

Canada's sports and entertainment sector plays a notable role in the national economy, directly supporting over 100,000 jobs and contributing \$71 billion in GDP annually.²

Furthermore, the sector generates significant indirect economic activity, such as:

- **Enhanced public image:** Teams provide exposure and profile to their host cities, which can attract outside investment.
- **Impact to surrounding local industries:** Local businesses, such as restaurants, can leverage the excitement surrounding games to drive revenues.
- **Tourism:** Teams generate broader tourism and recreation activity. Fans travelling to attend a game will spend on hotels, restaurants, and other surrounding local industries when visiting the host city.

Additionally, professional sports teams are a source of civic pride and provide gathering places and shared experiences for friends, family and community. Although these social impacts may not result in a direct financial return, they positively enhance the quality of life in their respective cities.



1. The graphic on this slide was adapted from Compton (2004).

2. Economic data sourced from Statistics Canada, 2016 Census of Population (employment), Table 379-0031 (GDP, 'Performing arts, spectator sports and related industries, and heritage institutions').

Executive Summary

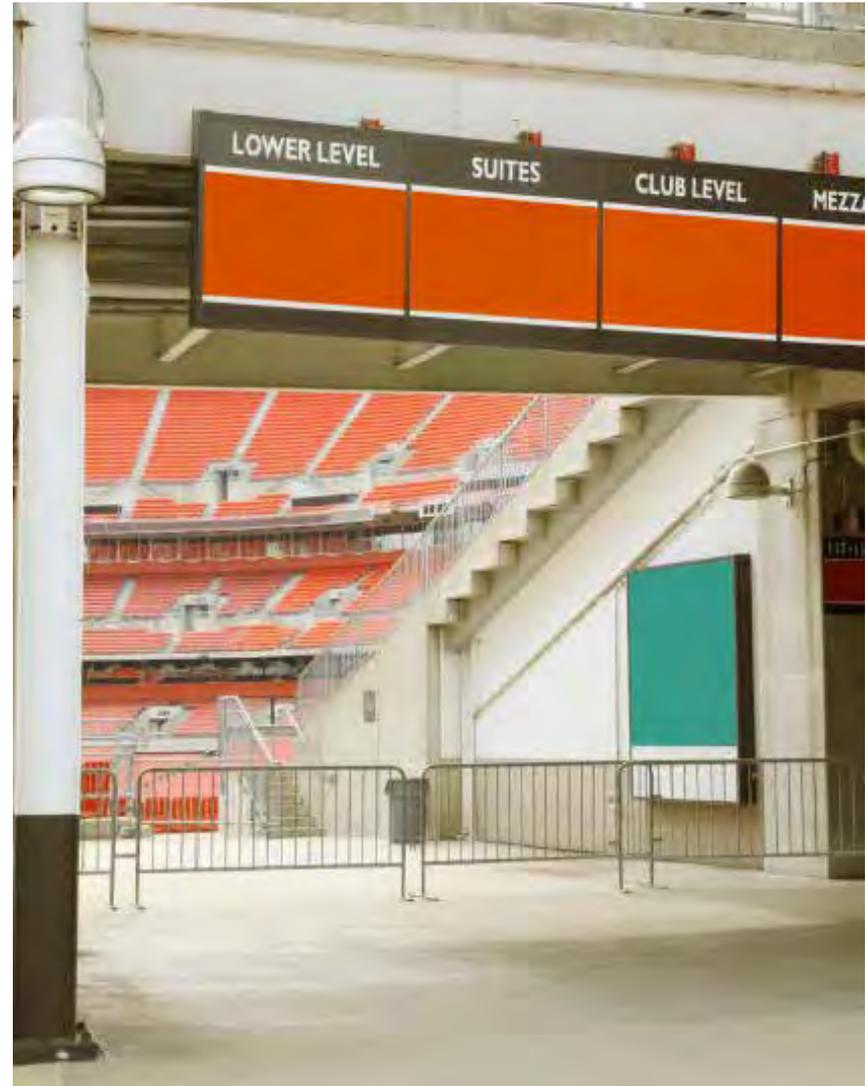
Maritime Football Limited and CFL Expansion

While cities in the Maritimes are home to major junior hockey clubs and host significant arts and entertainment events, the region is currently without a major professional sports team. It is within this context, that Maritime Football Limited ("MFL") seeks to bring a Canadian Football League ("CFL") franchise to Halifax Regional Municipality ("HRM").

The CFL is the top level professional football league in Canada, and its nine teams form a significant presence in Canadian society: according to MacLean's, 63% of Canadians believe "the CFL is integral to Canada's sporting identity."¹ Due to its popularity, games are played in front of large crowds, broadcast across Canada and subject to significant media attention. For example, nearly 10 million unique viewers watched the 2017 Grey Cup championship game.²

Off the field, the league maintains a meaningful community presence. In 2015, its players contributed over 4,000 hours of community service and helped to raise over \$300,000 dollars for charity.³ The focus of the CFL's community programming includes youth mentorship, food donation, and promoting inclusiveness.

1. MacLean's published these results in 2017's "The Canada Project" series.
2. This statistic accounts for viewers who watched at least some, if not all, of the game. <https://www.cfl.ca/2017/11/27/105th-grey-cup-presented-shaw-earns-10-increase-viewership-tsn-rds/>
3. <https://www.cfl.ca/community-programs/>



Executive Summary

Scope of Study

This report focuses on two core streams of impact: (1) One-time stadium construction and (2) ongoing annual football and events activities.¹

1 Stadium Construction

MFL plans to build a new, 27,000 seat stadium in HRM that will be used to host football games and non-football events.

As such, the one-time stadium construction stream of impact refers to expenditure associated with constructing this facility.

Key Expenditures (One Time)

Land Purchase	\$12.0 Million
The purchase of land in HRM where MFL will build the stadium. ²	

Soft Costs	\$32.8 Million
The consulting fees for engineers, architects, and other professional services, as well as permit and project insurance costs.	

Hard costs	\$205.2 Million
Expenditure on stadium and technical infrastructure construction, as well as spending on furniture, fixtures, and equipment.	

2 Football Operations and Events

MFL estimates that the stadium will host at least ten games and five non-football events annually. Therefore, this category of economic activity refers to the annual expenditures associated with all CFL games and events taking place at the stadium.

Whereas the stadium construction contemplates a one-time impact to the economy, the operational impact is expected to occur on an annual basis.

Key Expenditures (Ongoing, Annual)

In-Venue Expenditure	\$27.0 Million
Fan spending on ticket, concessions, merchandise and parking at the stadium, as well as revenues from game sponsorship, advertising, and broadcasting.	

Out of Venue Expenditure	\$57.3 Million
Spending by non-locals in Halifax when attending a game or event held at the stadium. Specifically, these expenditures include hotels, restaurants, retail shopping, and more.	

Operational Expenditure	\$22.9 Million
The spending undertaken in order to operate the team and the stadium.	

1. The expenditure levels for each 'stadium construction' and 'football operations and events' were estimated using the MFL financial model and industry research. Inputs were confirmed with MFL on April 19, 2018.
 2. The land purchase is assumed to be a transfer of value. As a result, the model does not attribute any economic impact to the land purchase.

Executive Summary

Economic Impact Summary

This report estimates three types of economic impact:

Direct Impact: The impacts resulting from the first round of spending associated with stadium construction and football operations and events;

Indirect Impact: The impacts resulting from the second and subsequent rounds of spending by businesses providing intermediate goods and services in industries associated with the direct expenditure;

Induced Impact: The impacts resulting from businesses and households spending the profits and wages earned through the direct and indirect expenditures.

We estimate that the expenditures associated with stadium construction and annual ongoing football operations and events will support the following economic impacts, accounting for the direct, indirect and induced effects.¹

Stadium Construction 	
 \$GDP	\$295.5 million in total GDP impact at the national level, of which \$171.0 million contributes to Nova Scotia's GDP, of which \$136.8 million contributes to HRM's GDP.
 Employment	3,106 FTE across Canada, of which 1,951 located in Nova Scotia , of which 1,568 located in HRM .
 Labour Income	\$202.2 million in total labour income at the national level, of which \$123.5 million is earned in Nova Scotia , of which \$103.3 million is earned in HRM .
 Government Revenues	\$45.4 million in total federal and provincial income taxes, and \$3.8 million in total product and production taxes.

Football Operations and Events 	
 \$GDP	\$140.0 million in annual GDP impact at the national level, of which \$111.8 million contributes to Nova Scotia's GDP annually, of which \$96.8 million contributes to HRM's GDP annually.
 Employment	2,070 FTE across Canada, of which 1,813 located in Nova Scotia , of which 1,459 located in HRM .
 Labour Income	\$81.5 million in annual labour income at the national level, of which \$68.6 million is earned in Nova Scotia , of which \$58.8 million is earned in HRM .
 Government Revenues	\$12.7 million in federal and provincial income taxes per year, and \$1.7 million in product and production taxes per year.

Economic Impact Estimates

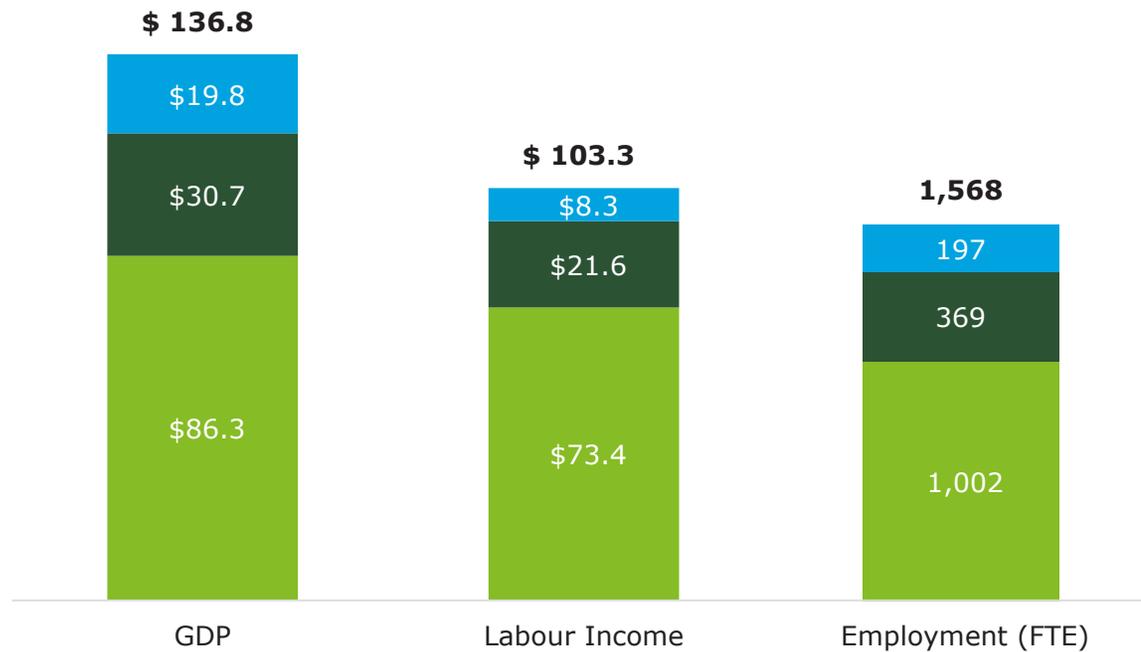
Stadium Construction

Stadium Construction Impacts – HRM

Municipal Level of Analysis

Accounting for the direct, indirect, and induced economic impacts, we estimate that the one time stadium construction will support a GDP contribution of approximately \$136.8M to HRM, of which \$103.3M will be labour income. We estimate that the construction activities will support the employment of approximately 1,568 FTEs in the municipal region.

Economic Impacts in HRM from Stadium Construction



Note: All estimates presented in millions of dollars, CAD.

■ Direct ■ Indirect ■ Induced

We estimate that every dollar invested in stadium construction will support \$0.57 in GDP contribution to the HRM economy.

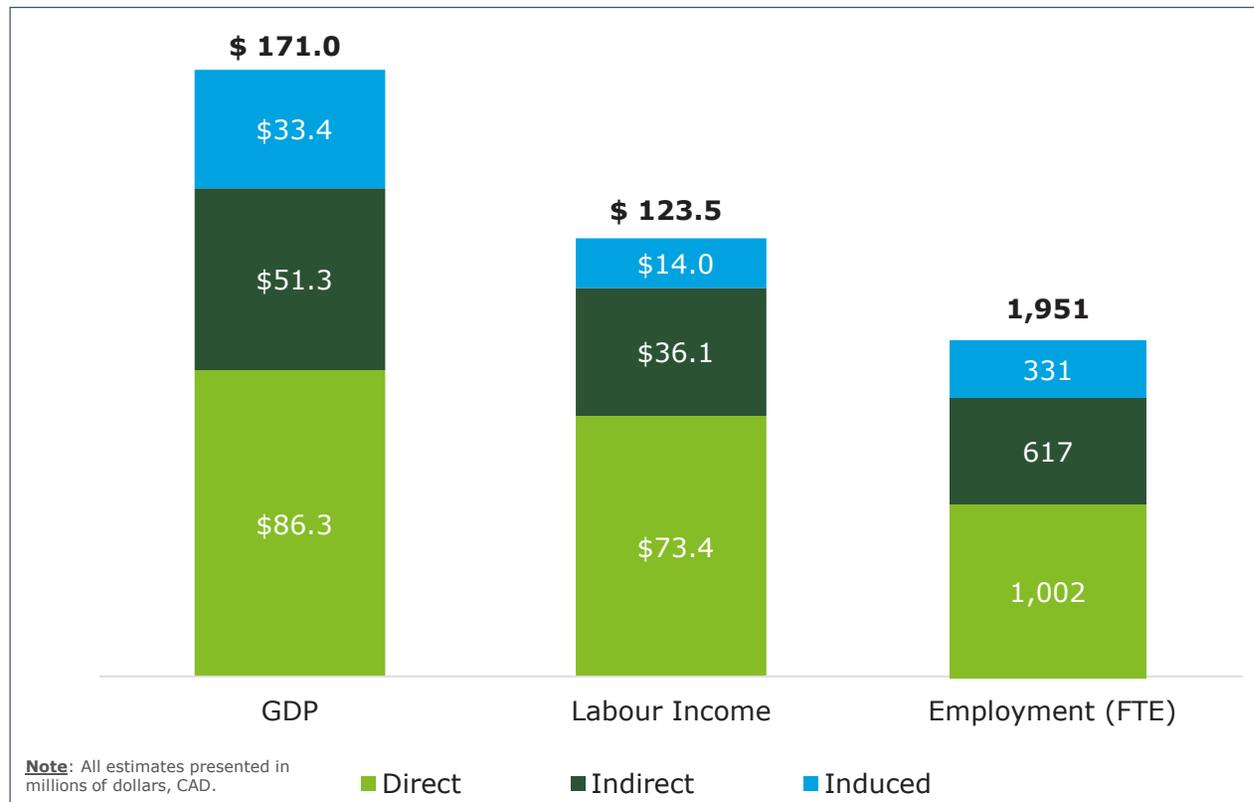
Each million dollars invested in stadium construction is estimated to support the employment of 7 FTEs in HRM.

Stadium Construction Impacts – Nova Scotia

Provincial Level of Analysis

Accounting for the direct, indirect, and induced economic impacts, we estimate that the one time stadium construction will support a GDP contribution of approximately \$171.0M to Nova Scotia, of which \$123.5M will be labour income. We estimate that the construction activities will support the employment of approximately 1,951 FTEs across the province.

Economic Impacts in Nova Scotia from Stadium Construction



We estimate that every dollar invested in stadium construction will support \$0.71 in GDP contribution to Nova Scotia's economy.

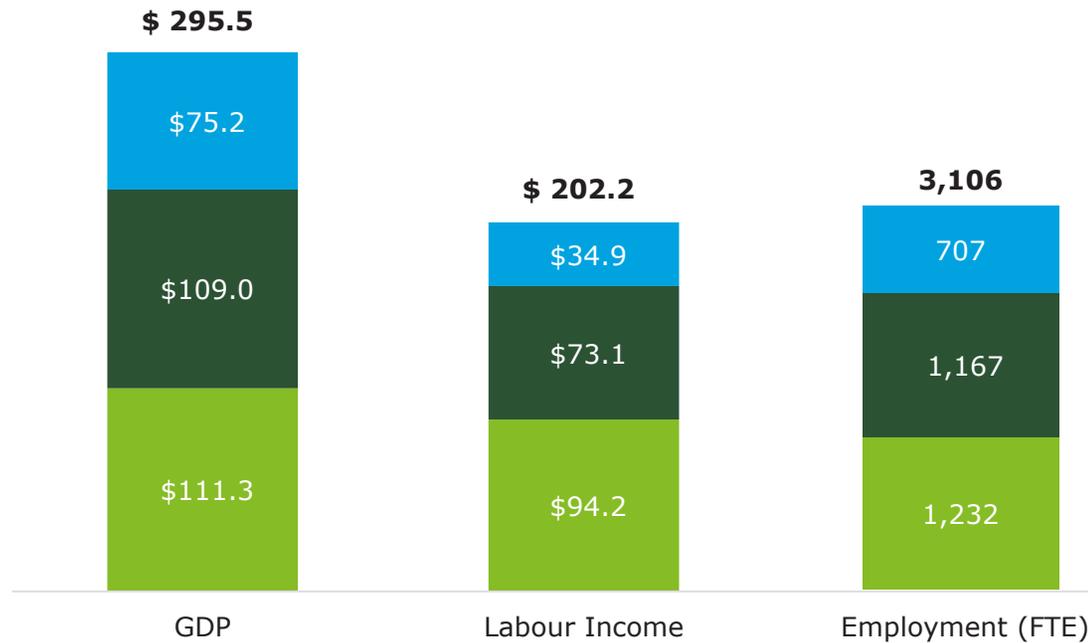
Each million dollars invested in stadium construction is estimated to support the employment of 8 FTEs in Nova Scotia.

Stadium Construction Impacts – Canada

National Level of Analysis

Accounting for the direct, indirect, and induced economic impacts, we estimate that the one time stadium construction will support a GDP contribution of approximately \$295.5M to Canada, of which \$202.2M will be labour income. We estimate that the construction activities will support the employment of approximately 3,106 FTEs across the country.

Economic Impacts in Canada from Stadium Construction



Note: All estimates presented in millions of dollars, CAD.

■ Direct ■ Indirect ■ Induced

We estimate that every dollar invested in stadium construction will support \$1.24 in GDP contribution to the Canadian economy.

Each million dollars invested in stadium construction is estimated to support the employment of 13 FTEs in Canada.

Economic Impact Estimates

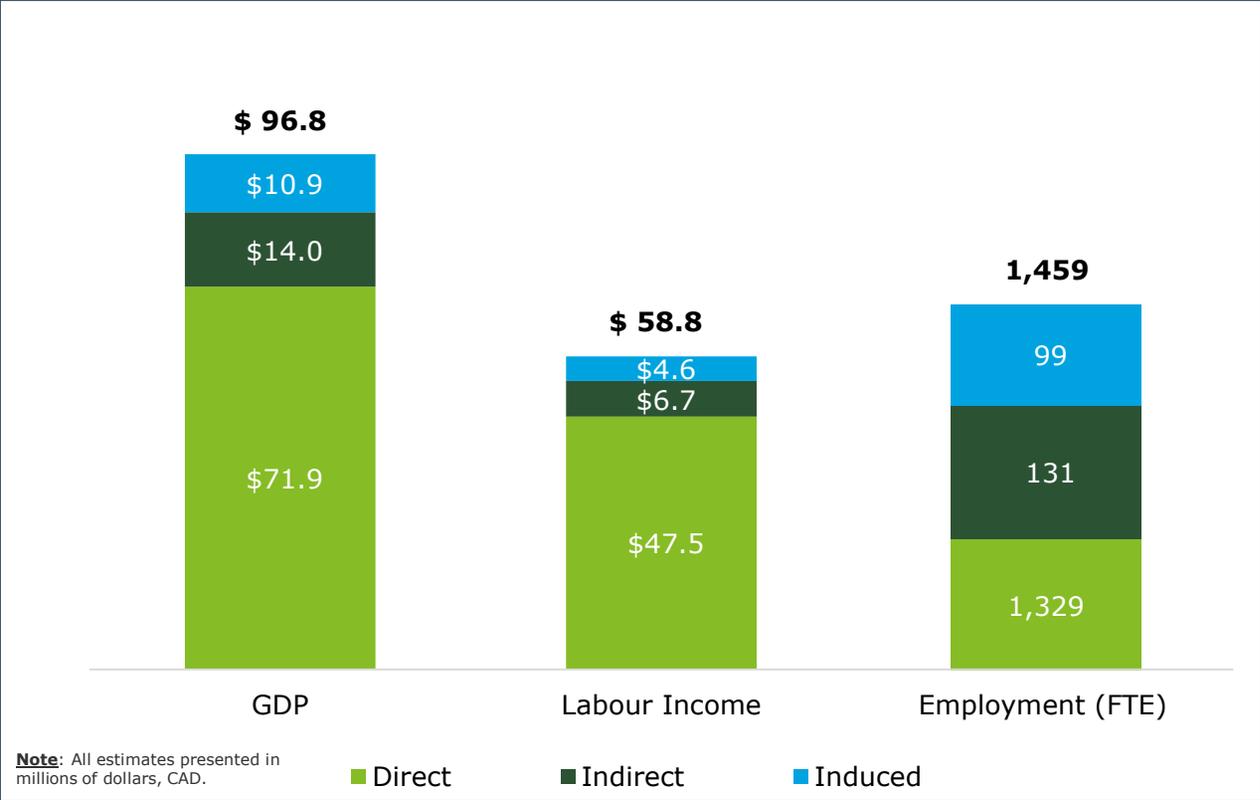
Football Operations and Events

Football Operations and Events Impacts – HRM

Municipal level of Analysis

Accounting for the direct, indirect, and induced economic impacts, we estimate that the annual football operations and events will support a GDP contribution of approximately \$96.8M per year to HRM, of which \$58.8M will be labour income. Additionally, we estimate that the football operations and events will support the employment of approximately 1,459 FTEs in the municipal region.

Annual Economic Impacts in HRM from Football Operations and Events Activity



We estimate that each dollar of expenditure associated with football operations and events will support \$0.90 in GDP contribution to the HRM economy.

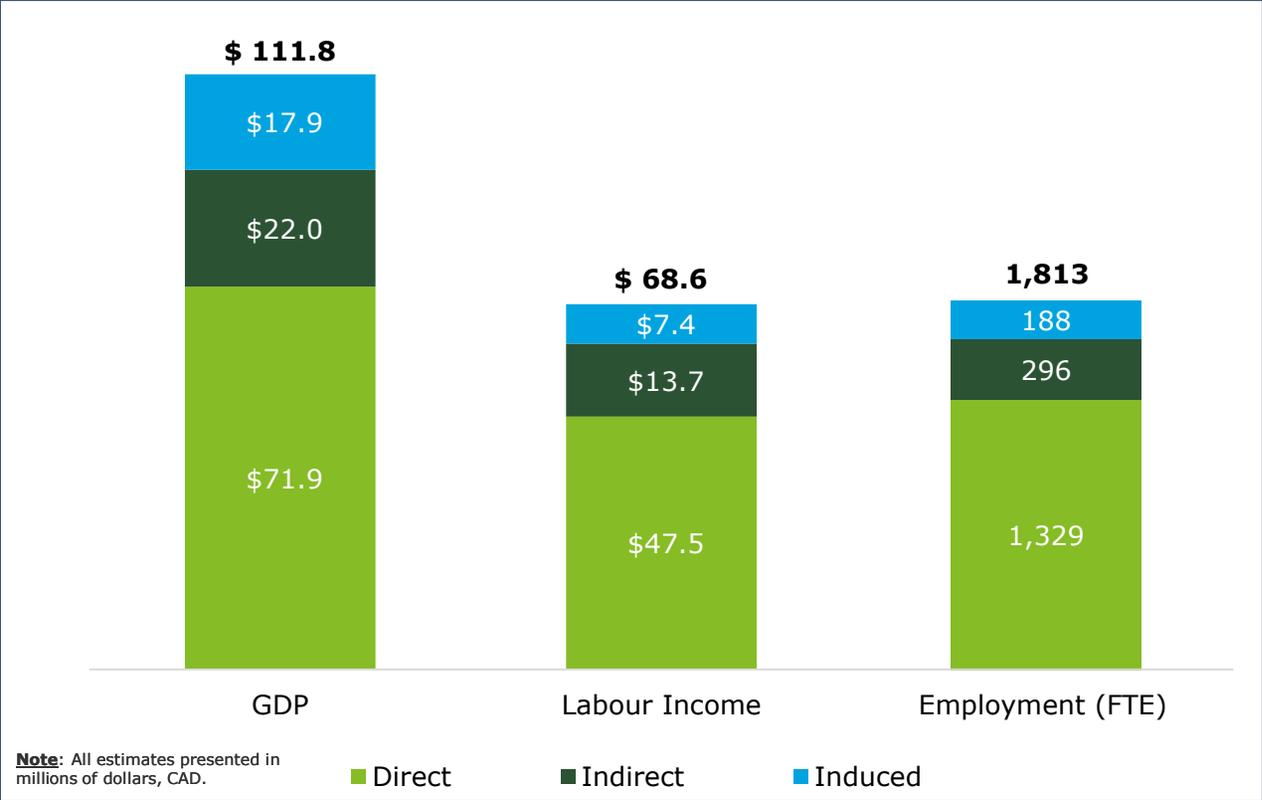
Each million dollars of expenditure associated with football operations and events is estimated to support the employment of 14 FTEs in HRM.

Football Operations and Events Impacts – Nova Scotia

Provincial Level of Analysis

Accounting for the direct, indirect, and induced economic impacts, we estimate that the annual football operations and events will support a GDP contribution of approximately \$111.8M per year to Nova Scotia, of which \$68.6M will be labour income. Additionally, we estimate that the football operations and events will support the employment of approximately 1,813 FTEs across the province.

Annual Economic Impacts in Nova Scotia from Football Operations and Events



We estimate that each dollar of expenditure associated with football operations and events will support \$1.04 in GDP contribution to Nova Scotia's economy.

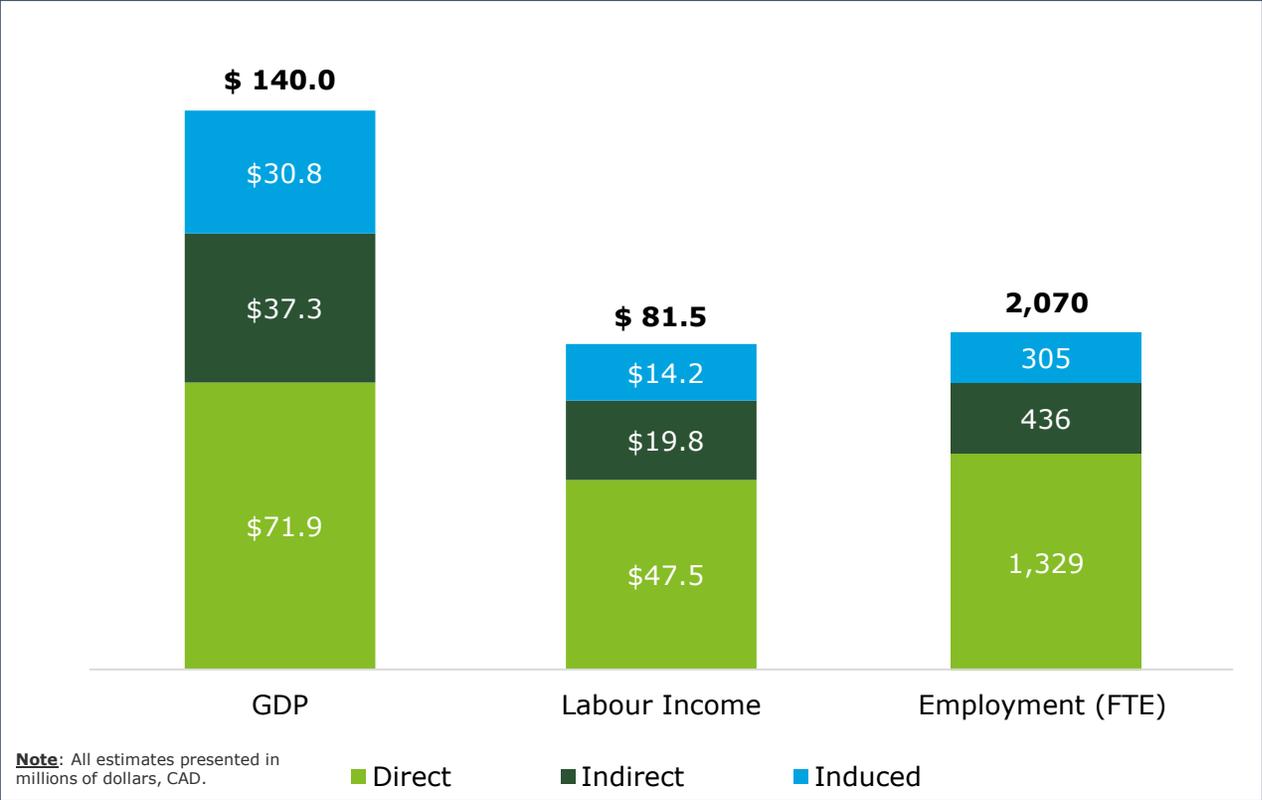
Each million dollars of expenditure associated with football operations and events is estimated to support the employment of 17 FTEs in Nova Scotia.

Football Operations and Events Impacts – Canada

National Level of Analysis

Accounting for the direct, indirect, and induced economic impacts, we estimate that the annual football and events activity will support a GDP contribution of approximately \$140.0M per year to Canada, of which \$81.5M will be labour income. Additionally, we estimate that the football operations and events will support the employment of approximately 2,070 FTEs across the country.

Annual Economic Impacts in Canada from Football Operations and Events



We estimate that each dollar of expenditure associated with football operations and events will support \$1.31 in GDP contribution to the Canadian economy.

Each million dollars of expenditure associated with football operations and events is estimated to support the employment of 19 FTEs in Canada.

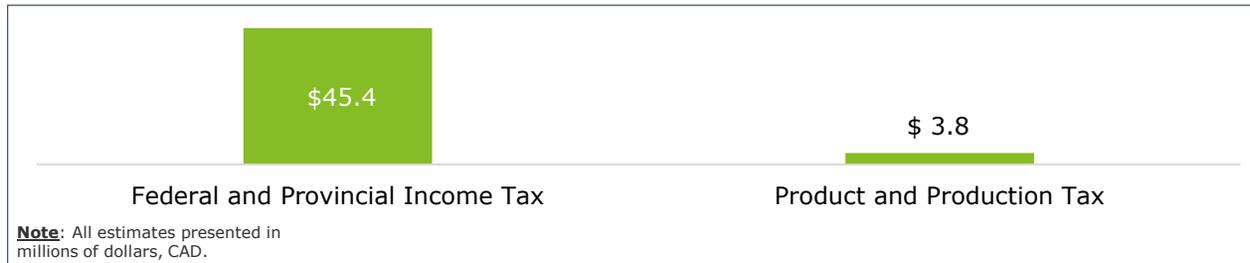
Estimation of Government Revenues

Government Revenues – Income Tax, Product and Production Tax¹

Stadium Construction

Accounting for direct, indirect, and induced economic activity, we estimate that the stadium construction will contribute approximately \$45.4 million in federal and provincial income tax and \$3.8 million in product and production taxes.

Total Tax Impacts from Stadium Construction

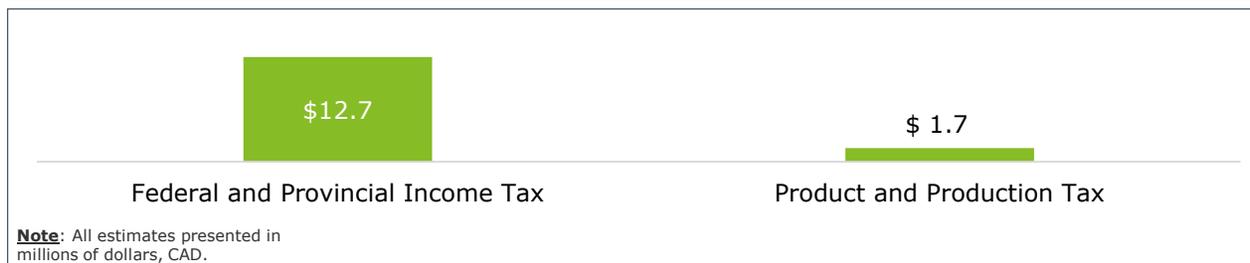


We estimate that each dollar invested in stadium construction will contribute \$0.20 in federal and provincial income tax, and product and production tax.

Football Operations and Events

Accounting for direct, indirect, and induced economic activity, we estimate that football operations and events will contribute approximately \$12.7 million in federal and provincial income tax and \$1.7 million in product and production taxes per year.

Annual Tax Impacts from Ongoing Football Operations and Events



We estimate that each dollar of expenditure associated with football operations and events activity will contribute \$0.13 in federal and provincial income tax, and product and production tax.

1. This analysis does not include property tax or corporate income tax.

Appendix

Economic Impact Definitions and Modelling Approach

Economic Impact Definitions¹

Direct Impacts	The impacts resulting from the first round of spending associated with stadium construction and football operations and events.
Indirect Impacts	The impacts resulting from the second and subsequent rounds of spending by businesses providing intermediate goods and services in industries associated with the direct expenditure.
Induced Impacts	The impacts resulting from businesses and households spending the profits and wages earned through the direct and indirect expenditures.
Gross Domestic Product (GDP)	GDP is the “total unduplicated value of goods and services produced in the economic territory of a country or region during a given period”. GDP includes household income from current productive activities (wages, salaries and unincorporated business income) as well as profits earned and taxes paid.
Employment	In our study we measure employment in terms of full-time equivalent (FTE) positions supported by stadium construction and football operations and events. Full-time equivalent positions are standardized according to their duration, not according to whether they were full-time or part-time employment.
Labour Income	Labour income represents the total earnings of FTEs, consisting of wages and salaries as well as supplementary labour income (such as employer’s contributions to pension funds, employee welfare funds, the Unemployment Insurance Fund and Workers Compensation Fund).
Government Revenues	In our study we have only partially accounted for government revenues generated as a result of stadium construction and football operations and events. We include provincial and municipal product and production tax, along with federal and provincial personal income tax. This analysis does not include property tax or corporate income tax.

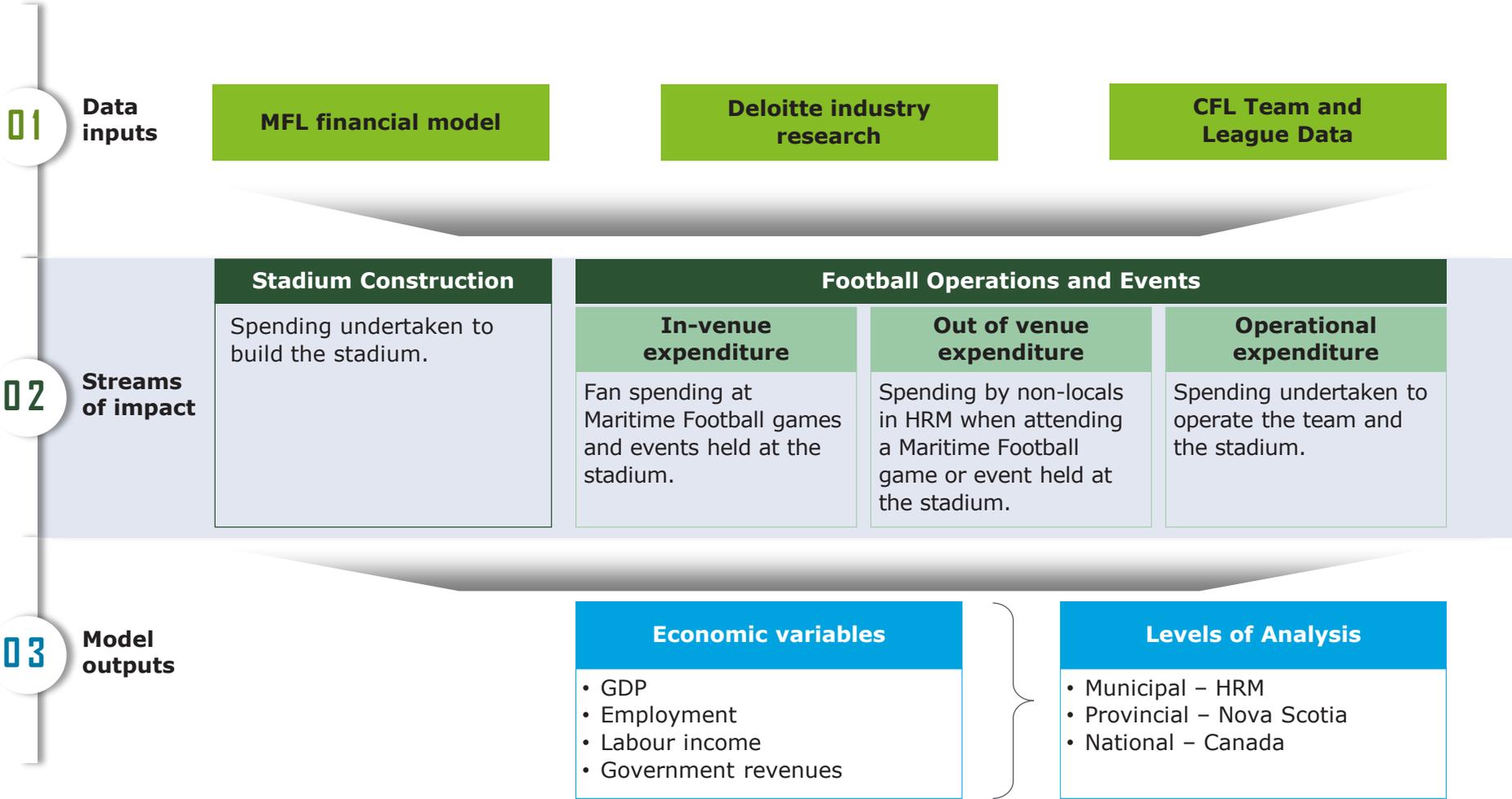
Note: The economic impact results described here provide a snapshot of the economic activity likely to be associated with the construction and operations of the new football stadium. However, these results do not take account of the opportunity cost of the labour and capital resources used for construction and operations and as such, the economic impact results do not represent net new economic impacts.

1. For technical definitions refer to Statistics Canada - Industry Accounts Division, System of National Accounts, 2009.

Modelling Approach

Estimating the Economic Impact of MFL

We estimated the economic impacts of stadium construction and football operations and events by employing the following approach.



Calculating Economic Variables

National and Provincial Levels of Analysis

In Canada, the authoritative and comprehensive source for calculating economic variables is the Statistics Canada Input-Output Model (2013). This model estimates the impact of demand shocks at a provincial level using relationships between products/services, industries, and inter-provincial trade.

This analysis used multipliers from the Input-Output model to derive its economic estimates for the National and Provincial levels of analysis.

Input-Output Modelling

Input-output models (I-O models) are used to simulate the economic impact of an expenditure on a given basket of goods and services or the output of one of several industries. Input-output analysis uses data on the flow of goods and services among various sectors of the economy, and attempts to model how an expenditure, increase in demand, or investment ripples through a region's economy. This is done by mapping the production of products and service by each industry, and identifying the intermediate inputs used in the production of each final product or service used by consumers, sold as an export, or purchased by government. The model can then aggregate all of the employment and value added impacts generated in the supply chain as commodities are produced. I-O models also consider the role of imports, which tie the supply chain to the global economy. This data is combined into a single model of the economy which can be solved to determine how much additional production is generated by a change in the demand for one or more commodities or by a change in the output of an industry.

The simulation results from a "shock" to an I-O model will show the direct and indirect impacts, which industries benefit the most, the number of jobs created, estimates of indirect taxes and subsidies generated, etc. In Canada, the most authoritative and comprehensive I-O model is the Statistics Canada I-O Model. Deloitte used this model to generate the results in this report. This model estimates the impact of shocks using relationships between products/services, industries, and inter-provincial trade.

Calculating Economic Variables (Cont'd)

Assumptions and Limitations of the Input-Output Model

The Statistics Canada Input-Output model is the industry standard for estimating economic benefits, however it does present the following assumptions and limitations. The model "reflects a simplified macroeconomic structure, and does not include many variables of interest for macroeconomic analysis such as interest rates or corporate income taxes. The model also lacks important labour market variables such as the labour force and unemployment rates. The model makes a basic underlying assumption that the number of jobs created maintains a linear relationship with short term gross output. This approach can be considered sound if the value and quantity measures are for the same year and the analysis is focusing on the structure of the economy for that same year. When used for projecting beyond the IO model year, the relationship between values and quantities may be impacted by price variations. The model assumes that the Canadian economy has the spare capacity available to produce the goods and services stimulated by the economic shock. The model is not able to forecast situations in which demand may outpace current capacity for goods and services. However, the model does estimate the portion of goods and services sourced from other provinces and internationally.

Municipal Level of Analysis

The Statistics Canada Input-Output Model does not provide industry multipliers at a municipal level.

In order to determine the economic impacts at municipal level, this study employed the following approach to estimate the quantum of the provincial impacts that will accrue to HRM:

- **Direct Impact:** Given the location of the stadium construction and football operations and events, MFL assumes all direct expenditure in Nova Scotia will be spent at businesses located in HRM (e.g. hotels in HRM). Therefore, all direct impacts to the province are deemed to occur at the municipal level.
- **Indirect and Induced Impacts:** A three-step process was employed to estimate the indirect and induced impacts at the municipal level. First, this study calculated the percentages by which each industry impacted is concentrated in HRM, as compared to Nova Scotia. Thereafter, these percentages were adjusted by the proportion of Nova Scotia's employment that is in HRM. As a third step, the products of these calculations were applied, by industry, to derive quantum of provincial level impacts that will accrue at the municipal level.

All employment data was taken from Statistics Canada.

Calculating Economic Variables (Cont'd)

Federal and Provincial Income Tax

The Statistics Canada Input-Output Model does not provide industry multipliers for federal and provincial income tax.

In order to derive this economic variable, this study calculated the implied average wages of FTEs employed through stadium construction and football operations. Thereafter, the average income tax rate (per dollar) paid by Canadians in comparable income groups was applied.

All income tax data was taken from Statistics Canada.



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