



## POYDRAS GAMING FINANCE CORP.

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### **Poydras Gaming Finance Corp. Announces Closing of Acquisition of Integrity Companies**

*More than triples revenue-producing machine count to 2,200 games*

**Mill Valley, CA, July 20, 2015 – POYDRAS GAMING FINANCE CORP.** (TSX-V: PYD) (“Poydras” or the “Company”) is pleased to announce that it has closed its previously announced acquisition (the “Acquisition”) of Integrity Gaming, Inc., Aurora Gaming, Inc., and Integrity Gaming of Kansas, Inc. (together the “Integrity Companies”) (see News Release dated September 29, 2014). The Integrity Companies will operate as wholly-owned subsidiaries of Poydras Gaming LLC, an indirect wholly-owned subsidiary of the Company. The aggregate purchase price for the Integrity Companies was approximately US\$12.6 million, comprised of US\$3.8 million in cash consideration, after working capital adjustments, the assumption of approximately US\$6.3 million in debt, and the issuance of 38,927,779 common shares of Poydras to the principal of the Integrity Companies. The owners of the Integrity Companies will also be eligible for an earn-out of up to US\$5 million payable in 2016 if certain performance milestones are achieved.

The Integrity Companies are a leading provider of slot machines to Native American-owned casinos in Oklahoma and Texas and have been in operation since 1997. Collectively, they are one of the largest gaming equipment and bingo supply distributors in the tribal gaming market, with over 1,600 revenue producing machines across 21 casinos and 12 tribal nations. The Integrity Companies are projected to contribute US\$5.0 to US\$6.0 million of adjusted EBITDA to Poydras on an annualized basis.

“The Integrity Companies have been valued partners since we entered the Oklahoma market in 2011 and we are proud to complete this acquisition” said Peter Macy, CEO of Poydras. “Integrity is one of the premier providers of gaming equipment to Native American-owned casinos with a depth and breadth of relationships in the region that is unmatched.”

Philip Bowden, President of the Integrity Companies, added, “We are delighted to be joining the Poydras team and are excited at the growth opportunities that we will be able to pursue with the full support of Poydras’ balance sheet and capital markets access.”

Since the completion of its reverse takeover (“RTO”) transaction on May 9, 2014, Poydras has increased the number of its revenue-generating gaming machines from 217 to over 2,200, with gaming machines across 24 casinos. The Company has purchased and expects to place additional machines to bring its number of revenue-generating gaming machines to over 2,300 in the third quarter.

## **Release of Escrowed Funds and Conversion of Subscription Receipts**

On July 6, 2015, the Company closed its prospectus offering (the "Offering") of 109,546,000 subscription receipts (including a partial exercise of the over-allotment option) at a price of C\$0.07 per subscription receipt (the "Subscription Receipts") for gross proceeds of C\$7,668,220. In connection with the Offering, Dundee Securities Ltd. and Mackie Research Capital Corporation acted as co-lead agents on behalf of a syndicate including Global Securities Corporation (collectively, the "Agents"). The proceeds from the Offering were placed in escrow pending the satisfaction of certain escrow release conditions (the "Escrow Release Conditions"). As a result of the satisfaction of the Escrow Release Conditions by the Company, the escrowed funds, less the outstanding cash commission due to the Agents and the fees of the subscription receipt agent, were released to the Company and used in part to fund the cash portion of the purchase price for the Acquisition. In addition, as a result of the satisfaction of the Escrow Release Conditions, the Subscription Receipts have each automatically converted into one common share of the Company for no additional consideration.

## **Options Grant**

In conjunction with the Acquisition, Poydras issued 1,250,000 incentive stock options to the principals of the Integrity Companies and granted an additional 1,500,000 options to current directors and officers of the Company at an exercise price of C\$0.085 per common share. Options issued to principals of the Integrity Companies expire in ten years and vest in three equal tranches on the first, second, and third anniversaries from the date of grant. Options granted to current directors and officers expire in five years with 10% of the options vesting immediately upon grant and the remaining options vesting at a rate of 15% every six months thereafter. The options were issued in accordance with the Company's existing stock option plan.

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## **About Poydras Gaming Finance Corp.:**

Poydras Gaming is focused on leasing and financing gaming machines (such as slot machines) and related capital expenditures for existing casinos, new casino developments and gaming machine suppliers in the United States. It owns and finances slot machines including short- and long-term lease contracts across 24 casinos in Oklahoma and Texas and a financing agreement with a gaming machine supplier based out of California. Additional information about the Company can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

**Non-IFRS Measures**

Adjusted EBITDA is a financial measure that does not have a standardized meaning under IFRS. Adjusted EBITDA is defined as earnings before financing costs, income taxes, depreciation, amortization, stock based compensation, unrealized foreign exchange, gain/loss on disposal of assets, finance lease receivable reduction and non-recurring costs.

**Cautionary Note Regarding Forward-Looking Statements**

Certain information in this news release is considered forward-looking within the meaning of certain securities laws and is subject to important risks, uncertainties and assumptions. This forward-looking information includes, among other things, information with respect to the Company's beliefs, plans, expectations, anticipations, estimates and intentions. The words "may", "could", "should", "would", "suspect", "outlook", "believe", "anticipate", "estimate", "expect", "intend", "plan", "target" and similar words and expressions are used to identify forward-looking information. The forward-looking information in this news release, including those statements relating to expected EBITDA, and the placement of additional machines by the Company, describes the Company's expectations as of the date of this news release.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. Material factors which could cause actual results or events to differ materially from such forward- looking information include, among others, risks arising from general economic conditions and adverse industry events.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME.