



## **INTEGRITY GAMING CORP.**

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**TSXV: IGAM**  
**OTCQX: IGAMF**

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### **Integrity Gaming Corp. Announces 2017 Fourth Quarter and Full-Year Financial Results**

*— Continued expansion of customer base driving revenue growth —  
— Well-positioned for 2018 —*

**Vancouver, BC, April 25, 2018 – INTEGRITY GAMING CORP.** (TSX-V: IGAM) (OTCQX: IGAMF) (“Integrity” or the “Company”) today announces financial results for the fourth quarter and full-year ended December 31, 2017 (all amounts stated in U.S. dollars unless otherwise indicated).

#### **Fourth Quarter 2017 Highlights & Financial Results**

- 1% increase in revenue to \$4.1 million, compared to \$4.0 million in Q4 2016.
- 9% decrease in Adjusted EBITDA to \$2.1 million, versus \$2.3 million in Q4 2016.
- Net loss of \$3.9 million for Q4 2017, compared to net loss of \$2.9 million in Q4 2016.
- On December 21, 2017, the Company announced it would be changing its name from Poydras Gaming Finance Corp. to Integrity Gaming Corp. effective January 1, 2018.
- On December 22, 2017, the Company sold its bingo supply business to American Games for a gain of \$139,032.
- On December 28, 2017, the Company closed a financing arrangement with Prudential Capital Group, consisting of senior and subordinated debt, for up to \$41.0 million.

#### **2017 Full-year Highlights & Financial Results**

- 9% growth in revenue, to \$16.4 million in 2017 compared to \$15.0 million in 2016.
- Adjusted EBITDA of \$9.3 million in 2017, compared to \$9.2 million in 2016.
- Net loss of \$8.5 million, or \$0.24 per share, for 2017, compared to \$6.5 million, or \$0.19 per share, for 2016.
- Machines deployed in 31 casinos on December 31, 2017, compared to 27 on December 31, 2016.
- Approximately 2,634 gaming machines in operation as of December 31, 2017, compared to 2,618 as at December 31, 2016. Over 2,700 machines in operation as of April 25, 2018.

“In 2017 we successfully expanded our market presence in terms of the number of casinos we serve, the range of products we provide, and our overall installed base,” said Peter Macy, CEO of Integrity. “Looking into 2018, we entered the year with a focus on our slot machine business and the financial resources in place to execute our growth strategy. We’ve assembled a differentiated product portfolio that is accelerating our rate of new deployments.”

#### **Grant of Stock Options**

On April 24, 2018, the Company granted 299,000 stock options to its directors. Directors’ stock options vest on the date of grant, and can be exercised at the price of C\$0.27 per share until April 24, 2023.

Adjusted EBITDA and reconciliation to net income (loss) is as follows:

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Income (loss)	(3,895,783)	(2,022,129)	(1,382,586)	(1,167,084)	(2,935,028)	(2,918,891)
Adjustments:						
Depreciation of equipment	1,321,685	1,599,168	1,525,644	1,390,548	1,074,475	1,024,513
Amortization of placement fees	441,393	424,863	449,658	449,658	533,904	524,449
Amortization of intangible assets	200,375	200,642	199,576	198,775	218,337	223,772
Income tax expense (recovery)	3,307	98,199	-	-	(119,904)	(357,883)
Finance lease receivable reduction	204,521	538,231	308,392	467,486	513,064	664,490
Financing costs	3,882,101	1,163,893	1,145,358	1,140,346	1,153,146	2,170,864
Foreign exchange (gain) loss	299	1,948	(196)	8,466	745	(97,863)
Impairment of placement fees	-	-	-	-	1,732,152	-
Impairment (recovery) of loan receivable	-	-	-	-	-	(85,000)
Gain on settlement of debt	(194)	(580)	224	(28,380)	-	(110,487)
Loss (gain) on disposal of assets	(139,032)	(990)	(23,200)	(108,212)	12,750	-
Revaluation of earn-out liability	-	-	-	-	30,000	450,000
Revaluation loss on investment in A&W JV	-	-	-	-	-	588,317
Stock based compensation	89,024	92,691	116,416	92,919	102,272	207,210
Employee separation fees	-	290,000	-	-	-	-
A&W JV EBITDA adjustments at 50% interest:						
Depreciation of equipment	-	-	-	-	-	69,254
Amortization of placement fees	-	-	-	-	-	4,728
Interest expense	-	-	-	-	-	6,076
<b>Adjusted EBITDA</b>	<b>2,107,696</b>	<b>2,385,936</b>	<b>2,339,286</b>	<b>2,444,522</b>	<b>2,315,913</b>	<b>2,363,549</b>

### Conference Call

The Company will hold a conference call to discuss the results for its fourth quarter and year-end ended December 31, 2017. The call will be hosted by Peter Macy, CEO, and Adam Kniec, CFO on Thursday, April 26, 2018 at 8:00 a.m. PST (11:00 a.m. EST), followed by a question and answer period. All interested parties are invited to participate.

### Conference Call Details:

**Date:** Thursday, April 26, 2018  
**Time:** 8:00 a.m. Pacific Time / 11:00 a.m. Eastern Time

**Dial-In Numbers:** North America Toll-Free Dial-In Number: 1 (888) 231-8191  
For Toronto: (647) 427-7450  
For Vancouver: (778) 371-9827

**Conference ID:** 9390789  
**TAPED** 1 (855) 859-2056  
**REPLAY:** Available until 12:00 midnight (EST) Thursday, May 3, 2018  
Reference number: 9390789

**For further information, please contact:**

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**About Integrity Gaming Corp.:**

Formerly Poydras Gaming Finance Corp., Integrity Gaming Corp. is a regional slot route operator with over 2,700 gaming machines in operation across 30 casinos in Oklahoma and Texas. The Company primarily derives its revenue from short- and long-term revenue share contracts with Native American casinos. It provides gaming equipment such as slot machines and electronic table games, and project financing to owners, operators, and managers of casinos and other regulated gaming venues. The Company works with casinos, new casino developments, and gaming machine suppliers. Additional information about the Company can be found on the Company's website at [www.integritygaming.com](http://www.integritygaming.com) and on the SEDAR website at [www.sedar.com](http://www.sedar.com).

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**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.

**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, impairment of loans receivable, impairment of placement fees, gain/loss on settlement of debt, gain/loss on disposal of assets, gain/loss on disposal of BitBoss, finance lease receivable reduction, revaluation adjustment of earn-out liability, revaluation loss on investment in A&W JV, employee separation fees and non-recurring costs. In addition, to arrive at the Adjusted EBITDA, the Company was adjusting its earnings for its 50% share of the income/expense and gain/loss categories that are included in the Company's income from equity accounted investees up to the date of the acquisition of the A&W JV.

As there is no standardized method of calculating Adjusted EBITDA, it may not be directly comparable with similarly titled measures used by other companies. The Company considers Adjusted EBITDA to be a relevant indicator for measuring trends in performance and its ability to generate funds to service its debt and to meet its future working capital and capital expenditure requirements. Adjusted EBITDA is not a generally accepted earnings measure and should not be considered in isolation or as an alternative to net income (loss), cash flows or other measures of performance prepared in accordance with IFRS.