

# AMAYA



**POKER  
STARS**



**BET  
STARS**



**Q3 2016 Earnings Presentation**

**November 14, 2016**

# Cautionary Note Regarding Forward Looking Statements



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable securities laws, including, without limitation, full year 2016 financial guidance and certain financial and operational expectations and projections. Forward-looking statements can, but may not always, be identified by the use of words such as “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “would”, “should”, “believe”, “objective”, “ongoing” and similar references to future periods or the negatives of these words and expressions. These statements, other than statements of historical fact, are based on management’s current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect us, our customers and our industries. Although Amaya and management believe the expectations reflected in such forward-looking statements are reasonable and are based on reasonable assumptions and estimates, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Specific risks and uncertainties include, but are not limited to: the heavily regulated industry in which Amaya carries on business; interactive entertainment and online and mobile gaming generally; current and future laws or regulations and new interpretations of existing laws or regulations with respect to online and mobile gaming; potential changes to the gaming regulatory scheme; legal and regulatory requirements; ability to obtain, maintain and comply with all applicable and required licenses, permits and certifications to distribute and market its products and services, including difficulties or delays in the same; significant barriers to entry; competition and the competitive environment within Amaya’s addressable markets and industries; impact of inability to complete future acquisitions or to integrate businesses successfully; ability to develop and enhance existing products and services and new commercially viable products and services; ability to mitigate foreign exchange and currency risks; ability to mitigate tax risks and adverse tax consequences, including, without limitation, the imposition of new or additional taxes, such as value-added and point of consumption taxes, and gaming duties; risks of foreign operations generally; protection of proprietary technology and intellectual property rights; ability to recruit and retain management and other qualified personnel, including key technical, sales and marketing personnel; defects in Amaya’s products or services; losses due to fraudulent activities; management of growth; contract awards; potential financial opportunities in addressable markets and with respect to individual contracts; ability of technology infrastructure to meet applicable demand; systems, networks, telecommunications or service disruptions or failures or cyber-attacks; regulations and laws that may be adopted with respect to the Internet and electronic commerce and that may otherwise impact Amaya in the jurisdictions where it is currently doing business or intends to do business; ability to obtain additional financing on reasonable terms or at all; refinancing risks; customer and operator preferences and changes in the economy; dependency on customers’ acceptance of its products and services; consolidation within the gaming industry; litigation costs and outcomes; expansion within existing and into new markets; relationships with vendors and distributors; and natural events. Other applicable risks and uncertainties include those identified under the heading “Risk Factors and Uncertainties” in Amaya’s Annual Information Form for the year ended December 31, 2015 and “Risk Factors and Uncertainties” and “Limitations of Key Metrics and Other Data” in its Management’s Discussion and Analysis for the periods ended September 30, 2016 (the “Q3 2016 MD&A”), each available on SEDAR at [www.sedar.com](http://www.sedar.com), EDGAR at [www.sec.gov](http://www.sec.gov) and Amaya’s website at [www.amaya.com](http://www.amaya.com), and in other filings that Amaya has made and may make with applicable securities authorities in the future. Investors are cautioned not to put undue reliance on forward-looking statements. Any forward-looking statement speaks only as of the date hereof, and Amaya undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

# Non-IFRS and Non-U.S. GAAP Measures



This presentation references non-IFRS and non-U.S. GAAP financial measures, including Adjusted EBITDA, Adjusted Net Earnings, Adjusted Net Earnings per Diluted Share, Unlevered Free Cash Flow, the numerator of QNY, and the foreign exchange impact on revenues (i.e., constant currency). Amaya believes these non-IFRS and non-U.S. GAAP financial measures will provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business. Although management believes these financial measures are important in evaluating Amaya, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS or U.S. GAAP. They are not recognized measures under IFRS or U.S. GAAP and do not have standardized meanings prescribed by IFRS or U.S. GAAP. These measures may be different from non-IFRS and non-U.S. GAAP financial measures used by other companies, limiting its usefulness for comparison purposes. Moreover, presentation of certain of these measures is provided for year-over-year comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on Amaya's operating results. Amaya uses the following non-IFRS and non-U.S. GAAP measures in this presentation:

Adjusted EBITDA as net earnings (loss) from continuing operations before interest and financing costs (net of interest income), income taxes, depreciation and amortization, stock-based compensation, restructuring and certain other items

Adjusted Net Earnings as net earnings (loss) from continuing operations before interest accretion, amortization of intangible assets resulting from purchase price allocation following acquisitions, deferred income taxes, stock-based compensation, restructuring, foreign exchange, and certain other items

Adjusted Net Earnings per Diluted Share as defined by the Corporation means Adjusted Net Earnings divided by Diluted Shares.

Diluted Shares means weighted average number of Common Shares on a fully diluted basis, including options, warrants and the Corporation's convertible preferred shares ("Preferred Shares"). The effects of anti-dilutive potential Common Shares are ignored in calculating Diluted Shares. See note 8 to Amaya's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2016.

Reconciliations of Adjusted EBITDA, Adjusted Net Earnings and Adjusted Net Earnings per Diluted Share to the nearest IFRS measures are provided in the Appendix.

Unlevered Free Cash Flow means operating cash flow from continuing operations net of customer deposit liability movements less capital expenditures from continuing operations and is presented and reconciled to the nearest IFRS measure in the Appendix.

To calculate revenue on a constant currency basis, Amaya translated revenue for the three and nine months ended September 30, 2016 using the prior year's monthly exchange rates for its local currencies other than the U.S. dollar, which Amaya believes is a useful metric that facilitates comparison to its historical performance.

Amaya has not provided a reconciliation of the non-IFRS measures to the nearest IFRS measures included in its full year 2016 financial guidance provided in this release, including Adjusted EBITDA, Adjusted Net Earnings and Adjusted Net Earnings per Diluted Share, because certain reconciling items necessary to accurately project such IFRS measures, particularly net earnings (loss) from continuing operations, cannot be reasonably projected due to a number of factors, including variability from potential foreign exchange fluctuations impacting financial expenses, and the nature of other non-recurring or one-time costs (which are excluded from non-IFRS measures but included in net earnings (loss) from continuing operations).

## Key Metrics

Amaya defines Quarterly Active Uniques (QAUs) as active unique customers (online, mobile and desktop client) who generated rake, placed a bet or otherwise wagered (not including free play, bonuses or other promotions) on or through an Amaya poker, casino or sportsbook offering during the applicable quarterly period. Amaya defines unique as a customer who played at least once on one of Amaya's real-money offerings during the period, and excludes duplicate counting, even if that customer is active across multiple verticals (e.g., both poker and casino).

Amaya defines Quarterly Net Yield (QNY) as combined real-money online gaming and related revenue (excluding certain other revenues, such as revenues from play-money offerings, live events and branded poker rooms) for its two operating segments (i.e., real-money online poker and real-money online casino and sportsbook) as reported during the applicable quarterly period (or as adjusted to the extent any accounting reallocations are made in later periods) divided by the total QAUs during the same period. Amaya provides QNY on a U.S. dollar and constant currency basis. QNY is a non-IFRS measure and a reconciliation of the numerator of QNY to the nearest IFRS measure is provided in the Appendix.

Amaya defines Customer Registrations as the cumulative number of real-money and play-money customer registrations on PokerStars and Full Tilt.

For additional information on Amaya's key metrics and other data, see the Q3 2016 MD&A under the headings "Limitations on Key Metrics and Other Data" and "Key Metrics" and today's earnings press release.

## Currency

Unless otherwise noted, all references to "\$", "US\$" and "USD" are to the U.S. dollar and "C\$" and "CAD" are to the Canadian dollar.

The comparative and historical figures disclosed herein and in Amaya's financial statements and management's discussion and analysis for the three and nine months ended September 30, 2016 have been retrospectively adjusted to reflect the previously announced change in presentation currency to the U.S. dollar as if the U.S. dollar had been used as the presentation currency for all prior periods presented.

The USD to CAD exchange rates used in certain slides herein are as follows: YTD 2015 – 1.2598; FY2015 – 1.2785

# Overview of YTD 2016 Highlights

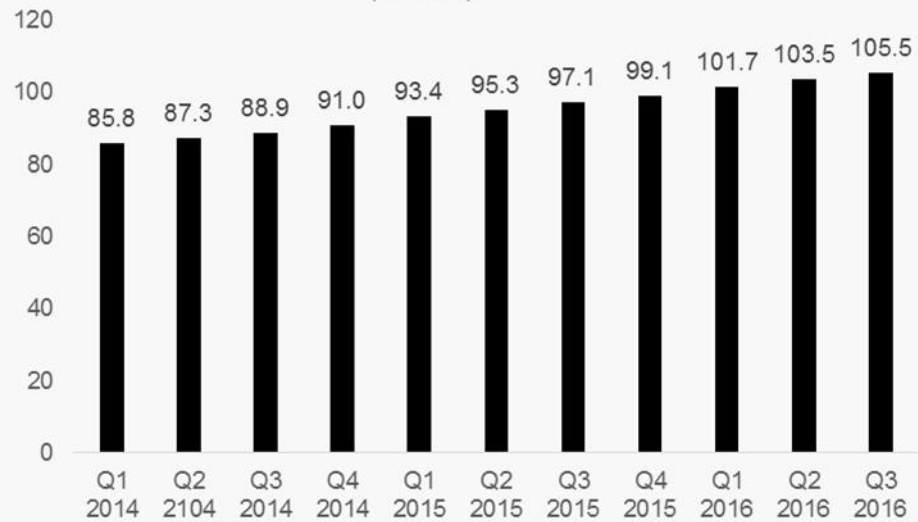
- Continued to effectively execute on our 2016 strategy by providing strong third quarter performance in each of our three core verticals, poker, casino and sportsbook
- Maintained leadership position in poker with an estimated 71% market share
- Continued to grow revenues from newly acquired players across all verticals
- Record-breaking World Championship of Online Poker (WCOOP) prize pool of over \$73 million
- Creating over 10 million Winning Moments per day
- Continuing to improve our casino and sportsbook product offerings
- Now have approximately 200 slot games



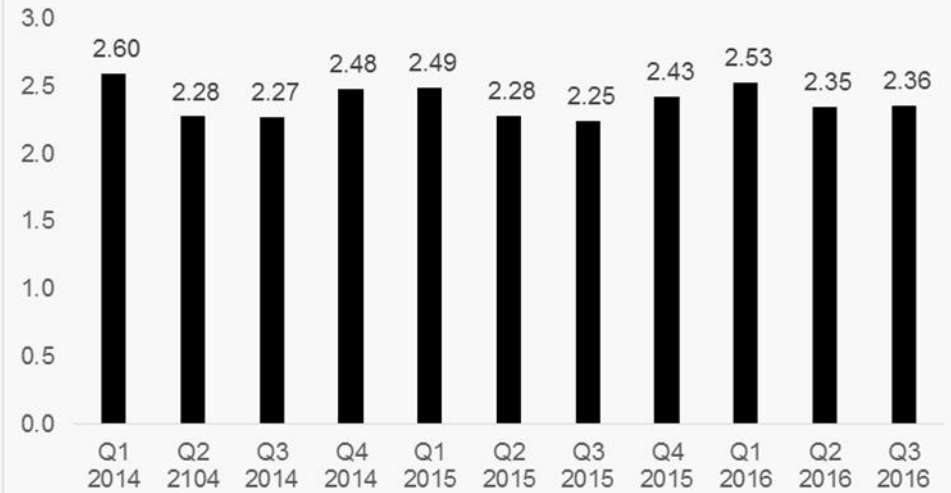
Note: Company market share estimates are of global real money online poker market share, in terms of cash game and tournament players based on various industry data sources including PokerScout, Sharkscope and various gaming regulators.

# Key Metrics

Customer Registrations  
(in millions)



Quarterly Active Uniques  
(in millions)



Quarterly Active Uniques  
(in millions)

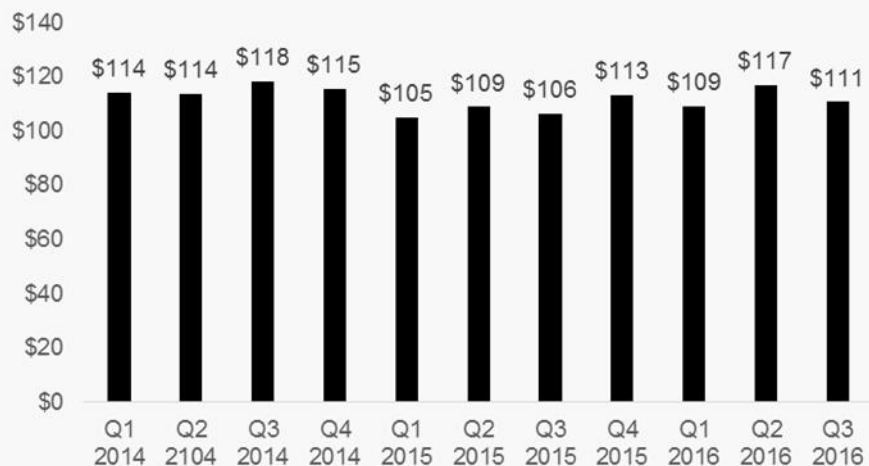


Quarterly Active Uniques by Segment  
(in millions)



# Key Metrics (continued)

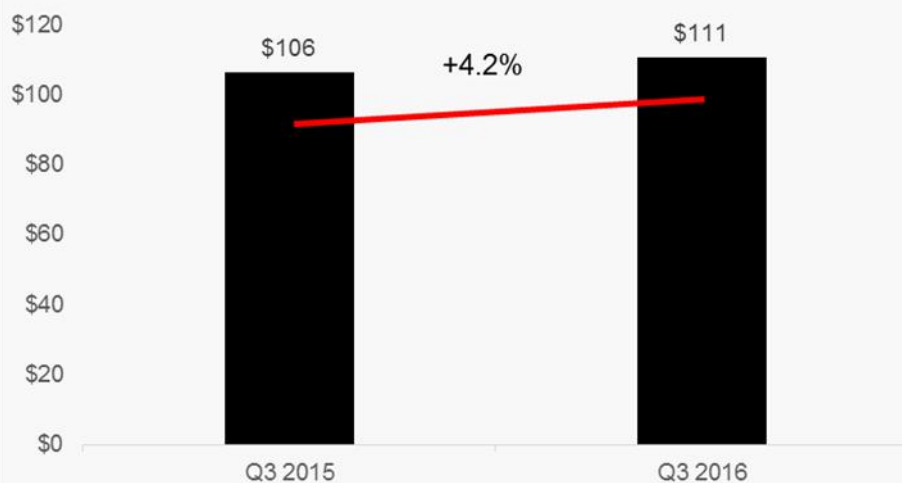
Quarterly Net Yield  
(USD)



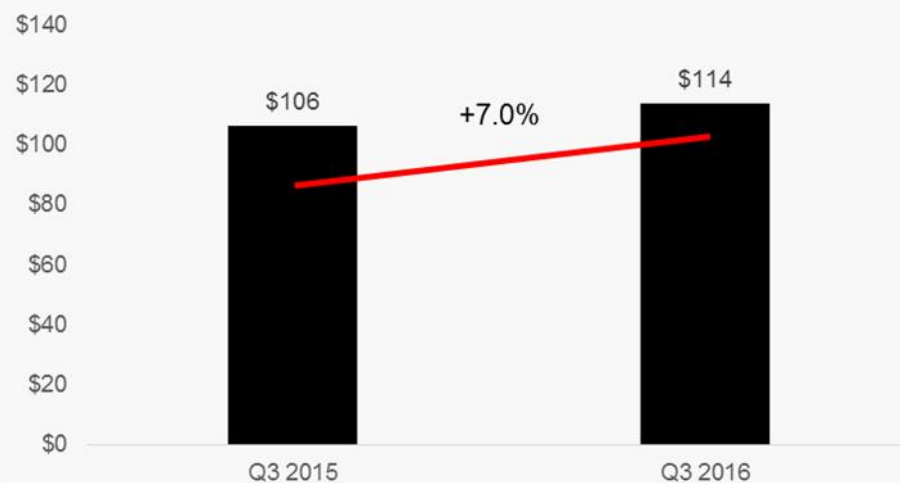
Quarterly Net Yield - Constant Currency  
(USD)



Quarterly Net Yield  
(USD)



Quarterly Net Yield - Constant Currency  
(USD)



Note: To calculate revenue on a constant currency basis, Amaya translated revenue for each period in 2016 using the prior year's monthly exchange rates for its local currencies other than the U.S. dollar, which Amaya believes is a useful metric that facilitates comparison to its historical performance.

# Financial Highlights – Revenue



(USD in millions)

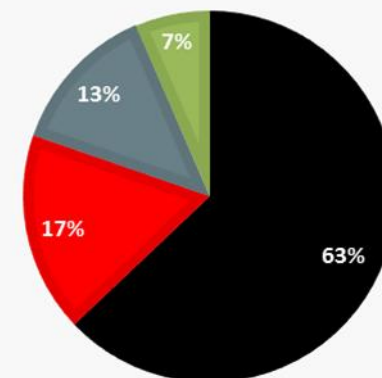
|                                         | <u>Q3 2016</u> | <u>Q3 2015</u> | <u>% change</u> | <u>YTD 2016</u> | <u>YTD 2015</u> | <u>% change</u> |
|-----------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Total Revenue                           | \$270.8        | \$247.3        | 10%             | \$845.5         | \$779.1         | 9%              |
| Poker Revenue                           | \$196.8        | \$199.5        | (1%)            | \$628.8         | \$658.3         | (4%)            |
| <i>% of total</i>                       | <i>72.7%</i>   | <i>80.7%</i>   |                 | <i>74.4%</i>    | <i>84.5%</i>    |                 |
| Casino & Sportsbook Revenue             | \$64.2         | \$37.9         | 69%             | \$183.9         | \$85.8          | 114%            |
| <i>% of total</i>                       | <i>23.7%</i>   | <i>15.3%</i>   |                 | <i>21.8%</i>    | <i>11.0%</i>    |                 |
| Other Revenue (Corporate and Other B2C) | \$9.8          | \$9.9          | (1%)            | \$32.8          | \$35.0          | (6%)            |
| <i>% of total</i>                       | <i>3.6%</i>    | <i>4.0%</i>    |                 | <i>3.9%</i>     | <i>4.5%</i>     |                 |

## Amaya saw revenue growth in the third quarter of 2016

- Driven by growth in online casino offerings
- Poker revenue growth in August and September partially offset the 8% decline in July
- Casino continued strong year over year growth as the quality of the offering continues to improve and we added jurisdictions
- Sportsbook continues to be in investment mode

## YTD 2016 GEOGRAPHIC REVENUE BREAKDOWN

■ European Union ■ Other Europe ■ Americas ■ Rest of World



# Financial Highlights – Constant Currency



| Constant Currency                          |         |                     |                     |          |          |                      |                                   |          |
|--------------------------------------------|---------|---------------------|---------------------|----------|----------|----------------------|-----------------------------------|----------|
| (USD in millions)                          |         |                     |                     |          |          |                      |                                   |          |
|                                            | Q3 2016 | Q3 2015<br>as filed | Q3 2015<br>adjusted | % change | YTD 2016 | YTD 2015<br>as filed | YTD 2015<br>adjusted <sup>1</sup> | % change |
| Total Revenue                              | \$278.1 | \$247.3             | \$249.0             | 12%      | \$887.3  | \$779.1              | \$783.4                           | 14%      |
| Poker Revenue                              | \$202.2 | \$199.5             | \$200.8             | 1%       | \$665.6  | \$658.3              | \$662.6                           | 1%       |
| Casino & Sportsbook Revenue                | \$65.9  | \$37.9              | \$37.9              | 74%      | \$188.3  | \$85.8               | \$85.8                            | 119%     |
| Other Revenue (Corporate<br>and Other B2C) | \$10.0  | \$9.9               | \$10.3              | (3%)     | \$33.4   | \$35.0               | \$35.0                            | (5%)     |

Note: To calculate revenue on a constant currency basis, Amaya translated revenue for the three and nine months ended September 30, 2016 using the prior year's monthly exchange rates for its local currencies other than the U.S. dollar, which Amaya believes is a useful metric that facilitates comparison to its historical performance.

<sup>1</sup> Q3 and YTD 2015 figures are as adjusted to the extent any accounting reallocations have been made. Changes are primarily due to reclassifications of expenses previously netted against revenues now classified as selling expenses.

## Financial Highlights - Other



(USD in millions except per share data)

|                                                              | <u>Q3 2016</u> | <u>Q3 2015</u> | <u>% change</u> | <u>YTD 2016</u> | <u>YTD 2015</u> | <u>% change</u> |
|--------------------------------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Adjusted EBITDA                                              | \$123.2        | \$108.1        | 14%             | \$376.5         | \$334.0         | 13%             |
| % margin                                                     | 45.5%          | 43.7%          |                 | 44.5%           | 42.9%           |                 |
| Net earnings from continuing operations                      | \$12.5         | (\$34.4)       | NM              | \$90.5          | (\$4.8)         | NM              |
| Adjusted Net Earnings                                        | \$85.0         | \$69.0         | 23%             | \$259.7         | \$208.5         | 25%             |
| Diluted earnings from continuing operations per common share | \$0.06         | (\$0.26)       | NM              | \$0.47          | (\$0.04)        | NM              |
| Adj. Net Earnings per Diluted Share                          | \$0.42         | \$0.35         | 22%             | \$1.34          | \$1.05          | 28%             |
| Diluted Shares (m)                                           | 200.0          | 198.9          |                 | 193.9           | 199.4           |                 |

- September 30, 2016 LTM Adjusted EBITDA was \$501.6 million and Adjusted Net Earnings per Diluted Share was \$1.79

Note: LTM figures have been provided for ease of calculation as a result of Amaya's change in presentation currency from Canadian dollars to U.S. dollars in Q1 2016.

## 2016 Guidance Update



|                                         | Previous (October 18th)   | Current                   |
|-----------------------------------------|---------------------------|---------------------------|
| Total Revenue                           | \$1,127 - \$1,157 million | \$1,137 - \$1,157 million |
| Adjusted EBITDA                         | \$490 - \$510 million     | \$500 - \$510 million     |
| Adjusted Net Earnings                   | \$332 - \$352 million     | \$345 - \$355 million     |
| Adjusted Net Earnings per Diluted Share | \$1.71 - \$1.82           | \$1.78 - \$1.83           |

These estimates reflect management's view of current and future market conditions, including assumptions of no (i) material adverse regulatory events or (ii) material foreign currency exchange rate fluctuations that could negatively impact customer purchasing power as it relates to Amaya's U.S. dollar denominated product offerings.

# Company Strategy and Outlook



## ■ Growing Online Poker and Our Leadership Position

- Maintain a healthy ecosystem and improve customer engagement
- Accelerate product innovation

## ■ Becoming a Leader in Online Casino

- Continue to enhance our game offering
- Attract new players while maintaining the engagement of existing players
- Launch a VIP program
- Ramp up our external marketing

## ■ Build a Competitive Sportsbook

- Focus on product improvements and bringing it up to parity with our competitors
- Measured and focused marketing through the BetStars brand

## ■ Achieve operational excellence – continue to optimize our operations



# Appendix

# Income Statement



| (\$000's)                                                    | Q3 2016          | Q3 2015           | YTD 2016         | YTD 2015         |
|--------------------------------------------------------------|------------------|-------------------|------------------|------------------|
| Revenues                                                     | \$270,846        | \$247,327         | \$845,458        | \$779,119        |
| Expenses                                                     |                  |                   |                  |                  |
| Selling                                                      | \$36,959         | \$35,137          | \$122,760        | \$125,305        |
| General and administrative                                   | \$134,676        | \$148,493         | \$428,091        | \$412,504        |
| Financial                                                    | \$49,155         | \$54,295          | \$101,342        | \$146,012        |
| Gaming duty                                                  | \$26,829         | \$30,468          | \$83,682         | \$79,625         |
| Acquisition-related costs                                    | \$0              | \$91              | \$199            | \$220            |
| <b>Total expenses</b>                                        | <b>\$247,619</b> | <b>\$268,484</b>  | <b>\$736,074</b> | <b>\$763,666</b> |
| Gain on sale of subsidiary                                   | \$0              | \$5,352           | \$0              | \$5,352          |
| Income (loss) from investments                               | (\$11,057)       | (\$14,701)        | (\$15,439)       | (\$11,510)       |
| Earnings (loss) from associates                              | (\$47)           | (\$407)           | \$644            | (\$617)          |
| <b>Net earnings from continuing ops. before income taxes</b> | <b>\$12,123</b>  | <b>(\$30,913)</b> | <b>\$94,589</b>  | <b>\$8,678</b>   |
| Income taxes                                                 | (\$400)          | \$3,525           | \$4,078          | \$13,471         |
| <b>Net earnings from continuing operations</b>               | <b>\$12,523</b>  | <b>(\$34,438)</b> | <b>\$90,511</b>  | <b>(\$4,793)</b> |
| Net loss from discontinued operations (net of tax)           | \$0              | \$63,585          | \$0              | \$232,174        |
| <b>Net earnings</b>                                          | <b>\$12,523</b>  | <b>\$29,147</b>   | <b>\$90,511</b>  | <b>\$227,381</b> |

# Non-IFRS Reconciliations



(\$000's except per share figures)

|                                                                                                 | Q3 2016          | Q3 2015          | YTD 2016         | YTD 2015         |
|-------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Net earnings from continuing operations                                                         | \$12,523         | (\$34,438)       | \$90,511         | (\$4,793)        |
| Financial expenses                                                                              | 49,155           | 54,295           | 101,342          | 146,012          |
| Income taxes                                                                                    | (400)            | 3,525            | 4,078            | 13,471           |
| Depreciation of property and equipment                                                          | 2,119            | 1,995            | 6,109            | 5,575            |
| Amortization of intangible and deferred assets                                                  | 33,326           | 29,945           | 96,919           | 89,208           |
| <b>EBITDA</b>                                                                                   | <b>\$96,723</b>  | <b>\$55,322</b>  | <b>\$298,959</b> | <b>\$249,473</b> |
| Stock-based compensation                                                                        | 1,978            | 3,543            | 8,396            | 11,323           |
| Termination of employment agreements                                                            | 3,047            | 2,099            | 11,365           | 3,138            |
| Termination of affiliate agreements                                                             | 1,053            | 0                | 3,386            | 5,290            |
| Loss on disposal of assets                                                                      | 246              | (18)             | 562              | 163              |
| Loss from investments                                                                           | 11,104           | 15,108           | 14,795           | 12,127           |
| Gain on sale of subsidiary                                                                      | 0                | (5,352)          | 0                | (5,352)          |
| Acquisition-related costs                                                                       | 0                | 91               | 199              | 220              |
| Impairment                                                                                      | 527              | 14,234           | 7,285            | 15,519           |
| Other non-recurring costs                                                                       | 8,486            | 23,025           | 31,542           | 42,084           |
| <b>Adjusted EBITDA</b>                                                                          | <b>\$123,164</b> | <b>\$108,052</b> | <b>\$376,489</b> | <b>\$333,985</b> |
| Current income tax expense                                                                      | (342)            | (942)            | (5,814)          | (4,319)          |
| Depreciation and amortization (excluding amortization of purchase price allocation intangibles) | (4,369)          | (2,568)          | (12,359)         | (6,670)          |
| Interest (excluding interest accretion)                                                         | (33,474)         | (35,522)         | (98,630)         | (114,481)        |
| <b>Adjusted Net Earnings</b>                                                                    | <b>\$84,979</b>  | <b>\$69,020</b>  | <b>\$259,686</b> | <b>\$208,515</b> |
| Diluted Shares                                                                                  | 200,016,913      | 198,947,923      | 193,866,395      | 199,356,102      |
| <b>Adjusted Net Earnings per Diluted Share</b>                                                  | <b>\$0.42</b>    | <b>\$0.35</b>    | <b>\$1.34</b>    | <b>\$1.05</b>    |

Note: See breakdown of "Other costs" on following slide.

## Other Costs Reconciliation



| (\$000's)                                                       | Q3 2016        | Q3 2015         | YTD 2016        | YTD 2015        |
|-----------------------------------------------------------------|----------------|-----------------|-----------------|-----------------|
| Non-U.S. lobbying expenses                                      | \$476          | \$1,761         | \$2,300         | \$5,308         |
| U.S. lobbying and legal expenses                                | 2,336          | 2,962           | 9,163           | 6,557           |
| Strategic review professional fees                              | 2,237          | 0               | 7,372           | 0               |
| Retention bonuses                                               | 437            | 1,320           | 2,657           | 6,610           |
| Non recurring professional fees                                 | 413            | 2,530           | 4,833           | 3,926           |
| Romania back taxes                                              | 0              | 6,988           | 0               | 6,988           |
| New Jersey license fees                                         | 0              | 1,440           | 0               | 1,440           |
| AMF investigation professional fees                             | 2,587          | 3,005           | 4,492           | 4,858           |
| Office restructuring and legacy<br>business unit shutdown costs | 0              | 3,019           | 725             | 6,397           |
| <b>Other non-recurring costs</b>                                | <b>\$8,486</b> | <b>\$23,025</b> | <b>\$31,542</b> | <b>\$42,084</b> |

## Non-IFRS Reconciliations



| \$000's                                                                                         | LTM 9/30/16        |
|-------------------------------------------------------------------------------------------------|--------------------|
| Net earnings (loss) from continuing operations                                                  | \$75,285           |
| Financial expenses                                                                              | 152,556            |
| Income taxes                                                                                    | 5,048              |
| Depreciation of property and equipment                                                          | 8,118              |
| Amortization of intangible and deferred assets                                                  | 128,183            |
| <b>EBITDA</b>                                                                                   | <b>369,190</b>     |
| Stock-based compensation                                                                        | 11,297             |
| Termination of employment agreements                                                            | 22,109             |
| Termination of affiliate agreements                                                             | 4,611              |
| Loss (gain) on disposal of assets                                                               | 635                |
| Loss (gain) from investments and associates                                                     | 14,022             |
| Gain on sale of subsidiary                                                                      | 1,000              |
| Acquisition-related costs                                                                       | 474                |
| Impairment                                                                                      | 16,144             |
| Other costs                                                                                     | 62,114             |
| <b>Adjusted EBITDA</b>                                                                          | <b>501,596</b>     |
| Current income tax expense                                                                      | (8,837)            |
| Depreciation and amortization (excluding amortization of purchase price allocation intangibles) | (16,262)           |
| Interest (excluding interest accretion)                                                         | (134,723)          |
| <b>Adjusted Net Earnings</b>                                                                    | <b>341,774</b>     |
| <b>Diluted Shares</b>                                                                           | <b>190,446,040</b> |
| <b>Adjusted Net Earnings per Diluted Share</b>                                                  | <b>\$1.79</b>      |

# Cash Flows



## Operating Cash Flow from Continuing Operations

| (\$000's)                                                                                         | Q3 2016         | Q3 2015         | YTD 2016         | YTD 2015         |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------|------------------|------------------|
| Operating Cash Flow per FS                                                                        | \$86,693        | \$69,429        | \$201,641        | \$260,074        |
| Customer Deposit Liability Movement                                                               | \$1,717         | (\$12,237)      | (\$76,481)       | (\$60,457)       |
| Operating Cash Flow before Customer Deposit Liability Movement                                    | \$84,976        | \$81,666        | \$278,122        | \$320,531        |
| Less: Discontinued operations                                                                     | \$0             | \$3,976         | \$0              | (\$1,445)        |
| <b>Operating Cash Flow from Continuing Operations before Customer Deposit Liability Movements</b> | <b>\$84,976</b> | <b>\$85,642</b> | <b>\$278,122</b> | <b>\$319,086</b> |

## Unlevered Free Cash Flow

| (\$000's)                                                                                         | Q3 2016         | Q3 2015         | YTD 2016         | YTD 2015         |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------|------------------|------------------|
| Operating Cash Flow per FS                                                                        | \$86,693        | \$69,429        | \$201,641        | \$260,074        |
| Customer Deposit Liability Movement                                                               | \$1,717         | (\$12,237)      | (\$76,481)       | (\$60,457)       |
| Operating Cash Flow before Customer Deposit Liability Movement                                    | \$84,976        | \$81,666        | \$278,122        | \$320,531        |
| Less: Discontinued operations                                                                     | \$0             | \$3,976         | \$0              | (\$1,445)        |
| <b>Operating Cash Flow from Continuing Operations before Customer Deposit Liability Movements</b> | <b>\$84,976</b> | <b>\$85,642</b> | <b>\$278,122</b> | <b>\$319,086</b> |
| Capex                                                                                             |                 |                 |                  |                  |
| Deferred development costs                                                                        | (\$4,546)       | (\$6,051)       | (\$14,916)       | (\$16,592)       |
| Additions to property and equipment                                                               | (2,467)         | (3,057)         | (5,265)          | (13,232)         |
| Acquired intangible assets                                                                        | (574)           | (1,098)         | (6,623)          | (3,067)          |
| Total capex                                                                                       | (\$7,587)       | (\$10,206)      | (\$26,804)       | (\$32,891)       |
| Less: Discontinued operation capex                                                                |                 |                 |                  |                  |
| Deferred development costs                                                                        | \$0             | (\$4)           | \$0              | \$2,074          |
| Additions to property and equipment                                                               | \$0             | \$206           | \$0              | \$5,121          |
| Acquired intangible assets                                                                        | \$0             | \$0             | \$0              | \$881            |
| Total Discontinued operation capex                                                                | \$0             | \$202           | \$0              | \$8,076          |
| Net Capex from Continuing operations                                                              | (\$7,587)       | (\$10,004)      | (\$26,804)       | (\$24,815)       |
| <b>Unlevered Free Cash Flow</b>                                                                   | <b>\$77,389</b> | <b>\$75,638</b> | <b>\$251,318</b> | <b>\$294,271</b> |

## QNY Numerator Reconciliation



| (\$ in millions)              | Dec 31,<br>2014 | Mar 31,<br>2015 | Jun 30,<br>2015 | Sep 30,<br>2015 | Dec 31,<br>2015 | Mar 31,<br>2016 | Jun 30,<br>2016 | Sep 30,<br>2016 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Revenue                 | \$300           | \$272           | \$260           | \$247           | \$293           | \$289           | \$286           | \$271           |
| Corporate                     | (2)             | (0)             | (0)             | (0)             | (0)             | (0)             | (0)             | (0)             |
| Other B2C                     | (12)            | (13)            | (12)            | (10)            | (13)            | (12)            | (10)            | (10)            |
| Poker and Casino & Sportsbook | \$286           | \$259           | \$248           | \$237           | \$279           | \$276           | \$275           | \$261           |

# Diluted Shares Outstanding



|                                                                              | Common Shares/ Common<br>Shares Equivalent |
|------------------------------------------------------------------------------|--------------------------------------------|
| Basic Common Shares Outstanding                                              | 144,995,677                                |
| <u>Securities Convertible into Common Shares</u>                             |                                            |
| Common Share Purchase Warrants - weighted average exercise price of C\$19.17 | 4,000,000                                  |
| Convertible Preferred shares*                                                | 53,426,450                                 |
| Stock Options** – weighted average exercise price of C\$20.79                | 10,856,975                                 |
| Fully Diluted Shares Outstanding                                             | 213,279,102                                |

\* There were 1,139,249 convertible preferred shares outstanding, each with an initial principal price per preferred share of C\$1,000 and convertible, at the holder's option, initially into approximately 41.67 common shares of the Corporation based on the conversion price of C\$24 per common share, in each case, subject to dilution adjustments and including a 6% annual accretion to the conversion ratio, compounded semi-annually, over a 3 year period up to August 1, 2017. Calculation included herein is based on a conversion ratio of 46.90 as of September 30, 2016.

\*\* 5,508,125 options are exercisable with weighted average exercise price of C\$16.67