



GREAT CANADIAN GAMING CORPORATION

GREAT CANADIAN GAMING ANNOUNCES THIRD QUARTER 2020 RESULTS

November 10, 2020 – Toronto, ON – Great Canadian Gaming Corporation (**TSX:GC**) (“Great Canadian,” or “the Company”) today announced its financial results for the three month period ended September 30, 2020 (the “third quarter”).

THIRD QUARTER 2020 UPDATES

- On November 10, 2020, the Company entered into a definitive agreement to be acquired by funds (the “Apollo Funds”) managed by affiliates of Apollo Global Management, Inc. (**NYSE: APO**) (together with its consolidated subsidiaries, “Apollo”). Under the terms of the agreement, Apollo Funds will acquire all the outstanding common shares of the Company for \$39.00 per share.
- Since the closures on March 16, 2020 in an effort to contribute to the containment of the COVID-19 coronavirus pandemic (“the Pandemic”), the Company has reopened its gaming properties under restricted operating conditions in Ontario and New Brunswick on September 28, 2020 and in Nova Scotia on October 5, 2020. Due to localized health authority mandates, Casino Woodbine and Casino New Brunswick were temporarily closed again on October 9, 2020, with Casino New Brunswick reopened again on October 23, 2020.
- Shareholders’ net loss from continuing operations of \$36.5 million or \$0.66 per common share in the third quarter, compared to shareholders’ net earnings from continuing operations of \$49.7 million or \$0.85 per common share in the same period in the prior year.

“We are pleased that the transaction with Apollo represents a great opportunity for our shareholders, while continuing to support the success of the business longer term. We believe this transaction is beneficial for our shareholders, our team members, our guests, and other stakeholders as we continue to execute on our operational and development plans into 2021 and beyond, while we navigate through this volatile time,” stated Rod Baker, the Company’s Chief Executive Officer.

“We were able to safely reopen our gaming properties under restricted operating conditions in Ontario and in the Atlantic region, allowing us to initially bring back to work a small complement of team members in these provinces. We have worked diligently these past several months on comprehensive reopening plans that adhere to provincial guidelines on health and safety. We will continue to follow the direction of provincial governments and local health authorities, which continues to be rapidly fluctuating and will require the Company to adjust the operating environment in the future as conditions evolve, and may include temporary resuspensions like those we experienced with some of our properties,” continued Mr. Baker. “Although we have partially reopened our gaming properties, gaming revenues in each jurisdiction are significantly reduced due to the restricted operating conditions.”

FINANCIAL REVIEW

The temporary suspension of all of the Company’s gaming facilities for almost the entire third quarter resulted in decreases in revenues, expenses, Adjusted EBITDA¹, shareholders’ net earnings (loss), Free Cash Flow¹, and total cash flows, when compared to the same period in the prior year.

The Company incurred negative Free Cash Flow during the temporary suspension period. During the third

¹ Adjusted EBITDA and Free Cash Flow are non-IFRS measures, as described in the disclaimer section of this press release, and excludes discontinued operations.

quarter, the Company had negative Free Cash Flow of \$54.8 million, which was primarily due to \$62.2 million in capital expenditures related to our capital developments in Ontario. Negative Free Cash Flow for the third quarter of 2020 was an improvement from negative Free Cash Flow of \$123.4 in the second quarter of 2020, which included capital expenditures of \$98.6 million. This negative Free Cash Flow was funded with borrowings from the Company's credit facilities, and the remaining from available cash balances.

The Company had cash outflow of \$26.3 million for the third quarter, which was lower than the cash outflow of \$97.8 million in the same period in 2019, due to reduced cash outflows from financing and investing activities. The Company repurchased \$8.0 million of common shares under the normal course issuer bid in the third quarter of 2020, compared to \$71.9 million of repurchases in the same period in the prior year.

OUTLOOK

"Despite the impact that the Pandemic has had on our construction projects, we are moving forward with our GTA capital development programs, primarily our Pickering Casino Resort and Casino Woodbine integrated resort developments, which will be primarily funded by our capital expenditures credit facility. We continue to assess the timing for the launch of these developments; however, we do not anticipate any impact to our total planned capital spend. As we continue to incur the expenditures related to these development programs, we are encouraged by the partial reopening of our gaming facilities which will assist us in improving our cash flow profile for the remainder of 2020 and beyond, subject to our gaming properties remaining open."

"Great Canadian remains proactive in maintaining its capital structure while minimizing cash outflows and taking measures to reduce operating expenses as appropriate. As at September 30, 2020, Great Canadian continues to remain in stable capital and liquidity position with a cash balance of \$471.9 million and \$1,062.5 million of available undrawn credit on its credit facilities, subject to applicable covenants. The Company has entered into agreements with its lenders to temporarily waive compliance with its financial and operational covenants under certain of its credit facilities. As at September 30, 2020, we were in compliance with all applicable covenants and we are currently in preliminary discussions to extend our waiver period with our banking partners, who continue to provide ongoing support to our business," concluded Mr. Baker.

CONFERENCE CALL

Great Canadian will host a conference call for investors and analysts tomorrow, November 11, 2020, at 8:30AM Eastern Time in order to review the financial results for the quarter ended September 30, 2020. To participate in the conference call, please dial 416-764-8688, 778-383-7413, or toll free at 1-888-390-0546. Questions will be reserved for analysts and institutional investors. Interested parties may also access the call via the Investor Relations section of the Company's website, www.gcgaming.com. Investors using the website should allow 15 minutes for the registration and installation of any necessary software. A replay of the call will also be available at www.gcgaming.com.

ABOUT GREAT CANADIAN GAMING CORPORATION

Founded in 1982, Great Canadian Gaming Corporation is an Ontario based company that operates 25 gaming, entertainment and hospitality facilities in Ontario, British Columbia, New Brunswick, and Nova Scotia. Fundamental to the Company's culture is its commitment to social responsibility. "PROUD of our people, our business, our community" is Great Canadian's brand that unifies the Company's community, volunteering and social responsibility efforts. Under the PROUD program, Great Canadian annually supports over 1,400 charitable and non-profit organizations across Canada. In each Canadian gaming jurisdiction, a significant portion of gross gaming revenue from gaming facilities is retained by our Crown partners on behalf of their provincial government for the purpose of supporting programs like healthcare, education and social services.

Please refer to the Condensed Interim Consolidated Financial Statements and Management's Discussion and Analysis at www.gcgaming.com or www.sedar.com (available on November 10, 2020) for detailed financial information and analysis.

GREAT CANADIAN GAMING CORPORATION

Financial Highlights

(Expressed in millions of Canadian dollars, except for per share information)

The financial results below are unaudited and prepared by management. Expressed in millions of Canadian dollars, except for per share information.

	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Chg	2020	2019	% Chg
Revenues	\$ 43.1	\$ 341.1	(87%)	\$ 379.7	\$ 998.3	(62%)
<i>Less:</i>						
Human resources	16.8	107.7	(84%)	124.6	321.0	(61%)
Property, marketing and administration	18.3	91.9	(80%)	113.5	274.0	(59%)
Share of profit of equity investment	(0.9)	(0.8)	(13%)	(2.1)	(2.1)	0%
Adjusted EBITDA	\$ 8.9	\$ 142.3	(94%)	\$ 143.7	\$ 405.4	(65%)
Changes in non-cash working capital	29.2	(15.8)		(10.7)	(18.5)	(42%)
Capital expenditures, net of related accounts payable	(62.2)	(98.5)	(37%)	(245.5)	(246.4)	0%
Payment of lease liabilities	(21.5)	(20.3)	6%	(63.8)	(60.1)	6%
Interest paid	(7.5)	(7.8)	(4%)	(36.8)	(26.4)	39%
Income taxes paid	(1.7)	(31.5)	(95%)	(15.9)	(85.2)	(81%)
Free Cash Flow	\$ (54.8)	\$ (31.6)		\$ (229.0)	\$ (31.2)	
<i>Cash flow information</i>						
Cash generated by operating activities	27.6	99.5		96.8	303.6	
Cash used in investing activities	(61.2)	(96.9)		(241.2)	(161.9)	
Cash generated by (used in) financing activities	7.3	(101.9)		286.6	(170.0)	
Effect of foreign exchange on cash	-	1.5		-	1.3	
Cash (outflow) inflow	\$ (26.3)	\$ (97.8)		\$ 142.2	\$ (27.0)	
<i>Net (loss) earnings information:</i>						
Net (loss) earnings from continuing operations	\$ (49.0)	\$ 69.0		\$ (56.9)	\$ 182.6	
Net earnings attributable to discontinued operations	-	-		-	50.4	
Net (loss) earnings	\$ (49.0)	\$ 69.0		\$ (56.9)	\$ 233.0	
Net (loss) earnings from continuing operations attributable to:						
Shareholders of the company	\$ (36.5)	\$ 49.7		\$ (48.7)	\$ 128.7	
Non-controlling interests	(12.5)	19.3		(8.2)	53.9	
	\$ (49.0)	\$ 69.0		\$ (56.9)	\$ 182.6	
Net (loss) earnings attributable to:						
Shareholders of the company	\$ (36.5)	\$ 49.7		\$ (48.7)	\$ 179.1	
Non-controlling interests	(12.5)	19.3		(8.2)	53.9	
	\$ (49.0)	\$ 69.0		\$ (56.9)	\$ 233.0	
Shareholders' net (loss) earnings per common share from continuing operations						
Basic	\$ (0.66)	\$ 0.85		\$ (0.88)	\$ 2.19	
Diluted	\$ (0.66)	\$ 0.82		\$ (0.88)	\$ 2.12	
Shareholders' net (loss) earnings per common share						
Basic	\$ (0.66)	\$ 0.85		\$ (0.88)	\$ 3.05	
Diluted	\$ (0.66)	\$ 0.82		\$ (0.88)	\$ 2.95	
Weighted average number of common shares (in thousands)						
Basic	55,065	58,578		55,221	58,813	
Diluted	55,065	60,036		55,221	60,585	
<i>Balance sheet information:</i>				September 30,	December 31,	
				2020	2019	% Chg
Cash	\$ 471.9	\$ 329.7	43%			
Total assets	\$ 3,112.9	\$ 2,851.9	9%			
Long-term debt	\$ 1,282.0	\$ 869.8	47%			

DISCLAIMER

This press release contains certain “forward-looking information” or statements within the meaning of applicable securities legislation. Forward-looking information is based on the Company’s current expectations, estimates, projections and assumptions that were made by the Company in light of historical trends and other factors. Forward-looking statements are frequently but not always identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “targeted”, “planned”, “possible” or similar expressions or statements that events, conditions or results “will”, “may”, “could” or “should” occur or be achieved. All information or statements, other than statements of historical fact, are forward-looking information, including statements that address expectations, estimates or projections about the future, the Company’s strategy for growth and objectives, expected future expenditures, costs, operating and financial results, expected impact of future commitments, the Company’s expected ability to obtain banking waivers, the impact of the COVID-19 pandemic on the Company’s operations, the impact of conditions imposed on certain high limit players, the impact of unionization activities and labour organization, the Company’s beliefs about the outcome of its notices of objection and subsequent appeals challenging the Canada Revenue Agency’s reassessments and its tax position on its facility development commission prevailing, the determination and calculation of the Company’s expected facility investment commission amounts in respect of its British Columbia facilities and the Company’s projected future investments to obtain facility investment commission, the terms and expected benefits of the normal course issuer bid, the Company’s expected share of BC horse racing industry revenue in future years, the Company and its affiliates meeting threshold revenue growth amounts in the Ontario gaming industry in future years, the Company’s projected timeline for future development, and expectations and implications of changes in legislation and government policies, volatile gaming holds, the effects of competition in the market and potential difficulties in employee retention and recruitment. Such forward-looking information is not a guarantee of future performance and may involve a number of risks and uncertainties.

Although forward-looking information is based on information and assumptions that the Company believes are current, reasonable and complete, they are subject to unknown risks, uncertainties, and a number of factors that could cause actual results to vary materially from those expressed or implied by such forward-looking information. Such factors may include, but are not limited to: compliance with the terms of operational services agreements with lottery corporations; changes to gaming laws and regulations that may impact the operational services agreements; pending, proposed or unanticipated regulatory or policy changes (including those related to anti-money laundering legislation or policy that may impact high limit play), volatile gaming holds, the effects of competition in the market; the development of properties in Ontario; the Company’s ability to obtain and renew required business licenses, leases, and operational services agreements; unanticipated fines, sanctions and suspensions imposed on the Company by its regulators; impact of global liquidity and credit availability; impairment of the Company’s ability to obtain banking waivers; actual and possible reassessments of the Company’s prior tax filings by tax authorities; the results of the Company’s notices of objection and subsequent appeals challenging reassessments received by the Canada Revenue Agency; the Company’s tax position on its facility development commission prevailing; temporary business interruption and closure of the Company’s facilities due to COVID-19; effects of COVID-19 physical distancing measures in reopened facilities; adverse tourism trends and further decreases in levels of travel, leisure and consumer spending; adverse changes in public opinion and acceptance of gambling; competition from established competitors and new entrants in the gaming business; dependence on key personnel; the Company’s ability to successfully integrate new key personnel; the timing and results of collective bargaining negotiations and potential labour disruption; adverse changes in the Company’s labour relations; the Company’s ability to manage its capital projects and its expanding operations in jurisdictions where it operates; the risk that systems, procedures and controls may not be adequate to meet regulatory requirements or to support current and expanding operations; potential undisclosed liabilities and capital expenditures associated with acquisitions; negative connotations linked to the gaming industry; the risk associated with partnership relationships; First Nations rights with respect to some land on which the Company conducts operations; future or current legal proceedings; construction disruptions; financial covenants associated with credit facilities and long-term debt; credit, liquidity and market risks associated with our financial instruments; interest and exchange rate fluctuations; demand for new products and services; fluctuations in operating results; economic uncertainty and financial market volatility; technology dependence; privacy breaches or data theft; integration of acquired properties in Ontario; changes to anti-money laundering procedures and protocols including additional requirements for determining source of funds; unusual weather or natural disasters could adversely affect the Company’s operations and financial results; and disease outbreaks. The Company cautions that this list of factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. These factors and other risks and uncertainties are discussed in the Company’s continuous disclosure documents filed with the Canadian securities regulatory authorities from time to time, including in the “Risk Factors” section of the Company’s Annual Information Form for fiscal 2019, and as identified in the Company’s disclosure record on SEDAR at www.sedar.com.

The forward-looking information in documents incorporated by reference speaks only as of the date of those documents. The Company believes that the expectations reflected in forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct. Readers are cautioned not to place undue reliance on the forward-looking information. The Company undertakes no obligation to revise forward-looking information to reflect subsequent events or circumstances except as required by law. The forward-looking information contained herein is made as of the date hereof, is subject to change after such date, and is expressly qualified in its entirety by cautionary statements in this press release.

The Company has included non-International Financial Reporting Standards (“non-IFRS”) measures in this press release. Adjusted EBITDA, as defined by the Company, means earnings before interest and financing costs (net of interest income), income taxes, depreciation and amortization, share-based compensation, business acquisition, restructuring and other, gain on sale of land, and foreign exchange (loss) gain. Adjusted EBITDA is derived from the Condensed Interim Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income, and can be computed as revenues less human resources expenses and property, marketing and administration expenses plus the share of profit of equity investments relating to principal operating entities. Unless otherwise noted, Adjusted EBITDA for the current and comparative periods exclude the results of discontinued operations. The Company believes Adjusted EBITDA is a useful measure because it provides information to management about

the operating and financial performance of the Company and its ability to generate operating cash flow to fund future working capital needs, service outstanding debt, and fund future capital expenditures. Adjusted EBITDA is also used by investors and analysts for the purpose of valuing the Company. Items of note may vary from time to time and in this press release include pre-opening costs, restructuring severance costs, impairment reversal of long-lived assets, facility development commission revenues previously deferred at Casino Nanaimo, other and the related income taxes thereon. The Company has reported Free Cash Flow as an additional measure of its operating performance, particularly to monitor the Company's non-discretionary cash requirements during the Pandemic period. Free Cash Flow can be computed as Adjusted EBITDA less the following items derived from the Condensed Interim Consolidated Statements of Cash Flows: changes in non-cash working capital, capital expenditures, net of related accounts payable, payment of lease liabilities, interest paid and income taxes paid.

Readers are cautioned that these non-IFRS definitions are not recognized measures under International Financial Reporting Standards ("IFRS"), do not have standardized meanings prescribed by IFRS, and should not be construed to be alternatives to net earnings determined in accordance with IFRS or as indicators of performance or liquidity or cash flows. The Company's method of calculating these measures may differ from methods used by other entities and accordingly our measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions. The Company uses these measures because it believes they provide useful information to both management and investors with respect to the operating and financial performance of the Company.

ON BEHALF OF

GREAT CANADIAN GAMING CORPORATION

"Original Signed By Rod N. Baker"

Rod N. Baker
Chief Executive Officer

Great Canadian Gaming Corporation

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