GREAT CANADIAN GAMING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended
December 31, 2018

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

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INTRODUCTION

Basis of Discussion and Analysis

This management's discussion and analysis ("MD&A") of the financial highlights, major developments, market update, consolidated results of operations, consolidated quarterly results trend, liquidity and capital resources, and other financial information of Great Canadian Gaming Corporation ("Great Canadian", the "Company", "we", "our") is dated as of March 4, 2019.

This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018 ("Annual Financial Statements"). The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is expressed in Canadian dollars.

This MD&A is presented on a regional and/or consolidated basis as described (and defined) in the "Business Description" and "Consolidated Results of Operations" section of this document. Capitalized terms are either defined when they first appear.

Non-IFRS Measures

The following non-IFRS definitions are used in this MD&A because management believes that they provide useful information regarding our ongoing operations. Readers are cautioned that the definitions are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and should not be construed to be alternatives to revenues and net earnings determined in accordance with IFRS or as indicators of performance, liquidity or cash flows. Our method of calculating these measures may differ from the method used by other entities and accordingly our measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

Except as otherwise noted in this MD&A, 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, impairment reversal of long-lived assets, business acquisition, restructuring and other, and foreign exchange (gain) loss. Adjusted EBITDA is derived from the Consolidated Statements of Earnings and Other Comprehensive 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. We believe Adjusted EBITDA is a useful measure because it provides information to management about the ongoing 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 the investors and analysts for the purpose of valuing the Company. A reconciliation of Adjusted EBITDA to net earnings under IFRS is shown in the "Financial Highlights" section of this MD&A.

In order to view its operations on a more stand-alone basis based on its shareholders' proportionate interests in its Ontario partnerships, the Company has presented its Adjusted EBITDA attributable to the shareholders of the Company for the Ontario region. Adjusted EBITDA attributable to shareholders of the Company is Adjusted EBITDA, as defined above, less the non-controlling interest portion of Adjusted EBITDA.

The following non-IFRS measures have common definitions in the gaming industry and provide both investors and management with indications of its business' operating volumes and the volatility inherent in the Company's casino games:

- Gross Gaming Revenues are the amounts wagered on gaming activities, less the payout or prizes won by customers, and comprises table hold, slot win and poker rake.

- Table drop means the collective amount of money customers pay to purchase casino chips to wager on table games, and is commonly computed as the aggregate amount of money counted in the table games' drop boxes.

- Table hold is calculated as the table drop plus or minus the net change in casino chip inventory.

- Table hold percentage is the ratio of table hold divided by table drop. Table hold percentage fluctuates with the statistical variations or volatility inherent in casino games, as well as with changes in customer behaviour around buying, retaining and cashing-in of casino chips.

- Slot coin-in is the aggregate amount of money customers have wagered on slots and other electronic gaming machines.

- Slot win is the slot coin-in less amounts cashed out and prizes won by customers.

- Slot win per machine per day ("Slot Win/Slot/Day") is the average daily slot win earned per slot machine, and is calculated as the slot win divided by the number of days in the period, divided by the weighted-average number of slot machines that operated during the period.

- Slot win percentage is the ratio of slot win divided by slot coin-in.

Forward-Looking Information

This MD&A 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 impact of conditions imposed on certain VIP players in British Columbia, the impact of unionization activities and labour organization, the Company's position on its claim against the British Columbia Lottery Corporation ("BCLC") with respect to the collection of marketing contributions, 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 Company's expected facility investment commission amounts 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 B.C. 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 new operating agreements with lottery corporations; changes to gaming laws and regulations that may impact the operating agreements; pending, proposed or unanticipated regulatory or policy changes (including those related to anti-money laundering legislation or policy that may impact VIP play), volatile gaming holds, the effects of competition in the market; the development of properties in Ontario and transitioning of operations to the Company and affiliates; the Company's ability to obtain and renew required business licenses, leases, and operating agreements; unanticipated fines, sanctions and suspensions imposed on the Company by its regulators; impact of global liquidity and credit availability; 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; the results of the Company's litigation with BCLC; adverse tourism trends and further decreases in levels of travel, leisure and consumer spending; competition from established competitors and new entrants in the gaming business; dependence on 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 relationship; 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; and changes to anti-money laundering procedures and protocols including additional requirements for determining source of funds. 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 2018, 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 MD&A.

FINANCIAL HIGHLIGHTS

	Three months ended December 31, 2018	2017	% Chg	Twelve months ended December 31, 2018	2017	% Chg	2016	% Chg
Gaming revenues [1] [2]	**$ 297.2**	$ 113.6	162%	**$ 1,056.5**	$ 471.0	124%	$ 430.1	10%
Hospitality revenues [1] [3]	**30.0**	25.0	20%	**107.3**	93.6	15%	87.4	7%
Racetrack, lease and other revenues [3]	**14.8**	12.4	19%	**57.2**	49.7	15%	48.9	2%
Revenues	**342.0**	151.0	126%	**1,221.0**	614.3	99%	566.4	8%
Human resources	**111.5**	56.7	97%	**376.8**	218.3	73%	202.4	8%
Property, marketing and administration	**110.9**	45.8	142%	**372.5**	175.8	112%	157.7	11%
Share of profit of equity investment [4]	**(0.7)**	(0.7)	0%	**(2.7)**	(2.8)	4%	(2.6)	(8%)
	221.7	101.8	118%	**746.6**	391.3	91%	357.5	9%
Adjusted EBITDA [5]	**$ 120.3**	$ 49.2	145%	**$ 474.4**	$ 223.0	113%	$ 208.9	7%
Human resources as a % of Revenues	**32.6%**	37.5%		**30.9%**	35.5%		35.7%	
Adjusted EBITDA as a % of Revenues	**35.2%**	32.6%		**38.9%**	36.3%		36.9%	
Less:								
Amortization	**24.1**	15.3		**84.1**	58.3		54.7	
Share-based compensation	**3.1**	2.2		**13.1**	8.1		6.7	
Impairment reversal of long-lived assets	**-**	-		**-**	(0.9)		-	
Interest and financing costs, net	**28.6**	8.2		**62.7**	33.9		34.9	
Business acquisition, restructuring and other [4]	**4.3**	2.3		**18.6**	3.3		7.3	
Foreign exchange (gain) loss	**0.3**	(0.1)		**(1.0)**	-		(0.3)	
Income taxes	**10.7**	8.4		**57.1**	34.6		29.0	
Net earnings	**$ 49.2**	$ 12.9	281%	**$ 239.8**	$ 85.7	180%	$ 76.6	12%
Net earnings attributable to:								
Shareholders of the company	**$ 27.4**	$ 12.9	112%	**$ 151.2**	$ 84.3	79%	$ 75.7	11%
Non-controlling interests	**21.8**	-		**88.6**	1.4		0.9	
	$ 49.2	$ 12.9	281%	**$ 239.8**	$ 85.7	180%	$ 76.6	12%
Shareholders' net earnings per common share								
Basic	**$ 0.46**	$ 0.21		**$ 2.49**	$ 1.38		$ 1.22	
Diluted	**$ 0.44**	$ 0.21		**$ 2.39**	$ 1.35		$ 1.20	
Weighted average number of common shares (in thousands)								
Basic	**59,858**	60,870		**60,805**	61,157		61,895	
Diluted	**62,450**	62,433		**63,217**	62,356		62,963	

	December 31, 2018	December 31, 2017	% Chg	December 31, 2016	% Chg
Cash and cash equivalents	**$ 336.8**	$ 322.3	4%	$ 228.7	41%
Total assets	**$ 1,601.8**	$ 1,171.4	37%	$ 1,083.7	8%
Long-term debt	**$ 631.6**	$ 482.6	31%	$ 478.3	1%

(1) Promotional allowances of $11.1 for the three months ended December 31, 2017, $46.6 for the twelve months ended December 31, 2017, and $40.5 for the twelve months ended December 31, 2016, previously presented separately as a reduction to total revenue, have been reclassified to net against its related revenue streams. For the three months ended December 31, 2017, promotional allowances of $4.0 has been netted against gaming revenues and $7.1 was netted against hospitality revenues. For the twelve months ended December 31, 2017, promotional allowances of $15.0 (2016 - $10.5) have been netted against gaming revenues and $31.6 (2016 - $30.0) was netted against hospitality revenues.

(2) Facility Development Commission ("FDC") of $9.6 for the three months ended December 31, 2017, $39.1 for the twelve months ended December 31, 2017, and $37.4 for the twelve months ended December 31, 2016, previously presented separately, have been included in gaming revenues.

(3) Lease and other revenues of $9.5 for the three months ended December 31, 2017, $37.6 for the twelve months ended December 31, 2017, and $35.9 for the twelve months ended December 31, 2016, previously included in hospitality, lease and other revenues, have been included with racetrack, lease and other revenues.

(4) In calculating Adjusted EBITDA for the twelve months ended December 31, 2018, "share of profit of equity investment" does not include the loss of $1.1 relating to the Company's share of Ontario Gaming West GTA Limited Partnership's ("OGWGLP") transition costs incurred for the West GTA Gaming Bundle prior to the acquisition on May 1, 2018, in which OGWGLP was accounted for as an equity method investee. The loss of $1.1 and $1.8 has been classified under "business acquisition, restructuring and other".

In calculating Adjusted EBITDA for the three and twelve months ended December 31, 2017, "share of profit of equity investment" does not include the loss of $1.8 relating to the Company's share of Ontario Gaming GTA Limited Partnership's ("OTG") transition costs incurred for the GTA Gaming Bundle in which OTG was accounted for as an equity method investee up until the acquisition on January 23, 2018. The loss of $1.8 has been classified under "business acquisition, restructuring and other".

(5) Adjusted EBITDA is a non-IFRS measure as defined in the "Non-IFRS Measures" section of this MD&A.

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

Revenues
For the fourth quarter of 2018, the Company recorded revenues of $342.0, a $191.0 or 126% increase from the three months ended December 31, 2017. For the twelve months of 2018, the Company recorded revenues of $1,221.0, a $606.7 or 99% increase from the twelve months ended December 31, 2017. The increases were primarily attributable to revenues from the Greater Toronto Area Gaming Bundle ("GTA Gaming Bundle") and the West Greater Toronto Area Gaming Bundle ("West GTA Gaming Bundle") since their acquisitions on January 23, 2018 and May 1, 2018, respectively. The increase in revenues for the twelve months ended December 31, 2018 was partially offset by a decline in revenues in British Columbia ("B.C.") due to the ongoing effects from the labour disruption at Hard Rock Casino Vancouver ("Hard Rock").

For the twelve months of 2017, the Company recorded revenues of $614.3, a $47.9 or 8% increase from the twelve months ended December 31, 2016. The increase was primarily due to additional revenues attributable to Shorelines Casino Belleville, which began operations on January 11, 2017, and a full twelve months of revenues from Shorelines Slots at Kawartha Downs and Shorelines Casino Thousand Islands, which were acquired by the Company and rebranded as Shorelines on January 11, 2016.

The following table summarizes the Company's consolidated revenues for the years ended December 31, 2018, 2017, and 2016:

	Twelve Months of		
	2018	2017	2016
Gross Gaming Revenues [1]	**$ 2,685.1**	$ 1,166.6	$ 1,074.7
Less: provincial government portion of Gross Gaming Revenues and other	**(1,628.6)**	(695.6)	(644.6)
Gaming Revenues	**1,056.5**	471.0	430.1
Hospitality revenues	**107.3**	93.6	87.4
Racetrack, lease and other revenues	**57.2**	49.7	48.9
Revenues	**$ 1,221.0**	$ 614.3	$ 566.4

[1] Net of gaming promotional allowances

Adjusted EBITDA
Adjusted EBITDA of $120.3 and $474.4 for the three and twelve months ended December 31, 2018, when compared to the same periods in 2017, increased by 145% and 113%, respectively, primarily due to the contributions from the GTA Gaming Bundle and the West GTA Gaming Bundle. The increase in Adjusted EBITDA for the three months ended December 31, 2018 was also due to increases in Adjusted EBITDA in B.C. and United States ("U.S.").

The 7% increase in Adjusted EBITDA in the twelve months of 2017 when compared to the same period of 2016 was primarily due to the additional revenues from Shorelines Casino Belleville, as well as Adjusted EBITDA improvements in B.C. and Atlantic regions.

Shareholders' net earnings
Shareholders' net earnings of $27.4 and $151.2 for the three and twelve months ended December 31, 2018, when compared to the same periods in 2017, increased by 112% and 79%, respectively, as a result of increased Adjusted EBITDA, partially offset by increases in amortization, interest and financing cost, net, business acquisition, restructuring and other, and income taxes, primarily due to the acquisitions of the GTA Gaming Bundle and the West GTA Gaming Bundle.

Shareholders' net earnings of $84.3 in the twelve months of 2017 increased by 11% when compared to the same period in 2016, primarily due to the increase in Adjusted EBITDA and a decrease in business acquisition, restructuring and other costs, partially offset by increases in income taxes and amortization.

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

BUSINESS DESCRIPTION

General

As at December 31, 2018, the Company's principal operating entities which the Company consolidates were:

Entity	Abbreviation	Location of operations	Ownership interest at December 31, 2018	Ownership interest at December 31, 2017
Flamboro Downs Limited	FDL	Ontario	100%	100%
Georgian Downs Limited	GDL	Ontario	100%	100%
Ontario Gaming East Limited Partnership	OGELP(3)	Ontario	90.5%	90.5%
Ontario Gaming GTA Limited Partnership(1)	OTG(3)	Ontario	49%	-
Ontario Gaming West GTA Limited Partnership(2)	OGWGLP(3)	Ontario	55%	-
Chilliwack Gaming Ltd.	CGL	British Columbia	100%	100%
Great Canadian Casinos Inc.	GCCI	British Columbia	100%	100%
Great Canadian Entertainment Centres Ltd.	GCEC	British Columbia	100%	100%
Hastings Entertainment Inc.	HEI	British Columbia	100%	100%
Orangeville Raceway Limited	ORL	British Columbia	100%	100%
Great Canadian Gaming (New Brunswick) Ltd.	GCGNB	New Brunswick	100%	100%
Metropolitan Entertainment Group	MEG	Nova Scotia	100%	100%
Great American Gaming Corporation	GAGC	Washington	100%	100%

(1) Ontario Gaming GTA Limited Partnership (doing business as One Toronto Gaming ("OTG")) became a principal operating entity of the Company after acquiring certain gaming assets of the GTA Gaming Bundle on January 23, 2018. For the year ended December 31, 2018, OTG was a principal operating entity of the Company for 343 days.

(2) OGWGLP became a principal operating entity of the Company after acquiring certain gaming assets and leased real property of the West GTA Gaming Bundle on May 1, 2018. For the year ended December 31, 2018, OGWGLP was a principal operating entity of the Company for 245 days.

(3) OGELP, OTG, and OGWGLP are collectively referred to as the Ontario Gaming Bundles.

On January 23, 2018, the Company acquired the gaming assets and signed the Casino Operating and Services Agreement ("COSA") with Ontario Lottery and Gaming Corporation ("OLG") to take over day-to-day operations of the gaming facilities in the GTA Gaming Bundle. On May 1, 2018, the Company acquired the gaming assets and signed the COSA with OLG to take over day-to-day operations of the gaming facilities in the West GTA Gaming Bundle. On October 15, 2018, Shorelines Casino Peterborough opened. On December 19, 2018, Shorelines Slots at Kawartha Downs re-opened under agreed terms after temporarily closing on October 14, 2018.

As at December 31, 2018, the Company had approximately 9,350 employees in Canada and 500 employees in the U.S.

Under these principal operating entities, the Company operated 28 gaming, entertainment and hospitality facilities in four regions: Ontario, B.C., Atlantic, and U.S.:

Ontario	**British Columbia**	**Atlantic**	**United States**[3]
OTG	*GCCI*	*GCGNB*	*GAGC*
Casino Woodbine	River Rock Casino Resort	Casino New Brunswick	Great American Casino Everett
Casino Ajax	Hard Rock Casino Vancouver		Great American Casino Lakewood
Great Blue Heron Casino	Elements Casino Victoria [2]	*MEG*	Great American Casino Tukwila
	Casino Nanaimo	Casino Nova Scotia Halifax	
OGWGLP	Bingo Esquimalt	Casino Nova Scotia Sydney	
Elements Casino Mohawk			
Elements Casino Brantford	*ORL*		
Elements Casino Flamboro [1]	Elements Casino Surrey		
Elements Casino Grand River			
	CGL		
OGELP	Chances Chilliwack		
Shorelines Casino Peterborough			
Shorelines Casino Belleville	*GCEC*		
Shorelines Casino Thousand Islands	Chances Dawson Creek		
Shorelines Slots at Kawartha Downs	Chances Maple Ridge		
FDL	*HEI*		
Flamboro Downs Racetrack [1]	Hastings Racecourse & Casino		
GDL			
Georgian Downs Racetrack			

(1) Elements Casino Flamboro and Flamboro Downs Racetrack operate in the same location, and together, they are considered one gaming facility.
(2) Formerly View Royal Casino.
(3) Great American Casino Des Moines closed on November 30, 2018.

Information on the Canadian and Washington State gaming industries, regulatory environment and the Company's operating agreements in these jurisdictions are included in the Annual Information Form located on the SEDAR website at www.sedar.com or on the Company's website at www.gcgaming.com.

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

Operations

The following table summarizes the key attributes of each of the Company's properties as at December 31, 2018:

Facility and Location	Slot Machines[1]	Table Games	Key Attributes	Operating Agreements Initial / Renewal Term Expiry Dates
Ontario				
GTA Gaming Bundle				
Casino Woodbine, Toronto, Ontario	3,700	100	4 food and beverage options (operated by a third party)	January 22, 2039
Casino Ajax, Ajax, Ontario	980	-	1 food and beverage option	January 22, 2039
Great Blue Heron Casino Port Perry, Ontario	540	60	4 food and beverage options, conference room	January 22, 2039
West GTA Gaming Bundle				
Elements Casino Mohawk[2], Milton, Ontario	1,060	18	1 food and beverage option (operated by a third party)	March 31, 2038
Elements Casino Brantford, Brantford, Ontario	560	60	2 food and beverage options	March 31, 2038
Elements Casino Flamboro[2], Hamilton, Ontario	970	20	4 food and beverage options[3]	March 31, 2038
Elements Casino Grand River, Elora, Ontario	280	-	1 food and beverage option	March 31, 2038
East Gaming Bundle				
Shorelines Casino Peterborough, Peterborough, Ontario[4]	500	22	2 food and beverage options, entertainment space, full service PlaySmart Centre	March 31, 2040
Shorelines Casino Belleville, Belleville, Ontario	450	18	2 food and beverage options, entertainment space, full service PlaySmart Centre, Racebook	March 31, 2040
Shorelines Casino Thousand Islands, Gananoque, Ontario	530	23	1 food and beverage option	March 31, 2040
Shorelines Slots at Kawartha Downs[5], Fraserville, Ontario	150	-	1 food and beverage option (operated by a third party)	March 31, 2021
Racetracks				
Flamboro Downs (Standardbred Racing), Hamilton, Ontario	-	-	4 food and beverage options[3], Racebook, approximately 970 slot machines operated by a partnership controlled by the Company	March 31, 2023[6]
Georgian Downs (Standardbred Racing), Innisfil, Ontario	-	-	2 food and beverage options (operated by a third party), 2 banquet rooms, Racebook, approximately 950 slot machines operated by third party	March 31, 2023[7]
British Columbia				
River Rock Casino Resort, Richmond, BC	1,270	106	2 hotels with 396 rooms, 1,000 seat show theatre, 9 food and beverage options (1 operated by a third party), conference facilities, pool/spa, Racebook[8], marina, 32 touch bet roulette terminals, 30 stadium baccarat terminals	June 2, 2038
Hard Rock Casino Vancouver, Coquitlam, BC	930	43	1,051 seat show theatre convertible to 729 seat cabaret with dance floor, 6 food and beverage options (1 operated by a third party), Racebook[8], 28 touch bet roulette terminals	June 2, 2038
Elements Casino Surrey, Surrey, BC	540	24	4 food and beverage options, 12 touch bet roulette terminals, 2 banquet rooms, Racebook[8]	June 2, 2038
Elements Casino Victoria, Victoria, BC	770	21	4 food and beverage options, 10 touch bet roulette terminals, 600 seat capacity multi-purpose entertainment venue	June 2, 2038

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

Facility and Location	Slot Machines[(1)]	Table Games	Key Attributes	Operating Agreements Initial / Renewal Term Expiry Dates
Casino Nanaimo, Nanaimo, BC	430	6	1 food and beverage option, Racebook[(8)]	June 2, 2038
Chances Chilliwack, Chilliwack, BC	300	-	Bingo, 1 food and beverage option, banquet room, entertainment space, Racebook[(8)]	June 2, 2038
Chances Maple Ridge, Maple Ridge, BC	250	-	Bingo, 1 food and beverage option, 2 banquet rooms, entertainment space, outdoor patio, Racebook[(8)]	June 2, 2038
Chances Dawson Creek, Dawson Creek, BC	150	-	Bingo, 1 food and beverage option	June 2, 2038
Hastings Racecourse & Casino (Thoroughbred Racing), Vancouver, BC	540	-	5 food and beverage options (2 opened on race days only), Racebook[(8)]	June 2, 2038
Bingo Esquimalt, Victoria, BC	-	-	Bingo, 1 food and beverage option	May 31, 2021
TBC Teletheatre BC[(8)]	-	-	17 Racebooks[(8)]	-
Atlantic				
Casino New Brunswick, Moncton, New Brunswick	650	24	1 hotel with 126 rooms, 2,500 seat show theatre/conference centre, 2 food and beverage options, pool/spa, gift shop	December 31, 2030
Casino Nova Scotia Halifax, Halifax, Nova Scotia	590	27	3 food and beverage options (1 operated by a third party), show theatre, meeting facilities	July 1, 2025
Casino Nova Scotia Sydney, Sydney, Nova Scotia	280	6	1 food and beverage option	July 1, 2025
United States				
Washington State Operations [(9)]	-	45	food and beverage options, banquet rooms	N/A
	16,420	623		

(1) These are the approximate number of slot machines at each gaming facility.
(2) Table games at Elements Casino Mohawk and Elements Casino Flamboro were added on December 21, 2018.
(3) Elements Casino Flamboro and Flamboro Downs operate in the same location, which collectively offers 4 food and beverage options on-site.
(4) Shorelines Casino Peterborough opened October 15, 2018.
(5) Shorelines Slots at Kawartha Downs temporarily closed on October 14, 2018 and re-opened on December 19, 2018.
(6) FDL earns lease revenues for leasing the space for slot machines operated by a partnership controlled by the Company. The lease agreement secures lease revenues at FDL until March 31, 2023.
(7) GDL earns lease revenues for leasing the space for slot machines operated by a third party. The lease agreement secures lease revenues at GDL until March 31, 2023.
(8) The Company owns or holds an interest in 19 Racebooks in B.C. as at December 31, 2018. The Company owns and operates two Racebooks; one at each of Elements Casino Surrey and Hastings Racecourse & Casino. The remaining 17 Racebooks, including those at River Rock Casino Resort ("River Rock"), Hard Rock, Casino Nanaimo, Chances Chilliwack and Chances Maple Ridge, are operated by TBC. TBC also offers internet and phone racetrack wagering. The Company owns a 50% interest in TBC and the remaining 50% interest is held by two horsemen's associations, the Harness Racing B.C. Society and the Horsemen's Benevolent and Protective Association. TBC contributes any surplus revenues in excess of its operating expenses to the consolidated B.C. horse racing industry revenue fund as described in the "Regulatory Environment and Seasonality" section of this MD&A.
(9) Washington State Operations consist of three gaming facilities as at December 31, 2018, as indicated in the "Business Description - General" section of this MD&A. Each gaming facility offers 15 table games and a food and beverage option. Banquet rooms are available at the Lakewood and Tukwila gaming facilities. Great American Des Moines closed on November 30, 2018.

Business Strategy

The Company's vision is to be the leading gaming, entertainment and hospitality company in its chosen markets by providing superior entertainment value and exceptional experiences. To achieve this goal, the Company has adopted the strategies as outlined below.

1. **Continuously Improve the Company's Operating Efficiency and Effectiveness.** Great Canadian's ongoing success can be attributed to the Company's commitment to operating efficiency, proactive labour management and disciplined purchasing. This efficiency has been supported by an integrated corporate structure that centralizes major functions such as accounting, purchasing, and human resources. The Company continually seeks new ways to realize operational synergies, business process improvements and optimal labour utilization.

2. **Drive Incremental Growth at the Company's Recently Acquired and Existing Facilities.** The majority of Great Canadian's existing properties operate within mature, highly regulated markets. As a result of this regulation, these markets offer advantages and protection for incumbent operators. This regulatory regime also requires that the Company work alongside its Crown corporation partners when expanding or introducing gaming offerings. These partners also oversee certain loyalty programs within the Company's existing markets. In order to increase market share, penetrate new demographics, and drive incremental growth within this environment, the Company seeks to provide its patrons with a superior entertainment experience. In pursuit of this goal, the Company actively reinvests in its properties, supports its gaming offerings with premium non-gaming entertainment and hospitality options, and strives to maintain the highest standards of guest service.

3. **Continually Improve Guest Experiences.** Great Canadian believes guest satisfaction to be the primary driver of patron loyalty, particularly within mature markets. As a result, the Company constantly strives to provide exceptional guest service across its entire property portfolio. The Company pursues this service vision through staff training, performance recognition, and communication, all of which emphasizes the importance of each employee taking personal responsibility to exceed our guests' expectations.

4. **Pursue New Growth Opportunities.** Great Canadian is actively seeking opportunities to grow. These opportunities may be located within both the Company's existing markets and new jurisdictions, and include property expansions, the implementation of new offerings, the development of new properties or projects, and strategic acquisitions. Depending upon the size, scope, and regulatory requirements associated with these opportunities, the Company may elect to align itself with strategic business partners. As a result, the Company may hold majority or minority positions in new investment vehicles that align with the Company's core business.

5. **Pursue and Promote Exceptional Corporate Culture.** Great Canadian annually invests in the development of our people and in our communities. The Company is committed to its team members and a culture that recognizes and rewards exceptional service and teamwork. Additionally, since its founding, Great Canadian has placed great emphasis on the importance of social responsibility and corporate citizenship. These core values are best reflected in the Company's commitment to developing and assisting the communities in which it operates. Great Canadian Gaming is proud of its culture and the many contributions it has been able to make to those in need. "PROUD of our people, our business, our community" is Great Canadian's brand that unifies the company and social responsibility efforts. Under the PROUD program, Great Canadian supports hundreds of charitable organizations in the various communities in which it does business.

Regulatory Environment and Seasonality

Ontario

Regulatory

In Ontario, gaming is conducted and managed by OLG and regulated by the Alcohol and Gaming Commission of Ontario ("AGCO"). OLG in turn engages service providers, such as the Company, to administer the day-to-day operations of the gaming activities pursuant to COSAs.

AGCO is a provincial agency established under the *Alcohol and Gaming Regulation and Public Protection Act, 1996* and is responsible for the administration of the Horse Racing Licence Act, 2015, the Liquor License Act and the Gaming Control Act, 1992 and complementary legislative amendments. The AGCO is responsible for regulating the alcohol, gaming and horse racing sectors in accordance with the principles of honesty and integrity, and in the public interest.

Under each COSA that OLG has entered with each service provider, OLG has specified the gaming zones that are within the gaming bundle that is operated by the service provider. Potential relocation of existing gaming sites in these gaming zones to other locations within the gaming zone are subject to municipal, OLG and Ontario Government approvals.

The Company operates two racetracks, Georgian Downs and Flamboro Downs, which are members of Ontario Racing, a not-for-profit industry organization created on April 30, 2018 that represents the majority of Ontario racetrack operators and horse racing associations. Ontario Racing administers the funding for Ontario racing programs, which are governed by a 19-year funding agreement ("Funding Agreement") among OLG, Ontario Racing, Ontario Racing Management ("ORM") and Woodbine Entertainment Group ("WEG"). Starting April 1, 2019, OLG will provide up to $105 million per year to Ontario Racing, which will be allotted to horse racing industry stakeholders under the Funding Agreement. ORM, a wholly-owned subsidiary of WEG, operates under an agreement to provide management and operating services at the direction of and on behalf of Ontario Racing.

Seasonality

Ontario experiences extreme weather conditions in the winter, which can result in a negative impact on short-term attendance.

Georgian Downs operates live racing from June to August, and Flamboro Downs operates from September to May.

British Columbia

Regulatory

In B.C., gaming activities are managed and conducted by the B.C. Lottery Corporation ("BCLC") and regulated by the Gaming Policy and Enforcement Branch ("GPEB"). BCLC in turn engages service providers, such as the Company, to administer the day-to-day operations of the gaming activities pursuant to Operational Services Agreements ("OSAs").

GPEB is a provincial agency established under the *Gaming Control Act* and is responsible for regulating all gaming in B.C., ensuring the integrity of the gambling industry companies, licensing charitable gaming events, overseeing the horse racing industry, and investigating allegations of wrongdoing under the *Act*. GPEB also registers gaming service providers and gaming workers, and approves and certifies gaming equipment and lottery schemes.

In B.C., the strategic direction and business leadership of the provincial horse racing industry is provided by the B.C. Horse Racing Industry Management Committee ("BCHRIMC"), which also provides a forum for industry participants to work collectively in the development of the industry. The BCHRIMC provides for mandatory representation on the Committee of a representative of the major racetracks in the province that are owned by the Company.

Seasonality

B.C. casinos may experience higher attendance during certain times of the year, particularly on key holidays such as Christmas, New Year's Eve and Chinese New Year.

While the Company's B.C. casinos operate year-round, its racetracks are subject to seasonal variations due to the timing of their respective live racing seasons. Live racing generally operates from April to October at Hastings Racecourse, and from October to April at Elements Casino (Surrey). Gaming offerings and Racebooks at both locations operate year-round.

Atlantic

New Brunswick

Regulatory

In New Brunswick, gaming activities are managed and conducted by the New Brunswick Lotteries and Gaming Corporation ("NBLGC") and regulated by the Gaming, Liquor and Security Licensing Branch ("GLSB"). NBLGC in turn engaged the Company as the service provider to operate gaming activities at Casino New Brunswick, located in Moncton, New Brunswick, pursuant to a Casino Service Provider Agreement.

GLSB is a provincial agency established under the *Gaming Control Act* and is a branch of the Department of Justice and Public Safety. GLSB is responsible for the regulation and control of provincial gaming as well as the regulation, control and licensing of charitable gaming in in New Brunswick.

Seasonality

Moncton, where Casino New Brunswick is located, experiences extreme winter weather conditions, which can result in a negative impact on short-term attendance. The gaming industry in New Brunswick has also historically witnessed a modest increase in business volumes during the summer months, primarily as a result of both tourism and favourable weather conditions.

Nova Scotia

Regulatory

In Nova Scotia, gaming activities are managed and conducted by the Nova Scotia Gaming Corporation ("NSGC") and regulated by Service Nova Scotia. NSGC, in turn engaged the Company as the service provider to operate the only two commercials casinos within the province pursuant to a casino operating contract.

The Alcohol, Gaming, Fuel and Tobacco Division ("AGFTD") is a provincial agency of Service Nova Scotia established under the *Gaming Control Act*, Chapter 4 of the Acts of 1994-95, and is responsible for the administration of the *Gaming Control Act*, the *Liquor Act* and the *Theatres and Amusements Act*. The AGFTD is responsible for licensing and regulating liquor, gaming, and amusement activities, and ensuring these activities are conducted with honesty and integrity and in the best interest of the general public.

Seasonality

Halifax and Sydney, where the Nova Scotia casinos are located, occasionally experience extreme winter weather conditions, which can result in a negative impact on short-term attendance. The gaming industry in Nova Scotia has also historically witnessed a slight increase in business volumes during the summer months, primarily as a result of both tourism and favourable weather conditions.

United States

Regulatory

In Washington State, gaming operations are regulated by the Washington State Gambling Commission ("WSGC") and fall into three categories: charitable, commercial and tribal. The Company operates three commercial card rooms in the Greater Seattle area.

While the commercial gaming environment in Washington State is highly regulated, it does not feature the significant barriers to entry associated with the Company's Canadian operations. Individual cities or counties within Washington State may choose to restrict card room operations within their jurisdiction, which could result in the closure of certain locations. Washington State card room operations are conducted pursuant to house banked card room licenses that limit the number of table games to fifteen per location. These card room licenses must be renewed annually with WSGC, and the Company's renewals have historically been granted automatically.

Anti-Money Laundering in the Gaming Sector

Canada

Certain industries in Canada, like the gaming sector, are subject to the federal *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* ("PCMLTFA"). Other sectors regulated under the PCMLTFA include banks, credit unions, securities dealers, accountants, real estate brokers, dealers in precious metals and stones, and money service businesses. The PCMLTFA provides for the creation of Financial Transactions and Reports Analysis Centre of Canada ("FinTRAC"), which fulfills the role of Canada's financial intelligence unit. FinTRAC is given responsibility for regulating those sectors of the economy subject to the PCMLTFA and in particular for making sure regulated entities have appropriate and effective anti-money laundering regimes in place.

Similar to banks and other regulated entities, casinos in Canada operate under and are required to comply with strict anti-money laundering, customer identification and reporting requirements set out within the PCMLTFA. FinTRAC has designated provincial lottery corporations as the gaming reporting entity and the Company assists provincial lottery corporations with their FinTRAC reporting obligations.

Pursuant to the PCMLTFA, cash transactions of $10,000 (ten thousand dollars) or more, casino disbursements of $10,000 (ten thousand dollars) or more and electronic funds transfers of $10,000 (ten thousand dollars) or more occurring within a 24-hour timeframe or within a gaming day must be reported to FinTRAC. Additionally, casinos must report suspicious transactions, conducted or attempted, of any amount to FinTRAC. Moreover, suspicious transactions are reported to provincial Gaming Regulators and police agencies which have the authority and responsibility for the investigation of money laundering and other related criminal offences.

The Company's anti-money laundering efforts are subject to independent external review through audits completed by FinTRAC, provincial Gaming Regulators and the Crown Agents responsible for the conduct and management of gaming in a province. The combination of a strong anti-money laundering program and verification of compliance with anti-money laundering laws through independent auditing help to ensure the Company's operations are protected from being used to launder illicit funds and help to protect the communities in which the Company operates.

For more information on Canadian anti-money laundering requirements, the PCMLTFA and FinTRAC visit: http://www.fintrac-canafe.gc.ca

United States

The U.S. gaming industry anti-money laundering regulations are documented within and subject to the *Bank Secrecy Act* ("BSA") (as amended by the USA Patriot Act). Other sectors regulated under the BSA are not limited to the following: financial institutions; insurance and real estate agencies; pawnbrokers; dealers in precious metals, stones or jewels; travel agencies and currency exchange services. The financial intelligence unit ("FinCEN") has been assigned many responsibilities under the BSA including being assigned as the administrator of the Act. FinCEN has delegated its gaming sector examination authorities to the Internal Revenue Service ("IRS").

Similar to Canada the gaming sector is required to meet strict anti-money laundering, customer identification and reporting requirements set out with the BSA. Pursuant to the BSA and the regulations thereunder, all cash transactions exceeding US$10,000 (ten thousand dollars) must be reported to the IRS. Additionally, transactions that have been identified as suspicious where the funds involved with the incident exceed US$5,000 (five thousand dollars) must also be reported to the IRS. Within 72 hours of the incident the Washington State Gaming Agent is notified of all suspicious activities.

GAGC's anti-money laundering efforts are subject to monthly compliance department reviews and every two years the Company initiates a review of GAGC's anti-money laundering compliance through the engagement of an independent auditor with relevant expertise.

For more information on USA anti-money laundering requirements, the BSA and FinCEN visit:
https://www.ffiec.gov/bsa_aml_infobase/pages_misc/regulations.htm.

MAJOR DEVELOPMENTS

Ontario

The Company manages the Ontario Gaming Bundles through management and development services agreements with the respective partnerships. As part of their respective acquisitions under OLG's modernization, each partnership signed a COSA with OLG. Through the compensation model under the COSAs, OLG and the Province of Ontario continue to be the primary beneficiaries of current and future financial benefits from the Gross Gaming Revenues generated by the Ontario Gaming Bundles. Similar to the Provincial Crown corporations in other Canadian jurisdictions, OLG retains all gaming revenues while the Ontario partnerships earn a fee based on a prescribed gaming revenue sharing formula that provides for an appropriate return on the significant investments in the facilities.

GTA Gaming Bundle

On January 23, 2018, OTG, a partnership in which the Company owns a 49% interest, signed a minimum 22-year term COSA with OLG. Under the business transition and asset purchase agreement ("TAPA"), OTG acquired certain of OLG's gaming assets in the GTA Gaming Bundle related to OLG Slots at Woodbine (rebranded as Casino Woodbine), OLG Slots at Ajax Downs (rebranded as Casino Ajax) and Great Blue Heron Casino. The purchase price for such assets (limited to leasehold improvements and equipment) was $158.0, including working capital of $62.6.

The initial development plan is supported by OTG's $1,100.0 non-recourse revolving and capital expenditures credit facilities as well as equity contributions, comprising both reinvested cash flows from the business or any partner contributions required. The cash flows generated from the GTA Gaming Bundle will primarily be used to fund capital investments up to completion of the initial phase of the development program.

Key development initiatives include the transformation of Casino Woodbine into an international destination casino resort, the development of a world-class casino resort in the Durham region located in Pickering Ontario, and a new building addition at Great Blue Heron Casino. The developments will also see expanded gaming offerings, renovations to the existing gaming floors, and integration of the gaming facilities with horse racing operations. In addition to expanded gaming, the Company intends to add a mix of premium hospitality and entertainment at these properties to create resort destinations that will serve as hubs for locals and tourists.

In late August 2018, Casino Woodbine introduced for the first time within the Greater Toronto Area, 50 live dealer table games, and further added 50 table games in early October 2018, including a VIP gaming offering, bringing the total gaming capacity at Casino Woodbine to approximately 3,700 slot machines and 100 table games.

During the first quarter of 2018, OTG received approval to move forward with municipal permitting from the City of Pickering. Construction of the new casino in the Durham region has commenced.

Great Blue Heron Casino opened its new building addition on January 23, 2019, which introduced over 200 new slot machines.

West GTA Gaming Bundle

On May 1, 2018, OGWGLP, a partnership in which the Company owns a 55% interest, signed a minimum 20-year term COSA with OLG to acquire certain gaming assets in the West GTA Gaming Bundle. Under the TAPA signed on December 18, 2017, and the Brantford lease agreement dated May 1, 2018, OGWGLP acquired certain gaming assets and leased real property from OLG in the West GTA Gaming Bundle, including assets related to OLG Casino Brantford, OLG Slots at Mohawk Racetrack, OLG Slots at Flamboro Downs, and OLG Slots at Grand River Raceway, which have been repositioned to the Company's Elements Casino brand. The purchase price of the acquired assets (limited to leasehold improvements and equipment) and the prepaid rent on the leased real property totaled $121.6, including working capital of approximately $25.2.

The initial development plan is supported by OGWGLP's $285.0 non-recourse revolving credit facility as well as equity contributions, comprising both reinvested cash flows from the business or any partner contributions required. The cash flows generated from the West GTA Gaming Bundle will primarily be used to fund capital investments up to completion of the initial phase of the development program.

Key development initiatives include the development of full service casino resorts integrated with horse racing operations, renovations to the existing gaming floors, and expanded gaming offerings. The Company also intends to add an appropriate mix of gaming, hospitality and entertainment at these properties to deliver exceptional guest experiences within its respective markets.

On December 21, 2018, OGWGLP introduced 18 new table games at Elements Casino Mohawk and 20 new table games at Elements Casino Flamboro, an important milestone for the Company as this was the first time live dealer table games are available in the Halton region and in the city of Hamilton, Ontario where these properties are located.

East Gaming Bundle

<u>Shorelines Casino Peterborough</u>
OGELP, a partnership in which the Company holds a 90.5% interest, held a grand opening celebration for the new Shorelines Casino Peterborough on October 15, 2018. The new gaming facility is a 52,000 square foot full-service casino featuring 500 slot machines, 22 table games, a live entertainment area, a buffet restaurant, an a-la-carte menu restaurant, and a full service PlaySmart Centre operated by OLG that provides responsible gambling information and resources to players.

<u>Shorelines Slots at Kawartha Downs</u>
On October 14, 2018, Shorelines Slots at Kawartha Downs was temporarily closed. On December 19, 2018, Shorelines Slots at Kawartha Downs re-opened with a reduced gaming capacity of 150 slot machines. Under the agreed terms, Shorelines Slots at Kawartha Downs will operate until March 31, 2021, subject to extension options contained in the new lease.

British Columbia

Operational Services Agreement ("OSA")

Effective June 3, 2018, the Company signed new OSAs which replaced the existing COSAs with BCLC for all gaming facilities in B.C. The OSAs are for a minimum term of 20 years and include the provision for appropriate investments in the Company's B.C. properties as well as the delivery of annual business plans. Key changes in the new OSAs include increased operating commissions for certain table games, poker, and bingo. In addition, service providers under the new OSA earn a 5% Facility Investment Commission ("FIC"), which replaced the FDC and the accelerated FDC. The new OSAs will increase the Company's accountability to BCLC through annual business planning requirements, compliance, and standards, while also creating strategic opportunities for greater alignment between BCLC and the Company. Refer to the "Capital Spending and Development" section of this MD&A for discussion on FIC.

Enhanced Anti-Money Laundering ("AML") Efforts

On June 27, 2018, B.C.'s provincial government publicly released Dr. Peter German's report on his independent review of B.C.'s AML policies and practices in Lower Mainland casinos. The report was commissioned by the Attorney General of B.C. The Company participated in the review by Dr. German, and welcomed his contributions and recommendations to enhance the provincial AML system.

On January 10, 2018, as part of Dr. German's interim recommendations prior to delivering his report, BCLC enacted new procedures for all B.C. casinos regarding buy-ins of $10,000 (ten thousand dollars) or more at all B.C. casinos and for all players. All cash, bank drafts and certified cheques of $10,000 (ten thousand dollars) or more, in one or more transactions over a 24-hour period, require a bank receipt. Although the source of funds procedures were instituted quickly, management's analysis has indicated that the players at the Company's casinos have adjusted to the new requirements.

The Company's current focus is supporting the significant work being dedicated by casino service providers, BCLC, GPEB, and the Ministry of the Attorney General, on the implementation of the recommendations from the German report to effectively enhance measures to prevent money laundering.

Hard Rock Labour Disruption

On May 11, 2018, B.C. Government and Service Employees' Union ("BCGEU"), the bargaining unit representing team members at Hard Rock, voted in favour of a strike, which resulted in limited gaming offerings at Hard Rock until a new collective bargaining agreement was reached on July 22, 2018, as indicated in the "Labour Relations" section of this MD&A, allowing Hard Rock to resume full operations on July 25, 2018.

Elements Casino Victoria (formerly "View Royal Casino")

On May 5, 2018, a "Grand Opening Celebration" was held for the rebranded Elements Casino Victoria. New features include an expansion of the gaming floor with an additional 220 slot machines and 6 new table games. New non-gaming amenities include additional modern dining options including a buffet, casual lounge and bar, quick service restaurants, and a multi-purpose entertainment venue that accommodates up to 600 guests.

River Rock Casino Resort

On February 1, 2018, River Rock held a "Grand Reveal Celebration" to unveil its refreshed casino floor with enhancements to its gaming and non-gaming amenities, including a VIP Privé Slots area, four new food court outlets, and Starbucks Evenings. Starbucks Evenings is a Starbucks location licensed to serve a selection of alcoholic beverages and small plates, and the addition to River Rock is the second location of this type to open in B.C.

Corporate Refinancing and Redemption of Senior Unsecured Notes

On November 5, 2018, the Company amended the Credit and Guarantee Agreement of the Senior Secured Revolving Credit Facility, which comprised of the $350.0 revolving credit facility maturing on May 25, 2020, by replacing it with a 4-year Senior Secured Credit Facilities agreement. The amended agreement provides the Company an aggregate capacity of up to $750.0, comprising a $400.0 revolving facility and a $350.0 term loan facility. See Note 11(a)(i) of the Annual Financial Statements for more details.

On December 11, 2018, the Company redeemed all the Senior Unsecured Notes for a total redemption price of $471.3, including principal of $450.0, an early redemption premium of $9.9 and interest of $11.4. The Company funded the redemption using proceeds from the $350.0 million term loan facility under the Senior Secured Credit Facilities agreement and available cash reserves. See Note 11(a)(ii) of the Annual Financial Statements for more details.

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

LABOUR RELATIONS

The Company employs unionized employees at 14 of its properties. Below is a summary of the collective bargaining units in place and the status of negotiations as at December 31, 2018.

Facility	Employee Group	Union	Term of Collective Agreement	Status
Ontario				
GTA Gaming Bundle				
Casino Woodbine	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Public Service Alliance of Canada ("PSAC")	April 1, 2016 - March 31, 2019	Notice to bargain has not been received.
	Security employees	Unifor - Local 252	June 1, 2018 - May 31, 2022	A new collective agreement was ratified on July 27, 2018.
	Surveillance Operators	Teamsters, local 938	October 1, 2016 - September 30, 2019	No current activity
Casino Ajax	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Unifor - Local 1090	July 24, 2018 - July 23, 2022	A new collective agreement was ratified on July 26, 2018.
Great Blue Heron Casino	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Unifor - Local 1090	July 24, 2018 - July 23, 2022	A new collective agreement was ratified on July 26, 2018.
	Security employees	United Steelworkers ("USW")	April 22, 2016 - April 21, 2019	No current activity
West GTA Gaming Bundle				
Elements Casino Mohawk	Hourly security employees	Unifor - Local 252	June 1, 2018 - May 31, 2022	A new collective agreement was ratified on July 28, 2018.
	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Unifor - Local 504	October 22, 2018 - October 21, 2022	A first collective agreement was ratified on October 21, 2018.
Elements Casino Brantford	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Unifor - Local 504	June 1, 2018 - May 31, 2022	A new collective agreement was ratified on July 26, 2018.
Elements Casino Flamboro	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Unifor - Local 504		Certification issued December 21, 2018. Negotiation dates for a first collective agreement to be determined.
	Security employees	USW		Bargining unit voted on February 26, 2019 in favour of being respresented by USW.
East Gaming Bundle				
Shorelines Casino Thousand Islands	Hourly Security Officers	Teamsters, local 91	November 1, 2017 - October 31, 2020	No current activity
Shorelines Slots at Kawartha Downs	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Service Employees International Union ("SEIU"), Local 2	May 16, 2017 - May 15, 2018	Bargaining dates have not been set. The union will continue to follow the prior collective bargaining agreement.
Racetracks				
Flamboro Downs Racetrack	Mutuels, housekeeping/facilities, food and beverage and security employees	SEIU, Local 2	January 1, 2017 - December 31, 2019	No current activity
Georgian Downs Racetrack	Mutuels, housekeeping, facilities (maintenance and track), money room and food and beverage employees	PSAC, Local 00500	January 1, 2018 - December 31, 2020	A new collective agreement was ratified on March 21, 2018.
British Columbia				
River Rock Casino Resort	Two units of employees: Gaming and some hospitality; security employees	BCGEU	September 25, 2017 - September 24, 2021	No current activity
Hard Rock Casino Vancouver	Two units of employees: Gaming and culinary; security employees	BCGEU	July 22, 2018 - January 31, 2022	A first collective agreement was ratified on July 22, 2018.
Hastings Racecourse & Casino	Employees, excluding food and beverage employees	Canadian Office and Professional Employees Union, Local 378 (doing business as MoveUP)	January 1, 2015 - December 31, 2020	A new collective agreement was ratified on March 31, 2018.
	Food and beverage employees	Unite Here, Local 40	January 1, 2011 - June 30, 2016	Bargaining commenced October 2018 and is ongoing
Nova Scotia				
Casino Nova Scotia Halifax	The "main unit" consisting of all full-time and regular part-time employees	SEIU, Local 902	February 1, 2018 - January 31, 2021	A new collective agreement was ratified on August 31, 2018.
	Security employees	SEIU, Local 902	February 1, 2018 - January 31, 2021	A new collective agreement was ratified on March 1, 2019.

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

CONSOLIDATED RESULTS OF OPERATIONS

The Company's operating results are discussed on a regional basis as follows:

	Three months ended December 31,			Twelve months ended December 31,		
	2018	2017	% Chg	**2018**	2017	% Chg
REVENUES						
Ontario	**$ 217.0**	$ 28.3	667%	**$ 731.0**	$ 124.2	489%
British Columbia [2]	**90.6**	88.4	2%	**354.8**	356.6	(1%)
Atlantic	**23.8**	24.0	(1%)	**94.0**	92.3	2%
United States [3]	**10.6**	10.3	3%	**41.2**	41.2	0%
Total Revenues	**$ 342.0**	$ 151.0	126%	**$ 1,221.0**	$ 614.3	99%
ADJUSTED EBITDA [1]						
Ontario	**$ 78.5**	$ 8.4	835%	**$ 300.6**	$ 45.6	559%
British Columbia [2]	**39.1**	36.5	7%	**159.1**	159.7	0%
Atlantic	**7.3**	7.4	(1%)	**30.7**	28.9	6%
United States [3]	**2.5**	1.7	47%	**8.4**	7.6	11%
Corporate & Other	**(7.1)**	(4.8)	(48%)	**(24.4)**	(18.8)	(30%)
Total Adjusted EBITDA	**$ 120.3**	$ 49.2	145%	**$ 474.4**	$ 223.0	113%

(1) Adjusted EBITDA is a non-IFRS measure defined in the "Non-IFRS Measures" section of this MD&A.

(2) For the three and twelve months ended December 31, 2017, B.C. was previously presented as five separate property groups: River Rock, Hard Rock, Other Vancouver Area Casinos, Vancouver Island Casinos, and Other B.C. Casinos. These property groups have been combined into a single group under B.C. with the previous period financial results reclassified to conform with the presentation of the current year. The financial results of B.C. presented throughout this MD&A combines the financial results of these five property groups.

(3) U.S. was previously presented as Great American Casinos for the three and twelve months ended December 31, 2017.

Refer to the "Business Description" section of this MD&A for a list of properties under each of the regions.

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

Ontario

	Three months ended December 31,			Twelve months ended December 31,		
	2018	2017	% Chg	**2018**	2017	% Chg
Gaming revenues	**$ 202.6**	$ 19.1	961%	**$ 680.5**	$ 88.3	671%
Hospitality revenues (1) (2)	**6.2**	2.9	114%	**19.4**	11.2	73%
Racetrack, lease and other revenues (2)	**8.2**	6.3	30%	**31.1**	24.7	26%
Revenues	**217.0**	28.3	667%	**731.0**	124.2	489%
Human resources	**62.3**	9.1	585%	**190.3**	37.0	414%
Property, marketing and administration	**76.2**	10.8	606%	**240.1**	41.6	477%
Adjusted EBITDA	**$ 78.5**	$ 8.4	835%	**$ 300.6**	$ 45.6	559%
Human resources as a % of Revenues	**28.7%**	32.2%		**26.0%**	29.8%	
Adjusted EBITDA as a % of Revenues	**36.2%**	29.7%		**41.1%**	36.7%	

(1) Promotional allowances of $0.8 and $3.9 for the three months and twelve months ended December 31, 2017, previously presented separately as a reduction to total revenue, have been retrospectively reclassified to net against hospitality revenues to conform with the presentation adopted in the current year.

(2) Lease revenues of $4.3 and $16.7 for the three and twelve months ended December 31, 2017, previously presented separately, have been retrospectively included with racetrack, lease and other revenues. Other revenues of $0.7 and $3.3, previously included in hospitality and other revenues for the three and twelve months ended December 31, 2017, have been included with racetrack, lease and other revenues. These reclassifications were made to conform with the presentation adopted in the current year.

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Average
Table Drop	$ 475.2	$ 282.1	$ 178.6	$ 90.5	$ 16.3	$ 18.5	$ 18.4	$ 16.0	
Table Hold	$ 89.7	$ 54.9	$ 35.5	$ 19.9	$ 3.7	$ 3.5	$ 3.8	$ 2.9	
Table Hold %	18.9%	19.5%	19.9%	22.0%	22.8%	19.1%	20.4%	18.3%	19.5%
Slot Coin-In	$ 6,324.5	$ 6,657.3	$ 5,923.4	$ 3,692.8	$ 476.6	$ 558.5	$ 525.8	$ 461.0	
Slot Win	$ 434.2	$ 451.4	$ 402.4	$ 245.7	$ 38.7	$ 45.3	$ 43.4	$ 37.7	
Slot Win/Slot/Day(1)	$ 498	$ 556	$ 576	$ 577	$ 286	$ 332	$ 323	$ 296	
Slot Win %	6.9%	6.8%	6.8%	6.7%	8.1%	8.1%	8.3%	8.2%	6.9%

(1) Slot Win/Slot/Day is an average, presented in dollars.

Recent Developments

The Company completed the acquisitions of the GTA Gaming Bundle on January 23, 2018 and the West GTA Gaming Bundle on May 1, 2018, as described in the "Major Developments" section of this MD&A. On August 30, 2018, the Company announced expanded gaming at Casino Woodbine, which included additional slot machines and 50 new table games, and added another 50 table games in October 2018. On December 21, 2018, 20 table games were added to Elements Casino Flamboro and 18 table games were added to Elements Casino Mohawk.

Shorelines Casino Peterborough opened on October 15, 2018 and Shorelines Slots at Kawartha Downs re-opened on December 19, 2018 as discussed in the "Major Developments" section of this MD&A.

Ontario's financial results for the year ended December 31, 2018 reflect 343 days of operations from the GTA Gaming Bundle and 245 days of operations from the West GTA Gaming Bundle.

Revenues

Revenues increased by $188.7 or 667% and $606.8 or 489% in the three and twelve months ended December 31, 2018, when compared to the same periods in 2017, due to the additional revenues from the GTA Gaming Bundle and the West GTA Gaming Bundle. Increased gaming capacity at Casino Woodbine in the second half of 2018 also contributed to the increase in revenues.

Expenses

Human resources expenses and property, marketing and administration expenses increased in the three and twelve months ended December 31, 2018, when compared to the same periods in 2017, primarily due to the acquisitions of the GTA Gaming Bundle and the West GTA Gaming Bundle.

Non-recurring costs were approximately $0.6 and $2.5 for the three and twelve months ended December 31, 2018, respectively, relating to pre-opening costs.

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

Adjusted EBITDA
Adjusted EBITDA increased by $70.1 or 835% and $255.0 or 559% for the three and twelve months ended December 31, 2018, when compared to the same periods in 2017, mainly as a result of the acquisitions of the assets and operations of the GTA Gaming Bundle and the West GTA Gaming Bundle.

Non-controlling interests
The Company's Ontario partnerships, OTG, OGWGLP, and OGELP, have non-controlling interests. Adjusted EBITDA attributable to the shareholders of the Company, as defined in the "Non-IFRS Measures" section of this MD&A, is presented below:

	Three months ended December 31,			**Twelve months ended December 31,**		
	2018	2017	% Chg	**2018**	2017	% Chg
Adjusted EBITDA	**$ 78.5**	$ 8.4	835%	**$ 300.6**	$ 45.6	559%
Less: non-controlling interests' portion of Adjusted EBITDA	**(32.9)**	(0.5)		**(123.7)**	(3.0)	
Adjusted EBITDA attributable to the shareholders of the Company	**$ 45.6**	$ 7.9	477%	**$ 176.9**	$ 42.6	315%

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

British Columbia

	Three months ended December 31,			Twelve months ended December 31,		
	2018	2017	% Chg	**2018**	2017	% Chg
Gaming revenues (1) (2)	**$ 68.3**	$ 67.8	1%	**$ 268.3**	$ 276.5	(3%)
Hospitality revenues (1) (3)	**17.0**	15.6	9%	**64.6**	59.3	9%
Racetrack and other revenues (3)	**5.3**	5.0	6%	**21.9**	20.8	5%
Revenues	**90.6**	88.4	2%	**354.8**	356.6	(1%)
Human resources	**31.7**	32.0	(1%)	**120.8**	120.2	0%
Property, marketing and administration	**20.5**	20.6	0%	**77.6**	79.5	(2%)
Share of profit of equity investment	**(0.7)**	(0.7)	0%	**(2.7)**	(2.8)	4%
Adjusted EBITDA	**$ 39.1**	$ 36.5	7%	**$ 159.1**	$ 159.7	0%
Human resources as a % of Revenues	**35.0%**	36.2%		**34.0%**	33.7%	
Adjusted EBITDA as a % of Revenues	**43.2%**	41.3%		**44.8%**	44.8%	

(1) Promotional allowances of $6.5 and $28.1 for the three months and twelve months ended December 31, 2017, respectively, previously presented separately as a reduction to total revenue, have been retrospectively reclassified to net against its related revenue streams to conform with the presentation adopted in the current year. For the three and twelve months ended December 31, 2017, promotional allowances of $3.3 and $12.4 have been netted against gaming revenues, respectively, and promotional allowances of $3.2 and $15.7 have been netted against hospitality revenues, respectively.

(2) FDC totalling $9.6 and $39.1 for the three and twelve months ended December 31, 2017, respectively, previously presented as a separate revenue stream for each property group, have been reclassified and included in gaming revenues for B.C. to conform with the presentation adopted in the current year.

(3) Other revenues of $3.4 and $13.4 for the three and twelve months ended December 31, 2017, respectively, previously included in hospitality and other revenues have been included with racetrack and other revenues to conform with the presentation adopted in the current year.

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Average
Table Drop	$ 297.9	$ 299.6	$ 276.3	$ 322.9	$ 355.2	$ 398.9	$ 378.5	$ 377.2	
Table Hold	$ 55.0	$ 53.3	$ 52.9	$ 55.0	$ 59.2	$ 59.3	$ 64.2	$ 60.5	
Table Hold %	18.5%	17.8%	19.1%	17.0%	16.7%	14.9%	17.0%	16.0%	17.0%
Slot Coin-In	$ 2,159.7	$ 2,163.4	$ 2,180.9	$ 2,131.1	$ 2,055.2	$ 2,166.3	$ 2,143.2	$ 2,014.9	
Slot Win	$ 150.3	$ 151.3	$ 150.4	$ 145.3	$ 139.2	$ 149.0	$ 146.1	$ 136.8	
Slot Win/Slot/Day(1)	$ 320	$ 325	$ 328	$ 336	$ 345	$ 352	$ 349	$ 330	
Slot Win %	7.0%	7.0%	6.9%	6.8%	6.8%	6.9%	6.8%	6.8%	6.9%

(1) Slot Win/Slot/Day is an average, presented in dollars.

Recent Developments

During the second quarter of 2018, Hard Rock had limited gaming offerings for approximately 75 days due to the labour disruption, as discussed in the "Major Developments" section of this MD&A, resulting in a decline in revenues. Results at Hard Rock continue to be impacted from the strike as Hard Rock continues its customary rebuilding of operations and guest visitations. Slot coin-in at Hard Rock has recovered from the labour disruption impact.

On May 5, 2018, Elements Casino Victoria held a "Grand Opening Celebration" to unveil its expanded gaming floor and new non-gaming amenities, as discussed in the "Major Developments" section of this MD&A.

During October 2018, Chances Maple Ridge added 50 slot machines, bringing its total gaming capacity to 250 slot machines.

Revenues

Gaming revenues increased for the three months ended December 31, 2018, when compared to the same period in 2017, due to a higher Slot Win as a result of increased Slot Coin-in across the B.C. properties, except for Hard Rock.

Gaming revenues decreased for the twelve months ended December 31, 2018, when compared to the same period in 2017, primarily due to the ongoing effects from the labour disruption at Hard Rock, partially offset by improved gaming revenues at most B.C. properties. A part of the decrease in gaming revenues was also due to the BCLC source of funds procedures, as discussed in the "Major Developments – British Columbia – Enhanced Anti-Money Laundering Efforts" section of this MD&A, which impacted River Rock and partially impacted Hard Rock.

Hospitality revenues increased for the three and twelve months ended December 31, 2018 when compared to the same period in 2017, primarily due to increased hotel room revenues at River Rock and new food and beverage outlets available at Elements Casino Victoria.

Racetrack and other revenues for the three months ended December 31, 2018 remained relatively consistent across all B.C. properties, when compared to the same period in the prior year. Racetrack and other revenues for the twelve months ended December 31, 2018 increased when compared to the same period in 2017, partially due to increased ATM revenues.

Expenses

Human resource expenses for the three months ended December 31, 2018 were relatively consistent when compared to the same period in 2017. Human resource expenses increased for the twelve months ended December 31, 2018, when compared to the same period in 2017, due to additional team members hired for the expansion of Elements Casino Victoria and wage increases at various B.C. locations from new collective bargaining agreements at River Rock and Hard Rock, partially offset by a decrease in human resource expenses at Hard Rock from the labour disruption that commenced in the second quarter of 2018 and continued into the third quarter of 2018.

Property, marketing and administration expenses decreased during the three and twelve months ended December 31, 2018, when compared to the same periods in 2017. The decreases were mainly due to the elimination of marketing agency fees and table games supply fees paid to BCLC for all B.C. properties as a result of the new OSAs effective June 3, 2018. The decrease in property, marketing and administration expenses was partially offset by increases due to pre-opening costs at Elements Casino Victoria in the first half of 2018.

Adjusted EBITDA

Adjusted EBITDA increased for the three months ended December 31, 2018, when compared to the same period in 2017, primarily due to increased revenues and decreased property, marketing and administration expenses. Adjusted EBITDA decreased for the twelve months ended December 31, 2018, when compared to the same period in 2017, primarily due to the labour disruption at Hard Rock, pre-opening costs incurred for Elements Casino Victoria, and lower Table Drop at River Rock.

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

Atlantic

	Three months ended December 31,			Twelve months ended December 31,		
	2018	2017	% Chg	**2018**	2017	% Chg
Gaming revenues [1]	**$ 17.2**	$ 17.7	(3%)	**$ 71.4**	$ 70.2	2%
Hospitality revenues [1] [2]	**5.6**	5.3	6%	**19.0**	18.3	4%
Other revenues [2]	**1.0**	1.0	0%	**3.6**	3.8	(5%)
Revenues	**23.8**	24.0	(1%)	**94.0**	92.3	2%
Human resources	**7.3**	7.3	0%	**28.7**	28.6	0%
Property, marketing and administration	**9.2**	9.3	(1%)	**34.6**	34.8	(1%)
Adjusted EBITDA	**$ 7.3**	$ 7.4	(1%)	**$ 30.7**	$ 28.9	6%
Human resources as a % of Revenues	**30.7%**	30.4%		**30.5%**	31.0%	
Adjusted EBITDA as a % of Revenues	**30.7%**	30.8%		**32.7%**	31.3%	

(1) Promotional allowances of $2.6 and $10.4 for the three months and twelve months ended December 31, 2017, respectively, previously presented separately as a reduction to total revenue, have been retrospectively reclassified to net against its related revenue streams to conform with the presentation adopted in the current year. For the three and twelve months ended December 31, 2017, promotional allowances of $0.7 and $2.6 have been netted against "gaming revenues", respectively, and promotional allowances of $1.9 and $7.8 have been netted against "hospitality revenues", respectively.

(2) Other revenues of $1.0 and $3.8 for the three and twelve months ended December 31, 2017, respectively, previously included in "hospitality and other revenues" have been presented separately to conform with the presentation adopted in the current year.

	Q4 2018	**Q3 2018**	**Q2 2018**	**Q1 2018**	**Q4 2017**	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Average**
Table Drop	$ 24.5	$ 25.1	$ 23.2	$ 21.6	$ 23.9	$ 24.4	$ 22.9	$ 20.6	
Table Hold	$ 5.4	$ 5.0	$ 4.6	$ 4.5	$ 4.9	$ 4.9	$ 4.7	$ 4.6	
Table Hold %	22.3%	20.0%	19.9%	21.1%	20.4%	20.1%	20.7%	22.7%	20.8%
Slot Coin-In	$ 331.7	$ 392.0	$ 352.0	$ 310.1	$ 357.8	$ 416.6	$ 366.3	$ 308.7	
Slot Win	$ 27.9	$ 34.0	$ 30.4	$ 27.2	$ 29.6	$ 34.1	$ 30.0	$ 25.2	
Slot Win/Slot/Day[1]	$ 204	$ 248	$ 228	$ 207	$ 221	$ 256	$ 231	$ 194	
Slot Win %	8.4%	8.7%	8.6%	8.8%	8.3%	8.2%	8.2%	8.2%	8.4%

(1) Slot Win/Slot/Day is an average, presented in dollars

Revenues

Gaming revenues decreased for the three months ended December 31, 2018, when compared to the same period in 2017, primarily due to a lower Slot Win at the Casino Nova Scotia gaming facilities and at Casino New Brunswick, partially offset by a higher Table Hold at Casino Nova Scotia Halifax.

Gaming revenues increased for the twelve months ended December 31, 2018, when compared to the same period in 2017, primarily due to an increased Table Hold and Slot Win at Casino Nova Scotia Halifax.

Hospitality revenues increased for the three and twelve months ended December 31, 2018 when compared to the same periods in 2017, due to increased revenues from food and beverage and events at Casino Nova Scotia Halifax.

Expenses

Human resources expenses and property, marketing and administration expenses for the three and twelve months ended December 31, 2018, remained relatively consistent when compared to the same periods in the prior year.

Adjusted EBITDA

Adjusted EBITDA decreased by 1% for the three months ended December 31, 2018 when compared to the same period in the prior year, due to a decrease in gaming revenues.

Adjusted EBITDA increased by 6% for the twelve months ended December 31, 2018 when compared to the same period in the prior year, due to higher gaming and hospitality revenues at Casino Nova Scotia Halifax.

United States

Results in U.S. Dollars (in millions)	**Three months ended December 31,**			**Twelve months ended December 31,**		
	2018	2017	% Chg	**2018**	2017	% Chg
Gaming revenues	**$ 6.9**	$ 7.1	(3%)	**$ 28.0**	$ 27.6	1%
Hospitality revenues [(1)] [(2)]	**0.9**	0.8	13%	**3.3**	3.5	(6%)
Other revenues [(2)]	**0.2**	0.1	(100%)	**0.4**	0.3	33%
Revenues	**8.0**	8.0	0%	**31.7**	31.4	1%
Human resources	**3.7**	3.7	0%	**15.3**	14.5	6%
Property, marketing and administration	**2.5**	3.0	(17%)	**10.1**	11.2	(10%)
Adjusted EBITDA	**$ 1.8**	$ 1.3	38%	**$ 6.3**	$ 5.7	11%
Human resources as a % of Revenues	**46.3%**	46.3%		**48.3%**	46.2%	
Adjusted EBITDA as a % of Revenues	**22.5%**	16.3%		**19.9%**	18.2%	

(1) Promotional allowances of $0.9 and $3.3, for the three and twelve months ended December 31, 2017, respectively, previously presented separately as a reduction to total revenue, have been retrospectively reclassified to net against hospitality revenues to conform with the presentation adopted in the current year.

(2) Other revenues of $0.1 and $0.3 for the three and twelve months ended December 31, 2017, respectively, previously included in hospitality and other revenues have been presented separately to conform with the presentation adopted in the current year.

	Q4 2018	**Q3 2018**	**Q2 2018**	**Q1 2018**	**Q4 2017**	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Average**
Table Drop	$ 43.4	$ 43.8	$ 48.2	$ 47.6	$ 46.7	$ 43.1	$ 42.9	$ 37.3	
Table Hold	$ 7.1	$ 7.0	$ 6.9	$ 7.0	$ 7.0	$ 6.3	$ 7.0	$ 7.2	
Table Hold %	16.4%	15.9%	14.3%	14.9%	14.9%	14.5%	16.2%	19.1%	15.7%

Results in Canadian Dollars	**Three months ended December 31,**			**Twelve months ended December 31,**		
	2018	2017	% Chg	**2018**	2017	% Chg
Revenues	**$ 10.6**	$ 10.3	3%	**$ 41.2**	$ 41.2	0%
Adjusted EBITDA	**$ 2.5**	$ 1.7	47%	**$ 8.4**	$ 7.6	11%

Discussion in U.S. Dollars

The value of the Great American Casinos' functional currency, the U.S. dollar, in comparison to the Company's reporting currency, the Canadian dollar, affects the reported results of the Great American Casinos. The average value of the Canadian dollar in comparison to the U.S. dollar remained relatively consistent for the three months ended December 31, 2018, when compared to the same period in 2017. The average value of the Canadian dollar in comparison to the U.S. dollar was 4% higher in the twelve months ended December 31, 2018, when compared to the same period in 2017, which results in a decrease in the Canadian dollar translation of the operating results.

Recent Developments

The Company permanently closed Great American Des Moines on November 30, 2018.

Revenues

Revenues for the three months ended December 31, 2018, when compared to the same period in the prior year, remained relatively consistent. Revenues increased for the twelve months ended December 31, 2018, when compared to the same period in the prior year, due to a higher Table Hold from a change in product mix.

Expenses

Human resource expenses for the three months ended December 31, 2018 remained consistent when compared to the same period in the prior year. Human resource expenses increased for the twelve months ended December 31, 2018, when compared to the same period in 2017, due to statutory wage increases. In addition, human resources expenses were higher for the twelve months ended December 31, 2018 due to 106 additional operating days for Des Moines in 2018 when compared to 2017.

Property, marketing and administration expenses decreased by 17% and 10% for the three and twelve months ended December 31, 2018, when compared to the same periods in 2017, primarily due to reduced promotions and cash prizes.

Adjusted EBITDA

Adjusted EBITDA increased by 38% and 11% for the three and twelve months ended December 31, 2018, when compared to the same periods in 2017, primarily due to decreased property, marketing and administration expenses.

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

Corporate & Other

	Three months ended December 31,			Twelve months ended December 31,		
	2018	2017	% Chg	**2018**	2017	% Chg
Human resources	**$ 5.3**	$ 3.5	51%	**$ 17.2**	$ 13.6	26%
Property, marketing and administration	**1.8**	1.3	38%	**7.2**	5.2	38%
Adjusted EBITDA	**$ (7.1)**	$ (4.8)	(48%)	**$ (24.4)**	$ (18.8)	(30%)

Adjusted EBITDA
Human resources expenses increased for the three and twelve months ended December 31, 2018, when compared to the same periods in the prior year, primarily due to additional resources required to support the Company's expanding operations.

Property, marketing and administration expenses increased for the three and twelve months ended December 31, 2018 when compared to the same periods in the prior year. The increases were mainly a result of additional professional services incurred and increased licenses and subscriptions.

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

Discussion of Items Excluded from Adjusted EBITDA

	Three months ended December 31,					Twelve months ended December 31,				
		2018		2017	% Chg		**2018**		2017	% Chg
Adjusted EBITDA	**$**	**120.3**	$	49.2	145%	**$**	**474.4**	$	223.0	113%
Amortization		**24.1**		15.3			**84.1**		58.3	
Share-based compensation		**3.1**		2.2			**13.1**		8.1	
Impairment reversal of long-lived assets		**-**		-			**-**		(0.9)	
Interest and financing costs, net		**28.6**		8.2			**62.7**		33.9	
Business acquisition, restructuring and other		**4.3**		2.3			**18.6**		3.3	
Foreign exchange (gain) loss		**0.3**		(0.1)			**(1.0)**		-	
Income taxes		**10.7**		8.4			**57.1**		34.6	
Net earnings	**$**	**49.2**	$	12.9	281%	**$**	**239.8**	$	85.7	180%

Amortization
Amortization increased by $8.8 and $25.8 for the three and twelve months ended December 31, 2018, respectively, when compared to the same periods in 2017, primarily due to the acquisitions of the gaming assets in the GTA Gaming Bundle on January 23, 2018 and the West GTA Gaming Bundle on May 1, 2018. Additional capital investments to expand gaming capacity in Ontario, renovations at River Rock, and expansion of Elements Casino Victoria also contributed to the increase in amortization. These increases were partially offset by $2.3 and $9.2 from a change in the estimated useful life of certain assets in the Company's property, plant and equipment for the three and twelve months ended December 31, 2018, respectively.

Share-Based Compensation
Share-based compensation of $3.1 and $13.1 in the three and twelve months ended December 31, 2018, respectively, comprised of equity-settled share-based compensation expense of $1.5 (2017 - $1.7) and $6.2 (2017 - $5.6), respectively, and cash-settled share-based compensation expense of $1.6 (2017 - $0.5) and $6.9 (2017 - $2.5), respectively. Equity-settled share-based compensation for the twelve months ended December 31, 2018 was higher due to a higher number of unvested options in 2018. Cash-settled share-based compensation for the twelve months ended December 31, 2018 was higher due to an increase in the share price when compared to 2017 and a new cash-settled restricted share unit plan that was implemented in the first quarter of 2018.

Impairment Reversal of Long-lived Assets
The Company signed lease extension agreements with OLG for both Georgian Downs and Flamboro Downs in 2017. As a result, the Company recorded reversals of impairment related to Flamboro Downs' intangible assets and property, plant and equipment during the first quarter of 2017.

Interest and Financing Costs, net
Interest and financing costs, net of interest income increased for the three and twelve months ended December 31, 2018, when compared to the same periods in 2017. These increases were due to debt draws on the Senior Secured Credit Facilities, the non-recourse revolving and capital expenditures facilities of OTG, and the non-recourse revolving credit facility of OGWGLP, plus the premium of $9.9 paid on the redemption of the Senior Unsecured Notes, as discussed in the "Major Developments" section of this MD&A and in Note 11(a)(ii) of the Annual Financial Statements. The increases were partially offset by lower borrowing costs on the Senior Secured Credit Facilities after the redemption of the Senior Unsecured Notes as discussed in the "Major Developments" section of this MD&A.

Business Acquisition, Restructuring and Other
Business acquisition, restructuring and other of $4.3 and $18.6 for three and twelve months ended December 31, 2018 consisted primarily of development and restructuring costs related to the acquisitions of the GTA and West GTA Gaming Bundles, and restructuring costs due to the closure of Great American Casino Des Moines. For the twelve months ended December 31, 2018, business acquisition, restructuring and other also included $1.1 equity loss from OGWGLP, related to transition costs prior to the acquisition of the West GTA Gaming Bundle on May 1, 2018.

Foreign Exchange (Gain) Loss
Foreign exchange was a loss of $0.3 for the three months ended December 31, 2018 when compared to a gain of $0.1 in the three months ended December 31, 2017. Foreign exchange gain was $1.0 for the twelve months ended December 31, 2018 compared to nil for the twelve months ended December 31, 2017. The change is primarily due to unrealized foreign exchange on revaluation of U.S. dollar denominated monetary balances.

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

Income Taxes
Income taxes increased by $2.3 and $22.5 in the three and twelve months ended December 31, 2018, when compared to the same periods in 2017, primarily due to a corresponding increase in earnings before income taxes from the acquisitions of the GTA and West GTA Gaming Bundles and a 1% increase in the corporate income tax rate in B.C.

Income tax expense from OTG, OGWGLP, and OGELP only includes the Company's share of corporate income tax based on its 49%, 55% and 90.5% share of OTG's, OGWGLP's and OGELP's taxable income, respectively.

CONSOLIDATED QUARTERLY RESULTS TREND

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenues	$ 342.0	$ 343.2	$ 305.3	$ 230.5	$ 151.0	$ 159.6	$ 161.0	$ 142.7
Adjusted EBITDA	$ 120.3	$ 140.6	$ 124.6	$ 88.9	$ 49.2	$ 62.7	$ 62.8	$ 48.2
Adjusted EBITDA as a % of Revenues	35.2%	41.0%	40.8%	38.6%	32.6%	39.3%	39.0%	33.8%
Shareholders' net earnings	$ 27.4	$ 52.6	$ 42.0	$ 29.2	$ 12.9	$ 26.9	$ 26.7	$ 17.8
Shareholders' net earnings per common share								
Basic	$ 0.46	$ 0.86	$ 0.69	$ 0.48	$ 0.21	$ 0.44	$ 0.43	$ 0.29
Diluted	$ 0.44	$ 0.82	$ 0.66	$ 0.46	$ 0.21	$ 0.43	$ 0.43	$ 0.29

Revenues generally increased in each quarter, when compared to the same quarter in the prior period, due to growth attributable to reinvestments and renovations in the Company's current properties. In particular, the increases in revenues in each of the quarters of 2018, when compared to the same quarters in the prior year, were mainly due to the acquisition of the GTA Gaming Bundle on January 23, 2018 and the West GTA Gaming Bundle on May 1, 2018. The second and third quarters typically generate higher revenues than the first and fourth quarters due to peak tourist seasons and weather conditions impacting player attendance. Higher patron attendance is also observed on key holidays such as Christmas, New Year's Eve and Chinese New Year.

Revenues decreased in the fourth quarter of 2018, when compared to the third quarter of 2018, as guest attendance was impacted by seasonality and promotional vouchers not received by customers due to the Canada Post strike.

Adjusted EBITDA generally increased over the past eight quarters, when compared to the equivalent quarter in the prior year. The increases were mainly attributable to increases in revenues, as discussed above, and the Company's disciplined approach on operating expenses.

Shareholders' net earnings trend reflects the items noted above, partially offset by increases in amortization expense, share-based compensation expense, interest and financing costs, net, business acquisition, restructuring and other expenses, and the related income tax effects of these items in accordance with the growth of the Company's operations primarily from the addition of the GTA Gaming Bundle and the West GTA Gaming Bundle.

LIQUIDITY AND CAPITAL RESOURCES

The Company manages liquidity risks by closely monitoring its capital structure and operating costs, regularly monitoring forecast and actual cash flows, taking a conservative approach to capital investment, managing the maturity profiles of financial assets and financial liabilities and maintaining credit capacity within its credit facilities. Details of the Company's long-term debt are disclosed in Note 11 of the Annual Financial Statements.

As at December 31, 2018, the Company had:

- Cash of $336.8, an increase of $14.5 since December 31, 2017, as further discussed in the "Cash Flows" section of this MD&A.
- Receivables, of which the majority are due from the Provincial Crown corporations, federal government, and racetrack operators. Receivables have increased by $45.7 since December 31, 2017 as a result of operating the GTA Gaming Bundle since January 23, 2018 and the West GTA Gaming Bundle since May 1, 2018.
- Low exposure to foreign currency exchange rate movements since it has relatively low levels of foreign denominated assets and liabilities.
- $356.8 of available credit on its Senior Secured Credit Facilities, subject to compliance with the related financial covenants.
- $918.0 of available credit under OTG's Non-recourse Revolving and Capital Expenditures Credit Facilities, subject to verified construction draws under the credit agreement and equity commitments as applicable.
- $151.0 of available credit under OGWGLP's Non-recourse Revolving Credit Facility, subject to compliance with the related financial covenants, verified construction draws under the credit agreement and equity commitments as applicable.
- $6.1 of available credit under OGELP's Non-recourse Revolving Credit Facility, subject to compliance with the related financial covenants.

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

Financial Position

	December 31, 2018	December 31, 2017	% Chg
Cash	**$ 336.8**	$ 322.3	4%
Accounts receivable	**67.5**	21.8	210%
Land held for sale	**8.1**	8.1	0%
Other current assets	**26.5**	12.1	119%
Property, plant and equipment	**989.1**	665.4	49%
Cash on deposit with Canada Revenue Agency	**38.9**	29.3	33%
Other long-term assets	**134.9**	112.4	20%
Total Assets	**$ 1,601.8**	$ 1,171.4	37%
Current liabilities	**$ 231.3**	$ 99.0	134%
Long-term debt	**631.6**	482.6	31%
Other long-term liabilities	**116.2**	119.6	(3%)
Total Liabilities	**979.1**	701.2	40%
Equity attributable to shareholders of the company	**469.4**	464.9	1%
Non-controlling interests	**153.3**	5.3	2792%
Total Equity	**622.7**	470.2	32%
Total Liabilities and Equity	**$ 1,601.8**	$ 1,171.4	37%

Total Assets
Total assets increased by 37% in the twelve months ended December 31, 2018, when compared to the total assets as at December 31, 2017. This increase was primarily due to the acquisitions of the GTA Gaming Bundle and the West GTA Gaming Bundle, partially offset by cash used for the redemption of the Senior Unsecured Notes and repurchase of common shares under the Normal Course Issuer Bid.

Total Liabilities
Total liabilities increased by 40% in the twelve months ended December 31, 2018, when compared to the balance as at December 31, 2017 due to an increase of $149.0 in long-term debt and a $132.3 increase in current liabilities. The $149.0 increase in long-term debt was due to draws on the Senior Secured Credit Facilities, the non-recourse revolving and capital expenditures facilities of OTG, and the non-recourse revolving credit facility of OGWGLP, as discussed in the "Major Developments" section of this MD&A and in Note 11 of the Annual Financial Statements. The $132.3 increase in current liabilities was due to the additional contributions of the GTA Gaming Bundle and West GTA Gaming Bundle that began in 2018. The increase in total liabilities is partially offset by the redemption of the Senior Unsecured Notes as discussed in the "Major Developments" section of this MD&A.

Total Equity
Total equity increased by 32% in the twelve months ended December 31, 2018, when compared to the total equity as at December 31, 2017. This increase was primarily due to net earnings of $239.8, contributions from non-controlling interests of $59.4, share options exercised of $12.0, and equity-settled share-based compensation of $6.2, partially offset by $167.1 from the repurchase of common shares.

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

Cash Flows

	Three months ended December 31,			Twelve months ended December 31,		
	2018	2017	% Chg	**2018**	2017	% Chg
Cash generated by operating activities	**$ 115.5**	$ 50.4	129%	**$ 422.3**	$ 192.3	120%
Cash used in investing activities	**(101.6)**	(17.0)	498%	**(391.7)**	(57.8)	578%
Cash used in financing activities	**(257.0)**	(0.7)	-	**(18.1)**	(40.5)	(55%)
Effect of foreign exchange on cash	**0.4**	0.2	100%	**2.0**	(0.4)	-
Cash inflow (outflow)	**$ (242.7)**	$ 32.9	(838%)	**$ 14.5**	$ 93.6	(85%)

Cash generated by operating activities in the three and twelve months ended December 31, 2018, increased, when compared to the same periods in 2017, primarily due to the additional earnings from the GTA Gaming Bundle and West GTA Gaming Bundle.

Cash used in investing activities in the three and twelve months ended December 31, 2018 increased, when compared to the same periods in 2017, primarily due to the purchase of assets to expand gaming in the GTA Gaming Bundle and West GTA Bundle gaming facilities as well as the opening of Shorelines Casino Peterborough. Cash used in investing activities for the twelve months ended December 31, 2018 also increased, when compared to the same period in 2017, due to the acquisition of assets and operations of the GTA Gaming Bundle and West GTA Gaming Bundle, renovations at River Rock and Elements Casino Victoria, as well as an increase in amounts deposited with the Canada Revenue Agency ("CRA").

Cash used in financing activities in the three months ended December 31, 2018 increased, when compared to the same period in 2017, primarily due to the redemption of the Senior Unsecured Notes on December 11, 2018 and repurchase of common shares under the Normal Course Issuer Bid, partially offset by debt draws on the Senior Secured Credit Facilities. Cash used in financing activities in the twelve months ended December 31, 2018 decreased, when compared to the same period in 2017. For the twelve months ended December 31, 2018, cash used in financing activities consisted of the redemption of the Senior Unsecured Notes and the repurchase of common shares under the Normal Course Issuer Bid, partially offset by the debt draws on the Senior Secured Credit Facilities, non-recourse revolving and capital expenditures facilities of OTG, and the non-recourse revolving credit facility of OGWGLP. For the twelve months ended December 31, 2017, cash used in financing activities consisted of interest paid on debt and repurchase of common shares under the Normal Course Issuer Bid.

Capital Resources

Normal Course Issuer Bid

On June 27, 2018, the Company received approval from the Toronto Stock Exchange ("TSX") to renew a normal course issuer bid for up to 4,108,074 of its common shares, representing approximately 10% of the Company's common shares in the public float. The bid commenced on July 3, 2018 and will end on July 2, 2019, or earlier if the number of shares sought in the issuer bid has been obtained. The Company will not purchase shares during its self-imposed blackout periods and reserves the right to terminate the bid earlier. Pursuant to TSX policies, daily purchases made by the Company will not exceed 40,170 common shares or 25% of the prior six-month average trading volume of 160,680 common shares on the TSX, subject to certain prescribed exceptions. Purchases will be made by way of open market purchases through the facilities of the TSX, and other Canadian market places, and payment for the shares will be in accordance with the TSX's rules. No purchases will be made other than by means of open market transactions during the term of the normal course issuer bid and conducted at the market price at the time of acquisition. All shares purchased by the Company will be subsequently cancelled. During the year ended December 31, 2018, the Company purchased for cancellation 3,445,652 common shares at a weighted-average price per share of $48.48 under the issuer bid (2017 – 859,450 common shares at weighted-average share price of $23.66).

Subsequent to December 31, 2018, the Company purchased for cancellation 136,810 common shares at a weighted-average price per share of $48.49.

Outstanding Share Data

As at December 31, 2018, there were 58,143,556 common shares issued and outstanding compared to 60,894,490 as at December 31, 2017. The decrease was due to the repurchase and cancellation of common shares in 2018 as described in the "Normal Course Issuer Bid" section of this MD&A, offset by the exercise of employee stock options.

As at December 31, 2018, there were 5,187,499 share options outstanding at a weighted-average exercise price of $22.93.

As at March 4, 2019, there were 59,193,714 common shares outstanding and 3,993,130 share options outstanding.

Capital Spending and Development

The Company is eligible to receive additional remuneration from the provincial authorities for capital and certain non-capital expenditures made for its gaming operations, as described below for each province.

The Company's capital expenditures, net of accounts payable, for the three and twelve months ended December 31, 2018 were $103.5 (2017 - $10.2) and $197.4 (2017 – $52.0), respectively.

Capital expenditures during the three and twelve months ended December 31, 2018 were primarily related to the development of the gaming facilities in the GTA Gaming Bundle, West GTA Gaming Bundle and East Gaming Bundle. Capital expenditures during the twelve months ended December 31, 2018 also included expenditures incurred in the first half of 2018 relating to renovations at River Rock and the expansion of Elements Casino Victoria. For the upcoming twelve months of 2019, the Company estimates that capital expenditures will total $863.2, largely due to the construction costs associated with the GTA and West GTA development programs.

Ontario

In Ontario, the Company is entitled to additional consideration from OLG up to a predefined annual amount per gaming property in each operating year for Permitted Capital Expenditures ("PCE"), a term defined in the Company's COSA with OLG. This amount does not represent a material portion of the expected investment by the Company into Ontario operations. The Company becomes entitled to payment at the beginning of each operating year, which commences on April 1st, subject to expenditures being incurred. PCE approved by OLG can be carried forward for up to four years.

British Columbia

Prior to June 3, 2018, as part of the FDC program, BCLC pre-approved and subsequently approved and reimbursed "Approved Amounts" (a term defined in the Company's and its subsidiaries' operating services agreements with BCLC) of qualified, gaming-related expenditures, primarily capital in nature, that have been incurred by the Company and its subsidiaries. Reimbursement of the Approved Amounts under the terms of BCLC's FDC policy required that the Company and its subsidiaries' operating agreements with BCLC remain in good standing and that sufficient Gross Gaming Revenues were generated. The FDC amounts that BCLC reimbursed for Approved Amounts were calculated as a fixed percentage of Gross Gaming Revenues generated by the Company's and its subsidiaries' B.C. properties. The FDC reimbursement percentage that BCLC provided was 3% of the Gross Gaming Revenues from gaming activities. BCLC provided for an additional accelerated FDC reimbursement equal to 2% of the Gross Gaming Revenues that was intended to be a one-time reimbursement of the timely development or redevelopment of gaming facilities and additional entertainment amenities of significant value which may be completed through phases. BCLC considered accelerated FDC submissions for approval on a project-by-project basis.

Effective June 3, 2018, FDC was replaced by the FIC in accordance with the new OSAs, which replaces all existing COSAs with BCLC, as discussed in the "Major Developments" section of this MD&A. Similar to FDC, the Company receives FIC from BCLC, calculated as a fixed percentage of Gross Gaming Revenues generated by its B.C. properties for qualified expenditures that the Company is committed to make for its Minimum Investment Required ("MIR"), a term defined in the OSA. Certain non-capital expenditures, such as marketing and maintenance costs, are considered qualified costs eligible for FIC. The closing approved FDC amounts prior to the effective date of the OSAs was $277.7, which will reduce the minimum spend requirements for each property under the MIR program.

Nova Scotia

In Nova Scotia, under the terms of the casino operating agreement with the NSGC, $4.5 annually (adjusted for inflation) is deposited to a Capital Reserve Account. When the Company undertakes qualifying capital expenditures, refurbishments, maintenance, upgrades and enhancements to the Casino Nova Scotia Halifax and Casino Nova Scotia Sydney, the provincial gaming authority approves the Company's reimbursement of such expenditures from the Capital Reserve Account. For accounting purposes, the purchases made using funds from the Capital Reserve Account are considered to be on behalf of the NSGC since on the eventual termination of the casino operating agreement, the NSGC has the right to repurchase for nominal consideration all of the equipment, land and buildings that were purchased using funds from the Capital Reserve Account. If there are insufficient funds in the Capital Reserve Account to reimburse the Company for qualifying expenditures, the Company records a receivable from NSGC and earns interest income on that balance at the Canadian bank prime lending rate less 0.5% per annum until it is reimbursed.

Litigation and Disputes

The Company is subject to legal proceedings, claims and investigations in the ordinary course of business. Liabilities related to such matters are recorded when it is both probable that a liability has been incurred and the amount of the liability can be reasonably estimated. All legal costs associated with litigation are expensed as incurred.

Marketing Trust Lawsuit

On March 26, 2015, the Company commenced a legal action against BCLC in relation to a dispute over the collection of marketing contributions by BCLC from the Company since 2009. The Company takes the position that BCLC was not entitled to collect marketing fees and BCLC has filed a statement of defense denying the claims by the Company.

On April 6, 2017, the Company was given leave to add its wholly-owned subsidiaries, ORL and HEI as plaintiffs and to amend the claim in other respects. ORL and HEI were added as Plaintiffs and the authorized amendments were made to the notice of civil claim.

BCLC entered into new OSAs with each of the Company's B.C. properties on June 3, 2018, as discussed in the "Major Developments" section of this MD&A. The new OSAs contain no reference to any fee or commission for marketing. Since June 3, 2018, BCLC has ceased taking the disputed marketing fees from the Company. The Company amended its notice of civil claim on January 30, 2019 to plead the new OSAs, the fact that BCLC had ceased taking the disputed marketing fees since entering into the new OSAs, and to remove its plea for injunctive relief. The Company is seeking an order that BCLC pay both damages in an amount equal to the total of all such marketing contributions collected by BCLC up to June 3, 2018 ("disputed remuneration deductions") and court order interest to the date of judgment. The Company alleges the approximate total of the disputed remuneration deductions as at December 31, 2018 was $33.9 (2017 - $32.3). The Company will continue with its legal action as planned toward the trial date. The trial date has been rescheduled from February 2019 to August 2019.

CRA Disputes and Audit

The CRA has conducted audits of the Company's and its subsidiaries' FDC filing positions of its B.C. operations for the 2009 to 2014 years. CRA has taken the position that FDC was received by the Company and its subsidiaries during 2009 and subsequent years as service fee income and should be included in taxable income when received. For income tax purposes, the Company and its subsidiaries treat the reimbursement by BCLC of the approved gaming related property, plant and equipment costs as a reduction in the capital cost of the asset. CRA's current position is inconsistent with the results of CRA's findings in their previous audits of the Company's Great Canadian Casinos Inc. subsidiary for the 2000 and 2001 taxation years.

If CRA's current position prevails, it would accelerate the timing of the Company's and its subsidiaries' recognition of taxable income, but would also increase the tax depreciation deduction (capital cost allowance) that they could recognize in prior and future years.

Based on the FDC received from BCLC between January 1, 2009 to June 2, 2018, if CRA's current position of FDC prevails, preliminary estimates indicate the Company's consolidated current tax expense would increase $62.1, deferred tax expense would decrease $60.5, and interest and financing costs would increase $13.8, resulting in a one-time $15.4 decrease in net earnings and a corresponding decrease to basic net earnings attributable to the shareholders of the Company per share of approximately $0.25 per share.

During 2015, the Company received notices of reassessment from CRA for itself and three of its subsidiaries related to the income tax treatment of FDC received from BCLC in 2009 and 2010. During 2016, the Company and five of its subsidiaries received notices of reassessment related to the income tax treatment of FDC received from BCLC in 2011, and 2012, and in some cases 2013. As a part of the notices of reassessment received during 2016, the CRA waived $1.1 of interest relating to the 2011 and 2012 taxation years. During 2017, the Company and five of its subsidiaries received notices of reassessment related to the income tax treatment of FDC received from BCLC in 2013 and 2014.

The Company strongly disagrees with the CRA's current position of FDC and CRA's adjustments to the taxable income of it and its subsidiaries in respect of FDC. Management believes that it is probable that the Company's and its subsidiaries' tax filing positions with respect to FDC will prevail and consequently the Company and its subsidiaries have not accrued for additional income tax liabilities, income tax expenses, and interest as a result of the reassessments received from CRA.

The Company and its subsidiaries intend to vigorously defend their tax filing positions and the five subsidiaries that have received notices of reassessment from CRA for 2009 to 2014 have filed notices of objection with CRA's Appeals Division. In order to file a notice of objection, the Company and its subsidiaries are required to pay at least 50% of the amounts reassessed and will record a corresponding income tax receivable from CRA until the dispute is resolved. As at December 31, 2018, the Company and its subsidiaries have deposited a net amount of $38.9 (2017 - $29.3) to CRA and is reflected in "cash on deposit with Canada Revenue Agency" on the Consolidated Statements of Financial Position.

During 2018, five of the Company's subsidiaries received notices of confirmation for the taxation years under audit. The five subsidiaries filed notices of appeal to the Tax Court of Canada to each notice of confirmation received.

The Company and its subsidiaries plan to file notices of objection to CRA's Appeals Division to each notice of reassessment received for any subsequent years, where appropriate.

Effective June 3, 2018, the Company no longer receives FDC from BCLC due to new OSAs signed for its B.C. properties, which introduced FIC and eliminates FDC. The Company concluded that FIC should be included in taxable income in the year earned, because the FIC is not directly tied to qualified amounts spent under the MIR program. Management is of the opinion that the appropriate income tax treatment of FDC under CRA audit is unaffected by the introduction of the MIR program

During the year ended December 31, 2017, CRA also challenged the tax treatment of a payment GDL received from OLG in 2013, as a result of the termination of the Slots at Racetracks Program and GDL received a notice of reassessment for its 2013 taxation year. GDL treated the payment as a reimbursement of property, plant and equipment costs reducing the capital cost of related assets but CRA's position was the payment should be treated as ordinary business income. GDL filed a notice of objection on March 15, 2018 to appeal the notice of reassessment and paid the minimum amount required to dispute the reassessment. GDL received a letter dated July 18, 2018 from CRA accepting GDL's representation in the notice of objection. GDL received another notice of reassessment for the 2013 taxation year that reversed the prior reassessment and received the refund of the balance on deposit.

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

Commitments

The Company expects the following maturities of its financial liabilities (including interest), operating leases and other contractual commitments:

	Expected payments by period as at December 31, 2018				
	Within 1 year	2 - 3 years	4 - 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 196.1	$ -	$ -	$ -	**$ 196.1**
Income taxes payable	31.3	-	-	-	**31.3**
Senior Secured Credit Facilities	18.3	36.6	366.3	-	**421.2**
Non-recourse revolving credit facilities	19.5	73.1	247.8	-	**340.4**
Provisions	3.1	0.8	0.8	4.9	**9.6**
Property and other operating leases	84.5	162.5	155.6	1,093.2	**1,495.8**
Other contractual commitments(1) (2)	120.2	12.7	9.1	5.5	**147.5**
Total	**$ 473.0**	**$ 285.7**	**$ 779.6**	**$ 1,103.6**	**$ 2,641.9**

(1) Other contractual commitments primarily consist of committed additions for property, plant and equipment of $111.3 (2017 - $28.0).

(2) OTG, OGWGLP, and OGELP have each covenanted to OLG that OLG shall realize gaming revenue in each year that is equal to or greater than an agreed upon threshold in respect of each operating year, or to otherwise pay to OLG the amount by which the gaming revenue realized in year is less than the applicable threshold in respect of such year (each such payment, a "Threshold Top-Up Amount"). Based on each of the partnerships' operating results, the likelihood that these partnerships will fail to generate sufficient gaming revenue for OLG for any year is expected to be remote, and as such, no provision has been made for Threshold Top-Up Amounts.

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

Future Cash Requirements

The Company's current cash requirements are primarily for the comprehensive development plans for the gaming facilities in the GTA Gaming Bundle and the West GTA Gaming Bundle. The Company intends to make additional capital investments to its gaming facilities in B.C.

The operational requirements and major developments of the Ontario partnerships' gaming facilities can be funded by the partnerships' existing cash, cash generated from operations, and existing capacity in the partnerships' credit facilities. In certain circumstances, the Company may be required to make additional capital injections into the partnership in order to satisfy the terms of the partnerships' equity agreements or financial covenants, as applicable.

Management believes that the Company's current operational requirements, major development and business acquisition plans, and required partnership contributions, if any, can be funded from existing cash, cash generated from operations, and existing capacity on our Senior Secured Credit Facilities agreement.

If future circumstances dictate an increased cash requirement and we elect not to delay, limit, or eliminate some of our plans, we may raise additional funds through the refinancing of existing debt, the issuance of additional debt that fits within the limitations established by the covenants on our existing credit and debt facilities, the issuance of hybrid debt-equity securities, or additional equity securities. If the Company needs to access the capital markets for additional financial resources, we believe we will be able to do so at prevailing market rates.

OTHER FINANCIAL INFORMATION

Key Management Compensation

Key management personnel comprise the Company's Board of Directors and executive officers. Key management compensation was as follows:

	Year ended December 31,	
	2018	2017
Human resources [(1)]	**$ 3.8**	$ 2.8
Share-based compensation [(2)]	**8.9**	5.2
Total	**$ 12.7**	$ 8.0

[(1)] Human resources includes salaries and other short-term employee benefits.
[(2)] Share-based compensation includes equity and cash-settled share-based compensation.

As at December 31, 2018, the liabilities of the Company include amounts due to key management personnel of $2.1 (2017 - $1.2) in "accounts payable and accrued liabilities" and $8.4 (2017 - $6.3) in "deferred credits, provisions and other liabilities" of the Consolidated Statements of Financial Position.

Accounting Standards

Standards, amendments and interpretations effective and applied

Effective January 1, 2018, the Company adopted the following revised International Accounting Standards ("IAS") and IFRSs issued by the International Accounting Standards Board ("IASB").

i) IFRS 9, *Financial Instruments* ("IFRS 9") – replaced IAS 39, *Financial Instruments: Recognition and* Measurement. IFRS 9 introduced amendments to classification and measurement for financial assets, a new expected loss impairment model and a new hedge accounting model. IFRS 9 became effective on January 1, 2018 and is applied retrospectively in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Management completed its assessment of the new standard and concluded that it does not have a material impact on the Company's consolidated financial statements.

ii) IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") – requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers and replaced IAS 18. Under IFRS 15, a five-step model is utilized to achieve the core revenue recognition principle: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the obligations in the contract; and (5) recognize revenue when (or as) the Company satisfies a performance obligation. New disclosures are also required.

The Company has adopted IFRS 15 using the modified retrospective method whereby the cumulative effect of the change determined by applying the principles and practices in IFRS 15 for contracts that are incomplete on the date of adoption, if any, are recognized in retained earnings at January 1, 2018. Upon application of the new revenue standard, there was no cumulative effect adjustment required to be recognized at January 1, 2018. The comparative information has not been adjusted and continues to be reported under the accounting standards in effect for those periods.

The Company has determined there has been no material impact on recognized revenue in the year ended December 31, 2018 from the adoption of the new revenue standard. The principal effects of the new standard on the Company's previous revenue recognition practices relate to the accounting for certain of the Company's customer loyalty programs and promotional allowances.

The Company has various customer loyalty programs it operates in each of its jurisdictions. Under the new revenue standard, loyalty points earned by our customers are ascribed a value and recognized in revenue when the rewards are redeemed or expire. The impact of adopting this new policy for customer loyalty programs was not material at January 1, 2018. For customer loyalty programs operated by the Provincial Crown corporations, there is no impact to the Company under the new guidance. Loyalty points that offer customers the rights to receive cash meet the definition of financial liability under IFRS 9, and therefore are outside of the scope of IFRS 15.

The Company previously presented the various sources of revenue gross of complimentary goods and services provided to guests with a corresponding reduction of promotional allowances in the notes to its financial statements. Under the new standard, the Company's note disclosure of the sources of revenue are now presented net of their respective promotional allowances. This change in presentation has been made retrospectively to the comparable period. There was no impact from this change in presentation on total revenue in the Consolidated Statements of Earnings and Other Comprehensive Income of the Company's Annual Financial Statements.

The Company's revenue recognition accounting policy in accordance with IFRS 15 is provided in Note 3(q) of the Annual Financial Statements.

Accounting standards issued but not yet effective

Effective January 1, 2019

i) IFRS 16, *Leases* ("IFRS 16") specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with lessor accounting substantially unchanged from its predecessor, IAS 17, *Leases*. The Company currently has operating lease commitments. The presentation of the majority of these operating leases will change by increasing the "property, plant and equipment", current and long-term lease liability amounts on the Consolidated Statements of Financial Position. The current presentation of lease expenses on the Consolidated Statements of Earnings and Other Comprehensive Income as a component of "property, marketing and administration" expense will change to "amortization" and "interest and financing costs, net". On the Consolidated Statements of Cash Flows, lease payments will be presented as "cash used in financing activities", and is offset by an increase in "cash generated by operating activities" of the same amount. The Company's financial covenants on its long-term debt are based on financial measures that will change under IFRS 16.

The Company will adopt the new standard under the modified retrospective approach from January 1, 2019. The Company will apply the definition of a lease under IFRS 16 to contracts entered into or changed on or after January 1, 2019. On transition to IFRS 16, the Company is electing to apply the practical expedient to not reassess whether contracts previously identified as leases under IAS 17 are leases under IFRS 16. Under this practical expedient, the Company's finance leases, as assessed under IAS 17, will be initially measured using the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of this standard. For the Company's operating leases, as assessed under IAS 17, the Company will recognize right-of-use assets and liabilities using the measurement requirements of IFRS 16, excluding those in which the Company has elected to apply the exemption for leases with a term of 12 months or less or if the underlying asset has a low value.

The Company continues to execute its detailed implementation plan and has substantially completed its scoping assessment of material lease contracts. The Company is expected to elect the following practical expedients and exemptions proposed by the standard:

- Apply a single discount rate to a portfolio of leases with similar characteristics.
- Adjust the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Exclude initial direct costs from measuring the right-of-use asset at the date of initial application.
- Exclude intangibles assets from the application of IFRS 16.
- Apply the exemptions not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low-value assets.

At this time, the Company expects a significant impact related to its property leases which will require new right-of-use assets and lease liabilities to be recognized on the Consolidated Statements of Financial Position. The Company is assessing the quantitative impact to the financial statements and other key performance measures. Additionally, the discount rate assumption requires significant judgment and may have significant quantitative impact on the lease asset and liability valuations. Another area of judgment is the determination of the lease term; under IFRS 16, the lease term includes extension periods where it is reasonably certain that a lease extension option will be exercised or that a lease termination option will not be exercised. Judgment will be required when determining the term of leases with extension or termination options, specifically for property leases whose terms are dependent on factors such as the term of its respective operating agreement with the Provincial Crown corporation.

Additionally, we continue to evaluate the impact the new standard will have on the Company's processes, systems, and internal controls.

ii) IFRIC 23, *Uncertainty Over Income Tax Treatments* ("IFRIC 23") - On June 7, 2017, the IASB published IFRIC 23 which includes guidance that add to the requirements in IAS 12, *Income Taxes* by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Interpretation requires an entity to:

- Contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- Reflect an uncertainty in the amount of income tax payable (recoverable) if it is probable that it will pay (or recover) an amount for the uncertainty; and
- Measure a tax uncertainty based on the most likely amount or expected value depending on whichever method better predicts the amount payable (recoverable).

The Company will adopt the new standard under the modified retrospective approach from January 1, 2019. The Company continues to assess the impact of this interpretation.

Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

The estimates and judgments used in determining the recorded amounts and applying the Company's significant accounting policies and disclosures in the Annual Financial Statements include the following:

- *Control of Subsidiaries*

  The Company consolidates the balances, operations and cash flows of the entities which it controls. In determining control, management assesses whether the Company has power over the entity, exposure, or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

  In determining if the Company has power over its Ontario partnerships, management makes judgments when identifying which activities of these partnerships are relevant in significantly affecting returns and the extent of the existing rights that give the Company the current ability to direct the relevant activities.

  The operations and development of the Ontario partnerships are the key relevant activities and through the management service agreement and development service agreement, the Company has the ability to contractually direct the relevant activities of these partnerships. Other parties with protective rights do not have power that prevents the Company's exercise of power over these partnerships. Based on management's evaluation of the key criteria, it was determined the Company controls its Ontario partnerships.

- *Revenue Recognition*

  The application of IFRS 15 requires the Company to make a number of estimates and judgments, including the determination of the nature of its performance obligations under its contracts, the assessment of the amount it expects to be entitled for variable consideration in determining the transaction price, and the timing of recognition and allocation of the transaction price to loyalty programs based on the estimated relative selling price method.

  In analyzing its contracts with the Provincial Crown corporations, the Company first evaluates whether its various promises to provide goods or services represents that of the principal in the transactions with casino patrons or as the provincial body's agent in providing such services. In Canada, the Company has concluded its services are as an agent since the legal party in the wagering transaction with customers rests with the Provincial Crown corporations and the Company is engaged to provide services under their authority. As a result, revenue is recognized net of the amounts belonging to the Provincial Crown corporations.

- *Estimated useful lives of long-lived assets*

  Judgment is used to estimate each component of an asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

- *Residual values of property, plant and equipment*

  Judgment is used to estimate the residual values of property, plant and equipment, if the residual values were incorrect, it could result in an increase or decrease in the annual amortization expense and future impairment charges.

- *Fair value of net assets acquired in business combinations*

  The consideration transferred for an acquired business ("purchase price") is assigned to the identifiable tangible and intangible assets purchased and liabilities assumed on the basis of their fair values at the date of acquisition. The identification of assets purchased and liabilities assumed and the valuation thereof is specialized and judgmental. Where appropriate, the Company engages external business valuators to assist in the valuation of tangible and intangible assets acquired. Any excess of purchase price over the fair value of the identifiable tangible and intangible assets purchased and liabilities assumed is allocated to goodwill.

  When a business combination involves contingent consideration, an amount equal to the fair value of the contingent consideration is recorded as a liability at the time of acquisition. The key assumptions utilized in determining fair value may include probabilities associated with the occurrence of specified future events, financial projections of the acquired business, the timing of future cash flows, and the appropriate discount rate.

- *Equity-settled share-based compensation*

  The Company estimates the cost of equity-settled share-based compensation using the Black-Scholes option pricing model. The model takes into account an estimate of the expected life of the option, the current price of the underlying common share, the expected volatility, an estimate of future dividends on the underlying common share, the risk-free rate of return expected for an instrument with a term equal to the expected life of the option, and the expected forfeiture rate.

- *Cash-settled share-based compensation*

  The cost of cash-settled share-based compensation provided to employees incorporates an expected forfeiture rate based on historic employee retention to estimate the expected number of cash-settled securities that will vest. If the actual employee retention rate over the vesting period differs from the estimated rate, the amount of cash required to settle the liability could be higher or lower than the accrued liability and the change would be reflected in share-based compensation expense.

- *Income taxes*

  Deferred tax assets and liabilities are due to temporary differences between the carrying amount for accounting purposes and the tax basis of certain assets and liabilities, as well as undeducted tax losses. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based on amounts recorded on the Consolidated Statements of Financial Position and are subject to the accounting estimates inherent in those balances. The tax basis of assets and liabilities and the amount of undeducted tax losses are based on the applicable income tax legislation, regulations and interpretations. The timing of the reversal of the temporary differences and the timing of deduction of tax losses are based on estimations of the Company's future financial results.

  Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation will result in adjustments to the expectations of future timing difference reversals and may require material deferred tax adjustments.

  The Company's operations are conducted in countries with complex tax laws and regulations that can require significant interpretation. As such, the Company and the tax authorities could disagree on tax filing positions and any reassessment of the Company's tax filings could result in material adjustments to tax expense, taxes payable and deferred income taxes.

- *Contingencies*

  Provisions are accrued for liabilities with uncertain timing or amounts, if, in the opinion of management, it is both likely that a future event will confirm that a liability had been incurred at the date of the consolidated financial statements of financial position and the amount can be reasonably estimated. In cases where it is not possible to determine whether such a liability has occurred, or to reasonably estimate the amount of loss until the performance of some future event, no accrual is made until that time. In the ordinary course of business, the Company may be party to legal proceedings which include claims for monetary damages asserted against the Company and its subsidiaries. The adequacy of provisions is regularly assessed as new information becomes available

  The Company does not record contingent assets.

- *Determination of CGUs*

  The Company's assets are grouped into cash-generating units ("CGUs") based on their ability to generate separate identifiable cash flows. The determination of CGUs involves an assessment regarding the interdependency of cash inflows, and the Company's organizational structure.

- *Segment Reporting*

  The preparation of financial statements requires management to make judgments that affect the financial statement disclosure of information regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") used to make resource allocation decisions and to assess performance.

  Significant judgments were made in determining operating segments to reflect the manner in which the CODM now reviews the operations and business performance of the Company. Management has considered the regular process used by the CODM to assess performance, the budgeting process, and public statements about how an entity operates its business. As the CODM monitors the Company's operating results on a regional basis, management has determined each region to be an operating segment.

Financial Instruments and Other Instruments

The Company's risk management strategy is to minimize exposure to currencies other than the Canadian dollar and, with the exception of revolving lines of credit, evaluate market conditions to fix its floating interest rate debt when appropriate. The financial instruments that give rise or may give rise to the most significant exposure to floating interest rate risk are the Senior Secured Credit Facilities, OTG's Non-recourse Revolving and Capital Expenditures Credit Facilities, and OGWGLP's Non-recourse Revolving Credit Facility.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer (or appointed designate) are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal controls over financial reporting to provide reasonable assurance a) that material information about the Company and its subsidiaries would have been made known to them and b) regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

The Chief Executive Officer and Chief Financial Officer (or appointed designate) have evaluated and concluded that the Company's disclosure controls and procedures are adequately designed and effective for providing reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would have been made known to them as of the end of the fiscal year ended December 31, 2018.

As well, as of the end of the fiscal year ended December 31, 2018, the Chief Executive Officer and Chief Financial Officer (or appointed designate) have evaluated and concluded that the Company's internal controls over financial reporting, designed under the Committee of Sponsoring Organizations of the Treadway Commission's 2013 Internal Control Integrated Framework, are adequately designed and effective for providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

During 2018, there was no change in the Company's internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Additional Information

Additional information relating to the Company, including the Company's latest Annual Financial Statements and Annual Information Form, can be located on the SEDAR website at www.sedar.com or on the Company's website at www.gcgaming.com.

Shareholders of the Company may obtain a copy of the Company's TSX Form 12 Notice of Intention to Make a Normal Course Issuer Bid as filed with and as accepted by the TSX, at no charge, by contacting the Company.

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

SUPPLEMENTAL FINANCIAL INFORMATION

Consolidated Quarterly Results Trend

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Gaming Revenues [1]								
Ontario	$ 202.6	$ 201.9	$ 173.6	$ 102.5	$ 19.1	$ 23.8	$ 25.8	$ 19.6
British Columbia [2]	68.3	69.1	64.6	66.2	67.8	70.4	71.9	66.4
Atlantic	17.2	19.9	18.0	16.3	17.7	19.8	17.7	15.0
United States	9.1	9.2	9.0	8.9	9.0	8.0	9.5	9.5
	297.2	**300.1**	**265.2**	**193.9**	**113.6**	**122.0**	**124.9**	**110.5**
Hospitality Revenues [1] [3]								
Ontario	6.2	4.9	4.5	3.9	2.9	3.0	2.8	2.7
British Columbia	17.0	17.9	16.4	13.1	15.6	16.2	14.5	12.6
Atlantic	5.6	4.6	5.0	3.9	5.3	4.4	4.4	3.9
United States	1.2	1.1	1.0	1.1	1.2	1.2	1.3	1.3
	30.0	**28.5**	**26.9**	**22.0**	**25.0**	**24.8**	**23.0**	**20.5**
Racetrack, Lease and Other Revenues [3]								
Ontario	8.2	8.2	6.5	8.0	6.3	6.2	6.1	6.1
British Columbia	5.3	5.4	5.6	5.7	5.0	5.4	5.8	4.7
Atlantic	1.0	0.9	1.0	0.9	1.0	1.1	1.1	0.8
United States	0.3	0.1	0.1	-	0.1	0.1	0.1	0.1
	14.8	**14.6**	**13.2**	**14.6**	**12.4**	**12.8**	**13.1**	**11.7**
Revenues	**$ 342.0**	**$ 343.2**	**$ 305.3**	**$ 230.5**	**$ 151.0**	**$ 159.6**	**$ 161.0**	**$ 142.7**
Adjusted EBITDA								
Ontario	$ 78.5	$ 90.0	$ 81.3	$ 50.6	$ 8.4	$ 13.5	$ 15.2	$ 8.5
British Columbia	39.1	44.7	39.6	35.5	36.5	43.5	43.5	35.9
Atlantic	7.3	9.7	8.3	5.9	7.4	9.2	7.3	5.0
United States	2.5	2.6	1.9	1.4	1.7	0.9	1.8	3.4
Corporate & Other	(7.1)	(6.4)	(6.5)	(4.5)	(4.8)	(4.4)	(5.0)	(4.6)
	$ 120.3	**$ 140.6**	**$ 124.6**	**$ 88.9**	**$ 49.2**	**$ 62.7**	**$ 62.8**	**$ 48.2**

[1] Promotional allowances for the previous quarters, which were previously presented as a reduction to total revenue, have been retrospectively reclassified to net against each region's related revenue stream to conform with the presentation adopted in the current year. Promotional allowances relate to gaming revenues and hospitality revenues.

[2] FDC for the previous quarters, previously presented as a separate revenue stream, has been reclassified and included with B.C. gaming revenues to conform with the presentation adopted in the current year.

[3] Lease and other revenues for the previous quarters, which were previously presented under "hospitality, lease and other revenues", have been included with "racetracks, lease and other revenues" to conform with the presentation in the current year.