GREAT CANADIAN GAMING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended
December 31, 2020

(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, labour relations, consolidated results of operations, consolidated quarterly results trend, liquidity and capital resources, and other information of Great Canadian Gaming Corporation ("Great Canadian", "GCGC", the "Company", "we", "our") is dated as of March 1, 2021.

This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2020 ("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 defined when they first appear.

Temporary Business Interruption

The COVID-19 coronavirus pandemic (the "Pandemic") continues to have a significant impact on the Company's business since the temporary suspension of all of its gaming facilities and ancillary amenities on March 16, 2020.

In late 2020, the Company reopened its gaming properties in Ontario and Atlantic under restricted operating conditions but was required to temporarily close these properties again at various dates in the fourth quarter of 2020 due to localized health authority mandates. All Ontario properties were closed prior to the end of the year. The Atlantic properties, with the exception Casino Nova Scotia Halifax, remained open as at December 31, 2020. In British Columbia, the Company's properties remain closed since March 16, 2020 as mandated by the provincial government.

Any reopened sites follow rigorous and detailed health and safety protocol developed by the Company that meet or exceed all requirements from corresponding provincial health authorities. The operational environment at all reopened gaming properties includes reduced guest capacity and availability of slot machines, and the temporary closure of substantially all table games and non-gaming amenities. The Company will continue to follow the direction of provincial governments and local health authorities, which continues to be rapidly fluctuating and will require the Company to adjust the operating environment in the future as conditions evolve.

The Company's capital program has also been impacted by the Pandemic. The Government of Ontario mandated the closure of all non-critical construction projects from April 4, 2020 to May 19, 2020, which temporarily halted the remainder of the Company's Ontario capital projects under development. Subsequent to December 31, 2020, the Company was required to suspend all non-critical construction activities in Ontario on January 14, 2021. The suspensions were lifted at Pickering Casino Resort and Great Blue Heron Casino on February 16, 2021 but remain in effect at Casino Woodbine. Although restrictions at certain properties were lifted and construction recommenced with appropriate workplace safety measures in place, the Company continues to reassess the timing of its development projects in Ontario. Despite the impact on timing, the Company does not expect a material impact to the total planned capital spend on its development projects.

The Company has undertaken several measures in response to the Pandemic. Management continued to monitor the potential implications of the Pandemic on the business and at all times prioritized the health and safety of its team members and guests. Prior to the temporary suspension, the Company assessed its working capital requirements and increased its liquidity to better position it to sustain a potential closure. At December 31, 2020, the Company had \$434.8 in cash and \$972.3 of available undrawn credit on its credit facilities. The Company worked closely with the respective Provincial Crown corporations to ensure its Operating Agreements remain in good standing during the suspension period. In response to the closures of its sites, the Company made operational adjustments to reduce its human resources and property, marketing and administration expenses in an effort to reduce its cash outflows during the temporary suspension period.

In addition, the Company has applied for eligible government assistance related to the Pandemic to further reduce its cash outflows. For the three and twelve months ended December 31, 2020, the Company recognized $9.7 and $21.3, respectively, of eligible government assistance which was recorded as a reduction against related expenses.

The Company also completed amendments to each of its credit agreements to temporarily waive certain financial and other covenants for a defined period. Certain waivers require maintenance of a liquidity covenant during the waiver period. Upon expiry of the waivers, further waiver amendments may be required to be negotiated with creditors in a scenario of an extended temporary suspension.

The Company's actions, taken in response to the temporary business interruption noted above, have been focused on maintaining its capital structure and minimizing its cash outflows. Given the dynamic nature of the Pandemic, the duration and magnitude of the operating restrictions remains uncertain, including the impact of any additional health and safety measures introduced on reopening.

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 (loss) 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.

Adjusted EBITDA
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, business acquisition, restructuring and other, gain on sale of land, and foreign exchange gain. Adjusted EBITDA is derived from the Consolidated Statements of (Loss) Earnings and Other Comprehensive (Loss) Income, and can be computed as revenues less human resources expenses and property, marketing and administration expenses plus the share of profit of equity investments relating to principal operating entities. Unless otherwise noted, Adjusted EBITDA for the current and comparative periods exclude the results of discontinued operations. 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 (loss) earnings under IFRS is shown in the "Financial Highlights – Reconciliation of Non-IFRS Measures to IFRS Measures" 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.

Free Cash Flow
The Company has reported Free Cash Flow as an additional measure of its operating performance, particularly to monitor the Company's non-discretionary cash requirements during the Pandemic period, as discussed in the "Temporary Business Interruption" section of this MD&A. Free Cash Flow can be computed as Adjusted EBITDA less the following items derived from the Consolidated Statements of Cash Flows: changes in non-cash working capital, capital expenditures, net of related accounts payable, payment of lease liabilities, interest paid and income taxes paid. A reconciliation of Free Cash Flow to cash generated by operating activities is shown in the "Financial Highlights – Reconciliation of Non-IFRS Measures to IFRS Measures" section of this MD&A. Unless otherwise noted, Free Cash Flow for the current and comparative periods exclude discontinued operations.

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 impact of COVID-19 on the Company's operations and capital structure, the Company's anticipated arrangement with Raptor Acquisition Corp., the Company's strategy for growth and objectives, the status and prospects of the industries in which the Company operates, expected future expenditures, costs, operating and financial results, the Company's continued ability to obtain and maintain credit facilities and waivers of covenants as a result of adjustments to operating capacity, business closures or temporary shutdowns due to COVID-19, expected impact of future commitments, the impact of conditions imposed on certain high limit players, the impact of unionization activities and labour organization, the Company's beliefs about the outcome of its notices of objection and subsequent appeals challenging the Canada Revenue Agency's reassessments and its tax position on its facility development commission prevailing, the determination and calculation of the Company's expected facility investment commission amounts in respect of its British Columbia facilities and the Company's projected future investments to obtain facility investment commission, the terms and expected benefits of the Company's normal course issuer bids, the Company's expected share of B.C. horse racing industry revenue, the Company and its affiliates meeting threshold revenue growth amounts in the Ontario gaming industry, 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 operating agreements with lottery corporations; changes to gaming laws and regulations that may impact the operating agreements; the Company's ability to successfully close its anticipated arrangement with Raptor Acquisition Corp.; pending, proposed or unanticipated regulatory or policy changes (including those related to anti-money laundering legislation or policy that may impact high limit play), volatile gaming holds, the effects of competition in the market; the Company's ability to successfully develop properties in Ontario; 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; impairment of the Company's ability to obtain and maintain credit facilities and waivers of covenants arising from COVID-19; actual and possible reassessments of the Company's prior tax filings by tax authorities; the results of the Company's notices of objection and subsequent appeals challenging reassessments received by the Canada Revenue Agency; the Company's tax position on its facility development commission prevailing; temporary business interruption and closure of the Company's facilities due to COVID-19; effects of COVID-19 physical distancing measures in reopened facilities; adverse tourism trends and further decreases in levels of travel, leisure and consumer spending; adverse changes in public opinion and acceptance of gambling; competition from established competitors and new entrants in the gaming business; dependence on key personnel; the Company's ability to successfully integrate new key personnel; the timing and results of collective bargaining negotiations and potential labour disruption; adverse changes in the Company's labour relations; the Company's ability to manage its capital projects and its expanding operations in jurisdictions where it operates; the risk that systems, procedures and controls may not be adequate to meet regulatory requirements or to support current and expanding operations; potential undisclosed liabilities and capital expenditures associated with acquisitions; negative connotations linked to the gaming industry; the risk associated with partnership relationships; First Nations rights with respect to certain land on which the Company conducts operations; future or current legal proceedings; construction disruptions; financial covenants associated with credit facilities and long-term debt; credit, liquidity and market risks associated with our financial instruments; interest and exchange rate fluctuations; demand for new products and services; fluctuations in operating results; economic uncertainty and financial market volatility; technology dependence; privacy breaches or data theft; integration of acquired properties in Ontario; changes to anti-money laundering procedures and protocols including additional requirements for determining source of funds;

unusual weather or natural disasters could adversely affect the Company's operations and financial results; and disease outbreaks. The Company cautions that this list of factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. These factors and other risks and uncertainties are discussed in the Company's continuous disclosure documents filed with the Canadian securities regulatory authorities from time to time, including in the "Risk Factors" section of the Company's Annual Information Form for fiscal 2020, 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.

Presentation of Financial Information

IFRS 16, Leases ("IFRS 16")

The Company adopted IFRS 16 on January 1, 2019 using the modified retrospective approach. Comparative information for 2018 has not been adjusted for IFRS 16.

Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for most of its leases. Certain lease payments, which were previously recognized in "property, marketing and administration" expense, are now recorded against the lease liability as the payment occurs. Expenses for short-term leases, leases of low value assets, and variable lease payments based on performance or usage continue to be expensed in "property, marketing and administration" expense. At each reporting period, the Company recognizes amortization expense related to its right-of-use assets and interest accretion on lease liabilities.

Discontinued Operations of United States Region

On June 27, 2019, the Company sold all the shares of its wholly-owned subsidiary, Great American Gaming Corporation ("GAGC"), which represented the Company's U.S. region, a segment that was previously reported in the Company's Annual Financial Statements.

Financial results of the U.S. region, including comparative information, have been presented as discontinued operations in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*.

FINANCIAL HIGHLIGHTS

	Three months ended December 31,			Twelve months ended December 31,				
	2020	2019	% Chg	**2020**	2019	% Chg	2018[1][2]	% Chg
Gaming revenues	**$ 58.1**	$ 311.9	(81%)	**$ 398.7**	$ 1,182.8	(66%)	$ 1,020.2	16%
Hospitality revenues	**-**	29.0	(100%)	**19.2**	110.5	(83%)	103.0	7%
Racetrack, lease and other revenues	**4.5**	16.5	(73%)	**24.4**	62.3	(61%)	56.6	10%
Revenues	**62.6**	357.4	(82%)	**442.3**	1,355.6	(67%)	1,179.8	15%
Less:								
Human resources	**17.4**	109.8	(84%)	**142.0**	430.8	(67%)	357.0	21%
Property, marketing and administration	**20.5**	96.3	(79%)	**134.0**	370.2	(64%)	359.5	3%
Share of profit of equity investment [3]	**(0.8)**	(0.7)	14%	**(2.9)**	(2.7)	7%	(2.7)	0%
Adjusted EBITDA [3][4]	**$ 25.5**	$ 152.0	(83%)	**$ 169.2**	$ 557.3	(70%)	$ 466.0	20%
Changes in non-cash working capital	**(21.9)**	28.2		**(32.6)**	9.7		3.9	
Capital expenditures, net of related accounts payable	**(63.2)**	(156.6)	(60%)	**(308.7)**	(403.0)	(23%)	(197.2)	104%
Payment of lease liabilities	**(23.2)**	(22.7)	2%	**(87.0)**	(82.8)	5%	-	
Interest paid	**(14.0)**	(8.0)	75%	**(50.8)**	(34.4)	48%	(50.9)	(32%)
Income taxes paid	**(0.6)**	(16.1)	(96%)	**(16.5)**	(101.3)	(84%)	(35.8)	183%
Free Cash Flow [4]	**$ (97.4)**	$ (23.2)		**$ (326.4)**	$ (54.5)		$ 186.0	
Cash flow information								
Cash generated by operating activities	**(6.4)**	157.3		**90.4**	460.9	(80%)	422.3	9%
Cash used in investing activities	**(62.1)**	(153.9)	(60%)	**(303.3)**	(315.8)	(4%)	(391.7)	(19%)
Cash generated (used in) by financing activities	**31.3**	16.0	96%	**317.9**	(154.0)		(18.1)	
Effect of foreign exchange on cash	**0.1**	0.5	(80%)	**0.1**	1.8	(94%)	2.0	(10%)
Cash (outflow) inflow	**$ (37.1)**	$ 19.9		**$ 105.1**	$ (7.1)		$ 14.5	
Net (loss) earnings information:								
Net (loss) earnings from continuing operations	**$ (45.0)**	$ 62.4		**$ (101.9)**	$ 244.9		$ 234.7	4%
Net earnings attributable to discontinued operations	**-**	-		**-**	52.1		5.1	
Net (loss) earnings	**$ (45.0)**	$ 62.4		**$ (101.9)**	$ 297.0		$ 239.8	
Net (loss) earnings from continuing operations attributable to:								
Shareholders of the company	**$ (33.6)**	$ 45.8		**$ (82.3)**	$ 174.4		$ 146.1	19%
Non-controlling interests	**(11.4)**	16.6		**(19.6)**	70.5		88.6	(20%)
	$ (45.0)	$ 62.4		**$ (101.9)**	$ 244.9		$ 234.7	4%
Net (loss) earnings attributable to:								
Shareholders of the company	**$ (33.6)**	$ 45.8		**$ (82.3)**	$ 226.5		$ 151.2	50%
Non-controlling interests	**(11.4)**	16.6		**(19.6)**	70.5		88.6	(20%)
	$ (45.0)	$ 62.4		**$ (101.9)**	$ 297.0		$ 239.8	24%
Shareholders' net (loss) earnings per common share from continuing operations								
Basic	**$ (0.60)**	$ 0.81		**$ (1.49)**	$ 3.00		$ 2.40	
Diluted	**$ (0.60)**	$ 0.79		**$ (1.49)**	$ 2.91		$ 2.31	
Shareholders' net (loss) earnings per common share								
Basic	**$ (0.60)**	$ 0.81		**$ (1.49)**	$ 3.89		$ 2.49	
Diluted	**$ (0.60)**	$ 0.79		**$ (1.49)**	$ 3.78		$ 2.39	
Weighted average number of common shares (in thousands)								
Basic	**55,573**	56,267		**55,309**	58,171		60,805	
Diluted	**55,573**	57,615		**55,309**	59,836		63,217	

Balance sheet information:	**December 31, 2020**	December 31, 2019	% Chg	December 31, 2018	% Chg
Cash	**$ 434.8**	$ 329.7	32%	$ 336.8	(2%)
Total assets	**$ 3,120.0**	$ 2,851.9	9%	$ 1,601.8	78%
Long-term debt	**$ 1,333.9**	$ 869.8	53%	$ 631.6	38%

(1) 2018 does not reflect the impact of IFRS 16, *Leases*, which was adopted by the Company on January 1, 2019 as discussed in the "Presentation of Financial Information" section of this MD&A.

(2) 2018 has been re-presented to exclude the results of discontinued operations, as discussed in the "Presentation of Financial Information" section of this MD&A.

(3) 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 has been classified under "business acquisition, restructuring and other".

(4) Adjusted EBITDA and Free Cash Flow are non-IFRS measures, as defined in the "Non-IFRS Measures" section of this MD&A, and excludes discontinued operations. Reconciliations of these non-IFRS measures to IFRS measures are provided on the following page.

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

Reconciliation of Non-IFRS Measures to IFRS Measures

Reconciliation of Adjusted EBITDA to net (loss) earnings from continuing operations

	Three months ended December 31,			Twelve months ended December 31,				
	2020	2019	% Chg	**2020**	2019	% Chg	2018	% Chg
Adjusted EBITDA	**$ 25.5**	$ 152.0	(83%)	**$ 169.2**	$ 557.3	(70%)	$ 466.0	20%
Less:								
Amortization	**41.0**	41.0	0%	**156.3**	152.8	2%	83.0	84%
Share-based compensation	**7.2**	4.2	71%	**17.1**	12.2	40%	13.0	(6%)
Interest and financing costs, net	**27.8**	22.6	23%	**101.6**	87.3	16%	62.7	39%
Business acquisition, restructuring and other	**9.4**	3.8	147%	**24.7**	3.6	586%	17.8	(80%)
Gain on sale of land	**-**	-		**-**	(6.6)	100%	-	
Foreign exchange gain	**(0.1)**	(0.4)	(75%)	**(0.1)**	(2.3)	(96%)	(1.0)	130%
Income tax	**(14.8)**	18.4		**(28.5)**	65.4		55.8	17%
Net (loss) earnings from continuing operations	**$ (45.0)**	$ 62.4		**$ (101.9)**	$ 244.9		$ 234.7	4%

Reconciliation of Free Cash Flow to cash generated by operating activities

	Three months ended December 31,			Twelve months ended December 31,				
	2020	2019	% Chg	**2020**	2019	% Chg	2018	% Chg
Free Cash Flow	**$ (97.4)**	$ (23.2)		**$ (326.4)**	$ (54.5)		$ 186.0	
Add (less):								
Capital expenditures, net of related accounts payable	**63.2**	156.6	(60%)	**308.7**	403.0	(23%)	197.2	104%
Payment of lease liabilities	**23.2**	22.7	2%	**87.0**	82.8	5%	-	
Interest paid	**14.0**	8.0	75%	**50.8**	34.4	48%	50.9	(32%)
Other[1]	**(9.4)**	(6.8)	38%	**(29.7)**	(9.2)	(223%)	(18.3)	(50%)
Cash generated by operating activities from discontinued operations	**-**	-		**-**	4.4	(100%)	6.5	(32%)
Cash generated by operating activities	**$ (6.4)**	$ 157.3		**$ 90.4**	$ 460.9		$ 422.3	9%

Discussion of Financial Highlights

Revenues

Revenues of $62.6 and $442.3 for the three and twelve months ended December 31, 2020 decreased by $294.8 and $913.3, respectively, when compared to the same periods in 2019, primarily due to the temporary suspension of operations, as discussed in the “Temporary Business Interruption” section of this MD&A.

Revenues for the three months ended December 31, 2020 primarily consisted of the Ontario bundles’ continued service provider base fixed fees and revenues from reopened gaming facilities in Ontario and Atlantic under restricted operating conditions for a portion of the fourth quarter of 2020.

Revenues for the twelve months ended December 31, 2020 included revenues earned prior to the temporary suspension period, the Ontario bundles’ annual entitlement of service provider fees for permitted capital expenditures (“PCE”) recognized in full in the second quarter of 2020 and continued service provider base fixed fees during the closure period.

For the twelve months ended December 31, 2019, the Company recorded revenues of $1,355.6, a $175.8 or 15% increase from the twelve months ended December 31, 2018. The increase for the twelve months ended December 31, 2019 was attributable to the expansion of gaming and non-gaming amenities at the Ontario properties. Revenues for the twelve months ended December 31, 2019 included an additional 22 and 120 days of operations 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 was partially offset by extreme winter conditions in the first quarter of 2019, which had a negative impact on guest attendance at the Ontario gaming facilities.

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

The following table summarizes the Company's consolidated revenues for the years ended December 31, 2020, 2019, and 2018, and excludes revenues from discontinued operations, as discussed in the "Presentation of Financial Information" section of this MD&A.

	Twelve months ended December 31,		
	2020	2019	2018
Gross Gaming Revenues [1]	**665.7**	$ 3,034.0	$ 2,648.8
Less: amounts retained by Provincial Crown corporations and other	**(267.0)**	(1,851.2)	(1,628.6)
Gaming Revenues	**398.7**	1,182.8	1,020.2
Hospitality revenues	**19.2**	110.5	103.0
Racetrack, lease and other revenues	**24.4**	62.3	56.6
Revenues	**$ 442.3**	$ 1,355.6	$ 1,179.8

[1] Gross Gaming Revenues are the amounts wagered on gaming activities, less promotional allowances and the payout or prizes won by customers.

Adjusted EBITDA

Adjusted EBITDA of $25.5 and $169.2 for the three and twelve months ended December 31, 2020 decreased by $126.5 and $388.1, respectively, when compared to the same periods in 2019, primarily due to the above mentioned temporary suspension of operations, which had a negative impact on revenues.

Human resource and property, marketing and administration expenses for the three and twelve months ended December 31, 2020, decreased when compared to the same periods in 2019.

In response to the temporary suspension of operations, the Company took measures to significantly reduce its operating expenses to mitigate the decline in revenues, as discussed in the "Temporary Business Interruption" section of this MD&A. During the temporary suspension period, human resource expenses primarily consisted of costs related to remaining personnel required to support the business, net of eligible government assistance, and the continuation of employer paid benefits for team members on temporary suspension. Property, marketing and administration expenses were related to direct property operating costs, including property taxes, insurance, utilities and maintenance, and administration costs, including fixed licenses and subscriptions and professional fees.

The decrease in human resource and property, marketing and administration expenses for the three months ended December 31, 2020, when compared to the same period in 2019, was partially offset by pre-opening costs associated with the reopening of the properties in Ontario and Atlantic as well as operating expenses incurred when the properties were opened under restricted operating conditions during a portion of the fourth quarter of 2020.

Adjusted EBITDA of $557.3 for twelve months ended December 31, 2019 increased by 20%, when compared to the same period in 2018. The increase was primarily due to a $83.7 accounting impact from the adoption of IFRS 16 for the twelve months ended December 31, 2019, and increased revenues in Ontario, partially offset by increased operating costs related to expanded operations in Ontario.

Free Cash Flow

The Company had negative Free Cash Flow of $97.4 and $326.4 in the three and twelve months ended December 31, 2020, respectively, compared to negative Free Cash Flow of $23.2 and $54.5 in the same periods in 2019, respectively. The increase in negative Free Cash Flow was primarily due to decreased revenues, as mentioned above, and increased interest paid, partially offset by lower income taxes paid. For the three and twelve months ended December 31, 2020, the Company funded the negative Free Cash Flow with net borrowings from its credit facilities of $50.2 and $277.5, respectively, and the remaining $47.2 and $48.9, respectively, from available cash balances.

The Company had negative Free Cash Flow of $54.5 in twelve months ended December 31, 2019, compared to positive Free Cash Flow of $186.0 in the same period in 2018. The change from positive Free Cash Flow to negative Free Cash Flow was primarily due to increased capital expenditures for the Company's development projects in Ontario and higher income taxes paid.

Cash (outflow) inflow

Cash outflow for the three months ended December 31, 2020 was $37.1, compared to cash inflow of $19.9 in the same period from the prior year. The change from cash inflow to cash outflow was primarily due to a decrease in cash generated from operating activities as a result of the temporary suspension of operations, partially offset by lower capital expenditures due to construction timing of the Company's development projects in Ontario.

Cash inflow for the twelve months ended December 31, 2020 was $105.1, compared to cash outflow of $7.1 in the same period from the prior year. The change from cash outflow to cash inflow was primarily due to $189.0 of gross proceeds received from the Senior Unsecured Debentures (as discussed in the "Major Developments" section of this MD&A), increased borrowings under the credit facilities of OTG and OGWGLP, lower capital expenditures due to construction timing of the Company's development projects in Ontario, and lower repurchases of common shares under the normal course issuer bid, partially offset by a decrease in cash generated from operating activities as a result of the temporary suspension of operations.

Cash outflow for the twelve months ended December 31, 2019 was $7.1, compared to cash inflow of $14.5 for the same period in 2018. The change from cash inflow to cash outflow was primarily due to cash used in financing activities in 2019 as a result of distributions made to non-controlling interests, the acquisition of non-controlling interest, and higher repurchases under the normal course issuer bid.

Shareholders' net (loss) earnings from continuing operations

For the three and twelve months ended December 31, 2020, shareholders' net loss from continuing operations was $33.6 and $82.3, respectively, compared to shareholders' net earnings from continuing operations of $45.8 and $174.4 of the same periods in 2019. Shareholders' net loss for three and twelve months ended December 31, 2020 were due to the above mentioned temporary suspension of operations.

Shareholders' net earnings from continuing operations of $174.4 for the twelve months ended December 31, 2019 increased by $28.3, when compared to the same period in the prior year, primarily due to increased Adjusted EBITDA in Ontario, the net proceeds from the marketing trust lawsuit with the British Columbia Lottery Corporation ("BCLC") recorded in business acquisition, restructuring and other, and the gain on sale of land, partially offset by increased amortization related to capital investments for the Ontario developments, increased income taxes, and the net effect of adopting IFRS 16.

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

BUSINESS DESCRIPTION

General

As at December 31, 2020, the Company's principal operating entities which the Company consolidates were:

Entity	Abbreviation	Location of operations	Ownership interest at December 31, 2020 and 2019
Flamboro Downs Limited	FDL	Ontario	100%
Georgian Downs Limited	GDL	Ontario	100%
Ontario Gaming East Limited Partnership	OGELP	Ontario	90.5%
Ontario Gaming GTA Limited Partnership *(doing business as One Toronto Gaming)*	OTG	Ontario	50%
Ontario Gaming West GTA Limited Partnership	OGWGLP	Ontario	100%
Chilliwack Gaming Ltd.	CGL	British Columbia	100%
Great Canadian Casinos Inc.	GCCI	British Columbia	100%
Great Canadian Entertainment Centres Ltd.	GCEC	British Columbia	100%
Hastings Entertainment Inc.	HEI	British Columbia	100%
Orangeville Raceway Limited	ORL	British Columbia	100%
Great Canadian Gaming (New Brunswick) Ltd.	GCGNB	New Brunswick	100%
Metropolitan Entertainment Group	MEG	Nova Scotia	100%

Under these principal operating entities, the Company operated 26 gaming, entertainment and hospitality facilities in the Ontario, B.C. and Atlantic regions:

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

(1) The construction of the casino portion of Pickering Casino Resort was completed by the end of 2020.
(2) Elements Casino Flamboro and Flamboro Downs Racetrack operate in the same location, and together, they are considered one gaming facility.

Information on the Canadian gaming industry, 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 under normal operating conditions and do not reflect the actual offering under government mandated restrictions as at December 31, 2020.

Facility and Location	Slot Machines(1)	Table Games	Key Attributes	Operating Agreements Current Term Expiry Dates
Ontario				
GTA Gaming Bundle				
Casino Woodbine, Toronto, Ontario	3,460	118	4 food and beverage options (operated by a third party)	January 22, 2039
Pickering Casino Resort (2) Pickering, Ontario	2,000	100	4 food and beverage options	January 22, 2039
Casino Ajax, Ajax, Ontario	1,000(2)	-	1 food and beverage option	January 22, 2039
Great Blue Heron Casino Port Perry, Ontario	670	49	3 food and beverage options	January 22, 2039
West GTA Gaming Bundle				
Elements Casino Mohawk, Milton, Ontario	1,500	60	4 food and beverage options (2 operated by a third party)	March 31, 2038
Elements Casino Brantford, Brantford, Ontario	600	57	2 food and beverage options	March 31, 2038
Elements Casino Flamboro, Hamilton, Ontario	1,030	20	5 food and beverage options(3)	March 31, 2038
Elements Casino Grand River, Elora, Ontario	520	-	1 food and beverage option	March 31, 2038
East Gaming Bundle				
Shorelines Casino Peterborough, Peterborough, Ontario	500	22	2 food and beverage options, entertainment space	March 31, 2040
Shorelines Casino Belleville, Belleville, Ontario	480	18	2 food and beverage options, entertainment space	March 31, 2040
Shorelines Casino Thousand Islands, Gananoque, Ontario	490	21	1 food and beverage option	March 31, 2040
Shorelines Slots at Kawartha Downs, Fraserville, Ontario	150	-	1 food and beverage option (operated by a third party)	March 31, 2026
Racetracks				
Flamboro Downs (Standardbred Racing), Hamilton, Ontario	-	-	5 food and beverage options(3), Racebook. Premises include Elements Casino Flamboro.	March 31, 2023(4)
Georgian Downs (Standardbred Racing), Innisfil, Ontario	-	-	2 food and beverage options operated by a third party, 2 banquet rooms, Racebook, and third party operated casino featuring over 900 slot machines and 25 table games.	March 31, 2023(5)

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

Facility and Location	Slot Machines[1]	Table Games	Key Attributes	Operating Agreements Current Term Expiry Dates
British Columbia				
River Rock Casino Resort, Richmond, BC	1,250	87	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[6], marina, 40 touch bet roulette terminals, 5 poker tables, 30 stadium baccarat terminals	June 2, 2038
Hard Rock Casino Vancouver, Coquitlam, BC	960	42	1,051 seat show theatre convertible to 729 seat cabaret with dance floor, 5 food and beverage options, Racebook[6], 48 touch bet roulette terminals	June 2, 2038
Elements Casino Surrey (Standardbred Racing) Surrey, BC	540	23	4 food and beverage options, 12 touch bet roulette terminals, 2 banquet rooms, Racebook[6]	June 2, 2038
Elements Casino Victoria, Victoria, BC	770	21	3 food and beverage options, 10 touch bet roulette terminals, 2 poker tables, 600 seat capacity multi-purpose entertainment venue	June 2, 2038
Casino Nanaimo, Nanaimo, BC	430	6	3 poker tables, 1 food and beverage option, Racebook[6]	June 2, 2038
Elements Casino Chilliwack, Chilliwack, BC	300	6	Bingo, 1 food and beverage option, banquet room, entertainment space, Racebook[6]	June 2, 2038
Chances Maple Ridge, Maple Ridge, BC	250	-	Bingo, 1 food and beverage option, banquet and entertainment space, outdoor patio, Racebook[6]	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	460	-	5 food and beverage options (2 opened on race days only), Racebook[6]	June 2, 2038
Bingo Esquimalt, Victoria, BC	-	-	Bingo, 1 food and beverage option	May 31, 2021
TBC Teletheatre BC[5]	-	-	16 Racebooks[6]	-
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	610	28	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
	18,050	708		

(1) These are the approximate number of slot machines at each gaming facility.

(2) The construction of the casino portion of Pickering Casino Resort was completed by the end of 2020. When the casino portion at Pickering Casino Resort opens, Casino Ajax will operate with approximately 500 slot machines.

(3) Elements Casino Flamboro and Flamboro Downs operate in the same location, which collectively offers 5 food and beverage options on-site.

(4) FDL earns lease revenues for leasing the space for slot machines operated by a subsidiary controlled by the Company. The lease agreement secures lease revenues at FDL until March 31, 2023.

(5) 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.

(6) The Company owns or holds an interest in 18 Racebooks in B.C. as at December 31, 2020. The Company owns and operates two Racebooks; one at each of Elements Casino Surrey and Hastings Racecourse & Casino. The remaining 16 Racebooks, including those at River Rock Casino Resort ("River Rock"), Hard Rock, Casino Nanaimo, Elements Casino Chilliwack and Chances Maple Ridge, are operated by TBC. The Company owns a 50% interest in TBC and the remaining 50% interest is held by two racing associations, the Harness Racing B.C. Society and the Horsemen's Benevolent and Protective Association.

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 supporting and assisting the communities in which it operates. Great Canadian 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 its social responsibility efforts. Under the PROUD program, Great Canadian supports hundreds of charitable organizations in the various communities in which it does business. Great Canadian is also dedicated to operating its business in a responsible and ethical manner. Through a comprehensive policies and standards framework, Great Canadian ensures its work environments are free from discrimination, bullying or harassment, equips its site operations with responsible gaming resources, and its environmental footprint is guided by the Company's work with key environmental authorities.

As a result of the impact of the Pandemic on the Company's business, the Company's focus has shifted to following all directives and guidance issued by public health authorities in each jurisdiction, including prioritizing the health and safety of its team members and guests, and making operational adjustments to reduce cash outflows during the temporary suspension period.

Regulatory Environment and Seasonality

Ontario

Regulatory

In Ontario, gaming is conducted and managed by the Ontario Lottery and Gaming Corporation ("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 the Casino Operating and Services Agreements ("COSAs").

AGCO is a provincial agency established under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996* and is responsible for the administration of the *Horse Racing Licence Act, 2015*, the *Cannabis Licence Act*, the *Liquor License Act* and the *Gaming Control Act, 1992*, and complementary legislative amendments. The AGCO is responsible for regulating the alcohol, gaming, horse racing, and cannabis 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 in Ontario, 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"). The 19-year funding agreement consists of an initial term of seven years with two six-year extensions. Starting April 1, 2019, OLG will provide up to $117 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 guest 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 conducted and managed by 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 *Gaming Control 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 both 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 conducted and managed 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 conducted and managed 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 guest 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.

Anti-Money Laundering in the Canadian Gaming Sector

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

Recent Developments to Enhance Anti-Money Laundering Efforts

On June 27, 2018, the British Columbia (B.C.) provincial government publicly released Dr. Peter German's report (the "Report") on his independent review of B.C.'s AML policies and practices in B.C.'s 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.

The Company continues to support the significant work being dedicated by casino service providers, BCLC, GPEB, and the Ministry of the Attorney General, on the implementation of the recommendations to effectively enhance measures to prevent money laundering and prevent other crimes.

Following the release of the Report, the B.C Government commissioned two additional reviews in September 2018. The reports were received by the Government in April 2019. The first report from the Expert Panel on Money Laundering recommended changes that would improve anti-money laundering efforts in the real estate market. The second report was Dr. Peter German's second review into money laundering, focusing on real estate, luxury cars and horseracing.

On May 15, 2019, the B.C. Government announced a public inquiry into money laundering (the "Inquiry").

B.C. Supreme Court Justice Austin F. Cullen was appointed to head the Inquiry, to review money laundering in British Columbia, including real estate, gaming, financial institutions and the corporate and professional sectors.

The Cullen Commission also examines regulatory authorities and barriers to effective law enforcement of money laundering activities. Together with 21 other individuals and organizations (including other gaming service providers), the Company was granted official standing as a participant in the Inquiry. The Company has been and will continue to focus on proactively supporting the Inquiry's work.

The Company has been working collaboratively with other gaming service providers, BCLC, GPEB, and the Ministry of the Attorney General, to identify and address any opportunities to further enhance robust anti-money laundering policies and practices within the gaming sector.

For more information on Cullen Commission Inquiry, please visit: https://cullencommission.ca.

MAJOR DEVELOPMENTS

Arrangement with Apollo Funds

The Company entered into an arrangement agreement with Raptor Acquisition Corp., a company existing under the laws of British Columbia and an affiliate of funds managed by affiliates of Apollo Global Management, Inc. together with its subsidiaries ("Apollo Funds"), dated November 10, 2020 and amended on December 20, 2020, under which Apollo Funds agreed to acquire all the outstanding common shares of the Company for $45.00 per share (the "Arrangement").

The transaction is not subject to a financing condition but is subject to a number of closing conditions, including required regulatory approvals. To date, the Company has received approval of the Arrangement by its shareholders and from the Supreme Court of British Columbia. If the Arrangement is terminated by the Company in certain circumstances, including as a result of the Company failing to satisfy any closing conditions, the Company must pay a $75.0 termination fee to Apollo Funds. The Arrangement is expected to close in the second quarter of 2021.

Ontario

During the temporary suspension period, as discussed in the "Temporary Business Interruption" section of this MD&A, the following was temporarily agreed to with OLG for each Ontario bundle: (i) the continuation of the service provider base fixed fee payments as required by the respective COSAs; and (ii) the temporary suspension of the payment of the portion of the gaming revenue represented by the threshold, such that the threshold does not apply during the casino closure period while there is no gaming revenue.

In conjunction with the reopening of the Company's Ontario gaming properties, the Company entered into COSA amendments with OLG that allows the Company to operate pursuant to an interim compensation model that is intended to compensate the Company for its services during the Pandemic and a period of subsequent ramp up of operations as the business returns to historical levels. During this period, the interim fee arrangement includes the customary base fixed fee payments and an additional variable component fee based on a fixed percentage of gross gaming revenue. The fixed percentage is unique to each bundle and is similar to the historical percentage of gross gaming revenue earned by each bundle prior to closure. The interim fee arrangement will continue in effect for 36 months plus the period of time in which the 50-guest maximum restriction and any required temporary re-suspensions are in place, or earlier if gross gaming revenue exceed agreed performance targets that reflect pre-Pandemic revenue levels. Upon termination of the interim fee arrangement, the historical COSA compensation models applicable to each gaming bundle will apply.

On September 28, 2020, the Company reopened its 11 gaming properties as part of Ontario's Stage 3 framework for the reopening of its economy. As part of that framework, the Company adhered to provincial guidelines, which include indoor gathering limits up to a maximum of 50 guests, and has not resumed the operation of table games and substantially all non-gaming amenities remain closed. Due to localized health authority mandates, the Company's Ontario properties were mandated to close at various dates in the fourth quarter of 2020. Subsequent to year end, OGELP's gaming properties reopened on February 16, 2021 and Elements Casino Brantford reopened on February 22, 2021.

In addition, the Government of Ontario mandated the closure of all non-critical construction projects on April 4, 2020, which temporarily halted the remainder of the Company's Ontario capital projects under development. These restrictions were lifted on May 19, 2020 and construction recommenced with appropriate workplace safety measures in place. During the fourth quarter of 2020, the Company completed the construction of the casino portion of Pickering Casino Resort, with the remaining non-gaming amenities still under development. Subsequent to December 31, 2020, the Company was required to suspend all non-critical construction activity in Ontario on January 14, 2021. The suspensions were lifted at Pickering Casino Resort and Great Blue Heron Casino on February 16, 2021 but remain in effect at Casino Woodbine.

The Company continues to reassess the timing of its development projects in Pickering and the other projects in Ontario, including Casino Woodbine and Great Blue Heron. Despite the impact on timing, the Company does not expect a material impact to the total planned capital spend on its development projects.

British Columbia

In response to the state of emergency and guidelines declared by the Province of British Columbia, and in conjunction with BCLC, the Company completed an orderly shut down of all of its gaming facilities in the province.

BCLC has provided assurances to the Company for each B.C. property that the provisions of the OSAs mandating continuous operations of the sites will not be considered breached during the suspension period. As well, during the suspension period, the Company has been granted a number of waivers and short-term approvals that will minimize certain costs while the sites remain closed. In addition, although no date for reopening has been set, the Company is collaborating with BCLC on Pandemic mitigation measures, and a return to business plan.

In late September 2020, the Company entered into amended OSAs for each B.C. property with BCLC. The amended OSAs introduce a new service provider fee effective March 16, 2020 for the Company's participation and promotion of BCLC's Encore Rewards loyalty program, which can be used at both land-based gaming properties and on PlayNow.com, an online gaming platform owned and operated by BCLC. Under the amended OSAs, the Company will receive a proportionate share of PlayNow.com revenues generated from its eligible patrons that wager on this online gaming platform.

Atlantic

Nova Scotia

As a result of the declaration of emergency pronounced by the Province of Nova Scotia and an order of the Medical Officer of Health in Nova Scotia, the Company worked cooperatively with NSGC, for the orderly shut down of all of its facilities in the province effective March 16, 2020.

The Company's AROC has specific provisions (i.e., Force Majeure Events) relating to Pandemic declarations, and NSGC has indicated to the Company that none of the terms in the AROC will be considered breached during the period where the properties were required to close. In addition, the annual Capital Reserve contribution (see "Capital Spending and Development" section of this MD&A for more information) for the fiscal period ended March 31, 2021 has been waived by NSGC.

On October 5, 2020, the Company reopened its Casino Nova Scotia properties. The reopening of the properties have been premised upon rigorous and detailed health and safety protocol developed by the Company, and in adherence with direction from provincial health authorities and NSGC's reopening plan. Operational revisions at both properties include reduced guest capacity to approximately one-third of historical levels, the availability of approximately 60% of slot machines, and the temporary closure of substantially all non-gaming amenities. Due to localized health authority mandates, Casino Nova Scotia Halifax was mandated to close on November 26, 2020. Subsequent to year end, Casino Nova Scotia Halifax reopened on January 11, 2021.

New Brunswick

In response to the state of emergency and guidelines declared by the Province of New Brunswick, and in conjunction with NBLGC, the Company initially completed an orderly shut down of its gaming facility in the province on March 16, 2020.

In relation to the Company's CSPA, NBLGC has provided appropriate guidance and assurances to the Company that none of the terms in the CSPA will be breached as a result of the closure.

On September 28, 2020, the Company reopened Casino New Brunswick as part of New Brunswick's "COVID-19 recovery plan". The reopening of the property has been premised upon following prescriptive operational plans and protocols developed by the Company, including reduced facility guest capacity to approximately 25%, the availability of just over 50% of the property's slot machines, and the suspension of substantially all non-gaming amenities. Due to additional provincial restrictions, Casino New Brunswick was required to close on October 9, 2020, but reopened again on October 23, 2020 under the same restricted conditions described above. Subsequent to year end, Casino New Brunswick closed on January 20, 2021 and reopened on February 12, 2021.

Corporate

Senior Unsecured Debentures of GCGC

On March 2, 2020, the Company closed a senior unsecured debenture offering for gross proceeds of $180.0. On April 30, 2020, the over-allotment option was completed for additional gross proceeds of $9.0, bringing the aggregate total received for the debenture offering to $189.0, less applicable transaction costs. The debentures bear interest from the date of issuance at 5.25% per annum, payable semi-annually and will mature on December 31, 2026. The debentures are listed on the Toronto Stock Exchange ("TSX") under the symbol GC.DB.

Subject to required regulatory approval and provided no event of default has occurred under the terms of the governing indenture agreement, the Company has the option to satisfy its obligation to pay the principal amount of the debentures due on or before maturity (plus any applicable premium) by cash or by issuing common shares.

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

LABOUR RELATIONS

The Company employs unionized employees at 16 of its properties. As at December 31, 2020, the Company had approximately 4,000 unionized employees at certain of its facilities out of a total of approximately 7,900 employees Company-wide. As a result of the temporary suspension of operations, as discussed in the "Temporary Business Interruption" section of this MD&A, approximately 6,800 of the 7,900 Company-wide employees were on temporary suspension as at December 31, 2020, of which 3,700 represent unionized employees. Below is a summary of the collective bargaining units in place and the status of negotiations as at December 31, 2020:

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, 2019 - March 31, 2023	No current activity
	Security employees	Unifor - Local 252	June 1, 2018 - May 31, 2022	No current activity
	Surveillance Operators	Teamsters- Local 938	October 1, 2019 - September 30, 2023	A new collective agreement was ratified on February 5, 2020.
	Auditors & Audit Clerks	Public Service Alliance of Canada ("PSAC")	To be determined	Certified on January 21, 2020. Notice to bargain was received on March 31, 2020. Bargaining dates are yet to be determined.
Casino Ajax	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Unifor - Local 1090	July 24, 2018 - July 23, 2022	No current activity
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	No current activity
	Security employees	United Steelworkers ("USW")	April 22, 2019 - April 21, 2022	No current activity
West GTA Gaming Bundle				
Elements Casino Mohawk	Hourly security employees	Unifor - Local 252	June 1, 2018 - May 31, 2022	No current activity
	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Unifor - Local 504	October 22, 2018 - October 21, 2022	No current activity
Elements Casino Brantford	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Unifor - Local 504	June 1, 2018 - May 31, 2022	No current activity
Elements Casino Flamboro	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Unifor - Local 504	March 11, 2019 - March 10, 2023.	No current activity
	Security employees	USW	To be determined	A ratification vote was held December 24, 2020 in which employees voted against the employer's offer. Employer has enacted a lockout of its security employees effective February 18, 2021.
East Gaming Bundle				
Shorelines Casino Belleville	Hourly Security Officers	Teamsters - Local 91	To be determined	Bargaining for a first collective agreement began in December 2020. A ratification vote was held December 22, 2020 in which employees voted against the employer's offer. Additional bargaining dates to be determined.
	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Unifor - Local 1090	To be determined	Bargaining for first collective agreement began in February 2021. Additional bargaining dates are scheduled for March 8 to March 11, 2021.
Shorelines Casino Thousand Islands	Hourly Security Officers	Teamsters - Local 91	November 1, 2017 - October 31, 2021	A one year extension of the current collective agreement to October 31, 2021 was agreed to, with no change to the existing terms.
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, 2019 - May 15, 2022	No current activity

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

Facility	Employee Group	Union	Term of Collective Agreement	Status
Ontario				
Flamboro Downs Racetrack	Mutuels, housekeeping/facilities, food and beverage and security employees	SEIU, Local 2	January 1, 2020 - December 31, 2022	A new collective agreement was ratified on February 19, 2020.
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	Bargaining dates scheduled for March 29 to March 31, 2021.
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	No current activity
Hastings Racecourse & Casino	Employees, excluding food and beverage employees	Canadian Office and Professional Employees Union, Local 378 (doing business as	January 1, 2015 - December 31, 2021	A one year extension of the current collective agreement to December 31, 2021 was agreed to, with no change to the existing terms.
	Food and beverage employees	Unite Here, Local 40	July 1, 2016 - May 1, 2022	A new collective agreement was ratified on January 31, 2020.
Elements Casino Victoria	Gaming employees	BCGEU	February 27, 2020 - February 26, 2024	A new collective agreement was ratified on February 27, 2020.
	Security employees	BCGEU	To be determined	Certified on April 24, 2020. Bargaining commenced in February 2021 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, 2022	A one year extension of the current collective agreement to January 31, 2022 was agreed to, with no change to the existing terms.
	Security employees	SEIU, Local 902	February 1, 2018 - January 31, 2022	A one year extension of the current collective agreement to January 31, 2022 was agreed to, with no change to the existing terms.

(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,		
	2020	2019	% Chg	**2020**	2019	% Chg
REVENUES						
Ontario	**$ 55.7**	$ 243.8	(77%)	**$ 348.8**	$ 905.7	(61%)
British Columbia	**1.8**	88.9	(98%)	**70.2**	353.7	(80%)
Atlantic	**5.1**	24.7	(79%)	**23.3**	96.2	(76%)
Total Revenues	**$ 62.6**	$ 357.4	(82%)	**$ 442.3**	$ 1,355.6	(67%)
ADJUSTED EBITDA[1]						
Ontario	**$ 34.8**	$ 110.7	(69%)	**$ 181.9**	$ 404.3	(55%)
British Columbia	**(3.0)**	40.8		**14.6**	152.5	(90%)
Atlantic	**0.7**	8.0	(91%)	**(1.5)**	31.7	
Corporate & Other	**(7.0)**	(7.5)	7%	**(25.8)**	(31.2)	17%
Total Adjusted EBITDA	**$ 25.5**	$ 152.0	(83%)	**$ 169.2**	$ 557.3	(70%)
FREE CASH FLOW[1]						
Ontario	**$ (73.6)**	$ (56.2)		**$ (252.9)**	$ (130.8)	
British Columbia	**(5.8)**	40.5		**(8.3)**	118.9	
Atlantic	**(1.2)**	10.1		**(8.4)**	29.0	
Corporate & Other	**(16.8)**	(17.6)		**(56.8)**	(71.6)	
Total Free Cash Flow	**$ (97.4)**	$ (23.2)		**$ (326.4)**	$ (54.5)	
CASH (OUTFLOW) INFLOW						
Ontario	**$ (30.9)**	$ 72.1		**$ (24.7)**	$ 0.7	
British Columbia	**(5.7)**	6.1		**(23.3)**	20.4	
Atlantic	**(0.4)**	(1.7)		**(10.0)**	(0.9)	
Corporate & Other	**(0.1)**	(56.6)		**163.1**	(96.9)	
Cash inflow from discontinued operations	**-**	-		**-**	69.6	
Total Cash (outflow) inflow	**$ (37.1)**	$ 19.9		**$ 105.1**	$ (7.1)	

[1] Adjusted EBITDA and Free Cash Flow are non-IFRS measures, as defined in the "Non-IFRS Measures" section of this MD&A, and excludes discontinued operations, as discussed in the "Presentation of Financial Information" section.

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,		
	2020	2019	% Chg	**2020**	2019	% Chg
Gaming revenues	**$ 51.9**	$ 227.2	(77%)	**$ 325.1**	$ 843.2	(61%)
Hospitality revenues	**-**	6.9	(100%)	**5.9**	26.1	(77%)
Racetrack, lease and other revenues	**3.8**	9.7	(61%)	**17.8**	36.4	(51%)
Revenues	**55.7**	243.8	(77%)	**348.8**	905.7	(61%)
Human resources	**9.6**	67.0	(86%)	**81.9**	255.4	(68%)
Property, marketing and administration	**11.3**	66.1	(83%)	**85.0**	246.0	(65%)
Adjusted EBITDA	**$ 34.8**	$ 110.7	(69%)	**$ 181.9**	$ 404.3	(55%)
Changes in non-cash working capital	**(20.3)**	19.3		**(17.8)**	8.2	
Capital expenditures, net of related accounts payable	**(63.1)**	(154.2)		**(302.5)**	(390.5)	
Payment of lease liabilities	**(21.1)**	(20.8)		**(84.4)**	(80.2)	
Interest paid	**(3.4)**	(3.7)		**(22.7)**	(17.9)	
Income taxes paid	**(0.5)**	(7.5)		**(7.4)**	(54.7)	
Free Cash Flow	**$ (73.6)**	$ (56.2)		**$ (252.9)**	$ (130.8)	
Cash (outflow) inflow	**$ (30.9)**	$ 72.1		**$ (24.7)**	$ 0.7	

Recent Developments
The temporary suspension of operations, as discussed in the "Temporary Business Interruption" section of this MD&A, resulted in decreases in revenues, expenses, Adjusted EBITDA, Free Cash Flow, and total cash flows for the three and twelve months ended December 31, 2020, when compared to the same periods in the prior year.

Georgian Downs Racetrack and Flamboro Downs Racetrack conducted live racing for simulcast wagering only from June 6, 2020 to August 30, 2020 and September 3, 2020 to December 20, 2020, respectively.

As discussed in the "Major Developments" section of this MD&A, the Company reopened its gaming properties in Ontario under restricted operating conditions on September 28, 2020 but was required to close all of its Ontario properties prior to the end of the year due to localized health authority mandates.

Revenues
Revenues for the three months ended December 31, 2020, primarily consisted of the Ontario bundles' continued service provider base fixed fees, as discussed in the "Major Developments" section of this MD&A, and revenues from reopened gaming facilities under restricted operating conditions for a portion of the fourth quarter of 2020.

Revenues for the twelve months ended December 31, 2020 included revenues earned prior to the temporary suspension period, the Ontario bundles' annual entitlement of service provider fees for permitted capital expenditures recognized in full in the second quarter of 2020 and continued service provider base fixed fees during the closure period.

Expenses
Human resource and property, marketing and administration expenses for the three and twelve months ended December 31, 2020, decreased when compared to the same periods in 2019, primarily due to management's response to mitigate expenses during the temporary suspension period. Human resource expenses primarily consisted of costs related to remaining personnel required to support the business during the temporary suspension period, net of eligible government assistance, and the continuation of employer paid benefits for team members on temporary suspension. Property, marketing and administration expenses primarily consisted of direct property operating costs, including property taxes, insurance, utilities and maintenance, as well as license and subscription costs.

The decrease in human resource and property, marketing and administration expenses for the three months ended December 31, 2020, when compared to the same period in 2019, was partially offset by pre-opening costs associated with the reopening of the Ontario properties as well as operating expenses incurred when the properties were opened under restricted operating conditions during a portion of the fourth quarter of 2020.

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

Free Cash Flow
Negative Free Cash Flow for the three and twelve months ended December 31, 2020 increased, when compared to negative Free Cash Flow for the same periods in the prior year. The increase in Negative Free Cash Flow was primarily due to decreased Adjusted EBITDA, as mentioned above, partially offset by decreased spending on capital development projects due to construction timing of the Company's development projects in Ontario and decreased income taxes paid.

Cash (outflow) inflow
Cash outflows for the three and twelve months ended December 31, 2020 were primarily due to capital expenditures related to the Ontario developments partially offset by increased borrowings on credit facilities.

Cash inflows for the three and twelve months ended December 31, 2019 were primarily due to cash generated from operations and increased borrowings on credit facilities, partially offset by capital expenditures related to the Ontario developments.

Adjusted EBITDA attributable to the shareholders of the Company
Adjusted EBITDA attributable to the shareholders of the Company for the Ontario region, 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,**		
	2020	2019	% Chg	**2020**	2019	% Chg
Adjusted EBITDA	**$ 34.8**	$ 110.7	(69%)	**$ 181.9**	$ 404.3	(55%)
Less: non-controlling interests' portion of Adjusted EBITDA	**(7.0)**	(35.1)	(80%)	**(49.8)**	(156.8)	(68%)
Adjusted EBITDA attributable to the shareholders of the Company	**$ 27.8**	$ 75.6	(63%)	**$ 132.1**	$ 247.5	(47%)

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

British Columbia

	Three months ended December 31,			Twelve months ended December 31,		
	2020	2019	% Chg	**2020**	2019	% Chg
Gaming revenues	**$ 1.2**	$ 66.3	(98%)	**$ 54.6**	$ 265.4	(79%)
Hospitality revenues	**-**	16.9	(100%)	**9.9**	66.2	(85%)
Racetrack and other revenues	**0.6**	5.7	(89%)	**5.7**	22.1	(74%)
Revenues	**1.8**	88.9	(98%)	**70.2**	353.7	(80%)
Human resources	**1.6**	30.3	(95%)	**32.2**	123.5	(74%)
Property, marketing and administration	**4.0**	18.5	(78%)	**26.3**	80.4	(67%)
Share of profit of equity investment	**(0.8)**	(0.7)	14%	**(2.9)**	(2.7)	7%
Adjusted EBITDA	**$ (3.0)**	$ 40.8		**$ 14.6**	$ 152.5	(90%)
Changes in non-cash working capital	**(0.3)**	7.5		**(11.0)**	1.8	
Capital expenditures, net of related accounts payable	**(0.5)**	(1.3)		**(3.9)**	(7.6)	
Payment of lease liabilities	**(2.0)**	(1.8)		**(2.3)**	(2.2)	
Interest paid	**-**	-		**(0.5)**	(0.6)	
Income taxes paid	**-**	(4.7)		**(5.2)**	(25.0)	
Free Cash Flow	**$ (5.8)**	$ 40.5		**$ (8.3)**	$ 118.9	
Cash (outflow) inflow	**$ (5.7)**	$ 6.1		**$ (23.3)**	$ 20.4	

Recent Developments
The temporary suspension of operations, as discussed in the "Temporary Business Interruption" section of this MD&A, resulted in decreases in revenues, expenses, Adjusted EBITDA, Free Cash Flow, and total cash flows for the three and twelve months ended December 31, 2020, when compared to the same periods in the prior year.

Hastings Racecourse and Fraser Downs at Elements Casino Surrey conducted live racing for simulcast wagering only from July 6, 2020 to October 1, 2020 and September 30, 2020 to December 26, 2020, respectively.

Revenues
Gaming revenues for the three months ended December 31, 2020 consisted of the Company's proportionate share of revenues from PlayNow.com, as discussed in the "Major Developments" section of this MD&A.

Revenues for the twelve months ended December 31, 2020 included revenues earned prior to the temporary suspension period.

Expenses
Expenses for the three and twelve months ended December 31, 2020 decreased, when compared to the same periods in 2019, primarily due to management's response to mitigate expenses during the temporary suspension period.

Since the closures began on March 16, 2020, human resource expenses primarily consisted of costs related to remaining personnel required to support the business during the temporary suspension period, net of eligible government assistance, and the continuation of employer paid benefits for team members on temporary suspension. Property, marketing and administration expenses primarily consisted of direct property operating costs, including property taxes, insurance, utilities and maintenance, as well as license and subscription costs.

Free Cash Flow
For the three and twelve months ended December 31, 2020, Free Cash Flow were negative, compared to positive Free Cash Flow for the same periods in the prior year. The decreases in Free Cash Flow were primarily due to decreased Adjusted EBITDA, as mentioned above, partially offset by lower income taxes paid.

Cash (outflow) inflow
Cash outflows for the three and twelve months ended December 31, 2020 consisted of payments to satisfy working capital obligations, capital expenditures and payment of lease liabilities. Cash inflows for the three and twelve months ended December 31, 2019 were primarily due to cash generated from operations.

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

Atlantic

	Three months ended December 31,					Twelve months ended December 31,				
		2020		2019	% Chg		**2020**		2019	% Chg
Gaming revenues	**$**	**5.0**	$	18.4	(73%)	**$**	**19.0**	$	74.2	(74%)
Hospitality revenues		**-**		5.2	(100%)		**3.4**		18.2	(81%)
Other revenues		**0.1**		1.1	(91%)		**0.9**		3.8	(76%)
Revenues		**5.1**		24.7	(79%)		**23.3**		96.2	(76%)
Human resources		**1.3**		7.5	(83%)		**9.7**		29.4	(67%)
Property, marketing and administration		**3.1**		9.2	(66%)		**15.1**		35.1	(57%)
Adjusted EBITDA	**$**	**0.7**	$	8.0	(91%)	**$**	**(1.5)**	$	31.7	
Changes in non-cash working capital		**(1.8)**		2.2			**(5.0)**		(0.4)	
Capital expenditures, net of related accounts payable		**0.1**		0.7			**(0.1)**		-	
Payment of lease liabilities		**(0.1)**		(0.1)			**(0.3)**		(0.4)	
Interest paid		**-**		(0.1)			**-**		(0.1)	
Income taxes paid		**(0.1)**		(0.6)			**(1.5)**		(1.8)	
Free Cash Flow	**$**	**(1.2)**	$	10.1		**$**	**(8.4)**	$	29.0	
Cash outflow	**$**	**(0.4)**	$	(1.7)		**$**	**(10.0)**	$	(0.9)	

Recent Developments
The temporary suspension of operations, as discussed in the "Temporary Business Interruption" section of this MD&A, resulted in decreases in revenues, expenses, Adjusted EBITDA, Free Cash Flow, and total cash flows for the three and twelve months ended December 31, 2020, when compared to the same periods in the prior year.

As discussed in the "Major Developments" section of this MD&A, the Company reopened Casino New Brunswick on September 28, 2020 and Casino Nova Scotia Halifax and Sydney on October 5, 2020 under restricted operating conditions but was required to temporarily close these properties again at various dates in the fourth quarter of 2020 due to localized health authority mandates.

Revenues
Revenues for the three months ended December 31, 2020 consisted of gaming revenues from the reopening of the Atlantic properties under restricted operating conditions for a portion of the fourth quarter of 2020.

Revenues for the twelve months ended December 31, 2020 included revenues earned prior to the temporary suspension period.

Expenses
Human resource and property, marketing and administration expenses for the three and twelve months ended December 31, 2020, decreased when compared to the same periods in 2019, primarily due to management's response to mitigate expenses during the temporary suspension period. Human resource expenses primarily consisted of costs related to remaining personnel required to support the business during the temporary suspension period, net of eligible government assistance, and the continuation of employer paid benefits for team members on temporary suspension. Property, marketing and administration expenses primarily consisted of direct property operating costs, including property taxes, insurance, utilities and maintenance, as well as license and subscription costs.

The decrease in human resource and property, marketing and administration expenses for the three months ended December 31, 2020, when compared to the same period in 2019, was partially offset by pre-opening costs associated with the reopening of the Atlantic properties as well as operating expenses incurred when the properties were opened under restricted operating conditions during a portion of the fourth quarter of 2020.

Free Cash Flow
For the three and twelve months ended December 31, 2020, Free Cash Flow were negative, compared to positive Free Cash Flow in the same periods in the prior year. The decreases in Free Cash Flow were primarily due to decreased Adjusted EBITDA, as mentioned above.

Cash outflow
Cash outflows for the three months ended December 31, 2020 decreased, when compared to the same period in 2019, due to lower management fees. Cash outflows for the twelve months ended December 31, 2020 increased, when compared to the same period in 2019, due to a decrease in cash generated from operations as a result of the temporary suspension of operations.

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

Corporate & Other

	Three months ended December 31,			Twelve months ended December 31,		
	2020	2019	% Chg	**2020**	2019	% Chg
Human resources	**$ (4.9)**	$ (5.0)	(2%)	**$ (18.2)**	$ (22.5)	(19%)
Property, marketing and administration	**(2.1)**	(2.5)	(16%)	**(7.6)**	(8.7)	(13%)
Adjusted EBITDA	**$ (7.0)**	$ (7.5)	(7%)	**$ (25.8)**	$ (31.2)	(17%)
Changes in non-cash working capital	**0.5**	(0.8)		**1.2**	0.1	
Capital expenditures, net of related accounts payable	**0.3**	(1.8)		**(2.2)**	(4.9)	
Interest paid	**(10.6)**	(4.2)		**(27.6)**	(15.8)	
Income taxes paid	**-**	(3.3)		**(2.4)**	(19.8)	
Free Cash Flow	**$ (16.8)**	$ (17.6)	(5%)	**$ (56.8)**	$ (71.6)	(21%)
Cash (outflow) inflow	**(0.1)**	$ (56.6)		**$ 163.1**	$ (96.9)	

Expenses
Human resource and property, marketing and administration expenses decreased in the three and twelve months ended December 31, 2020, when compared to the same periods in the prior year, due to management's response to mitigate expenses during the temporary suspension period, as discussed in the "Temporary Business Interruption" section of this MD&A. During the temporary suspension period, human resource expenses primarily consisted of costs related to remaining personnel required to support the business during the temporary suspension period, net of eligible government assistance. Property, marketing and administration expenses primarily consisted of fixed licenses and subscriptions and professional fees incurred.

Free Cash Flow
Negative Free Cash Flow for the three and twelve months ended December 31, 2020 decreased, when compared to the same periods in the prior year, primarily due to decreased income taxes paid and decreased capital expenditures, partially offset by increased interest paid due to the Senior Unsecured Debentures issued in the first quarter of 2020 (as discussed in the "Major Developments" section of this MD&A).

Cash (outflow) inflow
Cash outflow for the three months ended December 31, 2020 decreased, when compared to the same period in 2019, due to no repurchases of shares under the normal course issuer bid and higher proceeds received from exercise of incentive share options.

Cash inflow for the twelve months ended December 31, 2020 was primarily due to gross proceeds received from the Senior Unsecured Debentures during the first quarter of 2020. Cash outflow for the twelve months ended December 31, 2019 was primarily due to the repurchase of common shares under the normal course issuer bid.

(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,		
	2020	2019	% Chg	**2020**	2019	% Chg
Adjusted EBITDA	**$ 25.5**	$ 152.0	(83%)	**$ 169.2**	$ 557.3	(70%)
Less:						
Amortization	**41.0**	41.0	0%	**156.3**	152.8	2%
Share-based compensation	**7.2**	4.2	71%	**17.1**	12.2	40%
Interest and financing costs, net	**27.8**	22.6	23%	**101.6**	87.3	16%
Business acquisition, restructuring and other	**9.4**	3.8	147%	**24.7**	3.6	586%
Gain on sale of land	**-**	-		**-**	(6.6)	100%
Foreign exchange gain	**(0.1)**	(0.4)	(75%)	**(0.1)**	(2.3)	(96%)
Income tax	**(14.8)**	18.4		**(28.5)**	65.4	
Net (loss) earnings from continuing operations	**$ (45.0)**	$ 62.4		**$ (101.9)**	$ 244.9	

Amortization
Amortization for the three months ended December 31, 2020, when compared to the same period in 2019, consisted of an increase in amortization expense related to capital investments made to expand the Ontario properties, offset by a decrease in amortization expense related to equipment that became fully amortized in the fourth quarter of 2020. Amortization for the twelve months ended December 31, 2020 increased, when compared to the same period in the prior year, primarily due to capital investments made to expand the Ontario properties.

Share-based compensation
Share-based compensation increased for the three and twelve months ended December 31, 2020, when compared to the same periods in 2019, due to an increase in cash-settled share based compensation arising from an increase in the underlying share price, partially offset by fewer unvested options outstanding. Share-based compensation for the twelve months ended December 31, 2020 included the immediate recognition of the remaining compensation costs of $6.9 associated with share options that were voluntarily cancelled in the second quarter of 2020.

Interest and financing costs, net
Interest and financing costs, net, for the three and twelve months ended December 31, 2020, increased when compared to the same periods in the prior year, due to additional interest expense on the Senior Unsecured Debentures issued on March 2, 2020 (as discussed in the "Major Developments" section of this MD&A), additional draws on credit facilities near the end of the first quarter of 2020 for general working capital purposes, and financing costs related to the amendment of the Company's credit facility agreements to temporarily waive compliance with certain financial and other covenants.

Business acquisition, restructuring and other
Business acquisition, restructuring and other for the three and twelve months ended December 31, 2020 primarily consisted of pre-opening costs related to the Pickering Casino Resort, costs associated with the Arrangement, as discussed in the "Major Developments" section of this MD&A, and severance payments related to restructuring.

Business acquisition, restructuring and other for the three and twelve months ended December 31, 2019 consisted primarily of preopening costs related to the Pickering Casino Resort. Business acquisition, restructuring and other for the twelve months ended December 31, 2019 also consisted of severance payments for redundant positions in OTG and OGWGLP and was partially offset by proceeds received for the marketing trust lawsuit with BCLC.

Gain on sale of land
Gain on sale of land for the twelve months ended December 31, 2019 consisted of the sale of a parcel of vacant land in B.C. that was sold for proceeds of $15.9 during the first quarter of 2019, resulting in a gain of $6.6, net of associated disposal costs.

Foreign exchange gain
Changes in foreign exchange gain were 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 tax generally changes as a result of changes to shareholders' net (loss) earnings from continuing operations before income taxes. Income tax recoveries for the three and twelve months ended December 31, 2020 were due to shareholders' net loss from continuing operations before income taxes for the corresponding periods.

Income taxes for OTG, OGWGLP, and OGELP only include the Company's share of corporate income tax based on its respective ownership interests in these entities.

CONSOLIDATED QUARTERLY RESULTS TREND

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019[1]
Revenues	$ 62.6	$ 43.1	$ 62.8	$ 273.8	$ 357.4	$ 341.1	$ 354.4	$ 302.8
Adjusted EBITDA	$ 25.5	$ 8.9	$ 31.8	$ 103.0	$ 152.0	$ 142.3	$ 153.7	$ 109.3
Adjusted EBITDA as a % of Revenues	40.7%	20.6%	50.6%	37.6%	42.5%	41.7%	43.4%	36.1%
Shareholders' net (loss) earnings from continuing operations	$ (33.6)	$ (36.5)	$ (31.4)	$ 19.2	$ 45.8	$ 49.7	$ 48.0	$ 30.9
Shareholders' net (loss) earnings per common share from continuing operations								
Basic	$ (0.60)	$ (0.66)	$ (0.57)	$ 0.35	$ 0.81	$ 0.85	$ 0.81	$ 0.53
Diluted	$ (0.60)	$ (0.66)	$ (0.57)	$ 0.34	$ 0.79	$ 0.82	$ 0.79	$ 0.51

[1] Q1 2019 has been re-presented to exclude the results of discontinued operations.

Revenues
Revenues in 2020 were negatively impacted by the temporary suspension of operations, as discussed in the "Temporary Business Interruption" section of this MD&A. The increase in revenues in fourth quarter of 2020 when compared to the third quarter of 2020 was primarily due to the reopening of certain gaming facilities in Ontario and Atlantic under restricted operating conditions for a portion of the fourth quarter of 2020.

Revenues in the fourth quarter of 2019 were higher relative to the other quarters in 2019, primarily due to increased revenues at the Ontario properties.

The second and third quarters typically generate higher revenues than the first and fourth quarters due to peak tourist seasons and improved weather conditions impacting player attendance. In addition, the second quarter generally includes the recognition of substantially all of the annual entitlement of PCE.

The second quarter of 2019 generated higher revenues than the first quarter of 2019, as a result of this seasonal trend and the recognition of substantially all of the annual entitlement of PCE. Higher patron attendance is also observed on key holidays such as Christmas, New Year's Eve and Chinese New Year.

Adjusted EBITDA
Adjusted EBITDA generally changes as a result of changes in revenues.

Shareholders' net (loss) earnings from continuing operations
Shareholders' net (loss) earnings from continuing operations generally reflects trends in revenues and Adjusted EBITDA, but may fluctuate each period due to various items excluded from Adjusted EBITDA.

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 12 of the Annual Financial Statements.

As at December 31, 2020, the Company had:

- Cash of $434.8 an increase of $105.1 since December 31, 2019, as further discussed in the "Cash Flows" section of this MD&A.
- Accounts receivable of $40.8, which primarily consisted of sales tax receivable, receivables related to capital project reimbursements, and amounts due from Provincial Crown corporations.
- Low exposure to foreign currency exchange rate movements since it has relatively low levels of foreign denominated assets and liabilities.
- $497.7 available credit on the Senior Secured Credit Facilities of GCGC, subject to compliance with the related financial covenants.
- $438.4 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.
- $19.1 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.
- $17.1 available credit under OGELP's Non-recourse Revolving Credit Facility, subject to compliance with the related financial covenants.

As discussed in the "Temporary Business Interruption" section of this MD&A, some of the Company's operations have resumed under restricted operating conditions. Depending on the extent of operating restrictions on the Company's business, the Company may generate negative net operating cash flows. The Company's ability to settle its contractual obligations are subject to the temporary waivers on its credit agreements (see Note 12 of the Consolidated Financial Statements) remaining in place, including any future extensions, as required, and/or the timing of when operating restrictions are lifted. The Company's capital spending and commitments are described in the "Capital Spending and Development" section of this MD&A.

Capital Spending and Development

In response to the Pandemic, as discussed in the "Temporary Business Interruption" section of this MD&A, the Government of Ontario mandated the closure of all non-critical construction projects from April 4, 2020 to May 19, 2020, which temporarily halted the remainder of the Company's Ontario capital projects under development. Subsequent to December 31, 2020, the Company was required to suspend all non-critical construction activities in Ontario on January 14, 2021. The suspensions were lifted at Pickering Casino Resort and Great Blue Heron Casino on February 16, 2021 but remain in effect at Casino Woodbine. Although restrictions at certain properties were lifted and construction recommenced with appropriate workplace safety measures in place, the Company continues to reassess the timing of its development projects in Ontario. Despite the impact on timing, the Company does not expect a material impact to the total planned capital spend on its development projects.

For the upcoming twelve months of 2021, the Company estimates that capital expenditures will total approximately $263.0, largely due to the construction costs associated with the GTA development programs. As at December 31, 2020, the Company had $239.8 of contractual commitments primarily related to the Ontario capital developments which will be settled over the duration of the related developments. The estimated timing in settling these commitments will also be reassessed accordingly.

The Company's capital expenditures, net of accounts payable, for the three and twelve months ended December 31, 2020 were $63.2 (2019 - $156.6) and $308.7 (2019 – $403.0), respectively. Capital expenditures during the three and twelve months ended December 31, 2020 primarily related to the development of the gaming facilities in the GTA Gaming Bundle.

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.

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 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
In B.C., the Company receives Facility Investment Commission ("FIC") under new OSAs with BCLC, calculated as 5% 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 to be qualified costs eligible for FIC. FIC is earned when Gross Gaming Revenues are generated and subject to meeting MIR requirements.

Nova Scotia
In Nova Scotia, under the terms of the casino operating agreement with the NSGC, a specified amount is deposited annually to a Capital Reserve Account. When the Company undertakes qualifying capital expenditures, refurbishments, maintenance, upgrades and enhancements to Casino Nova Scotia Halifax or Casino Nova Scotia Sydney, the Company's reimbursement of such expenditures from the Capital Reserve Account is subject to NSGC approval. 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. The annual Capital Reserve Account contribution for the period from April 1, 2020 to March 31, 2021 has been waived by NSGC.

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

Financial Position

		December 31, 2020		December 31, 2019	% Chg
Cash	**$**	**434.8**	$	329.7	32%
Accounts receivable		**40.8**		79.6	(49%)
Other current assets		**66.5**		25.0	166%
Property, plant and equipment		**1,465.5**		1,275.3	15%
Right-of-use assets		**960.2**		985.7	(3%)
Cash on deposit with Canada Revenue Agency		**38.9**		38.9	0%
Other long-term assets		**113.3**		117.7	(4%)
Total Assets	**$**	**3,120.0**	$	2,851.9	9%
Current liabilities	**$**	**187.1**	$	282.0	(34%)
Long-term debt		**1,333.9**		869.8	53%
Long-term lease liabilities		**917.5**		925.8	(1%)
Other long-term liabilities		**108.9**		113.1	(4%)
Total Liabilities		**2,547.4**		2,190.7	16%
Equity attributable to shareholders of the company		**465.2**		527.4	(12%)
Non-controlling interests		**107.4**		133.8	(20%)
Total Equity		**572.6**		661.2	(13%)
Total Liabilities and Equity	**$**	**3,120.0**	$	2,851.9	9%

Total Assets
Total assets as at December 31, 2020 increased by 9% when compared to the balance as at December 31, 2019. The increase was primarily due to additions to property, plant and equipment related to the development of the Ontario properties and increased cash from the issuance of the Senior Unsecured Debentures (as discussed in the "Major Developments" section of this MD&A) and increased borrowings under credit facilities.

Total Liabilities
Total liabilities as at December 31, 2020 increased by 16% when compared to the balance as at December 31, 2019. The increase was primarily due an increase in borrowings under the credit facilities of OTG, OGWGLP and OGELP and the issuance of the Senior Unsecured Debentures for proceeds of $189.0.

Equity
Total equity as at December 31, 2020 decreased by 13% when compared to the total equity as at December 31, 2019. This decrease was primarily due to net loss of $101.9, repurchase of common shares under the normal course issuer bid of $15.3, distributions of $6.8 to non-controlling interests made in the first quarter of 2020, partially offset by the exercise of incentive share options of $21.1 and equity settled share-based compensation of $14.3.

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

Cash Flows

	Three months ended December 31,		Twelve months ended December 31,	
	2020	2019	**2020**	2019
Cash (used in) generated by operating activities	**$ (6.4)**	$ 157.3	**$ 90.4**	$ 460.9
Cash used in investing activities	**(62.1)**	(153.9)	**(303.3)**	(315.8)
Cash generated by (used in) financing activities	**31.3**	16.0	**317.9**	(154.0)
Effect of foreign exchange on cash	**0.1**	0.5	**0.1**	1.8
Cash (outflow) inflow	**$ (37.1)**	$ 19.9	**$ 105.1**	$ (7.1)

Cash (used in) generated by operating activities
Cash flows from operating activities for the three and twelve months ended December 31, 2020 decreased, when compared to the same periods in 2019, primarily due to decreases in net earnings during the temporary suspension period, as discussed in the "Temporary Business Interruption" section of this MD&A, partially offset by decreases in income taxes paid. Cash generated by operating activities for the twelve months ended December 31, 2019 also included cash generated by operating activities from discontinued operations of $4.4.

Cash used in investing activities
Cash used in investing activities for the three and twelve months ended December 31, 2020 decreased, when compared to the same periods in 2019, as a result of lower capital expenditures due to construction timing of the Company's development projects in Ontario. Cash used in investing activities for twelve months ended December 31, 2019 was partially offset by proceeds received from the sale of the Company's U.S. region of $65.2 and sale of land of $15.9.

Cash generated by (used in) financing activities
Cash generated by financing activities for the three months ended December 31, 2020 was higher when compared to the same period in 2019. This was primarily due to cash outflows in the three months ended December 31, 2019 related to the repurchase of common shares of $92.7, the acquisition of non-controlling interests of $51.8, and repayments of debt of $20.0; there were no such activities in the three months ended December 31, 2020.

Cash generated by financing activities for the twelve months ended December 31, 2020 was due to the issuance of the Senior Unsecured Debentures (as discussed in the "Major Developments" section of this MD&A) and increased borrowings under the credit facilities of OTG and OGWGLP. Cash used in financing activities for the twelve months ended December 31, 2019 was due to the repurchase of common shares under the normal course issuer bid of $191.2, distributions made to non-controlling interests of $55.9, acquisition of non controlling interest of $51.8, and repayments of debt of $155.0.

Capital Resources

Normal Course Issuer Bids

Common Shares

On June 27, 2019, the Company received approval from the TSX to renew a normal course issuer bid for up to 3,971,976 of its common shares. The bid commenced on July 3, 2019 and expired July 2, 2020. All purchases under this issuer bid ended in January 2020 when the Company purchased for cancellation the remaining 172,724 common shares available under the bid at a weighted-average price per share of $42.29.

On June 29, 2020, the Company announced receiving approval from the TSX to renew a normal course issuer bid for up to 3,674,077 of its common shares, representing approximately 10% of the Company's common shares in the public float. The bid commenced on July 3, 2020 and will end on July 2, 2021, 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. 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. All shares purchased by the Company will be subsequently cancelled. Under the current issuer bid, the Company purchased for cancellation 300,471 common shares during the year ended December 31, 2020 at a weighted-average price per share of $26.55. The Company did not repurchase any common shares subsequent to December 31, 2020. Any future repurchases of shares under the normal course issuer bid require approval from Apollo Funds under the Arrangement described in the "Major Developments" section of this MD&A.

Senior Unsecured Debentures

On June 2, 2020, the Company received approval from the TSX to commence a normal course issuer bid to purchase up to $18.9 of its debentures, representing approximately 10% of the $189.0 aggregate principal. The bid commenced on June 5, 2020 and will expire on June 4, 2021. All debentures purchased by the Company will be subsequently cancelled. The Company did not purchase any debentures for cancellation under this issuer bid. Any future repurchases of debentures under the normal course issuer bid require approval from Apollo Funds under the Arrangement described in the "Major Developments" section of this MD&A.

Outstanding Share Data

As at December 31, 2020, there were 56,061,179 common shares issued and outstanding compared to 55,367,493 as at December 31, 2019. The increase was due to the exercise of employee stock options during the twelve months ended December 31, 2020, partially offset by the repurchase of common shares by the Company.

As at December 31, 2020, there were 2,323,866 share options outstanding at a weighted-average exercise price of $28.77.

As at March 1, 2021, there were 57,604,178 common shares outstanding and 780,033 share options outstanding.

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.

CRA Disputes and Audit

The Canada Revenue Agency ("CRA") has conducted audits of the Company's and its subsidiaries' Facility Development Commission ("FDC") filing positions of its B.C. operations for the 2009 to 2014 years. The Company received FDC from BCLC prior to June 3, 2018, calculated as a fixed percentage of Gross Gaming Revenues (defined as amounts wagered on gaming activities, less the payout or prizes to winning customers) generated by the B.C. properties, for incurring qualified, primarily capital, gaming-related expenditures.

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 and June 2, 2018, if CRA's current position on FDC prevails, preliminary estimates indicate the Company's consolidated current tax expense would increase $56.5, deferred tax expense would decrease $55.4, and interest and financing costs would increase $17.2, resulting in a one-time $18.3 decrease in net earnings and a corresponding decrease to basic net earnings attributable to the shareholders of the Company per share of approximately $0.33 per share, based on the number of shares outstanding as at December 31, 2020.

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 on 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, 2020, the Company and its subsidiaries have deposited a net amount of $38.9 (2019 - $38.9) 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. During the first quarter of 2019, the Company and its subsidiaries received the Respondent's Replies to the notices of appeal. In response to the Pandemic, the Company and the Respondent agreed to delay the process with revised timelines still to be determined.

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

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

Commitments

As discussed in the "Temporary Business Interruption" section of this MD&A, some of the Company's operations resumed under restricted operating conditions, but were required or may be required to temporarily close depending on changes to localized health authority mandates. Depending on the extent of operating restrictions on the Company's business, the Company may generate negative net operating cash flows. The Company's ability to settle its contractual obligations is subject to the temporary waivers on its credit agreements (see Note 12) remaining in place, including any future extensions, as required, and/or the timing of when operating restrictions are lifted.

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

	Expected payments by period as at December 31, 2020				
	Within 1 year	2 - 3 years	4 - 5 years	More than 5 years	**Total**
Accounts payable and accrued liabilities	$ 144.9	$ -	$ -	$ -	**$ 144.9**
Senior Unsecured Debentures	9.9	19.8	19.8	198.9	**248.4**
Senior Secured Credit Facilities	17.0	381.4	-	-	**398.4**
Non-recourse credit facilities	38.6	728.5	146.1	-	**913.2**
Provisions	5.1	0.9	1.4	6.2	**13.6**
Lease liabilities	86.0	169.6	164.7	1,048.5	**1,468.8**
Other contractual commitments[1][2]	245.7	11.3	6.1	-	**263.1**
Total	**$ 547.2**	**$ 1,311.5**	**$ 338.1**	**$ 1,253.6**	**$ 3,450.4**

(1) Other contractual commitments in the table above include commitments for capital expenditures of $239.8 related to the Company's developments of its Ontario gaming facilities, which will be settled over the duration of the related developments.
(2) Under the COSA, 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 under normal operating conditions and the interim compensation model in place during the Pandemic, 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.

Future Cash Requirements

The Company's current cash requirements are primarily for the comprehensive development plans for the GTA development program which will continue in the following year. The Company also 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.

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

OTHER 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,	
	2020	2019
Human resources [(1)]	**$ 6.6**	$ 4.6
Share-based compensation [(2)]	**15.7**	9.3
Total	**$ 22.3**	$ 13.9

(1) Human resources included salaries, employee benefits and non-equity based compensation.
(2) Share-based compensation consisted of equity-settled and cash-settled share-based compensation and included the share-based compensation of $6.9 related to share options that were voluntarily cancelled on June 22, 2020.

As at December 31, 2020, the liabilities of the Company include amounts due to key management personnel of $2.1 (2019 - $0.6) in "accounts payable and accrued liabilities" and $9.9 (2019 - $8.5) in "deferred credits, provisions and other liabilities" of the Consolidated Statements of Financial Position.

Changes in Accounting Standards

The Company has considered the following amendments to IAS that have been issued and are effective:

- COVID-19 – Related Rent Concessions (effective June 1, 2020 with early adoption permitted) is an amendment to IFRS 16*, Leases* which exempts lessees from considering eligible lease concessions that are a direct consequence of the Pandemic as lease modifications. The amendment applies to Pandemic-related rent concessions that reduce lease payments due on or before June 30, 2021. During the temporary business interruption, the Company received rent reductions from certain landlords on its leased properties. The Company has adopted this amendment for the year ended December 31, 2020. Under this exemption, lease concessions are accounted for as a variable lease payment, which are recognized in "property, marketing and administration" expense in the period in which they occur.

- Amendments to IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* (effective January 1, 2020 with early adoption permitted) were made to refine the definition of material in IAS 1 and align the definitions used across IFRS Standards and other publications. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition and the threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. These amendments did not impact the Company's Consolidated Financial Statements.

The Company has not applied the following amendments to IAS that have been issued but are not yet effective:

- Amendments to IAS 1, *Presentation of Financial Statements* (effective January 1, 2023) clarify the presentation of liabilities in the statement of financial position. The classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period and is unaffected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. Management is currently assessing the impact of this amendment.

- Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* (effective January 1, 2022) clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts. The amendments apply to contracts existing at the date when the amendments are first applied. Management is currently assessing the impact of this amendment.

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.

- *Identification of Leases*

  In assessing whether a contract is, or contains, a lease, management makes judgments when determining whether the contract involves the use of an identified asset, and whether the Company has the right to control the use of the identified asset.

- *Lease Liabilities*

  The Company's lease liabilities are measured at the present value of the lease payments discounted using the applicable incremental borrowing rate of the Company. Determination of the discount rate requires significant judgment and may have significant quantitative impact on the lease liability valuations.

  Under IFRS 16, the lease term considers 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 is 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.

  Remeasurement of the lease liability as a result of changes in future lease payments (due to timing of payments or change in index or rate) or changes in the lease term (which will require a revised discount rate at the date of reassessment) will result in an adjustment to the corresponding right-of-use asset.

- *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 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 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.

- *Impairment of long-lived assets*

  The determination of long-lived asset impairment requires significant estimates and assumptions to determine the recoverable amount of an asset and/or CGU, wherein the recoverable amount is the higher of fair value less costs to sell and value in use. The value in use method involves estimating the net present value of future cash flows derived from the use of the asset and/or CGU, including the terminal value, and requires the use of judgments regarding the appropriate discount rate and growth rate.

  The estimates of future cash flows require a number of key assumptions about future business performance. These assumptions and estimates are primarily based on the relevant business' historical experience, economic trends, and consider past communications with relevant stakeholders of the Company. These key assumptions include the future revenue levels and expenses including human resource and property, marketing and administration expenses. The key assumptions are subject to a number of factors and it is possible that actual results could vary materially from management's estimates. Significant changes in the key assumptions utilized in the estimate of future cash flows could result in an impairment loss or reversal of an impairment loss.

- *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 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, OGWGLP's Non-recourse Revolving Credit Facility, and OGELP's Non-recourse Revolving Credit Facility, as described in Note 12 of the Company's Annual Financial Statements.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer (or appointed designates) 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 designates) 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, 2020.

As well, as of the end of the fiscal year ended December 31, 2020, the Chief Executive Officer and Chief Financial Officer (or appointed designates) 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 2020, 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

On January 24, 2021, Rod N. Baker resigned as President, Chief Executive Officer, and Director of the Company.

Larry W. Campbell, one of the Company's directors, will be retiring on June 1, 2021.

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.