Intertain

INTERTAIN ANNOUNCES DEBT FINANCING TO FUND EARN-OUT PRE-PAYMENT

EXTENSION OF GAMESYS NON-COMPETE

EXTENSION OF JACKPOTJOY OPERATING AGREEMENT

TORONTO, December 16, 2016 – The Intertain Group Limited (TSX:IT), the largest online bingo-led operator in the world, today announced that it has raised additional debt finance in an aggregate sterling equivalent amount of £160 million, comprised of: (i) a sterling equivalent £70 million incremental first lien term loan, and (ii) a £90 million second lien term loan facility. Both loans were arranged by Macquarie Capital (USA) Inc. and Macquarie Capital (Europe) Ltd.

Proceeds from the debt financing have been used to fund a £150 million pre-payment of the earn-out payment required to be made to Gamesys Limited in connection with Intertain's Jackpotjoy and Starspins brands (the "**Earn-out**"). The balance of the proceeds from the debt financing will be used for the payment of fees, costs and expenses related to the debt financing and pre-payment, with any residual proceeds to be used to pre-pay existing term loans.

The pre-payment to Gamesys has made effective certain additional amendments to the long-term operating agreements and other agreements with the Gamesys group, including the additional two-year non-competition covenants from the Gamesys group and a five-year extension of the operating agreements, as previously announced September 6, 2016. Intertain continues to expect that the amount of the Earn-out will exceed the amount of the pre-payment, with the remaining balance currently expected to be paid out of free cashflow in due course in accordance with the terms of the Earn-out.

Andrew McIver, President and CEO of Intertain, commented, "Today's debt financing is an important step forward for Intertain. The financing unlocks the benefit of the advantageous additional non-competition covenants and the amendments to our various operating agreements with the Gamesys group. It also provides certainty to our shareholders and other stakeholders with respect to the funding of our future earn-out obligations."

Intertain also notes that discussions with the UK Listing Authority in relation to the listing of Jackpotjoy plc's ordinary shares on the London Stock Exchange are continuing and Intertain will update shareholders as soon as possible on this process. In addition, Intertain will publicly announce the deadline (at least five business days in advance of such deadline) for shareholders to elect to receive exchangeable shares under the proposed Plan of Arrangement which will facilitate the implementation of the UK-centered strategic initiatives.

Summary of the Debt Financing

In conjunction with the debt financing, Intertain has obtained the necessary lender consents to an amendment of the existing credit agreement to allow it to establish the incremental first lien facility and permit the second lien facility and the earn-out pre-payment.

The incremental first lien facility will mature in April 2022 and has pricing and pre-payment terms substantially consistent with those applicable to existing term loans under Intertain's existing amended credit agreement. However, there will be no scheduled amortisation of the incremental first lien facility prior to April 2022. The second lien facility will mature in December 2022 and will provide for pre-payment terms substantially consistent with existing term loans under Intertain's existing amended credit agreement. However, there will be no scheduled amortisation of the second lien facility prior to December 2022. In addition, the second lien facility excess cashflow sweep and other prepayment requirements will apply only once the term loans under Intertain's existing credit agreement (including those drawn under the incremental term loan facility) have been repaid in full and repayment and prepayment premia are payable in certain circumstances as further described below.

The credit agreement in respect of the second lien facility and the amended credit agreement each provide flexibility for Intertain to make dividends and other distributions, subject to: (i) the discharge of Intertain's remaining Earn-out obligations; (ii) Intertain's leverage ratio (calculated *pro forma* for such dividend or distribution) not exceeding 2.75:1; and (iii) there being no default continuing under the relevant facility.

The second lien facility bears an interest rate of LIBOR (adjusted to reflect mandatory statutory reserves) plus a margin of 9% per annum. The positive and negative covenants to which Intertain and certain of its subsidiaries are subject in respect of the second lien facility are substantially consistent with those under the amended credit agreement, with adjustments to reflect the second lien nature of the facility. Certain prepayments and repayments during the first, second and third years following the closing of the second lien facility are subject to a prepayment premium equal to a customary make-whole premium (for the first year), 2% (for the second year) and 1% (for the third year), in each case, on the amount prepaid or repaid.

The amended credit agreement no longer provides general permissions for specified amounts of additional indebtedness (including incremental term debt loans), liens, investments or restricted payment to be incurred, granted or made. Investments and restricted payments by Intertain and certain of its subsidiaries are now subject to, among other conditions, satisfaction of a *pro forma* leverage ratio.

As under the existing amended credit agreement, the borrowers under the second lien facility and the incremental first lien facility are Intertain and a wholly-owned subsidiary of Intertain, The Intertain Group Finance LLC. The second lien facility, the existing facilities and the incremental first lien facility are guaranteed, subject to certain exceptions, by certain of the borrowers' respective wholly owned direct and indirect subsidiaries. Subject to certain permitted security interests and certain exceptions, the existing facilities and the incremental first lien facility are or will be secured by perfected first priority security interests in substantially all of the assets of the borrowers and guarantors. The second lien facility is secured on similar terms by perfected (or to be perfected) second priority security interests in substantially all of the assets of the borrowers and guarantors.

About The Intertain Group Limited

Intertain is an online gaming company that provides entertainment to a global consumer base. Intertain currently offers bingo and casino games to its customers using the InterCasino (www.intercasino.com), Costa (www.costabingo.com), Vera&John (www.verajohn.com), Jackpotjoy (www.jackpotjoy.com), Starspins (www.starspins.com) and Botemania (www.botemania.es) brands. For more information about Intertain, please visit www.Intertain.com.

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Cautionary Note Regarding Forward-Looking Information

This release contains certain information and statements that may constitute "forward-looking information" within the meaning of Canadian securities laws. Often, but not always, forward-looking information can be identified by the use of words such as "expects", "intends" and "anticipates", or the negative of such words or other variations or synonyms for such words, or state that certain actions, events or results "may" or "will" be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance, achievements or developments to be materially different from those anticipated by Intertain and expressed or implied by the forward-looking information. Forward-looking information contained in this release includes, but is not limited to, statements with respect to: (i) the expected use of the proceeds from the debt financing; (ii) the consequences of using the proceeds from the debt financing to make a £150 million pre-payment to Gamesys in respect of the Earn-out; (iii) the expectation that the amount of the Earn-out will exceed the amount of the £150 million pre-payment to Gamesys; (iv) Intertain's expectation that the remaining balance of the Earn-out, if any, will be paid out of free cash flow in due course in accordance with the terms of the Earn-out; (v) Intertain's discussions with the UK Listing Authority and intention to update shareholders as soon as possible; (vi) Intertain's intention to publicly announce the *deadline for shareholders to elect to receive exchangeable shares under the proposed Plan of Arrangement; (vi) the maturity dates and scheduled amortisation of the first lien facility and the second lien facility; and (vii) the expectation that the existing facilities and the incremental first lien facility will be secured by perfected first priority security interests in substantially all of the assets of the borrowers and guarantors.*

These statements reflect Intertain's current expectations related to future events or its future results, performance, achievements, developments, actions and future trends affecting Intertain. All such statements, other than statements of historical fact, are forward-looking information. Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, without limitation, that the Intertain Risk Factors (as defined below) will not cause actual results, performance, achievements or developments to differ materially from those described in the forward-looking information. Such forward looking information could also be materially affected by risks, including, but not limited to: the risk that Intertain's cash flows are insufficient to pay the balance of the Earn-out after making the £150 million pre-payment to Gamesys. The foregoing is not intended to represent a complete list of factors that could affect Intertain. Additional risk factors are discussed in Intertain's annual information form dated March 30, 2016 and in the management information circular dated August 19, 2016, in each case, under the heading "Risk Factors". All such risk factors are referred to collectively as the "Intertain Risk Factors". Although Intertain has attempted to identify important factors that could cause actual results, performance, achievements or developments to differ materially from those described in the forward-looking information, there may be other factors that cause actual results, performance, achievements or developments not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results, performance, achievements or developments are likely to differ, and may differ materially, from those expressed in or implied by the forward-looking information contained in this release. Accordingly, readers should not place undue reliance on forward-looking information. While subsequent events and developments may cause Intertain's expectations, estimates and views to change, Intertain does not undertake or assume any obligation to update or revise any forward-looking information, except as required by applicable securities laws. The forward-looking information contained in this release should not be relied upon as presenting Intertain's expectations, estimates and views as of any date subsequent to the date of this release. All of the forward-looking information in this release are expressly qualified by this cautionary note.