



POYDRAS GAMING FINANCE CORP.

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Poydras Gaming Finance Corp. Announces 2016 First Quarter Results

- *Continued Strong Q-o-Q and Y-o-Y Growth in Revenue and Adjusted EBITDA*—
- *Company on Track to Meet or Exceed 2016 Adjusted EBITDA Target of US\$10.0 Million* —
- *Installed Base of ~2,500 Machines and Poised for Growth Post Successful Integration of Integrity* —

Vancouver, BC, May 30, 2016 – POYDRAS GAMING FINANCE CORP. (TSX-V: PYD) (“Poydras,” “PGFC,” or the “Company”) today announces financial results for the first quarter ended March 31, 2016 (all amounts stated in U.S. dollars unless otherwise indicated).

First Quarter 2016 Highlights

- Revenue grew to \$3,690,423, representing an increase of 5% from \$3,525,411 in Q4 2015 and an increase of 462% compared to \$656,088 in Q1 2015.
- Adjusted EBITDA of \$2,575,873, a 24% increase from \$2,080,520 in Q4 2015 and a 46 times increase from \$54,421 in Q1 2015.
- Net income of \$341,262 compared with a net loss of \$981,101 in Q4 2015 and a net loss of \$1,504,323 in Q1 2015.
- Revenue generating machines in operation at quarter end were approximately 2,491, compared to 2,428 at the end of Q4 2015.

Highlights Subsequent to Quarter End

- On May 2, 2016, the Company completed a 10 for 1 share capital consolidation with the intent of attracting a broader range of investors and increasing liquidity.
- On May 24, 2016, the Company announced that it has entered into a long-term contract for the placement of approximately 230 gaming machines in a new Native American-owned casino in Oklahoma. All machines are expected to be deployed and revenue generating by the end of Q3 2016, and the revenue sharing agreement is expected to add at least \$2.0 million dollars in annual run-rate revenue.

“We are off to a strong start in 2016, on track to meet or exceed our FY 2016 goal of \$10.0 million in Adjusted EBITDA,” said Peter Macy, CEO of Poydras Gaming. “Organic growth during the quarter over Q4 2015 was driven by a full quarter of deployments for an additional 150 machines with our long-standing customer the Cheyenne & Arapaho Tribes of Oklahoma. As we look towards the rest of 2016, we will continue to expand our machine base with new and existing customers in our core market of Oklahoma and Texas, as well as exploring opportunities in new markets.”

First Quarter 2016 Financial Results

For the three months ended March 31, 2016, the Company's revenue increased to \$3,690,423, representing growth of 5% compared to Q4 2015 and 462% compared to Q1 2015. The Company's leasing revenue grew to \$3,020,919 in Q1 2016, a 10% increase over the prior quarter and a 360% increase over the same period of 2015. The increase in revenue was mainly due to generating leasing revenue from an average of 2,471 gaming machines in Q1 2016 as compared to an average of 2,388 gaming machines in Q4 2015 and 341 gaming machines in Q1 2015.

The Company's Adjusted EBITDA increased 24% to \$2,575,873 in Q1 2016 from \$2,080,520 in Q4 2015. The increase in Adjusted EBITDA was driven by higher lease revenue in Q1 2016 as a result of the deployment of additional revenue generating machines during the quarter.

Quarterly Adjusted EBITDA

Adjusted EBITDA and reconciliation to net income (loss) is as follows:

	Q1 2016 (\$)	Q4 2015 (\$)	Q3 2015 (\$)	Q2 2015 (\$)	Q1 2015 (\$)
Net Income (loss)	341,262	(981,101)	1,103,411	(1,530,182)	(1,504,323)
Adjustments:					
Depreciation of equipment	888,132	805,699	646,155	217,264	217,262
Amortization of placement fees	443,148	489,094	335,878	190,661	72,355
Amortization of intangible assets	216,061	166,509	227,384	73,533	73,533
Income tax expense (recovery)	131,960	287,400	(2,302,033)	-	-
Finance lease receivable reduction	448,599	338,603	170,572	185,350	49,624
Financing costs	748,145	399,945	771,334	444,342	386,643
Foreign exchange (gain) loss	(411,798)	276,851	504,594	(84,444)	660,554
Impairment of loan receivable	-	120,714	-	250,000	-
Loss (gain) on settlement of debt	-	-	(261,407)	-	-
Loss (gain) on disposal of assets	38,947	(214,338)	-	-	-
Revaluation of earn-out liability	(599,000)	-	-	-	-
Stock based compensation	104,720	121,816	169,711	110,646	98,773
A&W JV EBITDA adjustments at 50% interest:					
Depreciation of equipment	184,124	234,576	180,317	-	-
Amortization of placement fees	10,416	10,416	8,417	-	-
Interest expense	26,531	25,437	16,292	-	-
Loss (gain) on disposal of assets	4,626	(1,101)	-	-	-
Adjusted EBITDA	2,575,873	2,080,520	1,570,625	(142,830)	54,421
Adjusted EBITDA includes:					
Integrity acquisition costs	-	-	96,000	30,000	161,000
Total normalization adjustments	-	-	96,000	30,000	161,000
	2,575,873	2,080,520	1,666,625	(112,830)	215,421

As there is no standardized method of calculating Adjusted EBITDA, it may not be directly comparable with similarly titled measures used by other companies. The Company considers Adjusted EBITDA to be a relevant indicator for measuring trends in performance and its ability to generate funds to service its debt and to meet its future working capital and capital expenditure requirements. Adjusted EBITDA is not a generally accepted earnings measure and should not be considered in isolation or as an alternative to net income (loss), cash flows or other measures of

performance prepared in accordance with IFRS. For additional information please refer to the last page of this news release.

Conference Call

The Company will hold a conference call to discuss the results for its first quarter ended March 31, 2016. The call will be hosted by Peter Macy, CEO, and Adam Kniec, CFO on Tuesday, May 31, 2016 at 7:00 a.m. PDT (10:00 a.m. EDT), and followed by a question and answer period. All interested parties are invited to participate.

Conference Call Details:

Date: Tuesday, May 31, 2016

Time: 7:00 a.m. Pacific Time / 10:00 a.m. Eastern Time

Dial-In Numbers: North America Toll-Free Dial-In Number: 1 (888) 231-8191
For Toronto: (647) 427-7450
For Vancouver: (778) 371-9827

Conference ID: 10143337

Taped Replay: 1 (855) 859-2056, available until 12:00 midnight (EDT) Tuesday, June 7, 2016

Reference number: 10143337

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About Poydras Gaming Finance Corp.:

Poydras Gaming is a regional slot route operator with approximately 2,500 revenue-generating gaming machines across 25 casinos in Oklahoma and Texas. The Company provides slot machines and related capital expenditures under short- and long-term contracts for existing casinos, new casino developments and gaming machine suppliers in the United States. Additional information about the Company can be found on the SEDAR website at www.sedar.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements

Certain information in this news release is considered forward-looking within the meaning of certain securities laws and is subject to important risks, uncertainties and assumptions. This forward-looking information includes, among other things, information with respect to the Company's beliefs, plans, expectations, anticipations, estimates and intentions. The words "may", "could", "should", "would", "suspect", "outlook", "believe", "anticipate", "estimate", "expect", "intend", "plan", "target" and similar words and expressions are used to identify forward-looking information. The forward-looking information in this news release, including those statements relating to expected EBITDA, and the placement of additional machines by the Company, describes the Company's expectations as of the date of this news release.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. Material factors which could cause actual results or events to differ materially from such forward-

looking information include, among others, risks arising from general economic conditions and adverse industry events.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME.

Non-IFRS Measures – Poydras Gaming Finance Corp.

Adjusted EBITDA is a financial measure that does not have a standardized meaning under IFRS. Adjusted EBITDA is defined as earnings before financing costs, income taxes, depreciation, amortization, stock based compensation, unrealized foreign exchange, impairment of loans receivable, gain/loss on settlement of loans payable, gain/loss on disposal of assets, finance lease receivable reduction, revaluation adjustment of earn-out liability and non-recurring costs. In addition, to arrive at the Adjusted EBITDA, the Company is adjusting its earnings for its 50% share of the above mentioned income/expense and gain/loss categories that are included in the Company's income from equity accounted investees.

During Q1 2016, the Company modified its definition of Adjusted EBITDA to exclude from earnings our revaluation adjustment of the Company's earn-out liability to the former shareholders of the Integrity Companies. While this adjustment has been favorable thus far, the Company believes that its impact should be viewed separately from the Company's core business performance and liquidity.