



INTEGRITY GAMING CORP.

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TSXV: IGAM
OTCQX: IGAMF

Integrity Announces Arrangement Agreement with AGS

Vancouver, BC, December 17, 2018 – INTEGRITY GAMING CORP. (TSX-V: IGAM) (OTCQX: IGAMF) (“**Integrity**” or the “**Company**”) today announces signing of a definitive arrangement agreement (the “**Agreement**”) whereby a wholly owned subsidiary of PlayAGS Inc. (“**AGS**”) will, subject to the terms and conditions of the Agreement, acquire all of Integrity’s issued and outstanding common shares (“**Integrity Shares**”) for a cash payment of CAD\$0.46 per Integrity Share, resulting in an aggregate transaction value of CAD\$65 million, including approximately US\$36 million (approximately CAD\$48 million assuming 1.34 foreign exchange rate) in Integrity debt.

The transaction is expected to close in the first half of 2019, subject to approval by Integrity’s shareholders, receipt of applicable regulatory, court and third party approvals and other customary closing conditions.

Integrity’s Interim Chief Executive Officer Robert Miodunski said, “We strongly believe this is a good transaction for our Company and our shareholders, and that our customers will benefit from AGS’s deep roots in Oklahoma and its proven ability to successfully manage a large footprint of leased games to drive strong performance for gaming operators. We look forward to working closely with the AGS team to ensure a smooth transition and continuity of service and support for our customers. I am proud of the Integrity team and the success we have achieved over our more than 20 years.”

Transaction Details

The acquisition of all of the issued and outstanding Integrity Shares will be completed by a court-approved plan of arrangement under the *Business Corporations Act (British Columbia)* (the “**Arrangement**”) and will require, among other things, the approval by at least two-thirds ($66\frac{2}{3}$ percent) of the votes cast by the Integrity shareholders at a special meeting of Integrity shareholders expected to be held in February 2019 (the “**Integrity Special Meeting**”).

All of the directors and executive officers of Integrity and certain significant shareholders of Integrity have entered into support agreements pursuant to which they have agreed, among other things, to vote their Integrity Shares in favor of the Arrangement.

In addition to requisite Integrity shareholder and court approvals, completion of the Arrangement will be subject to certain regulatory approvals, including that of the TSX Venture Exchange and the satisfaction of certain other closing conditions customary for a transaction of this nature. Approval by shareholders of AGS is not required.

The board of directors of Integrity (the “**Integrity Board**”) has determined that the Arrangement is fair to Integrity shareholders and is in the best interests of Integrity. Accordingly, the Integrity Board approved the Arrangement and recommends that Integrity shareholders vote their Integrity Shares in favour of the Arrangement.

Further information regarding the Arrangement will be included in Integrity’s management information circular to be mailed to Integrity shareholders in advance of the Integrity Special Meeting and in Integrity’s material change

report in respect of the announcement of the Arrangement, each of which will be filed with the Canadian securities regulators and will be available under Integrity's profile at www.sedar.com.

Macquarie Capital is acting as financial advisor and McMillan LLP is acting as legal counsel to Integrity.

About Integrity

Integrity Gaming Corp. is a regional slot route operator with over 2,700 gaming machines in operation across over 33 casinos in Oklahoma and Texas. The Company primarily derives its revenue from short- and long-term revenue share contracts with Native American casinos. It provides gaming equipment such as slot machines and electronic table games, and project financing to owners, operators, and managers of casinos and other regulated gaming venues. The Company works with casinos, new casino developments, and gaming machine suppliers. Additional information about the Company can be found on the Company's website at www.integritygaming.com and 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.

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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 describes the Company's expectations as of the date of this news release. Forward-looking statements in this news release include, but are not limited to statements with respect to the anticipated timing for the Integrity Special Meeting and the closing of the Arrangement, the anticipated consideration to be received by Integrity shareholders, the satisfaction of closing conditions including: (i) required Integrity shareholder approval; (ii) necessary court approval in connection with the Arrangement; (iii) certain termination rights available to the parties under the Agreement; (iv) Integrity obtaining the necessary approvals from the TSX-V; and (v) other closing conditions, including, without limitation, the operation and performance of the Integrity business in the ordinary course until the closing of the Arrangement and compliance by Integrity with various covenants contained in the Agreement.

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; adverse industry events; inability to realize anticipated synergies; future legislative and regulatory developments; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; income tax and regulatory matters; the ability of Integrity and AGS to implement their business strategies; competition; currency and interest rate fluctuations and other risks. Readers are cautioned that the foregoing list is not exhaustive.

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.