The Intertain Group Limited

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2015

Management's Discussion and Analysis ("MD&A")

The following discussion and analysis provides a review of the Intertain Group Limited's (the "Company" or "Intertain") results of operations, financial condition and cash flows for the three and nine months ended September 30, 2015. This MD&A has been prepared with an effective date of October 29, 2015 and should be read in conjunction with the information contained in the Company's unaudited interim condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2015, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The unaudited interim condensed consolidated financial statements and additional information regarding the business of the Company are available at www.sedar.com.

For reporting purposes, the Company prepares consolidated financial statements in Canadian dollars and in conformity with IFRS. Unless otherwise indicated, all dollar (''$'') amounts in this MD&A are expressed in Canadian dollars. References to (''€'') are to European Euros, references to ("£") are to Pounds Sterling and references to ''USD'' are to U.S. dollars.

All references to we, our, us and Intertain refer to the Company, together with its consolidated operations controlled by it and its predecessors.

All references to management refer to the directors, senior officers and other officers of Intertain, unless otherwise stated. Based on the Company's audit committee's review and recommendation, the Intertain board of directors ("Board of Directors") has approved this MD&A and the unaudited interim condensed consolidated financial statements and related notes for release.

Overview

The Company was incorporated by Articles of Incorporation pursuant to the provisions of the *Business Corporations Act* (Ontario) on November 26, 2010. Intertain is an online gaming company, which provides entertainment to a global consumer base. The Company currently offers bingo, casino and other games to its customers using the Costa Bingo™, Vera&John, Vera&Juan, Jackpotjoy, Botemania, Starspins, InterCasino™, VIP Casino™, and other brands. The InterCasino™ and VIP Casino™ gaming platform is supplied by NYX Gaming Group Ltd., and the Company's bingo offerings operate off of the Dragonfish platform, a leading software service provided by the 888 Group. The Vera&John and Vera&Juan brands operate off of proprietary software owned by Dumarca, a wholly-owned subsidiary of the Company. The Jackpotjoy, Botemania, and Starspins brands operate off of proprietary software owned by the Gamesys Group, the Company's B2B software and support provider. Additionally, Intertain receives fees for marketing services provided by its affiliate portal business. Europe is the principal market in which the Company, through its subsidiaries, actively markets its online offerings.

Recent Highlights

Normal Course Issuer Bid ("NCIB")

On September 8, 2015, the TSX approved the Company's notice of intention to make a NCIB to purchase and cancel up to 3,617,640 common shares of the Company, which represents approximately 5% of the 72,354,817 common shares issued and outstanding as of September 15, 2015. During the nine months ended September 30, 2015, the Company purchased 979,712 common shares. Subsequent to September 30, 2015, 1,493,522 additional common shares were purchased by the Company.

Shareholder Rights Plan

On September 23, 2015 the Company announced that Intertain's board of directors approved the adoption of a new Shareholder Rights Plan ("Rights Plan"). The purpose of the Rights Plan is to provide shareholders and the board with adequate time to consider and evaluate any unsolicited take-over bid made for the Company's common shares. The Rights Plan is intended to prevent any person from acquiring beneficial ownership of more than 20% of the outstanding common shares of Intertain while the Board of Directors' process is ongoing, or from entering into arrangements or relationships that have a similar effect. The Rights Plan is subject to ratification by the Company's shareholders at a meeting, which will be held on or before March 22, 2016. If ratified, the Rights Plan will continue in force until the end of the Company's first annual meeting of shareholders following the third anniversary of the Rights Plan.

Parlay Licence Acquisition

On June 22, 2015, Intertain acquired the rights to the latest bingo software source code from The Parlay Group of Companies ("Parlay") as well as the domain name Bingo.ca for $2.9 million. As part of the arrangement, Intertain will have access to Parlay's feature-rich back office system, its HTML5 mobile bingo products, and has licensed additional casino, mini and side games, along with direct game integration capabilities into other CRM and content platforms. The Bingo.ca domain will provide the Company with the ability to launch a Canada-wide free-play bingo network.

Jackpotjoy Acquisition

On April 8, 2015, Intertain completed the acquisition of the entire issued share capital of a wholly-owned subsidiary of Gamesys Limited ("Gamesys") which included, directly or indirectly, the Jackpotjoy, Starspins and Botemania brands (the "Jackpotjoy Acquisition"), for the sum of: (i) approximately £370.4 million in cash, less certain intra-group debt; (ii) 7,361,365 common shares of Intertain; (iii) the assumption of the obligation to repay certain intra-group debt; (iv) certain cash adjustments; and (v) future earn-out payments, payable in cash based upon the financial performance of the Jackpotjoy business in various periods during the five years following the closing of the Jackpotjoy Acquisition. The earn-out is further described in the Company's Annual Information Form ("AIF") dated March 31, 2015 under the heading "The Jackpotjoy Acquisition – The Jackpotjoy Agreement – Earn-Out Payments". The AIF is available on SEDAR at www.sedar.com.

Credit Facility

On April 8, 2015, Intertain entered into a credit agreement with Macquarie Capital (USA) Inc. in respect of certain credit facilities (the "Credit Facilities") to be made available to the Company. The Credit Facilities consisted of (i) a seven-year US$335.0 million first-lien term loan credit facility ("Term Facility") and (ii) a five-year senior secured US$17.5 million revolving credit facility ("Revolving Facility") to be used for working capital and general corporate purposes.

Borrowings under the Credit Facilities bear, at the Company's election, an annual interest rate of either (i) the LIBOR rate plus an assumed margin of 6.50%, if LIBOR is elected based on current market conditions; or (ii) the base rate (prime rate) plus an agreed margin of 5.50%, if the base rate is elected based on current market conditions. The Credit Facilities are guaranteed by each of the Company's existing and subsequently acquired or formed wholly-owned direct and indirect subsidiaries, subject to certain exceptions (the "Guarantors" and, together with the Company, the "Credit Parties" and each, a "Credit Party"). The obligations of each Credit Party in respect of the Credit Facilities will be secured by a perfected first priority security interest (subject to certain permitted liens) in each of the Credit Parties' tangible and intangible assets (except for certain rights, to the extent prohibited by applicable law). The Company is required to repay the principal amount of the Term Facility by making quarterly instalment payments equal to 2.50% (being 10.00% per annum) of the initial principal amount of the Term Facility, with the remaining principal balance due on April 8, 2022. The Revolving Facility is available until April 8, 2020.

Equity Financing

On February 26, 2015, Intertain closed an offering (the "Offering") of 32,200,000 subscription receipts of the Company (the "Subscription Receipts"). The Subscription Receipts were issued at a price of $15.00 per Subscription Receipt for aggregate gross proceeds of $483.0 million.

The Subscription Receipts were sold pursuant to an underwriting agreement with a syndicate of underwriters led by Canaccord Genuity Corp. and began trading on the Toronto Stock Exchange under the symbol "IT.R" on February 26, 2015. Each Subscription Receipt entitled the holder to receive, upon the satisfaction of all conditions precedent to the Jackpotjoy Acquisition but for the payment of the purchase price and any other amounts to be satisfied by the release of the escrowed funds, without payment of additional consideration or further action, one common share of the Company in exchange for each Subscription Receipt.

On April 8, 2015, upon the satisfaction of all conditions precedent to the Jackpotjoy Acquisition, net proceeds from the Offering were released. The proceeds were used, in part, to fund the Jackpotjoy Acquisition and certain related costs, as well as to repay the Company's outstanding bridge loan, and to redeem all of the Company's outstanding senior secured 8.5% debentures. These debentures had a maturity date of June 30, 2019 and the principal amount of $51.2 million was repaid on May 7, 2015 at a redemption price of 104% plus accrued and unpaid interest up to this date. The Subscription Receipts were exchanged on a one-for-one basis for Intertain shares without payment of additional consideration or further action and were delisted at the close of business on April 8, 2015.

Outlook

Our corporate growth strategy consists of developing the current online gaming brands we operate through innovative customer retention, acquisition initiatives and through technology and gaming offerings that optimizes the customer experience. We also aim to grow our business through strategic acquisitions both within our current gaming verticals and gaming verticals that we do not currently service, which are expected to provide accretive value to shareholders.

The online gaming market is vibrant and growing. The marketplace's growth over the coming years is expected to continue to be driven by a combination of improved accessibility of customers through the growing use of mobile devices, expanding customer demographics, and regulatory trends that are opening up more markets to online gaming.

It is forecasted that the value of the global online casino and online bingo market will be approximately €12 billion by 2018, representing a compound annual growth rate ("CAGR") of more than 10% from 2014 (Source: *H2 Gambling Capital*).

Selected Financial Information

	3 month period ended September 30, 2015 $000	3 month period ended September 30, 2014 $000	**9 month period ended September 30, 2015 $000**	9 month period ended September 30, 2014 $000
Total revenue and other income	**119,481**	13,697	**247,511**	22,495
Net loss	**(17,498)**	(11,759)	**(92,475)**	(13,782)
Basic and Diluted loss per share	**$(0.24)**	$(0.67)	**$(1.59)**	$(0.88)

	3 month period ended September 30, 2015 $000	3 month period ended September 30, 2014 $000	**9 month period ended September 30, 2015 $000**	9 month period ended September 30, 2014 $000
Expenses:				
Selling and marketing	**28,118**	4,546	**62,118**	5,833
Licensing fees	**16,910**	1,530	**34,306**	1,712
Processing fees	**4,812**	207	**10,499**	400
Gaming taxes	**13,055**	-	**24,176**	-
Compensation and benefits	**11,505**	787	**27,986**	1,787
General and administrative	**2,040**	194	**4,981**	531
Amortization	**32,238**	9,023	**71,054**	10,644
Acquisition related costs	**2,590**	6,564	**55,973**	10,921

Comparison of the three and nine months ended September 30, 2015 and 2014

Net Loss:

The Company's net loss for the three and nine months ended September 30, 2015 is primarily related to the amortization of purchase price intangible assets of $32.2 million and $70.9 million respectively related to acquisitions completed in the current and prior year.

Revenue:

The Company's revenues for the three months ended September 30, 2015 consisted of:
- $4.4 million of revenue earned from InterCasino's operational activities.
- $3.7 million of income earned from the Revenue Guarantee.
- $11.0 million in revenue earned from Mandalay's operational activities.
- $17.8 million in revenue earned from Vera&John's operational activities.
- $82.6 million in revenue earned from Jackpotjoy's operational activities.

The increase in revenue in comparison with the three months ended September 30, 2014 relates to revenue earned by Vera&John and Jackpotjoy, which were acquired subsequent to Q3 2014. Additionally, the average foreign exchange rates used to convert revenue for the three months ended September 30, 2015 (GBP:CDN - 2.03, USD:CDN – 1.31, EURO:CDN - 1.46) increased from the average foreign exchange rates used to convert revenue for the three months ended September 30, 2014 (GBP:CDN – 1.85, USD:CDN – 1.09, EURO:CDN – 1.44).

The Company's revenues for the nine months ended September 30, 2015 consisted of:
- $7.4 million of revenue earned from InterCasino's operational activities.
- $16.0 million of income earned from the Revenue Guarantee.
- $30.3 million in revenue earned from Mandalay's operational activities.
- $48.9 million in revenue earned from Vera&John's operational activities.
- $144.8 million in revenue earned from Jackpotjoy's operational activities.

The increase in revenue in comparison with the nine months ended September 30, 2014 predominantly relates to revenue earned by Vera&John and Jackpotjoy, which were acquired subsequent to Q3 2014.

Direct Costs:

Selling and marketing expenses consist of payments made to affiliates and general marketing expenses related to each brand. The increase from the three and nine months ended September 30, 2014 relates to increased marketing spending in InterCasino and the addition of the Vera&John and Jackpotjoy brands.

Licensing fees consist of fees for InterCasino, Mandalay and Jackpotjoy to operate on their respective platforms and game suppliers' fees paid by Vera&John and Jackpotjoy. The period-over-period increase in these costs is driven by the Vera&John and Jackpotjoy acquisitions that took place after September 30, 2014.

Processing fees consist of costs associated with using payment providers and include payment service provider ("PSP") transaction and handling costs, as well as deposit and withdrawal fees. The increase in processing fees in comparison with the same period of 2014 primarily relates to the addition of the operating activities of Vera&John and Jackpotjoy, which were acquired subsequent to the third quarter of 2014.

Gaming taxes largely consist of Point of Consumption Taxes ("POC") which is a 15% tax on Net Gaming Revenue ("NGR") introduced in the UK in December 2014, subsequent to the third quarter of the prior year.

Indirect Costs:

Compensation and benefits costs consist of salaries, wages, bonuses, benefits and share-based compensation expense. The increase over the same period in 2014 relates to the addition of Vera&John and Jackpotjoy employees'/consultants' salaries and an increase in share-based compensation.

General and administrative expenses consist of items, such as rent and occupancy, travel and accommodation, insurance, listing fees and other office overhead charges. The increase over the same period in 2014 relates to the addition of the operating activities of Vera&John and Jackpotjoy that were acquired subsequent to the third quarter of 2014.

Amortization consists of depreciation of the Company's tangible and intangible assets over their useful lives. As a result of acquisition and associated intangibles amortization of Vera&John and Jackpotjoy, amortization expense increased significantly over the same period in 2014.

Acquisition related costs consist of legal, professional, bonuses paid to management, underwriting, due diligence, and other direct costs/fees associated with acquisitions contemplated or completed by Intertain. The decrease in acquisition related costs in comparison with the same three month period in 2014 relates to the fact that the Company has not completed any acquisitions in the third quarter of 2015. The increase in year to date acquisition related costs compared to the same period in 2014 predominantly relates to the Jackpotjoy acquisition, which closed on April 8, 2015.

Non-IFRS Financial Measures

The following non-IFRS definitions are used in this MD&A because management believes that they provide useful information regarding 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 income (loss) and comprehensive income (loss) for the period 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. Accordingly our measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

- Adjusted Net Income, as defined by the Company, means net income plus or minus items of note that management may reasonably quantify and believes will provide the reader with a better understanding of the Company's underlying business performance. For the purposes of the Company's MD&A for the three and nine months ended September 30, 2015 Adjusted Net Income is calculated by adjusting Net Income for share-based compensation, amortization on acquisition related purchase price intangibles, acquisition related costs, foreign exchange, interest accretion, debt settlement expense, fair value adjustments on contingent consideration, and gain on sale of intangible assets. Management believes that Adjusted Net Income is an important indicator of the issuer's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt, and fund future capital expenditures and uses the metric for this purpose. Adjusted Net Income is also used by investors and analysts for the purpose of valuing a Company.

- Adjusted EBITDA as defined by the Company is income before interest expense (net of interest income), income taxes, amortization, share-based compensation, debt settlement expense, fair value adjustments on contingent consideration, gain on sale of intangible assets, acquisition related costs and foreign exchange. Management believes that Adjusted EBITDA is a useful measure because it provides information to management about the operating and financial performance of the Company.

The intent of Adjusted EBITDA and Adjusted Net Income is to provide additional useful information to investors and analysts and these measures do not have any standardized meaning under IFRS. Adjusted EBITDA and Adjusted Net Income should therefore not be considered in isolation or used as a substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Adjusted EBITDA and Adjusted Net Income differently.

Adjusted EBITDA and Adjusted Net Income for the Three and Nine Months Ended September 30, 2015:

The following table highlights Adjusted EBITDA and Adjusted Net Income for the three and nine months ended September 30, 2015 and 2014 and a reconciliation of Intertain's reported results to its adjusted measures.

	3 month period ended September 30, 2015 $000	3 month period ended September 30, 2014 $000	**9 month period ended September 30, 2015 $000**	9 month period ended September 30, 2014 $000
Net income (loss) for the period	**(17,498)**	(11,759)	**(92,475)**	(13,782)
Interest expense, net	**15,169**	1,502	**31,699**	2,849
Taxes	**107**	(65)	**278**	292
Amortization	**32,238**	9,023	**71,054**	10,644
EBITDA	**30,016**	(1,299)	**10,556**	3
Share-based compensation	**1,200**	289	**4,808**	863
Debt settlement expense	**-**	-	**5,692**	-
Fair value adjustments for contingent consideration	**6,244**	-	**6,842**	-
Gain on sale of intangible assets	**-**	-	**(430)**	-
Acquisition related costs	**2,590**	6,564	**55,973**	10,921
Foreign exchange	**3,653**	891	**2,751**	891
Adjusted EBITDA	**43,703**	6,445	**86,192**	12,678
Net income (loss) for the period	**(17,498)**	(11,759)	**(92,475)**	(13,782)
Share-based compensation	**1,200**	289	**4,808**	863
Amortization of acquisition related purchase price intangibles	**32,178**	9,015	**70,890**	10,615
Acquisition related costs	**2,590**	6,564	**55,973**	10,921
Foreign exchange	**3,653**	891	**2,751**	891
Interest accretion	**6,699**	511	**14,307**	1,122
Debt settlement expense	**-**	-	**5,692**	-
Fair value adjustments for contingent consideration	**6,244**	-	**6,842**	-
Gain on sale of intangible assets	**-**	-	**(430)**	-
Adjusted Net Income	**35,066**	5,511	**68,358**	10,630
Basic Adjusted Net Income per share	**$0.48**	$0.31	$**1.17**	$0.68
Diluted Adjusted Net Income per share	**$0.46**	$0.26	$**1.10**	$0.62

Summary of Results by Segment

The InterCasino segment consists of the online casino operating results of the InterCasino™ and VIP Casino™ brands and revenues earned from the revenue guarantee contract. The Mandalay segment consists of the operating results of various online bingo websites operated off of the Dragonfish platform and the operating results of affiliate portal websites. The Vera&John segment consists of the online casino operating results of various brands, including Vera&John and Vera&Juan. The Jackpotjoy segment consists of online bingo and online casino operating results of the Jackpotjoy, Botemania, and Starspins brands.

Operating Segments Adjusted Net Income:

Three months ended September 30, 2015:

	InterCasino $000	Mandalay $000	Vera&John $000	Jackpotjoy $000	Corporate $000	Totals $000
Revenue and other income	**8,111**	**10,998**	**17,763**	**82,609**	**-**	**119,481**
Net income (loss) for the period	**2,895**	**1,078**	**(1,312)**	**9,244**	**(29,403)**	**(17,498)**
Share-based compensation	**-**	**-**	**-**	**-**	**1,200**	**1,200**
Amortization of acquisition related purchase price intangibles	**598**	**3,629**	**3,930**	**24,021**	**-**	**32,178**
Acquisition related costs	**-**	**-**	**207**	**671**	**1,712**	**2,590**
Foreign exchange	**46**	**-**	**190**	**(612)**	**4,029**	**3,653**
Interest accretion	**-**	**-**	**-**	**-**	**6,699**	**6,699**
Debt settlement expense	**-**	**-**	**-**	**-**	**-**	**-**
Fair value adjustments for contingent consideration	**-**	**-**	**-**	**-**	**6,244**	**6,244**
Gain on sale of intangible assets	**-**	**-**	**-**	**-**	**-**	**-**
Adjusted Net Income (Loss)	**3,539**	**4,707**	**3,015**	**33,324**	**(9,519)**	**35,066**

Three months ended September 30, 2014:

	InterCasino $000	Mandalay $000	Corporate $000	Totals $000
Revenue and other income	6,230	7,467	-	13,697
Net income (loss) for the period	(1,227)	(776)	(9,756)	(11,759)
Share-based compensation	-	-	289	289
Amortization of acquisition related purchase price intangibles	4,930	4,085	-	9,015
Acquisition related costs			6,564	6,564
Interest accretion	-	-	511	511
Foreign exchange	-	-	891	891
Adjusted Net Income	3,703	3,309	(1,501)	5,511

Comparison and discussion of the three and nine months ended September 30, 2015 to the same periods in 2014

Note: Figures in this analysis reflect results for full periods, rather than just the period in which the Company owned the each brand and are stated in the functional currency of the applicable operating entity.

Jackpotjoy

For the three and nine months ended September 30, 2015 this segment generated revenues of £40.7 million (2014 – £33.6 million) and £112.7 million (2014 – £98.3 million) respectively, which is 21% growth Q3 2015 over Q3 2014, and 15% growth year to date over year to date. For the three and nine months ended September 30, 2015, Adjusted Net Income was £16.4 million (2014 - £17.6 million) and £43.8 million (2014 - £50.5 million) respectively. Normalizing 2015 Adjusted Net Income balances for POC taxes of £5.1 million and £14.2 million for the three and nine months ended September 30, 2015 respectively, growth of 22% Q3 2015 over Q3 2014, and growth of 15% year to date over year to date was experienced. The increases in revenue and Adjusted Net Income during these periods relate to increased growth of Jackpotjoy UK, the introduction of Star Spins mobile, the introduction of slots into Spain through the Botemania brand, and improved marketing efficiency and effectiveness within Jackpotjoy UK.

Vera&John

For the three and nine months ended September 30, 2015 this segment generated revenues of €12.2 million (2014 – €10.1 million) and €34.8 million (2014 – €28.5 million) respectively, which is 21% growth Q3 2015 over Q3 2014, and 22% growth year to date over year to date. For the three and nine months ended September 30, 2015, Adjusted Net Income was €2.1 million (2014 - €2.5 million) and €6.8 million (2014 - €6.4 million) respectively which is a 16% decrease from Q3 2015 over Q3 2014, and a 6% increase year to date over year to date. The decrease in Adjusted Net Income for the three months ended September 30, 2015 is a result of a negative contribution of €1.0 million related to Vera&John's entrance into the UK market. Vera&John's ability to secure UK market share has been slower than anticipated, however this segment will benefit in the future from the knowledge and experience of other UK brands owned by the Company.

Mandalay

For the three and nine months ended September 30, 2015 this segment generated revenues of £5.4 million (2014 – £4.7 million) and £15.7 million (2014 – £14.0 million) respectively, which is 15% growth Q3 2015 over Q3 2014, and 12% growth year to date over year to date. For the three and nine months ended September 30, 2015, Adjusted Net Income was £2.3 million (2014 - £2.2 million) and £6.4 million (2014 - £5.2 million) respectively. Normalizing Adjusted Net Income for POC taxes of £0.6 million and £1.6 million for the three and nine months ended September 30, 2015 respectively, 32% growth Q3 2015 over Q3 2014, and 54% growth year to date over year to date was experienced. The three and nine month increases are largely related to nine new skins being introduced throughout the periods which increased active users, enhanced liquidity across all brands and improved profitability.

InterCasino

For the three and nine months ended September 30, 2015 this segment generated revenues of $6.2 million USD (2014 – $5.7 million USD) and $18.6 million USD (2014 – $13.7 million USD) respectively, which is 9% growth Q3 2015 over Q3 2014, and 36% growth year to date over year to date. For the three and nine months ended September 30, 2015, Adjusted Net Income was $2.7 million USD (2014 - $3.4 million USD) and $8.7 million USD (2014 – $9.5 million USD) respectively. Normalizing Adjusted Net Income for POC taxes of $0.2 million and $0.6 million for three and nine months ended September 30, 2015 respectively, 15% decrease Q3 2015 over Q3 2014, and a 2% decrease year to date over year to date was experienced. The three and nine month decrease in Adjusted Net Income relates to the increase in marketing spending during the periods.

Corporate

Adjusted Net Loss for this segment for the three months ended September 30, 2015 was 5.3 times higher than the same period in 2014. Losses increased from $1.5 million to $9.5 million period over period. The variance primarily relates to a $7.5 million increase in interest costs (mostly related to debt obtained to fund the Jackpotjoy Acquisition), a $0.2 increase in compensation expense, a $0.2 million increase in office overhead expense and a $0.1 million increase in professional fees.

Historical Results by Quarter

	3 months ended June 30, 2015 $000	3 months ended March 31, 201 $000	3 months ended December 31, 2014 $000	3 months ended September 30, 2014 $000	3 months ended June 30, 2014* $000	3 months ended March 31, 2014* $000
Total revenue and other income	95,240	32,792	18,282	13,696	5,668	3,130
Net loss	(48,816)	(26,161)	(12,045)	(11,959)	(837)***	(2,499)**
Basic loss per share	$(0.70)	$(0.80)	$(0.50)	$(0.67)	$(0.06)	$(0.19)
Diluted loss per share	$(0.70)	$(0.80)	$(0.50)	$(0.67)	$(0.06)	$(0.19)

**balances adjusted to reflect the change in accounting policies related to revenue recognition adopted in the 3 month period ended September 30, 2014.*
***balances adjusted for recognition of amortization of purchase price intangible assets, as the InterCasino purchase price allocation was not completed until the second quarter of 2014.*
*********balance includes an unrealized foreign exchange loss of $1.3 million, which was realized at $0.9 million in the subsequent quarter.*

The foregoing financial data for each of the Company's completed quarters, since the Company's inception, has been prepared in accordance with IFRS. The upwards movement in revenue each quarter relates to the various acquisitions completed by Intertain. The InterCasino Acquisition was completed in February 2014, the Mandalay Acquisition was completed in July 2014, the Vera&John Acquisition was completed in December 2014, and the Jackpotjoy Group of Companies Acquisition was completed in April 2015. The upwards trend in revenue largely correlates to the timing of these acquisitions. The quarter ended September 30, 2015 is the first quarter which includes a full three months' worth of results of all acquisitions completed to date. Revenue is susceptible to various risk factors which can cause fluctuation from quarter to quarter as noted in our Annual Information Form available on SEDAR. The movement in net loss from quarter to quarter since the Company has been operational largely relates to acquisition-related costs and the amortization of intangible assets.

Financial Condition

	September 30, 2015	December 31, 2014	Variance $
	$000	$000	$000
Total current assets	**156,768**	50,424	**106,344**
Total non-current assets	**1,419,900**	287,985	**1,131,915**
Total current liabilities	**136,094**	63,780	**72,314**
Total non-current financial liabilities	**696,210**	90,990	**605,220**

The $106.3 million increase in current assets since December 31, 2014 largely relates to a $63.2 million increase in cash detailed in the statement of cash flow included in the September 30, 2015 unaudited interim condensed consolidated financial statements, as well as a $9.7 million increase in restricted cash being held to pay back the Vera&John vendor take back loan and working capital adjustment.

Current assets additionally increased as follows:

- prepaid expenses increased by $1.1 million mainly related to prepaid advertising costs..
- taxes receivable increased by $6.6 million and receivables increased by $14.4 million, of which $9.6 million is attributed to the receivable from Gamesys for September 2015 transactions and an additional $4.4 million that is due from Amaya.
- additionally, customer deposits increased by $11.3 million mainly as a result of customer deposits acquired through the Jackpotjoy Acquisition..

The increase in non-current assets of $1.1 billion since December 31, 2014 mainly relates to Jackpotjoy goodwill and intangible assets. This increase is partially offset by amortization of the intangibles assets.

The increase in current liabilities of $72.3 million since December 31, 2014 largely relates to the following:

- $51.1 million addition of the current portion of long-term debt related to the Jackpotjoy Acquisition.
- a $1.9 million increase in interest payable mainly related to the long-term debt associated with the Jackpotjoy Acquisition.
- an increase of $7.2 million in taxes payable and a $10.1 million increase in contingent consideration related to the unwinding of the discount rates used to fair value contingent considerations when recognized as well as fair value adjustments recorded in the quarter.
- additionally, payables to customers increased by $9.0 million as a results of customer liabilities acquired through the Jackpotjoy Acquisition.

These increases were offset by a $4.3 million decrease in acquisition-related payables and a payment of $3.7 million toward the vendor take-back loan related to the Vera&John Acquisition.

The increase in non-current liabilities of $605.2 million since December 31, 2014 was mainly driven by a $296.5 million increase in contingent consideration related to the Jackpotjoy Acquisition earn-out, a $368.7 million increase in long-term debt related to the Jackpotjoy Acquisition, and a $1.3 million increase in convertible debentures related to accretion. This was partially offset by a $3.8 million repayment of the Amaya vendor take back loan, a $10.0 million repayment of the bridge loan, and the settlement of debentures for $47.4 million on May 7, 2015.

Cash Flow by Activity

	3 month period ended September 30, 2015 $000	3 month period ended September 30, 2014 $000	**9 month period ended September 30, 2015 $000**	9 month period ended September 30, 2014 $000
Operating activity	**41,536**	8,396	**5,755**	2,711
Financing activity	**(33,191)**	83,874	**750,079**	158,141
Investing activity	**(4,517)**	(72,603)	**(692,584)**	(135,224)

Operating Activity

Cash provided from operating activities for the three and nine months ended September 30, 2015 relates to cash generated from the operational activities of Mandalay, InterCasino, Vera&John and Jackpotjoy. These balances have increased from the same periods in the prior year, as Vera&John was acquired at the end of 2014 and Jackpotjoy was acquired in the current year.

Financing Activity

Cash provided from financing activities for the nine months ended September 30, 2015 relates mainly to transactions occurring in Q2 as detailed below:

- $462.9 million in proceeds from issuance of common shares.
- $400.0 million in proceeds from long-term debt.
- $0.5 million in proceeds from the exercise of warrants and options.

This increase was partially offset by $54.3 million debenture redemption, $9.7 million restriction of cash, $10.0 million bridge loan settlement, $7.5 million in principal payments made on vendor take back loans, interest repayments of $13.8 million, principal payments made on long-term debt of $10.6 million and $7.4 million used to buyback common shares of the Company occurring in September 2015.

Investing Activity

Cash used in investment activities during the nine months ended September 30, 2015 relates to $688.4 million being used to purchase the Jackpotjoy Group of Companies in Q2. Cash used in investment activity during the nine months ended September 30, 2015 relates to the purchase of InterCasino and Mandalay. Cash used in investment activities during the three months ended September 30, 2015 relates to the purchase of Parlay source code. Cash used in investment activities during the three months ended September 30, 2014 relates to the purchase of Mandalay.

Liquidity and Capital Resources

Intertain requires capital and liquidity to fund existing and future operations and future cash payments. Intertain's policy is to maintain sufficient capital levels to fund the Company's financial position and meet future commitments and obligations in a cost effective manner.

Liquidity risk arises from the Company's ability to meet its financial obligations as they become due. The following table summarizes Intertain's financial liabilities and contractual obligations as of September 30, 2015:

	On demand	Less than 1 year	1-3 years	4-5 years	More than 5 years
	$000	$000	$000	$000	$000
Payable and accrued liabilities	**22,768**	-	-	-	-
Interest payable	**1,943**	-	**603**	-	-
Payable to customers	**12,678**	-	-	-	-
Contingent consideration	-	**25,710**	**307,194**	-	-
Convertible debentures	-	-	-	**15,723**	-
Credit facilities	-	**51,139**	-	-	**368,704**
Vendor take-back loan	-	**5,501**	-	-	-
	37,389	**82,350**	**307,797**	**15,723**	**368,704**

Intertain manages liquidity risk by monitoring actual and forecasted cash flows in comparison with the maturity profiles of financial assets and liabilities. Management believes Intertain's working capital provides it with an appropriate level of cash for existing operations for at least 12 months from the quarter-end, assuming no significant adverse change in the markets in which it operates. Management also has the ability to draw on a $17.5 USD million Revolving Facility as a further capital resource.

Debentures and Convertible debentures:

On December 19, 2013 the Company completed a convertible debenture private placement consisting of 17,500,000 Convertible Debenture Subscription Receipts ("Debentures Subscription Receipts") for gross proceeds of $17.5 million. On February 11, 2014, with the satisfaction of the subscription receipt conditions, each Debenture Subscription Receipt was converted into one Intertain convertible debenture ("Convertible Debenture") and 30 common share warrants. The Convertible Debenture accrues interest at a rate of 5.0% per annum, payable semi-annually in arrears on June 30 and December 31 in each year. Upon initial recognition of the Convertible Debentures, the liability component of the Convertible Debentures was recognized at fair value of a similar liability that does not have an equity conversion option and the residual amount was recognized as a reserve in equity. The Convertible Debentures are convertible at the holder's option into Intertain common shares at a conversion price of $6.00 per share at any time prior to maturity. During the nine months ended September 30, 2015 Convertible Debentures at par value of $0.44 million were converted into 73,333 common shares of Intertain. The remaining Convertible Debentures mature on December 31, 2018.

On July 10, 2014 the Company completed a debenture public offering consisting of 51,175,000 equity linked debt subscription receipts ("Debt Subscription Receipts") for gross proceeds of $51.2 million. On July 14, 2014, the Debt Subscription Receipts were exchanged, without payment of additional consideration or further action, on a one-for-one basis for debt units, consisting of one $1 par value senior secured debenture (collectively the "Debentures"), and 40 common share purchase warrants. Each Debenture was to mature on June 30, 2019 and had an annual interest rate of 8.5%, payable semi-annually in arrears on the last day of June and December in each year commencing on December 31, 2014. On May 7, 2015 the Debentures were redeemed by the Company at a redemption price of 104% plus accrued and unpaid interest up to this date.

Credit Facilities

Borrowings under the Credit Facilities bear, at the Company's election, an annual interest rate of either (i) the LIBOR rate plus an assumed margin of 6.50%, if LIBOR is elected based on current market conditions; or (ii) the base rate (prime rate) plus an agreed margin of 5.50%, if the base rate is elected based on current market conditions.

The Credit Facilities are guaranteed by each of the Company's existing and subsequently acquired or formed wholly-owned direct and indirect subsidiaries, subject to certain exceptions (the "Guarantors" and together with the Company, the "Credit Parties" and each, a "Credit Party"). The obligations of each Credit Party in respect of the Credit Facilities will be secured by a perfected first priority security interest (subject to certain permitted liens) in each of the Credit Parties' tangible and intangible assets (except for certain rights, to the extent prohibited by applicable law).

The Company is required to repay the principal amount of the Term Facility by making quarterly instalment payments equal to 2.50% (being 10.00% per annum) of the initial principal amount of the Term Facility, with the remaining principal balance due on April 8, 2022. The Revolving Facility is available until April 8, 2020.

In addition to the quarterly instalment payments, the Company is also required to apply on an annual basis an amount equal up to 50% of the excess cash flow of the Company to the principal repayment of the Term Facility. Excess cash flow is calculated by determining the EBITDA of the Company on a consolidated basis for such period, less, without duplication, debt service, capital expenditures, permitted business acquisitions and investments, taxes paid in cash, increases in working capital, cash expenditures in respect of swap agreements, any extraordinary, unusual or nonrecurring loss, income or gain on asset dispositions, and plus, without any duplication, decreases in working capital, capital expenditures funded with the proceeds of the issuance of debt or the issuance of equity, cash payments received in respect of swap agreements, any extraordinary, unusual or nonrecurring gain realized in cash and cash interest income to the extent deducted in the computation of EBITDA.

The percentage of the Company's excess cash flow allocated to the principal repayment of the Term Facility may be reduced based on the total leverage ratio (i.e. consolidated debt to EBITDA) of the Company at the end of the applicable cash flow period such that it will be:

- 25% if the total leverage ratio is less than or equal to 3.50 to 1.00 but is greater than 2.00 to 1.00.
- 0% if the total leverage ratio is less than or equal to 2.00 to 1.00.

The Credit Agreement contains negative covenants that are customary for credit arrangements similar to the Credit Facilities. These covenants restrict the Company from, among other things, incurring additional debt or granting additional liens on its assets and equity and making distributions to equity holders and third parties. The Company was in compliance with these covenants as of September 30, 2015.

Vendor Take-Back Liability:

The Company's vendor take-back liability consists of a $5.5 million short term loan obtained from the former owners of Vera&John.

Contingent Considerations:

The Company's contingent considerations consist of earn out payments related to the Jackpotjoy, Vera&John, Mandalay, and InterCasino acquisitions.

Contractual Commitments:

Contractual commitments of the Company are composed of various office leases, amount to $1.0 million and are due within a five-year period.

Capital Resources

The table below summarizes the Company's capital resources as of September 30, 2015:

	$000
Share capital – common shares	**779,062**
Reserve/Contributed surplus	**85,281**
Accumulated deficit	**(119,979)**
	744,364

Outstanding Share Data

As at October 29, 2015, the Company has a total of 71,375,106 common shares issued and outstanding, 2,821,590 options outstanding under the Company's share option plan, and 739,260 common share purchase warrants issued and outstanding.

Related Party Transactions

During the three and nine months ended September 30, 2015, the Company incurred $0.4 million and $2.6 million in legal fees for services provided by a law firm at which the spouse of a director and senior member of management is a partner. The arrangements with such firm provide that the spouse is not to provide legal services to the Company.

During the three and nine months ended September 30, 2015 the Company incurred $0.1 million and $0.2 million respectively (September 30, 2014 – $nil and $1.2 million) in legal fees for services provided by a law firm whose partner is a director of the Company.

Internal Control over Financial Reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company. The control framework used in the design of disclosure controls and procedures and internal control over financial reporting is the internal control integrated framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management, including the CEO and CFO, does not expect that the Company's disclosure controls or internal controls over financial reporting will prevent or detect all errors and all fraud or will be effective under all potential future conditions. A control system is subject to inherent limitations and, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met.

During the three months ended September 30, 2015 there have been no changes in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting.

Summary of Significant Accounting Policies

With the exception of items noted in the section below titled "New Significant Accounting Policies", there have been no changes to the Company's significant accounting policies or critical accounting estimates or judgments as noted in the December 31, 2014 annual audited consolidated financial statements of the Company.

New Significant Accounting Policies

The Company has applied hedge accounting in respect of certain derivative financial instruments acquired to hedge foreign exchange risk related to the purchase price of acquisition denominated in a foreign currency where the instruments are applied against the asset to which they related to when realized. Additionally, The Intertain Group Ltd., the non-consolidated parent company ("Entity") re-assessed its functional currency due to the Term Facility requirements to make interest, amortization, and annual cash sweep payments in USD which made the Entity's' liabilities, expenses, and cash payments to be predominantly in USD. As a result, the Entity changed its functional currency from CAD to USD effective July 1, 2015.

The Company translated all items into the new functional currency using the July 1, 2015 opening exchange rate. This change was applied prospectively. The Company's consolidated financial statements will continue to be presented in Canadian dollars. Differences arising on the retranslation of all foreign currency subsidiaries will continue to be recorded in other comprehensive income.

An entity of the Company has changed its functional currency as described in Note 3 of the Unaudited Interim Condensed Consolidated Financial Statements. Certain information and disclosures normally included in annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed.

Recent Accounting Pronouncements – Not Yet Effective

IFRS 9 - Financial Instruments

The IASB issued IFRS 9 relating to the classification and measurement of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (i.e., its business model) and the contractual cash flow characteristics of such financial assets. IFRS 9 also includes a new hedge accounting model, together with corresponding disclosures about risk management activity for those applying hedge accounting. An entity shall apply IFRS 9 retrospectively for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company is currently evaluating the impact of applying this standard, but does not anticipate applying it prior to its effective date.

IFRS 15 - Revenues from Contracts with Customers

The Financial Accounting Standards Board and IASB have issued converged standards on revenue recognition. This new IFRS 15 affects any entity using IFRS that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets, in each case, unless those contracts are within the scope of other standards. This IFRS will supersede the revenue recognition requirements in IAS 18 and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. On July 27, 2015, the IASB has decided to postpone the initial January 1, 2017 effective date to January 1, 2018 with early adoption permitted.

The Company is currently evaluating the impact of applying this standard, but does not anticipate applying it prior to its effective date.

Comparative Figures

Certain balances in the comparative figures of the September 30, 2015 unaudited interim condensed consolidated financial statements have been adjusted to reflect the change in accounting policies related to revenue recognition adopted in the three month period ended September 30, 2014 and amortization of intangible assets, as the InterCasino purchase price allocation was not completed until the second quarter of 2014. The change in the revenue recognition accounting policy had no impact on any previously reported balance sheets. In addition, comparatives for the year ended December 31, 2014 have been adjusted related to goodwill and accounts payable and accrued liabilities in line with IFRS 3 (Revised).

Forward Looking Statements:

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

These forward-looking statements involve risks and uncertainties relating to, among other things, the Company's limited operating history, the heavily regulated industry, competition issues, the possibility that the Company be unable to complete future acquisitions and integrate those businesses successfully, the impact of change in regulations or industry standards, international operations and risks of foreign operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors described in this document as well as the Company's other publicly disclosed documents.

Other than as required by applicable Canadian securities law, the Company does not update or revise any forward-looking statements to reflect new information, future events or otherwise. These forward-looking statements are subject to risks and uncertainties that could cause actual results or events to differ materially from expectations. These include but are not limited to the risk factors itemized in the Company's Annual Information Form dated March 31, 2015. Readers are advised to review these risk factors for a detailed discussion of the risks and uncertainties affecting the Company's business. Readers should not place undue reliance on forward-looking statements.

Additional Information:

For further detail, see the Company's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2015. Additional information about the Company, including our Annual Information Form, is available on SEDAR at www.sedar.com.