No securities tendered to the Offer (as defined below) will be taken up until (a) more than 50% of the outstanding securities of the class sought (excluding those securities beneficially owned, or over which control or direction is exercised, by the Offeror or any person acting jointly or in concert with the Offeror) have been tendered to the Offer, (b) the minimum deposit period under the applicable securities laws has elapsed, and (c) any and all other conditions of the Offer have been complied with or waived, as applicable. If these criteria are met, the Offeror will take up securities deposited under the Offer in accordance with applicable securities laws and extend the Offer for an additional minimum period of 10 days to allow for further deposits of securities.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, YOU SHOULD CONSULT YOUR INVESTMENT ADVISOR, STOCKBROKER, BANK MANAGER, TRUST COMPANY MANAGER, ACCOUNTANT, LAWYER OR OTHER PROFESSIONAL ADVISOR.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT LAUREL HILL ADVISORY GROUP, THE DEPOSITARY AND INFORMATION AGENT IN CONNECTION TO THE OFFER AT THE CONTACT PROVIDED BELOW.

The Offer has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

April 19, 2017

POLLARD banknote limited

OFFER TO PURCHASE FOR CASH

all of the outstanding Common Shares

of

INNOVA GAMING GROUP INC.

by 10188557 CANADA INC., a wholly-owned subsidiary of POLLARD BANKNOTE LIMITED

at a price of $2.10 in cash per Common Share

10188557 Canada Inc. (the "**Offeror**"), a wholly-owned subsidiary of Pollard Banknote Limited ("**Pollard Banknote**"), hereby offers (the "**Offer**") to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding common shares (the "**Common Shares**") of INNOVA Gaming Group Inc. ("**INNOVA**"), including any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time (as defined herein) upon the exercise of Options (as defined herein), at a price of $2.10 in cash per Common Share.

The cash consideration under the Offer represents a significant premium of approximately 39% based on the closing price of $1.51 per Common Share on the TSX on March 9, 2017 (the last trading day prior to the public announcement by Pollard Banknote of its initial proposal to the INNOVA Board to acquire all of the Common Shares). The Offer also represents an approximate 36% premium to the volume weighted average trading price of $1.54 per Common Share on the TSX over the 20 trading days ended March 9, 2017.

The Offer is open for acceptance until 5:00 p.m. (Toronto time) on August 3, 2017 (the "Expiry Time"), unless the Offer is extended, accelerated or withdrawn by the Offeror in accordance with its terms.

The Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "IGG".

The Offer is conditional on, among other things: (i) there having been validly deposited under the Offer and not withdrawn that number of Common Shares representing more than 50% of the outstanding Common Shares, excluding those Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror or by any person acting jointly or in concert

with the Offeror, which is a non-waivable condition; (ii) the Offeror having determined, in its sole judgment, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Offer, a Material Adverse Effect (as defined herein); and (iii) certain regulatory approvals having been obtained and/or waiting periods expired, as described herein. These and other conditions of the Offer are described in Section 4 of the Offer, "Conditions of the Offer".

Pollard Banknote has engaged Laurel Hill Advisory Group to act as depositary and information agent (the "**Depositary and Information Agent**") for the Offer. Canaccord Genuity Corp. ("**Canaccord Genuity**") has been engaged to act as financial advisor to the Offeror and Pollard Banknote.

Shareholders who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (printed on YELLOW paper) and deposit it, at or prior to the Expiry Time, together with certificate(s) or Direct Registration System statement(s) ("**DRS Statements**") representing their Common Shares and all other required documents, with the Depositary and Information Agent at its office in Toronto, Ontario specified in the Letter of Transmittal, in accordance with the instructions in the Letter of Transmittal. Alternatively, Shareholders may accept the Offer by following the procedures for: (i) book-entry transfer of Common Shares set out in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer – CDS", or (ii) guaranteed delivery set out in Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery (printed on PINK paper), or a manually executed facsimile thereof.

Shareholders whose Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary should immediately contact that intermediary for assistance if they wish to accept the Offer, in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.

Questions and requests for assistance may be directed to the Depositary and Information Agent, whose contact details are provided below. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary and Information Agent and are available on SEDAR at www.sedar.com. Website addresses are provided for informational purposes only and no information contained on, or accessible from, such websites are incorporated by reference herein unless expressly incorporated by reference.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror or the Depositary and Information Agent.

Shareholders should be aware that during the period of the Offer, the Offeror or any of its affiliates may, directly or indirectly, bid for and make purchases of Common Shares as permitted by applicable Law. See Section 12 of the Offer, "Market Purchases and Sales of Common Shares".

All cash payments under the Offer will be made in Canadian dollars.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary and Information Agent.

The Depositary and Information Agent for the Offer is:

North American Toll Free: 1 (877) 452-7184

Collect Call Outside North America: 416-304-0211

Email: assistance@laurelhill.com

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The Offer is being made for the securities of a Canadian company that does not have securities registered under Section 12 of the *United States Securities Exchange Act of 1934*, as amended (the "**U.S. Exchange Act**"). Accordingly, the Offer is not subject to Section 14(d) of the U.S. Exchange Act, or Regulation 14D promulgated by the U.S. Securities and Exchange Commission thereunder. The Offer is made in the United States with respect to securities of a "foreign private issuer", as such term is defined in Rule 3b-4 under the U.S. Exchange Act, in accordance with Canadian corporate and securities law requirements. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to tender offers under the U.S. Exchange Act and the rules and regulations promulgated thereunder.

Shareholders in the United States should be aware that the disposition of Common Shares by them as described herein may have tax consequences both in the United States and in Canada. Such consequences may not be fully described herein and such holders are urged to consult their tax advisors. See Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations" and Section 18 of the Circular, "Certain United States Federal Income Tax Considerations".

Shareholders in the United States should be aware that the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of Common Shares during the period of the Offer other than through the Offer, such as in open market purchases, as permitted by applicable Law in Canada.

It may be difficult for Shareholders in the United States to enforce their rights and any claim they may have arising under United States federal securities Laws since the Offeror, Pollard Banknote and INNOVA are incorporated or formed under the Laws of Canada, all of the officers and directors of the Offeror, some of the officers and directors of INNOVA, and some of the experts named herein may reside outside the United States, and a substantial portion of the assets of the Offeror, Pollard Banknote or INNOVA and the other above-mentioned persons are located outside the United States. Shareholders in the United States may not be able to sue the Offeror, Pollard Banknote and INNOVA or their respective officers or directors in a non-U.S. court for violation of United States federal securities Laws. It may be difficult to compel such parties to subject themselves to the jurisdiction of a court in the United States or to enforce a judgment obtained from a court of the United States.

CURRENCY

All references to "$" in the Offer and Circular mean Canadian dollars.

FORWARD-LOOKING INFORMATION

Certain statements contained in Section 6 of the Circular, "Reasons to Accept the Offer", Section 7 of the Circular, "Purpose of the Offer", Section 9 of the Circular, "Source of Funds" and Section 13 of the Circular, "Acquisition of Common Shares Not Deposited", in addition to certain statements contained elsewhere in this document or incorporated by reference herein, contain "forward-looking information" and are prospective in nature. Forward-looking information is not based on historical facts, but rather on current expectations and projections about future events, and is therefore subject to risks and uncertainties that could cause actual results to differ materially from the future results expressed or implied by the forward-looking information. Often, but not always, forward-looking information can be identified by the use of forward-looking words such as "plans", "expects", "intends", "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information contained in this Circular includes, but is not limited to, statements relating to the following items: expectations relating to the Offer and information concerning the Offeror's plans for INNOVA in the event the Offer is successful; the satisfaction or waiver of the conditions to consummate the Offer; the benefits of the Offer, the results, effects and timing of the Offer and completion of any Compulsory Acquisition or Subsequent Acquisition Transaction; expectations regarding INNOVA's strategic review process, the likelihood of a competing offer and the likelihood that the price of the Common Shares will decline back to pre-Offer levels if the Offer is not successful; expectations regarding the process for obtaining regulatory approvals; the tax treatment of Shareholders; intentions to replace the INNOVA Board, to delist the Common Shares and to cause INNOVA to cease to be a reporting issuer if permitted under applicable Law or to satisfy INNOVA's disclosure obligations using applicable Pollard Banknote public disclosure, if the Offeror determines it to be appropriate; and the completion of a Compulsory Acquisition or a Subsequent Acquisition Transaction.

Although the Offeror and Pollard Banknote believe that the expectations reflected in such forward-looking information are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking information, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results, performance or achievements of

the Offeror or Pollard Banknote or the completion of the Offer to differ materially from any future results, performance or achievements expressed or implied by such forward-looking information include, among other things, the ultimate outcome of any possible transaction between Pollard Banknote and INNOVA, including the possibility that INNOVA will or will not accept a transaction with Pollard Banknote, actions taken by INNOVA, actions taken by security holders of INNOVA in respect of the Offer, that the conditions of the Offer may not be satisfied or waived by Pollard Banknote at the expiry of the Offer period, the ability of the Offeror to acquire 100% of the Common Shares through the Offer, the ability to obtain regulatory approvals and meet other closing conditions to any possible transaction, including any necessary shareholder approvals, potential adverse reactions or changes to business relationships resulting from the announcement, pendency or completion of the Offer or any subsequent transaction, competitive responses to the announcement or completion of the Offer, costs and difficulties related to the integration of INNOVA's businesses and operations with Pollard Banknote's businesses and operations, the inability to obtain, or delays in obtaining, cost savings and synergies from the proposed transaction, litigation relating to the proposed transaction, the inability to retain key personnel, any changes in general economic and/or industry-specific conditions, industry risk, risks inherent in the running of the business of INNOVA or its affiliates, legislative or regulatory changes, INNOVA's structure and its tax treatment, competition in the gaming industry, obtaining necessary approvals, that there are no inaccuracies or material omissions in INNOVA's publicly available information, and that INNOVA has not disclosed events which may have occurred or which may affect the significance or accuracy of such information. These are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of the Offeror's forward-looking information. Other unknown and unpredictable factors could also impact its results. Many of these risks and uncertainties relate to factors beyond the Offeror's ability to control or estimate precisely. Consequently, there can be no assurance that the actual results or developments anticipated by the Offeror will be realized or, even if substantially realized, that they will have the expected consequences for, or effects on, the Offeror, its future results and performance.

Forward-looking information in the Circular is based on the Offeror and Pollard Banknote's beliefs and opinions at the time the information is given, and there should be no expectation that this forward-looking information will be updated or supplemented as a result of new information, estimates or opinions, future events or results or otherwise, and each of the Offeror and Pollard Banknote disavows and disclaims any obligation to do so except as required by applicable Law. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of the Offeror or any of its affiliates or INNOVA.

Unless otherwise indicated, the information concerning INNOVA contained herein has been taken from or is based upon INNOVA's and other publicly available documents and records on file with the Securities Regulatory Authorities and other public sources at the time of the Offer. Although the Offeror and Pollard Banknote have no knowledge that would indicate that any statements contained herein relating to INNOVA, taken from or based on such documents and records are untrue or incomplete, neither the Offeror, Pollard Banknote nor any of their respective officers or directors assumes any responsibility for the accuracy or completeness of such information, or for any failure by INNOVA to disclose events or facts that may have occurred or which may affect the significance or accuracy of any such information, but which are unknown to the Offeror and Pollard Banknote.

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QUESTIONS AND ANSWERS ABOUT THE OFFER

The following are some of the questions that you, as a shareholder of INNOVA, may have and the answers to those questions. The information contained in these questions and answers is a summary only and is not meant to be a substitute for the more detailed description and information contained elsewhere in the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. Shareholders are urged to read the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery in their entirety. Terms defined in the Glossary and not otherwise defined in these questions and answers have the respective meanings given to them in the Glossary, unless the context otherwise requires. Cross-references have been included in these questions and answers to other sections of the Offer and Circular where you will find more complete descriptions of the topics mentioned below.

Unless otherwise indicated, the information concerning INNOVA contained herein and in the Offer and Circular has been taken from or based upon publicly available documents and records on file with the Securities Regulatory Authorities and other public sources available on the date of the Offer. Although the Offeror and Pollard Banknote have no knowledge that would indicate any statements contained herein and in the Offer and Circular and taken from or based on such information are untrue or incomplete, none of the Offeror, Pollard Banknote or any of their respective officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by INNOVA to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to the Offeror or Pollard Banknote.

Who is making the Offer?

We are a wholly-owned subsidiary of Pollard Banknote Limited, incorporated on April 11, 2017 under the CBCA for the sole purpose of making the Offer. Our registered office is located at 140 Otter Street, Winnipeg, Manitoba, R3T 0M8. Pollard Banknote was incorporated on March 26, 2010 under the CBCA. Pollard Banknote is a reporting issuer or the equivalent in all of the provinces and territories of Canada. The registered and head office of Pollard Banknote is located at 140 Otter Street, Winnipeg, Manitoba, R3T 0M8.

Pollard Banknote is a leading lottery partner to more than 60 lotteries worldwide, providing high quality instant ticket products, licensed games, and strategic marketing and management services for both traditional instant games and the emerging iLottery space of web, mobile and social channels. Pollard Banknote is a proven innovator and has decades of experience helping lotteries to maximize player engagement, sales and proceeds for good causes. Pollard Banknote also plays a major role in the charitable pull-tab and bingo markets in North America. Established in 1907, Pollard Banknote is owned approximately 73.5% by the Pollard family and 26.5% by public shareholders and is publicly traded on the TSX under the symbol “PBL”.

See Section 1 of the Circular, “The Offeror”.

What is the Offeror proposing?

We are offering to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares, including any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the exercise of Options.

See Section 1 of the Offer, “The Offer”.

What would I receive in exchange for each of my Common Shares?

We are offering $2.10 per Common Share in cash for each Common Share you hold, without interest and less any required withholding taxes.

See Section 1 of the Offer, “The Offer”.

Are any outstanding securities of INNOVA not included in the Offer?

The Offer is being made only for Common Shares. Holders of Options who wish to accept the Offer must, to the extent permitted by the terms of the security and applicable Law, exercise such Options in order to obtain Common Shares and deposit those Common Shares in accordance with the terms of the Offer. Any such exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Options will have Common Shares received on such exercise available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer, "Manner of Acceptance".

Why should I accept the Offer?

We believe that the Offer is compelling, and represents a clearly superior alternative to continuing on the course set by the current INNOVA Board and management of INNOVA, for the following reasons:

- **Significant Premium to Market Price.** The Offer represents a significant premium of approximately 39% based on the closing price of $1.51 per Common Share on the TSX on March 9, 2017, the last trading day prior to Pollard Banknote's public announcement of its initial proposal to the INNOVA Board to acquire all of the Common Shares. The Offer also represents a significant premium of approximately 36% to the VWAP of $1.54 per Common Share on the TSX over the 20 trading days ended March 9, 2017.

- **Liquidity and Certainty of Value.** The Common Shares are thinly traded and the Offer provides an attractive liquidity event and an opportunity for Shareholders to realize cash proceeds and certainty of value for their entire investment.

- **Fully Financed Cash Offer.** The Offer is not subject to a financing condition. We have secured, on a firm, committed basis, all of the financing required to fund the entire consideration payable for the Common Shares and to complete the transaction.

- **High Likelihood of Completion.** Pollard Banknote is a highly credible counterparty with significant experience in the gaming industry. Pollard Banknote believes that its experience in the gaming industry will lower any risk associated with obtaining the Gaming Approvals. In addition, Pollard Banknote believes that there is a high likelihood that more than 50% of the outstanding Common Shares will be tendered to the Offer, and therefore the minimum tender condition will be satisfied, given that the Offer is supported by Amaya, which holds approximately 41% of the outstanding Common Shares.

- **Support of Major Shareholder.** Amaya, which indirectly owns 8,180,000 Common Shares, representing approximately 41% of the total issued and outstanding Common Shares on a non-diluted basis, has agreed to tender all of its Common Shares to the Offer, subject to the terms of the Amaya Support Agreement. See Section 5 of the Circular, "Amaya Support Agreement". The Offer price was the subject of extensive negotiations between Pollard Banknote and Amaya over several months prior to entering into the Amaya Support Agreement. Amaya has also provided Pollard Banknote with the right to match any Superior Offer received by Amaya, including any Superior Offer supported by INNOVA, subject to the terms of the Amaya Support Agreement.

- **Risks of INNOVA Standalone.** There is considerable risk to Shareholders if the INNOVA Board and management team continue to pursue their standalone strategy. The INNOVA unaffected share price as of March 9, 2017 has declined approximately 62% since INNOVA's initial public offering on May 5, 2015, representing a loss of approximately $51 million in equity value to investors in that initial public offering. Furthermore, a significant portion of INNOVA's EBITDA is provided by Amaya under the EBITDA Support Agreement, which expires not later than June 30, 2020.

- **Potential for Downward Impact to Common Share Price if Offer Not Accepted.** The Offer represents a significant premium to the market price of the Common Shares prior to the public announcement by Pollard Banknote of its initial proposal to the INNOVA Board to acquire all of the Common Shares. There is no assurance that the INNOVA Board will proceed with an Alternative Transaction to the Offer. If the Offer is not successful, and no other offer is made for INNOVA, Pollard Banknote believes it is likely the trading price of the Common Shares will decline to pre-Offer levels.

What are some of the most significant conditions of the Offer?

The Offer is conditional on, among other things: (i) there having been validly deposited under the Offer and not withdrawn that number of Common Shares representing more than 50% of the outstanding Common Shares, excluding those Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror or by any person acting jointly or in concert with the Offeror, which is a non-waivable condition; (ii) the Offeror having determined, in its sole judgment, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Offer, a Material Adverse Effect; and (iii) certain regulatory approvals having been obtained and/or waiting periods expired, as described herein. The Common Shares held by Amaya Shareholder, which constitute approximately 41% of the outstanding Common Shares on a non-diluted basis, when deposited pursuant to the Amaya Support Agreement, will be included for purposes of determining whether the Statutory Minimum Condition has been satisfied.

See Section 4 of the Offer, "Conditions of the Offer" for all of the conditions of the Offer. Furthermore, see Section 15 of the Circular, "Regulatory Matters" for a summary of the principal regulatory approvals required in connection with the Offer. The Offer is not subject to any due diligence or financing.

Notwithstanding any other provision of the Offer, but subject to applicable Law, we will have the right to withdraw the Offer or extend the Offer, and shall not be required to take up and pay for any Common Shares deposited under the Offer, unless the conditions described in Section 4 of the Offer, "Conditions of the Offer", are satisfied or waived at or prior to the Expiry Time.

Does the Offeror believe that the necessary regulatory approvals to complete the Offer will be received?

We believe that the Offer will receive all requisite regulatory approvals in due course. A summary of the principal regulatory approvals required in connection with the Offer can be found in Section 15 of the Circular, "Regulatory Matters".

What is the Offeror's source of funding for the Offer?

We estimate that, if we acquire all outstanding Common Shares including any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the exercise of Options, the total amount required for the purchase of the Common Shares will be approximately $43 million, plus related fees and expenses associated with the Offer. We will fund this amount from cash resources available to Pollard Banknote and have secured, on a firm, committed basis, all of the financing required to fund the entire consideration payable for the Common Shares and to complete the transaction.

See Section 9 of the Circular, "Source of Funds".

Is the Offeror's financial condition relevant to my decision to tender my Common Shares in the Offer?

No. Although Pollard Banknote has a strong balance sheet, we believe that our financial condition is not material to your decision whether to deposit Common Shares under the Offer because cash is the only consideration that will be paid to you in connection with the Offer and we have cash on hand and have secured, on a firm, committed basis, all of the financing required to fund the entire consideration payable for the Common Shares.

See Section 9 of the Circular, "Source of Funds".

Why is the Offeror making the Offer?

We are making the Offer because we want to acquire control of, and ultimately acquire all of the Common Shares of, INNOVA. If the conditions of the Offer are satisfied or waived at the Expiry Time and the Offeror takes up and pays for the Common Shares validly deposited under the Offer, the Offeror intends to acquire any Common Shares not deposited under the Offer through a Compulsory Acquisition, if available, or to propose a Subsequent Acquisition Transaction, in each case for consideration per Common Share at least equal in value to and in the same form as the consideration paid by the Offeror per Common Share under the Offer. The exact timing and details of any such transaction will depend upon a number of factors, including, without limitation, the number of Common Shares acquired pursuant to the Offer.

See Section 7 of the Circular, "Purpose of the Offer" and Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

How long do I have to decide whether to tender into the Offer?

The Offer is open for acceptance until the Expiry Time, which is 5:00 p.m. (Toronto time) on August 3, 2017, unless we extend, accelerate or withdraw the Offer in accordance with its terms. We will not amend the Offer to cause the Expiry Time to occur earlier than 35 days following the date of the Offer. If the Statutory Minimum Condition is satisfied and the other conditions to the Offer are satisfied or waived such that the Offeror takes up the Common Shares deposited under the Offer, the Offeror will make a public announcement of the foregoing matters and extend the period during which Common Shares may be deposited and tendered to the Offer for a period of not less than ten days after the date of such announcement. See Section 5 of the Offer, "Extension, Variation or Change in the Offer".

Can the Offer be extended or accelerated and, if so, under what circumstances?

Yes. We may elect, in our sole discretion, to extend the Offer from time to time. If we take up any Common Shares under the Offer, the Offer will be extended and remain open for the deposit of Common Shares for not less than ten days from the date on which Common Shares are first taken up. If INNOVA issues a deposit period news release or announces that it has agreed to enter into, or determined to effect, an Alternative Transaction, we reserve the right to accelerate the Expiry Time and to shorten the initial deposit period to a shorter period consistent with applicable Law.

The initial deposit period under the Offer may be shortened in the following circumstances, subject to a minimum deposit period of at least 35 days from the date of the Offer: (i) if INNOVA issues a deposit period news release in respect of either the Offer or another offeror's take-over bid that is less than 105 days, we may vary the terms of the Offer to shorten the initial deposit period to at least the number of days from the date of the Offer as stated in the deposit period news release; or (ii) if INNOVA issues a news release announcing that it has agreed to enter into, or determined to effect, an Alternative Transaction, we may vary the terms of the Offer to shorten the initial deposit period to at least 35 days from the date of the Offer. In either case, we intend to vary the terms of the Offer by shortening the initial deposit period to the shortest possible period consistent with applicable Law.

In accordance with applicable Law, if we are obligated to take up such Common Shares, we will extend the period during which Common Shares may be deposited under the Offer for a mandatory 10-day extension period following the expiry of the initial deposit period and may extend the deposit period after such mandatory 10-day extension period for Optional Extension Periods. We will take up and pay for Common Shares deposited under the Offer during the mandatory 10-day extension period and any Optional Extension Period not later than ten days after such deposit. See Section 5 of the Offer, "Extension, Variation or Change in the Offer".

If we extend or accelerate the Offer, we will notify the Depositary and Information Agent and publicly announce such extension or acceleration and, if required by applicable Law, mail you a copy of the notice of variation. See Section 5 of the Offer, "Extension, Variation or Change in the Offer".

How do I tender my Common Shares?

To accept the Offer you may deliver the certificate(s) or the DRS Statement(s) representing your Common Shares together with a properly completed and duly executed Letter of Transmittal (printed on YELLOW paper), and all other required documents to the Depositary and Information Agent at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. Detailed instructions are contained in the Letter of Transmittal that accompanies the Offer. See Section 3 of the Offer, "Manner of Acceptance — Letter of Transmittal".

If your Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary, you should immediately contact that intermediary for assistance if you wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. You must instruct your broker or other intermediary promptly if you wish to tender.

If you wish to deposit your Common Shares under the Offer and the certificates or DRS Statements representing such Common Shares are not immediately available, or if the certificates or DRS Statements and all other required documents cannot be provided to the Depositary and Information Agent at or prior to the Expiry Time, such Common Shares nevertheless may be validly deposited under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on PINK paper). See Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery".

You may also accept the Offer by following the procedures for book-entry transfer detailed in the Offer and Circular and have your Common Shares tendered by your intermediary through CDS, provided such procedures are completed prior to the Expiry Time.

You should contact the Depositary and Information Agent, or a broker or dealer for assistance in accepting the Offer and in depositing your Common Shares with the Depositary and Information Agent.

The Depositary and Information Agent, Laurel Hill Advisory Group, can be contacted by telephone at 1-877-452-7184 (North American Toll Free Number) or 1-416-304-0211 (outside North America) or by email at assistance@laurelhill.com.

Will I have to pay any fees or commissions?

No fee or commission will be payable if you accept the Offer by depositing your Common Shares directly with the Depositary and Information Agent. You should consult your investment advisor, stock broker or other intermediary to determine whether other charges will apply.

When will the Offeror pay for Deposited Common Shares?

If all of the conditions of the Offer described in Section 4 of the Offer, "Conditions of the Offer", have been satisfied or waived by us at or prior to the Expiry Time, we will take up and pay for Common Shares validly deposited under the Offer and not properly withdrawn. Any Common Shares will be taken up immediately after the initial deposit period for the Offer, and we will pay for Common Shares taken up as soon as possible but in any event not later than three business days after taking up the Common Shares.

In accordance with applicable Law, if we are obligated to take up such Common Shares, we will extend the period during which Common Shares may be deposited under the Offer for a mandatory 10-day extension period following the expiration of the initial deposit period and may extend the deposit period for Optional Extension Periods. We will take up and pay for Common Shares deposited under the Offer during the mandatory 10-day extension period and any Optional Extension Period not later than ten days after such deposit.

See Section 6 of the Offer, "Take-Up of and Payment for Deposited Common Shares".

Will I be able to withdraw previously tendered Common Shares?

You may withdraw Common Shares you deposit under the Offer at any time: (i) before we take up the Common Shares you deposit under the Offer, (ii) if we do not pay for your Common Shares within three business days after having taken up such Common Shares, and (iii) in certain other circumstances discussed in Section 7 of the Offer "Withdrawal of Deposited Common Shares".

How do I withdraw previously tendered Common Shares?

To withdraw previously tendered Common Shares, you must send a notice of withdrawal to the Depositary and Information Agent prior to the occurrence of certain events and within the time periods set forth in Section 7 of the Offer, "Withdrawal of Deposited Common Shares". The notice must contain the specific information outlined in Section 7 of the Offer.

If your stockbroker, dealer, bank or other intermediary has tendered Common Shares on your behalf and you wish to withdraw such Common Shares, you must arrange for such intermediary to timely withdraw such securities.

What does the INNOVA Board think of the Offer?

INNOVA's financial advisors and the special committee of the INNOVA Board communicated to Pollard Banknote and its financial advisors during their meetings and interactions between March 10, 2017 and March 31, 2017 that the special committee of the INNOVA Board was not in a position to recommend a transaction at the Offer price. Under Canadian securities Laws, a directors' circular must be prepared and sent to Shareholders no later than 15 days from the date of commencement of the Offer. The directors' circular must include either: (i) a recommendation to accept or reject the Offer, and the reasons for the board of directors' recommendation, (ii) a statement that the board of directors is unable to make or is not making a recommendation, and if no recommendation is made, the reasons for not making a recommendation, or (iii) a statement that the board of directors is considering the bid and advising holders not to deposit under the bid until they receive further information from the board, provided that the board of directors must communicate to security holders a recommendation to accept or reject the Offer or the decision that it is unable to make, or is not making, a recommendation, together with the reasons for the recommendation or decision, at least seven days before the scheduled expiry of the initial deposit period.

See Section 4 of the Circular, "Background to the Offer" for a description of the proposals we made to the INNOVA Board and INNOVA's rejection of those proposals.

How will Canadian residents and non-residents of Canada be taxed for Canadian income tax purposes?

Generally, a Shareholder who (i) is, or is deemed to be, resident in Canada, (ii) deals at arm's length with the Offeror and INNOVA, (iii) is not affiliated with the Offeror or INNOVA, (iv) holds the Common Shares as capital property, and (v) did not acquire Common Shares pursuant to an Option, and who sells such shares pursuant to the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Shareholder of such Common Shares.

Generally, a Shareholder who is not, and is not deemed to be resident in Canada and who does not use or hold, and is not deemed to use or hold, their Common Shares in a business carried on in Canada will not be subject to tax in Canada in respect of any capital gain realized on the sale of Common Shares pursuant to the Offer, unless those shares constitute "taxable Canadian property" of such Shareholder within the meaning of the Tax Act and the capital gain is not otherwise exempt from tax under the Tax Act pursuant to an applicable income tax treaty or convention.

The foregoing is a brief summary of certain Canadian federal income tax consequences and is qualified in its entirety by Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations", which provides a summary of the principal Canadian federal income tax considerations generally applicable to certain Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax

consequences to them of a sale of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction.

How will I be taxed for U.S. federal income tax purposes?

Generally, a U.S. Shareholder who owns Common Shares as capital assets and who disposes of such Common Shares pursuant to the Offer will realize a taxable gain or loss for U.S. federal income tax purposes. The U.S. federal income tax treatment of such gain or loss to a U.S. Shareholder will depend, in part, upon whether INNOVA is or was a PFIC for any taxable year in which such U.S. Shareholder has held Common Shares and whether such U.S. Shareholder has made any election under the PFIC rules.

The foregoing is a brief summary of certain United States federal income tax consequences of the Offer and is qualified in its entirety by Section 18 of the Circular, "Certain United States Federal Income Tax Considerations", which provides a summary of certain material United States federal income tax considerations generally applicable to U.S. Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction.

If I decide not to tender, how will my Common Shares be affected?

If, by the Expiry Time or within 120 days after the date of the Offer, whichever period is shorter, the Offer is accepted by holders who in the aggregate hold not less than 90% of the issued and outstanding Common Shares, other than Common Shares held at the date of the Offer by or on behalf of us, or an affiliate or associate of us (as those terms are defined in the CBCA), and we acquire or are bound to take up and pay for such Deposited Common Shares under the Offer, we may, at our option, acquire those Common Shares which remain outstanding held by those persons who did not accept the Offer pursuant to a Compulsory Acquisition. If a Compulsory Acquisition is not available or we choose not to avail ourselves of such statutory right of acquisition, we intend to pursue other means of acquiring the remaining Common Shares not tendered under the Offer pursuant to a Subsequent Acquisition Transaction. If we propose a Subsequent Acquisition Transaction, we intend to cause the Common Shares acquired under the Offer to be voted in favour of such a Subsequent Acquisition Transaction and, to the extent permitted by applicable Law, to be counted as part of any minority approval that may be required in connection with such transaction. The timing and details of such a Subsequent Acquisition Transaction, if any, will necessarily depend on a variety of factors, including, without limitation, the number of Common Shares acquired pursuant to the Offer. If, after taking up Common Shares under the Offer, we own at least 66 2/3% of the outstanding Common Shares and sufficient votes are cast by "minority" holders to constitute a majority of the "minority" pursuant to MI 61-101, we should own sufficient Common Shares to be able to effect a Subsequent Acquisition Transaction. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

If we take up Common Shares under the Offer but are unable to complete a Compulsory Acquisition or Subsequent Acquisition Transaction, then INNOVA will continue as a public company and we will evaluate our alternatives. Such alternatives could include, to the extent permitted by applicable Law, purchasing additional Common Shares in the open market, in privately negotiated transactions or pursuant to another take-over bid or other transaction, and thereafter proposing an amalgamation, arrangement or other transaction which would result in our ownership of 100% of the Common Shares. Under such circumstances, an amalgamation, arrangement or other transaction to obtain ownership of 100% of the Common Shares would generally require the approval of at least 66 2/3% of the votes cast by the Shareholders, and might require approval of a majority of the votes cast by holders of Common Shares other than us and our affiliates. There is no certainty that under such circumstances any such transaction would be proposed or completed by us.

In addition, if we take up Common Shares under the Offer in circumstances where the INNOVA Board has not entered into an acquisition agreement under which it has agreed to support and recommend the Offer, we intend to take steps to replace all of the existing members of the INNOVA Board with individuals nominated by the Offeror, which may include individuals currently serving as directors of Pollard Banknote.

See Section 7 of the Circular, "Purpose of the Offer", Section 8 of the Circular, "Effects of the Offer", and Section 13 of the Circular, "Acquisition of Common Shares not Deposited".

Will INNOVA continue as a public company?

As indicated above, it is our intention to enter into one or more transactions to enable us to acquire all Common Shares not acquired pursuant to the Offer. If we are able to complete such a transaction, we intend to seek to delist the Common Shares from the TSX. To the extent possible under applicable securities laws, Pollard Banknote may seek to satisfy any INNOVA public reporting obligations with applicable Pollard Banknote public reporting documents.

If we take up Common Shares under the Offer but are unable to complete a Compulsory Acquisition or Subsequent Acquisition Transaction, then INNOVA will continue as a public company and we will evaluate our alternatives. In such circumstances, our purchase of Common Shares under the Offer will have reduced the number of Common Shares that trade publicly, as well as the number of Shareholders, and, depending on the number of Common Shares purchased under the Offer, could adversely affect the liquidity and market value of the remaining Common Shares held by the public.

What are the effects of the Offer?

If the Offer and a Compulsory Acquisition or a Subsequent Acquisition Transaction are successful:

(a) the Offeror will own all of the equity interests in INNOVA and the Offeror will be entitled to all the benefits and risks of loss associated with such ownership;

(b) current Shareholders will no longer have any interest in INNOVA or in INNOVA's assets, book value or future earnings or growth and the Offeror will hold a 100% interest in such assets, book value, future earnings and growth;

(c) the Offeror will have the right to elect all members of the INNOVA Board;

(d) INNOVA will no longer be publicly traded and INNOVA will no longer file periodic reports (including, without limitation, financial information) with any Securities Regulatory Authorities; and

(e) the Common Shares will no longer trade on the TSX or any other securities exchange.

Do I have dissent or appraisal rights in connection with the Offer?

No. Shareholders will not have dissent or appraisal rights in connection with the Offer. However, Shareholders who do not tender their Common Shares to the Offer may have rights of dissent in the event we acquire their Common Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including, without limitation, the right to seek judicial determination of the fair value of their Common Shares.

See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

Who can I call with questions about the Offer or for more information?

You can call the Depositary and Information Agent if you have any questions regarding how to tender Common Shares, if you need assistance regarding the Offer or if you require additional copies of this document, the Letter of Transmittal or the Notice of Guaranteed Delivery (which documents will be provided without charge on request and are available on SEDAR at www.sedar.com).

Questions and requests should be directed to the following:

The Depositary and Information Agent for the Offer is:

Laurel Hill Advisory Group
70 University Avenue, Suite 1440
Toronto, Ontario M5J 2M4

North American Toll Free Phone:

1-877-452-7184

E-mail: assistance@laurelhill.com
Facsimile: 416-646-2415
Collect Outside of North America:
1-416-304-0211

GLOSSARY

This Glossary forms a part of the Offer and Circular. In the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings:

"**Acquisition Proposal**" has the meaning ascribed thereto in Section 5 of the Circular, "Amaya Support Agreement";

"**Adjusted Distributions**" means the portion of any cash dividends, distributions and payments in respect of which the purchase price per Common Share is adjusted pursuant to Section 9 of the Offer, "Changes in Capitalization; Adjustments; Liens";

"**affiliate**" in the context of the statutory procedures under the CBCA described in the Offer and the Circular, includes any Person or entity that constitutes an affiliate under the CBCA and otherwise includes any Person or entity that constitutes an affiliate within the meaning given to it in NI 62-104;

"**allowable capital loss**" has the meaning ascribed thereto in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Sale Pursuant to the Offer";

"**Alternative Transaction**" means, for INNOVA:

(a) an amalgamation, merger, arrangement, consolidation, or any other transaction of INNOVA, or an amendment to the terms of a class of equity securities of INNOVA, as a consequence of which the interest of a holder of Common Shares may be terminated without the Shareholder's consent, regardless of whether the Common Share is replaced with another security, but does not include:

(i) a consolidation of securities that does not have the effect of terminating the interests of Shareholders in Common Shares without their consent, except to an extent that is nominal in the circumstances,

(ii) a circumstance in which INNOVA may terminate a Shareholder's interest in the Common Shares, under the terms attached to the Common Shares, for the purpose of enforcing an ownership or voting constraint that is necessary to enable the issuer to comply with legislation, lawfully engage in a particular activity or have a specified level of Canadian ownership, or

(iii) a transaction solely between or among INNOVA and one or more wholly-owned subsidiaries of INNOVA, or

(b) a sale, lease or exchange of all or substantially all the property of INNOVA if the sale, lease or exchange is not in the ordinary course of business of the issuer, but does not include a sale, lease or exchange solely between or among INNOVA and one or more subsidiaries of INNOVA;

"**Amaya**" means Amaya Inc., a corporation existing under the laws of the Province of Québec;

"**Amaya Shareholder**" means Amaya Group Holdings (IOM) Ltd., a corporation existing under the laws of the Isle of Man;

"**Amaya Support Agreement**" means the support agreement between Amaya, Amaya Shareholder and Pollard Banknote dated March 9, 2017;

"**Appointee**" has the meaning ascribed thereto in Section 3 of the Offer, "Manner of Acceptance — Power of Attorney";

"**associate**" has the meaning ascribed thereto in NI 62-104;

"**Book-Entry Confirmation**" means confirmation of a book-entry transfer of a Shareholder's Common Shares into the Depositary and Information Agent's account at CDS;

"**business combination**" has the meaning ascribed thereto in MI 61-101;

"**business day**" means any day other than a Saturday, a Sunday or a statutory holiday in any province or territory in Canada;

"**Canaccord Genuity**" means Canaccord Genuity Corp.;

"**CBCA**" means the *Canada Business Corporations Act*, and the regulations thereunder, as amended from time to time;

"**CDS**" means CDS Clearing and Depository Services Inc. or its nominee, which at the date hereof is CDS & Co.;

"**CDSX**" means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

"**Circular**" means the take-over bid circular accompanying and forming part of the Offer;

"**Code**" has the meaning ascribed thereto in Section 18 of the Circular, "Certain United States Federal Income Tax Considerations";

"**Common Shares**" means the issued and outstanding common shares of INNOVA, and "**Common Share**" means any one common share of INNOVA;

"**Compulsory Acquisition**" has the meaning ascribed thereto in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Compulsory Acquisition";

"**Court**" means the Ontario Superior Court of Justice;

"**CRA**" has the meaning ascribed thereto in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**deposit period news release**" means a news release issued by INNOVA in respect of a proposed or commenced take-over bid for the Common Shares and stating an initial deposit period for the bid of not more than 105 days and not less than 35 days, expressed as a number of days from the date of the bid;

"**Depositary and Information Agent**" means Laurel Hill Advisory Group, which can be contacted toll-free within North America at 1-877-452-7184 and collect outside of North America at 1-416-304-0211 or by e-mail at assistance@laurelhill.com;

"**Deposited Common Shares**" has the meaning ascribed thereto in Section 3 of the Offer, "Manner of Acceptance — Dividends and Distributions";

"**Dissenting Offeree**" has the meaning ascribed thereto in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Compulsory Acquisition";

"**Distributions**" has the meaning ascribed thereto in Section 3 of the Offer, "Manner of Acceptance — Dividends and Distributions";

"**DRS Statements**" means a statement evidencing Common Shares issued under the name of the applicable Shareholder and registered electronically in INNOVA's records;

"**EBITDA Support Agreement**" means the EBITDA support agreement between INNOVA and Amaya dated May 5, 2015;

"**Effective Time**" has the meaning ascribed thereto in Section 3 of the Offer, "Manner of Acceptance — Power of Attorney";

"**Eligible Institution**" means a Canadian Schedule I chartered bank, or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Medallion Signature Program (MSP);

"**Equity Incentive Plan**" means INNOVA's equity incentive plan effective as of May 5, 2015, as amended;

"**Expiry Time**" means 5:00 p.m. (Toronto time) on August 3, 2017, or such earlier or later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer, "Extension, Variation or Change in the Offer";

"**Extended Offeror Group**" has the meaning ascribed thereto in Section 10 of the Circular, "Ownership and Trading in Securities of INNOVA";

"**Gaming Approvals**" means the consents, registrations, approvals, findings of suitability, licenses, declarations, notices or filings required to be made, given or obtained under Gaming Laws in connection with the transactions contemplated by the Offer;

"**Gaming Authority**" means any Governmental Entity with regulatory control or jurisdiction over the manufacture, sale, distribution, or operation of gaming equipment or systems, the design, operation or distribution of internet gaming services or products, or the design, distribution, ownership, operation or conduct of any other gaming activities and operations of any kind;

"**Gaming Laws**" means with respect to any Person, any Law governing or relating to the manufacture, sale, supply, distribution, or operation of gaming equipment or systems, the design, operation or distribution of internet gaming services or products, or online gaming products and services, or the design, distribution, ownership, operation or conduct of any other gaming activities and operations of any kind of such Person or such Person's affiliates, including the rules and regulations promulgated by any Gaming Authority;

"**Governmental Entity**" means:

(a) any multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, tribal, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) or taxing authority thereof, or any ministry or department or agency of any of the foregoing;

(b) any self-regulatory organization or stock exchange, including, without limitation, the TSX;

(c) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

(d) any arbitration panel or arbitrator deciding or resolving contractual disputes or interpreting provisions of a contract; and

(e) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any entities or bodies referred to in paragraphs (a) through (d) above;

"**Holder**" has the meaning ascribed thereto in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**initial deposit period**" means the period, including, without limitation, any extension, during which securities may be deposited under a take-over bid but does not include the mandatory 10-day extension period or an Optional Extension Period, which initial deposit period will be 105 days as it may be shortened in accordance with applicable Law.

"**INNOVA**" means INNOVA Gaming Group Inc., a corporation existing under the CBCA;

"**INNOVA Board**" means the board of directors of INNOVA;

"**INNOVA Gaming Jurisdictions**" has the meaning ascribed thereto in Section 15 of the Circular, "Regulatory Matters";

"**insider**" has the meaning ascribed thereto in the Securities Act;

"**IRS**" has the meaning ascribed thereto in Section 18 of the Circular, "Certain United States Federal Income Tax Considerations";

"**Laws**" means any applicable laws, including, without limitation, international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, policies, directives or other requirements of any Governmental Entity having the force of law and the term "applicable" with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

"**Letter of Transmittal**" means the letter of transmittal in the form accompanying the Offer (printed on YELLOW paper);

"**LOG option**" has the meaning given to it in Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery";

"**mandatory 10-day extension period**" has the meaning ascribed thereto in Section 6 of the Offer, "Take-up and Payment for Deposited Common Shares";

"**Matching Period**" has the meaning ascribed thereto in Section 5 of the Circular, "Amaya Support Agreement";

"**Material Adverse Effect**" means any condition, event, circumstance, change, effect, development, occurrence or state of facts which, when considered either individually or in the aggregate, whether before or after giving effect to the transactions contemplated by the Offer, (i) is, or could reasonably be expected to be, material and adverse to the assets, obligations or liabilities (whether absolute, accrued, conditional or otherwise and including, without limitation, any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, present or future results of operations, financial condition, prospects, rights or status for tax purposes of INNOVA and its subsidiaries, taken as a whole, (ii) could reasonably be expected to reduce the anticipated economic value to the Offeror and/or Pollard Banknote of the acquisition of the Common Shares or make it inadvisable for, or impair the ability of, the Offeror and/or Pollard Banknote to proceed with the Offer and/or with taking up and paying for Common Shares deposited under the Offer or completing a Compulsory Acquisition or Subsequent Acquisition Transaction, or (iii) could, if the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction were consummated, be material and adverse to the Offeror or any of its affiliates, including Pollard Banknote, or which could limit, restrict or impose limitations or conditions on the ability of the Offeror or any of its affiliates, including Pollard Banknote, to own, operate or effect control over INNOVA or any material portion of the business or assets of INNOVA or its subsidiaries or would compel the Offeror or any of its affiliates, including Pollard Banknote, to dispose of or hold separate any material portion of the business or assets of INNOVA or its subsidiaries;

"**MI 61-101**" means Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*, as amended or replaced from time to time;

"**NI 62-104**" means National Instrument 62-104 — *Take-Over Bids and Issuer Bids*, as amended or replaced from time to time;

"**Non-Resident Holder**" has the meaning ascribed thereto in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations — Holders Not Resident in Canada";

"**non-U.S. Shareholder**" has the meaning ascribed thereto in Section 18 of the Circular, "Certain United States Federal Income Tax Considerations";

"**Notice of Guaranteed Delivery**" means the notice of guaranteed delivery in the form accompanying the Offer (printed on PINK paper);

"**Offer**" means the offer to purchase Common Shares made hereby to the Shareholders pursuant to the terms and subject to the conditions set out herein;

"**Offer and Circular**" means the Offer and the Circular, including, without limitation, the Questions and Answers About the Offer, the Summary and the Glossary;

"**Offeror**" means 10188557 Canada Inc., a corporation incorporated under the CBCA and a wholly-owned subsidiary of Pollard Banknote;

"**Offeror Group**" has the meaning ascribed thereto in Section 10 of the Circular, "Ownership and Trading in Securities of INNOVA";

"**Offeror's Notice**" has the meaning ascribed thereto in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Compulsory Acquisition";

"**Optional Extension Period**" has the meaning ascribed thereto in Section 6 of the Offer, "Take-up and Payment for Deposited Common Shares";

"**Options**" means the options to acquire Common Shares granted pursuant to the Equity Incentive Plan;

"**Ordinary Course**" means, with respect to an action taken by INNOVA or any of its subsidiaries, that such action is consistent with past practices of INNOVA and is taken in the ordinary course of the normal day-to-day operations of INNOVA;

"**Person**" includes an individual, a corporation, a partnership, trust, body corporate, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"**Pollard Banknote**" means Pollard Banknote Limited;

"**Proposed Amendments**" has the meaning ascribed thereto in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**Purchased Securities**" has the meaning ascribed thereto in Section 3 of the Offer, "Manner of Acceptance — Power of Attorney";

"**Resident Holder**" has the meaning ascribed thereto in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada";

"**Right to Match**" has the meaning ascribed thereto in Section 5 of the Circular, "Amaya Support Agreement";

"**Securities Act**" means the *Securities Act* (Ontario), as amended from time to time;

"**Securities Regulatory Authorities**" means the TSX, the applicable securities commission or similar regulatory authorities in each of the provinces and territories of Canada;

"**SEDAR**" means the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval website at www.sedar.com;

"**Set Off Distributions**" means any cash dividends, distributions and payments in respect of which Shareholders agree, by accepting the Offer, to make a payment, which payment the Offeror is entitled to set off against the purchase price for the Deposited Common Shares pursuant to Section 3 of the Offer, "Manner of Acceptance — Dividends and Distributions";

"**Shareholders**" means, collectively, the holders of Common Shares, and "**Shareholder**" means any one holder of Common Shares;

"**Statutory Minimum Condition**" has the meaning ascribed thereto in Section 4 of the Offer, "Conditions of the Offer";

"**Subsequent Acquisition Transaction**" has the meaning ascribed thereto in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Subsequent Acquisition Transaction";

"**subsidiary**" means, with respect to a Person, a Person that is controlled directly or indirectly by another Person, and includes a subsidiary of that subsidiary. For the purpose of the Offer and Circular, a Person (the first Person) is deemed to control another Person (the second Person) if: (a) if the first Person or company, directly or indirectly, beneficially owns or exercises control or direction (including, without limitation, by way of agreement or arrangement) over securities of the second Person or company carrying votes which, if exercised, taking into account any rights of the first Person under such agreement or arrangement, as applicable, would entitle the first Person or company to elect or cause the election of a majority of the directors of the second Person or company; (b) if the second Person or company is a partnership, other than a limited partnership, and the first Person or company holds more than 50% of the interests of the partnership; or (c) if the second Person or company is a limited partnership and the general partner of the limited partnership is controlled by the first Person or company;

"**Superior Offer**" has the meaning ascribed thereto in Section 5 of the Circular, "Amaya Support Agreement";

"**Superior Offer Notice**" has the meaning ascribed thereto in Section 5 of the Circular, "Amaya Support Agreement";

"**take up**", in reference to Common Shares, means to accept such Common Shares for payment by giving written notice of such acceptance to the Depositary and Information Agent and "**take-up**", "**taking up**" and "**taken up**" have corresponding meanings;

"**Tax Act**" has the meaning ascribed thereto in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**taxable capital gain**" has the meaning ascribed thereto in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Sale Pursuant to the Offer";

"**Term Sheet**" has the meaning ascribed thereto in Section 4 of the Circular, "Background to the Offer";

"**Termination Fee**" has the meaning ascribed thereto in Section 5 of the Circular, "Amaya Support Agreement";

"**Treaty**" has the meaning ascribed thereto in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations — Holders Not Resident in Canada — Subsequent Acquisition Transaction";

"**TSX**" means the Toronto Stock Exchange;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S. Shareholder**" has the meaning ascribed thereto in Section 18 of the Circular, "Certain United States Federal Income Tax Considerations"; and

"**VWAP**" means volume weighted average trading price.

OFFER

The accompanying Circular, which is incorporated into and forms part of the Offer, contains important information that should be read carefully before making a decision with respect to the Offer. Unless the context otherwise requires, terms used but not defined in the Offer have the respective meanings given to them in the accompanying Glossary.

April 19, 2017

TO: THE HOLDERS OF COMMON SHARES OF INNOVA

1. The Offer

The Offeror hereby offers to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares, including any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the exercise of Options, at a price of $2.10 in cash per Common Share.

The Offer is being made only for Common Shares and is not made for any Options. Holders of Options who wish to accept the Offer must, to the extent permitted by the terms of the security and applicable Law, exercise such Options in order to obtain Common Shares and deposit those Common Shares in accordance with the terms of the Offer. Any such exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Options will have the certificates or DRS Statements representing the Common Shares received on such exercise available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to under Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery", or if the Common Shares acquired or exercised will be held in the name of CDS, to ensure that it will be in a position to take the necessary steps to accept by book-entry transfer as described under Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer – CDS".

The cash consideration under the Offer represents a significant premium of approximately 39% based on the closing price of $1.51 per Common Share on the TSX on March 9, 2017 (the last trading day prior to the public announcement by Pollard Banknote of its initial proposal to the INNOVA Board to acquire all of the Common Shares). The Offer also represents an approximate 36% premium to the VWAP of $1.54 per Common Share on the TSX over the 20 trading days ended March 9, 2017.

The obligation of the Offeror to take up and pay for Common Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, "Conditions of the Offer".

All amounts payable under the Offer will be paid in Canadian dollars.

Shareholders who do not deposit their Common Shares under the Offer will not be entitled to any right of dissent or appraisal in connection with the Offer. However, Shareholders who do not deposit their Common Shares under the Offer may have certain rights of dissent in the event the Offeror elects to acquire such Common Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including, without limitation, the right to seek judicial determination of the fair value of their Common Shares. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

Shareholders should contact the Depositary and Information Agent, or a broker or dealer for assistance in accepting the Offer and in depositing Common Shares with the Depositary and Information Agent. The Depositary and Information Agent, Laurel Hill Advisory Group, can be contacted by telephone at 1-877-452-7184 (North American Toll Free Number) or 1-416-304-0211 (outside North America) or by email at assistance@laurelhill.com.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary and Information Agent.

Shareholders whose Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary should immediately contact that intermediary for assistance if they wish to accept the Offer, in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

2. Time for Acceptance

The Offer is open for acceptance from the date of the Offer until 5:00 p.m. (Toronto time) on August 3, 2017, or such earlier or later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer, "Extension, Variation or Change in the Offer", unless the Offer is withdrawn by the Offeror. The Offeror will not amend the Offer to cause the Expiry Time to occur earlier than 35 days following the date of the Offer. If the Statutory Minimum Condition is satisfied and the other conditions to the Offer are satisfied or waived at the expiry of the initial deposit period such that the Offeror takes up the Common Shares deposited under the Offer, the Offeror will make a public announcement of the foregoing matters and extend the period during which Common Shares may be deposited and tendered to the Offer for a period of not less than ten days after the date of such announcement. See Section 5 of the Offer, "Extension, Variation or Change in the Offer".

3. Manner of Acceptance

Letter of Transmittal

The Offer may be accepted by registered holders of the Common Shares by delivering to the Depositary and Information Agent at its office in Toronto, Ontario specified in the Letter of Transmittal (printed on YELLOW paper) accompanying the Offer, so as to be received at or prior to the Expiry Time:

(a) certificate(s) or DRS Statement(s) representing the Common Shares in respect of which the Offer is being accepted;

(b) a Letter of Transmittal in the form accompanying the Offer, properly completed and executed in accordance with the instructions set out in the Letter of Transmittal (including signature guarantee if required); and

(c) all other documents required by the terms of the Offer and the Letter of Transmittal.

Participants in CDS who may hold certificates or DRS Statements should contact the Depositary and Information Agent with respect to the deposit of their Common Shares under the Offer. Otherwise, the Offeror understands that CDS will be issuing instructions to their participants as to the method of depositing such Common Shares under the terms of the Offer. See below under the heading "– Acceptance by Book-Entry Transfer – CDS."

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary and Information Agent.

Signature Guarantees

The signature on the Letter of Transmittal must be guaranteed by an Eligible Institution or in some other manner acceptable to the Depositary and Information Agent (except that no guarantee is required for the signature of a depositing Shareholder which is an Eligible Institution) if it is signed by a person other than the registered owner(s)

of the Common Shares being deposited, or if the Common Shares not purchased are to be returned to a person other than such registered owner(s) or sent to an address other than the address of the registered owner(s) as shown on the registers of INNOVA, or if payment is to be issued in the name of a person other than the registered owner(s) of the Common Shares being deposited. If a Letter of Transmittal is executed by a person other than the registered holder of the Common Shares represented by the certificate(s) or DRS Statement(s) deposited therewith, then the certificate(s) or DRS Statements must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered holder, with the signature on the endorsement panel or share transfer power of attorney guaranteed by an Eligible Institution.

The Offer will be deemed to be accepted only if the Depositary and Information Agent has actually received these documents at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. Alternatively, Common Shares may be deposited under the Offer in compliance with the procedures for guaranteed delivery set out below under the heading "— Procedure for Guaranteed Delivery" or in compliance with the procedures for book-entry transfers set out below under the heading "— Acceptance by Book-Entry Transfer – CDS".

Acceptance by Book-Entry Transfer - CDS

Certain non-registered Shareholders whose Common Shares are held in the name of CDS may accept the Offer, through their respective CDS participants, by following the procedures for book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary and Information Agent at its office in Toronto, Ontario prior to the Expiry Time. The Depositary and Information Agent will establish an account at CDS for the purpose of the Offer. Any financial institution or other entity that is a participant in CDS may cause CDS to make a book-entry transfer of a Shareholder's Common Shares into the Depositary and Information Agent's account in accordance with CDS procedures for such transfer. Delivery of Common Shares to the Depositary and Information Agent by means of a book-entry transfer will constitute a valid tender under the Offer.

Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depositary and Information Agent's account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depositary and Information Agent are considered a valid deposit under and in accordance with the terms of the Offer.

Shareholders whose Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary should immediately contact that intermediary for assistance in depositing their Common Shares if they wish to accept the Offer, in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.

Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Common Shares pursuant to the Offer and: (i) the certificate(s) or DRS Statement(s) representing such Common Shares is (are) not immediately available; (ii) the Shareholder cannot complete the procedure for book-entry transfer of the Common Shares on a timely basis; or (iii) the certificates or DRS Statements and all other required documents cannot be delivered to the Depositary and Information Agent at or prior to the Expiry Time, such Common Shares may nevertheless be deposited under the Offer provided that all of the following conditions are met:

(a) the deposit is made by or through an Eligible Institution;

(b) a properly completed and executed Notice of Guaranteed Delivery (printed on PINK paper) in the form accompanying the Offer, or a manually executed facsimile thereof, including the guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depositary and Information Agent at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and

(c) the certificate(s) or DRS Statement(s) representing all Deposited Common Shares, in proper form for transfer, together with a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal (including signature guarantee if required), or, in the case of a book-entry transfer, a Book-Entry Confirmation with respect to such Deposited Common Shares, and all other documents required by the terms of the Offer and the Letter of Transmittal, are received by the Depositary and Information Agent at its office in Toronto, Ontario specified in the Letter of Transmittal prior to 5:00 p.m. (Toronto time) on the third trading day on the TSX after the Expiry Time.

Shareholders who utilize CDSX through a book-entry transfer of their holdings into the Information Agent and Depositary's account with CDS (see "– Acceptance by Book-Entry Transfer – CDS" above) may also have the option of tendering the Notice of Guaranteed Delivery through the CDSX Online Letter of Guarantee (LOG) option (the "**LOG option**"). Participants tendering through LOG options in CDSX are deemed to have completed the Notice of Guaranteed Delivery and such instructions are considered a valid deposit under the terms of the Offer.

If the securities are not available in a participant's account by the third trading day on the TSX after the Expiry Time or as specified on the LOG option, such participant may be liable for failure of delivery for the value of the full tender or parts thereof.

THE NOTICE OF GUARANTEED DELIVERY MUST BE DELIVERED BY LOG OPTION, HAND OR COURIER OR TRANSMITTED BY FACSIMILE OR MAILED TO THE INFORMATION AGENT AND DEPOSITARY AT ITS OFFICE SPECIFIED IN THE NOTICE OF GUARANTEED DELIVERY AND RECEIVED AT OR PRIOR TO THE EXPIRY TIME AND MUST INCLUDE A GUARANTEE BY AN ELIGIBLE INSTITUTION IN THE FORM SET OUT IN THE NOTICE OF GUARANTEED DELIVERY. DELIVERY OF THE NOTICE OF GUARANTEED DELIVERY AND THE LETTER OF TRANSMITTAL AND ACCOMPANYING CERTIFICATE(S) OR DRS STATEMENT(S) REPRESENTING COMMON SHARES AND ALL OTHER REQUIRED DOCUMENTS TO AN ADDRESS OR TRANSMISSION BY FACSIMILE TO A FACSIMILE NUMBER OTHER THAN THOSE SPECIFIED IN THE NOTICE OF GUARANTEED DELIVERY DOES NOT CONSTITUTE DELIVERY FOR PURPOSES OF SATISFYING A GUARANTEED DELIVERY.

Lost Certificates

If a Shareholder has lost his/her/its Common Share certificate(s), but wishes to tender his/her/its Common Shares to the Offer, such Shareholder should complete the Letter of Transmittal to the extent possible and deliver it together with a letter describing the circumstances surrounding the loss to the Information Agent and Depositary. The Information Agent and Depositary will forward such letter to the transfer agent for the Common Shares and such transfer agent will advise the Shareholder of the steps that the Shareholder must take to obtain a replacement certificate for his/her/its Common Shares. The foregoing action must be taken sufficiently in advance of the Expiry Time in order to obtain a replacement certificate in sufficient time to permit the Common Shares represented by the replacement certificate to be deposited under the Offer at or prior to the Expiry Time.

General

The method of delivery of certificates or DRS Statements representing Common Shares, the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the person depositing such documents. The Offeror recommends that all such documents be delivered by hand to the Depositary and Information Agent and a receipt be obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depositary and Information Agent at or prior to the Expiry Time. Delivery will only be effective upon actual physical receipt by the Depositary and Information Agent.

All questions as to the validity, form, eligibility (including, without limitation, timely receipt) and acceptance of any Common Shares deposited pursuant to the Offer will be determined by the Offeror in its sole discretion. Depositing Shareholders agree that such determination shall be final and binding. The Offeror reserves the absolute

right to reject any and all deposits which it determines not to be in proper form or which may be unlawful to accept under the Laws of any applicable jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in any deposit of any Common Shares. There shall be no duty or obligation on the Offeror, the Depositary and Information Agent, or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery and any other related documents will be final and binding.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out in this Section 3.

Under no circumstances will interest accrue or any amount be paid by the Offeror or the Depositary and Information Agent to persons depositing Common Shares by reason of any delay in making payments for Common Shares to any person on account of Common Shares accepted for payment under the Offer.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary and Information Agent.

Shareholders whose Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary should immediately contact that intermediary for assistance in depositing their Common Shares if they wish to accept the Offer, in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.

Shareholders should contact the Depositary and Information Agent, or a broker or dealer for assistance in accepting the Offer and in depositing Common Shares with the Depositary and Information Agent.

Dividends and Distributions

Subject to the terms and conditions of the Offer and subject, in particular, to Common Shares being validly withdrawn by or on behalf of a depositing Shareholder, and except as provided below, by accepting the Offer pursuant to the procedures set out herein, a Shareholder deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Common Shares covered by the Letter of Transmittal or book-entry transfer (collectively, the "**Deposited Common Shares**") and in and to all rights and benefits arising from such Deposited Common Shares including, without limitation, the benefit of any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Common Shares or any of them on and after the date of the Offer, including, without limitation, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, "**Distributions**"), other than the Adjusted Distributions and the Set Off Distributions.

If, on or after the date of the Offer, INNOVA should declare, issue, distribute, set aside or pay any cash dividend with respect to any Common Share, which is or are payable or distributable to Shareholders on a record date prior to the date of transfer into the name of the Offeror or its intermediary or transferee on the securities register maintained by or on behalf of INNOVA in respect of Common Shares accepted for purchase under the Offer, then (and without prejudice to the Offeror's rights under Section 4 of the Offer, "Conditions of the Offer" and under Section 9 of the Offer, "Changes in Capitalization; Adjustments; Liens"), by accepting the Offer pursuant to the procedures set out herein, a Shareholder agrees to pay to the Offeror in cash the amount of those dividends, distributions or payments on its Deposited Common Shares and agrees that the Offeror may set off that amount against the purchase price payable for the Deposited Common Shares.

Power of Attorney

The delivery of an executed Letter of Transmittal (or, in the case of Common Shares deposited by book-entry transfer, causing CDS to make a book-entry transfer of such Common Shares into the Depositary and Information Agent's account in accordance with CDS procedures for such transfer) irrevocably constitutes and appoints, effective at and after the time (the "**Effective Time**") that the Offeror takes up the Deposited Common Shares, each director and officer of the Offeror (each an "**Appointee**"), and any other person designated by the Offeror in writing, as the true and lawful agent, attorney, attorney-in-fact and proxy with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable) of the holder of the Deposited Common Shares (which Deposited Common Shares upon being taken up are, together with any Distributions thereon, other than the Adjusted Distributions and Set Off Distributions, hereinafter referred to as the "**Purchased Securities**") with respect to such Purchased Securities. The Letter of Transmittal or the making of a book-entry transfer authorizes an Appointee in the name of and on behalf of such Shareholder:

(a) to register or record the transfer and/or cancellation of such Purchased Securities, to the extent consisting of securities, on the appropriate securities registers maintained by or on behalf of INNOVA;

(b) for so long as any such Purchased Securities are registered or recorded in the name of such Shareholder, to exercise any and all rights of such Shareholder including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Law), as and when requested by the Offeror, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any or all Purchased Securities, to revoke any such instruments, authorizations or consents given prior to or after the Effective Time, and to designate in any such instruments, authorizations or consents any person or persons as the proxyholder of such Shareholder in respect of such Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of INNOVA;

(c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any and all cheques or other instruments representing any applicable Distributions payable to or to the order of, or endorsed in favour of, such Shareholder; and

(d) to exercise any other rights of a Shareholder with respect to such Purchased Securities, all as set out in the Letter of Transmittal.

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer into the Depositary and Information Agent's account with CDS) revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Shareholder at any time with respect to the Deposited Common Shares or any applicable Distributions. Such depositing Shareholder agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited Common Shares or any applicable Distributions by or on behalf of the depositing Shareholder unless the Deposited Common Shares are not taken up and paid for under the Offer or are withdrawn in accordance with Section 7 of the Offer, "Withdrawal of Deposited Common Shares".

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer into the Depositary and Information Agent's account with CDS) also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of INNOVA and, except as may otherwise be agreed with the Offeror, not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to designate or appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder of the Purchased Securities. Upon such appointment, all prior proxies

and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

Further Assurances

A Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal (including by book-entry transfer into the Depositary and Information Agent's account with CDS) to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror. Each authority therein conferred or agreed to be conferred is, to the extent permitted by applicable Law, irrevocable and may be exercised during any subsequent legal incapacity of such Shareholder and shall, to the extent permitted by applicable Law, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Shareholder.

Formation of Agreement; Shareholder's Representations and Warranties

The acceptance of the Offer pursuant to the procedures set out above constitutes a binding agreement between a depositing Shareholder and the Offeror, effective immediately following the time at which the Offeror takes up the Common Shares deposited by such Shareholder, in accordance with the terms and conditions of the Offer and the Letter of Transmittal. This agreement includes a representation and warranty by the depositing Shareholder that: (i) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made has full power and authority to deposit, sell, assign and transfer the Deposited Common Shares and any applicable Distributions and all rights and benefits arising from such Deposited Common Shares and any applicable Distributions; (ii) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made owns the Deposited Common Shares and any applicable Distributions; (iii) the Deposited Common Shares and any applicable Distributions deposited under the Offer have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Common Shares or any applicable Distributions to any other person; (iv) the deposit of the Deposited Common Shares and any applicable Distributions complies with applicable Law; and (v) when the Deposited Common Shares and any applicable Distributions are taken up and paid for by the Offeror, the Offeror will acquire good title thereto, free and clear of all security interests, liens, restrictions, charges, encumbrances, claims and rights of others.

4. Conditions of the Offer

Notwithstanding any other provision of the Offer, but subject to applicable Law, and in addition to (and not in limitation of) the Offeror's right to vary or change the Offer at any time prior to the Expiry Time pursuant to Section 5 of the Offer, "Extension, Variation or Change in the Offer", the Offeror will not take up, purchase or pay for, any Common Shares unless, at 5:00 p.m. (Toronto time) on August 3, 2017 or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the mandatory 10-day extension period or any extension thereafter, there shall have been validly deposited under the Offer and not withdrawn that number of Common Shares that constitutes more than 50% of the outstanding Common Shares, excluding any Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror or by any person acting jointly or in concert with the Offeror (the "**Statutory Minimum Condition**"). The Common Shares held by Amaya Shareholder, which constitute approximately 41% of the outstanding Common Shares on a non-diluted basis, when deposited pursuant to the Amaya Support Agreement, will be included for purposes of determining whether the Statutory Minimum Condition has been satisfied. In the event that the Statutory Minimum Condition is not satisfied, the Offeror will have the right to withdraw or terminate the Offer or to extend the period of time during which the Offer is open for acceptance. The foregoing condition cannot be waived by the Offeror.

In addition, the Offeror will have the right to withdraw the Offer and not take up or pay for any Common Shares deposited under the Offer, unless all of the following additional conditions are satisfied or waived by the Offeror at or prior to 5:00 p.m. (Toronto time) on August 3, 2017 or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the mandatory 10-day extension period or any extension thereafter:

(a) the Offeror shall have determined, in its sole judgment, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Offer, any event, change, circumstance of development or occurrence that constitutes a Material Adverse Effect or could give rise to a Material Adverse Effect;

(b) all government or regulatory consents, authorizations, waivers, permits, reviews, orders, rulings, decisions, approvals or exemptions (including, without limitation, those of any stock exchange or other Securities Regulatory Authorities and the Gaming Approvals) that are necessary or desirable, in the Offeror's sole judgment, to complete the Offer and the acquisition of Common Shares, and/or to complete a Compulsory Acquisition or Subsequent Acquisition Transaction, shall have been obtained or concluded on terms and conditions satisfactory to the Offeror in its sole judgment, and/or all regulatory notice, waiting or suspensory periods (including any extensions thereof) in respect of the foregoing shall have expired or been terminated or waived;

(c) the Offeror shall have determined, in its sole judgment, that (i) no act, action, suit or proceeding shall have been threatened, taken or commenced by or before, and no judgment or order shall have been issued by any Governmental Entity or private Person (including, without limitation, any individual, corporation, firm, group or other entity) or any other Person in any case, whether or not having the force of Law, and (ii) no Law shall have been proposed, enacted, promulgated, amended or applied, in either case: (A) to prevent or challenge the Offer or the Offeror's ability to maintain the Offer or complete the Offer or operate the business of INNOVA as the Offeror determines appropriate after completion of the Offer; (B) to cease trade, enjoin, prohibit or impose material limitations or conditions on or make materially more costly the making of the Offer, the purchase by or the sale to the Offeror of the Common Shares, the right of the Offeror to own or exercise full rights of ownership over the Common Shares, or the consummation of any Compulsory Acquisition or Subsequent Acquisition Transaction or which could have any such effect; (C) which has had or could have a Material Adverse Effect; (D) which seeks to compel the Offeror or any of its affiliates to dispose of or hold separate any material portion of the business, properties or assets of INNOVA or any of its subsidiaries; or (E) which may make uncertain the ability of the Offeror or its affiliates to complete the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction;

(d) the Offeror shall have determined, in its sole judgment, that neither INNOVA nor any of its subsidiaries has taken any action, agreed to take any action, disclosed that it intends to take any action or disclosed any previously undisclosed action taken by any of them, that might make it inadvisable for the Offeror to proceed with the Offer, to take up and pay for Common Shares deposited under the Offer or complete any Compulsory Acquisition or Subsequent Acquisition Transaction including, without limitation: (i) any purchase, licence, lease or acquisition of an interest in assets other than in the Ordinary Course; (ii) any sale, licence, lease, pledge or disposition of an interest in assets other than sales from operations in the Ordinary Course; (iii) any amendment to their respective articles or by-laws; (iv) any default, termination, acceleration or other event under any material instrument or agreement to which INNOVA or any of its subsidiaries is a party to or by which any of their respective properties or assets are bound which could have a Material Adverse Effect whether such event shall have occurred or may occur as a result of the Offeror making the Offer, the taking up and paying for Common Shares under the Offer, the completion of a Compulsory Acquisition or a Subsequent Acquisition Transaction for any other reason; (v) any material capital expenditures, except material capital expenditures in respect of which INNOVA or any of its subsidiaries have entered into legally binding agreements to incur in the Ordinary Course prior to March 9, 2017; (vi) any incurrence of or any commitment to incur debt or of hedge or similar obligations, other than in the Ordinary Course; (vii) except as may be required by Law, the adoption, establishment or entering into of any new, or material amendment to any existing, employment, change in control, severance, compensation, benefit or similar agreement, arrangement or plan with or for one or more of INNOVA's employees, consultants or directors (other than the entering into of employment agreements with new employees after March 9, 2017 who are not directors, officers or family members of directors or officers, if made in the Ordinary Course), the making of grants or awards pursuant to any agreements, arrangements or plans to provide for increased benefits to one

or more employees, consultants or directors of INNOVA (other than the making of any grants or awards to the extent required to be made pursuant to any agreement in effect prior to March 9, 2017) or making any payment or otherwise altering the terms of any outstanding awards to provide for a payment or other entitlement that represents a material increase from that disclosed in INNOVA's public filings or a material deviation from the past practice of INNOVA; (viii) any release, waiver, relinquishment or impairment of, or any threat to, any material contractual rights, leases, licences, lease, permit, authorization, concession or other statutory rights; (ix) any guarantee of or endorsement of or otherwise being responsible for the payment of any material amount of indebtedness, liability, obligation or indemnity of a third party; (x) any declaration, payment, authorization of any Distribution of or on any of its securities, other than interest payments on any pre-existing indebtedness in the Ordinary Course; (xi) any making of loans or advances to Persons other than wholly-owned subsidiaries, except arm's length Persons in the Ordinary Course, (xii) any change to the capitalization of INNOVA or any of its subsidiaries, including, without limitation, any issuance, authorization, adoption or proposal regarding the issuance of, or purchase, or proposal to purchase, any Common Shares other than pursuant to the exercise of Options issued prior to March 9, 2017; (xiii) any take-over bid or tender offer (including, without limitation, an issuer bid or self-tender offer) or exchange offer, merger, amalgamation, plan of arrangement, reorganization, consolidation, business combination, reverse take-over, sale of substantially all of its assets, sale of securities, recapitalization, liquidation, dissolution, winding up or similar transaction involving INNOVA or any of its subsidiaries; (xiv) any material joint venture, other mutual co-operation agreement or distribution agreement; or (xv) any action or inaction that would have the effect of reducing or eliminating the amount of the tax cost "bump" pursuant to paragraphs 88(1)(c) and (d) of the Tax Act otherwise available to the Offeror and its successors and assigns in respect of the non-depreciable capital properties owned by INNOVA and its subsidiaries;

(e) the Offeror shall have determined, in its sole judgment, that: no covenant, term or condition (individually or in the aggregate) exists in any material license, right, permit, franchise, indenture, instrument or agreement to which INNOVA or any of its subsidiaries is a party or to which it or any of its assets are subject (including without limitation, in respect of the Equity Incentive Plan or any other incentive or similar plan of INNOVA) which, if the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction were consummated, might: (i) be impaired or otherwise adversely affected, or cause any obligation to vest or accelerate or become due prior to its stated due date (in each case, either immediately, or after notice or passage of time or both) that might materially reduce the value to it of INNOVA or the Common Shares or might have a Material Adverse Effect; (ii) result in any material liability or obligation of the Offeror, INNOVA or any of their respective affiliates or subsidiaries; (iii) result in any breach or default under or cause the suspension or termination of, or give rise to any right of any party to suspend or terminate, any such license, permit, franchise, indenture, instrument or agreement or any material right or benefit thereunder of INNOVA; or (iv) limit any material right or benefit of INNOVA under, or reduce the value, in any material respect, of any such license, permit, franchise, instrument or agreement;

(f) the Offeror shall have determined, in its sole judgment, that there shall not have occurred or been threatened on or after the date of the Offer: (i) any general suspension of trading in, or limitation on prices for, securities on the TSX; (ii) any extraordinary or material adverse change in the financial, banking or capital markets or in major stock exchange indices in Canada or the United States; (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States; (iv) any limitation (whether or not mandatory) by any Governmental Entity on, or other event that, in the reasonable judgment of the Offeror, might affect the extension of credit by banks or other financial institutions; (v) any material change in currency exchange rates or a suspension or limitation on the markets therefor, (vi) a commencement of war or armed hostilities or other national or international calamity involving Canada or the United States; or (vii) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;

(g) the Offeror shall have determined, in its sole judgment, that there shall not have occurred or threatened to occur, the issuance, sale or authorization of any additional Common Shares, shares of any other class or series of capital of INNOVA, other voting securities or any securities convertible into, or options, rights (except upon the exercise of Options issued in the Ordinary Course in accordance with their terms), or any other securities or rights in respect of, in lieu of, or in substitution or exchange for any shares in INNOVA's capital;

(h) neither the Offeror nor any of its affiliates shall have entered into a definitive agreement or an agreement in principle with INNOVA providing for a plan of arrangement, amalgamation, merger, acquisition of assets or other business combination with INNOVA or for the acquisition of securities of INNOVA or for the commencement of a new offer for the Common Shares, pursuant to which the Offeror has determined that the Offer will be terminated; and

(i) the Offeror shall not have become aware of any untrue statement of material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings prior to the date of the Offer in relation to all matters covered in earlier filings), in any document filed by or on behalf of INNOVA with any Securities Regulatory Authority or elsewhere, which the Offeror shall have determined, in its sole judgment, when considered either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect.

The foregoing conditions are for the exclusive benefit of the Offeror. The Offeror may assert any of the foregoing conditions at any time, regardless of the circumstances giving rise to such assertion (including, without limitation, any action or inaction by the Offeror giving rise to any such assertions). In all cases, when exercising its sole judgment or discretion, the Offeror intends to act reasonably. The Offeror may waive any of the foregoing conditions in its sole discretion, in whole or in part, at any time and from time to time, both before and after the Expiry Time, without prejudice to any other rights which the Offeror may have. Each of the foregoing conditions is independent of and in addition to each other of such conditions and may be asserted irrespective of whether any other of such conditions may be asserted in connection with any particular event, occurrence or state of facts or otherwise. The failure by the Offeror at any time to exercise or assert any of the foregoing rights shall not be deemed to constitute a waiver of any such right; the waiver of any such right with respect to particular facts or circumstances shall not be deemed to constitute a waiver with respect to any other facts or circumstances, and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time by the Offeror. Any determination by the Offeror concerning any event or other matter described in the foregoing conditions will be final and binding upon all parties.

Any waiver of a condition or the withdrawal of the Offer shall be effective upon written notice or other communication confirmed in writing by the Offeror to that effect to the Depositary and Information Agent at its principal office in Toronto, Ontario. The Offeror, promptly after giving any such notice, shall issue and file a press release announcing such waiver or withdrawal and shall cause the Depositary and Information Agent, if required by Law, as soon as practicable thereafter to notify the Shareholders thereof in the manner set forth in Section 10 of the Offer, "Notices and Delivery", and shall provide a copy of the aforementioned notice to the TSX. If the Offer is withdrawn, the Offeror shall not be obligated to take up or pay for any Common Shares deposited under the Offer and the Depositary and Information Agent will promptly return all certificates and DRS Statements representing Deposited Common Shares, Letters of Transmittal, Notices of Guaranteed Delivery and related documents to the parties by whom they were deposited at the Offeror's expense. See Section 8 of the Offer, "Return of Deposited Common Shares".

5. Extension, Variation or Change in the Offer

The Offer is open for acceptance from the date of the Offer until the Expiry Time, subject to extension or variation in the Offeror's sole discretion or as set out below, unless the Offer is withdrawn by the Offeror. In addition, if the Offeror takes up any Common Shares under the Offer, the Offer will be extended and remain open for the deposit of Common Shares for not less than ten days from the date on which Common Shares are first taken up.

Subject to the limitations set out below, the Offeror reserves the right, in its sole discretion, at any time and from time to time while the Offer is open for acceptance (or at any other time if permitted by applicable Law) to vary the terms of the Offer (including, without limitation, by extending or abridging the period during which Common Shares may be deposited under the Offer where permitted by Law).

Under applicable Law, the Offeror is required to allow Common Shares to be deposited under the Offer for an initial deposit period of at least 105 days. The initial deposit period under the Offer may be shortened in the following circumstances, subject to a minimum deposit period of at least 35 days from the date of the Offer: (i) if INNOVA issues a deposit period news release in respect of either the Offer or another offeror's take-over bid that is less than 105 days, the Offeror may vary the terms of the Offer to shorten the initial deposit period to at least the number of days from the date of the Offer as stated in the deposit period news release; or (ii) if INNOVA issues a news release announcing that it has agreed to enter into, or determined to effect, an Alternative Transaction, the Offeror may vary the terms of the Offer to shorten the initial deposit period to at least 35 days from the date of the Offer. In either case, the Offeror intends to vary the terms of the Offer by shortening the initial deposit period to the shortest possible period consistent with applicable Law.

If, before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, the terms of the Offer are varied (other than a variation in the terms of the Offer consisting solely of the waiver of a condition in the Offer and any extension of the Offer, other than an extension in respect of the mandatory 10-day extension period, resulting from the waiver), including any reduction of the period during which securities may be deposited under the Offer pursuant to applicable Law, or any extension of the period during which securities may be deposited under the bid pursuant to applicable Law, and whether or not that variation results from the exercise of any right contained in the Offer, the Offeror will promptly (a) issue and file a news release to the extent and in the manner required by applicable Law, and (b) send a notice of variation in the manner set out in Section 10 of the Offer, "Notices and Delivery", to every person to whom the Offer is required to be sent under applicable Law and whose Common Shares were not taken up before the date of the variation. If there is a notice of variation, the period during which Common Shares may be deposited under the Offer must not expire before 10 days after the date of the notice of variation. If the Offeror is required to send a notice of variation before the expiry of the initial deposit period, the initial deposit period for the Offer must not expire before 10 days after the date of the notice of variation, and the Offeror must not take up Common Shares deposited under the Offer before 10 days after the date of the notice of variation. In addition, the Offeror will file a copy of such notice and will provide a copy of such notice in the manner required by applicable Law as soon as practicable thereafter to INNOVA, the TSX and the Securities Regulatory Authorities, as applicable. Any notice of variation of the Offer will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary and Information Agent at its principal office in Toronto, Ontario. If the variation consists solely of a waiver of a condition, the Offeror will promptly issue and file a news release announcing the waiver.

If, before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer or the Circular or any notice of change or notice of variation that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), the Offeror will promptly (a) issue and file a news release of such change to the extent and in the manner required by applicable Law, and (b) send a notice of the change in the manner set out in Section 10 of the Offer, "Notices and Delivery", to every person to whom the Offer was required to be sent and whose Common Shares were not taken up before the date of the change. If the Offeror is required to send a notice of change before the expiry of the initial deposit period, the initial deposit period for the Offer must not expire before 10 days after the date of the notice of change, and the Offeror must not take up Common Shares deposited under the Offer before 10 days after the date of the notice of change. In addition, the Offeror will file a copy of such notice and will provide a copy of such notice in the manner required by applicable Law as soon as practicable thereafter to INNOVA, the TSX and the Securities Regulatory Authorities, as applicable. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary and Information Agent at its principal office in Toronto, Ontario.

During any extension or in the event of any variation of the Offer or change in information, all Common Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be taken up by

the Offeror in accordance with the terms hereof. An extension of the Expiry Time, a variation of the Offer or a change in information does not, unless otherwise expressly stated, constitute a waiver by the Offeror of its rights under Section 4 of the Offer, "Conditions of the Offer".

Notwithstanding the foregoing, but subject to applicable Law, the Offeror may not make a variation in the terms of the Offer, other than a variation to extend the time during which Common Shares may be deposited under the Offer or a variation to increase the consideration for the Common Shares, after the Offeror becomes obligated to take up Common Shares deposited under the Offer. If the consideration being offered for the Common Shares under the Offer is increased, the increased consideration will be paid to all depositing Shareholders whose Common Shares are taken up under the Offer, whether or not such Common Shares were taken up before the increase.

6. Take-Up of and Payment for Deposited Common Shares

If, at the expiry of the initial deposit period, the Statutory Minimum Condition has been satisfied and all of the other conditions described in Section 4 of the Offer, "Conditions of the Offer" have been satisfied or waived by the Offeror, the Offeror will immediately take up the Common Shares validly deposited under the Offer and not withdrawn. The Offeror will pay for Common Shares taken up under the Offer as soon as possible but in any event not later than three business days after the Common Shares are taken up. In accordance with applicable Law, if the Offeror is obligated to take up such Common Shares, the Offeror will extend the period during which Common Shares may be deposited under the Offer for an additional period of at least ten days following the expiry of the initial deposit period (the "**mandatory 10–day extension period**") and may extend the deposit period after expiration of the mandatory 10-day extension period ("**Optional Extension Periods**"). The Offeror will take up and pay for Common Shares deposited under the Offer during the mandatory 10-day extension period and any Optional Extension Period not later than ten days after such deposit.

The Offeror will be deemed to have taken up and accepted for payment Common Shares validly deposited and not withdrawn under the Offer if, as and when the Offeror gives written notice, or other communication confirmed in writing, to the Depositary and Information Agent at its principal office in Toronto, Ontario to that effect. Subject to applicable Law, the Offeror expressly reserves the right, in its sole discretion to, on, or after the Expiry Time, terminate or withdraw the Offer and not take up or pay for any Common Shares if any condition specified in Section 4 of the Offer, "Conditions of the Offer", is not satisfied or waived, by giving written notice thereof, or other communication confirmed in writing, to the Depositary and Information Agent at its principal office in Toronto, Ontario. The Offeror will not, however, take up and pay for any Common Shares deposited under the Offer unless it simultaneously takes up and pays for all Common Shares then validly deposited under the Offer and not withdrawn.

The Offeror will pay for Common Shares validly deposited under the Offer and not withdrawn by providing the Depositary and Information Agent with sufficient funds (by bank transfer or other means satisfactory to the Depositary and Information Agent) for transmittal to depositing Shareholders, net of the amount of any Set Off Distributions. Under no circumstances will interest accrue or be paid by the Offeror or the Depositary and Information Agent to persons depositing Common Shares on the purchase price of Common Shares purchased by the Offeror, regardless of any delay in making payments for Common Shares.

The Depositary and Information Agent will act as the agent of persons who have deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Depositary and Information Agent will be deemed to constitute receipt of payment by persons depositing Common Shares under the Offer.

All cash payments under the Offer will be made in Canadian dollars.

Settlement with each Shareholder who has deposited (and not withdrawn) Common Shares under the Offer will be made by the Depositary and Information Agent issuing or causing to be issued a cheque (except for payments in excess of $25 million which will be made by wire transfer as set out in the Letter of Transmittal) payable in Canadian funds in the amount to which the person depositing Common Shares is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque will be issued in the name of the registered holder of the Common Shares so deposited. Unless the person depositing the Common Shares instructs the Depositary and Information Agent to hold

the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the cheque will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of INNOVA. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Law, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Shareholder.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary and Information Agent. However, a broker or other nominee through whom a Shareholder owns Common Shares may charge a fee to tender any such securities on behalf of the Shareholder. Shareholders should consult their investment advisors, stock brokers or other intermediary to determine whether any charges will apply.

7. Withdrawal of Deposited Common Shares

Except as otherwise stated in this Section 7 or as otherwise required by applicable Law, all deposits of Common Shares under the Offer are irrevocable. Unless otherwise required or permitted by applicable Law, any Common Shares deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder:

(a) at any time before the Deposited Common Shares have been taken up by the Offeror under the Offer;

(b) if the Deposited Common Shares have not been paid for by the Offeror within 3 business days after the Common Shares have been taken up by the Offeror under the Offer; or

(c) at any time before the expiration of ten days from the date upon which either:

(i) a notice of change relating to a change which has occurred in the information contained in the Offer or the Circular, a notice of change or a notice of variation, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer, or

(ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Common Shares where the Expiry Time is not extended for more than the mandatory 10-day extension period, or a variation consisting solely of a waiver of one or more conditions of the Offer, or both),

is mailed, delivered or otherwise properly communicated (subject to abridgement of that period pursuant to such order or orders or other forms of relief as may be granted by applicable courts or Governmental Entities) and only if such Deposited Common Shares have not been taken up by the Offeror at the date of the notice.

Withdrawals of Common Shares deposited under the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Shareholder and must be actually received by the Depositary and Information Agent at the place of deposit of the applicable Common Shares (or Notice of Guaranteed Delivery in respect thereof) within the time limits indicated above. Notices of withdrawal: (i) must be made by a method that provides the Depositary and Information Agent with a written or printed copy, (ii) must be signed by or on behalf of the person who signed the Letter of Transmittal accompanying (or Notice of Guaranteed Delivery in respect of) the Common Shares which are to be withdrawn, and (iii) must specify such person's name, the number of Common Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Common Shares to be withdrawn. Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions set out therein), except in the case of Common Shares deposited for the account of an Eligible Institution.

If Common Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer – CDS", any notice of withdrawal must specify the name and number of the account at CDS to be credited with the withdrawn Common Shares and otherwise comply with the procedures of CDS.

A withdrawal of Common Shares deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Depositary and Information Agent of the properly completed and executed written notice of withdrawal.

Investment dealers, banks, trust companies or other intermediaries may set deadlines for the withdrawal of Common Shares deposited under the Offer that are earlier than those specified above. Shareholders should contact their brokers or other intermediaries for assistance.

All questions as to the validity (including, without limitation, timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion and such determination will be final and binding. There is no duty or obligation of the Offeror, the Depositary and Information Agent or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred or suffered by any of them for failure to give such notice.

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for Common Shares or is unable to take up or pay for Common Shares for any reason, then, without prejudice to the Offeror's other rights, Common Shares deposited under the Offer may, subject to applicable Law, be retained by the Depositary and Information Agent on behalf of the Offeror until such Common Shares are withdrawn by Shareholders in accordance with this Section 7 or pursuant to applicable Law.

Withdrawals cannot be rescinded and any Common Shares withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be re-deposited at any subsequent time at or prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer, "Manner of Acceptance".

In addition to the foregoing rights of withdrawal, Shareholders in the provinces and territories of Canada are entitled to one or more statutory rights of rescission, price revision or to damages in certain circumstances. See Section 21 of the Circular, "Statutory Rights".

8. Return of Deposited Common Shares

Any Deposited Common Shares that are not taken up and paid for by the Offeror pursuant to the terms and conditions of the Offer for any reason will be returned, at the Offeror's expense, to the depositing Shareholder as soon as practicable after the Expiry Time or withdrawal of the Offer, by either (i) sending certificates or DRS Statements representing the Common Shares not purchased by first-class insured mail to the address of the depositing Shareholder specified in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the securities register maintained by or on behalf of INNOVA, or (ii) in the case of Common Shares deposited by book-entry transfer of such Common Shares pursuant to the procedures set out in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer – CDS", such Common Shares will be credited to the depositing holder's account maintained with CDS.

9. Changes in Capitalization; Adjustments; Liens

If, on or after the date of the Offer, INNOVA should divide, combine, reclassify, consolidate, convert or otherwise change any of the Common Shares or its capitalization, issue any Common Shares, or disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer, "Conditions of the Offer", make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, issuance, grant, sale or other change. See Section 5 of the Offer, "Extension, Variation or Change in the Offer".

Common Shares and any Distributions acquired under the Offer (other than the Adjusted Distributions and the Set Off Distributions) shall be transferred by the Shareholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including, without limitation, the right to any and all dividends, distributions, payments, securities, property, rights, assets or other interests which may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the Common Shares, whether or not separated from the Common Shares.

If, on or after the date of the Offer, INNOVA should declare, set aside or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Common Share, which is or are payable or distributable to Shareholders in cash on a record date prior to the date of transfer into the name of the Offeror or its intermediary or transferee on the securities register maintained by or on behalf of INNOVA in respect of Common Shares accepted for purchase under the Offer, then (and without prejudice to the Offeror's rights under Section 4 of the Offer, "Conditions of the Offer") the Offeror may elect, by notice at the time it first exercises its right to take up any Common Shares, to reduce the purchase price per Common Share payable by the Offeror pursuant to the Offer by the amount of any such dividend, distribution or payment. If the Offeror makes this election, then the Shareholder shall not be required to make any payment to the Offeror, and the Offeror shall have no right of set off, in respect of those dividends pursuant to Section 3 of the Offer, "Manner of Acceptance – Dividends and Distributions".

The declaration or payment of any such dividend or distribution may have tax consequences not described under Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations" or in Section 18 of the Circular, "Certain United States Federal Income Tax Considerations". Shareholders should consult their own tax advisors as to the tax consequences of the declaration or payment of any such dividend or distribution.

10. Notices and Delivery

Without limiting any other lawful means of giving notice, and unless otherwise specified by applicable Law, any notice to be given by the Offeror or the Depositary and Information Agent under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Shareholders at their respective addresses as shown on the register maintained by or on behalf of INNOVA in respect of the Common Shares and, unless otherwise specified by applicable Law, will be deemed to have been received on the first business day following the date of mailing. For this purpose, "business day" means any day other than a Saturday, Sunday or statutory holiday in the jurisdiction to which the notice is mailed. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail services following mailing. Except as otherwise permitted by applicable Law, if mail service is interrupted or delayed following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by applicable Law, if post offices in Canada are not open for the deposit of mail, any notice which the Offeror or the Depositary and Information Agent may give or cause to be given to Shareholders under the Offer will be deemed to have been properly given and to have been received by Shareholders if (i) it is given to the TSX for dissemination through its facilities, (ii) it is published once in the national edition of *The Globe and Mail* and in Québec, in *Le Journal de Montréal*, in French, or (iii) it is delivered to MarketWired or Canada Newswire for dissemination through their respective facilities.

The Offer and Circular and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to registered Shareholders by first class mail, postage prepaid, or made in such other manner as is permitted by applicable Law and the Offeror will use its reasonable efforts to furnish such documents to investment dealers, banks and similar persons whose names, or the names of whose nominees, appear in the register maintained by or on behalf of INNOVA in respect of the Common Shares or, if security position listings are available, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to the beneficial owners of Common Shares where such listings are received.

These securityholder materials are being sent to both registered and non-registered owners of securities. If you are a non-registered owner, and the Offeror or its agent has sent these materials directly to you, your name and

address and information about your holdings of securities have been obtained in accordance with applicable regulatory requirements from the intermediary holding such securities on your behalf.

Wherever the Offer calls for documents to be delivered to the Depositary and Information Agent, such documents will not be considered delivered unless and until they have been physically received at the Toronto, Ontario office of the Depositary and Information Agent specified in the Letter of Transmittal or the Notice of Guaranteed Delivery, as applicable.

11. Mail Service Interruption

Notwithstanding the provisions of the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, cheques and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to cheques or any other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary and Information Agent to which the deposited certificate(s) or DRS Statement(s) for Common Shares were delivered until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror shall provide notice of any such determination not to mail made under this Section 11 as soon as reasonably practicable after the making of such determination and in accordance with Section 10 of the Offer, "Notices and Delivery". Notwithstanding Section 6 of the Offer, "Take-Up of and Payment for Deposited Common Shares", cheques and any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Shareholder at the Toronto, Ontario office of the Depositary and Information Agent.

12. Market Purchases and Sales of Common Shares

The Offeror reserves the right to, and may, acquire or cause an affiliate to acquire beneficial ownership of Common Shares by making purchases through the facilities of the TSX at any time, and from time to time, prior to the Expiry Time subject to and in accordance with applicable Law. In no event, however, will the Offeror (or its affiliates) make any such purchases of Common Shares until the third business day following the date of the Offer and the Offeror shall comply with the following requirements under Section 2.2(3) of NI 62-104, in the event it decides to make any such purchases:

(a) such intention shall be stated in a news release issued and filed at least one business day prior to making such purchases;

(b) the aggregate number of Common Shares beneficially acquired shall not exceed five percent of the outstanding Common Shares as of the date of the Offer, calculated in accordance with applicable Law;

(c) the purchases shall be made in the normal course through the facilities of the TSX;

(d) the Offeror shall issue and file a news release containing the information required under applicable Law immediately after the close of business of the TSX on each day on which Common Shares have been purchased; and

(e) the broker involved in such trades shall provide only customary broker services and receive only customary fees or commissions, and no solicitation for the sale or purchase of Common Shares shall be made by the Offeror or its agents (other than under the Offer) or the seller or its agents.

Purchases pursuant to Section 2.2(3) of NI 62-104 will not be counted in any determination as to whether the Statutory Minimum Condition has been fulfilled.

Although the Offeror has no present intention to sell Common Shares taken up under the Offer, the Offeror reserves the right to make or enter into agreements, commitments or understandings at or prior to the Expiry Time to

sell any of such Common Shares after the Expiry Time, subject to applicable Law and to compliance with Section 2.7(2) of NI 62-104. For the purposes of this Section 12, the "Offeror" includes any person acting jointly or in concert with the Offeror.

13. Other Terms of the Offer

(a) The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.

(b) The Offeror reserves the right to transfer to one or more affiliates of the Offeror the right to purchase all or any portion of the Common Shares deposited pursuant to the Offer, but any such transfer will not relieve the Offeror of its obligations under the Offer and will in no way prejudice the rights of persons depositing Common Shares to receive payment for Common Shares validly deposited and accepted for payment under the Offer.

(c) In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the Laws of such jurisdiction.

(d) No broker, dealer or other person has been authorized to give any information or make any representation on behalf of the Offeror not contained herein or in the accompanying Circular, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of the Offeror or the Depositary and Information Agent for the purposes of the Offer.

(e) The provisions of the Questions and Answers About the Offer, the Glossary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer.

(f) The Offeror, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the terms and conditions of the Offer (including, without limitation, the satisfaction of the conditions of the Offer), the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawals of Common Shares.

(g) The Offer and Circular do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Shareholders in any such jurisdiction.

(h) The Offeror reserves the right to waive any defect in acceptance with respect to any particular Common Shares or any particular Shareholder. There shall be no duty or obligation of the Offeror, the Depositary and Information Agent, or any other person to give notice of any defect or irregularity in the deposit of Common Shares or in any notice of withdrawal and, in each case, no liability shall be incurred or suffered by any of them for failure to give such notice.

DATED: April 19, 2017.

10188557 CANADA INC.

By: *"John Pollard"* (signed)
Director

By: *"Douglas Pollard"* (signed)
Director

By: *"Gordon Pollard"* (signed)
Director

The Offer and the accompanying Circular together constitute the take-over bid circular required under Canadian securities legislation with respect to the Offer. Shareholders are urged to refer to the accompanying Circular for additional information relating to the Offer.

CIRCULAR

This Circular is furnished in connection with the accompanying Offer dated April 19, 2017 to purchase all of the issued and outstanding Common Shares of INNOVA. The terms and conditions of the Offer, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Shareholders should refer to the Offer for details of the terms and conditions of the Offer, including, without limitation, details as to payment and withdrawal rights. Unless the context otherwise requires, terms used but not defined in the Circular have the respective meanings given to them in the accompanying Glossary.

No securities tendered to the Offer will be taken up until (a) more than 50% of the outstanding securities of the class sought (excluding those securities beneficially owned, or over which control or direction is exercised, by the Offeror or any person acting jointly or in concert with the Offeror) have been tendered to the Offer, (b) the minimum deposit period under the applicable securities laws has elapsed, and (c) any and all other conditions of the Offer have been complied with or waived, as applicable. If these criteria are met, the Offeror will take up securities deposited under the Offer in accordance with applicable securities laws and extend the Offer for an additional minimum period of 10 days to allow for further deposits of securities.

Unless otherwise indicated, the information concerning INNOVA contained in the Offer and Circular has been taken from or is based solely upon publicly available documents and records on file with Securities Regulatory Authorities and other public sources available on the date of the Offer. Although the Offeror and Pollard Banknote have no knowledge that would indicate that any statements contained herein and taken from or based on such information are untrue or incomplete, none of the Offeror, Pollard Banknote or any of their respective officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by INNOVA to disclose events or facts that may have occurred or that may affect the significance or accuracy of any such information but that are unknown to the Offeror or Pollard Banknote.

1. The Offeror

The Offeror is a wholly-owned subsidiary of Pollard Banknote, incorporated on April 11, 2017 under the CBCA for the sole purpose of making the Offer. The Offeror's registered office is located at 140 Otter Street, Winnipeg, Manitoba, R3T 0M8. Pollard Banknote was incorporated on March 26, 2010 under the CBCA. Pollard Banknote is a reporting issuer or the equivalent in all of the provinces and territories of Canada. The registered and head office of Pollard Banknote is located at 140 Otter Street, Winnipeg, Manitoba, R3T 0M8.

Pollard Banknote is a leading lottery partner to more than 60 lotteries worldwide, providing high quality instant ticket products, licensed games, and strategic marketing and management services for both traditional instant games and the emerging iLottery space of web, mobile and social channels. Pollard Banknote is a proven innovator and has decades of experience helping lotteries to maximize player engagement, sales and proceeds for good causes. Pollard Banknote also plays a major role in the charitable pull-tab and bingo markets in North America. Established in 1907, Pollard Banknote is owned approximately 73.5% by the Pollard family and approximately 26.5% by public shareholders and is publicly traded on the TSX under the symbol "PBL".

2. INNOVA

INNOVA was incorporated on February 25, 2015 under the CBCA. INNOVA's head and registered office is located at 560 Arvin Avenue, Unit 3, Stoney Creek, Ontario, L8E 5P1.

INNOVA, through its wholly-owned subsidiary Diamond Game Enterprises, designs, develops, produces, markets, and services games, systems and tickets for the North American gaming industry, predominantly in the business to government lottery sector. INNOVA's strategy is to enhance revenues of government-sponsored lotteries and other regulated operators by offering its unique "extended-play" products in traditional venues and non-traditional venues. It is licensed or permitted to sell or lease its gaming machines, ticket dispensers or other alternative gaming products in 11 U.S. states, Ontario and Québec.

3. Certain Information Concerning Securities of INNOVA

Share Capital of INNOVA

Based solely on publicly available information, INNOVA's authorized capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares. Shareholders are entitled to: (i) dividends if, as and when declared by the INNOVA Board; (ii) one vote per Common Share at meetings of Shareholders; and (iii) upon liquidation, dissolution or winding up of INNOVA, receive pro rata the remaining property and assets of INNOVA.

Based solely on information contained in INNOVA's management's discussion and analysis for the year ended December 31, 2016, as of December 31, 2016 there were 20,080,500 Common Shares issued and outstanding, no preferred shares issued and outstanding and Options entitling holders thereof to acquire 867,458 Common Shares.

Trading in INNOVA Securities

The Common Shares are traded on the TSX under the symbol "IGG". On March 9, 2017, being the last trading day on the TSX prior to the public announcement by Pollard Banknote of its initial proposal to the INNOVA Board to acquire all of the Common Shares, the closing price of the Common Shares on the TSX was $1.51. The following table sets forth, for the periods indicated, the reported high and low trading prices and the aggregate volume of trading of the Common Shares on the TSX.

	Trading of Common Shares		
	High	**Low**	**Volume (#)**
March 2016	$1.78	$1.23	826,346
April 2016	$1.80	$1.33	957,592
May 2016	$1.40	$1.14	1,350,595
June 2016	$1.38	$1.16	1,656,910
July 2016	$1.25	$1.11	278,514
August 2016	$1.28	$1.06	426,900
September 2016	$1.36	$1.11	741,267
October 2016	$1.60	$1.22	524,604
November 2016	$1.82	$1.40	629,373
December 2016	$1.72	$1.55	278,350
January 2017	$1.72	$1.40	411,627
February 2017	$1.75	$1.36	936,752
Up to March 9, 2017	$1.63	$1.44	206,810
March 10 – April 18, 2017[1]	$2.36	$1.98	3,988,180

Source: TSX Market Data

[1.] Before markets opened on March 10, 2017, Pollard Banknote announced the entering into of the Amaya Support Agreement and its proposal to the INNOVA Board to acquire all of the outstanding Common Shares for $2.10 per Common Share.

4. Background to the Offer

In October of 2016, Mr. John Pollard, Co-Chief Executive Officer of Pollard Banknote was approached by a boutique U.S.-based investment bank to assess Pollard Banknote's interest in acquiring the 8,180,000 Common Shares indirectly held by Amaya. Pollard Banknote considered the merits of this opportunity and, on October 21, 2016, engaged the investment bank to engage in discussions with Amaya on behalf of Pollard Banknote regarding a possible transaction to acquire the Common Shares indirectly held by Amaya. Pollard Banknote intended to complete the proposed transaction under the "private agreement" exemption from applicable take-over bid rules, which would have permitted Pollard Banknote to acquire the Common Shares indirectly held by Amaya without making an offer to acquire all of the outstanding Common Shares.

On October 28, 2016, Pollard Banknote sent a non-binding letter of intent to Amaya which outlined proposed terms for the acquisition by Pollard Banknote of all of the Common Shares indirectly held by Amaya. The letter of intent proposed a purchase price of $1.53 per Common Share, which represented 115% of the average closing price of the Common Shares on the TSX on the preceding 20 business days, which was equal to the maximum purchase price permitted under the "private agreement" exemption. During November and December of 2016, the parties continued to discuss the terms of a possible transaction, but Amaya was not prepared to proceed at a purchase price which would allow Pollard Banknote to purchase its Common Shares without making an offer to acquire all of the outstanding Common Shares on the same terms. As a result, the parties were unable to agree to transaction terms at that time. Discussions ceased and Pollard Banknote terminated its engagement with the US-based investment bank.

On January 19, 2017, Pollard Banknote engaged Canaccord Genuity as its financial advisor and Torys LLP as legal counsel to consider acquiring the Common Shares held by Amaya pursuant to an offer for all of the outstanding Common Shares. Pollard Banknote and its advisors prepared a non-binding term sheet outlining proposed terms of a proposal to be made by Pollard Banknote to INNOVA to acquire all of the outstanding shares of INNOVA at $2.00 per share and the proposed terms of a related support agreement to be entered into between Pollard Banknote and Amaya (the "**Term Sheet**"). On January 21, 2017, Canaccord Genuity delivered the Term Sheet to Amaya on behalf of Pollard Banknote. Between January 22, 2017 and February 23, 2017 Pollard Banknote and Amaya and their respective advisors engaged in discussions regarding the Term Sheet, including the proposed purchase price.

On February 24, 2017, Torys LLP, on behalf of Pollard Banknote, distributed an initial draft of the Amaya Support Agreement to Blake, Cassels & Graydon LLP, legal counsel to Amaya. Between February 24, 2017 and March 9, 2017, the terms of the Amaya Support Agreement were negotiated between advisors to Pollard Banknote and Amaya.

During the evening of March 9, 2017, negotiations of the Amaya Support Agreement concluded and the Amaya Support Agreement was executed. The Amaya Support Agreement reflected a purchase price of $2.10 per share payable in cash, representing an approximate 36% premium to the 20-day VWAP of the Common Shares on the TSX prior to the announcement of Pollard Banknote's proposal to the INNOVA Board and an approximate 55% premium to the 20-day VWAP of the Common Shares on the TSX prior to Pollard Banknote's first proposal on October 28, 2016 to acquire the Common Shares held by Amaya. Immediately after the announcement, Canaccord Genuity and Mr. John Pollard contacted Mr. Richard Weil, Chief Executive Officer, President, Director and Chairman of INNOVA, by telephone to express Pollard Banknote's interest in acquiring all of the outstanding shares of INNOVA for $2.10 per share, payable in cash. Following these discussions, Mr. Pollard sent to Mr. Weil a letter addressed to the INNOVA Board outlining the terms of Pollard Banknote's proposal. The letter requested INNOVA's response to Pollard Banknote's proposal by March 13, 2017.

Also during the evening of March 9, 2017, a representative of Davies Ward Phillips and Vineberg LLP contacted Torys LLP on behalf of the special committee of the INNOVA Board to request that the special committee of the INNOVA Board be provided a copy of the executed Amaya Support Agreement for its review. Representatives of Pollard Banknote and Amaya agreed that the Amaya Support Agreement could be shared with INNOVA, subject to Amaya's condition that the Amaya Support Agreement be kept confidential by INNOVA. This condition was communicated to, and agreed to by, INNOVA, and a copy of the executed Amaya Support Agreement was provided to INNOVA on March 10, 2017.

Before markets opened on March 10, 2017, Pollard Banknote issued a press release announcing the entering into of the Amaya Support Agreement and the making of its proposal to the INNOVA Board. Amaya concurrently issued a press release announcing the entering into of the Amaya Support Agreement and filed an early warning report on SEDAR. Shortly thereafter, INNOVA issued a press release acknowledging its receipt of Pollard Banknote's proposal and the formation of the special committee of the INNOVA Board comprised of Mr. Paul van Eyk and Dr. Edward Stanek to evaluate the proposal.

During the afternoon of March 10, 2017, Mr. Doug Pollard, Co-Chief Executive Officer of Pollard Banknote and Mr. John Pollard met with Mr. Weil in New York, New York, to discuss the terms of Pollard Banknote's proposal and the business rationale for the proposal.

On March 13, 2017, INNOVA issued a press release announcing that Raymond James Ltd. had been engaged to act as financial advisors to the special committee of the INNOVA Board. The press release also noted that the terms of the Amaya Support Agreement prohibit Amaya from soliciting or in any manner assisting with any other proposal for a transaction with respect to INNOVA and that any inquiries regarding Pollard Banknote's proposal should be directed to Raymond James Ltd.

Also on March 13, 2017, Dr. Stanek delivered a letter to Mr. John Pollard on behalf of the special committee of the INNOVA Board which confirmed that it was taking steps to review Pollard Banknote's proposal and that the special committee of the INNOVA Board had retained Raymond James Ltd. to act as its financial advisor. Dr. Stanek indicated in his letter that INNOVA expected to be in a position to provide an update to Pollard Banknote by March 17, 2017.

On March 14, 2017, Mr. John Pollard delivered a letter to Dr. Stanek on behalf of Pollard Banknote which indicated that Pollard Banknote remained enthusiastic about its proposal and looked forward to receiving INNOVA's updated response by March 17, 2017.

On March 16, 2017, Dr. Stanek delivered a letter to Pollard Banknote on behalf of the special committee of the INNOVA Board which advised that the special committee of the INNOVA Board did not believe that Pollard Banknote's proposal adequately values INNOVA and its business but that the special committee of the INNOVA Board thought it would be productive to have the financial advisors for INNOVA and Pollard Banknote meet to discuss improvements to the financial terms of Pollard Banknote's proposal and Pollard Banknote's approach to valuing INNOVA. Dr. Stanek also informed Pollard Banknote in that letter that the special committee of the INNOVA Board did not intend at that time to begin exploring strategic alternatives to Pollard Banknote's proposal until that meeting occurred or was refused by Pollard Banknote, although it reserved the right to consider unsolicited proposals.

The financial advisors for INNOVA and Pollard Banknote met on March 20, 2017. Dr. Stanek wrote to Pollard Banknote again on March 22, 2017, reiterating that the special committee of the INNOVA Board did not intend to begin exploring strategic alternatives while the discussions remained ongoing. The financial advisors met again on March 24, 2017 and discussed the parties' respective approach to valuing INNOVA. Pollard Banknote's financial advisors suggested that INNOVA provide a specific proposal to respond to the proposal by Pollard Banknote.

On March 29, 2017, INNOVA's financial advisor, Raymond James Ltd., submitted a counterproposal to Canaccord Genuity. The counterproposal contemplated a substantially higher purchase price per Common Share and a "go shop" provision that would have permitted INNOVA to solicit Acquisition Proposals for a period of time following execution of a definitive agreement, subject to a right to match in favour of Pollard Banknote and a termination fee payable by INNOVA to Pollard Banknote in certain circumstances. Canaccord Genuity communicated to Raymond James Ltd. that the proposed purchase price was likely to be wholly unacceptable. Dr. Stanek called John Pollard of Pollard Banknote shortly thereafter, reiterating that the special committee of the INNOVA Board believed that Pollard Banknote's proposal undervalued INNOVA.

On March 30, 2017, Pollard Banknote's financial advisors, Canaccord Genuity, communicated to Raymond James Ltd that the price in the counterproposal was unacceptable, and would need to be very close to Pollard Banknote's $2.10 proposed price. However, Canaccord Genuity indicated that Pollard Banknote was amenable to agreeing to a "go-shop" provision subject to a right to match in favour of Pollard Banknote and an appropriate termination fee.

On March 31, 2017, Raymond James Ltd. communicated to Canaccord Genuity that the special committee of the INNOVA Board had determined to commence a strategic review process. Dr. Stanek wrote to Pollard Banknote on that day to communicate that it had determined that Pollard Banknote was not prepared to improve its proposal sufficiently at that time for the special committee of the INNOVA Board to be in a position to recommend a transaction with Pollard Banknote, without first soliciting expressions of interest from third parties, and inviting Pollard Banknote to participate in the strategic process. On that same day, INNOVA issued a press release, announcing that it was launching a strategic review process.

On April 10, 2017, Raymond James Ltd. formally invited Pollard Banknote to participate in the INNOVA strategic review process, but required as a condition to such participation that Pollard Banknote agree not to make the Offer or take certain other steps without the consent of the INNOVA Board. It was also apparent from the counterproposal that INNOVA made on March 29, 2017, that the special committee of the INNOVA Board and Pollard Banknote were unlikely to be able to reach agreement on the terms of an acquisition given that the special committee of the INNOVA Board's expectations as to value significantly exceed what Pollard Banknote would be prepared to pay.

On April 17, 2017, Mr. John Pollard notified Mr. Weil that Pollard Banknote believed that its proposal was compelling for Shareholders, and that Pollard Banknote had decided to make the Offer directly to them. Immediately thereafter, Pollard Banknote wrote to the special committee of the INNOVA Board reiterating its interest in reaching an agreement with INNOVA that would allow the Shareholders to access the Offer on an earlier date than the current Expiry Time and its view that the purchase price in INNOVA's counterproposal of March 29, 2017 significantly exceeded what Shareholders could reasonably expect to achieve in a change of control transaction. Pollard Banknote also relayed to the special committee of the INNOVA Board that it believes it is in the best position to deliver the highest value to the INNOVA Shareholders and that it would be in the best interests of the Shareholders for the special committee of the INNOVA Board to negotiate with Pollard Banknote before INNOVA enters into an agreement with any third party that provides for a termination fee or other consideration that could deprive Shareholders of the certainty of the Offer and potentially decrease the proceeds available for Shareholders. While Pollard Banknote decided to proceed with the Offer, it also advised the special committee of the INNOVA Board that it would consider participating in INNOVA's strategic review process in the future on reasonable terms that at a minimum do not restrict Pollard Banknote from pursuing and completing the Offer and taking other steps contemplated in this Circular.

The intention to make the Offer was announced by Pollard Banknote by way of press release after the close of the TSX on April 17, 2017. On April 18, 2017, INNOVA issued a press release acknowledging Pollard Banknote's announcement and advising Shareholders that its strategic process was ongoing and will continue during the Offer period. On April 19, 2017, the Offer was commenced by way of advertisement, the Circular was delivered to INNOVA and Pollard Banknote issued a press release announcing the commencement of the Offer.

5. Amaya Support Agreement

Pollard Banknote, Amaya and Amaya Shareholder entered into the Amaya Support Agreement on March 9, 2017. Amaya indirectly owns, through Amaya Shareholder, 8,180,000 Common Shares, representing approximately 41% of the total issued and outstanding Common Shares on a non-diluted basis. Pursuant to the Amaya Support Agreement, Amaya Shareholder has agreed to tender all of its Common Shares to the Offer, subject to certain terms and conditions.

The following is a summary of certain provisions of the Amaya Support Agreement and does not purport to be complete and is subject to, and qualified in its entirety by reference to the provisions of the Amaya Support Agreement. The Amaya Support Agreement has been filed by Pollard Banknote under INNOVA's profile on SEDAR at www.sedar.com.

Agreement to Tender

Under the Amaya Support Agreement, Amaya Shareholder has agreed to, and Amaya has agreed to cause Amaya Shareholder to, tender all of its Common Shares under the Offer as soon as practicable and within 15 business days of the mailing of the Offer, and thereafter not to withdraw such Common Shares except as expressly permitted under the terms of the Amaya Support Agreement.

Non-Solicitation Covenants

Except as described under "Right to Match" below, each of Amaya and Amaya Shareholder has agreed that it will not, directly or indirectly, through any of its representatives: (i) make, solicit, assist, initiate, encourage or otherwise facilitate in any way (including by way of access to or disclosure of any non-public information or entering into any form of agreement, transaction or understanding) any inquiry, proposal or offer relating to, or any effort or

attempt to complete (or which could reasonably be expected to lead to the making or completion of), an Acquisition Proposal; (ii) enter into, continue or otherwise engage or participate in any discussions or negotiations with any Person (other than Pollard Banknote) regarding any inquiry, proposal or offer relating to (or which could reasonably be expected to lead to the making or completion of), an Acquisition Proposal; (iii) accept, approve, endorse, recommend or enter into, or publicly propose to accept, approve, endorse, recommend or enter into, any Acquisition Proposal or any letter of intent, agreement in principle, agreement (including a confidentiality or standstill agreement), arrangement, understanding or undertaking, oral or written, related to or which could reasonably be expected to lead to any Acquisition Proposal; or (iv) withdraw, amend, modify or qualify, or publicly propose or state an intention to withdraw, amend, modify or qualify support for the Offer.

Each of Amaya and Amaya Shareholder has also agreed:

(a) immediately upon execution of the Amaya Support Agreement, to cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any Person (other than Pollard Banknote) with respect to any inquiry, proposal or offer relating to (or which could reasonably be expected to lead to the making or completion of) any Acquisition Proposal, whether or not initiated by either Amaya or Amaya Shareholder or their respective representatives;

(b) as soon as practicable after Amaya or Amaya Shareholder or any of their respective representatives first obtains knowledge thereof, and in any event no later than the next business day, Amaya Shareholder shall notify Pollard Banknote of (i) any Acquisition Proposal, (ii) any inquiry, proposal or request for non-public information that it or any of its representatives receives in connection with an Acquisition Proposal, or (iii) any inquiry, proposal or request for access to non-public information relating to INNOVA or any of its affiliates by any Person that informs it or any of its representatives that such Person is considering making, or has made, an Acquisition Proposal, such notice to be made in writing, and indicating the identity of the Person making such proposal, inquiry or contact and all material terms and conditions of any proposal, inquiry, offer or request to the extent known; and upon such notice of an Acquisition Proposal to Pollard Banknote, Amaya Shareholder may advise any Person who makes such Acquisition Proposal of the restrictions that Amaya Shareholder is bound by pursuant to the Amaya Support Agreement or that such Person's Acquisition Proposal does not constitute a Superior Offer;

(c) not to transfer, or enter into any agreement, option or other transaction with respect to the transfer of, any Common Shares, or any right or interest therein (legal or equitable) to any Person or group or agree to do any of the foregoing, other than to an affiliate of Amaya Shareholder in accordance with certain provisions of the Amaya Support Agreement;

(d) not to take any other action of any kind, directly or indirectly, which would reduce the likelihood of the success of, or delay or interfere with the completion of the Offer; and

(e) that in the event that any transaction other than the Offer is presented for approval of or acceptance by the Shareholders, it shall not, directly or indirectly, vote in favour of, accept, assist or otherwise further the successful completion of such transaction or purport to tender or deposit into any such transaction any Common Shares.

The Amaya Support Agreement defines an "**Acquisition Proposal**" as the following, in each case whether in a single or multi-step transaction or a series of related transactions: any proposal, offer or expression of interest or inquiry regarding (i) any merger, take-over bid, amalgamation, plan of arrangement, share exchange, business combination, consolidation, recapitalization, reorganization, joint venture, partnership or similar transaction, or liquidation, dissolution or winding-up in respect of INNOVA or any of its subsidiaries, (ii) any sale or acquisition of all or a material portion of the assets of INNOVA or any of its subsidiaries, or (iii) any sale or acquisition of any of the Common Shares or the outstanding equity or other securities (or any new issuance of a material number of such securities) of INNOVA or any of its subsidiaries.

Right to Match

The Amaya Support Agreement may be terminated by Amaya in certain circumstances, including if: (i) Amaya Shareholder has received a Superior Offer and Amaya has delivered a written notice (a "**Superior Offer Notice**") to Pollard Banknote of such Superior Offer, which notice shall indicate the identity of the Person making such offer and a description of the material terms and conditions of such offer and shall attach a true and complete copy of the Superior Offer; (ii) the Superior Offer was not obtained as a result of a breach of the non-solicitation covenants of Amaya and Amaya Shareholder under the Amaya Support Agreement and each of Amaya and Amaya Shareholder is in compliance with all of its obligations under the Amaya Support Agreement; (iii) a period of at least 5 business days (the "**Matching Period**") has elapsed from the date on which Pollard Banknote received the Superior Offer Notice; and (iv) Pollard Banknote does not exercise its Right to Match during the Matching Period.

During the Matching Period Pollard Banknote shall have the right, but not the obligation, to amend its Offer in accordance with applicable securities laws solely to: (A) increase the consideration payable per Share to an amount equal to or greater than the consideration payable per Share under the Superior Offer and (B) extend the expiry date of its Offer solely to the extent, if any, required by applicable law or if desirable to Pollard Banknote, and publicly announce such amendment (the "**Right to Match**"). If Pollard Banknote does not exercise its Right to Match during the Matching Period: (i) Pollard Banknote shall be deemed to have declined to exercise its Right to Match and Amaya may, subject to compliance with certain provisions in the Amaya Support Agreement, terminate the Amaya Support Agreement; and (ii) Amaya or Amaya Shareholder may enter into, participate in and maintain discussions or negotiations with the Person making such Superior Offer and with INNOVA for the purpose of negotiating a lock-up or support agreement in respect of the Superior Offer, provided that any such lock-up or support agreement becomes effective no earlier than the termination of the Amaya Support Agreement.

The Amaya Support Agreement defines a "**Superior Offer**" as any *bona fide* written offer made in accordance with applicable securities laws to acquire all of the Common Shares by way of plan of arrangement or formal take-over bid or other transaction to purchase all of the outstanding Common Shares (i) for cash consideration per Common Share greater than $2.10, (ii) that is reasonably capable of being completed, without undue delay, taking into account all financial, legal, regulatory and other aspects of such offer and the Person making such offer, (iii) that is not subject to a financing condition and in respect of which it has been demonstrated to the satisfaction of the Amaya Shareholder, acting in good faith, after receipt of advice from its financial advisors and outside legal counsel, that adequate arrangements have been made in respect of any financing required to complete such offer, and (iv) that is not subject to a due diligence condition or any other condition requiring access to information from INNOVA.

Termination and Termination Fee

The Amaya Support Agreement may be terminated with notice in writing in the following circumstances, among others: (a) at any time by mutual consent of Pollard Banknote and Amaya; (b) by Amaya if Pollard Banknote does not exercise its Right to Match within the Matching Period and otherwise subject to the terms described under "Right to Match" above; and (c) by Amaya if the Offer expires or is withdrawn in accordance with its terms or Pollard Banknote takes up the Common Shares pursuant to the Offer.

If the Amaya Support Agreement is terminated by Amaya Shareholder as a result of Pollard Banknote declining to exercise its Right to Match during the Matching Period as described above under "Right to Match" and (a) at the time of such termination Pollard Banknote is in compliance with all of its obligations under the Amaya Support Agreement, (b) at no time did Pollard Banknote enter into an acquisition agreement with INNOVA, and (c) the Offer contemplated by the Superior Offer Notice is completed, Amaya Shareholder shall pay Pollard Banknote the Termination Fee. For the purposes of the Amaya Support Agreement, "**Termination Fee**" means an amount equal to 10% of the difference, if any, between the aggregate consideration to be received by Amaya Shareholder for its Common Shares pursuant to the Superior Offer and $17,178,000, which amount shall not exceed $200,000 in the aggregate.

6. Reasons to Accept the Offer

The Offeror believes that the Offer is compelling, and represents a clearly superior alternative to continuing on the course set by the current INNOVA Board and management of INNOVA, for the following reasons:

- **Significant Premium to Market Price.** The Offer represents a significant premium of approximately 39% based on the closing price of $1.51 per Common Share on the TSX on March 9, 2017, the last trading day prior to Pollard Banknote's public announcement of its initial proposal to the INNOVA Board to acquire all of the Common Shares. The Offer also represents a significant premium of approximately 36% to the VWAP of $1.54 per Common Share on the TSX over the 20 trading days ended March 9, 2017.

- **Liquidity and Certainty of Value.** The Common Shares are thinly traded and the Offer provides an attractive liquidity event and an opportunity for Shareholders to realize cash proceeds and certainty of value for their entire investment.

- **Fully Financed Cash Offer.** The Offer is not subject to a financing condition. The Offeror has secured, on a firm, committed basis, all of the financing required to fund the entire consideration payable for the Common Shares and to complete the transaction.

- **High Likelihood of Completion.** Pollard Banknote is a highly credible counterparty with significant experience in the gaming industry. Pollard Banknote believes that its experience in the gaming industry will lower any risk associated with obtaining the Gaming Approvals. In addition, Pollard Banknote believes that there is a high likelihood that more than 50% of the outstanding Common Shares will be tendered to the Offer, and therefore the minimum tender condition will be satisfied, given that the Offer is supported by Amaya, which holds approximately 41% of the outstanding Common Shares.

- **Support of Major Shareholder.** Amaya, which indirectly owns 8,180,000 Common Shares, representing approximately 41% of the total issued and outstanding Common Shares on a non-diluted basis, has agreed to tender all of its Common Shares to the Offer, subject to the terms of the Amaya Support Agreement. See Section 5 of the Circular, "Amaya Support Agreement". The Offer price was the subject of extensive negotiations between Pollard Banknote and Amaya over several months prior to entering into the Amaya Support Agreement. Amaya has also provided Pollard Banknote with the right to match any Superior Offer received by Amaya, including any Superior Offer supported by INNOVA, subject to the terms of the Amaya Support Agreement.

- **Risks of INNOVA Standalone.** There is considerable risk to Shareholders if the INNOVA Board and management team continue to pursue their standalone strategy. The INNOVA unaffected share price as of March 9, 2017 has declined approximately 62% since INNOVA's initial public offering on May 5, 2015, representing a loss of approximately $51 million in equity value to investors in that initial public offering. Furthermore, a significant portion of INNOVA's EBITDA is provided by Amaya under the EBITDA Support Agreement, which expires not later than June 30, 2020.

- **Potential for Downward Impact to Common Share Price if Offer Not Accepted.** The Offer represents a significant premium to the market price of the Common Shares prior to the public announcement by Pollard Banknote of its initial proposal to the INNOVA Board to acquire all of the Common Shares. There is no assurance that the INNOVA Board will proceed with an Alternative Transaction to the Offer. If the Offer is not successful, and no other offer is made for INNOVA, Pollard Banknote believes it is likely the trading price of the Common Shares will decline to pre-Offer levels.

7. Purpose of the Offer

The purpose of the Offer is to enable the Offeror to acquire all of the outstanding Common Shares. The effect of the Offer is to give all Shareholders the opportunity to receive $2.10 in cash per Common Share, representing a significant premium of approximately 39% over the closing price of $1.51 per Common Share on the TSX on March 9, 2017 (the last trading day before Pollard Banknote publicly announced its initial proposal to the INNOVA Board to acquire all of the Common Shares).

If the conditions of the Offer are satisfied or waived at the Expiry Time and the Offeror takes up and pays for the Common Shares validly deposited under the Offer, the Offeror intends to acquire any Common Shares not deposited under the Offer through a Compulsory Acquisition, if available, or to propose a Subsequent Acquisition Transaction, in each case for consideration per Common Share at least equal in value to and in the same form as the consideration paid by the Offeror per Common Share under the Offer. The exact timing and details of any such transaction will depend upon a number of factors, including, without limitation, the number of Common Shares acquired pursuant to the Offer. Although the Offeror intends to either effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction generally on the terms described herein, it is possible that, as a result of delays in the Offeror's ability to effect such a transaction, information subsequently obtained by the Offeror, changes in general economic or market conditions or in the business of INNOVA or other currently unforeseen circumstances, such a transaction may not be effected or proposed, may be delayed or abandoned or may be proposed on different terms. Accordingly, the Offeror reserves the right not to effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, or to propose a Subsequent Acquisition Transaction on terms other than as described in the Circular. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

8. Effects of the Offer

If permitted by applicable Law, the Offeror intends to cause INNOVA to apply to delist the Common Shares from the TSX as soon as practicable after completion of the Offer and any Compulsory Acquisition or any Subsequent Acquisition Transaction. In addition, if permitted by applicable Law, subsequent to the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends to cause INNOVA to cease to be a reporting issuer under the securities Laws of each province and territory of Canada in which it has such status. See Section 16 of the Circular, "Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer".

If the Offer and a Compulsory Acquisition or a Subsequent Acquisition Transaction are successful:

(a) the Offeror will own all of the equity interests in INNOVA and the Offeror will be entitled to all the benefits and risks of loss associated with such ownership;

(b) current Shareholders will no longer have any interest in INNOVA or in INNOVA's assets, book value or future earnings or growth and the Offeror will hold a 100% interest in such assets, book value, future earnings and growth;

(c) the Offeror will have the right to elect all members of the INNOVA Board;

(d) INNOVA will no longer be publicly traded and INNOVA will no longer file periodic reports (including, without limitation, financial information) with any Securities Regulatory Authorities; and

(e) the Common Shares will no longer trade on the TSX or any other securities exchange.

If the Offeror takes up Common Shares under the Offer but is unable to complete a Compulsory Acquisition or Subsequent Acquisition Transaction, then INNOVA will continue to have Shareholders other than the Offeror and the Offeror will evaluate its alternatives. Such alternatives could include, to the extent permitted by applicable Law, purchasing additional Common Shares in the open market, in privately negotiated transactions or pursuant to another

take-over bid or other transaction, and thereafter proposing an amalgamation, arrangement or other transaction which would result in our ownership of 100% of the Common Shares. Under such circumstances, an amalgamation, arrangement or other transaction would require the approval of at least $66^2/_3$% of the votes cast by the Shareholders, and might require approval of a majority of the votes cast by holders of Common Shares other than us and our affiliates. There is no certainty that under such circumstances any such transaction would be proposed or completed by us.

In addition, if the Offeror takes up Common Shares under the Offer, the Offeror will be entitled to requisition a meeting of the Shareholders at which the Offeror may remove the existing members of the INNOVA Board and elect as directors individuals nominated by the Offeror. If the Offeror takes up Common Shares under the Offer in circumstances where the INNOVA Board has not entered into an agreement under which it has agreed to support and recommend the Offer, the Offeror intends to take steps to replace all of the existing members of the INNOVA Board with individuals nominated by the Offeror, which may include individuals currently serving as directors of Pollard Banknote.

9. Source of Funds

The Offeror's obligation to purchase the Common Shares deposited under the Offer is not subject to any financing condition.

The Offeror estimates that, if it acquires all of the issued and outstanding Common Shares including any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the exercise of Options, the total amount required for the purchase of the Common Shares will be approximately $43 million, plus related fees and expenses associated with the Offer.

The Offeror has arranged for the funding of the Offer, and related fees and expenses associated with the Offer and the completion of a Compulsory Acquisition or Subsequent Acquisition Transaction, as applicable, out of funds available under Pollard Banknote's bank facility and through additional subordinated debt financing provided indirectly by Pollard Equities Limited, the holder of approximately 73.5% of the common shares of Pollard Banknote.

The Offeror believes that its financial condition is not material to a decision by a Shareholder whether to deposit Common Shares under the Offer because (i) cash is the only consideration that will be paid to Shareholders in connection with the Offer, (ii) the Offeror is offering to purchase all of the outstanding Common Shares in the Offer, and (iii) the Offer is not subject to obtaining any financing or financing contingencies.

10. Ownership and Trading in Securities of INNOVA

Other than as set forth herein, to the knowledge of the Offeror and Pollard Banknote, after reasonable enquiry, neither the Offeror, Pollard Banknote nor any director or officer of the Offeror or Pollard Banknote (together, the "**Offeror Group**"), beneficially owns, directly or indirectly, or exercises control or direction over any Common Shares or any other securities of INNOVA.

To the knowledge of the Offeror and Pollard Banknote, after reasonable enquiry, no Common Shares or other securities of INNOVA are beneficially owned, directly or indirectly, nor is control or direction exercised over any such securities, by any insider of the Offeror or Pollard Banknote (other than directors or officers of the Offeror or Pollard Banknote) or any associate or affiliate of any insider of the Offeror or Pollard Banknote, (together, the "**Extended Offeror Group**") or any party acting jointly or in concert with the Offeror or Pollard Banknote, other than the securities described in the preceding paragraph.

No member of the Offeror Group or, to the knowledge of the Offeror and Pollard Banknote after reasonable enquiry, any member of the Extended Offeror Group or any party acting jointly or in concert with the Offeror or Pollard Banknote, has traded in any securities of INNOVA during the six months preceding the date hereof.

11. Commitments to Acquire Securities of INNOVA

Other than the Amaya Support Agreement described in Section 5 of the Circular, "Amaya Support Agreement", none of the Offeror, Pollard Banknote nor, to the knowledge of the Offeror or Pollard Banknote, after reasonable enquiry, any of their respective directors or officers, any associate or affiliate of an insider of the Offeror or Pollard Banknote, any insider of the Offeror or Pollard Banknote other than a director or officer of the Offeror or Pollard Banknote or any person acting jointly or in concert with the Offeror or Pollard Banknote, has entered into any agreements, commitments or understandings to acquire any securities of INNOVA.

12. Other Material Facts

None of the Offeror and Pollard Banknote has knowledge of any material fact concerning the securities of INNOVA that has not been generally disclosed by INNOVA, or any other matter that is not disclosed in the Circular and that has not previously been generally disclosed, and that would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

13. Acquisition of Common Shares Not Deposited

If sufficient Common Shares are deposited under the Offer, the Offeror intends to acquire the remaining Common Shares pursuant to the right of Compulsory Acquisition provided in the CBCA. If the Offeror acquires less than 90% of the Common Shares subject to the Offer, or the right of Compulsory Acquisition is not available for any reason, or the Offeror chooses not to avail itself of such statutory right, the Offeror may, at its option, pursue other means of acquiring the remaining Common Shares not deposited under the Offer pursuant to a Subsequent Acquisition Transaction. The Offer is conditional upon, among other things, the Statutory Minimum Condition. These and other conditions of the Offer are described in Section 4 of the Offer, "Conditions of the Offer".

Compulsory Acquisition

If, by the Expiry Time or within 120 days after the date of the Offer, whichever period is the shorter, the Offeror takes up and pays for 90% or more of the outstanding Common Shares under the Offer, other than Common Shares held at the date of the Offer by or on behalf of the Offeror, or an affiliate or associate of the Offeror (as those terms are defined in the CBCA), then the Offeror intends to acquire the remainder of the Common Shares by way of a compulsory acquisition pursuant to Part 17 of the CBCA (a "**Compulsory Acquisition**") for consideration per Common Share not less than, and in the same form as, the Offer consideration. The Offeror expects the Common Shares acquired from Amaya Shareholder in accordance with the Amaya Support Agreement, which currently constitute approximately 41% of the outstanding Common Shares on a non-diluted basis, to be included in determining whether the required 90% threshold has been satisfied.

To exercise its statutory right of Compulsory Acquisition, the Offeror must send a notice (the "**Offeror's Notice**") to each Shareholder who did not accept the Offer (and each Person who subsequently acquires any such Common Shares) (in each case, a "**Dissenting Offeree**") of such proposed acquisition within 60 days after the date of the termination of the Offer and in any event within 180 days after the date of the Offer. Within 20 days after the Offeror sends the Offeror's Notice, the Offeror must pay or transfer to INNOVA the consideration the Offeror would have to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, to be held in trust for the Dissenting Offerees. In accordance with subsection 206(5) of the CBCA, within 20 days after receipt of the Offeror's Notice, each Dissenting Offeree must send the certificate(s), if any, representing the Common Shares held by such Dissenting Offeree to INNOVA and must elect either to transfer such Common Shares to the Offeror on the terms of the Offer or to demand payment of the fair value of such Common Shares held by such holder by so notifying the Offeror within 20 days after the Dissenting Offeree receives the Offeror's Notice. A Dissenting Offeree who does not, within 20 days after the Dissenting Offeree received the Offeror's Notice, notify the Offeror that the Dissenting Offeree is electing to demand payment of the fair value of the Dissenting Offeree's Common Shares is deemed to have elected to transfer such Common Shares to the Offeror on the same terms that the Offeror acquired Common Shares from the Shareholders who accepted the Offer. If a Dissenting Offeree has elected to demand payment of the fair value of such Common Shares, the Offeror may apply to the Court to hear an application to fix the fair value of such Common Shares of such Dissenting Offeree. If the Offeror fails to apply to the Court within 20 days after it made

the payment or transferred the consideration to INNOVA referred to above, the Dissenting Offeree may then apply to the Court within a further period of 20 days to have the Court fix the fair value. If there is no such application made by the Dissenting Offeree within such period, the Dissenting Offeree will be deemed to have elected to transfer such Common Shares to the Offeror on the terms that the Offeror acquired Common Shares from the Shareholders who accepted the Offer. Any judicial determination of the fair value of the Common Shares could be less or more than the amount paid pursuant to the Offer.

If all of the requirements of Part 17 of the CBCA are not fulfilled within 120 days after the date of the Offer, the Offeror may apply to a court having jurisdiction for an extension of such period pursuant to Section 206(18) of the CBCA.

The foregoing is a summary only of the right of Compulsory Acquisition which may become available to the Offeror and the dissent rights that may be available to a Dissenting Offeree, and is qualified in its entirety by the provisions of Part 17 of the CBCA. The provisions of Part 17 of the CBCA are complex and may require strict adherence to notice and timing provisions, failing which a Dissenting Offeree's rights may be lost or altered. Shareholders should refer to Part 17 of the CBCA for the full text of the relevant statutory provisions, and those who wish to be better informed about the provisions of the CBCA should consult their legal advisors. There can be no assurance that the Offeror will pursue a Compulsory Acquisition.

See Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations", and Section 18 of the Circular, "Certain United States Federal Income Tax Considerations", for a discussion of the tax consequences to Shareholders in the event of a Compulsory Acquisition.

Subsequent Acquisition Transaction

If the Offeror acquires less than 90% of the Common Shares under the Offer, the right of Compulsory Acquisition described above is not available for any reason, or the Offeror chooses not to avail itself of such statutory right, the Offeror intends to pursue other means of acquiring the remaining Common Shares not deposited under the Offer, including, without limitation, causing one or more special meetings to be called of the then Shareholders to consider an amalgamation, statutory arrangement, capital reorganization, amendment to its articles, consolidation or other transaction involving the Offeror and/or an affiliate of the Offeror and INNOVA and/or the Shareholders for the purpose of INNOVA becoming, directly or indirectly, a wholly-owned subsidiary or affiliate of the Offeror (a "**Subsequent Acquisition Transaction**"). If the Offeror were to proceed with a Subsequent Acquisition Transaction, it is the Offeror's current intention that the consideration to be paid to Shareholders pursuant to any such Subsequent Acquisition Transaction would be equal in amount to and in the same form as that payable under the Offer.

The timing and details of a Subsequent Acquisition Transaction, if any, will necessarily depend on a variety of factors, including, without limitation, the number of Common Shares acquired pursuant to the Offer. If after taking up Common Shares under the Offer the Offeror owns more than $66^{2}/_{3}$% of the outstanding Common Shares and sufficient votes are cast by "minority" holders to constitute a majority of the "minority" pursuant to MI 61-101, as discussed below, the Offeror should own sufficient Common Shares to be able to effect a Subsequent Acquisition Transaction. There can be no assurance that the Offeror will pursue a Subsequent Acquisition Transaction.

MI 61-101 may deem a Subsequent Acquisition Transaction to be a "business combination" if such Subsequent Acquisition Transaction would result in the interest of a holder of Common Shares being terminated without the consent of the holder, irrespective of the nature of the consideration provided in substitution therefor. The Offeror expects that any Subsequent Acquisition Transaction relating to Common Shares will be a "business combination" under MI 61-101.

In certain circumstances, the provisions of MI 61-101 may also deem certain types of Subsequent Acquisition Transactions to be "related party transactions". However, if the Subsequent Acquisition Transaction is a "business combination" carried out in accordance with MI 61-101 or an exemption under MI 61-101, the "related party transaction" provisions therein do not apply to such transaction. Following completion of the Offer, the Offeror may be a "related party" of INNOVA for the purposes of MI 61-101, but the Offeror expects that any Subsequent Acquisition Transaction would be a "business combination" for purposes of MI 61-101 and that therefore the "related

party transaction" provisions of MI 61-101 would not apply to the Subsequent Acquisition Transaction. The Offeror intends to carry out any such Subsequent Acquisition Transaction in accordance with MI 61-101, or any successor provisions, or an exemption under MI 61-101, such that the "related party transaction" provisions of MI 61-101 would not apply to such Subsequent Acquisition Transaction.

MI 61-101 provides that, unless exempted, a corporation proposing to carry out a business combination is required to prepare a valuation of the affected securities (and, subject to certain exceptions, any non-cash consideration being offered therefor) and provide to the holders of the affected securities a summary of such valuation. The Offeror currently intends to rely on available exemptions (or, if such exemptions are not available, to seek exemptions pursuant to MI 61-101 exempting INNOVA and the Offeror or one or more of its affiliates, as appropriate) from the valuation requirements of MI 61-101. An exemption is available under MI 61-101 for certain business combinations completed within 120 days after the date of expiry of a formal take-over bid where the consideration per security under the business combination is at least equal in value to and is in the same form as the consideration that depositing security holders were entitled to receive in the take-over bid, provided that certain disclosure is given in the take-over bid disclosure documents. The Offeror has provided such disclosure and currently expects that these exemptions will be available.

Depending on the nature and terms of the Subsequent Acquisition Transaction, the provisions of the CBCA and INNOVA's constating documents may require the approval of at least $66^{2}/_{3}\%$ of the votes cast by holders of the outstanding Common Shares at a meeting duly called and held for the purpose of approving the Subsequent Acquisition Transaction. MI 61-101 would also require that, in addition to any other required security holder approval, in order to complete a business combination (such as a Subsequent Acquisition Transaction), the approval of a majority of the votes cast by "minority" shareholders of each class of affected securities must be obtained unless an exemption is available or discretionary relief is granted by applicable Securities Regulatory Authorities. If, however, following the Offer, the Offeror and its affiliates are the registered holders of 90% or more of the Common Shares at the time the Subsequent Acquisition Transaction is initiated, the requirement for minority approval would not apply to the transaction if an enforceable appraisal right or substantially equivalent right is made available to minority shareholders.

In relation to the Offer and any subsequent business combination, the "minority" shareholders will be, unless an exemption is available or discretionary relief is granted by applicable Securities Regulatory Authorities, all Shareholders other than (i) the Offeror (other than in respect of Common Shares acquired pursuant to the Offer as described below), (ii) any "interested party" (within the meaning of MI 61-101), (iii) certain "related parties" of the Offeror or of any other "interested party" (in each case within the meaning of MI 61-101) including any director or senior officer of the Offeror, affiliate or insider of the Offeror or any of their directors or senior officers, and (iv) any "joint actor" (within the meaning of MI 61-101) with any of the foregoing persons. MI 61-101 also provides that the Offeror may treat Common Shares acquired under the Offer as "minority" shares and to vote them, or to consider them voted, in favour of such business combination if, among other things: (a) the business combination is completed not later than 120 days after the Expiry Time; (b) the consideration per security in the business combination is at least equal in value to and in the same form as the consideration paid under the Offer; and (c) the Shareholder who tendered such Common Shares to the Offer was not (i) a "joint actor" (within the meaning of MI 61-101) with the Offeror in respect of the Offer, (ii) a direct or indirect party to any "connected transaction" (within the meaning of MI 61-101) to the Offer, or (iii) entitled to receive, directly or indirectly, in connection with the Offer, a "collateral benefit" (within the meaning of MI 61-101) or consideration per Common Share that is not identical in amount and form to the entitlement of the general body of holders in Canada of Common Shares. The Offeror currently intends that the consideration offered for Common Shares under any Subsequent Acquisition Transaction proposed by it would be equal in value to, and in the same form as, the consideration paid to Shareholders under the Offer and that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Time and, accordingly, the Offeror intends to cause Common Shares acquired under the Offer (including the Common Shares acquired from Amaya Shareholder in accordance with the Amaya Support Agreement, which currently constitute approximately 41% of the outstanding Common Shares on a non-diluted basis) to be voted in favour of any such transaction and, where permitted by MI 61-101, to be counted as part of any minority approval required in connection with any such transaction.

Any such Subsequent Acquisition Transaction may also result in Shareholders having the right to dissent in respect thereof and demand payment of the fair value of their Common Shares. The exercise of such right of dissent, if certain procedures are complied with by the holder, could lead to a judicial determination of fair value required to be paid to such Dissenting Offeree for its Common Shares. The fair value so determined could be more or less than the amount paid per Common Share pursuant to such transaction or pursuant to the Offer. The exact terms and procedures of the rights of dissent available to Shareholders will depend on the structure of the Subsequent Acquisition Transaction and will be fully described in the proxy circular or other disclosure document provided to Shareholders in connection with the Subsequent Acquisition Transaction.

Whether or not a Subsequent Acquisition Transaction will be proposed, and the details of any such Subsequent Acquisition Transaction, including, without limitation, the timing of its implementation and the consideration to be received by the minority holders of Common Shares, will necessarily be subject to a number of considerations, including, without limitation, the number of Common Shares acquired pursuant to the Offer. Although the Offeror may propose a Compulsory Acquisition or a Subsequent Acquisition Transaction on the same terms as the Offer, it is possible that, as a result of the number of Common Shares acquired under the Offer, delays in the Offeror's ability to effect such a transaction, information hereafter obtained by the Offeror, changes in general economic, industry, regulatory or market conditions or in the business of INNOVA, or other currently unforeseen circumstances, such a transaction may not be so proposed or may be delayed or abandoned. The Offeror expressly reserves the right to propose other means of acquiring, directly or indirectly, all of the outstanding Common Shares in accordance with applicable Law, including, without limitation, a Subsequent Acquisition Transaction on terms not described in the Circular.

If the Offeror is unable to, or determines at its option not to, effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, or proposes a Subsequent Acquisition Transaction but cannot obtain any required approvals or exemptions promptly, the Offeror will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable Law, purchasing additional Common Shares in the open market, in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or from INNOVA. Subject to applicable Law, any additional purchases of Common Shares could be at a price greater than, equal to, or less than the price to be paid for Common Shares under the Offer and could be for cash, securities and/or other consideration. Alternatively, the Offeror may take no action to acquire additional Common Shares, or, subject to applicable Law, may either sell or otherwise dispose of any or all Common Shares acquired under the Offer, on terms and at prices then determined by the Offeror, which may vary from the price paid for Common Shares under the Offer. See Section 12 of the Offer, "Market Purchases and Sales of Common Shares".

The tax consequences to a Shareholder of a Subsequent Acquisition Transaction may differ from the tax consequences to such Shareholder of accepting the Offer. See Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations", and Section 18 of the Circular, "Certain United States Federal Income Tax Considerations". Shareholders should consult their legal advisors for a determination of their legal rights and the tax consequences to them, having regard to their own particular circumstances with respect to a Subsequent Acquisition Transaction.

Legal Matters

Shareholders should consult their legal advisors for a determination of their legal rights with respect to any transaction that may constitute a business combination.

14. Agreements, Commitments or Understandings

There are (i) no agreements, commitments or understandings made or proposed to be made between the Offeror or Pollard Banknote and any of the directors or officers of INNOVA, including for any payment or other benefit proposed to be made or given by way of compensation for loss of office or their remaining in or retiring from office if the Offer is successful, and (ii) no agreements, commitments or understandings made or proposed to be made between the Offeror or Pollard Banknote and any security holder of INNOVA relating to the Offer other than the Amaya Support Agreement. See Section 11 of the Circular, "Commitments to Acquire Securities of INNOVA".

There are no agreements, commitments or understandings between the Offeror and INNOVA or Pollard Banknote and INNOVA relating to the Offer and other than as set out below, the Offeror and Pollard Banknote are not aware of any agreement, commitment or understanding that could affect control of INNOVA.

15. Regulatory Matters

Except as discussed below, to the knowledge of the Offeror or Pollard Banknote, no authorization, consent or approval of, or filing with, any public body, court or authority is necessary on the part of the Offeror or Pollard Banknote for the consummation of the transactions contemplated by the Offer, except for such authorizations, consents, approvals and filings the failure to obtain or make which would not, individually or in the aggregate, prevent or materially delay consummation of the transactions contemplated by the Offer. In the event that the Offeror or Pollard Banknote becomes aware of other requirements, they will make reasonable commercial efforts to satisfy such requirements at or prior to the Expiry Time, as such time may be extended.

Gaming Approvals

The Offeror's obligation to take up and pay for Common Shares tendered under the Offer is conditional upon, among other things, all Gaming Approvals that are necessary or desirable, in the Offeror's sole judgment, to complete the Offer and the acquisition of the Common Shares, and/or to complete a Compulsory Acquisition or Subsequent Acquisition Transaction, having been obtained or concluded on terms and conditions satisfactory to the Offeror in its sole judgment (which condition must be satisfied or waived by the Offeror at or prior to the Expiry Time or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the mandatory 10-day extension period or any extension thereafter).

Based upon publicly available information relating to the business of INNOVA, INNOVA or its subsidiaries are licensed or regulated in eleven U.S. states, and Ontario and Québec in Canada (collectively, the "**INNOVA Gaming Jurisdictions**"). Completion of the Offer and the acquisition of the Common Shares by the Offeror and/or completion of a Compulsory Acquisition or Subsequent Transaction may require prior approval of, or notice to, the applicable Gaming Authority in the INNOVA Gaming Jurisdictions.

Pollard Banknote, on behalf of the Offeror, intends to contact the applicable Gaming Authorities in each of the INNOVA Gaming Jurisdictions during the initial deposit period to advise of the Offer and to make reasonable commercial efforts to obtain any Gaming Approvals that may be necessary or desirable in connection with the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction. Pollard Banknote has significant experience in the gaming industry and is currently licensed to operate in each of the INNOVA Gaming Jurisdictions, where such licensing is required. Pollard Banknote maintains good relations with the Gaming Authorities in the INNOVA Gaming Jurisdictions and believes that its experience in the gaming industry will lower any risk associated with obtaining any Gaming Approvals. However, there can be no assurance that all of the Gaming Approvals in the INNOVA Gaming Jurisdictions that are necessary or desirable to complete the Offer and the acquisition of the Common Shares, and/or to complete a Compulsory Acquisition or Subsequent Acquisition Transaction will be obtained at or prior to the Expiry Time, as such time may be extended.

16. Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer

The purchase of Common Shares by the Offeror under the Offer will reduce the number of Common Shares that might otherwise trade publicly and will reduce the number of Shareholders and, depending on the number of Common Shares acquired by the Offeror, could materially adversely affect the liquidity and market value of any remaining Common Shares held by the public.

The rules and regulations of the TSX establish certain criteria which, if not met, could, upon successful completion of the Offer, lead to the delisting of the Common Shares from the TSX. Depending on the number of Common Shares purchased by the Offeror under the Offer or otherwise, it is possible that the Common Shares would fail to meet the criteria for continued listing on the TSX. If this were to happen, the Common Shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the Common Shares. If the Offeror proceeds with a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Offeror intends

to cause INNOVA to apply to delist the Common Shares from the TSX as soon as practicable after completion of the Offer and any Compulsory Acquisition or any Subsequent Acquisition Transaction. If the Common Shares are delisted from the TSX, the extent of the public market for the Common Shares and the availability of price or other quotations would depend upon the number of Shareholders, the number of Common Shares publicly held and the aggregate market value of the Common Shares publicly held at such time, the interest in maintaining a market in Common Shares on the part of securities firms, whether INNOVA remains subject to public reporting requirements in Canada and other factors.

The Common Shares are not currently registered under the U.S. Exchange Act or listed or quoted on a stock exchange in the United States.

17. Certain Canadian Federal Income Tax Considerations

The following summary describes the principal Canadian federal income tax considerations generally applicable to a Shareholder who disposes of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction and who, at all relevant times, for the purposes of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**"), (1) deals at arm's length with INNOVA and the Offeror; (2) is not affiliated with INNOVA or the Offeror; and (3) holds the Common Shares as capital property (a "**Holder**"). Generally, the Common Shares will be capital property to a Holder provided the Holder does not use or hold those Common Shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary does not address all issues relevant to Shareholders who acquired their Common Shares on the exercise of an Option.

This summary is based on the current provisions of the Tax Act and on the Offeror's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, administrative or judicial action or decision, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those described herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Shareholders should consult their own tax advisors having regard to their own particular circumstances.

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention is, or is deemed to be, resident in Canada (a "**Resident Holder**"). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem any Common Shares (and any other "Canadian security", as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years to be capital property. Resident Holders whose Common Shares might not otherwise be considered to be capital property should consult their own tax advisors regarding this election.

This portion of the summary is not applicable to (i) a Shareholder that is a "specified financial institution", (ii) a Shareholder, an interest in which is a "tax shelter investment", (iii) a Shareholder that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution", (iv) a Shareholder that reports its "Canadian tax results" in a currency other than Canadian currency, or (v) a Shareholder that has entered into a "derivative forward agreement" with respect to their Common Shares, each as defined in the Tax Act. Such Shareholders should consult their own tax advisors.

Sale Pursuant to the Offer

Generally, a Resident Holder who disposes of its Common Shares pursuant to the Offer will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the aggregate adjusted cost base to the Resident Holder of the Common Shares immediately before the disposition.

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in the year and allowable capital losses in excess of taxable capital gains realized in the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of any dividends received (or deemed to be received) by the Resident Holder on such Common Share (or another share where the Common Share has been acquired in exchange for such other share) to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a Common Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable for an additional refundable tax under the Tax Act on certain investment income for the year including taxable capital gains.

Capital gains realized by an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors with respect to the potential application of alternative minimum tax.

The amount of any Set Off Distributions required to be paid to the Offeror by a Resident Holder pursuant to the Offer should be taken into account in determining the Resident Holder's capital gain (or capital loss) realized on the disposition of the Resident Holder's Common Shares pursuant to the Offer.

Compulsory Acquisition

As described in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Compulsory Acquisition", the Offeror may, in certain circumstances, acquire Common Shares not deposited under the Offer pursuant to statutory rights of purchase under Part 17 of the CBCA (defined above as a "**Compulsory Acquisition**"). The tax consequences to a Resident Holder of a disposition of Common Shares in such circumstances will generally be as described above under "Sale Pursuant to the Offer". However, where a Resident Holder exercises its right to go to court for a determination of fair value in a Compulsory Acquisition and is entitled to receive the fair value of its Common Shares, the proceeds of disposition will be the amount (other than interest) determined by the court and the Resident Holder will be required to include in computing its income any interest awarded by a court in connection with a Compulsory Acquisition.

Subsequent Acquisition Transaction

As described in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Subsequent Acquisition Transaction", if the Offeror does not acquire all of the Common Shares pursuant to the Offer or by means of a Compulsory Acquisition, the Offeror may propose other means of acquiring the remaining issued and outstanding Common Shares. The tax treatment of a Subsequent Acquisition Transaction to a Resident Holder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out.

It is not practical to comment as to the tax treatment of a Subsequent Acquisition Transaction to a Resident Holder except in very general terms. However, the Canadian federal income tax consequences of a Subsequent Acquisition Transaction may differ from those arising on the disposition of Common Shares under the Offer and will depend on the particular form and circumstances of such Subsequent Acquisition Transaction. For example, a Resident Holder may, as a result of a Subsequent Acquisition Transaction, realize a capital gain or capital loss, be deemed to receive a dividend or incur both results. No opinion is expressed herein as to the Canadian federal income tax consequences of any such Subsequent Acquisition Transaction to a Resident Holder.

Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

Qualified Investment Status – Delisting of Common Shares Following Completion of the Offer

As noted above under Section 16 of the Circular, "Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer", the Common Shares may cease to be listed on the TSX. If the Common Shares cease to be listed on any "designated stock exchange" (as defined in the Tax Act and which includes the TSX) and INNOVA ceases to be a "public corporation" for purposes of the Tax Act, the Common Shares will not be a qualified investment for a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, deferred profit sharing plan or a tax-free savings account.

Resident Holders should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act is not, and is not deemed to be, resident in Canada, and does not use or hold, and is not deemed to use or hold, the Common Shares in a business carried on in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to certain holders that are insurers carrying on an insurance business in Canada and elsewhere.

Sale Pursuant to the Offer

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition of Common Shares, unless the Common Shares constitute "taxable Canadian property" of the Non-Resident Holder for purposes of the Tax Act and the Common Shares are not "treaty-protected property" of the Non-Resident Holder for purposes of the Tax Act.

Generally, if the Common Shares are listed on a designated stock exchange (which includes the TSX) at the time of disposition, the Common Shares will not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition unless, at any particular time during the 60-month period that ends at that time, both of the following conditions have been met concurrently: (i) one or any combination of (a) the Holder, (b) persons with whom the Holder does not deal with at arm's length, and (c) partnerships in which the Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships, has owned 25% or more of the issued shares of any class or series of the capital stock of INNOVA; and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of (a) real or immovable properties situated in Canada, (b) "Canadian resource properties" (as defined in the Tax Act), (c) "timber resource properties" (as defined in the Tax Act), and (d) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares could be deemed to be taxable Canadian property.

Even if the Common Shares constitute taxable Canadian property of a Non-Resident Holder, a taxable capital gain resulting from the disposition of the Common Shares will not be included in computing the Non-Resident

Holder's taxable income earned in Canada for the purposes of the Tax Act if, at the time of the disposition, the Common Shares constitute treaty-protected property of the Non-Resident Holder for purposes of the Tax Act. Common Shares will generally be considered treaty-protected property of a Non-Resident Holder for purposes of the Tax Act at the time of the disposition if the gain from their disposition would, because of an applicable income tax treaty between Canada and the country in which the Non-Resident Holder is resident for purposes of such treaty, be exempt from tax under the Tax Act.

Non-Resident Holders whose Common Shares constitute taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances, including whether their Common Shares constitute treaty-protected property.

Compulsory Acquisition

Subject to the discussion below under "Delisting of Common Shares Following Completion of the Offer", a Non-Resident Holder will not be subject to income tax under the Tax Act on a disposition of Common Shares pursuant to the Offeror's statutory rights of purchase described under Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Compulsory Acquisition" unless the Common Shares constitute taxable Canadian property of the Non-Resident Holder for purposes of the Tax Act and the Common Shares are not treaty-protected property of the Non-Resident Holder for purposes of the Tax Act. Any interest awarded by a court and paid or credited to a Non-Resident Holder exercising its rights described under "Acquisition of Common Shares Not Deposited — Compulsory Acquisition" will not be subject to Canadian withholding tax provided the interest is not "participating debt interest" as defined in the Tax Act.

Non-Resident Holders whose Common Shares constitute taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances, including whether their Common Shares constitute treaty-protected property.

Subsequent Acquisition Transaction

As described in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Subsequent Acquisition Transaction", if the Offeror does not acquire all of the Common Shares pursuant to the Offer or by means of a Compulsory Acquisition, the Offeror may propose other means of acquiring the remaining issued and outstanding Common Shares. The tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Holder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out.

It is not practical to comment as to the tax treatment of a Subsequent Acquisition Transaction to a Resident Holder except in very general terms. However, a Non-Resident Holder may, as a result of a Subsequent Acquisition Transaction, realize a capital gain or a capital loss, be deemed to receive a dividend or incur both results as discussed above under ''– Holders Resident in Canada – Subsequent Acquisition Transaction''. Capital gains and capital losses realized by a Non-Resident Holder in connection with a Subsequent Acquisition Transaction will generally be subject to taxation as described above under ''Holders Not Resident in Canada – Sale Pursuant to the Offer'' except that in determining whether a Common Share is taxable Canadian property, more stringent rules may be applied where the Common Shares cease to be listed on a designated stock exchange (see – "Holders Not Resident in Canada – Delisting of Common Shares Following Completion of the Offer"). Deemed dividends will generally be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax treaty or convention. For example, under the Canada-U.S. Income Tax Convention (1980) (the "**Treaty**"), where dividends are paid to or derived by a Non-Resident Holder who is the beneficial owner of the dividends and is a U.S. resident for purposes of, and who is entitled to benefits in accordance with the provisions of, the Treaty, the applicable rate of Canadian withholding tax is generally reduced to 15%.

Non-Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

Delisting of Common Shares Following Completion of the Offer

As noted above under Section 16 of the Circular, "Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer", the Common Shares may cease to be listed on the TSX following the completion of the Offer and may not be listed on the TSX or any other stock exchange at the time of their disposition pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction.

Non-Resident Holders who do not dispose of their Common Shares pursuant to the Offer are cautioned that the Common Shares may cease to be listed on the TSX following the completion of the Offer (as noted above under "Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer") and may not be listed on the TSX or any other stock exchange at the time of their disposition pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction.

Common Shares that are not listed on a designated stock exchange at the time of their disposition will constitute taxable Canadian property of the Non-Resident Holder if, at any particular time during the 60-month period that ends at that time, more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of (i) real or immovable properties situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil rights in, property in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares could be deemed to be taxable Canadian property.

If the Common Shares constitute taxable Canadian property of the Non-Resident Holder at the time of their disposition and are not treaty-protected property of the Non-Resident Holder for purposes of the Tax Act, the Non-Resident Holder may be subject to tax under the Tax Act in respect of any capital gain realized on the disposition. Furthermore, if the Common Shares are not listed on a "recognized stock exchange" (as defined in the Tax Act) at the time of their disposition, the notification and, in certain circumstances, the withholding provisions of section 116 of the Tax Act will apply to the Non-Resident Holder with the result that, among other things, unless the Offeror (or successor, as applicable) has received a clearance certificate, pursuant to section 116 of the Tax Act, relating to the disposition of a Non-Resident Holder's Common Shares, or evidence, satisfactory to the Offeror or INNOVA, that the Common Shares are treaty-protected property of the Non-Resident Holder, the Offeror (or successor, as applicable) will deduct or withhold 25% from any payments made to the Non-Resident Holder and will remit such amount to the Receiver General on account of the Non-Resident Holder's liability for tax under the Tax Act.

A Non-Resident Holder who disposes of taxable Canadian property may be required to file a Canadian income tax return for the year in which the disposition occurs.

Non-Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

18. Certain United States Federal Income Tax Considerations

The following is a general discussion of certain material United States federal income tax considerations applicable to U.S. Shareholders (as defined below) with respect to the disposition of Common Shares pursuant to the Offer (or a Compulsory Acquisition). This summary is based upon the United States Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury Regulations, administrative pronouncements, and judicial decisions, in each case as in effect on the date hereof, all of which are subject to change (possibly with retroactive effect). No ruling from the U.S. Internal Revenue Service (the "**IRS**") will be requested regarding the tax consequences of the Offer (or a Compulsory Acquisition or Subsequent Acquisition Transaction) and there can be no assurance that the IRS will agree with the discussion set out below. The discussion does not address aspects of U.S. federal taxation other than income taxation, nor does it address aspects of U.S. federal income taxation that may be applicable to particular shareholders, including but not limited to shareholders who are dealers in securities or currencies or traders in securities that elect to apply a mark-to-market accounting method, life insurance companies, tax-exempt organizations, qualified retirement plans, individual retirement accounts or other tax deferred accounts, financial institutions, real estate

investment trusts, regulated investment companies, U.S. expatriates, persons who hold Common Shares through partnerships or other pass-through entities, persons who own, directly, indirectly or constructively, 10% or more, by voting power or value, of the outstanding shares of INNOVA, persons whose functional currency is not the U.S. dollar or who acquired their Common Shares in a compensatory transaction, persons who hold Common Shares as part of a straddle, hedge, constructive sale or other integrated transaction for tax purposes, and persons subject to the alternative minimum tax provisions of the Code. This summary is limited to persons who hold their Common Shares as a "capital asset" within the meaning of Section 1221 of the Code. In addition, it does not address U.S. estate or gift tax, state, local or non-U.S. tax consequences. U.S. Shareholders are urged to consult their tax advisers with respect to the U.S. federal, state, local and non-U.S. tax consequences of the Offer (or a Compulsory Acquisition or Subsequent Acquisition Transaction) or other transactions described in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited", having regard to their particular circumstances.

As used herein, the term "**U.S. Shareholder**" means a beneficial owner of Common Shares that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the United States, (ii) a corporation, or other entity classified as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States, any state in the U.S. or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (a) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust or (b) such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

This discussion does not address the U.S. federal income tax considerations with respect to non-U.S. Shareholders arising from the disposition of Common Shares. A "**non-U.S. Shareholder**" is a beneficial owner of Common Shares that is not a U.S. Shareholder.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) holds Common Shares and participates in the Offer, the United States federal income tax treatment of a partner (or member of such other entity) will generally depend on the status of the partner and the activities of the partnership (or other entity). A partner in a partnership (or member of such other entity) holding Common Shares should consult its tax adviser with regard to the United States federal income tax treatment of participating in the Offer.

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any Shareholder, and no representation with respect to the tax consequences to any Shareholder is made. Shareholders are urged to consult their tax advisers with respect to the tax considerations relevant to them, having regard to their particular circumstances.

Disposition of Common Shares Pursuant to the Offer

Subject to the discussion in "— Shareholder Payments Pursuant to Section 3 of the Offer" and "— Passive Foreign Investment Companies" below, a U.S. Shareholder who sells Common Shares in the Offer (or a Compulsory Acquisition) generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the amount realized (generally the U.S. dollar value of the Canadian dollars received, without reduction for any Canadian tax withheld, and excluding amounts, if any, received in a Compulsory Acquisition that are or are deemed to be interest for United States federal income tax purposes, which would be treated as ordinary income) and the U.S. Shareholder's adjusted tax basis in the Common Shares sold in the Offer (or a Compulsory Acquisition). Gain or loss must be calculated separately for each block of Common Shares sold by a U.S. Shareholder. A U.S. Shareholder's adjusted tax basis in each block of Common Shares generally will be the cost to such U.S. Shareholder of such block of Common Shares. Gain or loss will be long-term capital gain or loss if the Common Shares were held for more than one year at the time of sale. Long-term capital gain recognized by non-corporate U.S. Shareholders may qualify for reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Subsequent Acquisition Transaction

If the Offeror is unable to effect a Compulsory Acquisition or if the Offeror elects not to proceed with a Compulsory Acquisition, then the Offeror may propose a Subsequent Acquisition Transaction as described in Section

13 of the Circular, "Acquisition of Common Shares Not Deposited". The U.S. federal income tax consequences resulting therefrom will depend upon the manner in which the transaction is carried out. It is not practical to comment as to the tax treatment of a Subsequent Acquisition Transaction to a U.S. Shareholder except in very general terms. If a U.S. Shareholder receives solely cash in exchange for Common Shares, it generally is expected that the U.S. federal income tax consequences to the U.S. Shareholder would be substantially similar to the consequences described above in "— Disposition of Common Shares Pursuant to the Offer". However, there can be no assurance that the U.S. federal income tax consequences of a Subsequent Acquisition Transaction will not be materially different. U.S. Shareholders should consult their tax advisers with respect to the income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

Dissenting Shareholders

In general, U.S. Shareholders who exercise dissenters' rights in connection with a Compulsory Acquisition will also recognize taxable gain or loss. In addition, any interest (or amount deemed to be interest for U.S. tax purposes) received by a U.S. Shareholder generally should be included in ordinary income in accordance with the U.S. Shareholder's method of accounting. Any U.S. Shareholder considering exercising dissenters' rights should consult its tax adviser regarding the U.S. federal income tax treatment of such U.S. Shareholder, having regard to such U.S. Shareholder's particular circumstances, including the considerations described in "— Shareholder Payments Pursuant to Section 3 of the Offer" and "— Passive Foreign Investment Companies" below to such U.S. Shareholder.

Shareholder Payments Pursuant to Section 3 of the Offer

The U.S. federal income tax consequences of the payment by a U.S. Shareholder of the amount of any Set Off Distributions, as and when required pursuant to Section 3 of the Offer, may vary according to a U.S. Shareholder's particular circumstances. U.S. Shareholders should consult their tax advisers with respect to the U.S. federal income tax consequences to them of the payment of any such amount.

Foreign Currency Considerations

The U.S. dollar value of any Canadian dollars received by a cash basis U.S. Shareholder on a sale of Common Shares pursuant to the Offer or a Compulsory Acquisition will be determined by reference to the spot rate of exchange on the settlement date of the sale pursuant to the Offer (or Compulsory Acquisition), whether or not the Canadian dollars are converted into U.S. dollars on such date. If any Canadian dollars received pursuant to the Offer are not converted into U.S. dollars on the date of receipt, a cash basis U.S. Shareholder will have a basis in the Canadian dollars equal to their U.S. dollar value computed as described above, and any gain or loss realized on a subsequent conversion or other disposition of the Canadian dollars generally will be treated as ordinary income or loss. An accrual basis U.S. Shareholder may elect to apply the above rules that are applicable to a cash basis U.S. Shareholder. U.S. Shareholders are urged to consult their own tax advisers regarding the treatment of any foreign currency gain or loss if any Canadian dollars received are not converted into U.S. dollars on the date of receipt.

Foreign Tax Credits

A U.S. Shareholder that pays (directly or through withholding) Canadian income taxes in connection with the Offer (or a Compulsory Acquisition or Subsequent Acquisition Transaction) may be entitled to claim a deduction or credit for U.S. federal income tax purposes, subject to a number of complex rules and limitations. Gain on the disposition of Common Shares generally will be U.S.-source gain for foreign tax credit purposes. U.S. Shareholders should consult their tax advisers regarding the foreign tax credit implications of disposing of Common Shares in the Offer (or a Compulsory Acquisition).

Passive Foreign Investment Companies

In general, a non-U.S. corporation will be a passive foreign investment company ("**PFIC**") if, for any taxable year, 75% or more of its gross income constitutes "passive income" or 50% or more of its assets produce, or are held for the production of, passive income. "Passive income" generally includes, among other things, dividends, interest,

certain royalties, rents, and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. For purposes of the PFIC income and asset tests described above, if a corporation owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, then it will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

Neither the Offeror nor the Offeror's counsel has made any determination as to the current or historic PFIC status of INNOVA. Nor does INNOVA address its potential PFIC status in its most recent continuous disclosure filings in SEDAR. The determination of the PFIC status of a corporation is fundamentally factual in nature, depends on the application of complex U.S. federal income tax rules which are subject to differing interpretations, and generally cannot be determined for a taxable year until the close of such year. Consequently, no assurance can be provided that INNOVA was not classified as a PFIC for any previous taxable year and will not be classified as a PFIC for the current taxable year.

If INNOVA is or has been a PFIC at any time during a U.S. Shareholder's holding period and the U.S. Shareholder did not timely elect to be taxable currently on his or her pro rata share of INNOVA's earnings under the "qualified electing fund" rules or to be taxed on a "mark to market" basis with respect to his or her Common Shares, then any gain recognized by such U.S. Shareholder upon the disposition of Common Shares pursuant to the Offer generally would be allocated ratably to each day in the U.S. Shareholder's holding period for such Common Shares. The portion of such amounts allocated to the current tax year or to a year prior to the first year in which INNOVA was a PFIC would be includible as ordinary income (rather than capital gains) in the current tax year. The portion of any such amounts allocated to the first year in the U.S. Shareholder's holding period in which INNOVA was a PFIC and any subsequent year or years (excluding the current year) would be taxed at the highest marginal rate in effect for individuals or corporations in such taxable year, as appropriate, applicable to ordinary income (rather than capital gains) and would be subject to an interest charge. If INNOVA is a PFIC, a U.S. Shareholder will generally be required to file IRS Form 8621 under certain circumstances prescribed in the instructions thereto, including for the taxable year in which such U.S. Shareholder recognizes gain from the sale of Common Shares pursuant to the Offer (or a Compulsory Acquisition).

If INNOVA were classified as a PFIC, then the PFIC rules could have a significant adverse effect on the U.S. federal income tax consequences of the Offer to a U.S. Shareholder. Accordingly, each U.S. Shareholder should consult its tax adviser regarding the possible classification of INNOVA as a PFIC and the potential effect of the PFIC rules on such U.S. Shareholder, having regard to such U.S. Shareholder's particular circumstances.

Additional Tax on Passive Income

Certain U.S. Shareholders are required to pay an additional 3.8% tax on "net investment income" which generally includes, among other things, dividends and net gains from disposition of property (other than property held in the ordinary course of the conduct of a trade or business). U.S. Shareholders should consult their tax advisers regarding the applicability of this additional tax to capital gains recognized by such U.S. Shareholders with respect to their Common Shares in connection with the Offer (or a Compulsory Acquisition).

Information Reporting and Backup Withholding

Payments in respect of Common Shares may be subject to information reporting to the IRS. In addition, a U.S. Shareholder (other than certain exempt U.S. Shareholders including, among others, corporations) may be subject to backup withholding (currently at a 28% rate) on cash payments received in connection with the Offer (or a Compulsory Acquisition). Backup withholding will not apply, however, to a U.S. Shareholder who furnishes an accurate taxpayer identification number and otherwise complies with the applicable requirements of the information reporting and backup withholding rules. Backup withholding is not an additional tax. Rather, any amount withheld under the backup withholding rules will be creditable or refundable against the U.S. Shareholder's United States federal income tax liability, provided the required information is furnished to the IRS in a timely manner. Each U.S. Shareholder should consult its tax adviser regarding the information reporting and backup withholding rules.

19. Depositary and Information Agent

The Offeror has engaged Laurel Hill Advisory Group as the Depositary and Information Agent to provide information to Shareholders in connection with the Offer and to receive deposits of certificates and DRS Statements representing Common Shares and accompanying Letters of Transmittal deposited under the Offer at its office in Toronto, Ontario specified in the Letter of Transmittal. In addition, the Depositary and Information Agent will receive deposits of Notices of Guaranteed Delivery at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery. The Depositary and Information Agent will also be responsible for giving certain notices, if required by applicable Law, and for making payment for all Common Shares purchased by the Offeror under the Offer. The Depositary and Information Agent will also facilitate book-entry transfers of Common Shares. The Depositary and Information Agent will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities. The Depositary and Information Agent can be contacted toll-free within North America at 1-877-452-7184 and collect outside of North America at 1-416-304-0211 or by e-mail at assistance@laurelhill.com.

20. Financial Advisor

Canaccord Genuity has been retained by the Offeror and Pollard Banknote to act as financial advisor to the Offeror and Pollard Banknote with respect to the Offer.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary and Information Agent to accept the Offer. Shareholders should contact the Depositary and Information Agent or a broker or dealer for assistance in accepting the Offer and depositing their Common Shares with the Depositary and Information Agent.

Except as set out herein, the Offeror has not agreed to pay any fees or commissions to any stockbroker, dealer or other person for soliciting tenders of Common Shares under the Offer; provided that the Offeror may make other arrangements with soliciting dealers, dealer managers or information agents, either within or outside Canada, for customary compensation during the Offer period if it considers it appropriate to do so.

21. Statutory Rights

Securities legislation in the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at Law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to the Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

22. Legal Matters

The Offeror and Pollard Banknote are being advised in respect of certain matters concerning the Offer by Torys LLP, counsel to the Offeror and Pollard Banknote.

23. Directors' Approval

The contents of the Offer and the Circular have been approved, and the sending of the Offer and Circular to the Shareholders have been authorized, by each of the board of directors of the Offeror and the board of directors of Pollard Banknote.

CERTIFICATE OF 10188557 CANADA INC.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: April 19, 2017.

"John Pollard" (Signed)
John Pollard, Director

"Gordon Pollard" (Signed)
Gordon Pollard, Director

"Douglas Pollard" (Signed)
Douglas Pollard, Director

CERTIFICATE OF POLLARD BANKNOTE LIMITED

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: April 19, 2017.

"John Pollard" (Signed)
John Pollard, Co-Chief Executive Officer

"Robert Rose" (Signed)
Robert Rose, Executive Vice-President, Finance & Chief Financial Officer

On behalf of the board of directors

"Gordon Pollard" (Signed)
Gordon Pollard, Chair of the Board and Director

"Jerry L. Gray" (Signed)
Jerry L. Gray, Lead Director

The Depositary and Information Agent for the Offer is:

Laurel Hill Advisory Group
70 University Avenue, Suite 1440
Toronto, ON M5J 2M4

North American Toll Free Phone:
1-877-452-7184

Collect Outside of North America:
1-416-304-0211

Facsimile: 416-646-2415

E-mail: assistance@laurelhill.com

Questions and requests for assistance may be directed to the Depositary and Information Agent at the telephone numbers and location set out above.