



Not intended for distribution to U.S. newswire services or for dissemination in the U.S.

FOLLOWING MARKET CLOSE

May 14, 2019

Red Deer, Alberta, May 14, 2019 – Gamehost Inc. (TSX: GH)

GAMEHOST ANNOUNCES FIRST QUARTER 2019 FINANCIAL RESULTS AND MAY DIVIDEND

Management and Directors of Gamehost Inc. (the "Company") present results for the three months ended March 31, 2019 (the "Quarter").

Operating revenue for the Quarter was down 4.0% from the prior year or \$0.7 million to \$17.0 million even with contributions from the new Encore Suites hotel. Total earnings were down \$1.2 million or 25.0% to \$3.6 million from \$4.8 million the prior year. Earnings per common share for the Quarter were \$0.14 versus \$0.18 in Q1 2018. Earnings before interest, taxes, depreciation, and amortization ("EBITDA") that is attributable to shareholders of the Company ("EBITDA to Shareholders") was down \$0.9 million or 12.5% to \$6.3 million compared to \$7.2 million in the same quarter of 2018. EBITDA to Shareholders margin for the Quarter was 3.9 percentage points lower than the same quarter in 2018 at 38.7% compared to 42.6%.

Factors affecting reported revenue and profitability above include, most notably, a five-week period of extreme cold during the Quarter that significantly reduced traffic to our casinos and hotels. The cold weather had an added impact of driving up utility expenses. Comparative figures also reflect the final lift of a four-year staged increase in provincial minimum wage rates to \$15.00 per hour effective October 2018.

The weather's impact was broadly felt by all operating centres which all reported lower year-over-year results for the Quarter. Rooming revenues posted a gain of 14.8% during the Quarter bolstered by the acquisition of the Encore Suites hotel at the end of 2018.

On January 1, 2019 the Company adopted IFRS 16 for leases which resulted in the following changes in the Quarter: The Company recognized \$5.6 million in right-of-use assets and \$5.6 million in lease liabilities. EBITDA increased by \$0.3 million from lease payments previously recognized as 'cost of sales' or 'administration expense' being recorded against lease liabilities. Depreciation increased by \$0.2 million for right-of-use assets and net finance costs increased by \$0.1 million for imputed interest on lease liabilities. There was no reportable impact on profit.

A newly elected conservative government in Alberta was sworn in April 30, 2019, replacing the single term NDP government. The new government was elected on a platform friendly to oil and gas investment, reductions to regulatory burden and lower corporate taxes with job creation as the desired outcome. Gamehost will benefit to the extent the new government's initiatives are successful.

Gamehost Inc.
Financial Highlights

Unaudited - Canadian dollars (millions except per share figures)

	three months ended March 31		
	2019	2018	% Change
Operating revenue	\$ 17.0	\$ 17.7	(4.0%)
Cost of sales			
Other	(9.7)	(9.4)	
Depreciation	(0.8)	(0.4)	
	(10.5)	(9.8)	
Gross profit	6.5	7.9	(17.7%)
Other income	-	-	
Administrative expenses			
Other	(0.8)	(0.8)	
Depreciation	(0.3)	(0.3)	
	(1.1)	(1.1)	
Profit from operating activities	5.4	6.8	(20.6%)
Net finance costs	(0.5)	(0.3)	
Income tax expense	(1.3)	(1.7)	
Profit	3.6	4.8	(25.0%)
Profit attributable to:			
Shareholders	3.3	4.5	(26.7%)
Non-controlling interest	0.3	0.3	
	3.6	4.8	
Earnings per share			
Basic and fully diluted	\$ 0.14	\$ 0.18	(22.2%)
Weighted average number of common shares outstanding			
Basic	24.3	24.5	
Fully diluted	24.3	24.5	
EBITDA to Shareholders	\$ 6.3	\$ 7.2	(12.5%)
EBITDA to Shareholders %	38.7%	42.6%	
Cash	14.5	15.8	(8.2%)
Total assets	179.3	174.3	2.9%
Total debt	45.5	41.0	11.0%

Gamehost has also declared a cash dividend for the month of May 2019 of \$0.0575 per common share. The dividend will be paid on June 14, 2019 to shareholders of record on May 31, 2019. The ex-dividend date is May 29, 2019.

This dividend is considered an "Eligible Dividend", qualifying for the enhanced gross-up and dividend tax credit available to shareholders.

This press release may contain certain "forward-looking information" or statements within the meaning of applicable securities legislation and may contain words such as "anticipates", "believes", "could", "expects", "indicates", "plans", "withstand", "further" or other similar expressions that suggest future outcomes or events. Forward-looking information is based on the Company's current expectations, estimates, projections and assumptions that were made by the Company in light of its historical trends and other factors. All information or statements, other than statements of historical fact, are forward-looking information including any statements that address expectations related to future economic outcomes or the Company's dividend. Forward-looking statements reflect reasonable assumptions made on the basis of management's current beliefs with information known by management at the time of writing. Many factors could cause actual results to differ from the results discussed in forward-looking statements. Actual results may not be consistent with these forward-looking statements.

The Company has included non-International Financial Reporting Standards ("non-IFRS") measures in this press release. EBITDA to Shareholders, as defined by the Company, means earnings before interest and financing costs, income taxes, depreciation and amortization, and foreign exchange gain. The Company believes EBITDA is a useful measure because it provides information to management and investors about the Company's performance in generating operating cash flow to fund working capital needs, service debt obligations, fund future capital expenditures and support dividend policy. Readers are cautioned that non-IFRS measures do not have any standardized meaning prescribed by IFRS and should not be taken as alternatives to net earnings measured in accordance with IFRS. The Company's method of calculating non-IFRS measures may not be comparable to similarly titled measures used by other reporting entities. Dividend pay-out ratio, means EBITDA less all scheduled principal payments on debt, interest expense, and income tax expense. The Company believes this measure to be useful to management and investors because it provides insight into the sustainability of the Company's dividend.

Gamehost is a corporation established under the laws of the Province of Alberta. The Company's operations are all located in the Province of Alberta, Canada. Operations of the Company include the Boomtown Casino in Ft. McMurray, the Great Northern Casino, Service Plus Inns & Suites hotel, Encore Suites hotel and a strip mall all located in Grande Prairie. The Company also holds a 91% ownership position in Deerfoot Inn & Casino Inc. in Calgary.

These condensed consolidated financial results include the accounts of Gamehost Inc. and its subsidiaries; however, they do not include all disclosures normally provided in annual consolidated financial statements and should be read in conjunction with the 2018 annual consolidated financial statements. Further, while the financial figures included in this announcement have been computed in accordance with IFRS applicable to annual periods, this announcement does not contain sufficient information to constitute an interim or annual financial report. The company will file an interim financial report for the three months ended March 31, 2019. This report will be filed in its entirety, along with historical financial reports on the Company's website at www.gamehost.ca and on SEDAR at www.sedar.com along with the Company's other continuous disclosure documents, when they are available.

Gamehost common shares trade on the Toronto Stock Exchange (TSX) under the symbol GH. For more information, contact:

Craig M. Thomas or Darcy J. Will
P (877) 703-4545
F (403) 340-0683
E info@gamehost.ca