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May 12, 2020

Red Deer, Alberta, May 12, 2020 – Gamehost Inc. (TSX: GH)

GAMEHOST ANNOUNCES FIRST QUARTER 2020 FINANCIAL RESULTS

Management and Directors of Gamehost Inc. (the "Company", "Our") present results for the three-month period ended March 31, 2020 (the "Quarter").

On March 17, 2020 the Government of Alberta declared a state of public emergency resulting in the closure of all provincial Casino's including the Company's three casinos. Travel restrictions and other measures recommended and imposed by governments at the advice of health authorities produced dramatic changes in consumer behavior. Accordingly, the Company chose to close hotel operations at Calgary's Deerfoot Inn on March 25, 2020. Our two remaining hotels in Grande Prairie continue to operate with health and safety protocols as mandated and recommended by Alberta's Minister of Health in conjunction with Alberta's Chief Medical Officer of Health.

The Company had been working diligently prior to the mandated closures to plan for such an eventuality. On March 16, 2020, the board of directors met and agreed to temporarily suspend the regular monthly dividend. The board further agreed that all remuneration to the board and to executive management under management contracts be deferred until further resolution from the board. Amounts ultimately payable under two of the most significant management contracts stipulate fees based on gross revenue and/or Earnings before interest, taxes, depreciation, and amortization ("EBITDA") thus regardless will be substantially reduced.

At the operational and administrative levels, approximately 90 percent of the Company's workforce has been placed on temporary layoff. The Company is maintaining benefit programs for all affected staff and providing regular communication and assistance to team members attempting to access individual provincial and federal relief programs. Senior operational management have completed their work with vendors to secure suspensions or deferrals of normal operating expenses and continue to monitor shuttered operations and develop plans for reopening while on reduced salaries. Our Corporate offices have completed their work with lenders and significant agreements to secure suspensions and deferrals of larger cash outflows. The Company is now active in making submissions to various federal and provincial subsidy programs for which We qualify.

On March 31, 2020, the Company had a cash balance of \$8.7 million and \$13.6 million in available credit on our revolving credit facility. Management has been in discussions with our lender regarding covenant requirements. Our lender has temporarily waived certain covenants which will be evaluated at the end of the calendar year through their annual diligence review. Additional liquidity, if required, has been assured.

At the end of February, the Company was on pace for single digit growth in operating revenue and double-digit growth in EBITDA. Operating revenue finished down \$3.1 million or 18% to \$13.9 million for the Quarter. EBITDA that is attributable to shareholders of the Company ("EBITDA to Shareholders") finished down \$2.1 million or 33% to \$4.2 million for the Quarter. EBITDA to Shareholders margin for the Quarter deteriorated to 31.6% from 38.7%. Net income to shareholders amounted to \$0.09 per share versus \$0.14 per share for the same quarter in 2019.

On April 27, 2020 a local state of emergency was issued in Fort McMurray as the area's river systems began flooding. The downtown and surrounding low lying areas were evacuated bringing back painful memories of a wildfire in 2016. Flood waters have now begun to recede, but in excess of 1,200 structures have incurred extensive damage. The Company's Boomtown Casino was not directly affected.

The ongoing pandemic and the reduction it is imposing on oil demand and prices will have an extended adverse impact on Alberta's economy. An oil supply glut exacerbated by disagreements within OPEC has further destabilized the resource. Recent news of Canadian east coast refineries displacing foreign oil by increasing their supply of Alberta oil via marine tanker suggest that a nationalist Canada first ethos could form part of a broader economic recovery plan.

The Premier has announced a three-stage relaunch plan for the Alberta economy. Casino reopening's, though not specifically mentioned, will fall into the third stage of the plan which will unfold as ongoing virus infection numbers dictate. While we do not know the date casinos will reopen nor do we know what a reopening might look like, we are planning for that eventuality. In the meantime, Gamehost has a solid balance sheet, with minimal debt and the confidence of our lender to step in with further liquidity if required. The Company's rate of cash burn has been reduced to a level sustainable for the anticipated period of casino closure and beyond. Management is using this downtime to re-examine all facets of administration and operations. We can and will find further efficiencies for when operations resume.

Management continues to advance two modest expansion projects where good opportunity exists for immediate revenue appreciation. Alberta Gaming, Liquor and Cannabis (AGLC") and the City of Calgary have both approved a development permit application for a 7,500 square foot expansion to gaming and non-gaming amenities at the Deerfoot Casino. Construction will commence as the pandemic dictates later in the year. The Company is also finalizing plans for an expansion to non-gaming amenities at Boomtown Casino in Fort McMurray. Management is working with the AGLC and municipal authorities for the necessary approvals to proceed. Capital costs for the Boomtown project will be funded by the landlord and paid for over the term of a new lease presently being negotiated.

Management has been active in repurchasing shares under its current normal course issuer bid. Since the start of the year and more heavily following announcement of the casino closures, the company has repurchased 270,451 shares at prices averaging \$4.44 per share for an aggregate \$1.2 million.

Gamehost Inc.

Financial Highlights

Unaudited - Canadian dollars (millions except per share figures)

	three months ended March 31		
	2020	2019	% Change
Operating revenue	\$ 13.9	\$ 17.0	(18.2%)
Cost of sales			
Other	(8.1)	(9.7)	
Depreciation	(0.8)	(0.8)	
	<u>(8.9)</u>	<u>(10.5)</u>	
Gross profit	5.0	6.5	(23.1%)
Administrative expenses			
Other	(0.7)	(0.8)	
Depreciation	(0.3)	(0.3)	
	<u>(1.0)</u>	<u>(1.1)</u>	
Profit from operating activities	4.0	5.4	(25.9%)
Fair value adjustment	(0.6)	-	
Net finance costs	(0.4)	(0.5)	
Profit before income tax	<u>3.0</u>	<u>4.9</u>	

Income tax expense		(0.7)		(1.3)	
Profit		2.3		3.6	(36.1%)
Profit attributable to:					
Shareholders		2.1		3.3	(36.4%)
Non-controlling interest		0.2		0.3	
		2.3		3.6	
Earnings per share					
Basic and fully diluted	\$	0.09	\$	0.14	(35.7%)
Weighted average number of common shares outstanding					
Basic		24.2		24.3	
Fully diluted		24.2		24.3	
EBITDA to Shareholders	\$	4.2	\$	6.3	(33.3%)
EBITDA to Shareholders %		31.6%		38.7%	
		March 31, 2020		December 31, 2019	
Cash		8.7		15.4	(43.5%)
Total assets		167.1		176.2	(5.2%)
Total debt		40.8		45.6	(10.5%)

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 interim 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 2019 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, 2020. 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