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FOLLOWING MARKET CLOSE

August 13, 2019

Red Deer, Alberta, August 13, 2019 – Gamehost Inc. (TSX: GH)

GAMEHOST ANNOUNCES SECOND QUARTER 2019 FINANCIAL RESULTS AND AUGUST DIVIDEND

Management and Directors of Gamehost Inc. (the "Company") present results for the six- and three-month periods ended June 30, 2019 (the "Period" and "Quarter" respectively).

Operating revenue for the Quarter was down 5.6% from the prior year or \$1.0 million to \$16.8 million even with contributions from the new Encore Suites hotel. Shareholder earnings were flat to the prior year quarter on a one-time gain resulting from a reduction to corporate tax rates in Alberta. Otherwise, shareholder earnings were down \$1.1 million or 24.4% to \$3.4 million from \$4.5 million the prior year. Earnings per common share for the Quarter were \$0.19 versus \$0.18 in Q2 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 12.7% to \$6.2 million compared to \$7.1 million in the same quarter of 2018. EBITDA to Shareholders margin for the Quarter was 3.5 percentage points lower than the same quarter in 2018 at 38.5% compared to 42.0%.

A general reduction in discretionary consumer spending in the province and reduced corporate travel continues to weigh on revenue generation. Wet weather in energy intensive regions of the province also hampered results. 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 putting added pressure on the bottom line.

Following the spring election, Alberta's new conservative government was quick to put into place promises made on the campaign trail. Of immediate benefit to Gamehost is the governments Bill 3 - Job Creation Tax Cut which reduces corporate taxes by 1.0% effective July 1, 2019. Additional 1.0% reductions will follow annually on January 1st of each of the next three years reducing Alberta's corporate tax from 12.0% to 8.0% by 2022.

Gamehost Inc.

Financial Highlights

Unaudited - Canadian dollars (millions except per share figures)

| | six months ended June 30 | | | three months ended June 30 | | |
|-------------------|--------------------------|---------------|----------|----------------------------|---------------|----------|
| | 2019 | 2018 | % Change | 2019 | 2018 | % Change |
| Operating revenue | \$ 33.8 | \$ 35.5 | (4.8%) | \$ 16.8 | \$ 17.8 | (5.6%) |
| Cost of sales | | | | | | |
| Other | (19.4) | (19.0) | | (9.7) | (9.6) | |
| Depreciation | (1.6) | (0.8) | | (0.8) | (0.4) | |
| | <u>(21.0)</u> | <u>(19.8)</u> | | <u>(10.5)</u> | <u>(10.0)</u> | |
| Gross profit | 12.8 | 15.7 | (18.5%) | 6.3 | 7.8 | (19.2%) |
| Other income | 0.1 | 0.1 | | - | - | |

Administrative expenses

| | | | | | | |
|--|---------|---------|---------|---------|---------|---------|
| Other | (1.5) | (1.7) | | (0.6) | (0.8) | |
| Depreciation | (0.6) | (0.6) | | (0.3) | (0.3) | |
| | (2.1) | (2.3) | | (0.9) | (1.1) | |
| Profit from operating activities | 10.8 | 13.5 | (20.0%) | 5.4 | 6.7 | (19.4%) |
| Net finance costs | (1.0) | (0.5) | | (0.6) | (0.3) | |
| Income tax expense | (1.3) | (3.3) | | - | (1.6) | |
| Profit | 8.5 | 9.7 | (12.4%) | 4.8 | 4.8 | 0.0% |
| Profit attributable to: | | | | | | |
| Shareholders | 8.0 | 9.1 | (12.1%) | 4.5 | 4.5 | 0.0% |
| Non-controlling interest | 0.5 | 0.6 | | 0.3 | 0.3 | |
| | 8.5 | 9.7 | | 4.8 | 4.8 | |
| Earnings per share | | | | | | |
| Basic and fully diluted | \$ 0.33 | \$ 0.37 | (10.8%) | \$ 0.19 | \$ 0.18 | 5.6% |
| Weighted average number of common shares outstanding | | | | | | |
| Basic | 24.3 | 24.6 | | 24.3 | 24.5 | |
| Fully diluted | 24.3 | 24.6 | | 24.3 | 24.5 | |
| EBITDA to Shareholders | \$ 12.5 | \$ 14.3 | (12.6%) | \$ 6.2 | \$ 7.1 | (12.7%) |
| EBITDA to Shareholders % | 38.7% | 42.3% | | 38.5% | 42.0% | |
| Cash | 14.2 | 15.8 | (10.1%) | | | |
| Total assets | 177.1 | 174.3 | 1.6% | | | |
| Total debt | 45.6 | 41.0 | 11.2% | | | |

Gamehost has also declared a cash dividend for the month of August 2019 of \$0.0575 per common share. The dividend will be paid on September 13, 2019 to shareholders of record on August 31, 2019. The ex-dividend date is August 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 financial highlights include the accounts of Gamehost Inc. and its subsidiaries; however, they do not include all disclosures normally provided in annual or interim consolidated financial statements and should be read in conjunction with the 2018 annual consolidated financial statements and 2019 Q2 interim 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 annual or interim financial report. The company will file an interim financial report for the six and three months ended June 30, 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:

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