Vogogo Releases Second Quarter Financial Results

CALGARY, Alberta, Aug. 29, 2018 -- Vogogo Inc. ("**Vogogo**" or the "**Company**") (CSE:VGO) today announces its financial results for the second quarter ended June 30, 2018.

As previously announced, Vogogo completed the acquisition of Crypto 205 Inc. (the "**Crypto 205 Acquisition**") and commenced cryptocurrency mining activities with approximately 4,125 mining machines effective April 3, 2018. The larger acquisition of 14,000 mining machines and electrical and HVAC infrastructure to support a total of 30 MW of electrical power (the "**828 Acquisition**") was completed effective June 29, 2018. The operating results for the second quarter include one day of operations subsequent to the 828 Acquisition. The operating results for a full quarter of operations, including the co-location agreement announced by the Company on July 5, 2018, will be reflected in the third quarter financial results of the Company.

Selected financial information of the Company for the three and six months ended June 30, 2018 is set forth below:

	Three Months Ended June 30,		**Six Months Ended June 30,**		**Year ended December 31,**
	2018	**2017**	**2018**	**2017**	**2017**
Revenue	$ 2,709,176	$ —	$ 2,709,176	$ —	$ —
Net loss and comprehensive loss	(51,738,445)	(203,074)	(51,891,224)	(951,786)	(1,677,489)
Adjusted EBITDA	1,097,307	(90,022)	897,740	(716,150)	(992,206)
Adjusted EBITDA margin	41%	—	33%	—	—
Total assets	66,663,808	12,836,319	66,663,808	12,836,319	12,836,319
Total liabilities	37,284,621	93,982	37,284,621	93,982.0	224,823
Basic and diluted net loss and comprehensive loss per common share	$ (0.35)	$ (0.00)	$ (0.37)	$ (0.01)	$ (0.02)

Vogogo achieved an adjusted EBITDA of $1.1 million, resulting in an adjusted EBITDA margin of 41% for the three months ending June 30, 2018. The Company's cost of revenue, which includes electricity cost, non-cash depreciation of mining and infrastructure equipment, contractors' fees and general facility operating costs, resulted in an average cost per Bitcoin mined of $3,772.

The Company reported a net loss of $51.7 million for the quarter, compared to a loss of $0.2 million for same quarter in the prior year, as the result of a non-cash asset impairment charge of $51.0 million. At the time of the 205 Acquisition, Vogogo was an inactive public company. The purchase price for the 205 Acquisition was paid in share consideration. Based on the share price of Vogogo at the date of closing, the percentage ownership of the combined entity for each of the vendor and the Company resulted in significant goodwill for the Company. The Company has recorded a one-time non-cash asset impairment charge by writing off the entire balance of goodwill acquired in an effort to carry the mining equipment and related infrastructure acquired at fair value based on the estimated replacement cost at the time of acquisition.

The financial statements for the quarter ended June 30, 2018 and the related management's discussion and analysis ("**MD&A**") are available on Vogogo's SEDAR profile at www.sedar.com.

For information or interview please contact:
Jordan Greenberg
Chief Financial Officer
(647) 715-3707

About Vogogo Inc.

Vogogo currently operates its cryptocurrency mining activities in Québec. This includes mining for cryptocurrencies for its own account, within mining pools and on a co-location basis for other miners. As it continues to embrace blockchain technology, Vogogo is exploring opportunities in all aspects of the cryptocurrency segment.

Cautionary Note Regarding Forward-Looking Information

Certain statements in this press release, including statements with respect to cost efficiencies based on economies of scale, the Company's position to enter other aspects of cryptocurrency mining and additional verticals in the space, contain forward-looking statements which can be identified by the use of forward looking terminology such as "believes", "expects", "may", "desires", "will", "should", "projects", "estimates", "contemplates", "anticipates", "intends", or any negative such as "does not believe" or other variations thereof or comparable terminology. No assurance can be given that potential future results or circumstances described in the forward-looking statements will be achieved or will occur. By their nature, these forward-looking statements necessarily involve risks and uncertainties, including the risk that costs will be higher than anticipated reducing margins, that expense reductions will not be realized, the risk that the co-location agreement is terminated or that the price of power to the Company increases and other risks and uncertainties discussed herein, that could cause actual results to significantly differ from those contemplated by these forward-looking statements. Such statements reflect the view of the Company with respect to future events, and are based on information currently available to the Company and on assumptions, which it considers reasonable. Management cautions readers that the assumptions relative to the future events, several of which are beyond Management's control, could prove to be incorrect, given that they are subject to certain risk and uncertainties, and that actual results may differ materially from those projected. Other factors which could cause results or events to differ from current expectations include, among other things, the impact of general economic, industry and market conditions. Management disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information. The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

Non-IFRS Measures

Certain terms used in this press release, such as Adjusted EBITDA and Adjusted EBITDA Margin, are not measures defined under International Financial Reporting Standards ("**IFRS**") as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be compared to or construed as alternatives to profit/loss or other measures of financial performance calculated in accordance with IFRS. Adjusted EBITDA and Adjusted EBITDA Margin as computed by the Company may not be comparable to similar measures presented by other issuers. The Company uses these measures to better assess the Company's underlying performance and provides these additional measures so that investors may do the same. Details on non-IFRS measures are set out in the Company's MD&A, which is available on the Company's SEDAR profile at www.sedar.com.