

## Fortress Technologies Inc. Announces Third Quarter 2020 Financial Results

VANCOUVER, British Columbia, Nov. 30, 2020 -- Fortress Technologies Inc. ("**Fortress**" or the "**Company**") (TSXV: FORT), a well-capitalized company currently evaluating emerging opportunities in technology sectors, reports its results of operations for the second quarter and nine months period ended September 30, 2020 ("**Q3 2020**"). For the full condensed consolidated interim financial statements and management discussion & analysis for Q3 2020, please visit the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com).

### Nine-Months Ended September 30, 2020

"Fortress is in a strong financial position, with \$10,784,473 of assets, primarily comprised of fiat, digital currency, as of September 30, 2020," said Aydin Kilic, CEO of the Company. "By running a lean operation, the Company has been able to maintain its cash position through treasury management, and contributions by on-going operations in Washington State." Mr. Kilic continued, "We are pleased to report revenue of \$761,769 for the first nine months of 2020."

### Financial Position

As of November 26, 2020, Fortress holds an inventory of 163.2 Bitcoin, comprised of 46.5 Bitcoin retained from the Washington state operations and 116.7 Bitcoin which were acquired in May 2020 and October 2020. Of this, the Company notes that it acquired 77.1 BTC on October 27, 2020 at a price of CDN\$18,026 (approximately US\$13,550).

The 163.2 Bitcoin are worth approximately CDN\$3,630,000 based on the Bitcoin price of US\$17,100 and USD CAD exchange rate of 1.30. In total, as of November 26, 2020, the Company held approximately \$11,060,000 in liquid assets (cash, digital currency and accrued interest from redeemable GICs), with a cash value per share of 15.8 cents per share.

Since the Company acquired its Washington state facility, approximately 524 Bitcoin and 100 Bitcoin cash have been generated which has resulted in a total recorded revenue of US\$3,656,093, up to and including November 24, 2020.

### Third Quarter 2020 Financial Highlights

- The Company was well capitalized at the end of the quarter with cash balances of \$9,049,962 and digital currencies of \$1,147,632. Total assets were \$10,784,473, primarily comprised of cash balances and Bitcoin.
- The Company reported total revenue from the Washington State facility for the three months ended September 30, 2020 of \$189,723.
- As the Company retained the Bitcoin mined from the Washington State facility, with the value of Bitcoin at US\$15,000, based on the daily quantity of Bitcoin earned during this fiscal quarter. the unrealized gain (or additional gross mining margin) from the operation would be US\$152,471.
- Fortress had a cash balance of \$9,049,962 as at September 30, 2020 compared to cash balance of \$10,293,948 as at December 31, 2019. The cash balance decrease of \$1,243,986 during the nine-month period as the Company balanced its treasury to acquire further Bitcoin, to better align with investor expectations for cryptominers to hold higher digital currency balances. The Company has also purchased and cancelled 1,006,000 common shares for the amount of \$154,434 pursuant to its normal course issuer bid ("NCIB").
- Fortress had a digital currency balance of 79.37 Bitcoin as at September 30, 2020, in addition to the cash balance. Therefore total value of cash, Bitcoin and accrued interest as at September 30, 2020 was \$10,227,615 with Bitcoin at a price of US\$10,841.
- Fortress had cash flow from the Washington State facility of \$3,155 during the quarter (which includes proceeds of Gross Mining Margin after prepaid expenses). The Company defines gross mining margin (a non-IFRS measure) as the revenue generated from mining activities less operating costs. Operating costs include Monthly Cash Operating Expenses, as well as incidental or accrued expenses. Depreciation, being a non-cash cost, is not deducted to arrive at the gross mining margin. Gross mining margin is a non-standard measure of mining efficiency and should not be considered as a substitute for other IFRS operating and profitability measures of performance. The table below reconciles gross mining margin for the respective periods to gross margin in the income statement.

Calculation of gross mining margin	Q3 2020 (\$)	Q2 2020 (\$)	Q1 2020 (\$)	Q4 2019 (\$)	Q3 2019 (\$)	Q2 2019 (\$)	Q1 2019 (\$)	Q4 2018 (\$)
Revenue	189,723	255,235	316,811	364,028	616,341	372,743	262,980	439,028
Less: Operating costs	217,336	247,937	243,446	236,384	241,841	130,431	199,441	258,652
<b>Gross mining margin</b>	<b>(27,613)</b>	<b>7,298</b>	<b>73,365</b>	<b>127,644</b>	<b>374,500</b>	<b>242,312</b>	<b>63,539</b>	<b>180,376</b>

<b>Gross mining margin (%)</b>	<b>(15%)</b>	<b>3%</b>	<b>23%</b>	<b>35%</b>	<b>61%</b>	<b>65%</b>	<b>24%</b>	<b>41%</b>
<b>Cash Flow from Facility</b>	<b>3,155</b>	<b>39,301</b>	<b>104,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Outlook

“The Company continues to review numerous technology projects (unrelated to crypto-currency mining) that would provide an accretive path forward for shareholders”, said Aydin Kilic, CEO. The Company executed an NDA to complete due diligence on a technology project (the “**Target Project**”) which the Company believed provided an excellent value proposition to investors. The company negotiated commercial terms of an acquisition for the Target Project and executed an LOI in August 2020, with an outlook to execute a definitive agreement in Fall 2020. During the course of formal diligence under the LOI, the Company determined that more time would be required before proceeding.

Thus far the Company has purchased 1,416,000 of its shares under the NCIB. These shares are in the process of being cancelled, upon which the Company’s overall number of shares outstanding has been reduced to 69,761,984. Further details are available on SEDI.

## About Fortress Technologies

Fortress Technologies Inc. (TSX-V: FORT) is a well-capitalized company currently evaluating emerging opportunities in technology sectors. Fortress is focused on developing projects where access to growth capital is highly valued.

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### Non-IFRS Measures:

***This news release contains non-IFRS financial measures; the Company believes that these measures provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business. Although management believes these financial measures are important in evaluating the Company's performance, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed as alternatives to measures of financial performance determined in accordance with IFRS. Moreover, presentation of certain of these measures is provided for year-over-year comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on the Company's operating results.***

### Forward Looking Statements:

This news release contains certain “forward-looking information” within the meaning of applicable Canadian securities laws that are based on expectations, estimates and projections as at the date of this news release. The information in this release about future plans and objectives of the Company, are forward-looking information. Other forward-looking information includes but is not limited to information concerning: the intentions, plans and future actions of the Company, as well as the Company’s ability to successfully mine digital currency, revenue increasing as currently anticipated, volatility in digital currency prices and the resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure, and the regulatory environment of cryptocurrency in the United States and other jurisdictions where the Company may operate.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time it was made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others: there is no assurance that the Company will find a profitable undertaking or that it can successfully conclude a purchase of such an undertaking at all or on

terms which are commercially acceptable; the status and impact of new electrical power rates and the status of deliberations by the Grant County Public Utility District; risks relating to the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and, volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors which could impact future results of the business of the Company include but are not limited to: failure to identify beneficial business opportunities, failure to convert the potential in the pursued business opportunities to tangible benefits to the Company or its shareholders; the impact of new electrical power rates which could impair profitability and operating performance; deliberations by the Grant County Public Utility District which could limit the ability of the Company to carry on business on a profitable basis or at all; the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the Grant County of the State of Washington, the ability to complete current and future financings, any regulations or laws that will prevent the Company from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and there will be no regulation or law that will prevent the Company from operating its business. The Company has also assumed that no significant events occur outside of the Company's normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.