



FORTRESS GLOBAL ENTERPRISES REPORTS FOURTH QUARTER 2018 RESULTS

Vancouver, British Columbia, March 27, 2019

Fourth Quarter 2018 Consolidated Results

Fortress Global Enterprises Inc. ("Fortress Global Enterprises" or the "Company") (TSX:FGE) (OTCQX:FTPLF) reported 2018 fourth quarter operating EBITDA from continuing operations of \$4.2 million compared to operating EBITDA from continuing operations of \$7.5 million in the previous quarter and operating EBITDA loss from continuing operations of \$5.7 million in the prior year comparative period. The Dissolving Pulp Segment generated operating EBITDA of \$6.1 million. The Company invested \$0.8 million in the Bioproducts Segment and corporate costs were \$1.1 million in the fourth quarter of 2018.

Giovanni Iadeluca, Chief Executive Officer of Fortress Global Enterprises, commented:

"Fortress Global Enterprises achieved significant improvements in fiscal 2018 when compared to the previous year. Operating EBITDA from continuing operations increased by \$12.7 million and total improvement, excluding the Bioproducts segment, was \$14.4 million. Progress was made in productivity, reliability, and quality all while managing a baseline capital expenditure program, leading to our second highest EBITDA total for a fourth quarter. Our people were the key drivers of performance gains, a direct result of the formal leadership program initiated in 2018 to drive operational improvements. Further progress is anticipated in 2019."

Significant developments in 2018 included:

- The Company transitioned the CEO position and changed name from Fortress Paper Ltd. to Fortress Global Enterprises Inc. in order to better reflect its existing business and future prospects;
- The Company created a new reporting segment (the "Bioproducts Segment") as a result of the acquisition and integration of S2G Biochemicals Inc. ("S2G"). Subsequent to the acquisition of S2G:
 - The Company obtained commitments in principle from the federal and Quebec governments for up to \$17.4 million in funding for the xylitol and complementary bioproducts demonstration plant planned to be constructed at Fortress's dissolving pulp mill in Thurso, Quebec (the "FSC mill"). Up to an additional \$10 million in federal government funding was announced in early 2019; and
 - The Company entered into a Technology License and Collaboration Agreement with Mondelēz International, Inc. ("Mondelēz"), one of the world's largest snacking companies. Mondelēz has agreed to grant an exclusive worldwide license to a subsidiary of the Company to use its sugar based xylitol manufacturing technology

that was jointly developed by Mondelēz and S2G;

- Holders of the Company's 7.0% convertible unsecured debentures due December 31, 2019 approved certain amendments to the debentures including, among other things, an extended maturity date to December 31, 2021 and a revised interest rate of 9.75%; and
- The 5th Digester project was completed on time and on budget, and operational permits were received.

Looking mid to long term, with support from our partners, we are finalizing plans to modernize the FSC mill, diversify revenue streams by converting underutilized mill process streams into high value bioproducts, such as xylitol, and more permanently improve the balance sheet. The bioproducts demonstration plant project is a key component of our biorefinery vision. We will provide details of these important plans in the coming months.

Due to a combination of factors beyond our control, such as multiple region-wide electrical outages and extreme cold weather, operating results in the first quarter of 2019 did not carryforward the momentum from the fourth quarter. We are encouraged with our fiscal 2018 results and are confident we will be continuing our progress in 2019.

Fourth Quarter 2018 Segment Results

The Dissolving Pulp Segment generated operating EBITDA of \$6.1 million for the quarter ended December 31, 2018. Operating EBITDA for the Dissolving Pulp Segment was \$9.0 million for the quarter ended September 30, 2018 and operating EBITDA loss was \$4.4 million for the prior year comparative period. Production volumes in the fourth quarter of 2018 were slightly lower than the third quarter of 2018 due to the annual shutdown and 43% higher compared to the prior year comparative period. The prior year production was impacted by operational challenges due to the auxiliary system failure at the FSC mill.

A total of 39,498 air dried metric tonnes ("ADMT") of dissolving pulp were produced in the fourth quarter of 2018 and the FSC mill sold 37,818 ADMT of dissolving pulp in the same period, compared to sales of 38,433 ADMT and 24,798 ADMT of dissolving pulp in the previous quarter and prior year comparative period, respectively.

In the fourth quarter of 2018, the FSC mill's production costs, including amortization of some of the planned shutdown costs and the positive impact of the cogeneration facility, were improved by 21% compared to the fourth quarter of 2017. This was due primarily to productivity gains and lower variable costs. Management does not report production cost per ADMT dissolving pulp due to competitive reasons.

As a result of completing early maintenance measures during the third quarter of 2018, the Company completed a three day annual maintenance shutdown in October 2018, reduced from the eight days originally scheduled. The shutdown and subsequent restart were on time and on budget. The next major annual maintenance shutdown is planned for the second quarter of 2019.

The requisite permit for the fifth digester required for commercial operation was received during the fourth quarter of 2018. The fifth digester is expected to increase annualized production by approximately 17,000 tonnes once it is operating as projected, which is anticipated to be by the summer once cooking sequence (time, temperature and recipe) has been optimized.

The Bioproducts Segment generated operating EBITDA loss of \$0.8 million during the fourth quarter of 2018. In the fourth quarter of 2018, the Company continued negotiating definitive agreements with various organizations within the federal and provincial governments for up to \$27.4 million of grant, equity and loan funding to support the demonstration project. FXI concluded a \$10.0 million non-repayable contribution agreement with the Department of Natural Resources Investments in Forest Industry Transformation during the fourth quarter.

Corporate and Cash

Corporate expenses for the three months ended December 31, 2018 and the previous quarter were both \$1.1 million. Cash and restricted cash at December 31, 2018 was \$20.8 million compared to \$33.1 million at September 30, 2018. As at December 31, 2018, the Company had \$8.2 million in restricted cash.

For a summary of significant developments please refer to the Management's Discussion and Analysis for the three month period ended December 31, 2018 (available on SEDAR at www.sedar.com).

Selected Financial Information

The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, the Company's audited consolidated financial statements as at and for the twelve month period ended December 31, 2018 and the related notes thereto and Management's Discussion and Analysis, which are available on SEDAR.

Reference is made in this news release to operating EBITDA (defined as net income before interest, income taxes, depreciation, amortization, non-operating income and expenses and stock-based compensation), which the Company considers to be an indicative measure of operating performance and a metric to evaluate profitability. Operating EBITDA is not a generally accepted earnings measure and should not be considered as an alternative to net loss or cash flows as determined in accordance with IFRS. As there is no standardized method of calculating this measure, the Company's operating EBITDA may not be directly comparable with similarly titled measures used by other companies. Reconciliation of operating EBITDA to net loss reported in accordance with IFRS is included below.

Selected Financial Information and Statistics

(thousands of dollars, except shipments, unaudited)	Q4 2018	Q3 2018	Q4 2017
Sales from continuing operations	47,455	48,678	29,617
Operating EBITDA ⁽¹⁾ (loss) from continuing operations	4,151	7,545	(5,682)
Net loss from continuing operations	(10,566)	(4,702)	(11,779)
Pulp shipments (ADMT)	37,818	38,433	24,798

⁽¹⁾ See Net Loss to Operating EBITDA (Loss) Reconciliation from Continuing Operations.

A conference call to discuss the financial results for the Fourth quarter of 2018 will be held on March 28, 2019 at 6:00 a.m. (PDT). To participate in the conference call, please dial one of the following numbers:

604-681-8564 Vancouver
 403-532-5601 Calgary or International
 780-429-5820 Edmonton
 416-623-0333 Toronto
 613-212-0171 Ottawa
 514-687-4017 Montreal

Toll Free Dial in Number: 1-855-353-9183 from Canada and USA

Participant pass code: 15086#

Conference Reference Number: 1243533#

A replay of the conference call will be available for 30 days. To access the replay, listeners may dial 1-855-201-2300 from North America or 403-255-0697 International. The conference reference number is 1243533# and the participant pass code to access the replay is 15086#.

A presentation to complement our fourth quarter earnings conference call is available under the “Financials” section at www.fortressge.com or by sending a request to info@fortressge.com.

Financial Reconciliations

Net Loss to Operating EBITDA (Loss) Reconciliation from Continuing Operations:

(thousands of dollars, unaudited)	Q4 2018	Q3 2018	Q4 2017
Net loss from continuing operations	(10,566)	(4,702)	(11,779)
Income tax recovery	-	-	(3)
Foreign exchange loss (gain)	1,578	1,272	(972)
Net finance expense	6,728	5,656	3,779
Amortization	5,518	5,566	2,517
Loss (gain) on financial instruments	1,712	(283)	(161)
Non-operating income	(808)	(204)	-
Stock-based compensation	(511)	240	297
Transition payment cost	500	-	-
Gain on disposal of assets	-	-	(680)
Auxiliary system failure	-	-	1,320
Operating EBITDA (loss) from continuing operations	4,151	7,545	(5,682)

The Company

Fortress Global Enterprises operates its dissolving pulp business at the Fortress Specialty Cellulose mill located in Canada, which also operates in the renewable energy generation sector through its cogeneration facility. On March 26, 2018, the Company announced that it had acquired S2G which is included in the Bioproducts Segment. The segmentation of the Company's manufacturing operations is based on a number of factors, including production, production processes, and economic characteristics.

For more information, please contact:
Fortress Global Enterprises Inc.
604-904-2328 or info@fortressge.com

Forward-Looking Information

This news release contains certain forward-looking information that reflects the current views and/or expectations of the Company with respect to its expectations, beliefs, assumptions, estimates and forecasts about its business and the industry and markets in which it operates. The reader is cautioned that forward-looking information is not a guarantee of future performance and involves known and unknown risks, uncertainties, assumptions and other factors which are difficult to predict and that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information, which is qualified entirely by this cautionary statement. Examples of such forward-looking information contained in this news release include statements relating to: the growth and future prospects of the Company's business; market conditions for the Company's products; expectations relating to expenditures; the impact of certain projects, acquisitions, cost reductions, equipment upgrades and production improvement initiatives; and expectations relating to financing the xylitol and complementary bioproducts project. Assumptions underlying the Company's expectations regarding forward-looking information contained in this news release include, among others: that the Company will be able to effectively market its products; the ability of the Company to realize significant cost-savings from production improvements, projects and cost reduction initiatives; that equipment will operate at expected levels; that labour relations will remain positive; that the Company's assumptions relating to the markets in which it operates will be materially accurate; and that the Company will be able to secure the necessary financing required to implement the xylitol and complementary bioproducts project. Persons reading this news release are cautioned that forward-looking information represents predictions only, and that the Company's actual future results or performance are subject to certain risks and uncertainties including, without limitation: that market conditions for dissolving pulp will not improve or will worsen; the Company will not realize anticipated cost savings from its cost reduction initiatives; equipment will not operate as intended and additional issues relating to equipment repairs will arise; there may be delays, cost overruns and financing or other impediments in implementing the xylitol and complementary bioproducts project; and other risk factors detailed in the Company's most recent Annual Information Form and other filings with Canadian securities regulatory authorities. These risks, as well as others, could cause actual results and events to vary significantly. The Company does not undertake any obligation to update any forward-looking information, except as required by applicable securities law.