



FORTRESS GLOBAL ENTERPRISES REPORTS FIRST QUARTER 2019 RESULTS

Vancouver, British Columbia, May 14, 2019

First Quarter 2019 Consolidated Results

Fortress Global Enterprises Inc. ("Fortress Global Enterprises" or the "Company") (TSX:FGE) (OTCQX:FTPLF) reported 2019 first quarter operating EBITDA loss of \$9.7 million compared to operating EBITDA of \$4.2 million in the previous quarter and operating EBITDA loss of \$1.4 million in the prior year comparative period. The Dissolving Pulp Segment incurred operating EBITDA loss of \$8.8 million. Development costs incurred in the Bioproducts Segment were \$0.8 million which was offset by grants and funding. Corporate costs were \$0.9 million in the first quarter of 2019.

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

"Mill stability continued to improve, however, due to a combination of factors, such as unusual multiple region-wide electrical outages as well as extreme weather conditions in excess of normal seasonal patterns, operating results in the first quarter and April of 2019 did not carryforward the positive momentum from the prior three quarters. However, as we begin the seasonally more productive months, we will be continuing our progress for the remainder of 2019. Repairs and upgrades to the regional grid have been completed in response to the outages. Important cooking process knowledge was gained during a difficult first quarter which will ensure the winter issues are mitigated and throughput increased under diverse conditions.

Looking mid to long term, with support from our partners, we are finalizing plans to modernize the Fortress Specialty Cellulose ("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. Investissement Québec ("IQ") has agreed in principle to grant additional interest and principal payment deferrals on our \$105.2 million debt, subject to definitive documentation as the Company and IQ work towards a longer term multi-year moratorium and an extended term. 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."

First Quarter 2019 Segment Results and Outlook

Results for the first quarter of 2019 were negatively impacted by multiple region-wide electrical outages and extreme weather which impacted both production volumes and pulp quality resulting in a reduction in realized pricing and sales. In addition, dissolving pulp pricing was weaker this quarter compared to the prior quarter and prior year comparative period.

A total of 30,688 air dried metric tonnes ("ADMT") of dissolving pulp were produced in the first quarter of 2019 and the FSC mill sold 31,232 ADMT of dissolving pulp in the same period, compared to sales of 37,818 ADMT and 33,144 ADMT of dissolving pulp in the previous quarter and prior year comparative period, respectively.

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 ADMT once it is operating as projected, which is anticipated to be by the summer once cooking sequence (time, temperature and recipe) has been optimized.

Substantial recent increases in VSF capacity has contributed to inventory buildup and softening of VSF pricing. Near term dissolving pulp pricing will most likely continue to be impacted by VSF market pricing and paper pulp markets. A more positive pricing environment is expected in the second half of the year and looking to the long term, this increased capacity is expected to result in commensurate demand increases in dissolving pulp requirements.

In order to take advantage of the typically stronger pricing in the second half of the year going forward we will move our annual shutdown to the second quarter from the fourth quarter to capitalize on this dynamic. The planned shutdown has been reduced by a day as we were able to perform some maintenance during the power outages in the first quarter. During the shutdown we intend to complete modifications to the fifth digester for the extraction of prehydrolysis liquor, an important step for the bioproducts demonstration plant project.

The Company achieved important milestones in the first quarter of 2019 by advancing engineering for our bioproducts demonstration plant, the cornerstone of our bioproducts strategy, and ordering equipment required for tie-in to the FSC mill's fifth digester. With the signing of definitive contribution agreements with Sustainable Development Technologies Canada and with Natural Resources Canada for up to an aggregate of \$20.4 million non-refundable grants, the Company expects to start receiving funding in the second quarter to offset demonstration project development costs. In addition, the Company continued negotiating with the Government of Québec for \$7.0 million of investment and loan funding previously committed to the Company's bioproducts demonstration plant project which is subject to finalization of definitive agreements anticipated in the coming months.

Corporate and Cash

Corporate expenses for the three months ended March 31, 2019 were \$0.9 million compared to \$1.1 million in the previous quarter. Cash and restricted cash at March 31, 2019 was \$14.4 million compared to \$20.8 million at December 31, 2018. As at March 31, 2019, the Company had \$8.1 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 March 31, 2019 (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 unaudited condensed consolidated financial statements as at and for the three month period ended March 31, 2019 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)	Q1 2019	Q4 2018	Q1 2018
Sales	34,605	47,455	39,735
Operating EBITDA (loss) ⁽¹⁾	(9,728)	4,151	(1,421)
Net loss	(16,855)	(10,566)	(8,762)
Pulp shipments (ADMT)	31,232	37,818	33,144

⁽¹⁾ See Net Loss to Operating EBITDA (Loss) Reconciliation.

A conference call to discuss the financial results for the First quarter of 2019 will be held on May 15, 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: 1245268#

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 1245268# and the participant pass code to access the replay is 15086#.

A presentation to complement our first 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:

(thousands of dollars, unaudited)	Q1 2019	Q4 2018	Q1 2018
Net loss	(16,855)	(10,566)	(8,762)
Foreign exchange (gain) loss	(714)	1,578	1,348
Net finance expense	4,380	6,728	543
Amortization	5,205	5,518	5,571
(Gain) loss on financial instruments	(1,319)	1,712	148
Non-operating income	–	(808)	(680)
Gain on sale of assets	(604)	–	–
Stock-based compensation	179	(511)	411
Transition payment cost	–	500	–
Operating EBITDA (loss)	(9,728)	4,151	(1,421)

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.