



FORTRESS GLOBAL ENTERPRISES REPORTS FIRST QUARTER 2018 RESULTS

Vancouver, British Columbia, May 15, 2018

First Quarter 2018 Consolidated Results

Fortress Global Enterprises Inc. ("Fortress Global Enterprises" or the "Company") (TSX:FGE) (OTCQX:FTPLF) reported 2018 first quarter operating EBITDA loss from continuing operations of \$1.4 million compared to operating EBITDA loss from continuing operations of \$5.7 million in the previous quarter and operating EBITDA from continuing operations of \$6.0 million in the prior year comparative period. The Dissolving Pulp Segment generated operating EBITDA of \$0.2 million and corporate costs were \$1.6 million in the first quarter of 2018.

Chadwick Wasilenkoff, Chief Executive Officer of Fortress Global Enterprises, commented: "Management was pleased with the completion of the fifth digester, on time and on budget during the first quarter. Lower than expected production volumes at the Fortress Specialty Cellulose ("FSC") mill in the first quarter was primarily due to issues encountered in January which were seasonal in nature. Progress was made throughout the first quarter of 2018 with production volumes and cost structure continuing to improve month by month and continuing into April 2018. In April, the FSC mill experienced an average daily production volume increase of approximately 40 ADMT per day or 10% as compared to the first quarter average of 2018 with improvements anticipated in the second and third quarters of 2018. We also finalized the acquisition of S2G Biochemicals Inc. which we believe will provide a variety of unique business opportunities. We are currently in the process of finalizing funding for the xylitol demonstration plant through various non-dilutive sources."

First Quarter 2018 Segment Results

The Dissolving Pulp Segment generated operating EBITDA of \$0.2 million for the quarter ended March 31, 2018, compared to operating EBITDA loss of \$4.4 million for the fourth quarter of 2017 and operating EBITDA of \$8.3 million for the prior year comparative period. During the first quarter of 2018, the FSC mill was shut down for three days in order to complete the connections of the fifth digester. The results of the first quarter of 2018 were impacted by an increase in production costs and an 8% lower realized Canadian sales price when compared to the prior year comparative period. A total of 34,126 air dried metric tonnes ("ADMT") of dissolving pulp were produced in the first quarter of 2018 and the FSC mill sold 33,144 ADMT of dissolving pulp in the same period, compared to sales of 24,798 ADMT and 37,833 ADMT of dissolving pulp in the previous quarter and prior year comparative period, respectively.

Dissolving pulp prices in 2018 have been increasing through the first quarter compared to the prior year average and the current price of US\$932 per tonne is US\$69 higher year over year. Typical market cycle peaks occur in the fall coinciding with downstream textile and viscose staple fibre (“VSF”) market cycles. Dissolving pulp prices are likely being supported by favorable paper pulp market pricing, which influences swing mill production toward paper pulp, and increases in Chinese VSF output. VSF prices historically trade at a premium to cotton and have been supported by a 32% increase in spot cotton pricing over the past two years. Sales of reserve cotton sales for 2018 began in April and are expected to further reduce the Chinese stockpile, which is expected to improve stability in the cotton market. Cotton ending stocks in China are projected to decline in 2018 more than 15.3% to 41.0 million bales, the lowest level in six years, and the supply of higher quality imported cotton remains limited. Growing population and middle class continue to drive the worldwide demand for fiber (103. million tonnes) as reported in “The Fiber Year 2018”. Increased demand for fiber has resulted in increased prices and demand for textile feedstocks, including manmade materials which continue to capture market share. VSF is expected to continue to grow by over 6% per year.

In March 2018, the Company announced that the FSC mill completed, on time and on budget, construction and began commissioning of the fifth digester that was announced in November 2016. The ramp up and optimization of the fifth digester continues in the second quarter of 2018 with successful cooks having been completed on a batch basis. The Company expects the fifth digester to incrementally increase production capacity by 8,500 ADMT in 2018 and 17,000 ADMT in 2019 compared to current production capacity.

Corporate and Cash

Corporate expenses in the first quarter of 2018 decreased by \$0.7 million compared to the prior year comparative period. Cash and restricted cash was \$37.8 million at the end of the first quarter compared to \$48.7 million at the end of the fourth quarter. Primary uses of cash in the quarter was \$4.1 million for capital expenditures net of grants received and \$2.8 million for the repayment of long-term debt and interest.

For a summary of significant developments please refer to the Management’s Discussion and Analysis for the three month period ended March 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 unaudited condensed consolidated financial statements as at and for the three month period ended March 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)	Q1 2018	Q4 2017	Q1 2017
Sales from continuing operations	39,735	29,617	48,690
Operating EBITDA ⁽¹⁾ (loss) from continuing operations	(1,421)	(5,682)	6,021
Net loss from continuing operations	(8,762)	(11,779)	(1,819)
Pulp shipments (ADMT)	33,144	24,798	37,833

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

A conference call to discuss the financial results for the first quarter 2018 will be held on May 16, 2018 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: 1231393#

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 1231393# 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 from Continuing Operations:

(thousands of dollars, unaudited)	Q1 2018	Q4 2017	Q1 2017
Net loss from continuing operations	(8,762)	(11,779)	(1,819)
Income tax (recovery) expense	–	(3)	21
Foreign exchange loss (gain)	1,348	(972)	(335)
Net finance expense	543	3,779	1,653
Amortization	5,571	2,517	6,402
Gain on disposal of assets	–	(680)	–
Loss (gain) on financial instruments	148	(161)	(26)
Auxiliary system failure	–	1,320	–
Insurance proceeds	(680)	–	–
Stock-based compensation	411	297	125
Operating EBITDA (loss) from continuing operations	(1,421)	(5,682)	6,021

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.

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 dissolving pulp, VSF and other products; expectations relating to repairs and other expenditures; the impact of certain projects, acquisitions, cost reductions, equipment upgrades and production improvement initiatives; and expectations relating to financing the xylitol 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 VSF, dissolving pulp and other markets will be materially accurate; and that the Company will be able

to secure the necessary financing required to implement the xylitol 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 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.