



FORTRESS GLOBAL ENTERPRISES REPORTS THIRD QUARTER 2019 RESULTS

Vancouver, British Columbia, November 8, 2019

Third Quarter 2019 Consolidated Results

Fortress Global Enterprises Inc. ("Fortress Global Enterprises" or the "Company") (TSX:FGE) (OTCQX:FTPLF) reported 2019 third quarter operating EBITDA loss of \$7.2 million compared to operating EBITDA loss of \$9.5 million in the previous quarter and operating EBITDA of \$7.5 million in the prior year comparative period. The Dissolving Pulp Segment incurred operating EBITDA loss of \$6.4 million. Development costs incurred in the Bioproducts Segment were \$0.3 million which was offset by \$0.1 million of grants and funding. Corporate costs were \$0.6 million in the third quarter of 2019.

Third Quarter 2019 Segment Results and Outlook

As a result of a lower realized sales price resulting from a softened demand for dissolving pulp, an inventory write-down and significantly reduced sales volumes due to unusually low demand for dissolving pulp, operating results in the third quarter of 2019 were well below management expectations. Despite the significant headwinds in the dissolving pulp market, the Fortress Specialty Cellulose ("FSC") mill realized one of its better operational quarters from a dissolving pulp production and power generation perspective.

As a result of a thorough evaluation of the operating economics at the FSC mill and the prevailing market conditions, the Company determined to take market downtime on October 8, 2019. This market curtailment strategy will enable the Company to focus its efforts on executing on the previously announced strategic initiative, which includes the consideration of various strategic and financing alternatives potentially available to the Company including a recapitalization, restructuring and/or business combination transaction (the "Strategic Initiative"), as well as planning the optimized restart of the mill when dissolving pulp prices normalize. The Company has also proactively allocated resources to enable it to restart the FSC mill on an expedited basis in order to take advantage of any significant rebound in dissolving pulp pricing. Based on historic trends, the Company continues to believe in the future pricing recovery and prospects for dissolving pulp as the market adjusts to currently volatile conditions.

A total of 42,074 air dried metric tonnes ("ADMT") of dissolving pulp was produced in the third quarter of 2019 and the FSC mill sold 16,517 ADMT of dissolving pulp in the same period, compared to sales of 33,585 ADMT and 38,433 ADMT of dissolving pulp in the previous quarter and prior year comparative period, respectively.

In accordance with the Company's accounting policy, each asset or cash generating unit is evaluated at each reporting date to determine whether there are any indicators of impairment. Management's impairment evaluation resulted in the identification of an impairment loss of \$31.7 million and \$76.6 million at the FSC mill operations, during the three and nine months periods ended September 30, 2019.

Going Concern

The financial statements have been prepared under the historical cost convention, except for certain classes of property, plant and equipment. The financial statements have also been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Subsequent to the quarter ended September 30, 2019, the Company determined after conducting an impairment analysis that it was not in compliance with one of its financial covenants as at September 30, 2019. Accordingly, \$119.9 million was recorded in current liabilities for the period ended September 30, 2019. However, a waiver from compliance with the applicable covenant through to the period ended December 31, 2019 was subsequently obtained from the lender which reclassifies the \$119.9 million as long term debt after receipt of the waiver. In addition, approvals for compliance with the terms and conditions from the lender of the \$31.7 million secured loan have not been formally finalized in writing as at September 30, 2019. Accordingly, \$31.7 million was recorded in current debt for the period ended September 30, 2019.

Cash flows from operations, primarily based on operating results, have historically been the Company's primary source of liquidity and capital resources. Management anticipates that, based upon current dissolving pulp market prices, the market downtime being taken by the FSC mill, and the working capital as at September 30, 2019, the forecasted cash flows will not be sufficient to meet the Company's obligations, commitments and budgeted expenditures through September 30, 2020. As a result, there is significant uncertainty whether the Company will continue as a going concern and, therefore, whether it will realize the stated value of its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. No adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern. These adjustments could be material.

The Company has implemented measures to mitigate against the impact of the decline in dissolving pulp prices. On September 3, 2019, the Company announced that its subsidiaries entered into had entered into a financing agreement with their secured lenders or their affiliates providing for a senior secured credit facility in the amount of up to \$15.0 million (the "Facility"). The Facility provided the Company with supplemental liquidity to initially allow for uninterrupted operations in order to execute on its Strategic Initiative. To-date, the borrowers have drawn down an aggregate of \$7.0 million under the Facility.

Management of the Company continues its active discussions with its financial partners, including its senior lenders, to secure the long-term financial viability of the Company's business. While management is continuing to execute on its Strategic Initiative, no assurance can be provided that it will be successful, or that the amounts realized for its assets will be equal to the

amounts reflected in the interim consolidated financial statements. There is also no assurance that the Company will not be required, or will not determine, that it is in its best interests to file for any form of creditor protection proceeding imminently or in the near future whether or not in connection with any transaction.

The Company's ability to continue future operations and fund its planned activities is dependent on the Company's ability to seek out proposals from existing and potential new stakeholders and to execute the Strategic Initiative.

Corporate and Cash

Corporate expenses for the three months ended September 30, 2019 were \$0.6 million, compared to \$0.9 million in the previous quarter. Cash and restricted cash at September 30, 2019 was \$4.1 million compared to \$8.8 million at June 30, 2019.

For a summary of significant developments please refer to the Management's Discussion and Analysis for the three and nine month period ended September 30, 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 and nine month period ended September 30, 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)	Q3 2019	Q2 2019	Q3 2018
Sales	20,448	36,762	48,678
Operating EBITDA (loss) ⁽¹⁾	(7,246)	(9,456)	7,545
Net loss	(51,786)	(61,243)	(4,702)
Pulp shipments (ADMT)	16,517	33,585	38,433

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

A conference call to discuss the financial results for the third quarter of 2019 will be held on November 12, 2019 at 6:00 a.m. (PST). 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: 1249767#

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 1248084# and the participant pass code to access the replay is 15086#.

Financial Reconciliations

Net Loss to Operating EBITDA (Loss) Reconciliation:

(thousands of dollars, unaudited)	Q3 2019	Q2 2019	Q3 2018
Net loss	(51,786)	(61,243)	(4,702)
Foreign exchange loss (gain)	1,837	(1,007)	1,272
Net finance expense	4,447	2,814	5,656
Amortization	6,379	5,536	5,566
Loss (gain) on financial instruments	47	(517)	(283)
Stock-based compensation	91	92	240
Impairment of property, plant and equipment	31,739	44,869	-
Non-operating income	-	-	(204)
Operating EBITDA (loss)	(7,246)	(9,456)	7,545

The Company

Fortress Global Enterprises operates its dissolving pulp business at the FSC 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 the Company's products; expectations relating to expenditures; the impact of certain projects, cost reductions, equipment upgrades and production improvement initiatives; and expectations relating to the ability of the Company to continue as a going concern. 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; that the Company will continue to operate as a going concern; and that the Company will be able to secure necessary financing as required. 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; that the Company will not be able to continue to operate as a going concern, which is primarily dependent on accessing additional sources of liquidity from lenders or investors until the Company is able to generate sufficient, sustainable cash flow from operations to meet its ongoing operating, financing and investing requirements; there may be delays, cost overruns and financing or other impediments in re-starting the FSC mill; 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.