SLANG Worldwide Announces Preliminary 2019 Financial Results and Provides Corporate Update

Company to Utilize Temporary Regulatory Filing Relief

TORONTO, April 29, 2020 -- SLANG Worldwide Inc. (CNSX: SLNG), (Frankfurt: 84S), ("**SLANG**" or the "**Company**"), a leading global cannabis consumer packaged goods (CPG) company with a diversified portfolio of popular brands, today issued preliminary, unaudited financial results for the full year and three months ended December 31, 2019 as well as commentary on the current business environment and outlook. The Company also announced that it will be relying on the coordinated relief announced by the Canadian Securities Administrators with respect to the filing of its annual financial statements and management's discussion and analysis, and related officer certificates for its financial year ended December 31, 2019. All figures in this press release are stated in Canadian dollars unless otherwise noted.

Preliminary 2019 Financial Results[(1)]

- Full-year 2019 revenue of $29.2 million. Fourth quarter 2019 revenue of $8.7 million.
- Full-year 2019 pro forma revenue of $90.7 million, which includes the impact of the previously announced proposed acquisitions, investments, and assets within the SLANG Network.[(2)] This result compares to previously announced 2019 pro forma annualized revenue guidance of $70-$100 million. Fourth quarter 2019 pro forma revenue of $23.4 million[(2)]; reflective of impact related to vape category exchanges, returns, and/or production planning shifts
- Full-year 2019 adjusted gross profit of $15.6 million and adjusted gross profit margin of 53%. Fourth quarter 2019 gross profit of $5.5 million and gross margin of 63%.
- $19 million of cash and cash equivalents at December 31, 2019.
- The Company expects to file its combined Q4 and FY2019 financial results on or about May 21, 2020, followed by an investor conference call.

Subsequent Corporate Highlights

- Organic growth and brand leadership positions have continued into 2020 within the SLANG Network core markets of Colorado and Oregon.
- The Company continues to operate with a strong cash position that is expected to be sufficient to fund operations through to profitability.
- Accelerating the path to profitability through a rebalancing of the workforce and continued optimization of SLANG Network relationships, resulting in combined annualized savings expected to be in excess of $7 million.
- Continuing to recalibrate supply chain relationships in several emerging markets to provide for more sustainable and profitable growth.

- Continuing to bring new product SKUs to market in 2020 through the launch of additional brands in new product verticals and expansion of existing product lines.
- Previously announced Cookies partnership is on track to release product during Q2 2020 in SLANG Network core markets of Colorado and Oregon
- Working towards final steps required to complete previously announced acquisitions of Cultivate Brands Corp., Allied Concessions Group ("**ACG**") and Lunchbox Alchemy ("**LBA**").

Management Commentary

"2019 was a transformational year for SLANG as we integrated companies, personnel, and continued to grow our brands. In Q4, we generated solid results to cap off our first year as a public company," said SLANG CEO Peter Miller. "Sector-wide headwinds began to emerge in the second half of 2019, specifically widespread concern over public health issues related to illicit vaporizers. We saw major shifts in the competitive dynamics of certain markets where we operate, and we continued to examine the strategic value of each network asset. SLANG's nimble approach and capital-light model has enabled us to be proactive in addressing these challenges early, and our brands largely maintained their leadership positions across our core markets."

The proliferation of public concern over the safety of vape products in the fourth quarter of 2019, and associated regulatory responses, created challenges related to product mix and availability. The regulatory responses varied by market, with some choosing to enact total bans, while others restricted certain product types. Most operators in the cannabis vape category, including certain entities in the SLANG Network, experienced challenges in the form of exchanges, returns, and/or production planning shifts. Monthly sales in the vape category in certain states declined by as much as 25% in the fourth quarter compared to the third quarter, according to reports from BDS Analytics and Arcview Market Research. Throughout the quarter, new data became available, pointing to the high probability that the safety issues were related to illicit market practices and regulators updated their positions accordingly, returning the legal market to a more normal state. In 2020, consumer demand for these products has returned, largely, to status quo rates of growth and demand across the industry.

Mr. Miller added: "Our priorities in recent quarters have included improving operational efficiency, increasing product diversification and strengthening our balance sheet. We've also placed an increased focus on our core markets while utilizing licensing and strategic partnerships in emerging markets. These strategic shifts have enabled us to reduce costs, accelerate our path to profitability, and withstand the further macro-level challenges that have emerged in 2020, while still pursing the most compelling growth opportunities."

Commentary on Outlook for 2020

As discussed in its corporate update released on March 23, the Company continues to prioritize its core markets, which have been previously defined as those with profitable growth trajectories. SLANG currently considers its core markets to include Colorado and Oregon. The Company's strategy in core markets is to continue to broaden its brand and product portfolio and consolidate supply chain assets in order to strengthen unit economics and profitability.

During the first quarter of 2020, the Company delivered organic growth in its core Colorado and Oregon markets, and its brands continued to hold leadership positions – most notably O.penVAPE, which maintained its position as the #1 selling vaporizer in Colorado. The Company has added Cookies as a strategic partner in both markets, further diversifying SLANG's product portfolio into flower and creating new revenue streams, with products expected to launch in both states in the second quarter of this year. The Company has also extended its District Edibles product portfolio in both markets. The Company is working to consolidate supply chain assets by obtaining regulatory approvals required to close certain previously announced proposed acquisitions.

Emerging markets are those that SLANG views as markets with regulatory or commercial environments in which profitability and high-margin sales are more challenging for consumer product-focused companies. Strategic partnerships and licensing arrangements allow the Company to achieve its objectives for establishing and growing its brands, without the inherent capital costs associated with non-licensing structures. Despite the lower revenues generated by a licensing model, higher margins-per-unit allow for sustained, profitable growth. For SLANG, emerging markets currently include California, Florida, Maine, Nevada, New Mexico, Ohio, Oklahoma, Vermont and Canada.

In Q1 2020, the Company added Ohio to its distribution footprint, and announced a new licensing agreement in Maine, with both partners considered market leaders in their respective states. SLANG's strategy in emerging markets is built around strong local partners who manage production and distribution, such as Trulieve Cannabis Corp. in Florida, which has continued to see strong organic growth.

Broad, sector-wide challenges experienced by certain entities across emerging markets in the SLANG network during Q4 are expected to persist and impact licensing performance in the near term. The Company continues to actively support and engage its partners across emerging markets within the SLANG network, while continuing to evaluate and recalibrate the supply chain. In California, Massachusetts and Michigan, the Company is particularly focused on creating a clear path toward sustainable and profitable growth.

Most importantly, the persistent sector-wide capital constraints present new opportunities for SLANG. As a leading CPG firm with deep manufacturing and supply chain experience, the Company believes that its value proposition is now even more compelling to regional license holders seeking to accelerate their path to market, while minimizing costly mistakes.

As the Company adjusts, and executes, its operating strategy, management expects certain financial key performance indicators to adjust accordingly. For example, the Company's licensing business and wholesale business generate different unit economics per Branded Unit sold. The Company will continue to evaluate and calibrate tactics in each market to balance the Company's operations with those market realities. The strategic value of each asset will be examined, and decisions will be made that align with the Company's overall corporate strategy and profitability goals.

The Company has avoided significant disruptions to its operations from the global COVID-19 pandemic. Circumstances have evolved rapidly, however, and the possibility remains for operational impacts due to potential supply chain issues, enhanced safety protocols and the limits

on the accessibility of retail cannabis in the markets where the Company operates. The full magnitude of any impact of COVID-19 on the Company's operational and financial performance will depend on several factors, including the duration and scope of the pandemic, and the degree to which its customers, employees and vendors may be impacted.

The Company is moving forward with the goal of achieving profitability and driving shareholder value, while continuing to pursue accretive and strategic opportunities. To that end, SLANG is currently executing on the streamlining of its operations, as well as several key growth initiatives.

Streamlining Operations Across Core and Emerging Markets

The Company has focused on managing costs and cash resources to reflect the current environment, through streamlining initiatives that include the following:

- Maintaining a strong balance sheet with continued focus on the prudent allocation of capital and ongoing operational improvements;
- Continued optimization of its workforce and recalibration of SLANG Network relationships, resulting in an estimated $7 million in annualized savings;
- A disciplined and more sustainable approach to operating in emerging markets, as described above; and
- Deferring opportunities previously announced with the SLANG Health & Wellness CBD product vertical and in Colombia and Greece until such time that market dynamics allow for favorable unit economics and commercialization of products.

Growth Catalysts

Initiatives expected to contribute to the Company's growth in 2020, and beyond, include, but are not limited to, the following:

- Entry into the flower category through its previously announced partnership with Cookies;
- Organic growth across core markets driven by the release of new products under the Company's existing brand portfolio;
- Benefitting from the prolonged presence of brands in emerging markets as they mature;
- Capital-efficient entry into additional emerging markets through licensing and partnership agreements; and
- Consolidation of supply chain assets in Colorado and Oregon following the anticipated completion of previously-announced acquisitions.

"As market conditions continue to evolve, the changing dynamics create both challenges and new opportunities. The first months of 2020 saw unexpected developments, particularly related to COVID-19," said Peter Miller. "As always, the flexibility of our capital-light business model has enabled us to respond very quickly. We have continued to manage our costs and cash resources to reflect the current environment, including a disciplined approach to the structure of our workforce."

Mr. Miller concluded: "I believe SLANG is well-positioned to both ride out the current headwinds and emerge as an even stronger company. We have established important partnerships in key markets and broadened our portfolio of products and brands. We are operating more efficiently with a clear path to profitability. Our balance sheet remains solid and unencumbered by significant debt or capex obligations. Several previously announced strategic transactions are now in the final stages of approval. We look forward to providing further updates next month and as the year progresses."

Given the uncertainty in the economic environment, the Company does not intend to provide financial guidance for 2020.

Temporary Regulatory Filing Relief

As a result of logistics and delays caused by the COVID-19 pandemic, the Company is relying on the Ontario Securities Commission's blanket order, Ontario Instrument 51-502 *Temporary Exemption from Certain Corporate Finance Requirements* (the "**Exemption**"), to postpone the filing of its December 31, 2019 audited annual financial statements, management's discussion and analysis and the applicable CEO and CFO certifications in respect of such filings (collectively the "**Annual Filings**"). If it were not relying on the Exemption, the Company would be required to release its Annual Filings on or prior to April 29, 2020 pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*.

The Exemption is provided in response to the COVID-19 pandemic, the Canadian Securities Administrators and other securities regulatory authorities in Canada, have granted similar blanket reliefs allowing issuers an additional 45 days to complete their regulatory filings that were otherwise due during the period March 23, 2020 to June 1, 2020.

The Company has imposed an insider trading blackout pending the release of the Annual Filings, members of management, directors and other insiders will comply with the Company's insider trading policy and the guidelines described in section 9 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*, until the Annual Filings have been released, which the Company anticipates occurring on or about May 21, 2020.

Provided below is an update of all material business developments since the date of the last interim financial reports that were filed with respect to the interim period ending September 30, 2019. Each of such developments has previously been disclosed via press release, all of which are available under the Company's SEDAR profile at www.sedar.com:

- On November 26, 2019, the Company closed a non-brokered financing for gross proceeds of $15,152,063; issued 1,207,500 stock options; and issued 3,750,000 restricted shares units.
- On December 5, 2019, the Company closed the second tranche of a non-brokered financing for gross proceeds of $1,750,000.
- On December 30, 2019, Jeremy Heidl resigned as a director.
- On January 6, 2020, the Company entered into a licensing agreement with Standard Wellness Company, LLC.

- On February 13, 2020, the Company entered into a licensing and distribution agreement with Cookies to expand its partnership.
- On March 3, 2020, the Company entered into an acquisition agreement to acquire Cultivate Brands Corp.
- On March 11, 2020, the Company entered into a licensing agreement with Northeast Patients Group dba Wellness Connection of Maine.

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About SLANG Worldwide Inc.

SLANG Worldwide Inc. is a global leader in the cannabis CPG sector with a diversified portfolio of popular brands distributed across the United States. The Company specializes in acquiring and developing market-proven regional brands as well as launching innovative new brands to seize global market opportunities. SLANG is listed on the Canadian Securities Exchange under the ticker symbol SLNG and on the Frankfurt Stock Exchange under the trading symbol 84S. For more information, please visit www.slangww.com.

Forward-Looking Statements

This news release contains statements that constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management of SLANG at this time, are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies that could cause actual results to differ materially from those expressed or implied in such statements. Investors are cautioned not to put undue reliance on forward-looking statements. Applicable risks and uncertainties include, but are not limited to regulatory risks, risks related to the COVID-19 global pandemic, changes in laws, resolutions and guidelines, market risks, concentration risks, operating history, competition, the risks associated with international and foreign operations and the other risks identified under the headings "Risk Factors" in SLANG's final long form prospectus dated January 17, 2019 and "Risks and Uncertainties" in the management discussion and analysis for the year ended December 31, 2018 and nine months ended September 30, 2019, each as filed on SEDAR at www.sedar.com. SLANG is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking information,

whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Financial Outlook

This press release contains a financial outlook within the meaning of applicable Canadian securities laws. The financial outlook has been prepared by management of the Company to provide an outlook for the three and twelve months ended December 31, 2019 and may not be appropriate for any other purpose. The financial outlook has been prepared based on a number of assumptions including the assumptions discussed under the heading "Forward Looking Statements" above and assumptions with respect to market conditions, pricing, and demand. The actual results of the Company's operations for any period will likely vary from the amounts set forth in these projections and such variations may be material. The Company and its management believe that the financial outlook has been prepared on a reasonable basis. However, because this information is highly subjective and subject to numerous risks, including the risks discussed under the heading "Forward Looking Statements" above, it should not be relied on as necessarily indicative of future results.

Notes:

(1) These preliminary and unaudited financial results are subject to customary financial statement procedures by the Company and its auditors. Actual results could be affected by subsequent events or determinations. While the Company believes there is a reasonable basis for these preliminary financial results, the results involve known and unknown risks and uncertainties that may cause actual results to differ materially. These preliminary fiscal results represent forward-looking information. See "Forward-Looking Statements".

(2) This press release contains references to pro forma financial information, including with respect to pro forma revenues. Pro forma revenues include the revenue for the twelve month and three month periods ended December 31, 2019 for each of Arbor Pacific, Inc. ("Arbor"), LBA, NS Holdings, Inc. ("NSH") and ACG. Such proposed acquisitions include the previously announced proposed acquisitions of Arbor and LBA, as well as the exercise of options to acquire the remaining Organa Brands businesses, NSH and ACG. These acquisitions cannot be consolidated, in the case of NSH and ACG, because such acquisitions were still under option as at December 31, 2019 and, in the case of Arbor and LBA, because such acquisitions have not yet closed. Pro forma revenues do not include anticipated costs and expenses to generate such revenue. Completion of the proposed acquisitions of Arbor and LBA and the exercise of the Company's option for NSH, and the acquisition of NSH and ACG are subject to, among other things, the negotiation and execution of definitive acquisition agreements and related documents and the satisfaction or waiver of any conditions precedent to the consummation of such acquisitions (including the receipt of any requisite regulatory and third-party approvals). There can be no assurance that the Company will exercise its option to acquire NSH and/or complete the acquisitions of Arbor, LBA, NSH and ACG.

The Company believes the pro forma results presented provide relevant and useful information for investors because they clarify the Company's actual operating performance, make it easier to compare the Company's results with those of other companies in the same industry as the Company and allow investors to review performance

in the same way as the Company's management. Since these measures are not calculated in accordance with IFRS, they should not be considered in isolation of, or as a substitute for, our reported results as indicators of the Company's performance, and they may not be comparable to similarly named measurements from other companies.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

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