



SLANG Worldwide Announces Business Update and Leadership Transitions

- Peter Miller to become Executive Chairman
- Chris Driessen to be promoted to President & Chief Executive Officer of SLANG, John Moynan to be promoted to Chief Operating Officer & General Counsel, Mikel Rutherford to be promoted to Chief Financial Officer
- Kelly Ehler to transition to the Board of Directors from CFO, and Billy Levy to transition to Strategic Advisor
- Management team is best suited to execute on SLANG’s optimized operating strategy which emphasizes profitability, sustainable growth in core markets and strategic partnerships in emerging markets
- Peter Miller and Billy Levy to enter into an additional 12-month lock up of their SLANG shares
- The Company is working towards the final steps required to complete the previously announced acquisitions of ACG and Lunchbox Alchemy and expects both transactions to close later this year

TORONTO, June 11, 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 announced a proposed realignment of its executive team as it prepares to close previous announced acquisitions and in support of its strategy with a greater focus on sustainable growth in its core markets. The Company also provided a business update.

“This is the right leadership team for today’s environment, and we are fortunate to have veterans within the organization who are ready to step into roles of greater responsibility,” said Peter Miller, the CEO of SLANG. “Chris, John, and Mike are skilled operators with deep expertise in our core markets and a successful track record of building partnerships for SLANG. This evolution of the team reflects the business’ needs in the current operating environment, and aligns with our strategic objectives. Billy and I will continue to focus on creating shareholder value from our redefined roles. We are also grateful to Kelly, who was instrumental in taking us public, closing our acquisitions and establishing the public company reporting standards that will enable us to execute on our future plans.”

“Dramatic changes in the business environment call for revamped operating tactics,” said Chris Driessen, incoming President and CEO and a current director of SLANG. “We have made proactive adjustments over the past several quarters as dynamics have evolved in the cannabis sector. These most recent changes are designed to position us to succeed in today’s market while continuing to pursue significant long-term growth opportunities. I look forward to continuing to work with our team to execute on the vision for the Company that we have all worked so hard to establish.”

Executive Leadership Team

The Company is making several changes to its executive team, which are expected to become effective by the end of this month:

- **Chris Driessen** will be named President & Chief Executive Officer of SLANG. Mr. Driessen has most recently served as President of the Company's U.S. division with direct responsibility for sales, partnerships, manufacturing and operations. He also sits on the Board of Directors. Mr. Driessen first joined Organa Brands in 2014, having previously held sales and operational leadership roles in the information technology and hotel sectors.
- **John Moynan** will be promoted to Chief Operating Officer, in addition to maintaining his current role as General Counsel. Mr. Moynan has served with SLANG and its predecessor companies for the past six years, playing an instrumental role in the licensing of intellectual property and structuring of agreements with SLANG's strategic partners such as Trulieve Cannabis Corp, Cookies and Canopy Growth.
- **Mikel Rutherford** will be promoted to Chief Financial Officer. Mr. Rutherford has been SLANG's Executive Vice President of Finance since January 2018, playing a key role in the Company's financial reporting and management as well as several major financing transactions. He previously served as Director of Finance for SLANG portfolio company Agripharm Corp.
- **Kelly Ehler** will transition from his current Chief Financial Officer role and will stand for election to the Board of Directors at the Company's upcoming Annual and Special Meeting of shareholders. Mr. Ehler is a Chartered Professional Accountant with more than 35 years of experience spanning the financial services, real estate, telecom and automotive industries. He has served on numerous public and private company boards and has expertise including M&A, consolidations, debt financing and multijurisdictional entities.
- **Peter Miller** will transition from the CEO role and will serve as Executive Chairman of the Board of Directors.
- **Billy Levy** will transition from President and Corporate Secretary of SLANG to serve as a lead strategic advisor to the Company with a continued focus on strategy and business development activities.

Mr. Miller and Mr. Levy have voluntarily agreed to enter into lock up agreements for a term of 12 months.

"Peter and I have never been more confident in SLANG and will continue to support the Company in every way we can," said Billy Levy, Co-founder of SLANG. "The Company has built a great foundation capable of supporting significant long-term growth, as well as the strategy and the team to deliver on that vision and create shareholder value. Our decision to voluntarily enter into lock-up agreements reflects our ongoing commitment to the Company and a formal alignment of our interests with those of other shareholders."

Business Update

The leadership team will continue to execute a strategic and operating plan that has been streamlined in recent months and includes several key elements:

- Continued emphasis on enhancing the value of our intellectual property through brand leadership in our core markets and targeted expansion of our product portfolio
- Concentrating resources within the core markets of Colorado and Oregon, where the Company's strategy is to consolidate supply chain assets
- Leveraging the Company's strategic partnership model in its emerging markets, which minimizes capital requirements while allowing the Company to expand its brand presence
- Aligning the organization at all levels to achieve a cost structure appropriate to current market conditions
- Maintaining a disciplined approach to capital allocation to preserve the Company's strong balance sheet and accelerate its path to profitability

These priorities are designed to address several factors which have combined to create a challenging environment for the Company. There is still a great deal of uncertainty that exists in relation to COVID-19, including how specific geographies, retail channels, consumer behaviors and the broader economy will evolve over time. Other factors include changing dynamics in several of the Company's markets and reduced access to capital for cannabis companies.

The operational streamlining is expected to impact the Company's financial results in several ways. For example, SLANG's partnership and licensing model generates lower top line revenue compared to a wholesale model, but also tends to produce higher margins, deliver a faster return on investment, and make more efficient use of working capital. Recalibration in certain emerging markets results in a short-term revenue decline in those markets, while positioning the Company for more sustainable and profitable growth.

SLANG has already executed a number of transactions in support of this model in the early part of 2020, including new partnership agreements in Ohio, Maine and Michigan as well as an expanded partnership with Cookies, and the Company expects these new relationships to have a positive impact on sales in the second half of 2020.

In light of the Company's reassessment of certain markets, a more conservative capital allocation strategy and the macro-level conditions noted above, the Company is providing an update on the following proposed transactions:

- The Company is working towards the final steps required to complete the previously announced acquisitions of Allied Concessions Group ("ACG") and Lunchbox Alchemy ("LBA"), and expects both transactions to close later this year. The ACG and LBA transactions align with the core markets strategy described above, including the expectation that each will contribute to profitable and sustainable growth.
- The Company does not currently expect to exercise its option to acquire NS Holdings, Inc. ("NSH") in the near term. The Company's option agreement remains in effect and the Company maintains the right to exercise its option to acquire NSH until January 22, 2022.

- The Company and Arbor Pacific, Inc. (“**Arbor**”) have mutually agreed not to pursue the previously announced acquisition. The two companies are actively exploring other accretive ways to work together in their respective markets. The Company will not incur break fees or other financial penalties as a result of the decision not to proceed with the acquisition of Arbor.

Management believes SLANG is well positioned to withstand current market challenges, in particular due to its capital-light business model, growing roster of strategic partners, flexible go-to-market systems, diverse product portfolio in attractive categories, and financial strength. The streamlined operating plan is intended to better align the Company’s cost structure with current market conditions while maintaining its ability to pursue opportunities as they arise.

“The entire SLANG team is very excited about the opportunities ahead of us,” said Mr. Driessen. “We believe we have the right strategy in place to compete and succeed in the current market. We have taken decisive action to adapt our business, while building on our competitive advantages to become an even stronger company.”

As previously announced, the Company expects to file its first quarter 2020 financial results on June 25, 2020, followed by an investor conference call.

Media and Investor inquiries

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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 statement in this press release include, but are not limited to, statements in respect of anticipated changes to the Company’s management and board of directors and the proposed acquisitions of ACG and LBA.

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 Company’s management’s discussion and analysis for the year ended December 31, 2019, 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.

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

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