SLANG Worldwide Announces Q3 2019 Financial Results and Secures $15 Million Equity Financing

- Q3 2019 revenue of $9.3 million, a 29% increase over Q2 2019 revenue of $7.2 million
- Q3 2019 pro forma revenue of $27 million which includes the impact of previously announced acquisitions and investments, a 23% increase over Q2 2019 pro forma revenue of $22 million
- Q3 2019 gross profit of $4.6 million increased 41% versus Q2 2019 gross profit of $3.3 million; gross margin improved to 49% from 45%
- Sold over 900,000 branded units, containing 64 million branded servings, in 12 states, through 2,600+ retailers
- Reiterating 2019 pro forma annualized revenue guidance of $70-$100 million
- Targeting positive operating cash flow by mid-2020
- Exercised option to acquire the Allied Concessions Group Inc. ("ACG") distribution business in Colorado
- Concurrently announced a $15 million non-brokered private placement, enhancing the balance sheet for opportunistic, previously uncontemplated growth investments and initiatives.

TORONTO, November 26, 2019 -- SLANG Worldwide Inc. (CNSX: SLNG), (Frankfurt: 84S), ("**SLANG**" or the "**Company**"), today announced that it has filed its financial results for the three and nine months ended September 30, 2019. Additionally, the Company is pleased to announce a non-brokered private placement for aggregate gross proceeds of approximately $15 million. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All figures in this press release are stated in Canadian dollars unless otherwise noted.

"In Q3 2019, we continued to see strong organic revenue growth. Across our portfolio, we saw favourable developments, including a shift in consumer spending toward the premium end of our portfolio, particularly Craft Reserve and Firefly. We continue to diversify our portfolio of products to increase total cannabis market share across both historically strong and blue-sky product segments, for SLANG," said SLANG CEO Peter Miller.

"Additionally, we are excited to accept additional financing. This significant capital infusion from existing, long-term shareholders further strengthens our balance sheet. The Company's ongoing efforts toward increased acquisition-centric efficiencies, our goal of positive operating cash flow by mid-2020, today's enhanced cash position, and our powerful, multi-state platform allow us to be opportunistic around growth opportunities in this dynamic environment. We see huge opportunity in flower, ultra-premium concentrates, and other previously untapped product segments for SLANG."

Key Financial and Operational Highlights

Financial Highlights:

- Q3 2019 revenue of $9.3 million represents a sequential increase of 29% over the $7.2 million of revenue generated in Q2 2019. The increase reflects ongoing business strength in core markets and a favourable shift in product mix, including accelerating sales of premium products in the SLANG portfolio.

- Q3 2019 pro forma revenue of $27 million which includes the impact of the previously announced proposed acquisitions, investments, and the exercise of options to own assets within the SLANG Network.

- Q3 2019 gross profit of $4.6 million (49% margin) compared to $3.3 million in Q2 2019 (45% margin) reflects positive impact of changes to product mix and continued integration of existing assets, particularly procurement resources.

- Q3 2019 adjusted EBITDA loss of $1.6 million, consistent with an adjusted EBITDA loss of $1.6 million in Q2 2019 as gross profit improvements were offset by increased expenses related to corporate activities.

- Net income of $0.4 million in Q3 2019 compared with a net income of $17.5 million in Q2 2019. Net income in the quarter was driven by a favourable $106.6 million fair value adjustment to derivative liabilities and the options to acquire NS Holdings Inc. ("NSH") and ACG (the balance of the Organa Brands business), offset by a non-cash impairment charge relating to a write-down of goodwill for acquisitions completed in January 2019 and by increased operating expenses in the quarter.

- $10.6 million of cash and cash equivalents at the end of the quarter. Subsequent to quarter-end, the Company agreed to raise an additional $15 million through a non-brokered private placement financing.

Operational Highlights:

- In July, the RESERVE line of vaporizer cartridges became the first SLANG products available in Florida through the Company's partnership with Trulieve Cannabis Corp.

- Expanded potential reach of the SLANG Network to the European Union with an announced partnership with Global Cannabis Corp (Greece).

- Further developed the Pressie Pills product line through launching the Pressie Pills 10-pack SKU in Colorado in August, as a follow up to the success of the single-serve Pressies product, and soft-launching the Pressies product in California in July.

- Accepted an investment from Bruce Linton, co-founder of Canopy Growth Corporation on September 17. In connection with the investment, each of the directors and senior officers of SLANG, who hold an aggregate of approximately 53 million common shares, entered into lock-up agreements.

- Launched the Firefly Mini in select retailers throughout Colorado. The Company is focused on increasing distribution for the Mini in Q4 2019.

- On October 15 the Company announced that it entered into a strategic partnership with Cookies, a leading California-based cannabis and lifestyle brand, to bring Cookies' products to the Colorado market in early 2020.

- Continued to advance the Company's integration of its existing assets and to pursue value capture initiatives across SLANG. To date, the Company has been focused on strong financial discipline. As such, the Company has sought to streamline its marketing, finance, legal, and operations functions, which have directly led to over 400 basis point improvement of its gross margin percentage and is expected to result in an estimate of $3 million in annualized savings, thereby accelerating the Company's path to profitability.

- Worked toward consolidating the Colorado supply chain. The Company has exercised its option to acquire ACG. Closing of the acquisition will allow us to consolidate operations in Colorado. This is expected to increase revenue while streamlining operations and costs in our largest market.

Brand Key Performance Indicators in Q3 2019:

- **913,000 branded units sold** — The Company saw an increase in quarterly revenue driven by higher sales of premium products within the portfolio. Despite sociopolitical headwinds, our leading Craft Reserve and Reserve brands in the O.penVAPE line maintained a #1 sales positions across key markets, including Colorado, New Mexico, and Vermont.

- **64 million branded servings (average of approximately 700,000 servings per day)** — The divergence between sales volume and branded servings was driven by product mix which increasingly contains premium products with fewer cannabinoids per serving or, in the case of the Firefly 2+, no cannabinoids. Branded Servings declined less than Branded

Units as cannabis-containing products sold were generally premium, larger format product offerings.

- **2,600+ retail stores across 12 states selling SLANG's branded products** — SLANG continues to maintain an extensive distribution network which spans the US and abroad.

Growth Catalysts:

SLANG will continue to capitalize on growth opportunities within the sector through expanding both its product offerings and distribution channels, ensuring that the Company stays ahead of evolving consumer trends and may reach the broadest consumer base possible. The Company has highlighted a number of key growth initiatives being pursued that will increase consumer demand within its portfolio.

- **Flower:** To-date, SLANG has not yet engaged consumers directly in the flower vertical. In FY2020, SLANG expects to enter this space with three key partnerships: Green House Seed Company, Strain Hunters, and Cookies. Each brand was strategically added to the SLANG portfolio, as they are among the most recognized flower brands in cannabis today. The Company expects to release branded flower and pre-rolls in Colorado and California by Q2 2020. The flower segment accounts for an estimated 40% to 50% of retail sales in each of these markets, which can significantly expand SLANG's addressable market. Additionally, we anticipate that premium branded flower may further bolster sales of the Firefly 2+ through cross promotion.

- **Concentrate and Vaporizer**: SLANG currently maintains a portfolio of dozens of concentrate SKUs under its Craft Reserve, Reserve, and Bakked product lines. Within most key markets, these SKUs are among the highest selling concentrate products on shelves, including in Colorado where 6 of the highest selling vape SKUs are either Craft Reserve or Reserve products. To build upon this success, SLANG is continuing to innovate through the development of improved delivery devices and form factors. As part of its iterative product strategy, SLANG soft-launched the FireFly Mini product in Colorado during Q3 2019. After positive traction in the market, the Company now anticipates a full state-wide launch in Q4 2019, followed by a product roll-out in California, Oregon and Washington in the first half of 2020. Additionally, SLANG anticipates offering further additions to its product mix, including live resin products in 2020.

- **Edibles:** To build upon the success of its District Edibles, Pressies, and Magic Buzz brands, SLANG is expanding its SKUs with the release of new flavors of existing products and new delivery forms, including sours, chocolates, and mints, and expanding the brands' market reach by distributing new offerings throughout our core markets—we see significant upside here as our Edibles portfolio is not yet as well distributed throughout our channels as our concentrate and vaporizer products.

- **SLANG Health & Wellness:** SLANG entered the CBD market in Q2 2019 with the launch of its Reserve CBD vape pen under the O.penVAPE brand. The company expects to continue the development of its portfolio of CBD products by extending its existing brand portfolio, while also introducing new branded products in 2020. In addition to SLANG's existing strategic relationship with Greenlane, the Company is also pursuing other direct-to-consumer distribution channels that will position its brands for large-scale adoption.

- **Organic Growth in Core Markets:** SLANG brands maintain leadership positions in a number of competitive recreational cannabis markets, both mature and evolving. The Company views these core markets (Colorado, Oregon, California, Nevada) as key to SLANG's continued growth. As SLANG continues to expand the distribution footprint and contents of its portfolio of products within the aforementioned territories, the company is poised for organic growth as regulatory headwinds and a changing capital environment create greater opportunities to build market share.

- **Maturation of Emerging Markets:** Several of SLANG's existing key US markets are expected to mature in FY2020, including Florida and Oklahoma. In emerging markets such as Michigan and Massachusetts, the Company is well positioned to make a quick entry should market dynamics shift favourably. The above markets represent well over $1 billion in potential sales. Internationally, SLANG is well-positioned for early market adoption through its previously announced proposed partnerships in Latin America, the EU, and in Canada through its minority ownership of the Canadian Licensed Producer Agripharm Inc. SLANG's partnerships within emerging markets offer exponential growth within the context of this novel market.

Corporate Development Update:

- Subsequent to quarter-end, the Company exercised its option to acquire Allied Concessions Group ("ACG"), one of the two manufacturing and distribution assets of Organa Brands. Upon closing, the acquisition of ACG will allow the Company to consolidate and streamline its operations in Colorado while increasing revenue. Completion of the transaction is subject to the execution of definitive documentation and State licensing approval and is targeted for early 2020.

- The Company continues to work towards being in a position to exercise its option to acquire NSH, the other remaining Organa Brands business, subject to the terms and conditions of the applicable option agreements.

- The Company announced the proposed acquisition of Arbor Pacific, Inc. ("Arbor") and LBA Global Corporation ("LBA") during the second quarter of 2019. The Company is committed to completing both transactions on terms that are mutually agreeable for shareholders of the acquiring and selling companies, in the context of evolving market conditions since the time of the original announcements.

Announcement of $15M Private Placement

SLANG has announced today a non-brokered private placement financing (the "Financing") for aggregate gross proceeds of $15,152,063. Investors include existing institutional shareholders of the Company and an additional investment by investor Bruce Linton. The Company intends to use the proceeds of the private placement to support strategic growth opportunities and for general corporate purposes.

Pursuant to the Financing, the Company will issue 30,922,579 units ("Units") at a price of $0.49 per Unit. Each Unit is comprised of one SLANG common share (a "Common Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one Common Share for five years at an exercise price of $0.52 per Common Share. The Company has the option to accelerate the exercise of the Warrants after one year, in quarterly tranches equal to one-third of the aggregate number of Warrants issued, in the event that the Common Shares trade at a price in excess of $1.50 for a period of 30 consecutive days. Should all of the Warrants be exercised, it would provide the Company with an additional $16 million in cash.

The Financing is expected to close imminently.

Q3 2019 Financial Review

The consolidated financial statements were prepared in accordance with IFRS. All figures are stated in Canadian dollars unless otherwise noted.

The following is selected presentation of the Income Statement for the quarter ended September 30, 2019 and the comparable quarter in 2018:

	September 30, 2019	**September 30, 2018**
(In thousands except per share data and percentages)	**CDN**	**CDN**
NET OPERATING REVENUE	**$ 9,314**	**$ 1,613**
Cost of goods sold	4,723	0
GROSS PROFIT	**4,591**	**1,613**
GROSS PROFIT MARGIN	**49%**	**100%**
Operating expenses	15,324	11,569
OPERATING (LOSS)	**(10,733)**	**(9,956)**
Other items (Impairment, FV adjustment, FX, gains/losses etc.)	12,923	(6,154)

TOTAL COMPREHENSIVE INCOME / (LOSS)	**$ 2,190**	**$ (16,110)**
EARNINGS PER SHARE		
Basic	**$ 0.00**	**$ (0.18)**
Diluted	**$ (0.05)**	**$ (0.18)**

Gross Margin

The Company generated a 49% gross margin in the quarter ended September 30, 2019. The Company has begun to realize a positive gross margin impact from the ongoing integration of certain operations acquired earlier this year. In addition, product mix and market segmentation of sales will impact gross margin in any particular quarter.

Below is the normalized gross profit margin from operations for the three months ended September 30, 2019 as well as the previous quarter:

3-months ending:	**September 30, 2019**	**June 30, 2019**
(In thousands except per share data and percentages)	**CDN**	**CDN**
Net Operating Revenue	**$ 9,314**	**$ 7,194**
Cost of goods sold	4,723	3,927
Adjusted Gross Profit	**$ 4,591**	**$ 3,267**

Non-IFRS Measures

EBITDA, Adjusted EBITDA, Branded Unit volume and Branded Servings volume are non-IFRS financial measures that the Company uses to assess its operating performance. EBITDA is defined as net earnings (loss) before net finance costs, income tax expense (benefit) and depreciation and amortization expense. Management defines Adjusted EBITDA as EBITDA adjusted for other non-cash items such as the impact of unrealized fair values, share based compensation expense, impairments, one-time gains and losses, and one-time revenues and expenses. See the heading "Operations Overview – Branded Volume" in the Company's Q3 2019 MD&A for a description of how each of Branded Unit volume and Branded Servings volume is calculated. This data is furnished to provide additional information and is a non-IFRS measure and does not have any standardized meaning prescribed by IFRS. The Company uses these non-IFRS measures to provide shareholders and others with supplemental measures of its operating performance. The Company also believes that securities analysts, investors and other interested parties, frequently use these non-IFRS measures in the evaluation of companies, many of which present similar metrics when reporting their results. As other companies may calculate these non-IFRS measures differently than the Company, these metrics may not be comparable to similarly titled measures reported by other companies. We caution readers that Adjusted EBITDA should not be substituted for determining net loss as an indicator of operating results, or as a substitute for cash flows from operating and investing activities.

	September 30, 2019
(In thousands except per share data and percentages)	**CDN**
TOTAL COMPREHENSIVE INCOME	**$ 2,190**
EBITDA	**(2,773)**
ADJUSTED EBITDA	**$ (1,621)**

See the Company's Q3 2019 MD&A for a detailed reconciliation of EBITDA and Adjusted EBITDA to Total Comprehensive Income / (Loss).

Options and RSU Grants

The Company announces that it has granted common stock purchase options (each, an "Option") to acquire up to 1,207,500 Common Shares of the Company to certain employees and consultants, 100,000 of which were granted to an employee engaged in investor relations for the Company.

The Company further announces it has granted 3,750,000 restricted share units ("RSUs") to certain key employees of the Company, 2,500,000 of which were granted to officers and a director of the Company.

The Options and RSUs are subject to certain vesting provisions which are outlined in further detail in the CSE Form 11 filed concurrently with this release.

SLANG's Q3 2019 Financial Statements and Management's Discussion and Analysis will be filed on SEDAR at www.sedar.com, and on the Company's Investor Relations website at www.slangww.com.

Conference Call

The Company will hold a conference call at 10:00 a.m. EST on Tuesday, November 26, 2019 to discuss the Company's Q3 2019 financial results.

Dial-in: 888.231.8191 (toll free) or (+1) 647.427.7450 (local or international calls)

Webcast: A live webcast can be accessed from the Investors section of Company's website at www.slangww.com or at this link.

An archive of the webcast will be available on the Company's website for one year.

Slides:	An investor presentation to accompany management's remarks will be available on the Company's website and on the webcast page.
Replay:	An audio replay of the call will be available for seven days at (+1) 855.859.2056, passcode 9283748.

Media inquiries
Media@SLANGworldwide.co

Investor inquiries
Kristina McCahon, Director, Investor Relations
Investors@SLANGworldwide.co / 833.752.6499

About SLANG Worldwide Inc.

SLANG Worldwide Inc. is a leading global cannabis consumer packaged goods company with a robust portfolio of renowned brands distributed across 2,600 stores in 12 US states. The Company is focused on acquiring and developing market-proven regional brands as well as creating new brands to meet the needs of cannabis consumers worldwide. 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, including those referenced in "Growth Catalysts" in the Company's management discussion & analysis for the period ending September 30, 2019, 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, 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 Outlooks

This press release contains financial outlooks within the meaning of applicable Canadian securities laws. The financial outlook has been prepared by management of SLANG to provide an outlook for fiscal 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 "Updated 2019 Full Year Outlook" herein, and "2019 Growth Catalysts" in the Company's management discussion & analysis for the period ending September 30, 2019 and assumptions with respect to certain proposed acquisitions. The actual results of the Company's operations for any period will likely vary from the amounts set forth herein 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", it should not be relied on as necessarily indicative of future results.

(1) Pro Forma Financial Information

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 three-month period ended September 30, 2019 for each of Arbor, LBA, 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 at quarter-end 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).

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 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.

###