

Atlas Global Brands Inc. (formerly Silver Phoenix Resources Inc.) Completes RTO with Atlas Growers Ltd., AgMedica Bioscience Inc. and Cambrosia Ltd.; Set to Commence Trading on the Canadian Securities Exchange

- *Unprecedented merger of two leading Canadian cannabis companies with demonstrated expertise in cannabis cultivation, manufacturing and scalability, together with three Israeli companies skilled in import, marketing, distribution and sales of cannabis for medical purposes*
- *Strategic synergies covering the full value chain with a history of sales in eight international markets*

VANCOUVER, BRITISH COLUMBIA, EDMONTON, ALBERTA and TEL-AVIV, ISRAEL / Executive Business Services / January 4, 2023 – Atlas Global Brands Inc. (formerly Silver Phoenix Resources Inc. “**Silver Phoenix**”) is pleased to announce the successful completion of its previously announced business combination, pursuant to a reverse take-over transaction (“**RTO Transaction**”), with each of Atlas Biotechnologies Inc. (“**Atlas Biotech**”), AgMedica Bioscience Inc. (“**AgMedica**”) and Cambrosia Ltd. (“**Cambrosia**”) and the concurrent acquisition by Cambrosia of each of Tlalim Pappo Ltd., Pharmacy Baron Ltd., and R.J. Regavim Ventures Ltd., privately held operating cannabis pharmacies in Israel (collectively, the “**Cambrosia Acquisitions**” and together with the acquisition of Silver Phoenix by Atlas Biotech, AgMedica and Cambrosia, the “**Transaction**”), all to form Atlas Global Brands Inc. (“**Atlas Global**” or the “**Company**”). The RTO Transaction constitutes a “fundamental change” of Silver Phoenix pursuant to the policies of the Canadian Securities Exchange (the “**CSE**”).

The RTO Transaction was completed pursuant to the terms of conditions of the amalgamation and share exchange agreement dated July 14, 2022, as amended, among Silver Phoenix, Atlas Biotech, AgMedica, Cambrosia, 2432998 Alberta Ltd. (“**Subco 1**”), 14060407 Canada Inc. (“**Subco 2**”) and the ordinary shareholders of Cambrosia (the “**Amalgamation and Share Exchange Agreement**”).

Concurrently, with the completion of the Transaction, Cambrosia completed a financing pursuant to which it issued of 100,000,000 ordinary shares of Cambrosia with S.H.R. Group Management (KSN) Ltd. (the “**S.H.R. Group**”) for gross proceeds of ILS 9,000,000 (approximately CAD\$3,487,441) with a further commitment of ILS 6,000,000 to finance future acquisitions.

The Company expects to commence trading on the CSE on or about January 13, 2023 (upon submission of final documentation), under the ticker symbol “**ATL**”.

Atlas Growers is a federally licensed Canadian cultivator and processor with a focus on genetics, brands, and unique cannabis delivery formulations. Atlas operates two brands in the Canadian adult-use market: Natural History and Atlas Thrive and distributes a handful of sought-after adult-use partner brands. AgMedica is a federally licensed Canadian cultivator and processor. In addition, AgMedica is EU-GMP certified (European Union Good Manufacturing Practices) for production of cannabis dried flower and oil and it exports medically formatted cannabis products to medically legalized global markets. AgMedica’s EU-GMP facility was purpose-built to grow high-quality cannabis genetics with a low-cost growing model. Together, Atlas and AgMedica generate revenues across eight countries. Cambrosia is an Israel-based group with expertise in international acquisitions and owned pharmaceutical distribution to drive global growth.

The Transaction positions Atlas Global as a leading international cannabis company with operations in Canada and Israel, with combined expertise in all facets of the cannabis value chain.

“We believe the North American industry has seen the bottom and we are starting the next chapter of cannabis where innovation, synergy, business efficiency and international reach converge. We have thoughtfully brought together a group of industry leading players to build a fully integrated cannabis company that will serve eight countries as of today,” said Sheldon Croome, Interim CEO of Atlas Global. “This transaction demonstrates that the industry has come a long way over the past decade, and there is a global commitment to redefining the future of cannabis.”

Sheldon added: “We believe consolidation, integration and international expansion will drive the future of the cannabis industry. We have set Atlas Global up to capture market share and accelerate growth with all these factors in mind. We are committed to making strategic decisions that will benefit yield, profitably and sustainability over the long term.”

Further details regarding the Transaction are provided in the Form 2A – Amended and Restated Listing Statement of Silver Phoenix dated December 29, 2022 (the “**Listing Statement**”). Please refer to the Listing Statement for full particulars of the Transaction, which is available on SEDAR (www.sedar.com) under the issuer profile of Atlas Global.

Key Company Highlights:

- **Leveraging synergies and strategic supply chain:** The international reach of the combined Company will leverage efficiencies from cross-selling, sales channel alignment, and coordinated operational and distribution strategies.
- **Global footprint:** Exposure to advanced and developing medical cannabis markets, including Australia, Denmark, Germany, Israel, Norway, Spain and United Kingdom.
- **Leadership team bring industry expertise:** The new management team, board of directors and advisors includes seasoned professionals with diverse professional experiences and operational track records in the cannabis industry, food, beverage, FMCG and health care.
- **Brand and product portfolio:** An expansive product portfolio of EU-GMP manufactured flower, extracts, topicals, and smokeless cannabis products including transdermal patches, creams, tinctures and chewing gums.
- **Cannabis industry catalysts:** There are significant long-term catalysts to support market expansion including additional regulatory developments offering a path to new markets. Existing consumers represent the greatest growth opportunity in the near term – accounting for an estimated 75% of Canada’s cannabis-volume consumption while making up just 58% of the cannabis-using population⁽¹⁾. An increase in the demand for cannabis to address insomnia, medical conditions and stress drives consumption together with product innovation and demand for variety such as edibles and beverages, also provides opportunities for growth. The combined entity is now positioned to take advantage of these catalysts through its brands, distribution to new markets, purposeful capital deployment and acquisitions.

Note 1 Source: 2021 Cannabis Consumer Report – Deloitte - https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/consumer-business/ca_cannabis_consumer_survey_en_aoda.pdf

Reconstituted Management Team and Board

Management and the Board of Directors of the Company changed to consist of persons that have experience in the new business to be undertaken.

- **Sheldon Croome, Interim CEO** – Sheldon was a co-founder and Chief Executive Officer of Atlas Growers. He has a track record of launching successful start-ups with international operations in cannabis, liquor distribution, retail and online accessories. Sheldon has over 12 years of experience in import and export and mass distribution in government regulated CPG industries.
- **Bernard Yeung, MBA, General Manager, Head of Global Operations** – Bernie is expected to become Atlas Global's Chief Executive Officer upon conclusion of a transition period. Bernie has held senior executive roles in cannabis, including leadership positions with multiple publicly traded Licensed Producers. Bernie is the former Senior Vice President, Sales & Marketing for Aphria and the newly merged Tilray. Previously, Bernie was the former head of marketing for Brown Forman (parent company of Jack Daniel's). Bernie has international experience with Keurig and Dr. Pepper and has experience navigating regulated and controlled products industries. Bernie has a MBA from Laurier University and an Honours Bachelor of Commerce degree from York University.
- **Jason Cervi, CPA, Head of Finance & Administration** – Jason is expected to become Atlas Global's Chief Financial Officer upon conclusion of a transition period. Jason has over 20 years of experience working in large global publicly traded organizations with market capitalizations in excess of US\$10 billion, across several highly regulated industries including health care, medical devices, and aerospace and defense with extensive background in building and leading high performing teams. Jason has deep technical and operational knowledge and expertise in M&A and business integrations. Jason is a Chartered Professional Account and holds a Bachelor of Commerce degree with a minor in Economics from DeGroote school of business at McMaster University.
- **Jeffrey R. Gossain, P. Eng., COO** – Jeffrey was previously the President, Chief Operating Officer and a director of Atlas Growers. Jeffrey will lead all internal operations for Atlas Global as Chief Operating Officer while developing valuable partnerships for distribution, technology, product formulation and revenue growth. He has 10 years of experience in construction and asset management including management of a fleet of equipment assets, valued at more than \$300 million. Jeffrey holds a Bachelor of Science in Mechanical Engineering from the University of Alberta and is licensed as a Professional Engineer (P. Eng.).
- **Dr. Trevor Henry, DVM, Director and President of AgMedica** – Dr. Henry has been the President and CEO of AgMedica since 2019 and 2021, respectively. Dr. Henry has over 25 years of entrepreneurial and veterinary experience as the Founding Partner and President of a multi practice veterinary corporation in Ontario.
- **Peter Van Mol, CPA, CA, Director and CFO of AgMedica** – Peter was a founder and became Chief Financial Officer of AgMedica in 2020. Previously, Peter held other senior executive roles in the

cannabis industry. Peter has over 30+ years of corporate finance experience, supporting ten-fold revenue growth at large diversified agricultural companies with operations across Canada.

- **Cale Alacer, P.Eng, PMP, Director** – Cale was a founding director and long-standing member of Atlas Biotech's Board of Directors, where he served as the chair of the Audit Committee, Strategic Planning Committee. Outside of Atlas, Cale is responsible for a portfolio of projects and services to help modernize services, technologies and operations for the Canadian government. Cale holds a Professional Engineering designation and was previously certified as a Professional Cloud Architect and is Lean Six Sigma and PMP certified.
- **Elan MacDonald, ICD.D, Director** – Elan is currently Vice President of External Relations for the University of Alberta. Previously, Elan built and ran a public affairs firm, Impact Consulting, which was recently acquired by Global Public Affairs. Elan is also a director of the board of Edmonton Global and the Edmonton Chamber of Commerce. Elan holds the ICD.D designation.

Advisory Board

Concurrently with completion of the Transaction the reconstituted board of directors of the Company appointed the following persons to a newly formed advisory board.

- **Jonathan Ben-Cnaan, Vice Chairman of the Advisory Board** – Jonathan was previously, Chief Financial Officer of Bateman Engineering NV, where he played a key role in its development from US\$120 million to US\$650 million in revenue, with a substantial part of the growth coming from acquisitions in Australia, India, South Africa and Canada.
- **Dr. Tamir Gedo, PhD, Executive Chairman of the Advisory Board** – Tamir is the Chief Executive Officer of Beyond Oil Ltd., a CSE-listed food technology company. Tamir is also founder and former CEO of BOL Pharma, a leading Israeli cannabis company, and the former Chairman, cannabis section at the Industrial Association of Israel.
- **Prof. Itamar Grotto, Advisor** – Itamar is the former Associate Director, Israeli Ministry of Health, and head of the Medical Cannabis Unit in Israel. Itamar is currently an advisor to the MedTech group of companies, a visiting professor at the Cyprus University of Technology and a full professor at Ben Gurion University. From 2018 to 2021, Itamar was a member of the Executive Board of the World Health Organization.
- **David Pappo, Advisor** – David is the Chairman of the Israeli Association of Pharmacists and Head Pharmacist at Tlalim Pharmacy, one of the Cambrosia Acquisitions.
- **Iftach Seri, Advisor** – Iftach has 20 years of senior management experience in the pharmaceutical industry. Iftach was previously the Head of API Division of Sun Pharma (NYSE, turnover > £ 3 billion), CEO of Wavelength Pharmaceuticals Ltd., a developer and manufacturer of active pharmaceutical ingredients, with exports to over 20 countries and CEO of the second largest pharmacy chain in Israel.

Completion of RTO Transaction, Share Consolidation and Name Change

The RTO Transaction was structured as a three-cornered amalgamation and share exchange, pursuant to which (i) Subco 1, a wholly-owned subsidiary of the Company and AtlasBiotech, amalgamated (the “**Atlas Amalgamation**”) to form a newly amalgamated company (“**Atlas Amalco**”); (ii) Subco 2, a wholly-owned subsidiary of the Company and AgMedica, amalgamated (the “**AgMedica Amalgamation**”) to form a newly amalgamated company (“**AgMedica Amalco**”); and (iii) the Company acquired all of the issued and outstanding securities of Cambrosia pursuant to a share exchange with the holders thereof (the “**Cambrosia Share Exchange**”).

Prior to the completion of the Atlas Amalgamation, the AgMedica Amalgamation and the Cambrosia Share Exchange, the common shares in the capital of Silver Phoenix (the “**SPR Shares**”) were consolidated on a 2.44139 to 1 basis resulting in 3,445,380 SPR Shares outstanding post consolidation.

Pursuant to the Atlas Amalgamation, former holders of common shares of Atlas Biotech received an aggregate of 38,550,838 post-consolidation shares of the Company on a pro-rata basis and Atlas Amalco became a wholly owned subsidiary of the Company. Pursuant to the AgMedica Amalgamation, former holders of common shares of AgMedica received an aggregate of 38,550,870 post-consolidation shares of the Company, on a pro rata basis and AgMedica Amalco became a wholly owned subsidiary of the Company. Pursuant to the Cambrosia Share Exchange, the former holders of ordinary shares of Cambrosia received an aggregate of 62,282,313 post-consolidation shares of the Company together with options to acquire an additional 2,621,027 post-consolidation common shares of the Company and Cambrosia became a wholly owned subsidiary of the Company.

Concurrently, the shareholders of Tlalim Pappo Ltd., Pharmacy Baron Ltd., and R.J. Regavim Ventures Ltd., exchanged their shares of those entities with Cambrosia for an aggregate of 8,237,380 post-consolidation shares of the Company, and became wholly owned subsidiaries of Cambrosia, and indirect subsidiaries of the Company.

Following completion of each of the Atlas Amalgamation, the AgMedica Amalgamation, the Cambrosia Share Exchange and Cambrosia Acquisitions, the Company became the parent and the sole shareholder of Atlas Amalco, AgMedica Amalco, Cambrosia and is the indirect sole shareholder of the Cambrosia Acquisitions and thus will indirectly carry on the business of AtlasBiotech, AgMedica, Cambrosia and the Cambrosia Acquisitions under the new name “Atlas Global Brands Inc.”

As a result of the completion of the Transaction, former holders of Silver Phoenix now hold approximately 2% of the issued and outstanding common shares of Atlas Global, former shareholders of Atlas Biotech now hold approximately 25% of the issued and outstanding common shares of Atlas Global, former shareholders of AgMedica now hold approximately 25% of the issued and outstanding common shares of Atlas Global, former shareholders of Cambrosia together with the vendors of the Cambrosia Acquisitions now hold 70,519,693 post-consolidation common shares of Atlas Global, representing approximately 48% of the issued and outstanding common shares of Atlas Global, in each case, based on an aggregate of 151,066,781 common shares currently issued and outstanding.

Escrow and Lock-Up

Due to certain contractual lock-up agreements between former Cambrosia shareholders, former Atlas Biotech shareholders and former AgMedica shareholders, an aggregate of 63,641,117 common shares are locked up from trading and will be gradually released from lock-up over a period of 36 months from the listing of the common shares on the CSE, and another 82,908,208 common shares of Atlas Global are

subject to escrow pursuant to the policies of the CSE, also to be released over a period of 36 months from the listing of the common shares on the CSE.

In addition, all of the common shares issued to the former shareholders of Cambrosia and the vendors of the Cambrosia Acquisitions are subject to a hold period of 4 months and one day, from the date of issue.

For full details of the lock-up and escrow arrangements, please see the Listing Statement.

Required Early Warning Report Disclosure

Following completion of the Transaction, Tamir Gedo and S.H.R. Group respectively, holds the following securities of Atlas Global:

Pursuant to the Transaction, Tamir Gedo a founder and director of Cambrosia acquired beneficial ownership and control over 27,883,263 Atlas Global Shares at a deemed issue price of \$1.00 per share, in exchange for Mr. Gedo's ordinary shares in the capital of Cambrosia. Mr. Gedo's common shares of Atlas Global represent approximately 18% of the issued and outstanding common shares of Atlas Global. Prior to completion of the Transaction, Mr. Gedo did not hold any securities of Silver Phoenix (predecessor to Atlas Global).

Pursuant to the terms of the Amalgamation and Share Exchange Agreement, Cambrosia was entitled to nominate 5 persons to the board of directors of Atlas Global, one of whom was Mr. Gedo. Also, pursuant to the Amalgamation and Share Exchange Agreement, until all applicable regulatory approvals are obtained, those nominees, including Mr. Gedo were appointed to the Advisory Board of Atlas Global. Further, in accordance with the terms of a representation agreement to be entered into, these members of the advisory board will be granted shadow representation on the board of directors of Atlas Global, until the initial nomination rights have been fully exercised.

An early warning report will be filed by Mr. Gedo in respect of Atlas Global with applicable Canadian securities regulatory authorities. To obtain copies of the early warning report filed by Mr. Gedo please contact Mr. Gedo as indicated below. A copy of the early warning report filed by Mr. Gedo will be available on SEDAR (www.sedar.com) under the issuer profile of Atlas Global. For more information or to obtain a copy of the early warning report, please contact: Dr. Tamir Gedo tel: +972 54 4271014.

Pursuant to the Concurrent Cambrosia Financing, S.H.R. Group, acquired beneficial ownership and control over 27,883,263 Atlas Global Shares at a deemed issue price of \$1.00 per shares, representing approximately 18% of the issued and outstanding common shares of Atlas Global. Prior to completion of the Transaction, S.H.R. Group did not hold any securities of Silver Phoenix (predecessor to Atlas Global).

Pursuant to the terms and conditions of an investor rights agreement dated as of December 30, 2022 between Atlas Global and S.H.R. Group (the "**Investor Rights Agreement**"), S.H.R. Group has the right to subscribe for common shares of Atlas Global or any security convertible, exchangeable or exercisable for or into common shares of Atlas Global or other equity securities of the Company, that the Company may sell or issue, from time to time for cash proceeds pursuant to a public offering, private placement or otherwise (other than issuances to any director, officer, employee or consultant of the Company in such capacity for the primary purpose of soliciting or retaining their services and pursuant to the terms of the Company's long term incentive plan, or otherwise as agreed in writing by the S.H.R. Group) in order to maintain S.H.R. Group's pro rata percentage ownership of Atlas Global.

An early warning report will be filed by S.H.R.Group in respect of Atlas Global with applicable Canadian securities regulatory authorities. To obtain copies of the early warning report filed by SHR Group please contact SHR Group as indicated below. A copy of the early warning report filed by SHR Group will be available on SEDAR (www.sedar.com) under the issuer profile of Atlas Global. For more information or to obtain a copy of the early warning report, please contact: S.H.R. Group c/o Avi Elkayam +972 3 576 9217.

Change in Principal Regulator

As a result of the completion of the Transaction, the Company has changed its "principal regulator" for the purposes of Multilateral Instrument 11-102 – *Passport System* from the securities regulatory authority in British Columbia to the securities regulatory authority in Ontario.

About Atlas Global

Atlas Global is a global cannabis company operating in Canada and Israel with expertise across the cannabis value chain: cultivation, manufacturing, scalability, marketing, distribution and pharmacy. Atlas currently serves eight countries: Australia, Canada, Denmark, Germany, Israel, Norway, Spain, and the United Kingdom. In addition to a differentiated product mix, geographic dispersion of brands demonstrates additional diversification. Atlas currently operates two fully accredited and licensed cannabis facilities, including one EU-GMP facility.

Additional Information

Sheldon Croome
Interim CEO
780-784-5920
invest@atlasglobalbrands.com

Alyssa Barry
Media Relations
1-833-947-5227
invest@atlasglobalbrands.com

Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

In this news release, forward-looking statements relate, among other things, to: Information contained in forward-looking statements, including the anticipated benefits of the Transaction and were derived, in part, from making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, current information available to the management of the Company, as well as other considerations that are believed to be appropriate in the circumstances. The Company considers its assumptions to be reasonable based on information currently available but cautions the reader that their assumptions regarding future events, many of which are beyond the control of the Company, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect the Company and its business.

For additional information with respect to these and other factors and assumptions underlying the forward-looking statements made in this news release concerning the Company, see the risk factors outlined in the Filing Statement, which is available electronically on SEDAR (www.sedar.com) under the Company's issuer profile. The forward-looking statements set forth herein concerning the Company reflect management's expectations as at the date of this news release and are subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.