



## Atlas Global Brands Signs Definitive Agreement to Acquire GreenSeal, Scaling the Production and Sale of Premium Indoor Flower for International Markets

- *GreenSeal's facility, located in Stratford, Ontario, is GACP & CUMCS certified, adding approximately 3,500 kg of incremental production capacity*
- *In close proximity to Atlas Global's EU-GMP facility in Chatham, Ontario, GreenSeal will support the increasing demand for high-quality flower in Israel, Australia, Germany, and other markets*
- *The acquisition broadens the Company's capabilities with an innovative nursery & genetic selection program, enabling a differentiated pipeline of unique cultivars*

EDMONTON, ALBERTA, CHATHAM, ONTARIO and TEL-AVIV, ISRAEL/Executive Business Services / February 27, 2023 – Atlas Global Brands Inc. ("Atlas Global" or the "Company") (CSE: ATL), a cannabis company with expertise across the value chain, is pleased to announce that on February 24, 2023, it signed a definitive agreement to acquire (the "Acquisition") GreenSeal Cannabis Company, Ltd. and GreenSeal Nursery, Ltd. (together "GreenSeal"), a privately-owned Ontario-based licensed cannabis producer. GreenSeal is expected to be accretive to Atlas' international strategy, adding a GACP and CUMCS certified facility with a vertical cultivation model. This is expected to expand the Company's annual production capacity by approximately 3,500 kg and adds a nursery program with hundreds of exotic genetics, further establishing Atlas Global's international footprint.

*"The acquisition of GreenSeal further solidifies our strategy to bring a wide variety of premium flower to international medical cannabis markets. With our recent announcement of our definitive agreement with Harmony AI Holdings Ltd. and Harmony I.L. Management and Escorting Ltd. to acquire two cannabis pharmacies and a cannabis 'Trading House' in Israel, the plan is to accelerate our footprint and uphold our value proposition of offering consistent, quality products to patients globally," comments Bernie Yeung, CEO of Atlas Global. "With the increase in production capacity, facility export certification and addition of a nursery genetics program, Atlas Global will have a robust product assortment and future pipeline of unique cultivars to grow and export internationally. This acquisition is the latest step in our M&A strategy to expand our capabilities, differentiate our position in the international market, and secure our foothold for a more predictable global value chain process, driving distribution and growth."*

### The Acquired Business – GreenSeal

Upon completion of the Acquisition, Atlas Global will own an innovative genetic selection program, enabling the search for sought-after phenotypes. This is expected to enhance Atlas' ability to achieve the full genetic potential of its cultivars with regards to flower composition, potency, terpene profile, and yield maximization. The genetic selection program generates hundreds of candidates of a particular strain, then uses data modeling to identify the seeds with the strongest lab-tested levels of both THC and terpenes, along with the most desirable traits for its indoor growing environment.

GreenSeal's facility, with existing GACP and CUMCS certifications, produces just over 3,500 kg of cannabis flower annually, supporting the assortment needs of patients internationally. GreenSeal's cultivation facility will be utilized alongside Atlas Global's existing two facilities. This will enable Atlas Global to increase its production capacity of consumer and patient-demanded cannabis genetics, while continuing to grow product in a cost effective indoor vertical grow environment.

### **The Share Purchase Agreement**

Pursuant to the Share Purchase Agreement, Atlas Global will issue up to 11,500,000 common shares in Atlas Global (the "**Consideration Shares**") to acquire 100% ownership of the issued and outstanding common and preferred shares of GreenSeal. The price of the Consideration Shares will be equal to the 20-day VWAP of the Company's common shares on the CSE to the date of closing.

Approximately CAD \$5.5 million in bank debt and CAD \$0.6 million in long-term related party loans will remain with GreenSeal post-closing, repayable from free cash flows generated within the business.

The Consideration Shares will be subject to a lock-up pursuant to which 15% of the Consideration Shares will be released every six months commencing on the six-month anniversary of the closing of Acquisition, until the 36-month anniversary of the closing of the Acquisition. If, however, the average closing price per share for the 20 trading days preceding the releases on the 18, 24, and 30-month release dates is at least \$2.00, an additional 5% of the Consideration Shares will be released on the respective release date, reducing equivalently the final release on the 36-month anniversary.

Closing of the Acquisition is subject to receipt of customary closing conditions, including regulatory approvals. The Acquisition is an arms-length transaction and does not constitute a fundamental change or result in a change of control of the Company within the meaning of the policies of the CSE. The Acquisition is expected to close in Q1 of 2023. No finder's fees are payable in respect of the Acquisition.

### **About Atlas Global**

Atlas Global is a global cannabis company operating in Canada and Israel with expertise across the cannabis value chain, including cultivation, manufacturing, marketing, distribution, and pharmacy. Atlas currently distributes to eight countries: Australia, Canada, Denmark, Germany, Israel, Norway, Spain, and the United Kingdom. In addition to a differentiated product mix, Atlas operates two licensed cannabis facilities – one with EU-GMP and another with GACP and CUMCS certifications – along with five medical pharmacies and one Trading House in Israel. Atlas expects to drive incremental commercial opportunities with an enhanced brand and SKU portfolio, while delivering accretive margin expansion by capitalizing on its strategy – maximize value in delivering quality products to global markets through its vertically integrated supply chain.

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### **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.

Forward-looking information in this news release is based upon assumptions that are subject to significant risks and uncertainties, including assumptions that all conditions to the closing of the Acquisition will be satisfied and that the Acquisition will be completed on the terms set forth in the LOI.

The forward-looking information reflects management's current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking information. Such risk factors may include, among others, the risk that required approvals and the satisfaction of material conditions are not obtained in connection with the Acquisition, the risk that the Acquisition is not approved or completed on the terms set out in the LOI or that a Definitive Agreement will not be entered into in connection therewith.

Although the Company believes that the assumptions and factors used in preparing the forward-looking information are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. New risk factors emerge from time to time, and it is impossible for the Company's management to predict all risk factors, nor can the Company assess the impact of all factors on Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in any forward-looking information.

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.**