

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. NAME AND ADDRESS OF COMPANY

Atlas Global Brands Inc. (the “Company” or “Atlas” or “Atlas Global”)
566 Riverview Drive, Unit 104
Chatham, Ontario
N7M 0N2

ITEM 2. DATE OF MATERIAL CHANGE

June 2, 2023

ITEM 3. NEWS RELEASE

The news release with respect to the material change was issued on June 2, 2023 through the facilities of Executive Business Services. A copy of the news release has been filed on the Company’s profile on SEDAR at www.sedar.com.

ITEM 4. SUMMARY OF MATERIAL CHANGE

On June 2, 2023, the Company announced that it will cease operations at its facility in Gunn, Alberta and liquidate the assets of Atlas Biotechnologies Inc., a direct wholly-owned subsidiary of Atlas Global, and Atlas Growers Ltd., an indirect wholly-owned subsidiary of Atlas Global and the operator of the Gunn, Alberta facility (together, the “Atlas Subsidiaries”). Approximately 50 employees have been impacted by this decision.

All packaging activities have been relocated to the Company’s facility in Chatham, Ontario, which now serves as the Company’s Canadian hub for the processing of domestic and EU GMP flower and oils for international markets, enabling centralized manufacturing and maximizing production capabilities.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

5.1 Full Description of Material Change

On June 2, 2023, the Company announced that it will cease operations at its facility in Gunn, Alberta and liquidate the assets of its direct and indirect wholly-owned subsidiaries operating the site. Approximately 50 employees have been impacted by this decision.

All packaging activities have been relocated to the Company’s facility in Chatham, Ontario, which now serves as the Company’s Canadian hub for the processing of domestic and EU GMP flower and oils for international markets, enabling centralized manufacturing and maximizing production capabilities.

Since commencing trading on the Canadian Securities Exchange in January 2023, the Company completed the acquisition of GreenSeal Cannabis Company, Ltd. and GreenSeal Nursery Ltd. (“GreenSeal”) on April 28, 2023, a GACP & CUMCS certified indoor growing facility located in Stratford, Ontario and entered into binding agreements (collectively, the “Acquisition Agreements”) for the acquisition of controlling interests in 6 pharmacies in Israel, as well as to acquire a trading house in Tel Aviv, which will be leveraged as an export distributor for all medical pharmacies in Israel.

After an end-to end review of its global operations, including the anticipated impact of these acquisitions on operations, Alvarez & Marsal Canada ULC was engaged as financial advisor to the Atlas Subsidiaries. Based on that financial analysis and after careful consideration of available alternatives, the Atlas Subsidiaries' cash positions, forecasted revenue and expenses, scheduled debt payments and demands for payment received from creditors and the operational capabilities of Atlas Global's other business units in Ontario, it was determined to be in the best interests of the Atlas Subsidiaries and Atlas Global as a whole to liquidate the assets of the Atlas Subsidiaries, through a court-supervised process, in an orderly fashion so as to maximize recoveries for all affected stakeholders. The Atlas Subsidiaries are currently in active discussions with their senior lender, with whom the Atlas Subsidiaries are working cooperatively, to determine the nature of the proceedings that will be commenced to effect this orderly liquidation.

Also, owing in material part to the number and timing of recent acquisitions by the Company and the liquidation of the Atlas Subsidiaries, the Company has determined that the forecasted gross profit and available funds for the 12 months ending December 31, 2023, in its amended and restated filing statement dated December 29, 2022, should no longer be relied upon. The Company will provide appropriately updated information including the disclosure prescribed by National Instrument 51-102 – Continuous Disclosure Obligations in connection with the issue of its audited financial statements for the 15-month period ended March 31, 2023, due July 31, 2023.

5.2 Disclosure of Restructuring Transactions

Not applicable

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

For further information please contact Bernie Yeung, Chief Executive Officer of Atlas Global:

By Phone: (844) 415-6961

By Email: invest@atlasglobalbrands.com

ITEM 9. DATE OF REPORT

June 12, 2023

Forward-Looking Information

This material change report 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 material change report. 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 material change report is based upon assumptions that are subject to significant risks and uncertainties, including assumptions that or regarding: the winding up of the Atlas Subsidiaries and the liquidation of their respective assets will result in cost savings and efficiencies for Atlas Global; the insolvency proceedings with respect to the Atlas Subsidiaries will proceed in a timely manner and that all applicable regulatory approvals, court approvals and stakeholder approvals, as the case may be, will be obtained; there is sustainable demand for Atlas Global's products in the domestic and international markets in which it distributes such products; the pending acquisitions will proceed as contemplated, and the transactions contemplated thereby will be completed in accordance with their terms; the general regulatory environmental in which the Company operates; foreign exchange rates; the general economic, financial, market and political conditions impacting the industry and markets in which the Company operates.

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, including: the costs associated with the insolvency proceedings of the Atlas Subsidiaries may negatively impact the Company's financial results and operations and negatively impact the share price of Atlas Global on the Canadian Securities Exchange; the expected cost savings and synergies resulting from the insolvency proceedings may not be realized; the Atlas Subsidiaries may not obtain all applicable regulatory approvals, court approvals and stakeholder approvals, as the case may be, in a timely manner or at all; the ability of the Atlas Subsidiaries to operate in the normal course during the insolvency proceedings; and potential litigation resulting from the insolvency proceedings of the Atlas Subsidiaries; that the conditions to completion of the transactions contemplated by the pending acquisitions will not be satisfied or that one or more of the Acquisition Agreements will be terminated.

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 material change report 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.