

**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

March 12, 2024

ITEM 3. NEWS RELEASE

The news release with respect to the material change was issued on March 19, 2024 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 February 6, 2024 Shahar Management Group Company (K.S.N.) Ltd. (“Shahar”), an entity controlled by Avi Elkayam, an insider of the Company, has made a loan to Cambrosia Ltd., a wholly-owned subsidiary of the Company (“Cambrosia”) in the principal amount of 3,000,000 New Israel Shekel (“NIS”) (approximately \$1,110,000 CAD) (the “Loan”).

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

5.1 Full Description of Material Change

The Loan was made pursuant to a loan agreement dated January 8, 2024, as amended on February 1, 2024, and further amended on March 12, 2024, between Cambrosia and Shahar (the “Loan Agreement”). The Loan has a term of two years commencing on February 1, 2024, and bears interest at a rate of 9.75% per annum. Loan repayment obligations for the first 12 months of the term shall be on an interest-only basis, and thereafter monthly payments of interest and principal. Pursuant to the Loan Agreement, Cambrosia deposited 250,000 NIS in a closed bank account to ensure timely interest payments for the first year of the term. Cambrosia has the option to extend the term of the Loan by an additional 12 months, for an aggregate repayment term of three years.

Cambrosia’s obligations under the Loan Agreement are secured by a pledge of its’ 51% interest in its’ three pharmacies located in Israel and its interest in any other subsequently acquired medical cannabis pharmacies, to Avi Elkayam: Tlalim Papo, MedicStore and Medic Hasharon. Shahar has the right to enforce its’ security interest in the pharmacies should the cease-trade order not be lifted by April 15, 2024 permitted the issue of the Loan Consideration Shares (as defined below). In addition, Atlas guaranteed the obligations of Cambrosia under the Loan Agreement.

In addition to the applicable interest on the Loan payable by Cambrosia, subject to and conditional upon the revocation of the cease-trade order issued by the Ontario Securities Commission on August 8, 2023, Atlas will issue to Avi Elkayam, as sole shareholder of Shahar and/or to Shahar three million six hundred ninety-three four hundred forty-four (3,693,444) common shares in the capital of Atlas (the “Loan Consideration Shares”). The Loan Consideration Shares are being issued pursuant to OSC Rule 72-503 –

Distributions Outside of Canada and, as such, will not be subject to a statutory hold period in accordance with applicable Canadian securities laws.

The Loan provided Atlas will immediate liquidity to continue operations. The Loan was used Atlas and Cambrosia to make partial payments to key suppliers and vendors, without which their ability to sustain operations and generate the cash required to pay all outstanding filing fees would be materially and adversely affected. In addition, a portion of the Loan proceeds were used by Cambrosia to preserve and advance its claim for approximately C\$2.1 million in restitution and other damages in respect of a terminated purchase agreement for a medical cannabis pharmacy in Israel.

The terms of the Loan were approved unanimously by the board of directors Atlas, including both independent directors.

By virtue of his shareholdings, Avi Elkayam is a “related party” of Atlas, as such term is defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) and a “related person” for the purposes of the policies of the Canadian Securities Exchange. Mr. Elkayam also owns, controls or directs all of the voting shares of Shahar. As a result, the Loan constitutes a “related party transaction” as such term is defined by MI 61-101, requiring the Company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the “related party transaction”. In that regard, the Company is relying on exemptions contained in sections 5.5(b) and 5.7(1)(e) of MI 61-101, respectively, in that the Company is not listed on a specified market and is under financial hardship.

If the Loan Consideration Shares are issued to the Lender, the Lender will own and control an aggregate of 31,576,707 common shares of Atlas, representing 19.44% of the issued and outstanding common shares of Atlas as of the date of this report.

If the existing cease trade order is fully or partially revoked to permit the issue of the Loan Consideration Shares are issued to the Lender, the Lender will own and control an aggregate of 31,576,707 common shares of Atlas (an increase from 27,883,263), representing 19.44% of the issued and outstanding common shares of Atlas as of the date of this report (an increase from 17.57%).

The Loan is also a “significant transaction” for the purposes of the policies of the Canadian Securities Exchange.

This material change report was filed less than 21 days prior to the closing of the Loan as there was considerable uncertainty surrounding the timing of the Loan and execution of the final amendments to the Loan Agreement.

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

March 22, 2024

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, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance, or business developments.

These statements speak only as of the date they are made and are based on information currently available and on the current expectations of the Company and assumptions concerning future events. Forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward looking statements including that the Company is unable to issue the Consideration Shares to the Lender on or before April 15, 2024, entitling the Lender to enforce its security, the Company has a substantial working capital deficiency and needs additional capital, which it may not be able to raise on favorable terms; global economic conditions may affect operating results and access to capital; failure or deterioration of quality control systems could have a material adverse effect on the business, financial condition and operating results of the Company; reliance on third party suppliers and inflationary risk may impact the Company’s ability to secure required supplies and services; the alteration or termination of any provincial or territorial government contracts could harm the Company’s business, the Company’s businesses in Israel are subject to geopolitical risks; the Company may face logistical problems, delays and increased costs to deliver products to customers due to reliance on secure third-party transportation services; the Company depends on highly-skilled personnel to operate its business and if the Company is unable to retain its current, or hire additional, personnel, its ability to develop its businesses could be harmed; competition could render the Company’s products uncompetitive; the cannabis industry and/or the Company may be subject to unfavorable publicity or consumer perception; the Company may fail to meet target production capacity; the Company is subject to the risk of information systems failure; the Company’s business is subject to cybersecurity risks; the Company may be subject to product liability claims, regulatory action and litigation; the Company is reliant on international advisors and consultants; a recall of the Company’s products could be harmful to its business; the Company may not have adequate insurance coverage; and the Company may inadvertently undertake business in the United States of America.

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.