



Atlas Global Brands Announces Filing of Second Quarter 2023 Interim Financial Statements, Filing of Restated First Quarter 2023 Interim Financial Statements

CHATHAM, ONTARIO and TEL-AVIV, ISRAEL / Executive Business Services / May 9, 2024 – Atlas Global Brands Inc. (“**Atlas Global**” or the “**Company**”) (CSE: ATL) has filed its unaudited interim condensed consolidated financial statements and related management’s discussion and analysis and certifications for the three and six months ended September 30, 2023 (the “**Second Interim Filings**”).

In completing the Second Interim Filings, the Company became aware of an overstatement of inventory and understatement of cost of goods sold in its unaudited consolidated interim financial statements for the three and six months period ended June 30, 2023 and related management discussion and analysis thereon filed on April 26, 2024 (the “**Original Q1 Interim Financials**”) and determined that, as a result, it was necessary to restate those financial statements and related management discussion and analysis (the “**A&R Interim Financials**”).

As compared to the Original Q1 Interim Financials, the A&R Interim Financials contain a reduction in the recorded inventory value of \$1,635,493 and a corresponding increase in cost of goods sold.

“The completion of the Second Interim Filings is another major step towards rectifying the Company’s continuous disclosure deficiencies and completing its outstanding continuous disclosure obligations, despite the reporting challenges from the Company’s operations in Israel. However, in the process of finalizing the Second Interim Filings, it has come to the Company’s attention that an error in our previously issued interim financial statements, the Original Q1 Interim Financials, necessitates a refiling. This decision underscores our commitment to transparency. The filing of the A&R Interim Financials now provides a more accurate representation of the Company’s financial position and performance, ensuring that investors, and other stakeholders can rely on the integrity of our disclosures”, commented Bernie Yeung, Chief Executive Officer of Atlas Global.

Copies of the documents comprising the Second Interim Filings and A&R Interim Financials are available under the Company’s profile on SEDAR+ (www.sedarplus.ca).

Failure-to-File Cease Trade Order Update

As more particularly set out in the news release filed on August 9, 2023, on August 8, 2023, the Ontario Securities Commission (the “**OSC**”), the Company’s principal regulator, issued a failure-to-file cease trade order (the “**FFCTO**”), following the Company’s failure to file its audited annual consolidated financial statements and related management’s discussion and analysis and certifications for the financial year ended March 31, 2023 (collectively, the “**Required Annual Filings**”). Since the FFCTO, the Company had also failed to file the interim financial statements, related management’s discussion and analysis and certifications, for the three months ended June 30, 2023, September 30, 2023 and December 31, 2023 (collectively, the “**Required Interim Filings**”).

The Required Annual Filings were filed on April 9, 2024, and with the filing of the A&R Interim Financials and the Second Interim Filings completed on May 8, 2024, the Company will focus its efforts on completing the final Required Interim Filing and ultimately applying for a full revocation of the FFCTO.

Corporate Update

Commencing in March 2024, the Canada Revenue Agency (the “**CRA**”) issued Requirements to Pay (each an “**RTP**”) to various provincial wholesalers, for non-payment of excise taxes by the Company, requiring the account debtors to pay the CRA 50% of the amounts owing to the Company. As a result, the Company has been provided notice that it is in material breach of a receivables purchase agreement pursuant to which two of its wholly-owned licensed producers sold eligible accounts receivable owing from provincial wholesalers. The Company is in discussions with the purchaser of the receivables regarding the matter.

On April 22, 2024, Ernst & Young Inc. as Receiver and Manager of of Atlas Biotech and Atlas Growers Ltd., respectively (together, the “**Atlas Subsidiaries**”) filed a statement of claim in the Court of King’s Bench against GreenSeal Cannabis Company, Ltd. for a judgment in the amount of \$351,712.50, interest and costs for cannabis products allegedly purchased by GreenSeal from the Atlas Subsidiaries. GreenSeal is assessing the merits of the claim.

About Atlas Global Brands

Atlas Global is a global cannabis company operating in Canada and Israel with expertise across the cannabis value chain, including cultivation, manufacturing, marketing, and distribution. Atlas Global currently distributes to eight countries: Australia, Canada, Denmark, Germany, Israel, Norway, Spain and the United Kingdom. In addition to a differentiated product mix, Atlas Global operates two licensed cannabis facilities, one of which has European Union good manufacturing practices, and three medical pharmacies in Israel.

Contact

Bernie Yeung
Chief Executive Officer
1-844-415-6961
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 and based on expectations, estimates and projections. Any statement that involves discussions concerning 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 state 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.

The forward-looking statements in this news release reflect management’s current expectations based on information currently available and is subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking information, including, but not

limited to, comments and statements regarding the Company preparing and filing all outstanding continuous disclosure documents, the Company applying for full revocation of the FFCTO, the Company negotiating a resolution to the alleged default of its receivables purchase agreement address future events and conditions and therefore involve inherent risks and uncertainties, including, but not limited to: the inability of the Company to prepare and file all outstanding continuous disclosure documents, and the inability of the Company to have the FFCTO fully revoked, the inability of the Company to negotiate a reasonable resolution to the matter of its default under the receivable purchase agreement, that it will be unsuccessful in defending the claim against GreenSeal and the CRA issues additional RTPs against the Company further materially and adversely affecting its financial condition. Forward-looking statements. Actual results may differ materially from those currently anticipated in such statement.

The forward-looking statements set forth herein concerning the Company reflect management's expectations as of 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 defined in the CSE policies) accepts responsibility for the adequacy or accuracy of this release.