



Atlas Global Brands Announces Receipt of Partial Revocation Order from the Ontario Securities Commission and Intention to Issue Loan Consideration Shares

CHATHAM, ONTARIO and TEL-AVIV, ISRAEL / Executive Business Services / May 15, 2024 – Atlas Global Brands Inc. (“**Atlas Global**” or the “**Company**”) (CSE: ATL) the Company is pleased to announce that on May 14, 2024, the Ontario Securities Commission, as principal regulator of the Company, issued an order (the “**PRO**”) partially revoking the failure to file cease trade order (the “**FFCTO**”) issued by the OSC on August 8, 2023.

The PRO

The PRO permits the issue of 3,693,444 common shares of the Company (the “**Loan Consideration Shares**”) to S.H.R. Group Management (KSN) Ltd. (previously referred to as Shahr Management Group Company (K.S.N.) Ltd.), an entity controlled by Avi Elkayam (“**Avi**” and together with S.H.R. Group Management (KSN) Ltd., the “**Lender**”), an insider of the Company. The Loan Consideration Shares are partial consideration for a loan by the Lender 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**”). The proceeds of the Loan were advanced on February 6, 2024.

For a full description of the Loan please refer to the Company’s news release of March 19, 2024, subsequent to which however the date for receipt of the PRO was extended by the Lender from April 15, 2024 to May 15, 2024.

Subject to the receipt of an acknowledgment from the Lender in the form prescribed in the PRO, the Company intends to complete the issue the Loan Consideration Shares pursuant to OSC Rule 72-503 – *Distributions Outside of Canada*, and as a result, without any resale restrictions imposed by applicable Canadian securities laws.

Upon the issue of the Loan Consideration Shares, the Lender no longer has the right to enforce its security interest in Cambrosia’s majority interest in three pharmacies in Israel, as was the case pursuant to the terms of the Loan had the PRO not been issued by May 15, 2024.

As previously announced, 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 Shahr. 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. For the additional information prescribed by MI 61-101, please

refer to the Company's material change report dated March 22, 2024, and filed under the Company's profile on www.sedarplus.com.

The PRO terminates on the earlier of the completion of the issue of the Loan Consideration Shares and August 6, 2024 (being 60 days from the date of the PRO).

FFCTO Update

As more particularly set out in the news release of August 9, 2023, on August 8, 2023, the OSC issued a 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 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"**) and its statement of executive compensation for the year ended March 31, 2023, in accordance with Form 51-102FV6 Statement of Executive Compensation – Venture Issuers (the **"2023 Form 51-102FV6"**).

The Required Annual Filings were completed on April 9, 2024 and the Required Interim Filings for the three months ended June 30, 2023 and September 30, 2023 have been completed (including a restatement of the Required Interim Filings for the three months ended June 30, 2023). As a result the Company now intends to make an application for a full revocation of the FFCTO, while completing the final Required Interim Filing and 2023 Form 51-102FV6.

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.

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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 and based on expectations, estimates and projections. Any statement that involves discussions concerning predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance, including those related to comments and statements regarding the Company preparing and filing all remaining outstanding continuous disclosure documents, the Company applying for full revocation of the FFCTO (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, 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. 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.