



Atlas Global Brands Announces Resignation of Board Member, Provides Corporate Update, Considers Strategic Alternatives

CHATHAM, ONTARIO and TEL-AVIV, ISRAEL / Executive Business Services / June 4, 2024 – Atlas Global Brands Inc. (“**Atlas Global**” or the “**Company**”) (CSE: ATL) announces today that Cale Alacer has resigned from the Company’s Board of Directors, effective June 3, 2024. The Board of Directors and management thank Mr. Alacer for his contributions and wish him well with his future endeavours.

Interim Financial Statements for the Interim Period ended December 31, 2023

The Company is in the final stages of completing its unaudited interim condensed consolidated financial statements and related management’s discussion and analysis and certifications for the three and nine months ended December 31, 2023 (the “**Third Interim Filings**”) and anticipates filing the Third Interim Filings by June 7, 2024.

As announced on May 24, 2024, the Company has applied to the Ontario Securities Commission for a full revocation of the failure to file cease trade order issued on August 8, 2023 (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. The Third Interim Filings represent the last of the Company’s outstanding continuous disclosure documents under National Instrument 51-102 – *Continuous Disclosure Obligations*.

Copies of the documents comprising the Third Interim Filings will be available under the Company’s profile on SEDAR+ (www.sedarplus.ca).

Requirements to Pay from CRA

As previously announced on May 9, 2024, 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 of the date hereof, the CRA has issued RTP’s in respect of approximately \$1,259,480 of the Company’s receivables otherwise payable by provincial wholesalers.

Breach of Receivables Purchase Agreement

As also previously announced on May 9, 2024, as a result of the RTPs, 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’s wholly-owned subsidiary GreenSeal Cannabis Company Ltd., received a notice of intention to enforce security under Section 244(1) of the *Bankruptcy and Insolvency Act* from the purchaser of those receivables giving notice that it intends to enforce security granted to it pursuant to the receivables.

Consideration of Strategic Alternatives

In response to these demands and actions, the Company is exploring all strategic alternatives to address its short-term liquidity needs and preserve shareholder value, including engaging in discussions with the CRA and considering a potential negotiated settlement with the receivables purchaser, exploring a sale of certain assets, as well as other strategic options (and any combination thereof). The Company cannot assure that its exploration will result in Company pursuing a transaction or that any transaction, if pursued, will be completed on attractive terms, if at all.

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 (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 risk that the Company does not file the Third Interim Filings, the inability of the Company to have the FFCTO fully revoked, the risk that the Company is unable to source third party financing and reach a reasonable settlement with CRA and the receivables purchaser, the risk that the Company is unable to complete any strategic alternative transaction, the CRA issues additional RTPs against the Company further materially and adversely affecting its financial condition.

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.