



Atlas Receives \$1.1 M Loan and Provides Further Corporate Updates

CHATHAM, ONTARIO and TEL-AVIV, ISRAEL / Executive Business Services / March 19, 2024 – Atlas Global Brands Inc. (“Atlas Global”, “Atlas” or the “Company”) (CSE: ATL), is pleased to announce that 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”).

The Loan

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. 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.

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.

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

Fire at Stratford Facility

Atlas regrets to announce a fire in grow room #1 at its’ Stratford facility in the early hours of February 10, 2024. The fire is believed to be accidental in nature. No other rooms or areas of the facility were affected by the incident. Furthermore, Atlas is thankful to report that no employees were present during the time of the fire, and that there were no reported injuries as a result.

The Company is currently conducting a thorough investigation into the incident, working closely with local authorities and relevant stakeholders to assess the extent of the damage and implement necessary measures to prevent such incidents in the future.

Atlas assures its’ shareholders and stakeholders that the incident should cause minimal disruptions to operations, nor will it affect its’ commitment to maintaining the highest standards of safety and compliance across all its’ facilities.

Update on Harmony Litigation in Israel

As announced on January 4, 2024, Cambrosia filed a lawsuit against the vendors of the Harmony trading house and pharmacies in the District Court of Tel Aviv.

On December 21, 2023, Cambrosia succeeded in obtaining a lien on the corporate bank accounts of the two Harmony entities and the personal bank accounts of the vendors, in all banks in Israel. Harmony petitioned the District Court of Tel Aviv to lift the liens. The hearing took place on January 28 and February 18, 2024. On February 20, 2024 the judge rendered the decision to uphold the liens. The next likely step in this matter is to schedule a hearing on the matter now that the appeal has been decided. Cambrosia is seeking to expand the liens on additional asserts of the vendors of the Harmony entities.

Update on Financial Reporting

Since the Company’s last update announced on December 29, 2023, significant progress has been made towards completing the Company’s audited financial statements for the 15-month period ended March 31, 2023. The Company is hopeful that final procedures will be completed on or prior to March 30, 2024. The unaudited interim statements for quarters ended June 30, 2023, September 30, 2023, and December 31, 2023, will follow shortly thereafter. On the basis that the delay is due in material part to the accounting complexities arising from the multi-party, multijurisdictional business combination completed December 30, 2022, the Company expects that its financial reporting will be timely going forward.

About Atlas Global

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

Learn more by visiting: www.atlasglobalbrands.com.

Contacts

Bernie Yeung

Chief Executive Officer

1-844-415-6961

invest@atlasglobalbrands.com

Natalie Douglas

Corporate Secretary

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, 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 unforeseen delays or events that could delay or prevent the filing of the annual and interim financial statements and related management discussion & analysis within the anticipated timeline; that the cease trade order is not revoked in a timely manner or at all; that damage from the fire at Stratford is more extensive than expected and that insurance proceeds will be insufficient that, the Company is unsuccessful in its claims against Harmony, and the Company is unable to recover payment for product and amounts advanced the Company a history of operating losses and has a working capital deficit, and, as a result, 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.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.