

1CM Provides Update on Arrangement Agreement with SNDL

Toronto, Ontario--(Newsfile Corp. - May 27, 2026) - 1CM Inc. (CSE: EPIC) (OTCQB: MILFF) (FSE: IQ70) ("**1CM**") announces that it does not expect the proposed sale of its Ontario retail locations to SNDL Inc. ("**SNDL**") to proceed.

SNDL has advised that due to a prolonged regulatory review process that has extended beyond the commercially reasonable timelines contemplated by the parties, it will be unable to obtain the required regulatory approvals necessary to complete the second stage of the transaction prior to the outside date of May 31, 2026 as set out in the amended and restated arrangement agreement (the "**A&R Arrangement Agreement**") dated December 15, 2025. As a result of the delayed regulatory approvals, the acquisition of the Ontario assets by SNDL is not expected to proceed and 1CM expects to be paid a termination fee from SNDL of \$250,000.

The A&R Arrangement Agreement amended and restated the arrangement agreement dated April 9, 2025 between 1CM and SNDL (the "**Original Arrangement Agreement**"), pursuant to which SNDL agreed to, among other things, acquire 32 cannabis retail stores operating under the Cost Cannabis and T Cannabis banners in Ontario, Alberta and Saskatchewan (the "**Transaction**") for a purchase price of \$32.2 million in cash, subject to certain adjustments. Under the terms of the A&R Arrangement Agreement, the Transaction was structured in two stages to align with the status of provincial regulatory approvals. The first closing ("**First Closing**") of the Transaction, consisting of five retail stores located in Alberta and Saskatchewan, was successfully completed on January 6, 2026. The proposed second stage ("**Second Closing**") of the Transaction, which will not proceed, consisted of the remaining 27 Ontario retail stores.

As a result of the termination of the Transaction, 1CM no longer intends to proceed with the previously contemplated return of capital (a "**Return of Capital**") to shareholders. As previously disclosed, net proceeds from the First Closing were used to pay transaction costs and otherwise allocated for working capital purposes, including to support future growth initiatives and new store development.

Following termination of the Transaction, 1CM will continue operating its Ontario retail network and intends to remain focused on disciplined organic growth, operational optimization and strategic merger and acquisition opportunities.

Based on April 2026 results, 1CM's retained retail network is generating annualized revenue of approximately \$69.4 million and annualized gross profit of approximately \$11.3 million.

1CM is currently developing additional retail locations and expects to add approximately 10 new stores during 2026, which management believes could increase annualized revenue toward \$100 million once operational.

Since acquiring its initial 10-store retail network on August 31, 2021, 1CM has grown revenue from approximately \$12.9 million in 2021 to approximately \$73.3 million in 2025, while gross profit increased from approximately \$3.9 million to approximately \$15.4 million over the same period. This represents revenue growth of approximately 468%, representing a compound annual growth rate for revenue ("**Revenue CAGR**")¹ of approximately 54.4%; and gross profit growth of approximately 294.9%, representing a compound annual growth rate of approximately 40.9% for gross profit ("**Gross Profit CAGR**")².

1. Revenue CAGR is a financial measure that is not determined in accordance with GAAP. For further information on this non-GAAP financial measure, please refer to the statements under the heading "Non-GAAP and Other Financial Measures".

2. Gross Profit CAGR is a financial measure that is not determined in accordance with GAAP. For further information on this non-GAAP financial measure, please refer to the statements under the heading "Non-GAAP and Other Financial Measures".

1CM believes its continued focus on high-volume, operationally efficient retailing has positioned it as one of the stronger performing operators within the Canadian cannabis retail sector. 1CM also intends to continue evaluating strategic alternatives and potential acquisition opportunities as industry consolidation continues.

ABOUT 1CM INC.

1CM Inc. is a retailer of cannabis and liquor in Canada with a track record of developing cash-flow positive locations. 1CM expects to continue to develop new cannabis and liquor retail locations through organic growth and by way of future merger and acquisition transactions. For more information, please visit www.1CMinc.com.

Non-GAAP and Other Financial Measures

This news release refers to certain financial and other measures that are not determined in accordance with GAAP. Revenue CAGR and Gross Profit CAGR are not standard measures under GAAP or are supplementary financial measures, and as a result, may not be comparable to similar measures reported by other entities. Management believes that these non-GAAP and other financial measures facilitate the understanding of 1CM's results of operations and financial position. These measures do not have any standardized meaning under GAAP and therefore, should not be considered in isolation, or used in substitution for measures of performance prepared in accordance with GAAP. For additional information on how these measures are calculated, see below:

$$\text{CAGR} = \left[\frac{\text{End of the period}^*}{\text{Beginning of the period}^*} \right]^{\left[\frac{1}{\text{Number of Years}} \right]} - 1$$

Revenue CAGR

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/2564/299149_0b2a10e0849c9b86_001full.jpg

* Utilizes beginning and end of period revenue.

$$\text{CAGR} = \left[\frac{\text{End of the period}^*}{\text{Beginning of the period}^*} \right]^{\left[\frac{1}{\text{Number of Years}} \right]} - 1$$

Gross Profit CAGR

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/2564/299149_0b2a10e0849c9b86_002full.jpg

* Utilizes beginning and end of period gross profit.

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Forward-Looking Information

This news release includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"), including, but not limited to, statements regarding 1CM's expectation that the Transaction will not close and the implications thereof, including the receipt of any termination fee, 1CM's expected use of the proceeds from the First Closing, the opening of newstores by 1CM and the implications thereof, 1CM's Return of Capital and 1CM's expected operations and strategy. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "likely", "outlook", "forecast", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Please see the risk factors discussed in 1CM's annual and quarterly management's discussion and analysis, for a discussion of the material risk factors that could cause actual results to differ materially from the forward-looking information. 1CM is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.



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