

FORM 51-102F3

MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company

1CM Inc. (the “**Corporation**”)
625 Cochrane Dr., Suite 802
Markham, Ontario
L3R 9R9

ITEM 2 Date of Material Change

The material change occurred on April 9, 2025.

ITEM 3 News Release

A news release with respect to the material change referred to in this report was issued and disseminated through the facilities of Newsfile, on April 9, 2025 and subsequently filed under the Corporation’s profile on the System for Electronic Data Analysis and Retrieval + (“**SEDAR+**”).

ITEM 4 Summary of Material Change

On April 9, 2025, the Corporation entered into an arrangement agreement (the “**Arrangement Agreement**”) with SNDL Inc. (the “**Purchaser**”), pursuant to which the Purchaser agreed to acquire, with the option to assign, 32 cannabis retail stores (the “**Transaction**”) operating under the Cost Cannabis and T Cannabis banners in Ontario, Alberta and Saskatchewan (the “**Assets**”) for aggregate cash consideration of \$32,200,000, subject to certain adjustments at the closing of the Transaction (the “**Consideration**”), pursuant to a plan of arrangement under the *Business Corporations Act* (Ontario).

ITEM 5 Full Description of Material Change

5.1 Full Description of Material Change

Overview of the Transaction and the Arrangement Agreement

On April 9, 2025, the Corporation and the Purchaser entered into the Arrangement Agreement, pursuant to which, subject to the terms and conditions set forth in the Arrangement Agreement, the Purchaser agreed to acquire, with the option to assign, 32 cannabis retail stores operating under the Cost Cannabis and T Cannabis banners in Ontario, Alberta and Saskatchewan for aggregate cash consideration of \$32,200,000, subject to certain adjustments at the closing of the Transaction.

Following closing of the Transaction, the Corporation anticipates returning a substantial portion of the sale proceeds to shareholders and using the balance of the proceeds for, among other things, the satisfaction of outstanding indebtedness and any tax liability of the Corporation resulting from the Transaction, the development of new locations and for general corporate purposes.

The Arrangement Agreement includes customary provisions regarding non-solicitation, subject to customary “fiduciary out” provisions, that entitle the Corporation to terminate the Arrangement Agreement and accept a superior proposal if the Purchaser does not match the superior proposal. The Corporation has agreed to pay the Purchaser a fee, equal to either \$250,000 or \$1,000,000, upon the termination of the Arrangement Agreement in certain circumstances, including if the Corporation terminates the Arrangement Agreement to accept a superior proposal (in which case the termination fee would be \$1,000,000). The Purchaser has similarly agreed to pay the Corporation a fee, equal to either \$250,000 or \$1,000,000, upon the termination of the Arrangement Agreement in certain circumstances, including if the Purchaser willfully breaches the Arrangement Agreement or if the Purchaser does not fund the purchase price (in both such cases, the termination fee would be \$1,000,000).

The Arrangement Agreement contains customary representations, warranties and covenants made by both parties, as well as indemnification obligations by both parties, subject to certain limitations. Covenants include, among others, a covenant by the Corporation to conduct its business in respect of the Assets diligently and prudently and refrain from entering into any contract, except in the ordinary course of business or with written consent of the Purchaser. In addition, on the terms and subject to the conditions set forth in the Arrangement Agreement, the Corporation be permitted to continue to open new locations during the interim period, provided that the Purchaser is notified and all such locations comply with the geographic restrictions contained in the non-competition and non-solicitation agreement to be entered into at the time of closing (discussed below).

Implementation of the Transaction is subject to obtaining the approval of the Corporation’s shareholders. An annual and special meeting of the Corporation’s shareholders is expected to be held in June of 2025 to approve the Transaction (the “**Special Meeting**”). The Transaction is subject to approval at the Special Meeting by at least 66⅔% of the votes cast by the Corporation’s shareholders (excluding any shares required to be excluded pursuant to applicable securities laws). The Transaction is also subject to other customary closing conditions, including, among other things, obtaining interim and final orders from the Ontario Superior Court of Justice (Commercial List), regulatory approvals, and the execution of certain additional agreements at the time of closing, the form and substance of which have been agreed, including a non-competition and non-solicitation agreement in which the Corporation will agree, among other things, not to open any new physical retail cannabis store locations in the provinces of Alberta, Ontario and Saskatchewan within a specified distance of (i) the Assets, (ii) any Purchaser owned or licensed retailers existing on the date of the Arrangement Agreement, and (iii) any future

Purchaser owned or licensed retailers for which the public notice period for a cannabis retail store has commenced or for which the Purchaser has provided notice to the Corporation along with an executed lease for the premises. Assuming the timely receipt of all required approvals, the Transaction is anticipated to close by the end of the third quarter of 2025.

Further details regarding the terms of the Transaction are set out in the Arrangement Agreement, a copy of which is available on the Corporation's profile on SEDAR+ at www.sedarplus.ca. Additional information regarding the Transaction will also be provided in the information circular for the Special Meeting, which the Corporation expects to mail in May 2025.

Recommendation of the Corporation's Board of Directors

The Board of Directors (the "**Board**") of the Corporation unanimously approved the Transaction, having determined that the Transaction is in the best interests of the Corporation and fair to its shareholders, and also unanimously recommends that the shareholders of the Corporation vote in favour of the Transaction.

In arriving at its unanimous recommendation, the Board considered several factors, including the opinion of Valuracion Appraisal & Consulting Services Ltd., to the effect that, as of the date thereof and subject to the assumptions, limitations and qualifications therein, the Consideration to be received by Corporation pursuant to the Transaction is fair, from a financial point of view, to the Corporation's shareholders.

Voting Support Agreements

In connection with the execution of the Arrangement Agreement, each of the directors and senior officers of the Corporation who owns shares of the Corporation, entered into voting support agreements with the Purchaser committing to vote their shares in favour of the Transaction. In the aggregate, the shares held by such directors and senior officers of the Corporation represent approximately 12.9% of the issued and outstanding shares of the Corporation.

Copies of the voting support agreements are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

The foregoing descriptions of the Transaction, the Arrangement Agreement and voting support agreements do not purport to be complete and are subject to, and qualified in its entirety by, the full text of the Arrangement Agreement and voting and support agreements. Additional information in respect of the Transaction, including the background to the Transaction, and the rationale for the recommendations made by the Board in respect of the Transaction, will be included in the management information circular to be mailed to Corporation's shareholders in advance of the Special Meeting to be held to approve the Transaction.

Copies of the information circular and other related documents will be filed with the Canadian securities regulatory authorities and will be made available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

5.2 *Disclosure for Restructuring Transactions*

N/A

ITEM 6 Reliance on Section 7.1(2) of National Instrument 51-102 of the Act

N/A

ITEM 7 Omitted Information

N/A

ITEM 8 Executive Officer

The name and business number of an executive officer of the Corporation who is knowledgeable about the material change and this report is:

Harshil Chovatiya, Chief Financial Officer
Tel: 717-888-8889
Email: info@lcminc.com

ITEM 9 Date of Report

April 11, 2025

Note Regarding Forward-Looking Statements

This material change report includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"), including, but not limited to, statements regarding the anticipated timing for the mailing of the circular and the Special Meeting, as well as the anticipated timing for completion of the Transaction. 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 the Corporation'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. The Corporation 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.