



PRIME DRINK GROUP ANNOUNCES EXECUTION OF A BINDING LETTER OF INTENT FOR THE ACQUISITION OF BEACH DAY EVERY DAY AND CONCURRENT FINANCING

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- *Beach Day Every Day is a leading player in Québec's ready-to-drink beverage sector, and is rapidly expanding in Canada and the United States, with unaudited non-IFRS annual royalty revenue of \$2.1 million and adjusted EBITDA of \$1,198,395 for the year ended November 30, 2025.*

Montreal, Québec, August 26, 2026 – Prime Drink Group Corp. (CSE: PRME) ("Prime" or the "Company") is pleased to announce that it has entered into a binding letter of intent (the "**PCI LOI**") dated August 25, 2026 with Prime Capital Investments Inc. ("**PCI**"), Champlain Prime Investment L.P. ("**Champlain**") and Prime Affichage Inc. ("**Affichage**" and together with Champlain, the "**Shareholders**"), pursuant to which Prime will acquire all issued and outstanding shares of PCI (the "**Transaction**").

About PCI

PCI is a Québec-based company specialized in the production, bottling and sale of alcoholic and non-alcoholic beverages to a client roster, which includes the brand, Beach Day Every Day ("**BDED**"). PCI had unaudited non-IFRS annual royalty revenue of \$2.1 million and adjusted EBITDA of \$1,198,395 for the year ended November 30, 2025. Founded in 2020, PCI has experienced solid growth following PCI's expansion into Québec SAQ stores.

Jean Gosselin, Chief Financial Officer of Prime, commented: *"The acquisition of Beach Day Every Day, a leading brand in the Québec ready-to-drink beverage market, was very attractive for Prime. Notably, this acquisition will enable Prime to add a premium, fast-growing brand to its portfolio. In addition, Prime will have access to the positive benefits of Beach Day Every Day's recent expansion activities in the rest of Canada and the United States."*

Summary of Transaction

In consideration for the acquisition of all issued and outstanding shares in the capital of PCI (the "**Purchased Shares**"), Prime will pay an aggregate amount of \$10,000,000 (the "**Purchase Price**") as follows:

- (a) \$5,000,000, to be paid via a one-time cash payment to Champlain (the "**Cash Consideration**");
- (b) the issuance of 10,000,000 transferable common share purchase warrants (the "**Warrants**") to Champlain, each Warrant entitling the holder thereof to purchase one common share in the capital of Prime (a "**Warrant Share**") at a price of \$0.15 per Warrant Share for a period of forty-eight (48) months from the date of issuance (the "**Warrant Expiry Date**"); provided, however, that in the event that the volume-weighted average trading price of the Warrant Shares on the

Canadian Securities Exchange (or such other exchange on which the Warrant Shares may then be listed) equals or exceeds \$0.30 per Warrant Share for ten (10) consecutive trading days at any time after the date of issuance of the Warrants, Prime may, upon providing written notice to the holders of the Warrants (the "**Acceleration Notice**"), accelerate the Warrant Expiry Date to the date that is thirty (30) days following the date of the Acceleration Notice, and any Warrants not exercised by such accelerated expiry date shall expire and be of no further force or effect; and

- (c) the issuance of 50,000,000 common shares of the Company (the "**Consideration Shares**") to Affichage upon expiration of the Holdback Period (as defined herein) at a deemed price of \$0.10 per Consideration Share.

All dollar figures provided herein are in Canadian dollars unless otherwise stated.

The Consideration Shares will be subject to a twenty-four (24) month escrow (the "**Holdback Period**"), representing security and to be applied towards any post-closing adjustments required to the Purchase Price.

Pursuant to the PCI LOI, Prime and the Shareholders will work towards negotiating and entering into a definitive share purchase agreement (the "**Definitive Agreement**") setting forth the detailed terms of the Transaction.

The closing of the Transaction will be subject to the satisfaction of certain conditions precedent customary for a transaction of this nature, including but not limited to: (a) completion of due diligence by Prime of PCI with results satisfactory to Prime in its sole discretion by October 15, 2026; (b) approval of the Transaction by the board of directors and the shareholders of Prime; (c) delivery of audited financial statements of PCI for its two most recently completed fiscal years; (d) completion by Prime of the Concurrent Financing (as defined herein); (e) receipt of an independent valuation report of PCI; and (f) receipt of required third-party consents and approvals, including the approval of the Canadian Securities Exchange (the "**CSE**"). There can be no assurance that the Transaction will be completed as proposed or at all.

The Consideration Shares and Warrants to be issued pursuant to the Transaction will be issued in reliance upon exemptions from the prospectus requirements under National Instrument 45-106 – *Prospectus Exemptions* and may be subject to an applicable statutory hold period and any other resale restrictions imposed under applicable securities legislation or the policies of the CSE.

Concurrent Financing

In connection with the Transaction, the Company announces the terms of the concurrent non-brokered private placement offering of Units of the Company (the "**Units**") to raise minimum gross proceeds of \$4,000,000 (the "**Concurrent Financing**"). Each Unit will be offered at a price of \$0.05 per Unit and is comprised of one (1) common share in the capital of the Company (a "**Common Share**") and one (1) share purchase warrant (a "**Financing Warrant**"), resulting in an aggregate issuance of a minimum of 80,000,000 Common Shares and a minimum of 80,000,000 Financing Warrants being issued. Each Financing Warrant entitles the holder to purchase a Common Share at a price of \$0.10 per Common Share for a period of two (2) years from the issuance date.

The Company may pay a finder's fee commission equal to 6.0% of subscriptions from eligible investors participating in the Concurrent Financing which were introduced by such finder, pursuant to the policies of the CSE.

The Concurrent Financing will be completed in reliance on applicable prospectus exemptions under Canadian securities laws and will be subject to restrictions on resale in Canada for a period of four months and one day from the issuance date. The proceeds from the Concurrent Financing will be used as follows: (i) \$1.0 million to finalize the Company's agreed settlement with creditors; (ii) to satisfy a portion of the Cash Consideration, and (iii) general working capital.

Related Party Transaction

As Raimondo Messina and Dominique Primeau are directors of the Company, PCI, and Affichage, it is anticipated that the Transaction is considered a non-arm's length transaction and will constitute a "related party transaction" as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders In Special Transactions* ("MI 61-101"). The Company expects the Transaction would be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the securities being issued to such insider in connection with the Transaction, nor the consideration for the securities being paid to such insider would exceed 25% of the Company's market capitalization.

CSE Approval

The Transaction will be considered a Major Acquisition (as defined in the policies of the CSE) under the policies of the CSE and will be subject to the approval of the CSE but is not expected to result in a Change of Control (as defined in the policies of the CSE) of the Company.

About Prime Drink Group

Prime Drink Group Corp (CSE: PRME) is a Québec-based corporation focused on becoming a leading diversified holding company in the beverage, influencer media and hospitality sectors.

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Forward-Looking Information

This press release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations (including negative and grammatical variations) of such words and phrases or statements that certain acts, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information in this press release may include, without limitation, statements relating to: (i) the completion of the Transaction, (ii) the payment of the Cash Consideration, the issuance of the Warrants, and the issuance of the Consideration Shares, (iii) receipt of all necessary approvals, consents and regulatory clearances, including the characterization of the Transaction by the CSE, (iv) the satisfaction of conditions precedent to closing, including the completion of the Concurrent Financing, (v) the negotiation and execution of definitive agreements in connection with the Transaction, (vi) the structure and use of proceeds from the Concurrent Financing, (vii) the expected availability of exemptions from the formal valuation and minority shareholder approval requirements under MI 61-101, (viii) the expectation that the Transaction will not result in a Change of Control of the Company, (ix) the intended benefits of the transactions contemplated herein, (x) the characterization of BDED as a leading, premium and fast-growing brand and the anticipated positive benefits of its expansion activities, and (xi) the Company's objective of becoming a leading diversified holding company in the beverage, influencer media and hospitality sectors.

These statements are based upon assumptions that are subject to significant risks and uncertainties, including risks regarding the beverage industry, the ability of the parties to satisfy the conditions precedent to closing, the ability of the Company to raise capital on acceptable terms, reliance on personnel, the receipt of all regulatory, corporate, and shareholder approvals, market conditions, general economic factors, and the equity markets generally. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance of Prime may differ materially from those anticipated and indicated by these forward-looking statements. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although Prime believes that the expectations reflected in forward-looking statements are reasonable, they can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except as required by law, Prime disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.

Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.