



ALIMENTATION COUCHE-TARD ANNOUNCES A STRATEGIC INVESTMENT IN FIRE & FLOWER, A LEADING CANNABIS RETAILER

Laval (Québec) Canada – July 24, 2019 – Alimentation Couche-Tard Inc. (“Couche-Tard”) (TSX: ATD.A; ATD.B) announces that it has entered into a definitive agreement (the “Agreement”) to make a strategic investment (the “Transaction”) in Fire & Flower Holdings Corp. (“Fire & Flower”) (TSXV: FAF), a leading independent cannabis retailer based in Edmonton, Alberta. Fire & Flower currently operates or licenses 23 cannabis retail stores in Alberta, Saskatchewan and Ontario, a wholesale distribution division in Saskatchewan, and the leading HiFyre™ digital retail platform designed to connect consumers to the world of cannabis.

This investment will provide Fire & Flower with additional capital to further accelerate their expansion strategy. Through their strong leadership team with years of balanced experience in the cannabis and retail sectors, Fire & Flower has demonstrated their capability of rapidly scaling their retail network through a best-in-class store concept, their proprietary HiFyre™ platform, and a focus on the safe, responsible and lawful sale of cannabis.

Transaction Highlights

- Couche-Tard will invest \$25,989,985.42 in the form of unsecured convertible debentures (the “Debentures”) to obtain a 9.9% ownership interest in Fire & Flower upon conversion;
- Couche-Tard will concurrently receive three series of share purchase warrants, which, if exercised in full, would subsequently increase Couche-Tard’s ownership interest to 50.1% on a fully diluted basis (assuming the conversion in full of the Debentures);
- At closing, Couche-Tard will immediately be granted nomination rights to the board of Fire & Flower, which will escalate commensurate with the exercise of the warrants and the increase in Couche-Tard’s ownership position; and
- In connection with the Transaction, Couche-Tard will also be granted participation and top-up rights in order to maintain its equity ownership percentage going forward as well as certain customary registration rights.

“Couche-Tard is excited to make this strategic investment in one of the fastest growing cannabis ‘pure-play’ retailers,” said Brian Hannasch, President and CEO of Couche-Tard. “This investment in Fire & Flower, with a path to a controlling stake, will



enable us to leverage their leadership, network and advanced digital platform to accelerate our journey in this new and flourishing sector.”

“This strategic investment by Couche-Tard, one of the world’s largest retailers, is transformative for Fire & Flower,” shared Trevor Fencott, Fire & Flower’s Chief Executive Officer. “The support of Couche-Tard’s world-class leadership team, coupled with their capital strength and impressive international footprint, provides us with outstanding opportunities for aggressive growth.”

Issuance of Convertible Debentures

- Under the Agreement, Fire & Flower will issue to Couche-Tard \$25,989,985.42 principal amount of Debentures;
- The Debentures may be converted into common shares of Fire & Flower (the “Common Shares”) at a price of \$1.07 per Common Share;
- The Debentures will bear interest at a rate of 8.0% per annum, payable semi-annually in cash or in shares at the election of Fire & Flower;
- The Debentures will mature on the later of (i) June 30, 2021; and (ii) the date that is 90 days following the date certain existing debt of Fire & Flower is retired, converted or otherwise transferred (the “Maturity Date”);
- Should Fire & Flower (or an affiliate) operate not less than 45 licensed cannabis retail stores in Canada under the “Fire & Flower” brand, the Maturity Date may be accelerated by Fire & Flower to as early as December 31, 2020; and
- Under certain circumstances and conditions, if the Debentures are not converted prior to the Maturity Date, Fire & Flower may elect to repay the principal amount of the Debentures, together with unpaid and accrued interest thereon, in whole or in part, through the issuance of Common Shares at a price equal to 95% of the 20-day volume weighted average price of the Common Shares on the Maturity Date.

Closing of the Transaction

The Transaction is subject to customary closing conditions and applicable regulatory approvals, including Fire & Flower shareholder approval.

Concurrent with the entering into of the Agreement, certain directors, officers and shareholders of Fire & Flower have entered into voting and support agreements pursuant to which such parties have agreed to vote an aggregate of 23,069,270 Common Shares in favor of the Transaction, representing approximately 19.6% of the issued and outstanding Common Shares.



In addition, conditioned upon completion of this Transaction, Fire & Flower will be graduating from the TSX Venture Exchange to the TSX, trading under the ticker symbol FAF.

Fire & Flower Board Recommendation

The Board of Directors of Fire & Flower has unanimously determined that the Transaction is in the best interest of Fire & Flower and is unanimously recommending that shareholders of Fire & Flower vote in favor of the Transaction.

Advisors

National Bank Financial Inc. is acting as exclusive financial advisor to Couche-Tard and Davies Ward Phillips & Vineberg LLP is acting as its legal advisor. GMP Securities L.P. is acting as exclusive financial advisor to Fire & Flower and Dentons Canada LLP is acting as its legal advisor.

About Alimentation Couche-Tard Inc.

Couche-Tard is the leader in the Canadian convenience store industry. In the United States, it is the largest independent convenience store operator in terms of the number of company-operated stores. In Europe, Couche-Tard is a leader in convenience store and road transportation fuel retail in the Scandinavian countries (Norway, Sweden and Denmark), in the Baltic countries (Estonia, Latvia and Lithuania), as well as in Ireland, and has an important presence in Poland.

As of April 28, 2019, Couche-Tard's network comprised 9,866 convenience stores throughout North America, including 8,629 stores with road transportation fuel dispensing. Its North American network consists of 19 business units, including 15 in the United States covering 48 states and 4 in Canada covering all 10 provinces. Approximately 109,000 people are employed throughout its network and at its service offices in North America. In addition, through CrossAmerica Partners LP, Couche-Tard supplies road transportation fuel under various brands to approximately 1,300 locations in the United States.

In Europe, Couche-Tard operates a broad retail network across Scandinavia, Ireland, Poland, the Baltics and Russia through ten business units. As of April 28, 2019, Couche-Tard's network comprised 2,709 stores, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated fuel stations which only offer road transportation fuel. Couche-Tard also offers other products, including stationary energy and aviation fuel. Including employees at branded franchise stores, approximately 24,000 people work in its retail network, terminals and service offices across Europe.

In addition, under licensing agreements, more than 2,150 stores are operated under the Circle K banner in 15 other countries and territories (Cambodia, China, Costa Rica, Egypt, Guam, Honduras, Hong Kong, Indonesia, Macau, Mexico, Mongolia, New Zealand, Saudi Arabia, the United Arab Emirates and Vietnam), which brings the worldwide total network to more than 16,000 stores.

For more information on Alimentation Couche-Tard Inc. or to consult its quarterly Consolidated Financial Statements and Management Discussion and Analysis, please visit: <https://corpo.couche-tard.com>.



About Fire & Flower Holdings Corp.

Fire & Flower is a leading purpose-built, independent adult-use cannabis retailer poised to capture significant Canadian market share. The Company guides consumers through the complex world of cannabis through education-focused, best-in-class retailing that is centered around its proprietary HiFyre™ digital platform. The Company's leadership team combines extensive experience in the cannabis industry with strong capabilities in retail operations. For more information, please visit: <https://fireandflower.com>

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Forward-Looking Statements

The statements set forth in this press release, which describes Couche-Tard's objectives, projections, estimates, expectations or forecasts, may constitute forward-looking statements within the meaning of securities legislation. Positive or negative verbs such as "believe", "can", "shall", "intend", "expect", "estimate", "assume" and other related expressions are used to identify such statements. Couche-Tard would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results, or the measures it adopts, could differ materially from those indicated in or underlying these statements, or could have an impact on the degree of realization of a particular projection. Major factors that may lead to a material difference between Couche-Tard's actual results and the projections or expectations set forth in the forward-looking statements include the effects of the integration of acquired businesses and the ability to achieve projected synergies, fluctuations in margins on motor fuel sales, competition in the convenience store and retail motor fuel industries, exchange rate variations, and such other risks as described in detail from time to time in documents filed by Couche-Tard with securities regulatory authorities in Canada. Unless otherwise required by applicable securities laws, Couche-Tard disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking information in this release is based on information available as of the date of the release.