Court File No. CV-23-00700581-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,*
R.S.C. 1985, c. C-25, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIRE & FLOWER HOLDINGS CORP., FIRE & FLOWER INC., 13318184 CANADA INC., 11180703 CANADA INC., 10926671 CANADA LTD., FRIENDLY STRANGER HOLDINGS CORP., PINEAPPLE EXPRESS DELIVERY INC., and HIFYRE INC.

Applicants

CROSS-MOTION RECORD OF GREEN ACRE CAPITAL FUND II (CANADA) INC.

(Returnable June 19, 2023)

June 19, 2023

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO#: 49313K
lellis@millerthomson.com
Tel: 416.595.8639
|
Gavin H. Finlayson LSO#: 44126D
gfinlayson@millerthomson.com
Tel: 416-595-8619

Patrick Corney LSO#: 65462N
pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Respondent, Green Acre Capital Fund II (Canada) Inc.

TO: THE SERVICE LIST

Court File No. CV-23-00700581-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIRE & FLOWER HOLDINGS CORP., FIRE & FLOWER INC., 13318184 CANADA INC., 11180703 CANADA INC., 10926671 CANADA LTD., FRIENDLY STRANGER HOLDINGS CORP., PINEAPPLE EXPRESS DELIVERY INC., and HIFYRE INC.

Applicants

SERVICE LIST
(as at June 14, 2023)

STIKEMAN ELLIOTT LLP 5300 Commerce Court West 199 Bay Street Toronto, ON M5L 1B9 Lawyers for the Applicants	**Maria Konyukhova** Tel: 416-869-5230 Email: mkonyukhova@stikeman.com **Philip Yang** Tel: 416-869-5593 Email: pyang@stikeman.com
FTI CONSULTING CANADA INC. TD Waterhouse Tower 79 Wellington Street West Suite 2010, P.O. Box 104 Toronto ON M5K 1G8 Court-appointed Monitor of the Applicants	**Jeffrey Rosenberg** Tel: 416-649-8073 Email: jeffrey.rosenberg@fticonsulting.com **Jodi Porepa** Tel: 416-332-5743 Email: jodi.porepa@fticonsulting.com
THORNTON GROUT FINNIGAN LLP Suite 3200, TD West Tower 100 Wellington St. West P.O. Box 329 Toronto-Dominion Centre Toronto ON M5K 1K7 Lawyers for the Court-appointed Monitor of the Applicants	**Leanne Williams** Tel: 416-304-0060 Email: lwilliams@tgf.ca **Rebecca Kennedy** Tel: 416-304-0603 Email: rkennedy@tgf.ca

DAVIES WARD PHILLIPS & VINEBERG LLP 1501 McGill College Avenue 8th Floor Montreal, QC H3A 3N9 Lawyers for 2707031 Ontario Inc. (the "**270 Ontario**") and 270 Ontario, in its capacity as the DIP Lender	**Christian Lachance** Tel: 514-841-6576 Email: clachance@dwpv.com **Natalie Renner** Tel: 416-367-7489 Email: nrenner@dwpv.com
DLA PIPER (CANADA) LLP 1 First Canadian Place, Suite 6000 100 King Street West Toronto, ON M5X 1E2 Lawyers for Tilray, Inc.	**Edmond F.B. Lamek** Tel: 416-365-4444 Email: edmond.lamek@dlapiper.com
LENCZNER SLAGHT LLP 130 Adelaide St. W., Suite 2600 Toronto, ON M5H 3P5 Lawyers for Trevor Fencott	**Brendan F. Morrison** Tel: 416-865-3559 Email: bmorrison@litigate.com **Christopher Yung** Tel: 416-865-2976 Email: cyung@litigate.com
MILLER THOMSON LLP 40 King Street West, Suite 5800 Toronto, ON M5H 4A9 Lawyers for Green Acre Capital LP	**Larry Ellis** Tel: 416-595-8639 Email: lellis@millerthomson.com **Gavin Finlayson** Tel: 416-595-8619 Email: gfinlayson@millerthomson.com **Patrick Corney** Tel: 416-595-8555 Email: pcorney@millerthomson.com
GOVERNMENT ENTITIES	
DEPARTMENT OF JUSTICE (CANADA) Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1	**Edward Park** Email: edward.park@justice.gc.ca

CANADA REVENUE AGENCY 1 Front Street West Toronto, ON M5J 2X6	**Kay Singh** Email: kay.singh@cra-arc.gc.ca **Pat Confalone** Tel : 416-954-6514 Email : pat.confalone@cra-arc.gc.ca **Sandra Palma** Email : sandra.palma@cra-arc.gc.ca
MINISTRY OF FINANCE (ONTARIO) Legal Services Branch 11-777 Bay Street Toronto, ON, M5G 2C8	**Leslie Crawford** Email : leslie.crawford@ontario.ca Copy to: Email: insolvency.unit@ontario.ca
DEPARTMENT OF JUSTICE (ALBERTA) 300 Epcor Tower 10423 ï 101 Street NW Edmonton, AB T5H 0E7	**George Body** Email: □ebora.body@justice.gc.ca **Marlene Barrientos** Email : marlene.barrientos@justice.gc.ca Copy to: Email: ministryofjustice@gov.ab.ca
DEPARTMENT OF JUSTICE (BRITISH COLUMBIA) Legal Services Branch, Revenue & Taxation PO Box 9280 Stn Prov Govt Victoria, BC V8W 9J7	**Deputy Attorney General** Ministry of Attorney General Email: servicebc@gov.bc.ca
DEPARTMENT OF JUSTICE (MANITOBA) Civil Legal Services 730 – 405 Broadway Winnipeg, MB R3C 3L6	**Shelley Haner** Tel: 202-792-6471 Email: shelley.haner@gov.mb.ca
DEPARTMENT OF JUSTICE (SASKATOON) 410 – 410 22nd Street East Saskatoon, SK S7K 5T6	**Marlon Miller** Email : marlon.miller@justice.gc.ca **Melissa Nicolls** Email : melissa.nicolls@justice.gc.ca
DEPARTMENT OF JUSTICE (YUKON) Government of Yukon Box 2703 Whitehorse, YT Y1A 2C6	**Tracy Mcphee** Email: tracy.mcphee@yukon.ca

ONTARIO SECURITIES COMMISSION 20 Queen Street West, 20th Floor Toronto, ON M5H 3S8	**Naizam Kanji** Email: nkanji@osc.gov.on.ca **General Inquiries** Email: inquiries@osc.gov.on.ca **Cullen Price** Email: cprice@osc.gov.on.ca **Paloma Ellard** Email : pellard@osc.gov.on.ca **Katrina Janke** Email: kjanke@osc.gov.on.ca
CHAITONS LLP 5000 Yonge Street, 10th Floor, Toronto, ON M2N 7E9 Lawyers for the Ontario Securities Commission	**Maya Poliak** Tel : 416-218-1161 Email : maya@chaitons.com
CANNABIS REGULATORY ENTITIES	
ALCOHOL AND GAMING COMISSION OF ONTARIO 90 Sheppard Avenue East Suite 200-300 Toronto, ON M2N 0A4	**Nick Fera** Email: nick.fera@agco.ca **Jeremy Locke** Regulatory Compliance Branch Email: jeremy.locke@agco.ca
ONTARIO CANNABIS RETAIL CORPORATION 1 Yonge Street, 4th Floor Toronto, ON M5E 1E5	**Deborah Morshead** Email: deborah.morshead@ocs.ca With a copy to: **Christine Iacobucci** Email : christine.iacobucci@ocs.ca
ALBERTA GAMING, LIQUOR AND CANNABIS COMMISSION 50 Corriveau Avenue St. Albert, AB T8N 3T5	**Candace Wilson** Email : candace.wilson@aglc.ca **Larysa Palyniak** Email: larysa.palyniak@aglc.ca **Neil Zurawell** Email: neil.zurawell@aglc.ca

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY 2500 Victoria Avenue P.O. Box 5054 Regina, SK, S4P 3M3	**Joanne Gasper** Cannabis Licensing and Inspections Branch Email: jgasper@slga.com
MANITOBA LIQUOR AND LOTTERIES CORPORATION 830 Empress Street Winnipeg, MB R3G 3H3	**Julie Brokop** Commercial Partners and Agreements Email: julie.brokop@mbll.ca **Roger Dacquay** Supply Chain & Commercial Partners Email: roger.dacquay@mbll.ca
LIQUOR, GAMING AND CANNABIS AUTHORITY OF MANITOBA 1055 Milt Stegall Drive Winnipeg, MB R3G 0Z6	**Commercial Licensing Inbox** Email: licence@lgcamb.ca
CANNABIS LICENSING BOARD (YUKON) Government of Yukon Box 2703 Whitehorse, YT Y1A 2C6	**Licensing and Compliance inbox** Email: cannabis.licence@yukon.ca **Ken Howard** Email: ken.howard@yukon.ca
LIQUOR AND CANNABIS REGULATION BRANCH P.O. Box 9292 Stn Prov Govt Victoria, BC V8W 9J8	**Liquor & Cannabis Regulation Branch inbox** Email: lcrbliquor@gov.bc.ca
LANDLORDS	
102057639 SASKATCHEWAN LTD. 84 Cardinal Cres. Regina, SK S4S 4Y5	**Jeff Richards** Tel: 403-390-2228 Email: jeffr@innovadevelopments.ca
RIOCAN REIT 509 Bayfield Street Barrie, ON L4M 4Z8	**Nancy Rowell** Tel: 705-734-7535 Email: nrowell@riocan.com
WITTEN LLP Suite 2500, Canadian Western Bank Place 10303 Jasper Avenue Edmonton, AB T5J 3N6 Lawyers for Blackfalds Crossing Developments GP Inc. and Lakeland Ridge LP Properties Inc.	**Howard J. Sniderman** Tel: 780-441-3203 Email: hsniderman@wittenlaw.com

WITTEN LLP Suite 2500, Canadian Western Bank Place 10303 Jasper Avenue Edmonton, AB T5J 3N6 Lawyers for Orchard Gate Commercial GP Ltd.	**Liam Kelly** Tel: 780-702-3410 Email: lkelly@wittenlaw.com
CAMELINO GALEESSIERE LLP 65 Queen Street West, Suite 440 Toronto, ON M5H 2M5 Lawyers for RioCan Real Estate Investment Trust	**Linda Galessiere** Tel: 416-306-3827 Email: lgalessiere@cglegal.ca
DAOUST VUKOVICH LLP 20 Queen Street West, Suite 3000 Toronto, ON M5H 3R3 Lawyers for Westwind Developments Ltd.	**Dina Peat** Email: dpeat@dv-law.com **Gasper Galati** Email: ggalati@dv-law.com
BISHOP & MCKENZIE LLP #2200, 555 – 4th Ave. SW, Calgary, AB T2P 3E7 Lawyers for Shoppes @ Giroux Inc.	**Anthony Dekens** Tel: 403-750-2247 Email: adekens@bmllp.ca
KATZMAN LITIGATION P.C. 393 University Avenue, Suite 2000 Toronto, ON M5G 1E6 Lawyers for Queen and Brock Holdings Inc. and 431-441 Spadina Investments Inc.	**Michael A. Katzman** Email: mkatzman@katzmanlitigation.com
PPSA REGISTRANTS	
FORD CREDIT CANADA COMPANY The Canadian Road Oakville, ON L6J 5E4	**Shawn Ryan** Email: sryan6@ford.com
RECEIVABLES MANAGEMENT OFFICE – SONJA SHAW P.O. Box 9445 Stn Prov Govt Victoria, BC V8W 9V5	**Colin Klingspohn** Email: colin.klingspohn@gov.bc.ca

COMPUTERSHARE TRUST COMPANY OF CANADA 400-5241 Calgary Trail NW Edmonton, AB T6H 5G8	
NAMASTE TECHNOLOGIES INC. 3400-100 King Street West Toronto, ON M5X 1G5	
ATB FINANCIAL 600, 585-8 Avenue SW Calgary, AB T2P 1G1	
ALTERNA SAVINGS & CREDIT UNION 319 McCrae Avenue Ottawa, ON K1Z 0B9	
WORLD CLASS EXTRACTIONS INC. 9080 University Crescent, Suite 308 Vancouver, BC V5A 0B7	

E-Service List

mkonyukhova@stikeman.com; pyang@stikeman.com; jeffrey.rosenberg@fticonsulting.com; jodi.porepa@fticonsulting.com; lwilliams@tgf.ca; rkennedy@tgf.ca; clachance@dwpv.com; nrenner@dwpv.com; edmond.lamek@dlapiper.com; bmorrison@litigate.com; cyung@litigate.com; lellis@millerthomson.com; gfinlayson@millerthomson.com; pcorney@millerthomson.com; maya@chaitons.com; mkatzman@katzmanlitigation.com; edward.park@justice.gc.ca; kay.singh@cra-arc.gc.ca; pat.confalone@cra-arc.gc.ca; sandra.palma@cra-arc.gc.ca; leslie.crawford@ontario.ca; insolvency.unit@ontario.ca; george.body@justice.gc.ca; marlene.barrientos@justice.gc.ca; ministryofjustice@gov.ab.ca; servicebc@gov.bc.ca; shelley.haner@gov.mb.ca; marlon.miller@justice.gc.ca; melissa.nicolls@justice.gc.ca; tracy.mcphee@yukon.ca; nkanji@osc.gov.on.ca; inquiries@osc.gov.on.ca; cprice@osc.gov.on.ca; pellard@osc.gov.on.ca; kjanke@osc.gov.on.ca; nick.fera@agco.ca; jeremy.locke@agco.ca; deborah.morshead@ocs.ca; christine.iacobucci@ocs.ca; candace.wilson@aglc.ca; larysa.palyniak@aglc.ca; neil.zurawell@aglc.ca; jgasper@slga.com; julie.brokop@mbll.ca; roger.dacquay@mbll.ca; licence@lgcamb.ca; cannabis.licence@yukon.ca; ken.howard@yukon.ca; lcrbliquor@gov.bc.ca; jeffr@innovadevelopments.ca; nrowell@riocan.com; hsniderman@wittenlaw.com; lkelly@wittenlaw.com; lgalessiere@cglegal.ca; dpeat@dv-law.com; ggalati@dv-law.com; adekens@bmllp.ca; sryan6@ford.com; colin.klingspohn@gov.bc.ca

Court File No. CV-23-00700581-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-25, AS AMENDED

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Applicants

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Tab	Description
M.	Letter from counsel to Couche Tard to counsel to Green Acre dated June 15, 2023
N.	Email from Monitor enclosing Teaser Letter
O.	Emails related to Questions on Affidavits

TAB 1

Court File No.: CV-23-00700581-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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Applicants

NOTICE OF CROSS-MOTION
(Re: Replacement DIP)
(Returnable June 19, 2023)

The Respondent, Green Acre Capital Fund II (Canada) Inc. ("**Green Acre**"), will make a cross-motion to the Court, on June 19, 2023 at 9:00 am or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- ☐ In writing under subrule 37.12.1(1) because it is
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location:

Zoom link to be uploaded on Caselines.

THE CROSS-MOTION IS FOR:

1. An Amended and Restated Initial Order (the "**ARIO**"), in a form to be negotiated, among other things:

   (a) abridging the time for and validating service of this Notice of Cross-Motion and the Cross-Motion Record and dispensing with service on any person other than those served; and

   (b) authorizing and directing the Applicants to execute the interim facility loan agreement with Green Acre Capital Fund II (Canada) LP, on behalf of a special-purpose entity to be formed for the benefit of a syndicate of lenders (the "**Replacement DIP Lender**"), dated June 19, 2023, pursuant to which the Replacement DIP Lender has agreed to advance to the Applicants a total amount of up to $9.8 million (the "**Replacement DIP Facility**"), which will be made available to the Applicants during these CCAA Proceedings, and related relief.

2. Such further and other relief as counsel may advise, and as this Court may deem just.

3. Capitalized terms not otherwise defined herein have the meanings prescribed to them in the ARIO dated June 15, 2023.

THE GROUNDS FOR THE MOTION ARE:

4. On June 5, 2023, the Applicants obtained protection from their creditors through an initial order (the "**Initial Order**") granted under the *Companies' Creditors Arrangement Act*.

5. The Initial Order approved, among other things, an interim financing facility agreement (the "**Couche Tard DIP Facility Agreement**") between the Applicants and 2707031 Ontario Inc. ("**ACT Investor**"), in the aggregate amount of $9.8 million.

6. ACT Investor is a wholly-owned subsidiary of Alimentation Couche-Tard Inc. (together, "**Couch Tard**").

7. Couch Tard acts in five capacities in relation to the Applicants: senior secured creditor; unsecured creditor; DIP Lender; shareholder; and proposed Stalking Horse Bidder.

8. Couch Tard is improperly using its influence over the Applicants to force the Applicants into a premature sale and investment solicitation process ("**SISP**").

9. Couch Tard has stated to this Court that it will not advance further funds under the DIP Facility until a SISP is commenced, which it requires to be commenced immediately.

10. A SISP is not in the best interest of the Applicants at this time and will not maximize stakeholder value.

11. The Couch Tard DIP Facility Agreement significantly disadvantages other interests, and the Replacement DIP Facility better serves stakeholder interests.

12. The Replacement DIP Lender is an arms-length syndicate of lenders which has no interest in the immediate sale of the Applicants.

13. The Replacement DIP Lender supports a restructuring of the Applicants' business with a view to continuing operations as a going concern or, if necessary, allowing the business of the Applicants to be marketed at a later date as an EBITDA-generating asset.

14. The material terms of the Replacement DIP Facility Agreement are substantially similar to the Couche Tard DIP Facility Agreement, but contain a lower rate of interest (10% vs. 12%), and a lower exit fee ($300,000 vs. $400,000). The Replacement DIP Facility Agreement includes a covenants to repay all amounts outstanding under the Couche Tard Facility Agreement, and to otherwise fund the operations of the Applicants in accordance with their existing 13-week cash flow forecast.

15. The $9.8 million facility established by the Replacement DIP Facility Agreement is more than sufficient to fund the Applicants' cash requirements as forecast in the 13-week cash flow appended to the Monitor's Pre-Filing Report.

16. The Replacement DIP Facility Agreement enhances prospect of successful restructuring; and, in particular, the chances of a plan of arrangement, which possibility is foreclosed under the Couche Tard DIP Facility Agreement.

17. The Replacement DIP Facility Agreement includes a covenant for the Applicants to engage in good-faith discussions with Green Acre with a view to developing a plan of compromise or arrangement that maximizes value for all stakeholders.

18. The factors listed at section 11.2(4) of the CCAA militate in favour of approval of the Replacement DIP Facility Agreement.

General

19. The provisions of the CCAA and the statutory, inherent and equitable jurisdiction of this Court;

20. Rules 1.04, 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;

21. Section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

22. Such further and other grounds as counsel may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

(a) The Affidavit of Shawn Dym sworn June 19, 2023 and the exhibits attached thereto; and

(b) such further and other evidence as counsel may advise and this Court may permit.

June 19, 2023

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K
lellis@millerthomson.com
Tel: 416.595.8639

Gavin H. Finlayson (LSO44126D)
gfinlayson@millerthomson.com
Tel: 416-595-8619

Patrick Corney LSO#: 65462N
pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for Green Acre Capital Fund II (Canada) Inc.

TO THE SERVICE LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIRE AND FLOWER HOLDINGS CORP, et al.

Applicants

Court File No CV-23-00700581-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

NOTICE OF CROSS-MOTION
(RETURNABLE JUNE 19, 2023)

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K
lellis@millerthomson.com
Tel: 416.595.8639

Gavin H. Finlayson (LSO44126D)
gfinlayson@millerthomson.com
Tel: 416-595-8619

Patrick Corney LSO#: 65462N
pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Respondent, Green Acre Capital Fund II (Canada) Inc.

TAB 2

Court File No.: CV-23-00700581-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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Applicants

AFFIDAVIT OF SHAWN DYM
(sworn June 19, 2023)

I, Shawn Dym, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

A. Introduction

1. I am a co-founder and Director of Green Acre Capital Fund II (Canada) Inc. ("**Green Acre**"). Green Acre entities hold approximately 5% of the outstanding common shares of Fire & Flower Holdings Corp. (together with its subsidiaries and affiliates, "**FAF**" or the "**Applicants**"). I believe that Green Acre's shareholdings make it the second-largest shareholder of FAF, after Alimentation Couche-Tard Inc. (together with its subsidiaries and affiliates, "**Couche Tard**").

2. I have a Masters of Business Administration degree from Harvard Business School. I have over 15 years of experience as a businessman and investor. Over the past 10 years, I have invested in and advised numerous cannabis companies (production, retail and other sectors within the industry).

3. I have personal knowledge of the matters described below or, if I do not, I state the source of my information and believe it to be true.

4. I swear this affidavit in opposition to the Applicants' motion for approval of (i) a sale and investment solicitation process ("**SISP**") and (ii) a staking horse agreement between them and 2707031 Ontario Inc. ("**ACT Investor**", a wholly-owned subsidiary of Alimentation Couche-Tard Inc.).

5. I also swear this affidavit in support of Green Acre's cross-motion for approval of a debtor-in-possession loan facility agreement (the "**Replacement DIP Facility Agreement**") among the Applicants and Green Acre Capital Fund II (Canada) LP, on behalf of a special-purpose entity to be formed for the benefit of a syndicate of lenders (the "Replacement DIP Lender"),, replacing the existing debtor-in-possession loan facility agreement (the "**Couche Tard DIP Facility Agreement**") among the Applicants and ACT Investor. A copy of the Replacement DIP Facility Agreement is attached hereto as **Exhibit "A"**.

6. The Replacement DIP Facility Agreement is, in my view, superior to the Couche Tard DIP Facility Agreement in every aspect. In addition to its materially lower interest rate and fees, the Replacement DIP Lender has no interest in an immediate sale of FAF. The Replacement DIP Lender supports a restructuring of the Applicants' business with a view to continuing operations as a going concern or, if necessary, allowing the business of the Applicants to be marketed as an EBITDA-generating asset. If the Replacement DIP Facility Agreement is approved, Green Acre and the Replacement DIP Lender propose to dedicate the next month to fundraising for and structuring a plan of arrangement and compromise (a "**Plan**"). If a Plan is not feasible, the

Replacement DIP Lender will support pivoting to a sale and investment solicitation process (a "**SISP**").

7. If the Replacement DIP Facility Agreement is approved, Green Acre proposes two immediate first steps: (i) to negotiate modifications to the Amended and Restated Initial Order, dated June 15, 2023, necessary to reflect the replacement of the Couche Tard DIP Facility Agreement; and (ii) repay Couche Tard all monies advanced under the Couche Tard DIP Facility Agreement to date, with interest, within three business days of the issuance of the further Amended and Restated Initial Order.

8. As a final preliminary matter, I wish to note that I am disappointed at the adversarial posture adopted by the Applicants towards Green Acre since Green Acre first requested an adjournment of the Applicants' motion for an order approving a SISP and related relief. It is puzzling to me that FAF appears to be approaching Green Acre's participation as if Green Acre is the "enemy" or an "opponent", rather than a stakeholder interested in maximizing the going concern value of the business. This is not, in my view, a common sense approach in the context of a real time restructuring and underlines what I believe to be a concerning lack of independence by FAF in service to the interests and influence of Couche Tarde.

9. Green Acre is not a litigation opponent. It is the second largest shareholder of FAF. Green Acre is seeking to maintain the Applicants as a going concern for the benefit of stakeholders in addition to Couche Tard, including unsecured creditors and retail equity holders. FAF has chosen to seek relief under a Court supervised restructuring statute. As a stakeholder, Green Acre is entitled to receive information from FAF. FAF owes duties to all of it stakeholders

and should be prepared to provide that information, particularly to assist in the consideration of all viable restructuring options that may benefit all of its stakeholders.

10. An exchange of correspondence between counsel illustrates the Applicants' posture towards Green Acre, and their reluctance to confirm or provide basic information. On June 16, 2023, at 7:21 p.m., Green Acre's counsel delivered to the Applicants' counsel written questions on the affidavits of Stephan Trudel filed in these CCAA Proceedings. After initially refusing (in an email the following afternoon) to answer Green Acre's questions until after Green Acre delivered a responding affidavit, on the evening of June 18 Applicants' counsel answered Green Acre's questions in a letter, and took the position that their unsworn letter consisted a response to cross-examination questions. Therefore, according to the Applicants, Green Acre now requires leave of the Court to file this affidavit. A copy of Green Acre's questions is attached as **Exhibit "B"**. A copy of the Applicants' response is attached as **Exhibit "C"**. (Related email correspondence is attached as **Exhibit "O"**.)

B. Couche Tard and Green Acre's History with FAF

11. In this regard, as observed by the Court in its endorsement dated June 15, 2023, Couche Tard "…wears five hats: senior secured creditor; unsecured creditor; DIP Lender; shareholder; and proposed Stalking Horse Bidder." The history and context of these many hats is provided below.

12. In July 2019, Couche Tard invested approximately $26 million in FAF through unsecured convertible debentures and three tranches of warrants ("A" Warrants, "B" Warrants, and "C" Warrants, and together the "**Warrants**") that would, if fully exercised, result in Couche Tard owning 50.1% of FAF.

13. In April 2020, Green Acre led a $28 million private placement of FAF secured convertible debentures (the "**Secured Convertible Debentures**"). Couche Tard also invested in the Secured Convertible Debentures.

14. In June 2020, Mr. Trudel became Couche Tard's appointee on FAF's board of directors (the "**Board**").

15. In July 2020, Couche Tard amended the terms of their Warrants and exercised a portion of their "A" Warrants. This amendment, among other things, repriced the "C" Warrants to reflect a control premium given the fact that, if exercised, Couche Tard would become the controlling shareholder of FAF. Following the amendment, the "C" Warrants were exercisable at 125% of the volume-weighted average price ("**VWAP**") of FAF common stock. In my view, at the time, this was a reasonable control premium.

16. In March 2021, approximately $52 million of the outstanding FAF convertible debentures (both secured and unsecured) were converted to equity. Every debentureholder converted entirely to equity, with the exception of Couche Tard. Couche Tard requested to (and did) retain $2.4 million of unsecured debt, which I understand Couche Tard requested in order remain below 20% equity ownership.

17. In April 2022, Couche Tard exercised its "B" Warrants, increasing its ownership to approximately 35% of FAF common stock and becoming by far the largest shareholder.

18. In June 2022, Stephan Trudel left Couche Tard to become the Chief Executive Officer of FAF. Prior to his appointment as CEO, Mr. Trudel had served as Senior Vice President of Operations for Couche Tard since January 2018, leading Couche Tard's operations in Canada as

well as its investment in the cannabis industry. In my view, Mr. Trudel's elevation to CEO was the result of Couche Tard's influence over FAF.

19. In August 2022, Couche Tard appointed Suzanne Poirier to FAF's Board. Ms. Poirier was then, and to my understanding remains, Couch Tard's Senior Vice-President, Operations.Shortly after Mr. Trudel's appointment as CEO and Ms. Poirier's appointment to the Board, on October 2022, FAF (i) entered into an $11 million senior secured working capital loan with Couche Tard (the "**October Couche Tard Loan**") and (ii) explored a Warrant amendment transaction (the "**Warrant and Share Transaction**") with Couche Tard. The Warrant and Share Transaction required shareholder approval.

20. The Warrant and Share Transaction is briefly described by Mr. Trudel at paragraph 14 of his affidavit sworn June 5, 2023 (the "**First Trudel Affidavit**"). As stated by Mr. Trudel, the Warrant and Share Transaction provided that the maturity date of the outstanding convertible debentures (then held entirely by Couche Tard) would be extended from June 30, 2023 to August 31, 2024. I saw the value in this, as the October Couche Tard Loan contained cross-default provisions that would be triggered if Couche Tard's unsecured convertible debentures were not repaid by June 30, 2023.

21. However, Mr. Trudel fails to mention in his affidavit that the proposed Warrant and Share Transaction would have eliminated the "C" Warrant control premium, as it would have amended the "C" Warrant terms such that the Warrants could be exercised at 85% of VWAP.

22. From October through December 2022, I engaged with Mr. Trudel and Judy Adams prior to her departure (FAF's then Chief Financial Officer) to understand the rationale for the proposed repricing of the "C" Warrants – which I saw as value destructive for minority

shareholders. In the course of those discussions, Ms. Adams represented to me that the October Couche Tard Loan provided sufficient capital to bring FAF to cash flow positivity. After hearing that representation from the CFO of FAF, I could not understand why the "C" Warrant control premium would be eliminated.

23. Throughout November 2022, I sought to negotiate a middle ground on the control premium issue with FAF and Couche Tard – who were acting in lockstep due to the control Couche Tard appeared to exercise over FAF – that, in my view, would serve the best interests of FAF. My last proposal to FAF was to reduce the control premium from 125% to 105% of VWAP. Couche Tard refused to materially amend the terms of their proposal.

24. As such, because in my view the Warrant and Share Transaction was exceedingly value-destructive for minority shareholders, I encouraged shareholders to vote against the Warrant and Share Transaction. It was voted down.

25. I note that, as discussed in FAF's management information circular in support of the Warrant and Share Transaction, Mr. Trudel and Ms. Poirier "disclosed their respective interests [with Couche Tard] to the Board and abstained from voting on all matters related to the [Warrant and Share Transaction]." A copy of this information circular is attached hereto as **Exhibit "D"**.

26. After the Warrant and Share Transaction was voted down by a majority of shareholders, I remained in communication with FAF's Board and management to discuss financing options, Couche Tard's directing influence over FAF, and FAF's financial position generally.

27. On March 30, 2023, Green Acre made an equity proposal to invest $15 million in FAF, conditional on participation from Couche Tard and other diligence. A copy of Green Acre's

proposal is attached as **Exhibit "E"**. It took almost a month for FAF to make a data room available. After gaining access to the data room, the "dead lease"[1] issue described in the First Trudel Affidavit became readily apparent and Green Acre advised that it could not proceed with the proposed transaction. However, Green Acre made it clear to FAF that if the "dead lease" issue could be resolved, Green Acre would immediately be willing to reengage regarding an equity investment.

28. On April 3, 2023, I wrote a letter to FAF's Board stating that I was concerned that Couche Tard was running out clock on the its secured convertible debentures to intentionally create distress at FAF for Couche Tard's exclusive benefit. Among other things, I stated the following:

> I have made made numerous attempts to engage with the Company management and board, as well as [Couche Tard] to go down a path that would be in the best interest of FAF and all of its shareholders. My efforts have been either ignored outright or met with very limited amendments to proposals that were not in the best interest of all shareholders.
>
> […]
>
> **[Couche Tard] has been largely non-responsive and appears to be starving out the company** in an attempt to negotiate for better terms on any capital they provide the business as they will be in the driver's seat should we wait until the maturity of their convertible debentures and warrants near in June… I believe their approach is destroying the minority shareholder value but also the value of their own holdings. I will do everything I can to protect the minority shareholders and limit their ability to alter terms in a way that is disadvantageous to that of the other shareholders.
>
> […]

[1] Leases entered into by FAF in anticipation of receiving a license form the applicable regulatory authority, with the regulator ultimately not issuing such license or alternatively, leases that were entered into in respect of stores that were opened or planned to be opened but were either closed after opening or were not developed and opened due to reduced expectations regarding their potential profitability.

> …**I have a strong preference for shareholders to support a plan of consolidation and grow the business.** [As opposed to a sale process.] It requires a renewed commitment from ACT to support plans along the lines of what I have outlined to FAF and ACT. Thus far ACT has not replied to my numerous attempts to bring shareholder alignment between the company's two largest shareholders. I have proposed that we would make investment on similar terms to indicate alignment, show a unified view and make clear that we are not relying on them alone but are prepared to go through this journey together. **It is clear ACT has their own agenda for which I am not privy to but do not believe it aligns with the interest of all shareholders.**
>
> While I remain optimistic that this could change, FAF does not have the luxury of time to let this play out any longer. With the ACT convertible warrants maturing in June and their warrants expiring with a similar time frame, we cannot afford to find ourselves in a scenario where ACT does not exercise their warrants and are looking to have the note repaid. **It appears to me that they are pursuing a strategy to drag things on long enough and create distress at FAF where they can give the appearance of supporting the Company by bailing them out with capital on terms that destroy value for all other shareholders.**
>
> [Emphasis added.]

A copy of my April 3, 2023 letter is attached as **Exhibit "F"**.

29. I expect that FAF will state that over April and May 2023, they ran a "soft" sale process with the assistance of Canaccord Genuity Corp. That process was fundamentally flawed because it marketed a highly distressed asset without the key disclosure that FAF could utilize a CCAA process to restructure legal liabilities, including the "dead leases"; in other words, FAF's pre-filing "sale process" marketed a company that nobody would invest in.

30. On May 26, 2023, FAF issued a press release that they needed capital and were hiring a financial advisor. The following week, I texted Mr. Wright asking who the financial advisor was. I received no response.

31. On June 1, 2023, FAF received a letter of intent (the "**Pop's Offer**") from 5037597 Ontario Inc. o/a Pop's Cannabis Co. ("**Pop's Cannabis**"). The Pop's Offer contemplated the purchase of 32 of FAF's retail locations in Ontario in exchange for an all-cash purchase price that would have repaid Couche Tard in full, provided $5-6 million of cash to fund operating expenses, and maintained existing equity. I understand that FAF did not meaningfully engage with Pop's Cannabis following receipt of the Pop's Offer. At my urging, the Chairman of FAF's Board spoke to one of the principals at Pop's Cannabis but negotiations were not opened, and a formal response was not provided. A copy of the Pop's Offer is attached as **Exhibit "G"**.

32. On June 5, 2023, FAF filed for protection from its creditors under the *Companies' Creditors Arrangement Act* ("**CCAA**") and, in connection with that filing, the Couche Tard DIP Facility Agreement was approved.

C. The CCAA Proceedings to Date

33. On June 9, 2023, the Applicants served a notice of motion (returnable June 15, 2023 at 11 a.m.) for, among other things, approval of a SISP Order. That notice of motion made no reference to approval of a stalking horse purchase agreement between the Applicants and Couche Tard (the "**Stalking Horse Agreement**").

34. On June 13, 2023, counsel for Green Acre wrote to counsel for the Applicants requesting that the SISP relief be adjourned for 30-60 days to allow Green Acre, the Applicants, and the Monitor to explore restructuring alternatives. My view then was, and remains, that utilizing the basic restructuring tools available under the CCAA, FAF can generate meaningful EBITDA within months. A copy of this letter is attached as **Exhibit "H"**.

35. At 8:47 a.m. on June 14, 2023, the Applicants served a motion record in support of the SISP Order but also, for the first time, seeking approval of the Stalking Horse Agreement (which is a pure credit bid for the Applicants' business, featuring a $750,000 break fee).

36. At 5:21 p.m. on June 14, 2023, the Applicants served their factum in support of the June 15 motion.

37. At 5:29 p.m. on June 14, 2023, counsel for Green Acre wrote to counsel for the Applicants, among other things (i) reiterating the request to postpone the SISP (but also reducing the postponement timeline to 30 days); (ii) requesting that the motion for Stalking Horse Agreement relief also be adjourned; and (iii) raising concerns with the extremely late service of the Applicants' motion record and initial disclosure of the Stalking Horse Agreement. A copy of this letter is attached as **Exhibit "I"**.

38. At 5:40 p.m. on June 14, 2023, counsel for Green Acre wrote to counsel for Couche Tard requesting, among other things, information related to the relationship between FAF's Board and management and Couche Tard. A copy of this letter is attached as **Exhibit "J"**.

39. At 5:47 p.m. on June 14, 2023, counsel for Green Acre wrote to counsel for the Monitor raising concerns with the fairness of hearing material relief on less than 24 hours' notice to affected stakeholders. A copy of this letter is attached as **Exhibit "K"**.

40. At 7:05 p.m. on June 14, 2023, the Monitor served its First Report, which supported the relief sought by the Applicants.

41. At 9:02 p.m. on June 14, 2023, Applicants' counsel responded to Green Acre's counsel's letters of June 13 and 14. The Applicants refused to agree to an adjournment of relief relating to the SISP and the Stalking Horse Agreement. A copy of this letter is attached as **Exhibit "L"**.

42. At 11:55 p.m. on June 14, 2023, the Monitor served a Supplement to the First Report. The Monitor did not directly respond to Green Acre's fairness concerns, nor try to broker an adjournment period acceptable to all parties. Instead, it supported the Applicants and concluded, based on the Applicants' cash flow projections, that "the delay proposed by Green Acres [sic] would materially prejudice the Applicants' stakeholders as it may cause a cessation of the Applicants [sic] business and the loss of going-concern transaction contemplated by the Stalking Horse Agreement." I note here that it seems to me that the urgency and threat to the business the Monitor speaks of is largely a creation of deliberate decisions Couche Tard has made in the enforcement steps it has taken, and the insistence on aggressive SISP Milestones.

43. At 9:08 a.m. on June 15, 2023, counsel for Couche Tard responded, in part, to Green Acre's counsel's letter of June 14. Among other things, Couche Tard's counsel stated that it "was not aware of any compensation [by Couche Tard or its related parties] to FAF's CEO Mr. Trudel since his departure from Couche Tard", but was "confirming this point with our client." As of the date of this affidavit, no such confirmation has been provided. I further note that in FAF's management information circular referenced above and attached as Exhibit "D", FAF disclosed that, as of November 4, 2022 Mr. Trudel "**continues to provide consulting services** to [Couche Tard] following his cessation of full time services to [Couche Tard]." [Emphasis mine]. A copy of this letter is attached as **Exhibit "M"**.

44. The Applicants' motion proceeded on June 15, 2023 at 11 a.m. While the unopposed relief was granted, Justice Osborne found that "[i]n all the circumstances, I think that stakeholders and particular Green Acre are entitled to a reasonable, if brief, opportunity to digest the materials, consider the relief sought and take a position." His Honour therefore adjourned "the motion for approval of the SISP and related relief including approval of the stalking horse bid agreement to the only date on which the Court has availability – Monday, June 19, 2023 at 9:00 a.m.".

45. On June 16, 2023, I read in a news report[2] that Ms. Poirier had resigned from FAF's Board – effective that day.

46. I note that despite the Applicants' motion for a SISP order and related relief being adjourned until June 19, on June 16 I received an email from the Monitor attaching a teaser letter and stating, in relevant part, that "FTI Capital Advisors has been engaged to undertake a sale and investment solicitation process…" asking for my availability to discuss same. A copy of this email (without the teaser letter) is attached as **Exhibit "N"**. I suspect other potentially interested parties received the same email, which I find inappropriate in light of the adjournment granted by Justice Osborne.

47. As of the time of writing, I cannot understand who is truly making decisions on behalf of FAF. Over the past four years, Couche Tard has steadily gained influence over FAF: first as creditor, then as an equity investor, then as major shareholder, then as sole secured creditor, then as DIP Lender, and now as proposed stalking horse bidder. They have installed former Couche Tard executives on FAF's Board and in the highest executive role; and that executive – FAF's

[2] https://mjbizdaily.com/cannabis-retail-chain-fire-flower-to-be-cut-from-toronto-stock-exchange/

CEO Mr. Trudel – as of late last year still independently consulted for Couche Tard and may still be receiving financial compensation directly from Couche Tard.

48. Green Acre has considered the Applicants' motion and, in particular, the effect of the combined SISP and Stalking Horse Agreement on all stakeholders. From my review of the Applicants' motion record, it is clear to me that that SISP Milestones and the Stalking Horse Agreement are the culmination of a "loan to own" strategy devised by Couche Tard, likely following FAF's shareholders' rejection of the Warrant and Share Transaction. In short, I believe that, if the Applicants' proposed SISP and Stalking Horse Agreement are approved, Couche Tard is likely to become the sole owner of FAF in about a month from now[3] for no cash consideration, with all subordinate debt and equity interests wiped out.

D. The Replacement DIP

49. I believe that FAF's underlying business is strong and that a fire sale at this time is not necessary and not in the best interests of all stakeholders. Unfortunately, Couche Tard, FAF's senior secured creditor, unsecured creditor, DIP Lender, largest shareholder, and proposed Stalking Horse Bidder, disagrees and insists that a truncated SISP be commenced immediately. As such, in order for FAF's value to be truly maximized, Couche Tard must be replaced as DIP Lender.

50. Following the adjournment of the Applicants' motion for approval of the SISP and related relief, I immediately began communicating with parties that I believed would be interested in developing a solution to preserve existing stakeholder interests. These parties

[3] The SISP Phase 1 Bid Deadline is July 13, 2023 and, if no competing bids are tendered, Court approval is to be the week of July 24, 2023.

included several family offices, and high and ultra high net worth individuals. Through these discussions a syndicate (the "**Syndicate**") was formed that has committed to provide FAF with interim financing on terms that are superior to the interim financing offered by Courche Tard. The Syndicate includes, among others, Osmington Inc., Sharno Group Inc., Shalcor Management Inc.. The names of the individuals who have ultimate control over these entities were disclosed to the Monitor late last night. To say that these individuals have the financial wherewithal to fund the Replacement DIP Facility is an understatement. Nevertheless, Green Acre is working with the Monitor to provide satisfactory evidence of the Syndicate's ability to meet the obligations under the Replacement DIP Facility Agreement, and has already provided preliminary evidence (such as was available on a Sunday night).

51. The material terms of the Replacement DIP Facility Agreement are substantially similar to the Couche Tard DIP Facility Agreement, but contain a lower rate of interest (10% vs. 12%), and a lower exit fee ($300,000 vs. $400,000). The Replacement DIP Facility Agreement includes a covenants to repay all amounts outstanding under the Couche Tard Facility Agreement, and to otherwise fund the operations of the Applicants.in consultation with the Monitor and to the satisfaction of the Replacement DIP Lender.

52. The Replacement DIP Facility Agreement also includes a covenant for the Applicants' to engage in good-faith discussions with Green Acre with a view to developing a plan of compromise or arrangement that maximizes value for all stakeholders. In the event that such a plan is determined not to be feasible, the parties will pivot to a SISP strategy by July 15, 2023 and market themselves from a position of financial stability, as described below.

53. The $9.8 million facility established by the Replacement DIP Facility Agreement is more than sufficient to fund the Applicants' cash requirements as forecast in the 13-week cash flow appended to the Monitor's Pre-Filing Report (the "**Cash Flow Forecast**").

D. SISP

54. If the Replacement DIP Facility Agreement is approved, Green Acre, with the agreement of the proposed Replacement DIP Lender, proposes that the SISP Order motion be adjourned *sine die*, while the Applicants continue to stabilize their business and operations. To ensure no prejudice to the Applicants or Couche Tard, the amount outstanding under the Couche Tard DIP Facility will be repaid within three business days of the issuance of a further Amended and Restated Initial Order effecting the Replacement DIP Facility Agreement. Green Acre believes that, as stated in Miller Thompson's June 13 letter to the Applicants' counsel, FAF can transition to being cash flow positive before exiting CCAA. Positive cash flow would enable FAF to market itself from a position of strength, which could result in a restructuring that maintains shareholder value (such as a plan of arrangement funded by a rights offering).

E. Shareholder Support

55. The majority of FAF's common stock is held by retail investors.

56. At the time Couche Tard made its initial investment in FAF (July 2019), shares in FAF traded at approximately C$11.00. At peak, in February 2021, FAF's shares traded at C$15.00. At market close on the date of FAF's CCAA filing (June 5, 2023), FAF's shares were priced at C$0.29. From a market capitalization peak of approximately half a billion dollars, this value

plummeted to a market capitalization of approximately C$13 million on the day prior to filing for CCAA.

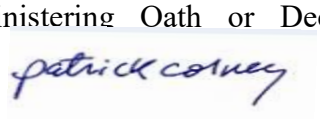
57. As such, it is obvious that, absent a true financial restructuring as opposed to sales process, thousands of retail shareholders will lose the entirety of their investment alongside Green Acre and millions of dollars of shareholder value will be destroyed.

58. Following the June 15 hearing, counsel to Green Acre has received a steady stream of support for Green Acre. As of the date of writing, individual shareholders representing approximately 1.6 million common shares have indicated support for Green Acre's position (as that position was articulated in Green Acre's counsel's letters to the Applicant's counsel, referenced above).

D. Conclusion

59. I swear this affidavit in opposition to the Applicant's motion for a SISP Order and related relief, and in support of Green Acre's cross-motion and for no other purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 19th day of June 2023, in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely.



A Commissioner for taking Affidavits
PATRICK CORNEY

Shawn Dym

This is Exhibit "A" referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

A Commissioner for Oaths in and
for the Province of Ontario

DIP FACILITY TERM SHEET
Dated: June 19, 2023

WHEREAS the DIP Lender (as defined below) has agreed to provide funding to Fire & Flower Holdings Corp. in order to assist with restructuring proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") (the "**CCAA Proceedings**");

WHEREAS, subject to the terms and conditions contained herein (this "**Agreement**"), the DIP Lender is prepared to establish the DIP Facility (as defined below) in favour of the Borrower on the terms and conditions set out below;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

DEFINITIONS Capitalized terms not otherwise defined herein shall have the meanings given to them on Schedule "A" hereto.

BORROWER Fire & Flower Holdings Corp. (the "**Borrower**").

GUARANTORS All of the Canadian subsidiaries of the Borrower namely Fire & Flower Inc., 13318184 Canada Inc., 11180703 Canada Inc., 10926671 Canada Ltd., Friendly Stranger Holdings Corp., Pineapple Express Delivery Inc. and Hifyre Inc. (collectively, the "**Guarantors**").

DIP LENDER Green Acre Capital Fund II (Canada) LP, on behalf of a special-purpose entity to be formed for the benefit of a syndicate of lenders (the "**DIP Lender**").

DIP FACILITY A non-revolving loan (the "**DIP Facility**") up to the maximum principal amount of $9,800,000 ("**Maximum Amount**").

MATURITY DATE The earlier of (such earlier date, the "**Maturity Date**"):

1. the date on which the stay of proceedings under the CCAA Proceedings is lifted or terminated;

2. December 15, 2023 (or such later date as may be agreed to in writing by the DIP Lender, in its sole discretion); and

3. the date on which the DIP Lender elects to terminate the DIP Facility as a result of an Event of Default that is continuing.

The DIP Lender's commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility including accrued Interest and Legal Fees (collectively, the "**Obligations**") shall be repaid in full on the Maturity Date without the DIP Lender being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and the Obligations are due and payable, subject to the order of the Ontario Superior

Court of Justice (Commercial Division) (the "**Court**").

ACCOUNT

All DIP Advances (as defined below) shall be deposited into an account acceptable to the Borrower, the Monitor and the DIP Lender (the "**Account**") and withdrawn to pay contemplated expenses under the Amended Cash Flow Projections and otherwise in accordance with the terms hereof.

USE OF PROCEEDS AND PROJECTED CASH FLOWS

Advances under the DIP Facility ("**DIP Advances**") shall be used in accordance with the Amended Cash Flow Projections.

No proceeds of the DIP Advances may be used for any purpose other than in accordance with the Amended Cash Flow Projections except with the prior written consent of the DIP Lender, which consent shall not be unreasonably withheld.

Notwithstanding anything to the contrary herein, none of the proceeds of the DIP Advances may be used in connection with (a) any investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, motions, applications, actions, or other litigation against or involving the DIP Lender, or (b) the initiation or prosecution of any claims, causes of action, motions, applications, actions, or other litigation against or involving the DIP Lender in such capacity in respect of this Agreement, except in each case of (a) and (b), to the extent relating to the CCAA Proceedings.

INTEREST RATE

Interest ("**Interest**") on the principal outstanding amount of the DIP Advances (including the compounded interest referenced below) from the date each DIP Advance is made (or, in the case of the compounded interest referenced below, the date that such interest is compounded), both before and after maturity, demand, default, or judgment until payment in full, at a rate of 10% per annum, compounded and calculated weekly, shall accrue and be added to the principal amount of the DIP Advances on the first day of each month.

All interest shall be calculated on the basis of a 365-day (or 366 day, as applicable) year, in each case for the actual number of days elapsed in the period during which it accrues.

All payments under or in respect of the DIP Facility shall be made free and clear of any withholding, set-off or other deduction.

FEES

On the earlier of the Maturity Date and the repayment in full of the DIP Advances, the Borrower shall pay to the DIP Lender an exit fee of $300,000.

COSTS AND EXPENSES

The Borrower shall pay all reasonable and documented costs and expenses of the DIP Lender for all out-of-pocket due diligence and travel costs and all reasonable and documented fees, expenses and disbursements of outside counsel, appraisers, field auditors, and any

financial consultant in connection with the implementation and administration of the DIP Facility, including any reasonable and documented costs and expenses incurred by the DIP Lender in connection with the enforcement of any of the rights and remedies available hereunder.

DIP SECURITY

The Guarantors hereby guarantee in favour of the DIP Lender the payment and performance of all Obligations of the Borrower under or in connection with the DIP Facility. All Obligations of the Obligors under or in connection with the DIP Facility and any of the DIP Credit Documentation shall be secured by a Court Ordered Charge on all present and after-acquired personal and real property of the Obligors, in each case of any kind or nature whatsoever and wheresoever situated (the "**DIP Lender's Charge**") without the need for any further loan or security documentation or any filings or registrations in any public register or system.

CONDITIONS PRECEDENT TO DIP ADVANCES

The DIP Lender's obligation to make the any DIP Advance hereunder is subject to, and conditional upon, the satisfaction of all of the following conditions precedent:

1. An order amending and restating the initial order under the CCAA, in form and substance acceptable to the DIP Lender, acting reasonably, shall have been executed by the Court authorizing and approving the DIP Facility and granting the DIP Lender's Charge (the "**Restated Initial Order**") and shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect materially adversely affecting the DIP Lender, solely in its capacity as lender under the DIP Facility and not in any other capacity, unless otherwise agreed by the DIP Lender, acting reasonably;

2. An individual nominated by the DIP Lender shall have been appointed as an observer to the Board of Directors of the Borrower, and such nominee shall be entitled to all of the rights of the Board of Directors except for the right to vote;

3. The DIP Lender's Charge, in an aggregate amount not to exceed $9.8 million, shall have priority over all Liens granted by the Obligors against any of the undertaking, property or assets of the Obligors subject in priority only to an administrative charge on the collateral of the Obligors in an aggregate amount not to exceed $600,000;

4. The Borrower and the DIP Lender, each acting reasonably, shall have agreed on the length of the stay period provided to the Obligors in the Restated Initial Order;

5. The Borrower and the DIP Lender, each acting reasonably and in consultation with the Monitor, shall have finalized the Amended Cash Flow Projections, and such Amended Cash

Flow Projections shall be satisfactory to the DIP Lender, acting reasonably;

6. The Borrower shall have delivered a request for any DIP Advance at least two (2) Business Days before such DIP Advance is requested to be advanced;

7. The representations and warranties contained herein shall be true and correct; and No Default or Event of Default shall have occurred and be continuing.

8. Each of the Obligors agrees to indemnify and hold harmless the DIP Lender, solely in its capacity as lender under the DIP Facility and not in any other capacity, and its Affiliates and officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or suited against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, this Agreement, or the DIP Credit Documentation, except to the extent that such actions, lawsuits, proceedings, claims, losses, damages, liabilities or expenses result from the gross negligence or willful misconduct of such Indemnified Persons.

REPRESENTATIONS AND WARRANTIES

Each of the Obligors represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this Agreement and the other DIP Credit Documentation, that:

1. The transactions contemplated by this Agreement and the other DIP Credit Documentation:

   a. upon the granting of the Restated Initial Order, are within the powers of the Obligors;

   b. have been duly authorized, executed and delivered by or on behalf of the Obligors;

   c. upon the granting of the Restated Initial Order, constitute legal, valid and binding obligations of the Obligors;

   d. upon the granting of the Restated Initial Order, do not require the consent or approval of, registration or filling with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Lender's Charge or any DIP Security granted pursuant to the DIP Credit Documentation;

2. The business operations of the Obligors have been and will continue to be conducted in material compliance with all Applicable Laws of each jurisdiction in which each such business has been or is being carried on;

3. The Obligors obtained all material licenses and permits required for the operation of its business, which licenses and permits remain, and after the date hereof, will remain in full force and effect and in good standing unless such licenses and permits are abandoned or terminated in connection with a Permitted Restructuring (as defined below). No proceedings have been commenced to revoke or amend any of such licenses or permits and no notices advising of a breach or potential breach of the conditions of such licenses has been received;

4. Except as reflected in the cash flow projections filed in the CCAA Proceedings, the Obligors have paid where due their obligations for payroll, employee source deductions, sales taxes, value added taxes and are not in arrears in respect of these obligations;

5. The Obligors do not have any defined benefit pension plans or similar plans; and

6. All factual information provided by or on behalf of the Borrower to the DIP Lender for the purposes of or in connection with this Agreement or any transaction contemplated herein is, to the best of the Borrower' knowledge, true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided. In particular, and without limiting the generality of the foregoing, to the best of the Borrower' knowledge, all information regarding the Borrower' corporate structure is true and complete, all public fillings and financial reports are complete and true in all material respects as of the date thereof. As used in this section "to the best of the Borrower's knowledge" refers to the actual knowledge of the Stéphane Trudel and John Chou after reasonable inquiry.

AFFIRMATIVE COVENANTS

Each of the Obligors covenants and agrees to do the following:

1. Engage in discussions with Green Acre Capital Fund II (Canada) LP and other interest stakeholders, in good faith and on a best-efforts basis with a view to developing a Plan that maximizes value for all stakeholders of the Obligors; provided, however, that the parties each covenant and agree conduct a Court-supervised sale

and investment solicitation process if a Plan is determined not to be feasible or in the best interest of the stakeholders of the Obligors by July 15, 2023, and such sale and investment solicitation process shall be substantially in the form developed by the Obligors, in consultation with the Monitor, and served on the Service List in the CCAA Proceedings on June 15, 2023;

2. Utilize the DIP Facility to repay the debtor-in-possession loan advanced by 2707031 Ontario Inc. in the principal amount of $2,700,000 within three (3) Business Days of the issuance of the Restated Initial Order;

3. comply with the Cash Flow Projections in all material respects;

4. Allow the DIP Lender, its designated representatives and financial advisors full access to the books and records of the Obligors on one (1) Business Day's notice and during normal business hours and cause management thereof to fully cooperate with any advisors to the DIP Lender;

5. Use the proceeds of the DIP Facility only for the purposes set out herein;

6. Comply with the provisions of the Court orders made in the CCAA Proceedings;

7. Provide the DIP Lender with draft copies of all motions, applications, proposed orders or other material or documents that any of them intends to file within the CCAA Proceedings at least three (3) days prior to any service of such materials or, where it is not practically possible to do so at least three days prior to any such service, as soon as possible;

8. Maintain all licenses required for the operation of their business in good standing, other than any licenses abandoned or terminated in connection with a Permitted Restructuring;

9. Provide the DIP Lender with all material correspondence between the Obligors and any governmental authority in respect of their cannabis licenses from and after the date of the Initial Order;

10. The Restated Initial Order and any other Court orders which are being sought by the Borrower shall be submitted to the Court in a form confirmed in advance to be satisfactory to the DIP Lender, acting reasonably, subject to any amendments that are required by the Court or otherwise acceptable to the DIP Lender, acting

reasonably;

11. Subject to any Court ordered limitations, use all reasonable efforts to keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Obligors;

12. Deliver on the following Thursday of the week due to the DIP Lender any Updated Bi-Weekly Budgets and Bi-Weekly Budget Variance Reports and such other reporting and information from time to time as is reasonably requested by the DIP Lender in form and substance satisfactory to the DIP Lender;

13. Maintain all insurance with respect to the Collateral in existence as of the date hereof;

14. Forthwith notify the DIP Lender of any event or circumstance that, with the passage of time, may constitute an Event of Default;

15. Forthwith notify the DIP Lender of the occurrence of any Event of Default, or of any event or circumstance that may constitute a material adverse change from the Cash Flow Projections;

16. Duly and punctually pay or cause to be paid to the DIP Lender all principal and interest payable by it under this Agreement and under any other DIP Credit Documentation on the dates, at the places and in the amounts and manner set forth herein;

17. Comply in all material respects with all Applicable Laws; and

18. Comply in all material respects with all of their obligations under all other agreements with the DIP Lender and its Affiliates.

NEGATIVE COVENANTS

Each of the Obligors covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender, which consent shall not be unreasonably withheld:

1. Other than pursuant to a Permitted Restructuring, sell, assign, transfer, lease or otherwise dispose of all or any part of its assets outside the ordinary course of business, except for the disposition of any obsolete equipment or other assets;

2. Make any payment of principal or interest in respect of existing (pre-filing date) indebtedness or declare or pay any dividends except as contemplated by the Cash Flow

Projections;

3. Create or permit to exist indebtedness for borrowed money other than existing (pre-filing date) debt and debt contemplated by this DIP Facility;

4. Create or permit to exist any Liens on any of its properties or assets other than Permitted Liens;

5. Enter into or agree to enter into any investments other than cash equivalents or acquisitions of any kind, direct or indirect, in any business;

6. Incur, assume or otherwise agree to be bound by any contingent liabilities or provide any guarantee or financial assistance to any Person;

7. Enter into any amalgamation, reorganization, liquidation, dissolution, winding-up, merger or other transaction or series of transactions whereby, directly or indirectly, all or any significant portion of the undertaking, property or assets of any Obligor would become the property of any other Person or Persons;

8. Seek or support a motion by another party to provide to a third party a charge upon any of the Borrower' assets (including, without limitation, a critical supplier's charge) without the prior consent of the DIP Lender, except to the extent such motion or charge will result in a repayment in full of all Obligations owing to the DIP Lender under the DIP Facility;

9. Amend or seek to amend the Restated Initial Order;

10. Other than (i) for cause or (ii) in connection with a Permitted Restructuring, terminate the employment of any personnel required to maintain its cannabis licenses in good standing unless replaced in due course;

11. Terminate or repudiate any agreement with the DIP Lender, solely in its capacity as lender under the DIP Facility and not in any other capacity, or any of its Affiliates;

12. Seek or obtain any order from the Court that materially adversely affects the DIP Lender, except with the prior written consent of the DIP Lender; and

13. Deliver any lease disclaimer notice pursuant to section 32 CCAA, except with the prior written consent of the DIP Lender, which consent shall not be unreasonably withheld, and provided that upon the Borrower providing a copy of any such proposed lease disclaimer notice, the

DIP Lender promptly (and in any event within two (2) Business Days) advises the Borrower if it has any objections to the proposed disclaimer.

EVENTS OF DEFAULT The occurrence of any one or more of the following events shall constitute an event of default ("**Event of Default**") under this Agreement:

1. failure of the Borrower to pay principal or interest when due under this Agreement or any other DIP Credit Documentation;

2. any other breach by any Obligor in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Agreement, provided, that, in the case of a breach of any affirmative covenant, such breach remains unremedied for longer than three (3) Business Days;

3. (i) any order shall be entered reversing, amending, varying, supplementing, staying, vacating or otherwise modifying in any respect in a manner materially affecting the DIP Lender without the prior written consent of the DIP Lender, which consent shall not be unreasonably withheld, (ii) the Restated Initial Order shall cease to be in full force and effect in a manner that has a material adverse effect on the interests of the DIP Lender, or (iii) Borrower shall fail to comply in any material respect that has an adverse effect on the interests of the DIP Lender with any Order granted by the Court in the CCAA Proceedings;

4. this Agreement or any other DIP Credit Documentation shall cease to be effective or shall be contested by a Borrower;

5. any order is issued by the Court (or any other court of competent jurisdiction) that materially adversely affects the DIP Lender, in its capacity as DIP Lender, without the prior written consent of the DIP Lender, which consent shall not be unreasonably withheld;

6. the CCAA Proceedings are terminated or converted to bankruptcy proceedings or any order is granted by the Court (or any court of competent jurisdiction) granting relief from the stay of proceedings during the CCAA Proceedings (as extended from time to time until the Maturity Date), unless agreed by the DIP Lender, acting reasonably;

7. any Plan is filed or sanctioned by the Court in a form and in substance that is not acceptable to the DIP Lender if such Plan does not either provide for the repayment of

the obligations under the DIP Facility in full by the Maturity Date or designate the DIP Lender as unaffected by such Plan;

8. if any of the Borrower's cannabis licenses are revoked or the Borrower fails to comply with a material condition required to keep such licenses in good standing, other than as a result of a Permitted Restructuring, and such license is not reinstated or the Borrower's failure to comply with such material condition continues for a period of five (5) Business Days;

9. any of the Obligors makes any material payments of any kind not permitted by this Agreement, the Cash Flow Projections or any order of the Court;

10. if the Monitor, counsel to the Monitor, or counsel to the Borrower withdraws its services on behalf of the Borrower and/or terminates its engagement with the Borrower and a replacement professional acceptable to the DIP Lender is not appointed or engaged, as applicable, or if alternative arrangements acceptable to the DIP Lender are not made within 5 Business Days;

11. borrowings under the DIP Facility exceed the Maximum Amount.

REMEDIES

Upon the occurrence and continuance of an Event of Default, the DIP Lender may, upon written notice to the Borrower and the Monitor:

1. terminate the DIP Facility;

2. on prior notice to the Borrower and the service list of no less than three (3) Business Days, apply to the Court for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the Borrower or for the appointment of a trustee in bankruptcy of the Borrower;

3. exercise the powers and rights of a secured party under any legislation; and

4. exercise all such other rights and remedies under the DIP Credit Documentation and Orders of the Court in the CCAA Proceedings.

DIP LENDER APPROVALS

All consents of the DIP Lender hereunder shall be in writing. Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail.

FURTHER ASSURANCES The Obligors shall at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement and the DIP Lender's Charge, perfecting, protecting and maintaining the Liens created by the DIP Lender's Charge or establishing compliance with the representations, warranties and conditions of this Agreement or any other DIP Credit Documentation.

ENTIRE AGREEMENT This Agreement, including the Schedules hereto and the DIP Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Agreement and any of the other DIP Credit Documentation, this Agreement shall govern.

AMENDMENTS, WAIVERS, ETC. No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the DIP Lender. Any consent to be provided by the DIP Lender shall be granted or withheld solely in its capacity as and having regard to its interests as DIP Lender.

ASSIGNMENT This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Borrower may not assign its rights and obligations under this Agreement without the written consent of the DIP Lender. The DIP Lender's rights and obligations under this Agreement are freely assignable to a nominee to be incorporated, without the consent of any Obligor. Each of the Obligors hereby consents to the disclosure of any confidential information in respect of the Borrower to any potential assignee provided such potential assignee agrees in writing to keep such information confidential.

SEVERABILITY Any provision in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

PRESS RELEASES The Borrower shall not issue any press releases or other public disclosure, other than Court documents approved in the manner set out herein, naming the DIP Lender without its prior approval, acting reasonably unless the Borrower is required to do so by applicable securities laws or other applicable law.

COUNTERPARTS AND This Agreement may be executed in any number of counterparts

FACSIMILE SIGNATURES

and by facsimile or e-mail transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Agreement by signing any counterpart of it.

NOTICES

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:

In the case of the DIP Lender:

Green Acre Capital Fund II (Canada) LP
Suite 1805, 2 Bloor Street West
Toronto, ON M4W 3E2

Attention: Matt Shalhoub
Email: mshalhoub@greenacrecapital.ca

In the case of the Borrower:

c/o Stikeman Elliott LLP
5300 Commerce Court West
Toronto, Ontario M5L 1B9

Attention: Maria Konyukhova
Email: mkonyukhova@stikeman.com

In either case, with a copy to the Monitor:

FTI Consulting Inc.
Toronto Dominion Centre
Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg
Email: jeffrey.rosenberg@fticonsulting.com

In either case, with a copy to the Monitor's counsel:

Thornton Grout Finnigan LLP
Suite 3200, TD West Tower
100 Wellington Street West
Toronto, Ontario M5K 1K7

Attention: Leanne Williams
Email: lwilliams@tgf.ca

ENGLISH LANGUAGE The parties hereto confirm that this Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*

GOVERNING LAW AND JURISDICTION This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the Obligors irrevocably submits to the non-exclusive courts of the Province of Ontario, waives any objections on the ground of venue or *forum non conveniens* or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS HEREOF, the parties hereby execute this Agreement as of the date first written above.

DIP Lender:

GREEN ACRE CAPITAL FUND II (CANADA) LP, by its General Partner, GREEN ACRE CAPITAL FUND II (CANADA) INC.

By: _____

Name: Matt Shalhoub
Title: Authorized Signatory

Borrower:

FIRE & FLOWER HOLDINGS CORP.

By: _____

Name:
Title:

Guarantors:

FIRE & FLOWER INC.

By: _____

Name:
Title:

13318184 CANADA INC.

By: _____

Name:
Title:

11180703 CANADA INC.

By: _____

Name:
Title:

10926671 CANADA LTD.

By: _____

Name:
Title:

PINEAPPLE EXPRESS DELIVERY INC.

By: _____

Name:
Title:

FRIENDLY STRANGER HOLDINGS CORP.

By: _____

Name:
Title:

HIFYRE INC.

By: _____

Name:
Title:

SCHEDULE "A"
Additional Definitions

"**Affiliate**" means, in respect of any Person at any date, (a) any corporation, company, limited liability company, association, joint venture or other business entity of which securities, membership interests or other ownership interests representing fifty percent (50%) or more of the voting power of all equity interests are owned or held, directly or indirectly, by such Person, (b) any partnership, limited liability company or joint venture wherein the general partner, managing partner or operator is, directly or indirectly, such Person, or (c) any other Person that is otherwise directly or indirectly controlled by such Person.

"**Applicable Laws**" means all federal, provincial, municipal and local laws, statutes, regulations, codes, acts, permits, licenses, ordinances, orders, by-laws, guidelines, notices, protocols, policies, directions and rules and regulations, including those of any governmental or other public authority, which may now, or at any time hereafter, govern, be applicable to or enforceable against or in respect of the Obligors, the operation of their business or their property, as the case maybe, including Cannabis Laws.

"**Amended Cash Flow Projections**" means the amended version of the cash flow projections filed with the Court in the CCAA Proceedings, to be prepared by the Borrower, in consultation with the Monitor, and in form and substance satisfactory to the DIP Lender.

"**Bi-Weekly Budget Variance Report**" means a variance report showing on a line-byline basis actual receipts and disbursements and the total available liquidity for the last day of the prior week for the cumulative period since the commencement of the CCAA Proceedings and for a cumulative period once the CCAA Proceedings have been pending for four weeks and noting therein all variances on a line-by-line basis from the amounts in the Updated Bi-Weekly Budget and shall include explanations for all material variances and shall be certified by the Chief Financial Officer of the Borrower.

"**Business Day**" means a day on which banks in Toronto, Ontario and Montréal, Québec are open for business.

"**Cannabis Laws**" means the Cannabis Licence Act, 2018, S.O. 2018, c.12, Sched. 2, the Cannabis Act, S.C. 2018, c. 16 (Canada), the Cannabis Control Act, 2017, S.O. 2017, c. 26, Schedule 1 (Ontario), and any other applicable governing legislation and the regulations thereunder, all as may be amended, supplemented or replaced from time to time and those which regulate the sale or distribution of Cannabis (in various forms), cannabinoid product or paraphernalia commonly associated with Cannabis and/or related cannabinoid products.

"**Court Ordered Charges**" means the charges granted by the Court over the assets, properties and undertakings of the Obligors in the CCAA Proceedings, which shall include, without limitation, an administration charge and the DIP Lender's Charge.

"**Default**" means any Event of Default or any condition or event which, after notice or lapse of time or both, would constitute an Event of Default.

"**DIP Credit Documentation**" means this Agreement, the Order of the Court approving it and any other definitive documentation in respect of the DIP Facility that are in form and substance satisfactory to the DIP Lender.

"**DIP Security**" means the contractual security and contractual hypothecary documents granted by the Borrower providing for a security interest/hypothec in and lien on all now owned and hereafter-acquired assets and property of the Borrower, real and personal, tangible or intangible and all proceeds therefrom (the "**Collateral**"), but excluding (i) such assets, if any, as the DIP lender in its discretion determines to be immaterial or to be assets for which the cost and other burdens of establishing and perfecting a security interest outweigh the benefits of establishing and perfecting a security interest, and (ii) other exceptions to be mutually agreed.

"**Legal Fees**" means all reasonable and documented legal fees that the DIP Lender will have to pay to its legal counsel in connection with any and all tasks related to this Agreement, the Restated Initial Order, the DIP Facility or the DIP Credit Documentation.

"**Liens**" means all mortgages, pledges, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever.

"**Monitor**" means FTI Consulting Inc.

"**Obligors**" means the Borrower and the Guarantors.

"**Permitted Restructuring**" shall mean any restructuring and/or closure of stores or other premises used by any Obligor approved by the DIP Lender, acting reasonably.

"**Permitted Liens**" means (i) Court Ordered Charges; (ii) the liens registered against the Obligors in the Provinces of Ontario, British Columbia, Saskatchewan, Manitoba, Alberta, and Yukon Territory, as more particularly described in the search summaries attached to Exhibit "L" of the Affidavit of Stephane Trudel sworn on June 5, 2023 in connection with the CCAA Proceedings, and (iii) liens in respect of amounts payable by an Obligor for wages, vacation pay, deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada), income tax and workers compensation claims.

"**Person**" means an individual, partnership, corporation (including a business trust), joint venture, limited liability company or other entity, or governmental authority.

"**Plan**" means the implementation of a plan of compromise or arrangement within the CCAA proceedings which has been approved by the requisite majorities of the Borrower' creditors and by order entered by the Court and by the DIP Lender.

"**Updated Bi-Weekly Budget**" means a revised 13-week period detailed budget which is in form and substance satisfactory to the DIP Lender, which revised budget shall be reviewed by the Monitor.

This is Exhibit "B" referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

A Commissioner for Oaths in and
for the Province of Ontario

Court File No. CV-23-00700581-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,*
R.S.C. 1985, c. C-25, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIRE & FLOWER HOLDINGS CORP., FIRE & FLOWER INC., 13318184 CANADA INC.,
11180703 CANADA INC., 10926671 CANADA LTD., FRIENDLY STRANGER HOLDINGS
CORP., PINEAPPLE EXPRESS DELIVERY INC., and HIFYRE INC.

Applicants

QUESTIONS ON AFFIDAVITS OF STEPHANE TRUDEL SWORN JUNE 5 AND JUNE 14, 2023

The respondent Green Acre Capital LP requires that the following questions be answered by Affidavit, served no later than 9:00 a.m. Eastern Standard Time on June 17, 2023.

Capitalized but undefined terms used herein have the meaning given to them in the Affidavit of Stephane Trudel sworn June 5, 2023 (the "**First Trudel Affidavit**").

1. Regarding paragraph 1 of the First Trudel Affidavit:

   (a) Provide Mr. Trudel's employment history (roles held/time period in each) with ACT Investor or its affiliates, including but not limited to ACT Parent Co. (collectively "**Couche Tard**"); and

   (b) Provide particulars including the dates and amounts of any compensation (including non-cash benefits) provided to Mr. Trudel or any persons related to him by Couche Tard or party related to it.

2. Please advise if Mr. Trudel was involved in any negotiations with Couche Tard regarding the Bridge Loan Agreement, the failed Warrant and Share Transaction, the DIP Facility Agreement, the SISP, or the Stalking Horse Agreement.

3. Please advise if any other employees, directors, or independent contractors of Fire & Flower Holdings Corp. and its subsidiaries and affiliates (together "**FAF**") that were involved in negotiations with Couche Tard regarding the Bridge Loan Agreement, the failed Warrant and Share Transaction, the DIP Facility Agreement, the SISP, or the Stalking Horse Agreement are former employees, directors, or independent contractors of Couch Tard and, if yes, list those persons.

4. If any persons are listed in response to question 3:

   (a) Provide each person's employment history (roles held/time period) with Couche Tard; and

   (b) Provide particulars including the dates and amounts of any compensation (including non-cash benefits) provided to such persons or any persons related to them by Couche Tard or any party related to it.

5. Regarding paragraphs 13, 14, 15, 136, 137, and 140 of the First Trudel Affidavit, provide:

   (a) All special committee meeting minutes; and

   (b) All internal or third party advisor reports provided to the special committee, the Board generally, or FAF management in connection with the strategic review and negotiation.

6. Regarding paragraphs 17 and 46 of the affidavit of Stephane Trudel sworn June 14, 2023 (the "**Second Trudel Affidavit**"), please advise when the Applicants first began discussions with Couche Tard regarding a stalking horse credit bid.

7. Regarding paragraphs 13, 14, 15, 136, 137, and 140 of the First Trudel Affidavit and paragraph 46 of the Second Trudel Affidavit, please list each representative of FAF involved in those negotiations.

8. Provide a copy of the Related Party Transactions Policy referenced in Stikeman Elliott LLP's letter to Miller Thomson LLP dated June 14, 2023.

9. To the extent not produced in response to question 5 (b) above, produce all reports provided to FAF from financial and/or restructuring advisors retained by FAF within the past two years including, but not limited to, Canaccord Genuity Corp.

June 16, 2023

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis (LSO 49313K)
lellis@millerthomson.com
Tel: 416.595.8639

Gavin H. Finlayson (LSO 44126D)
gfinlayson@millerthomson.com
Tel: 416-595-8619

Patrick Corney (LSO 65462N)
pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Respondent, Green Acre Capital LP

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIRE & FLOWER HOLDINGS CORP., et al.
Applicants

Court File No. CV-23-00700581-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at TORONTO

QUESTIONS ON AFFIDAVITS

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis (LSO 49313K)
lellis@millerthomson.com
Tel: 416.595.8639

Gavin H. Finlayson (LSO 44126D)
gfinlayson@millerthomson.com
Tel: 416-595-8619

Patrick Corney (LSO 65462N)
pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Respondent, Green Acre Capital LP

This is Exhibit “C” referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

A Commissioner for Oaths in and
for the Province of Ontario

Stikeman Elliott

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, ON Canada M5L 1B9

Main: 416 869 5500
Fax: 416 947 0866
www.stikeman.com

Daniel S. Murdoch
Direct: (416) 869-5529
dmurdoch@stikeman.com

June 18, 2023

By E-mail – lellis@millerthomson.com

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON M5H 3S1

Attention: Larry Ellis

Dear Mr. Ellis:

Re: CCAA Proceedings of Fire & Flower Holdings Corp., et al

Fire & Flower Holdings Corp. (the "**Company**") is in receipt of your questions on the affidavits of Stephane Trudel sworn June 5 and June 14, 2023 (received at 7:21 p.m. on Friday, June 16, 2023). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the affidavit of Stephane Trudel sworn June 5, 2023 (the "**First Trudel Affidavit**").

As you are aware, Mr. Corney advised us and the Monitor at approximately 5:30 p.m. on Thursday, June 15, 2023 that your client, Green Acre Capital LP ("**Green Acre**") would not be cross-examining Mr. Trudel but would deliver motion materials as soon as possible.

As you are also aware, there are no provisions in the Ontario *Rules of Civil Procedure* (the "**Rules**") which provide for written cross examination. The Rules require Green Acre to deliver any responding affidavit(s) prior to cross-examination.

We have not received a response from Mr. Corney to my email from last night asking when we would receive any responding affidavit from Green Acre. As a result, we are delivering this response to Green Acre's cross-examination questions. Pursuant to Rule 39.02(2), Green Acre will require leave of the Court or consent to deliver an affidavit.

Our responses to your cross-examination questions are provided below.

1a. Provide Mr. Trudel's employment history (roles held/time period in each) with ACT Investor or its affiliates, including but not limited to ACT Parent Co. (collectively, "Couche Tard").

As publicly disclosed in the management information circular for the Company dated May 12, 2023, Mr. Trudel served as:

(a) Senior Vice President of Growth and Strategy of CST Brands, Inc. ("**CST**") from January 2016 to June 2017. CST is an international convenience retailer which was acquired by ACT Parent Co. on June 28, 2017;

(b) Vice President of Operations of ACT Parent Co. from June 2017 to January 2018; and

(c) Senior Vice President of Operations of ACT Parent Co. from January 2018 to June 2022.

Mr. Trudel was an officer of certain affiliates and subsidiaries of ACT Parent Co., including ACT Investor. However, he ceased being an officer at all affiliates and subsidiaries of ACT Parent Co., including ACT Investor, in or around the beginning of June 2022.

1b. Provide particulars including the dates and amounts of any compensation (including non-cash benefits) provided to Mr. Trudel or any persons related to him by Couche Tard or party related to it.

Information relating to Mr. Trudel's compensation prior to his involvement with the Company is irrelevant to the approval of the SISP and Stalking Horse Agreement.

In any event, as publicly disclosed in the management information circular for the Company dated November 4, 2022, Mr. Trudel continues to provide consulting services to ACT Parent Co. following his cessation of full time services to ACT Parent Co. Pursuant to a consulting agreement (the "**Consulting Agreement**"), Mr. Trudel was compensated a total of $20,000 ($10,000 in each of June and July 2022) for assistance on a transaction unrelated to the Company. Pursuant to the Consulting Agreement, Mr. Trudel also received the benefit of having the survival of options, deferred share units, and share units which would have otherwise been forfeited in a resignation, subject to certain conditions.

The prior employment and existence of an ongoing consulting agreement between Mr. Trudel and ACT Parent Co. was also disclosed at the Initial Order hearing.

2. Please advise if Mr. Trudel was involved in any negotiations with Couche Tard regarding the ACT Loan Agreement, the failed Warrant and Share Transaction, the DIP Facility Agreement, the SISP, or the Stalking Horse Agreement.

Any involvement by Mr. Trudel in negotiations with Couche Tard regarding the ACT Loan Agreement, the failed Warrant and Share Transaction and the DIP Facility Agreement is irrelevant to the approval of the SISP and Stalking Horse Agreement.

In any event, the Chairman and Director of the Company's Board, Donald Wright, on behalf of the special committee of independent directors of the Board (namely, Mr. Wright, Sharon Ranson, and Avininder Grewal, the "**Special Committee**"), with the advice of and in consultation with the Monitor and the Company's legal counsel, was the individual leading discussions with Couche Tard regarding the DIP Facility Agreement, the SISP, and the Stalking Horse Agreement. These advisors recommended to the Company's board of directors (the "**Board**") that the Company should enter into the DIP Facility Agreement, the SISP, and the Stalking Horse Agreement for the various reasons set out in the record.

3. Please advise if any other employees, directors, or independent contractors of the Company and its subsidiaries and affiliates (together "FAF") that were involved in negotiations with Couche Tard regarding the ACT Loan Agreement, the failed Warrant and Share Transaction, the DIP Facility Agreement, the SISP, or the Stalking Horse Agreement are former employees, directors, or independent contractors of Couch Tard and, if yes, list those persons.

Mr. Wright, on behalf of the Special Committee, led the discussions with Couche Tard regarding the ACT Loan Agreement and failed Warrant and Share Transaction on behalf of the Company.

As publicly disclosed in the management information circular for the Company dated November 4, 2022, these negotiations were under the supervision the Special Committee and Canaccord Genuity Corp. ("**Canaccord**"), as financial advisor to the Company. Also as publicly disclosed in the same management information circular, Canaccord provided an oral fairness opinion to the effect that, as of the date thereof, the proposed Warrant and Share Transaction was fair, from a financial point of view, to the Company.

As referenced above, Mr. Wright, on behalf of the Special Committee, was the individual leading discussions with Couche Tard regarding the Stalking Horse Agreement. Also referenced above, these discussions were in consultation with the Monitor and the Company's legal counsel.

4. If any persons are listed in response to question 3(a) provide each person's employment history (roles held/time period) with Couche Tard; and (b) provide particulars including the dates and amounts of any compensation (including non-cash benefits) provided to such persons or any persons related to them by Couche Tard or any party related to it.

As referenced above, Mr. Wright, on behalf of the Special Committee, was the individual leading discussions with Couche Tard regarding the ACT Loan Agreement and failed Warrant and Share Transaction. Also referenced above, these discussions were under the supervision of the Special Committee and Canaccord. To the extent that there are any employees of Canaccord who have any employment history with Couche Tard, this is beyond the scope of the Applicants' knowledge.

5. Regarding paragraphs 13, 14, 15, 136, 137, and 140 of the First Trudel Affidavit, provide: (a) all special committee meeting minutes; and (b) all internal or third party advisor reports provided to the special committee, the Board generally, or FAF management in connection with the strategic review and negotiation.

The Board held a meeting (the "**Meeting**") on June 12, 2023 to discuss, consider and, if deemed appropriate, approve a number of items including the commencement of the SISP as well as a proposed stalking horse agreement under such process.

At the start of the Meeting, Joel Binder, partner at Stikeman Elliott LLP, legal counsel to the Company, summarized for the Board's ease of reference the key aspects of the Company's Related Party Transactions Policy (the "**RPT Policy**") and the application of the RPT Policy to the transactions subject to discussion at the Meeting, including the SISP and Stalking Horse Agreement.

Suzanne Poirier, a director of the Company, disclosed an interest in any contract or transaction made or entered into with ACT Parent Co. or its affiliates, and recused herself from any discussions surrounding such transactions on this basis, including with respect to the Stalking Horse Agreement. Ms. Poirier was recused by the Board and exited the Meeting.

Mr. Trudel, a director and Chief Executive Officer of the Company, also disclosed an interest in any contract or transaction made or entered into with ACT Parent Co. or its affiliates, including the Stalking Horse Agreement, by nature of his consulting agreement with ACT Parent Co.

Pursuant to the RPT Policy, and given the nature of Mr. Trudel's familiarity with the day-to-day operations of the Company and ability to provide context for certain matters contemplated in such transactions, including the disclaimer of certain leases and commercial agreements of the Company, it was requested by Mr. Grewal, chair of the Corporation's Corporate Governance and Compensation Committee (the "**Committee**"), that Mr. Trudel participate in discussions surrounding the proposed transactions. Mr. Trudel agreed to participate in the discussions that followed, but also agreed to exit the Meeting prior to formal voting thereon.

After discussion surrounding the various matters contemplated for the meeting, including the SISP and the Stalking Horse Agreement, Mr. Trudel exited the Meeting, and the remaining members of the Board, being the same members comprising the Committee, voted on the draft resolutions provided to them prior to the Meeting.

The Board discussed the resolutions and upon motion duly made by Ms. Ranson and seconded by Mr. Grewal, the Board passed (with each of Ms. Poirier and Mr. Trudel refraining from participating in the approval of the matters in which they declared an interest) the resolutions proposed for the Meeting. The Monitor had a representative present for the discussions and the vote.

No meeting minutes or reports have been finalized and would not be relevant to the approval of the SISP and Stalking Horse Agreement.

6. Regarding paragraphs 17 and 46 of Second Trudel Affidavit, please advise when the Applicants first began discussions regarding a stalking horse credit bid.

The Applicants, through Mr. Wright, and at the advice of their counsel and the proposed monitor at that time, FTI Consulting Canada Inc., first began discussions regarding a potential CCAA process which raised the possibility of both DIP financing and a stalking horse bid. Accordingly, the Company reached out to Couche Tard to enquire whether they would be interested in providing DIP financing and a stalking horse bid. However, given the time sensitivity, it was agreed that the parties would focus on the DIP financing and defer discussions relating to a stalking horse bid.

The DIP financing discussions started on or about May 29, 2023. Discussions relating to the Stalking Horse Bid commenced on or about June 1, 2023.

7. Regarding paragraphs 13, 14, 15, 136, 137, and 140 of the First Trudel Affidavit and paragraph 46 of the Second Trudel Affidavit, please list each representative of the Applicants and their subsidiaries and affiliates involved in those negotiations.

As stated above, negotiations regarding the ACT Loan Agreement and failed Warrant and Share Transaction was led by Mr. Wright, on behalf of the Special Committee, and under the supervision of the Special Committee and Canaccord.

Also stated above, negotiations regarding the Stalking Horse Agreement were generally carried out by Mr. Wright, having discussions with Mr. Tessier from ACT Parent Co.

8. Please provide a copy of the Related Party Transactions Policy referred to in Stikeman Elliott LLP's letter to Miller Thomson dated June 14, 2023.

The RPT Policy is publicly available on the Company's website. The link is provided below for your convenience.

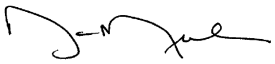
https://investors.fireandflower.com/governance/governance-documents/default.aspx

9. To the extent not produced in response to question 5 (b) above, produce all reports provided to FAF from financial and/or restructuring advisors retained by FAF within the past two years including, but not limited to, Canaccord Genuity Corp.

This request is irrelevant to the approval of the SISP and Stalking Horse Agreement. As has been publicly disclosed and noted in the Company's materials, the Company (like many other cannabis companies) has been engaged in discussions with numerous strategic counterparties over the last two years. These reports are not relevant.

We trust the foregoing is satisfactory.

Yours truly,



Daniel S. Murdoch

DM/PY

cc. *Gavin Finlayson, Miller Thomson LLP*
Patrick Corney, Miller Thomson LLP
Monica Faheim, Miller Thomson LLP
Joel Binder, Stikeman Elliott LLP
Maria Konyukhova, Stikeman Elliott LLP
Leanne Williams, Thornton Grout Finnigan LLP
Rebecca Kennedy, Thornton Grout Finnigan LLP

This is Exhibit "D" referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

A Commissioner for Oaths in and
for the Province of Ontario

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

OF FIRE & FLOWER HOLDINGS CORP.
TO BE HELD ON DECEMBER 16, 2022

AND

MANAGEMENT INFORMATION CIRCULAR

November 4, 2022

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Fire & Flower Holdings Corp. (the "**Corporation**") will be held on December 16, 2022 at 10:00 a.m. (Toronto time) at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1.

The Special Meeting of Fire & Flower Holdings Corp. Shareholders

At the Meeting, you will be asked to consider and vote upon: (a) certain amendments to the Series C Common Share purchase warrants of the Corporation (the "**Series C Warrants**") held by 2707031 Ontario Inc., an indirect wholly-owned subsidiary of Alimentation Couche-Tard Inc. ("**ACT**") (the "**Series C Amendments**"); and (b) the non-brokered private placement offering of 3,034,017 Common Shares to ACT at a price of $1.64798 per Common Share, for aggregate proceeds of approximately $5,000,000 (the "**Private Placement**" and collectively with the Series C Amendments, the "**Proposed Transaction**"). Completion of the Proposed Transaction is subject to certain customary conditions, including among other conditions, the approval of the Transaction Resolution (as defined in the accompanying management information circular of the Corporation dated November 4, 2022 (the "**Circular**")) by the Shareholders and the approval of the Toronto Stock Exchange (the "**TSX**").

Pursuant to the terms of the amendment agreement dated October 17, 2022 between the Corporation and ACT, the Series C Amendments contemplate amending the terms of the Series C Warrants, including, but not limited to, the following amendments:

(a) the Series C Warrants shall be divided into two equal tranches: Series C-1 warrants (the "**Series C-1 Warrants**") and Series C-2 warrants (the "**Series C-2 Warrants**");

(b) the Series C-1 Warrants shall be exercisable at a price equal to 85% of the 20-day volume weighted average price of the Common Shares (as of the date of exercise) (the "**Proposed Series C Exercise Price**") at any time between the date the Series C Amendments come into effect and June 30, 2023 (subject to extension pursuant to the terms of the Series C-1 Warrants) (the "**Series C-1 Expiry Date**");

(c) the Series C-2 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants);

(d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT in the Private Placement; provided, however, that the aggregate number of Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle ACT to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the convertible debentures of the Corporation held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the

amended and restated investor rights agreement between the Corporation and ACT dated September 16, 2020 (the "**2020 IRA**"));

(e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the 2020 IRA) shall have an exercise price equal to the greater of:

(i) with respect to the Participation Right, the Proposed Series C Exercise Price and the price per security issued in the offering giving rise to the Participation Right; and

(ii) with respect to the Top-up Right, the Proposed Series C Exercise Price and the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and

(f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants then outstanding shall immediately be cancelled.

In connection with the foregoing, certain amendments shall also be made to the 2020 IRA upon the Series C Amendments coming into effect in order to reflect the Series C Amendments.

To be effective, the Proposed Transaction must: (a) be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting, after excluding any votes cast by ACT and its affiliates and any other persons whose votes may not be included: (i) in order to obtain "minority approval" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*; and (ii) pursuant to the policies of the TSX; and (b) receive TSX approval.

Benefits to Shareholders

- The board of directors of the Corporation (the "**Board**"), with the recommendation of the Special Committee (as defined herein) and after consultation with its financial and legal advisors, determined that the Proposed Transaction is in the best interests of the Corporation.

- The Private Placement will provide $5 million of immediate capital to the Corporation.

- The Special Committee received a Fairness Opinion (as defined herein) to the effect that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Corporation.

- The Board considers the Proposed Transaction to have a high likelihood of being completed, subject to approval by the Shareholders of the Transaction Resolution.

- The Board and Special Committee each believes that the Proposed Transaction will take place in a reasonable time period and prior to December 31, 2022.

- The Board is still permitted to take certain actions in respect of an unsolicited acquisition or financing proposal that constitutes or would reasonably be expected to constitute or lead to a superior proposal.

Recommendation of the Board of Directors

After taking into consideration, among other things, the recommendation of the Special Committee, the Board has determined that the Proposed Transaction is in the best interests of the Corporation and is fair to the Corporation, and has resolved to approve the Proposed Transaction and to recommend that Shareholders vote FOR the Transaction Resolution.

Stéphane Trudel, Chief Executive Officer and a director of the Corporation, is a former officer of Alimentation Couche-Tard Inc. and continues to provide consulting services to Alimentation Couche-Tard Inc. following his cessation of full time services to Alimentation Couche-Tard Inc. Additionally, Suzanne Poirier is a senior vice-president of Alimentation Couche-Tard Inc. and ACT's nominee to the Board (pursuant to the 2020 IRA). As such, each of Mr. Trudel and Ms. Poirier disclosed their respective interests to the Board and abstained from voting on all matters related to the Proposed Transaction.

The accompanying Circular describes the background to the determinations and recommendation of the Board.

Fairness Opinion

On September 11**,** 2022, the special committee of independent directors of the Board (the "**Special Committee**") was established with a mandate of assisting the Board in reviewing and negotiating matters related to the Corporation's existing strategic capital investments and financing arrangements and, if necessary, present the Board with alternative strategic capital investments and financing arrangements. The Special Committee retained Canaccord Genuity Corp. ("**Canaccord Genuity**") as financial advisor and to provide a fairness opinion to the Special Committee with respect to the Proposed Transaction. On October 17**,** 2022, Canaccord Genuity provided an oral fairness opinion to the effect that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations to be set forth in the written fairness opinion (the "**Fairness Opinion**"), the Proposed Transaction is fair, from a financial point of view, to the Corporation. A copy of the Fairness Opinion is included as Appendix B to the Circular. Shareholders are urged to read the Fairness Opinion in its entirety.

Further Information

The accompanying Circular contains a detailed description of the Proposed Transaction. You are urged to carefully consider all of the information contained in the Circular. If you require assistance, you should consult your own financial, legal or other professional advisors. **Your vote is important regardless of the number of Common Shares you own**. We encourage you to vote by completing the enclosed form of proxy or voting instruction form or, alternatively, by fax, by email or over the internet, in each case in accordance with the enclosed instructions. Although voting by proxy will not prevent you from voting in person if you attend the Meeting, it will ensure that your vote will be counted if you are unable to attend the Meeting for any reason.

Voting

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is October 31, 2022 (the "**Record Date**"). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record

Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

If you are a Registered Shareholder and are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof, please date, sign and return the accompanying form of proxy (the "**Proxy**") for use at the Meeting or any adjournment(s) or postponement(s) thereof in accordance with the instructions set forth in the Proxy and Circular.

If you are a Non-Registered Beneficial Shareholder, a voting information form (also known as a VIF), instead of a form of proxy, may be enclosed. You must follow the instructions provided by your intermediary in order to vote your Common Shares. Non-registered beneficial Shareholders who have not duly appointed themselves as proxyholders will be able to attend the Meeting as guests, but guests will not be able to vote at the Meeting.

Particulars of the foregoing matters are set forth in the Circular. For the Meeting, the Corporation has elected to use the notice-and-access provisions under National Instrument 51-102 - *Continuous Disclosure Obligations* and National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (collectively, the "**Notice-and-Access Provisions**") to reduce its mailing costs and volume of paper with respect to the materials distributed for the purpose of the Meeting. The Notice-and-Access Provisions are a set of rules that permit the Corporation to post the Meeting materials online rather than making a traditional physical delivery of such materials. Shareholders will still receive a form of proxy or voting instruction form, as the case may be.

DATED at Toronto, Ontario this 4th day of November, 2022.

BY ORDER OF THE BOARD

(signed) "*Donald Wright*"
Chair of the Board of Directors

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Unless otherwise stated, the information in this management information circular (the "Circular") is as of November 4, 2022.

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Fire & Flower Holdings Corp. (the "**Corporation**") for use at the special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of the Corporation to be held at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1 on December 16, 2022, at 10:00 a.m. (Toronto time) or any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying notice of meeting (the "**Notice**").

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Circular contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**"). More particularly, this Circular contains forward-looking statements concerning the transactions contemplated by the Amendment Agreement and the terms thereof. In addition, the use of any of the words "guidance", "initial", "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "should", "forecast", "future", "continue", "may", "expect", and similar expressions are intended to identify forward-looking statements.

The forward-looking statements contained in this Circular are based on the terms of the amendment agreement dated October 17, 2022 (the "**Amendment Agreement**") between the Corporation and 2707031 Ontario Inc., an indirect wholly-owned subsidiary of Alimentation Couche-Tard Inc. ("**ACT**") and the subscription agreement dated October 17, 2022 between the Corporation and ACT (the "**Subscription Agreement**") and certain key expectations and assumptions. Such expectations and assumptions include, but are not limited to: (a) the likelihood of the Proposed Transaction (as defined herein) being completed and occurring within the time periods contemplated herein; (b) the use of proceeds of the Private Placement (as defined herein); (c) the Corporation's ability to obtain Shareholder approval and approval of the Toronto Stock Exchange ("**TSX**"); and (d) an increase in the likelihood of ACT exercising some or all of the Series C Warrants (as defined herein) prior to their expiry. Although the Corporation believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because there is no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: (a) obtaining all necessary approvals for the transactions contemplated by the Amendment Agreement and the Subscription Agreement (including that of the TSX and the Shareholders) and fulfilling any conditions to such approvals; and (b) the risks of satisfying all conditions for closing of the transactions contemplated by the Amendment Agreement and the Subscription Agreement.

Additional information on these and other factors that could affect the Corporation's operations and financial results following the completion of the transactions contemplated hereby are included in its annual information form for the year ended January 29, 2022 and other reports on file with Canadian securities regulatory authorities, which may be accessed through the SEDAR website (www.sedar.com). Copies of

the Amendment Agreement and the Subscription Agreement may also be accessed through the SEDAR website (www.sedar.com).

The forward-looking statements contained in this Circular are made as of the date hereof and the Corporation does not undertake any obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

QUESTIONS AND ANSWERS RELATING TO THE MEETING AND THE PROPOSED TRANSACTION

The following is intended to answer certain key questions concerning the Meeting and the Proposed Transaction, and is qualified in its entirety by the more detailed information appearing elsewhere in this Circular. Unless otherwise defined, capitalized terms used in this section have the meanings given to them elsewhere in this Circular.

Why did I receive this Circular?

You received this Circular because you and other Shareholders will be asked to approve the Proposed Transaction (as defined herein).

When and where will the Meeting be held?

The Meeting will be held on December 16, 2022 at 10:00 a.m. (EST) at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1.

What is the Proposed Transaction?

The Proposed Transaction contemplates both the Series C Amendments (as defined herein) and the Private Placement (as defined herein).

The amendments to the Series C Common Share purchase warrants (the "**Series C Warrants**") are being proposed pursuant to the terms of the Amendment Agreement. Upon giving effect to the proposed amendments:

(a) the Series C Warrants shall be divided into two equal tranches: Series C-1 warrants (the "**Series C-1 Warrants**") and Series C-2 warrants (the "**Series C-2 Warrants**");

(b) the Series C-1 Warrants shall be exercisable at a price equal to 85% of the 20-day volume weighted average price ("**VWAP**") of the Common Shares (as of the date of exercise) (the "**Proposed Series C Exercise Price**") at any time between the date the Series C Amendments come into effect and June 30, 2023 (subject to extension pursuant to the terms of the Series C-1 Warrants) (the "**Series C-1 Expiry Date**");

(c) the Series C-2 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants);

(d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT in the Private Placement; provided, however, that the aggregate number of Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle ACT to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the convertible debentures of the Corporation held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the amended and restated investor rights agreement between the Corporation and ACT dated September 16, 2020 (the "**2020 IRA**"));

(e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the 2020 IRA) shall have an exercise price equal to the greater of:

(i) with respect to the Participation Right, the Proposed Series C Exercise Price and the price per security issued in the offering giving rise to the Participation Right; and

(ii) with respect to the Top-up Right, the Proposed Series C Exercise Price and the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and

(f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants then outstanding shall immediately be cancelled

(collectively, the "**Series C Amendments**").

In connection with the foregoing, certain amendments shall also be made to the 2020 IRA upon the Series C Amendments coming into effect in order to reflect the Series C Amendments.

Pursuant to the terms of the Subscription Agreement, the Corporation is proposing to complete a non-brokered private placement offering of 3,034,017 Common Shares to ACT at a price of $1.64798 per Common Share, for aggregate proceeds to the Corporation of approximately $5,000,000 (the "**Private Placement**" and collectively with the Series C Amendments, the "**Proposed Transaction**"). Certain proceeds from the Private Placement may be used to repay indebtedness owing by the Corporation.

See "*The Proposed Transaction*" for more details.

Does the Board support the Proposed Transaction?

Yes. The board of directors of the Corporation (the "**Board**") has (a) approved the Proposed Transaction; (b) determined that the Proposed Transaction is in the best interests of the Corporation; and (c) recommends that Shareholders vote **FOR** the Transaction Resolution (as defined herein).

Stéphane Trudel, Chief Executive Officer and a director of the Corporation, is a former officer of Alimentation Couche-Tard Inc. and continues to provide consulting services to Alimentation Couche-Tard Inc. following his cessation of full time services to Alimentation Couche-Tard Inc. Additionally, Suzanne Poirier is a senior vice-president of Alimentation Couche-Tard Inc. and ACT's nominee to the Board (pursuant to the 2020 IRA). As such, each of Mr. Trudel and Ms. Poirier disclosed their respective interests to the Board and abstained from voting on all matters related to the Proposed Transaction.

Why is the Board making the recommendation to vote in favour of the Proposed Transaction?

In making its recommendation, the Board considered a number of factors described in this Circular under the heading "*MI 61-101 Disclosure – Board Review and Approval*", including the unanimous recommendation of the special committee of independent directors of the Board (the "**Special Committee**") and the Fairness Opinion (as defined herein) from Canaccord Genuity Corp. ("**Canaccord Genuity**") which states that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Corporation.

Who is 2707031 Ontario Inc.?

2707031 Ontario Inc. currently owns approximately 35.2% of the outstanding Common Shares and is an indirect wholly-owned subsidiary of Alimentation Couche-Tard Inc. Alimentation Couche-Tard Inc. is a global leader in convenience and fuel retail, operating in 24 countries and territories, with almost 14,100 stores, of which approximately 10,700 offer road transportation fuel. With its well-known Couche-Tard and Circle K banners, it is one of the largest independent convenience store operators in the United States and it is a leader in the convenience store industry and road transportation fuel retail in Canada, Scandinavia, the Baltics, as well as in Ireland. It also has an important presence in Poland and Hong Kong Special Administrative Region of the People's Republic of China. Approximately 122,000 people are employed throughout its network.

Why is now the right time for the Proposed Transaction?

The Board, including the Special Committee, discussed and considered a number of potential financing options and alternatives, and believes that the Proposed Transaction will provide additional capital required by the Corporation to achieve its business milestones and objectives and satisfy its near-term financial commitments.

Did the Special Committee receive a fairness opinion in regard to the Proposed Transaction?

Yes. The Special Committee received a fairness opinion from Canaccord Genuity, which states that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Corporation (the "**Fairness Opinion**").

See "*Notice of Special Meeting of Shareholders – Fairness Opinion*" and *Appendix B* – "*Fairness Opinion*".

What is required to complete the Proposed Transaction?

To be effective, the Proposed Transaction must: (a) be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting, after excluding any votes cast by ACT and its affiliates and any other persons whose votes may not be included: (i) in order to obtain "minority approval" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"); and (ii) pursuant to the policies of the TSX; and (b) receive TSX approval.

See "*Related Party Transaction – MI 61-101 Approval Requirements*" and "*Related Party Transaction – TSX Approval Requirements*".

When does the Corporation expect the Proposed Transaction to become effective?

Subject to the approval of the Shareholders and the TSX, completion of the Proposed Transaction is anticipated to occur in December 2022.

See "*Effective D*ate".

What will happen if the Transaction Resolution is not approved or the Proposed Transaction is not completed for any reason?

If the Transaction Resolution is not approved on or before December 31, 2022, either party may terminate the Amendment Agreement and/or the Subscription Agreement. If the Proposed Transaction is not completed, the Private Placement will not close and the Series C Warrants will continue unamended pursuant to their current terms.

How do I vote?

Registered Shareholders can vote in one of the following ways:

Internet: go to www.investorvote.com. Enter the 15-digit Control Number printed on the form of proxy and follow the instructions on the screen.

Fax: Enter voting instructions, sign and date the form of proxy and send your completed form of proxy to: Computershare Investor Services Inc., Attention: Proxy Department, (416) 263-9524 or 1 (866) 249-7775.

Mail: Enter voting instructions, sign and date the form of proxy and return your completed form of proxy in the enclosed postage paid envelope to:

Computershare Investor Services Inc.
Attention: Proxy Department
8th floor, 100 University
Toronto, ON M5J 2Y1

If my Common Shares are held by an Intermediary, will they vote my Common Shares for me?

No. An Intermediary will vote the Common Shares held by you only if you provide instructions to such Intermediary on how to vote. If you are a Non-registered Shareholder, your Intermediary will send you a VIF or proxy form with this Circular. If you fail to give proper instructions, those Common Shares will not be voted on your behalf. Non-registered Shareholders should instruct their Intermediaries to vote their Common Shares on their behalf by following the directions on the VIF or proxy form provided to them by their Intermediaries. Unless your Intermediary gives you its proxy to vote the Common Shares at the Meeting, you cannot vote those Common Shares beneficially owned by you at the Meeting.

Who is soliciting my proxy?

The Circular is being sent to Shareholders in connection with the solicitation of proxies by or on behalf of management of the Corporation for use at the Meeting and at any adjournment or postponement thereof. It is expected that this solicitation of proxies will be made primarily by mail, but it may also involve solicitation by telephone, email or other means by the directors, officers, employees or agents of the Corporation.

See "*General Proxy Information – Solicitation of Proxies*".

Who is eligible to vote?

Shareholders at the close of business on the Record Date, being October 31, 2022, or their duly appointed proxyholders are eligible to vote at the Meeting.

Does any Shareholder beneficially own 10% or more of the Common Shares?

Yes. ACT owns approximately 35.2% of the outstanding Common Shares.

See "*Voting Securities and Principal Holders of Voting Securities*".

What if I acquire ownership of the Common Shares after the Record Date?

You will not be entitled to vote the Common Shares acquired after the Record Date at the Meeting. Only persons owning Common Shares as of the Record Date are entitled to vote at the Meeting.

Should I send in my proxy now?

Yes. Once you have carefully read and considered the information in this Circular, you should complete and submit the enclosed VIF or form of proxy. You are encouraged to vote well in advance of the proxy cut-off time at 10:00 a.m. (EST) on December 14, 2022 to ensure your Common Shares are voted at the Meeting. If the Meeting is adjourned or postponed, your proxy must be received not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the province in Ontario) prior to the time of the reconvened Meeting.

To be valid, completed forms of proxy must be dated, completed, signed and returned to Computershare Investor Services Inc. ("**Computershare**"), the Corporation's registrar and transfer agent: (a) by mail or personal delivery at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario M5J 2Y1, Attention: Proxy Department; (b) by facsimile to (416) 263-9524 or 1 (866) 249-7775; or (c) through the internet at www.investorvote.com, not later than 48 hours (excluding Saturdays, Sundays, and statutory holidays in the Province of Ontario) prior to the time of such adjourned or postponed Meeting.

Can I revoke my vote after I have voted by proxy?

If you are a Registered Shareholders and submitted a form of proxy, you may revoke it at any time before the Meeting by doing any one of the following:

- by an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing and either delivered to the attention of the Corporate Secretary of the Corporation c/o Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof;

- By delivering written notice of such revocation to the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) thereof, or

- You may revoke your form of proxy in any other manner permitted by law.

Who can I contact if I have additional questions or need assistance?

If you require assistance, consult your financial, legal, tax or other professional advisors. If you have any questions or require more information with respect to voting your Common Shares, please contact Computershare by telephone at 1-800-564- 6253 (toll free in North America) or +1-514-982-7555 (outside North America) or by email at service@computershare.com.

SUMMARY OF CIRCULAR

The following is a summary of the principal features of the Proposed Transaction and certain other matters and should be read together with more detailed information contained elsewhere in the Circular, including the Appendices hereto. Capitalized terms in this summary have the meanings given to them in this Circular. This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein.

The Meeting

The Meeting will be held on December 16, 2022 at 10:00 a.m. (EST) at the offices of Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1.

In order to ensure that all Shareholders are able to cast their votes, the Corporation strongly encourages Shareholders to vote in advance of the Meeting following the information on the form of proxy or voting instruction form provided in connection with this Circular.

Record Date

Only Shareholders of record at the close of business on October 31, 2022 will be entitled to receive notice of and vote at the Meeting, or any adjournment(s) or postponement(s) thereof.

Purpose of the Meeting

The purpose of the Meeting is for Shareholders to consider and, if deemed advisable, pass the Transaction Resolution. To be effective, the Proposed Transaction must: (a) be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting, after excluding any votes cast by ACT and its affiliates and any other persons whose votes may not be included: (i) in order to obtain "minority approval" pursuant to MI 61-101; and (ii) pursuant to the policies of the TSX; and (b) receive TSX approval.

Description of the Proposed Transaction

The Proposed Transaction contemplates both the Series C Amendments and the Private Placement. The Series C Amendments are being proposed pursuant to the terms of the Amendment Agreement. Upon giving effect to the Series C Amendments:

(a) the Series C Warrants shall be divided into two equal tranches: Series C-1 Warrants and Series C-2 Warrants;

(b) the Series C-1 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between the date the Series C Amendments come into effect and the Series C-1 Expiry Date;

(c) the Series C-2 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants);

(d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT in the Private Placement; provided, however, that the aggregate number of

Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle ACT to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the convertible debentures of the Corporation held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the 2020 IRA);

(e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the 2020 IRA) shall have an exercise price equal to the greater of:

(i) with respect to the Participation Right, the Proposed Series C Exercise Price and the price per security issued in the offering giving rise to the Participation Right; and

(ii) with respect to the Top-up Right, the Proposed Series C Exercise Price and the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and

(f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants then outstanding shall immediately be cancelled.

In connection with the foregoing, certain amendments shall also be made to the 2020 IRA upon the Series C Amendments coming into effect in order to reflect the Series C Amendments.

Pursuant to the terms of the Subscription Agreement, the Corporation proposes to complete a non-brokered private placement offering of 3,034,017 Common Shares to ACT at a price of $1.64798 per Common Share, for aggregate proceeds to the Corporation of approximately $5,000,000. Certain proceeds from the Private Placement may be used to repay indebtedness owing by the Corporation.

Shareholders will not be able to vote for one part of the Proposed Transaction and against the other. The Series C Amendments and Private Placement will be voted on in the same resolution.

See "*The Proposed Transaction*".

Purpose of the Proposed Transaction

The Proposed Transaction will provide the Corporation with additional and immediate financing to help fund the Corporation's operations and business. The Series C Amendments may also increase the likelihood that ACT will exercise some or all of the Series C Warrants prior to their expiry by (a) extending the expiry date of the Series C-2 Warrants until August 31, 2024; and (b) reducing the price at which the Series C Warrants may be exercised.

Background to the Proposed Transaction

The provisions of the Amendment Agreement and Subscription Agreement are the result of negotiations conducted between representatives of the Corporation and ACT. A summary of the material events leading up to the negotiation of the Amendment Agreement and Subscription Agreement and the material meetings, negotiations and discussions between the parties that preceded the execution and public announcement

of the Proposed Transaction is included in this Circular under the heading "*The Proposed Transaction – Background to the Proposed Transaction*".

Recommendation of the Special Committee

After careful consideration, including a thorough review of the Amendment Agreement, the Subscription Agreement, the Fairness Opinion and certain other matters, and following consultation with its financial and legal advisors, the Special Committee unanimously determined that the Proposed Transaction is in the best interests of the Corporation. Accordingly, the Special Committee unanimously recommended that the Board approve the Proposed Transaction.

Recommendation of the Board

After careful consideration, including a thorough review of the Amendment Agreement, the Subscription Agreement, the Fairness Opinion and certain other matters and upon the recommendation of the Special Committee, the Board (excluding conflicted directors) unanimously determined that the Proposed Transaction is fair, from a financial point of view, to the Corporation and is in the best interests of the Corporation. Accordingly, the Board (excluding conflicted directors) unanimously recommends that Shareholders vote **FOR** the Transaction Resolution.

Stéphane Trudel, Chief Executive Officer and a director of the Corporation, is a former officer of Alimentation Couche-Tard Inc. and continues to provide consulting services to Alimentation Couche-Tard Inc. following his cessation of full time services to Alimentation Couche-Tard. Additionally, Suzanne Poirier is a senior vice-president of Alimentation Couche-Tard Inc. and ACT's nominee to the Board (pursuant to the 2020 IRA). As such, each of Mr. Trudel and Ms. Poirier disclosed their respective interests to the Board and abstained from voting on all matters related to the Proposed Transaction.

Reasons for the Proposed Transaction

In the course of its evaluation of the Proposed Transaction, the Board and the Special Committee consulted with management, their financial and legal advisors, and after considering the alternatives available to the Corporation, the Special Committee unanimously determined that the Proposed Transaction represented the best financing option as it will allow the Corporation to have immediate access to capital, has a high likelihood of being completed (subject to receipt of Shareholder and TSX approval), will take place in a reasonable time period, may increase the likelihood that ACT will exercise some or all of the Series C Warrants prior to their expiry and provides the Corporation with the ability to take certain actions in respect of an unsolicited acquisition or financing proposal that constitutes or would reasonably be expected to constitute or lead to a superior proposal.

Fairness Opinion

The Special Committee engaged Canaccord Genuity to provide advice and assistance to the Special Committee, including its opinion in respect of the fairness to the Corporation, from a financial point of view, of the Proposed Transaction. Canaccord Genuity has delivered the Fairness Opinion, which states that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Corporation. The Fairness Opinion does not constitute a recommendation to Shareholders with respect to the Transaction Resolution.

A copy of the Fairness Opinion is included as Appendix B to the Circular. Shareholders are urged to read the Fairness Opinion in its entirety. The summary of the Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of such Fairness Opinion.

Completion of the Proposed Transaction

Subject to the satisfaction of all conditions precedent to completion of the Proposed Transaction, including receipt of Shareholder approval of the Transaction Resolution and TSX approval of the Proposed Transaction, completion of the Proposed Transaction is anticipated to occur in December 2022.

Shareholder Approval of the Proposed Transaction

To be effective, the Proposed Transaction must: (a) be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting, after excluding any votes cast by ACT and its affiliates and any other persons whose votes may not be included: (i) in order to obtain "minority approval" pursuant to MI 61-101; and (ii) pursuant to the policies of the TSX; and (b) receive TSX approval.

See "*Related Party Transaction – MI 61-101 Approval Requirements*" and "*Related Party Transaction – TSX Approval Requirements*".

GENERAL PROXY INFORMATION

Appointment and Revocation of Proxyholders

Registered Shareholders may vote in person at the Meeting or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof are requested to date, sign and return the form of proxy prepared for use at the Meeting or any adjournment(s) or postponement(s) thereof (the "**Proxy**"). Shareholders may appoint as proxyholder a person or company (who need not be a Shareholder) other than the management designees specified in the accompanying Proxy (the "**Management Designees**") to attend and act on the Shareholder's behalf at the Meeting or at any adjournment(s) or postponement(s) thereof. Such right may be exercised by inserting the name of the person or company in the blank space provided in the enclosed Proxy or by completing another proper form of proxy.

To be valid, completed Proxies must be dated, completed, signed and returned to Computershare, the Corporation's registrar and transfer agent: (a) by mail or personal delivery at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario M5J 2Y1, Attention: Proxy Department; (b) by facsimile to (416) 263-9524 or 1-866-249-7775; or (c) through the internet at www.investorvote.com, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof. If you vote through the internet you will require your 15-digit control number found on the form of proxy. The Proxy must be executed by the registered holder of Common Shares or the holder's attorney authorized in writing or, if the holder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. Persons signing as executors, administrators, trustees or in any other representative capacity should so indicate and give their full title as such.

A Shareholder who has given a proxy pursuant to this solicitation may revoke it:

(a) by an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing and either delivered to the attention of the Corporate Secretary of the Corporation c/o Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof;

(b) by delivering written notice of such revocation to the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) thereof, or

(c) in any other manner permitted by law.

Solicitation of Proxies

This solicitation is made on behalf of management. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors, officers or regular employees of the Corporation (but not for additional compensation). None of the directors of the Corporation have informed management in writing that he or she intends to oppose any action intended to be taken by the Management Designees at the Meeting.

As permitted by Canadian securities regulators, the Corporation will use the notice-and-access procedures for the delivery of the meeting materials to Shareholders. These procedures allow issuers to post meeting materials online rather than mailing paper copies to shareholders. Instead of receiving this Circular, Shareholders will receive a notice (the "**Notice-and-Access Letter**") with instructions on how to access the Circular and the other proxy-related materials online. The Notice-and-Access Letter and Proxy or voting instruction form have been sent to both registered Shareholders and Non-registered Shareholders (as defined herein). This Circular and other relevant materials are available on the Corporation's website at https://investors.fireandflower.com/governance/shareholder_materials/ and on SEDAR at www.sedar.com.

In some instances, the Corporation has distributed copies of the Notice-and-Access-Letter to clearing agencies, securities dealers, banks and trust companies, or their nominees (collectively "**Intermediaries**", and each an "**Intermediary**") for onward distribution to Shareholders whose Common Shares are held by or in the custody of those Intermediaries ("**Non-registered Shareholders**"). The Intermediaries are required to forward the Notice-and-Access-Letter to Non-registered Shareholders.

Solicitation of proxies from Non-registered Shareholders will be carried out by Intermediaries, or by the Corporation if the names and addresses of Non-registered Shareholders are provided by the Intermediaries.

Exercise of Discretion by Proxyholder

The Management Designees will vote or withhold from voting the Common Shares represented thereby in accordance with the instructions of the Shareholders appointing such persons as proxy. If a Shareholder specifies a choice with respect to any matter to be acted upon, such Shareholder's Common Shares will be voted accordingly. In respect of a matter for which a choice is not specified in the Proxy, the Management Designee will vote in favour of each matter identified on the Proxy. The Proxy confers discretionary authority upon the person or persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As at the date of this Circular, management of the Corporation knows of no such amendment, variation or other matters to come before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly come before the Meeting, the Common Shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the Common Shares represented by such proxy.

Advice to Non-registered Shareholders

The information set forth in this section is of significant importance to Shareholders who do not hold their Common Shares in their own name. Shareholders who do not hold Common Shares in their own names are referred to throughout this Circular as "Non-registered Shareholders". Only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting or any adjournment(s) or postponement(s) thereof. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your Intermediary. In Canada, the vast majority of shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Common Shares held by your Intermediary can only be voted upon your instructions. Without specific instructions, your Intermediary is prohibited from voting your Common Shares. We do not know for whose benefit the

Common Shares registered in the name of CDS & Co. are held. **Therefore, each Non-registered Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting**.

Non-registered Shareholders of Common Shares who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners ("**NOBOs**"). Those Non-registered Shareholders of Common Shares who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners ("**OBOs**").

The Corporation is not sending Meeting materials directly to NOBOs in connection with the Meeting but rather has delivered copies of the Meeting materials to the Intermediaries for distribution to NOBOs. The Corporation will pay for an Intermediary to deliver the Notice-and-Access Letter and voting instruction forms to OBOs.

Applicable regulatory policy requires your Intermediary to seek voting instructions from you in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Common Shares are voted at the Meeting.

Often, the form of proxy supplied by your Intermediary is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Non-registered Shareholder.

The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications, Canada ("**Broadridge**") which mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternately, you can call their toll-free telephone number or access the internet to vote your shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of such shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge, it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned to them well in advance of the Meeting in order to have the Common Shares voted.

Although you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you may attend the Meeting as a proxyholder for the registered holder and vote your Common Shares in that capacity. If you wish to attend the Meeting and vote your own Common Shares, you must do so as proxyholder for the registered holder. To do this, you should enter your own name in the blank space on the form of proxy provided to you and return the document to your Intermediary in accordance with the instructions provided by such Intermediary well in advance of the Meeting.

Voting of Proxies and Discretion Thereof

Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the Proxy **WILL, UNLESS OTHERWISE INDICATED, BE VOTED FOR THE TRANSACTION RESOLUTION (as defined herein)**. The Common Shares represented by the Proxy will be voted for or against any motion at the Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice or other matters

which may properly come before the Meeting. At the date of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if other matters properly come before the Meeting, it is the intention of the persons named in the Proxy to vote such proxy according to their best judgment.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Common Shares. As at October 31, 2022 (the "**Record Date**"), an aggregate of 45,518,025 Common Shares were issued and outstanding.

Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote at the Meeting, unless that Shareholder has transferred any Common Shares subsequent to that date and the transferee shareholder, not later than ten (10) days before the Meeting, establishes ownership of such Common Shares and demands that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting.

Pursuant to the by-laws of the Corporation, a quorum for the transaction of business at the Meeting shall be two persons holding not less than 10% of the votes entitled to be cast at the Meeting.

To the knowledge of the Corporation, ACT is the only Shareholder to beneficially own, or control or direct, directly or indirectly, more than 10% of the Common Shares as at the Record Date. As at the Record Date, ACT holds: (a) 16,034,501 Common Shares representing approximately 35.2% of the outstanding Common Shares: (b) 17,796,284 Series C Warrants; and (c) $2,407,415.15 principal amount of 8.0% unsecured convertible debentures of the Corporation.

On November 26, 2021, the Corporation filed articles of amendment to consolidate its share capital on the basis of ten (10) pre-consolidation Common Shares for one (1) post-consolidation Common Share (the "**Share Consolidation**"). All references to the Corporation's share capital herein (including all per share amounts) are on a post-Share Consolidation basis notwithstanding that the applicable event may have occurred prior to November 26, 2021.

THE PROPOSED TRANSACTION

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in Appendix A to this Circular, authorizing and approving the Proposed Transaction pursuant to MI 61-101 and the policies of the TSX, as applicable (the "**Transaction Resolution**"). The Series C Amendments and Private Placement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Amendment Agreement and Subscription Agreement, each of which has been filed by the Corporation under its profile on SEDAR at www.sedar.com.

The Series C Amendments and Private Placement will be considered in the same resolution and therefore Shareholders may only vote FOR or AGAINST the Transaction Resolution. **Shareholders will not be able to vote for one part of the Proposed Transaction and against the other. The Series C Amendments and Private Placement will be voted on in the same resolution**.

Series C Amendments

The Series C Amendments are being proposed pursuant to the terms of the Amendment Agreement. Upon giving effect to the Series C Amendments:

(a) the Series C Warrants shall be divided into two equal tranches: Series C-1 Warrants and Series C-2 Warrants;

(b) the Series C-1 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between the date the Series C Amendments come into effect and the Series C-1 Expiry Date;

(c) the Series C-2 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants);

(d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT in the Private Placement; provided, however, that the aggregate number of Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle ACT to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the convertible debentures of the Corporation held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the 2020 IRA);

(e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the 2020 IRA) shall have an exercise price equal to the greater of:

  (i) with respect to the Participation Right, the Proposed Series C Exercise Price and the price per security issued in the offering giving rise to the Participation Right; and

  (ii) with respect to the Top-up Right, the Proposed Series C Exercise Price and the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and

(f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants then outstanding shall immediately be cancelled.

In connection with the foregoing, certain amendments shall also be made to the 2020 IRA upon the Series C Amendments coming into effect in order to reflect the Series C Amendments.

The Amendment Agreement also amends the Current Top-up Notice (as defined herein) such that the period for ACT to exercise its Top-up Right thereunder was extended from February 4, 2023 to August 31, 2024, subject to the Current Top-up Notice being cancelled if immediately following the closing of the Private Placement the number of Common Shares held by ACT and its affiliates, together with the Common Shares underlying (a) the convertible debentures of the Corporation held by ACT; and (b) the Series C Warrants, represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis.

For a complete description of the proposed Series C Amendments and the amendments to the 2020 IRA contemplated by the Amendment Agreement, reference should be made to the Amendment Agreement, a copy of which has been filed on SEDAR at www.sedar.com.

Private Placement

Pursuant to the terms of the Subscription Agreement, the Corporation proposes to complete a non-brokered private placement offering of 3,034,017 Common Shares to ACT at a price of $1.64798 per Common Share, for aggregate proceeds to the Corporation of approximately $5,000,000. Certain proceeds from the Private Placement may be used to repay indebtedness owing by the Corporation.

For a complete description of the proposed Private Placement contemplated by the Subscription Agreement, reference should be made to the Subscription Agreement, a copy of which has been filed on SEDAR at www.sedar.com.

Assuming completion of the Private Placement, ACT will hold 19,068,518 Common Shares representing approximately 39.27% of the outstanding Common Shares (assuming that following the date hereof, other than in connection with the Private Placement: (a) there is no issuance or redemption of Common Shares; and (b) ACT does not acquire or dispose of any additional Common Shares, prior to such time). On November 4, 2022, the Corporation entered into an asset purchase agreement to acquire two cannabis retail stores located in Kingston, Ontario from an affiliate of ACT (the "**Kingston Purchase Agreement**"). Pursuant to the Kingston Purchase Agreement and subject to the closing conditions set forth therein, the Corporation will issue (i) 804,548 Common Shares on closing, and (ii) up to an additional 804,548 Common Shares upon the achievement of financial milestones, to an affiliate of ACT. For certainty, the foregoing calculations do not include any Common Shares that may be issued to an affiliate of ACT pursuant to the Kingston Purchase Agreement.

Recommendation

Unless otherwise directed, the Management Designees intend to vote **FOR** the Transaction Resolution. If you do not specify how you want your Common Shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting **FOR** the Transaction Resolution.

If the Proposed Transaction is approved at the Meeting and the applicable conditions to the completion of the Proposed Transaction are satisfied or waived, the Series C Amendments will take effect and the Private Placement will be completed in December 2022.

Background to the Proposed Transaction

The terms and conditions of the Proposed Transaction are the result of negotiations conducted between the Corporation, ACT and their respective representatives and advisors. The following is a summary of the material events, negotiations, discussions and actions leading up to the execution of the Amendment Agreement and Subscription Agreement and their public announcement on October 18, 2022.

On August 7, 2019, the Corporation issued to ACT:

(a) $25,989,985.42 principal amount of 8.0% convertible unsecured debentures (the "**ACT Debentures**") maturing on June 30, 2021 (the "**ACT Maturity Date**") that were convertible into Common Shares at a price of $10.70 per Common Share (the "**ACT Conversion Price**").

(b) 3,063,432 series A Common Share purchase warrants (the "**Series A Warrants**") with each Series A Warrant entitling ACT to acquire one (1) additional Common Share at a price of $14.00 per Common Share;

(c) 5,612,689 series B Common Share purchase warrants (the "**Series B Warrants**" together with the ACT Debentures, the Series A Warrants and the Series C Warrants, referred to herein collectively as the "**ACT Securities**") with each Series B Warrant entitling ACT to acquire one (1) additional Common Share at a price of $18.75 per Common Share; and

(d) 11,070,392 Series C Warrants with each Series C Warrant entitling ACT to acquire one (1) additional Common Share at a price per Common Share equal to the lesser of (i) $60.00; and (ii) the greater of (A) $20.00; and (B) the 20-day VWAP of the Common Shares on the exchange on which the Common Shares are then principally traded (the "**Exchange**") on the last business day prior to the exercise of the Series C Warrants. The Series C Warrants initially expired on the earlier of: (i) the date that is one (1) year from the date all of the Series B Warrants have been exercised; and (ii) August 7, 2023 (noting that the Series C Warrants expired if the Series B Warrants expired unexercised),

(collectively, the "**Initial Investment**").

The conversion and exercise, as applicable, in full of all of the ACT Securities entitled ACT to own approximately 50.1% of the Common Shares on a Fully-diluted Basis.

Concurrent with completion of the Initial Investment, the Corporation completed the listing of the Common Shares on the TSX, up-listing from the TSX Venture Exchange, and appointed Jeremy Bergeron as a director of the Corporation as ACT's nominee director in accordance with its nomination rights under the investor rights agreement between the Corporation and ACT dated August 7, 2019 (the "**Original IRA**"). Mr. Bergeron was subsequently elected by the Shareholders to continue serving as a director at the annual and special meeting of the Shareholders held on November 19, 2019.

The Corporation issued an aggregate of 437,608 Common Shares to ACT as payment of interest owing to ACT under the ACT Debentures on December 31, 2019, June 30, 2020, December 31, 2020, June 30, 2021, December 1, 2021 and June 30, 2022.

On April 2020, pursuant to ACT's Participation Rights (as defined in the Original IRA) and ACT's subscription of $2,475,000 principal amount of secured convertible debentures of the Corporation (the "**April 2020 Debentures**") (in connection with the Corporation's $28,000,000 non-brokered private placement of April 2020 Debentures and subscription receipts which were subsequently converted into April 2020 Debentures), the Corporation issued ACT an additional: (a) 352,370 Series A Warrants; (b) 1,104,865 Series B Warrants; and (c) 2,268,686 Series C Warrants.

On June 8, 2020, the Board accepted the resignation of Jeremy Bergeron as a director of the Corporation and appointed Stéphane Trudel as ACT's replacement nominee director in accordance with its nomination rights under the Original IRA. Mr. Trudel was subsequently elected by the Shareholders to continue serving as a director at the annual and special meetings of Shareholders held on June 15, 2020, June 9, 2021 and July 25, 2022.

On September 16, 2020, the Corporation and ACT amended the terms of the ACT Securities, whereby, *inter alia*:

(a) the ACT Conversion Price became the lesser of: (i) the 20-day VWAP of the Common Shares on the Exchange on the last trading day prior to ACT delivering a notice of its intention to convert; and (ii) $9.00, with the ACT Maturity Date being amended to June 30, 2023. The ACT Debentures were also amended to allow for the Corporation to force the conversion of all or a portion of the ACT Debentures under certain circumstances;

(b) the Series A Warrants were separated into three tranches:

(i) Series A-1 Warrants with an exercise price of $7.80;

(ii) Series A-2 Warrants with an exercise price of $8.30; and

(iii) Series A-3 Warrants with an exercise price of $9.30;

The Series A-1 Warrants and Series A-2 Warrants also required ACT to exercise such securities in full on or before certain agreed upon dates;

(c) the exercise price of the Series B Warrants was amended to the lesser of: (i) $18.75; and (ii) the 20-day VWAP of the Common Shares on the Exchange on the last trading day prior to the date on which the Series B Warrants are exercised (the "**2020 Amended Series B Exercise Price**");

(d) the exercise price of the Series C Warrants was amended to the lesser of: (i) $30.00; and (ii) 125% of the 20-day VWAP of the Common Shares on the Exchange on the last trading day prior to the date on which the Series C Warrants are exercised (the "**2020 Amended Series C Exercise Price**"). Additionally, the Series C Warrants became exercisable at any time after October 1, 2022 and the expiry date of the Series C Warrants was amended to June 30, 2023; and

(e) conforming changes were made to the Original IRA to give effect to the foregoing in addition to other amendments agreed to by the Corporation and ACT.

On September 18, 2020, ACT exercised all of the 1,314,646 Series A-1 Warrants for an aggregate exercise price of approximately $10,250,000 thereby increasing ACT's aggregate ownership of Common Shares outstanding at that time to approximately 9.7%.

On December 21, 2020, ACT exercised all of the 1,050,577 Series A-2 Warrants for an aggregate exercise price of approximately $8,200,000 thereby increasing ACT's aggregate ownership of Common Shares outstanding at that time to approximately 12.5%.

On January 21, 2021, the Corporation gave notice to ACT of its Top-up Right (as defined in the 2020 IRA) whereby ACT held Common Shares and securities convertible into Common Shares equalling less than 49.1% of the Common Shares on a Fully-diluted Basis (as defined in the 2020 IRA).

On February 16, 2021, the Corporation announced submission of its application to list the Common Shares on the Nasdaq stock exchange (the "**NASDAQ**"). Between February 2021 and June 2022, the Corporation took steps to list the Common Shares on the NASDAQ, including effecting the Share Consolidation, filing a form 40-F with the U.S. Securities and Exchange Commission and making the Common Shares eligible for electronic clearing and settlement in the United States through the Depositary Trust Company. In June

2022, the Corporation decided to postpone the proposed NASDAQ listing to focus capital on business growth and taking into account the challenging public and capital market conditions.

On March 3, 2021, the Corporation forced the conversion of $2,608,650 principal amount of April 2020 Debentures held by ACT (and interest thereon) resulting in the issuance of 542,599 Common Shares and on March 10, 2021, the Corporation forced the conversion of $23,582,570.27 principal amount of ACT Debentures (and interest thereon) resulting in the issuance of 3,193,254 Common Shares and increasing ACT's aggregate ownership of Common Shares outstanding at that time to approximately 19.9%.

On June 30, 2021, ACT exercised all of the 1,050,577 Series A-3 Warrants for an aggregate exercise price of approximately $9,770,000 thereby increasing ACT's aggregate ownership of Common Shares outstanding at that time to approximately 22.4%.

As part of the ongoing evaluation of the Corporation's business, the Corporation's senior management and Board have regularly reviewed, considered and assessed the Corporation's operations, growth opportunities, financial performance and industry conditions, and considered potential opportunities for alternative financings. On July 7, 2021, a special committee of the Board (the "**2021 Committee**") was formed and comprised of Donald Wright (Chair), Norman Inkster, Sharon Ranson and Avininder Grewal with a mandate of assisting the Board in reviewing and assessing, to the extent received, incoming takeover bids and other offers to acquire significant interests in the Corporation and, if necessary, presenting to the Board recommendations regarding negotiation of, or strategic alternatives to, any such potential transactions. The 2021 Committee was disbanded in December 2021.

On September 30, 2021, the Corporation delivered to ACT a Consultation Notice, as defined in and pursuant to the 2020 IRA, with respect to its intention to complete an equity financing.

On December 13, 2021, the Corporation and ACT entered into a loan agreement (the "**2021 Loan Agreement**") pursuant to which ACT agreed to loan the Corporation a maximum aggregate principal amount of $30,000,000, drawable in three tranches of $10,000,000, at an annual interest rate of 8.0% payable quarterly and maturing October 1, 2022. The 2021 Loan Agreement contemplated prepayment of amounts drawn from the net proceeds received by the Corporation upon the exercise of Series B Warrants. All amounts borrowed by the Corporation pursuant to the 2021 Loan Agreement have been repaid in full.

On January 18, 2022, ACT delivered to the Corporation its notice of exercise of its Top-up Right. In connection therewith, ACT was issued an additional 1,570,513 Series B Warrants and 4,457,206 Series C Warrants. Pursuant to the terms of the 2020 IRA, the exercise price of each of:

(a) the 1,570,513 Series B Warrants was equal to the greater of (i) $4.7732; and (ii) the 2020 Amended Series B Exercise Price; and

(b) the 4,457,206 Series C Warrants was equal to the greater of (i) $4.7732; and (ii) the 2020 Amended Series C Exercise Price.

On February 4, 2022, the Corporation gave an additional notice to ACT in respect of its Top-up Right (the "**Current Top-up Notice**") as ACT held Common Shares and securities convertible into Common Shares equalling less than 49.1% of the Common Shares on a Fully-diluted Basis. Pursuant to the terms of the 2020 IRA, ACT has the right to exercise its Top-up Right under the Current Top-up Notice until February 4, 2023.

On April 28, 2022, ACT exercised all of the 8,288,067 Series B Warrants for an aggregate exercise price of $37,794,556, of which $20,460,274 was used to repay all principal and accrued interest owing by the Corporation to ACT pursuant to the 2021 Loan Agreement. Immediately following the exercise of the Series B Warrants, ACT's aggregate ownership of Common Shares outstanding increased to 35.3%.

On June 1, 2022, Stéphane Trudel was appointed Chief Executive Officer of the Corporation, replacing Trevor Fencott, the former Chief Executive Officer and co-founder of the Corporation. Mr. Trudel was previously an officer of ACT and a director of the Corporation as ACT's nominee to the Board in accordance with its director nomination rights under the 2020 IRA.

On June 9, 2022, the Corporate Governance and Compensation Committee of the Board recommended a slate of five directors to be proposed for election by the shareholders at the 2022 annual general meeting of the shareholders of the Corporation, including Guillaume Léger as ACT's replacement nominee in accordance with its director nomination rights under the 2020 IRA, all of whom were duly elected as proposed at the annual general meeting of the shareholders of the Corporation held on July 25, 2022.

On July 5, 2022, the Corporation filed a final base shelf prospectus in all of the provinces and territories of Canada with respect to the potential public offering by the Corporation of up to an aggregate of $100,000,000 of securities.

On August 11, 2022, the Board accepted the resignation of Guillaume Léger as a director of the Corporation and appointed Suzanne Poirier as ACT's replacement nominee director in accordance with its nomination rights under the 2020 IRA.

On August 15, 2022, the Corporation delivered to ACT a Consultation Notice, as defined in and pursuant to the 2020 IRA, with respect to its intention to complete an equity financing.

In late August 2022, the Corporation's management and Chair of the Board commenced discussions with several parties, including ACT and other strategic partners, in respect of potential strategic transactions, including financing alternatives. As part of this process, the Corporation also initiated discussions with a leading Canadian investment bank in connection with a proposed public equity offering (the "**Potential Public Offering**").

In early September 2022, the Corporation and its advisors commenced work on the Potential Public Offering.

On September 9, 2022, the Board met to discuss, *inter alia*, the Corporation's financial condition and financing requirements. Following discussions with senior management, the Board discussed the Corporation needing to obtain additional financing in the near term.

On September 10, 2022, ACT delivered to the Corporation a non-binding term sheet in respect of a proposed financing transaction comprised of a combination of debt and equity financing, together with certain amendments to the Series C Warrants. The Corporation considered the proposed financing transaction and compared it against other alternatives reasonably expected to be available to the Corporation. The Board directed management to continue exploring the proposed financing transaction with ACT.

On September 11, 2022, representatives from Dentons Canada LLP, counsel to the Corporation, conducted a phone call with representatives from Davies Ward Phillips & Vineberg LLP, counsel to ACT, to clarify

certain terms of the term sheet received by the Corporation. Following this discussion, ACT delivered a revised term sheet to the Corporation.

On September 11, 2022, the Special Committee was formed and comprised of Donald Wright (Chair), Sharon Ranson and Avininder Grewal with a mandate of assisting the Board in reviewing and negotiating matters related to the Corporation's existing strategic investments and financing arrangements. Each of Messrs. Wright and Grewal and Ms. Ranson were considered independent of any "interested party" (as defined under MI 61-101) in a transaction whereby the terms of the Series C Warrants were to be amended. Following its formation, the Special Committee held a meeting with senior management of the Corporation and legal counsel to discuss the term sheet received from ACT and the Corporation's proposed revisions to the terms and conditions thereof.

On September 12 and 13, 2022, legal counsel to each of the Corporation and ACT held several discussions in respect of the term sheet received by the Corporation from ACT, including conducting analysis of the requirements of the TSX and MI 61-101 with respect to any potential transaction to be entered into by the Corporation and ACT.

Between September 13 and 26, 2022, representatives of the Corporation's senior management and the Special Committee engaged in negotiations with representatives from ACT in respect of the proposed terms of a financing transaction. Given the Corporation's short term financing requirements, the negotiations were focused on structuring a transaction which would result in the Corporation receiving immediate funding, with additional funding being deferred until such time as any requisite shareholder approval was obtained. Concurrently with these discussions, legal counsel to each of the Corporation and ACT held additional calls to discuss the application and requirements of MI 61-101 in respect of any potential transaction to be entered into by the Corporation and ACT. During this period, the Special Committee continued to canvass and assess the availability of alternative financing transactions, including conducting ongoing discussions with strategic partners and investment banks. During this period the Board also determined that the Potential Public Offering was unlikely to result in the Corporation receiving sufficient proceeds to satisfy its short term cash requirements and ceased working thereon.

On September 21, 2022, the Special Committee commenced discussions with Canaccord Genuity regarding a potential engagement to act as independent financial advisor to the Special Committee and to provide a fairness opinion in respect of the Proposed Transaction.

On September 27, 2022, counsel to the Corporation circulated an initial draft of the Amendment Agreement to counsel to ACT.

On September 29, 2022, a meeting of the Special Committee was convened to further consider the proposed terms of the Proposed Transaction and a proposed loan by ACT to the Corporation in the amount of $11,000,000 principal amount (the "**Loan**"). During this meeting, counsel to the Corporation led a discussion in respect of the application and requirements of MI 61-101 in respect of any potential transaction to be entered into by the Corporation and ACT, including the various exemptions that may be available in respect of the valuation and the minority approval requirements. During the course of the meeting, the Special Committee also considered the proposed terms to be included in the Subscription Agreement and the amended and restated certificate representing the Series C Warrants to reflect the Series C Amendments (the "**A&R Series C Warrant Certificate**"). The Special Committee also considered the proposed engagement of Canaccord Genuity as independent financial advisor to the Special Committee, including discussing the terms of the draft engagement letter delivered to the Special Committee by Canaccord Genuity.

On September 30, 2022, counsel to ACT circulated a revised draft of the Amendment Agreement and an initial draft of a loan agreement (the "**Loan Agreement**") in respect of the Loan.

Between September 30 and October 3, 2022, representatives of the Corporation's senior management and the Special Committee engaged in negotiations with representatives from ACT in respect of the proposed terms of the Proposed Transaction and the Loan.

On October 3, 2022, counsel to the Corporation circulated an initial draft of the Subscription Agreement to counsel to ACT.

On October 4, 2022, a meeting of the Special Committee was convened to discuss the status of the negotiations with ACT and to review the draft Loan Agreement provided by ACT and provide instructions to the Corporation's legal counsel in respect of the drafting of the A&R Series C Warrant Certificate and amended and restated investor rights agreement (the "**Proposed IRA**").

On October 5, 2022, legal counsel to the Corporation circulated drafts of the A&R Series C Warrant Certificate, Proposed IRA and Loan Agreement to the Special Committee and the Corporation's senior management. Between October 5 and 6, 2022, representatives of the Special Committee and senior management of the Corporation held several discussions with legal counsel to provide comments on the most recent drafts of the transaction documents.

On October 6, 2022, legal counsel to the Corporation delivered drafts of the A&R Series C Warrant Certificate and Proposed IRA and a revised draft of the Loan Agreement to legal counsel to ACT. Legal counsel to ACT circulated a revised draft of the Subscription Agreement to legal counsel to the Corporation.

On October 6, 2022, the Special Committee formally engaged Canaccord Genuity as independent financial advisor in connection with the Proposed Transaction.

On October 7, 2022, legal counsel to ACT circulated revised drafts of the Amendment Agreement, A&R Series C Warrant Certificate, Proposed IRA and Loan Agreement to legal counsel to the Corporation.

On October 11, 2022, a meeting of the Special Committee was convened to discuss the most recently circulated draft transaction documents and the ongoing negotiations between representatives of the Corporation and representatives of ACT. The Corporation's senior management also attended the meeting and provided the Special Committee with an update on the Corporation's financial condition.

Between October 12 and 13, 2022, the Special Committee, ACT and their respective advisors continued to negotiate the terms of the Loan and the Proposed Transaction and exchanged multiple drafts of the proposed transaction documents.

On October 13, 2022, a meeting of the Special Committee was convened to review the most recent drafts of the Loan Agreement and the documents to be entered into in connection with the Proposed Transaction. The Special Committee was joined by legal counsel to the Corporation, Canaccord Genuity and members of senior management. Canaccord Genuity provided a presentation to the Special Committee regarding the Proposed Transaction.

Between October 14 and October 17, 2022, the Special Committee, ACT and their respective advisors continued to negotiate the terms of the Loan and the Proposed Transaction and exchanged further drafts of the proposed transaction documents.

On October 17, 2022, a meeting of the Special Committee was convened to consider the Loan Agreement and the Proposed Transaction. The Special Committee was joined by legal counsel to the Corporation, Canaccord Genuity and, for a portion of the meeting, members of senior management. During the course of the meeting, legal counsel to the Corporation provided an overview of the terms and conditions of the Loan Agreement and the Proposed Transaction and answered questions from the Special Committee. Canaccord Genuity also delivered its oral fairness opinion that, as of the date thereof, and based upon and subject to the assumptions, qualifications, explanations and limitations to be set forth in the Fairness Opinion, the Proposed Transaction is fair, from a financial point of view, to the Corporation.

In considering the Loan and the Proposed Transaction, the Special Committee considered the alternative of maintaining the status quo and other available debt or equity financing alternatives, taking into account the Corporation's current financial position, the timing for funding under the Loan, the likelihood and timing for completion of the Proposed Transaction and the potential benefits that the Loan and the Proposed Transaction would provide to the Corporation, including increasing the likelihood that ACT will exercise the Series C Warrants. The Special Committee also considered that the terms and conditions of the Proposed Transaction permit the Corporation to take certain actions in respect of an unsolicited acquisition or financing proposal that constitutes or would reasonably be expected to constitute or lead to a superior proposal. After duly considering the financial aspects and other considerations relating to the Loan and the Proposed Transaction (including those discussed immediately above), the potential impact on the Shareholders and other stakeholders of the Corporation, legal and financial advice (including the Fairness Opinion), and other matters considered relevant, including without limitation, matters relating to related party transactions and any existing or potential conflicts of interest, the Special Committee unanimously determined that the Loan and the Proposed Transaction are in the best interests of the Corporation and that the Loan Agreement and Proposed Transaction are fair, from a financial point of view, to the Corporation, and determined to recommend to the Board that the Corporation approve the Loan Agreement and the Proposed Transaction.

Following the meeting of the Special Committee, a meeting of the disinterested members of the Board was convened. Stéphane Trudel and Suzanne Poirier, each having previously declared a conflict of interest with respect to the Loan and the Proposed Transaction, did not vote on any of the matters. The disinterested members of the Board received the recommendation of the Special Committee. After careful consideration and having considered, among other things, the recommendation of the Special Committee (including the Fairness Opinion), advice from its legal counsel with respect to fiduciary duties, the impact of the Loan and the Proposed Transaction on the Shareholders and other stakeholders, legal and financial advice and other matters considered relevant, the disinterested members of the Board unanimously determined that the Loan and Proposed Transaction were in the best interests of the Corporation and that the Corporation be authorized to enter into the Loan Agreement, the Amendment Agreement and the Subscription Agreement.

On the evening of October 17, 2022, following the meetings of the Special Committee and the disinterested members of the Board, the Corporation and ACT entered into the Loan Agreement, the Amendment Agreement and the Subscription Agreement. Before the opening of markets on the morning of October 18, 2022, the Corporation issued a news release announcing the entering into of the Loan Agreement, the Amendment Agreement and the Subscription Agreement.

Between October 18 and 20, 2022, the Corporation obtained the conditional approval of the TSX in respect of the Loan and the transactions contemplated by the Amendment Agreement and the Subscription Agreement.

On October 21, 2022, following the delivery by the Corporation of a drawdown notice, ACT funded the Corporation with $11,000,000 principal amount of debt in accordance with the terms of the Loan Agreement.

On November 4, 2022 the Board approved the contents and mailing of this Circular to the Shareholders.

Related Party Transaction

ACT holds greater than 10% of the outstanding voting securities of the Corporation. As such, the Proposed Transaction constitutes a related-party transaction under MI 61-101.

MI 61-101 Approval Requirements

Pursuant to MI 61-101, the Transaction Resolution must be passed by a majority of its minority Shareholders ("**Minority Approval**") in accordance with the requirements set out under MI 61-101.

TSX Approval Requirements

Pursuant to Section 607(g)(i) of the TSX Company Manual (the "**Company Manual**"), the TSX requires securityholder approval as a condition of acceptance of a notice of an issuance of securities if the aggregate number of listed securities issuable under a private placement is greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction and the price per security is less than the market price. Although the issuance of the Series C Warrants was approved by Shareholders at the time of issuance, Section 610(c) of the Company Manual provides that a decrease in the exercise price of a previously issued convertible security must be submitted to the TSX for approval and will be treated by the TSX as a new private placement.

Additionally, pursuant to Section 607(i) of the Company Manual, the TSX requires securityholder approval as a condition of acceptance of a notice of an issuance of securities if warrants to purchase listed securities have an exercise price that is less than the market price of the underlying security at either the date of the binding agreement obligating the listed issuer to issue the warrants or some future date provided for in the binding agreement. Pursuant to Section 608(a)(ii) of the Company Manual securityholder approval will be required for amendments to warrants: (a) held by insiders (such as ACT in this case); or (b) that result in an exercise price which is less than the market price of the securities determined on the date of the agreement that gives effect to the amendments.

The number of Series C Warrants is greater than 25% of the issued and outstanding Common Shares. Additionally the Series C Amendments are held by an insider of the Corporation and may result in an exercise price of the Series C Warrants that is less that the market price of the Common Shares as of the date of the Amendment Agreement. Accordingly, securityholder approval is required for the Series C Amendments.

The TSX has conditionally approved the Series C Amendments and the Private Placement (the latter of which does not require Shareholder approval under the Company Manual), subject to the satisfaction of certain conditions, including with respect to the Series C Amendments receiving the requisite Shareholder approval.

MI 61-101 Disclosure

In addition to the disclosure presented elsewhere in this Circular, the following disclosure is required pursuant to subsection 5.3(3) of MI 61-101:

Minority Approval

With respect to Minority Approval under MI 61-101, the following person(s) will be excluded from voting on the Transaction Resolution (to the extent that they may hold Common Shares and are otherwise eligible to vote such Common Shares at the Meeting):

(a) the Corporation;

(b) ACT;

(c) any "related party" of ACT (as such term is defined in, and determined in accordance with, MI 61-101); and

(d) any joint actor with person referred to in paragraph (b) or (c) in respect of the Series C Amendments and Private Placement.

In light of the foregoing, to the Corporation's knowledge after reasonable enquiry, an aggregate of 16,055,401 Common Shares will be excluded from determining the approval of the Transaction Resolution by Minority Approval. To the Corporation's knowledge after reasonable inquiry, these Common Shares are held as follows:

Name of Shareholder	Number of Common Shares
2707031 Ontario Inc.	16,034,501
Richard Fortin (director of Alimentation Couche-Tard Inc.)	10,900
Réal Plourde (director of Alimentation Couche-Tard Inc.)	10,000

Trading in Securities of the Corporation

The Common Shares are traded on the TSX under the trading symbol "FAF". The Proposed Transaction was announced by the Corporation on October 18, 2022. On October 17, 2022, being the last trading day prior to the date of this announcement, the closing price of the Common Shares on the TSX was $2.08. The following chart sets out the volume of trading and price range of the Common Shares for the 6 months preceding the date of this Circular.

Period	High Trading Price	Low Trading Price	Aggregate Volume
May 2022	3.48	2.51	1,716,076
June 2022	3.75	2.15	1,379,841
July 2022	2.56	1.97	1,096,897
August 2022	2.99	2.24	1,004,060
September 2022	2.78	1.49	1,325,609
October 2022	2.21	1.51	724,206
November 1-3, 2022	1.96	1.80	29,864

Prior Valuations

The Corporation is not aware of any prior valuations (as defined in MI 61-101) that relates to the subject matter of the Proposed Transaction or is otherwise relevant to the Proposed Transaction.

Valuation Exemptions

MI 61-101 requires that a formal valuation be obtained in respect of any related party transaction unless an exemption to the formal valuation requirement is available under MI 61-101. The Corporation is relying upon the exemption to the formal valuation requirement set forth in section 5.5(c) of MI 61-101 in respect of the Private Placement as the Common Shares to be issued are being distributed for cash consideration, neither the Corporation nor ACT had knowledge of any material information concerning the Corporation that was not generally disclosed at the time of entering into the Subscription Agreement and this Circular contains a description of the effect of the Private Placement on the direct or indirect voting interest of ACT (see "*The Proposed Transaction – Private Placement*"). Additionally, the Series C Amendments are not subject to the formal valuation requirements of MI 61-101.

Board Review and Approval

The Board recommends that you vote FOR the Transaction Resolution.

The Board (excluding conflicted directors), based on a unanimous recommendation of the Special Committee and after consultation with its legal and financial advisors, has unanimously determined that the Proposed Transaction is in the best interests of the Corporation.

The Special Committee was established by the Board with a mandate of assisting the Board in reviewing and negotiating matters related to the Corporation's existing strategic capital investments and financing arrangements and, if necessary, present the Board with alternative strategic capital investments and financing arrangements. Following comprehensive negotiations and the evaluation of alternatives available to the Corporation, the Special Committee unanimously recommended that the Board approve the Loan Agreement and the Proposed Transaction. The Board (excluding conflicted directors), having received the unanimous recommendation of the Special Committee, unanimously determined that the Loan Agreement and the Proposed Transaction are in the best interests of the Corporation and recommends that the shareholders of the Corporation, other than ACT and its affiliates, vote in favour of the Transaction Resolution.

In connection with its review of the Proposed Transaction, the Special Committee retained Canaccord Genuity as financial advisor. Canaccord Genuity delivered the Fairness Opinion to the Special Committee, which states that, as of October 17, 2022, and based upon and subject to the assumptions, qualifications, explanations and limitations set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Corporation. The Fairness Opinion was provided solely for the use of the Special Committee in connection with its consideration of the Proposed Transaction, and is not, and should not be construed as, a recommendation as to how Shareholders should vote in respect of the Transaction Resolution. The full text of the Fairness Opinion, including a description of its scope of review and assumptions and limitations is attached as Appendix B to this Circular.

See "*The Proposed Transaction – Background to the Proposed Transaction*".

The Management Designees intend to vote FOR the Transaction Resolution, unless otherwise instructed on a properly executed and validly deposited proxy.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS AND MATTERS TO BE ACTED UPON AT THE MEETING

Other than as disclosed in this Circular, no director or executive officer of the Corporation and no person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares (collectively, an "**Informed Person**") and no associate or affiliate of any Informed Person, had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction that materially affects or would materially affect the Corporation, including any matter to be acted upon at the Meeting.

Stéphane Trudel, Chief Executive Officer and a director of the Corporation, is a former officer of Alimentation Couche-Tard Inc. and continues to provide services to Alimentation Couche-Tard Inc. during a transition period following his cessation of full time services to Alimentation Couche-Tard Inc. Suzanne Poirier is a senior vice-president of Alimentation Couche-Tard Inc. and ACT's nominee to the Board (pursuant to the 2020 IRA).

The Corporation also notes that it continues to pursue additional opportunities to further its strategic relationship with ACT through the opening of additional cannabis retail stores adjacent to Circle K stores in new markets across Canada through various operating models in an asset-light manner, including franchises, technology licensing and direct leasing and store acquisition arrangements.

AUDITOR

PricewaterhouseCoopers LLP, Chartered Professional Accountants, is the auditor of the Corporation. PricewaterhouseCoopers LLP was initially appointed by the Board as auditor of the Corporation effective July 25, 2019.

EFFECTIVE DATE

Except as otherwise specified herein, the information set forth in this Circular is provided as of November 4, 2022.

ADDITIONAL INFORMATION

Additional information relating to the Corporation including, the Corporation's annual information form for the year ended January 29, 2022, annual financial statements together with the auditor's report thereon and the associated management's discussion and analysis for the 52 weeks ended January 29, 2022, interim financial statements and the associated management's discussion and analysis for subsequent periods, and this Circular are available upon request to the Corporation at 77 King Street West, Suite 400, Toronto, Ontario, M5K 0A1, telephone number: 780-540-7518. This information may also be accessed at www.sedar.com or the Corporation's website at www.fireandflower.com.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the Board.

DATED at Toronto, Ontario this 4th day of November, 2022.

(signed) "*Donald Wright*"
Chair of the Board of Directors

Appendix A – Transaction Resolution

"**BE IT RESOLVED THAT**:

1. Fire & Flower Holdings Corp. (the "**Corporation**") is hereby authorized to amend the terms of the Series C Warrants (as such term is defined in the information circular of the Corporation dated November 4, 2022 (the "**Circular**")) such that, pursuant to the terms of the Amendment Agreement (as defined in the Circular):

   (a) the Series C Warrants shall be divided into two equal tranches: Series C-1 warrants (the "**Series C-1 Warrants**") and Series C-2 warrants (the "**Series C-2 Warrants**");

   (b) the Series C-1 Warrants shall be exercisable at a price equal to 85% of the 20-day volume weighted average price of the common shares of the Corporation (the "**Common Shares**") (as of the date of exercise) (the "**Proposed Series C Exercise Price**") at any time between the date the Series C Amendments (as defined in the Circular) come into effect and June 30, 2023 (subject to extension pursuant to the terms of the Series C-1 Warrants) (the "**Series C-1 Expiry Date**");

   (c) the Series C-2 Warrants shall be exercisable at a price equal to the Proposed Series C Exercise Price at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants);

   (d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT (as defined herein) in the Private Placement (as defined herein); provided, however, that the aggregate number of Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle 2707031 Ontario Inc., an indirect wholly-owned subsidiary of Alimentation Couche-Tard Inc. ("**ACT**") to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the convertible debentures of the Corporation held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the amended and restated investor rights agreement between the Corporation and ACT dated September 16, 2020, as may be amended, supplemented or restated from time to time (the "**2020 IRA**"));

   (e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the 2020 IRA) shall have an exercise price equal to the greater of:

      (i) with respect to the Participation Right, the Proposed Series C Exercise Price and the price per security issued in the offering giving rise to the Participation Right; and

      (ii) with resect to the Top-up Right, the Proposed Series C Exercise Price and the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and

   (f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants then outstanding shall immediately be cancelled.

2. Pursuant to the terms of the Amendment Agreement, the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to amend such other terms of the Series C Warrants and give effect to the Series C Amendments pursuant to the terms of the Amendment Agreement and to finalize, sign and deliver all documents, to enter into any agreements and to do and perform all acts and things as any one (1) director or officer of the Corporation, in his or her discretion, deems necessary or advisable in order to give effect to the transactions contemplated by the Amendment Agreement.

3. Pursuant to the terms of the Subscription Agreement (as defined in the Circular), the Corporation is hereby authorized to issue and sell on a non-brokered private placement up to 3,034,017 Common Shares to ACT at a price of $1.64798 per Common Share and for aggregate proceeds to the Corporation of approximately $5,000,000 (the "**Private Placement**").

4. Any one (1) director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to finalize, sign and deliver all documents, to enter into any agreements and to do and perform all acts and things as such individual, in his or her discretion, deems necessary or advisable in order to give effect to the intent of this resolution and the matters authorized hereby, including compliance with all securities laws and regulations and the rules and requirements of the Toronto Stock Exchange, such determination to be conclusively evidenced by the finalizing, signing or delivery of such document or agreement or the performing of such act or thing."

Appendix B – Fairness Opinion

(see attached)

CANACCORD GENUITY CORP.
40 Temperance Street, Suite 2100
Toronto, ON M5H 0B4
Canada
T: 416.869.7368
www.canaccordgenuity.com

October 17, 2022

Fire & Flower Holdings Corp.
As represented by
The Special Committee of the Board of Directors
130 King Street West, Suite 2500
Toronto, Ontario M5X 1C8
Canada

To the Special Committee of the Board of Directors:

Canaccord Genuity Corp. ("**Canaccord Genuity**" or "**we**") understands that Fire & Flower Holdings Corp. (the "**Company**") intends to enter into an amendment agreement (the "**Amendment Agreement**") with respect to certain amendments (the "**Amendments**") to the Series C common share purchase warrants of the Company (the "**Series C Warrants**") issued to an indirect wholly-owned subsidiary of Alimentation Couche-Tard Inc. ("**ACT**"). Canaccord Genuity further understands that in connection with the Amendment Agreement, ACT and the Company intend to enter into: (a) a loan agreement (the "**Loan Agreement**") in respect of an $11,000,000 principal amount loan from ACT to the Company with an interest rate of 11.0% per annum; and (b) a subscription agreement (the "**Subscription Agreement**") whereby ACT will subscribe for 3,034,017 common shares of the Company (the "**Common Shares**") at a price of $1.64798 per Common Share, for aggregate proceeds of approximately $5,000,000 (the "**Private Placement**" and collectively with the Amendments, the "**Transaction**").

Canaccord Genuity also understands that ACT is currently the holder of 17,796,284 Series C Warrants: (a) 13,339,078 of which each entitle ACT to acquire one (1) Common Share at a price per Common Share equal to the lesser of (i) $30.00; and (ii) a 125% premium to the 20-day volume weighted average price ("**VWAP**") of the Common Shares on the last business day prior to the exercise of the Series C Warrants (collectively, the "**Initial Exercise Price**"); and (b) 4,457,206 of which each entitle ACT to acquire one (1) Common Share at a price per Common Share equal to the greater of (i) $4.7732; and (ii) the Initial Exercise Price. Canaccord Genuity further understands that the Series C Warrants are currently exercisable at any time following October 1, 2022 and expire on June 30, 2023, subject to the terms of the Series C Warrants.

Canaccord Genuity understands that pursuant to the terms of the Amendment Agreement, the Company and ACT propose to amend the terms of the Series C Warrants, which amendments include, but are not limited to, the following: (a) the Series C Warrants shall be divided into two equal tranches: Series C-1 warrants (the "**Series C-1 Warrants**") and Series C-2 warrants (the "**Series C-2 Warrants**"); (b) the Series C-1 Warrants shall be exercisable at a price equal to 85% of the 20-day VWAP of the Common Shares (as of the date of exercise) (the "**Amended Series C Exercise Price**") at any time between the date the Amendments come into effect and June 30, 2023 (subject to extension pursuant to the terms of the Series C-1 Warrants) (the "**Series C-1 Expiry Date**"); (c) the Series C-2 Warrants shall be exercisable at a price equal to the Amended Series C Exercise Price (as of the date of exercise) at any time between December 1, 2023 and August 31, 2024 (subject to extension pursuant to the terms of the Series C-2 Warrants); (d) the number of Series C-1 Warrants shall be reduced by the number of Common Shares issued to ACT in the Private Placement; provided, however, that the aggregate number of Series C-1 Warrants and Series C-2 Warrants shall, upon the closing of the Private Placement, entitle ACT to acquire that number of Common Shares, which together with Common Shares then held and as-converted Common Shares underlying the debentures held by ACT and its affiliates, would represent at least 50.1% of the issued and outstanding Common Shares on a Fully-diluted Basis (as defined in the amended and restated investor rights agreement between the Company and ACT dated September 16, 2020 (the "**IRA**")); (e) any subsequent Series C Warrants to be issued to ACT pursuant to its Participation Right and Top-up Right (each as defined in the IRA) shall have an exercise price equal to the greater of: (i) with respect to the Participation Right, (ix) the Amended Series C Exercise Price (as of the date of exercise of the warrants); and (iy) the price per security issued in the offering giving rise to the Participation Right; and (ii) with respect to the Top-up Right, (iix) the Amended Series C Exercise Price (as of the date of exercise of the warrants); and (iiy) the market price of the Common Shares on the date ACT delivers its notice to exercise its Top-up Right; and (f) in the event the Series C-1 Warrants are not exercised in full on or prior to the Series C-1 Expiry Date, all Series C-2 Warrants shall immediately

be cancelled. Canaccord Genuity also understands that the IRA would be amended to reflect the aforementioned Amendments to the Series C Warrants.

The terms and conditions of the Transaction will be summarized in the Company's management information circular to be mailed to holders of the Common Shares (the "**Company Shareholders**") in connection with a special meeting of Company Shareholders to be held for the purpose of obtaining the requisite Company Shareholder approval for the Transaction, consisting of a simple majority of the votes cast on the Transaction resolution by Company Shareholders excluding the votes attached to Common Shares that are required to be excluded ("**Minority Approval**") pursuant to the Canadian Securities Administrators' Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* ("**MI 61-101**").

Canaccord Genuity also understands that the Loan Agreement does not require Minority Approval.

The special committee (the "**Special Committee**") of the board of directors (the "**Board of Directors**") of the Company has retained Canaccord Genuity to provide advice and assistance to the Special Committee, including the preparation and delivery to the Special Committee of Canaccord Genuity's opinion (the "**Opinion**") as to the fairness to the Company, from a financial point of view, of the Transaction. Canaccord Genuity understands that the Opinion will be for the use of the Special Committee and will be one factor, among others, that the Special Committee will consider in determining whether to approve or recommend the Transaction.

All dollar amounts herein are expressed in Canadian dollars, unless otherwise indicated.

Engagement

Canaccord Genuity was formally engaged by the Special Committee through an agreement between the Special Committee and Canaccord Genuity (the "**Engagement Agreement**") dated October 6, 2022. The Engagement Agreement provides the terms upon which Canaccord Genuity has agreed to act as a financial advisor to the Special Committee in connection with the Transaction during the term of the Engagement Agreement. The terms of the Engagement Agreement provide that Canaccord Genuity is to be paid certain fees for its services as financial advisor, including a fee due upon delivery of the Opinion, no part of which is contingent upon the Opinion being favourable or upon the successful completion of the Transaction. In addition, the Company has agreed to reimburse Canaccord Genuity for its reasonable out-of-pocket expenses and to indemnify Canaccord Genuity in respect of certain liabilities that might arise in connection with its engagement.

Relationship with Interested Parties

Neither Canaccord Genuity nor any of its affiliates (as such term is defined in the S*ecurities Act* (Ontario)) is an insider, associate, or affiliate of the Company or ACT. Canaccord Genuity and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of the Company, ACT, or their respective affiliates during the 24 months preceding the date on which Canaccord Genuity was first contacted by the Company in respect of the Transaction, other than services provided pursuant to the Engagement Agreement or as otherwise described herein.

In addition, Canaccord Genuity and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have long or short positions in the securities of the Company, ACT, or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it receives or may receive commission(s). As an investment dealer, Canaccord Genuity and its affiliates conduct research on securities and may, in the ordinary course of their business, provide research reports and investment advice to their clients on investment matters, including with respect to the Company, ACT, and the Transaction. In addition, Canaccord Genuity and its affiliates may, in the ordinary course of their business, provide other financial services to the Company, ACT, or any of their respective associates or affiliates, including financial advisory, investment banking and capital market activities such as raising debt or equity capital. In addition, Canaccord Genuity and / or certain employees of Canaccord Genuity may currently own or may have owned securities of the Company and / or ACT.

Credentials of Canaccord Genuity

Canaccord Genuity is an independent investment bank which provides a full range of corporate finance, merger and acquisition, financial restructuring, sales and trading, and equity research services. Canaccord Genuity operates in North America, the United Kingdom, Europe, Asia, Australia and the Middle East.

The Opinion expressed herein represents the views and opinions of Canaccord Genuity, and the form and content of the Opinion have been approved for release by a committee of Canaccord Genuity's managing directors, each of whom is experienced in merger, acquisition, divestiture, fairness opinion, and capital markets matters.

Scope of Review

In arriving at its Opinion, Canaccord Genuity has reviewed, analysed, considered and relied upon (without attempting to independently verify the completeness or accuracy thereof) or carried out, among other things, the following:

1. draft copy of the Amendment Agreement (including accompanying schedules), dated October 17, 2022;
2. draft copy of the second amended and restated investor rights agreement (including accompanying schedules), dated October 17, 2022;
3. draft copy of the third amended and restated Series C Warrant certificate dated October 17, 2022;
4. draft copy of the Loan Agreement dated October 17, 2022;
5. draft copy of the Subscription Agreement (including accompanying schedules), dated October 17, 2022;
6. the IRA;
7. the investor rights agreement dated August 7, 2019 between the Company and ACT;
8. the Company's unaudited condensed interim consolidated financial statements and associated management's discussion and analysis as at and for the periods ended July 30, 2022 and April 30, 2022;
9. the Company's audited consolidated financial statements and associated management's discussion and analysis as at and for the periods ended January 29, 2022 and January 30, 2021;
10. the Company's final short form base shelf prospectus dated July 5, 2022;
11. the Company's management information circular dated June 16, 2022, for the annual general and special meeting of its shareholders held on July 25, 2022;
12. the Company's annual information form for the fiscal year ended January 29, 2022, dated April 26, 2022;
13. recent press releases, material change reports and other public documents filed by the Company on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com;
14. discussions with the Company's management concerning the Company's financial condition, the industry and its future business prospects;
15. discussions with the Company's executive team and its board of directors as it relates to the Transaction;
16. discussions with the Company's external legal counsel relating to legal matters, including with respect to the Transaction and the Transaction Agreements (as defined below);
17. certain other internal financial, operational and corporate information prepared or provided by the Company's senior management;
18. selected public market trading statistics and other public / non-public relevant financial information in respect of the Company, as well as other comparable public entities considered by Canaccord Genuity to be relevant;
19. representations contained in a certificate, addressed to Canaccord Genuity and dated as of the date hereof, from senior officers of the Company, as to the completeness and accuracy of the information upon which this Opinion is based and certain other matters; and
20. such other corporate, industry and financial market information, investigations and analyses as Canaccord Genuity considered necessary or appropriate at the time and in the circumstances.

Canaccord Genuity has not, to the best of its knowledge, been denied access by the Company to any information requested by Canaccord Genuity. Canaccord Genuity did not meet with the auditors of the Company and has assumed the accuracy and fair presentation of, and has relied upon, without independent verification, the audited consolidated financial statements of the Company, and the reports of the auditors thereon.

Prior Valuations

The Company has represented to Canaccord Genuity that, except as otherwise disclosed to Canaccord Genuity, to the best of its knowledge, information and belief, there have not been any prior valuations (as defined in MI 61-101) of the Company or any of its affiliates or any of their respective material assets, securities or liabilities in the past two years.

Assumptions and Limitations

The Opinion is subject to the assumptions, qualifications, explanations and limitations set forth herein.

Canaccord Genuity has not prepared a formal valuation or appraisal of the Company or any of its securities or assets and the Opinion should not be construed as such. Canaccord Genuity has, however, conducted such analyses as it considered necessary and appropriate at the time and in the circumstances. In addition, the Opinion is not, and should not be construed as, advice as to the price at which any securities of the Company may trade at any future date. We are not legal, tax or accounting experts, have not been engaged to review any legal, tax or accounting aspects of the Transaction and express no opinion concerning any legal, tax or accounting matters concerning the Transaction. Without limiting the generality of the foregoing, Canaccord Genuity has not reviewed and is not opining upon the tax treatment pursuant to the Transaction.

As provided for in the Engagement Agreement, Canaccord Genuity has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, documents, advice, opinions, representations and other materials, whether in written, electronic, graphic, oral or any other form or medium, including as it relates to the Company and any of its affiliates, obtained by it from public sources, or provided to it by the Company and its associates, affiliates, agents, consultants and advisors (collectively, the "**Information**"), and we have assumed that this Information did not omit to state any material fact or any fact necessary to be stated to make such Information not misleading. The Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. Subject to the exercise of our professional judgment, we have not attempted to verify independently the completeness, accuracy and fair presentation of any of the Information. With respect to the financial projections provided to Canaccord Genuity used in the analysis supporting the Opinion, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgements of management of the Company as to the matters covered thereby and which, in the opinion of the Company are (and were at the time of preparation and continue to be) reasonable in the circumstances. By rendering the Opinion, we express no view as to the reasonableness of such forecasts, projections, estimates or the assumptions on which they are based.

In preparing the Opinion, Canaccord Genuity has made several assumptions, including that all of the conditions required to implement the Transaction will be met, that the final versions of the Amendment Agreement, Subscription Agreement and Loan Agreement (collectively, the "**Transaction Agreements**") will be identical to the most recent drafts thereof reviewed by us, that all of the representations and warranties contained in the Transaction Agreements are true and correct as of the date hereof, that the Transaction will be completed substantially in accordance with its terms and all applicable laws, and that the accompanying circular(s) in connection with the Transaction will disclose all material facts relating to the Transaction and will satisfy all applicable legal requirements.

Senior officers of the Company have represented to Canaccord Genuity in a certificate delivered as of the date hereof, among other things, that (i) with the exception of FOFI (as defined below), the Information provided to Canaccord Genuity by the Company or its affiliates or its or their representatives, agents or advisors, for the purpose of preparing the Opinion, was, at the date the information was provided to Canaccord Genuity, and is at the date hereof, complete, true and correct in all material respects and did not and does not contain any untrue statement of a material fact in respect of the Company or its affiliates or the Transaction; (ii) the Information did not and does not omit to state a material fact in relation to the Company or its affiliates or the Transaction necessary to make the Information not misleading in light of the circumstances under which the Information was provided; (iii) since the dates on which the Information was provided to Canaccord Genuity, there has been no material change or change in material facts, financial or otherwise, in or relating to the financial condition, assets, liabilities (whether accrued, absolute, contingent

or otherwise), business, operations or prospects of the Company or any of its affiliates, and no material change or change in material facts has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion; (iv) since the dates on which the Information was provided to Canaccord Genuity, except for the Transaction, no material transaction has been entered into by the Company or any of its affiliates which has not been publicly disclosed; (v) the certifying officers have no knowledge of any facts or circumstances, public or otherwise, not contained in or referred to in the Information provided to Canaccord Genuity by the Company or its affiliates which would reasonably be expected to affect the Opinion, including the assumptions used, the procedures adopted, the scope of the review undertaken or the conclusion reached; (vi) the Company has not filed any confidential material change reports or any confidential filings pursuant to the *Securities Act* (Ontario), or analogous legislation in any jurisdiction in which it is a reporting issuer or the equivalent, that remain confidential; (vii) other than as disclosed in the Information, the Company's public record available on SEDAR or the Transaction Agreements, neither the Company nor any of its affiliates has any material contingent liabilities (either on a consolidated or non-consolidated basis) and there are no actions, suits, claims, arbitrations, proceedings, investigations or inquiries pending or (to the best of the knowledge of the certifying officers) threatened against or affecting the Transaction, the Company or any of its affiliates, at law or in equity or before or by any international, multi-national, national, federal, provincial, state, municipal or other governmental department, commission, bureau, board, agency or instrumentality or stock exchange which may in any way materially affect the Company or its affiliates or the Transaction; (viii) all financial material, documentation and other data concerning the Transaction or the Company and its affiliates, excluding any projections, budgets, strategic plans, financial forecasts, models, estimates and other future-oriented financial information concerning the Company and its affiliates (collectively, "**FOFI**"), provided to Canaccord Genuity were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of the Company and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such financial material, documentation or other data not misleading in light of the circumstances in which such financial material, documentation and other data were provided to Canaccord Genuity; (ix) all FOFI provided to Canaccord Genuity (a) was reasonably prepared on bases reflecting reasonable estimates, assumptions, and judgements of the Company; (b) was prepared using assumptions which are (and were at the time of preparation) and continue to be, reasonable in the circumstances, having regard to the Company's industry, business, financial condition, plans and prospects; and (c) does not contain any untrue statement of a material fact or omit to state any material fact necessary to make such FOFI (as of the date of preparation thereof) not misleading in light of the assumptions used at the time, any developments since the time of their preparation, or the circumstances in which such FOFI was provided to Canaccord Genuity; (x) to the best of the knowledge of the certifying officers, no verbal or written offers or serious negotiations for, at any one time, all or a material part of the properties and assets owned by or the securities of the Company or any of its affiliates have been received, made or occurred within the two years preceding the date hereof and which have not been disclosed to Canaccord Genuity; (xi) there are no agreements, undertakings, commitments or understandings (written or oral, formal or informal) materially relating to the Transaction, except as have been disclosed in writing and in complete detail to Canaccord Genuity; (xii) the contents of any and all documents prepared or to be prepared in connection with the Transaction by the Company for filing with regulatory authorities or delivery or communication to securityholders of the Company (collectively, the "**Disclosure Documents**") have been, are and will be true and correct in all material respects and do not and will not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and the Disclosure Documents have complied, comply and will comply with all requirements under applicable laws; (xiii) to the best of the knowledge of the certifying officers (a) the Company has no information or knowledge of any facts, public or otherwise, not specifically provided to Canaccord Genuity relating to the Company or any of its affiliates which would reasonably be expected to materially affect the Opinion; (b) with the exception of financial forecasts, budgets, models, projections or estimates referred to in (d), below, the Information provided by or on behalf of the Company to Canaccord Genuity, in connection with the Transaction is, or in the case of Disclosure Documents or data, was, at the date of preparation, true, correct and accurate in all material respects, and no additional material, data or information would be required to make the data provided to Canaccord Genuity by or on behalf of the Company not misleading in light of the circumstances in which it was prepared; (c) to the extent that any of the information in the Disclosure Documents identified in (b), above, is historical, there have been no changes in material facts or new material facts since the respective dates thereof which have not been disclosed to Canaccord Genuity or updated by more current Disclosure Documents that has been disclosed; and (d) any portions of the information in the Disclosure Documents provided to Canaccord Genuity which constitute financial forecasts, budgets, models, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of the Company, are (and were at the time of preparation) reasonable in the circumstances.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the conditions and prospects, financial and otherwise, of the Company and its subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to Canaccord Genuity in discussions with management of the Company. In its analyses and in preparing the Opinion, Canaccord Genuity made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, which Canaccord Genuity believes to be reasonable and appropriate in the exercise of its professional judgement, many of which are beyond the control of Canaccord Genuity or any party involved in the Transaction.

The Opinion has been provided to the Special Committee (solely in its capacity as such) for its sole use and benefit and only addresses the fairness to the Company, from a financial point of view, of the Transaction. The Opinion may not be relied upon by any other person or entity (including, without limitation, securityholders, creditors or other constituencies of the Company) or used for any other purpose or published without the prior written consent of Canaccord Genuity, provided that Canaccord Genuity consents to the inclusion of the Opinion in its entirety and a summary thereof (provided such summary is in a form acceptable to Canaccord Genuity) in the notice of meeting and accompanying management information circular of the Company to be mailed to Company Shareholders in connection with seeking their approval of the Transaction and to the filing thereof, as necessary, by the Company on SEDAR, in accordance with applicable securities laws in Canada.

Canaccord Genuity has not been asked to, nor does Canaccord Genuity offer an opinion as to the terms of the Transaction (other than in respect of the fairness to the Company, from a financial point of view, of the Transaction) or the forms of agreements or documents related to the Transaction. The Opinion does not constitute a recommendation as to how the Special Committee (or any member of the Special Committee), management or any securityholder should vote or otherwise act with respect to any matters relating to the Transaction, or whether to proceed with the Transaction or any related transaction. The Opinion does not address the relative merits of the Transaction as compared to other transactions or business strategies that might be available to the Company. The Opinion is given as of the date hereof, and Canaccord Genuity disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come, or be brought, to the attention of Canaccord Genuity after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, including, without limitation, the terms and conditions of the Transaction, or if Canaccord Genuity learns that the Information relied upon in rendering the Opinion was inaccurate, incomplete or misleading in any material respect, Canaccord Genuity reserves the right to change, modify or withdraw the Opinion after the date hereof.

Canaccord Genuity believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an Opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Approach to Financial Fairness

In connection with the Opinion, Canaccord Genuity performed a variety of financial and comparative analyses. In arriving at the Opinion, Canaccord Genuity has not attributed any particular weight to any specific analysis or factor, but rather has made qualitative and quantitative judgments based on its professional experience in rendering such opinions and on the circumstances and Information as a whole.

Conclusion

Based upon and subject to the foregoing, and such other matters as Canaccord Genuity considered relevant, Canaccord Genuity is of the opinion that, as of the date hereof, the Transaction is fair, from a financial point of view, to the Company.

Yours truly,

Canaccord Genuity Corp.

CANACCORD GENUITY CORP.

cg/ Capital Markets
Canaccord Genuity

This is Exhibit “E” referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

A Commissioner for Oaths in and
for the Province of Ontario

Private Placement for Purchase of Common Shares

Confidential Summary of Terms

This Term Sheet does not set forth all the terms and conditions of the Transaction. Rather, it is only an outline, in summary format, of major points of understanding, which will form the basis of the definitive documentation. The Investor and its counsel will prepare the definitive documentation. This Term Sheet is not, and shall not be deemed to be, a binding agreement to consummate the Transaction. Such agreement will arise only upon the execution and delivery by Company of definitive documentation satisfactory in form and substance to Investor and the fulfillment, to the satisfaction of the Investor, of the conditions precedent required by Investor and set forth herein and therein. This Term Sheet and the terms set forth herein and therein are confidential, and Company shall not disclose the terms of this Term Sheet, or the fact that negotiations among the Investor and Company are ongoing, to any third party, including, without limitation, any other source of potential financing for Company.

Issuer:	Fire & Flower Holdings Corp. (the "**Company**" or the "**Issuer**").
Investor:	Green Acre Capital or its designees (the "**Investor**").
Securities:	An equity raise of $15,000,000 CAD of Common Shares of the Company (the "Private Placement"). Investor will subscribe to $3,000,000 of the Private Placement. As a condition of the investment made by Investor, Alimentation Couche-Tard Inc. ("ACT") will subscribe for $12 million of the total amount of the Private Placement as a partial exercise of their Series C Warrants.
Closing Date:	April 30th, 2023 (the "**Closing Date**").
Issue Price:	Common Shares will be issued at 125% of the 20-day VWAP of the Common Shares on the last trading day prior to the date of closing the transaction.
Use of Proceeds:	The net proceeds of the Private Placement will be used for working capital and general corporate purposes of the Company.
ACT Warrant Amendments:	As a condition of this offering and in consideration for ACT's exercise of $12,000,000 of its C Warrants, GAC will provide a voting support agreement in favour of an extension of the remaining series C Warrants with an amended expiry date of December 31, 2023.
Offer Expiry:	This proposal remains outstanding until 5:00pm EST on Friday March 31, 2023.
Confidentiality:	The terms and existence of this Term Sheet are confidential and may not be disclosed by the Company, other than to its management, its Board of Directors, ACT and its legal and accounting advisors.

Neither this term sheet nor any discussion or negotiation of the proposed transaction constitutes an agreement or obligation on the part of any person to purchase securities of the Company or enter into any agreement to purchase securities of the Company. The issuance and sale of the securities is subject to completion of due diligence to the Investor's satisfaction, the preparation of definitive documentation to effect the transaction contemplated by this term sheet that is mutually satisfactory to each party and, in the case of the Investor, that the Investor shall have determined that subsequent to the date hereof and prior to the closing of the transaction, there shall have been no material adverse developments relating to the business, assets, operations, properties, condition (financial or otherwise) or prospects of the Company and its subsidiaries, taken as a whole. Until definitive documentation is executed by all parties, there shall not exist any binding obligation, other than as described in the immediately preceding sentence and in the section entitled "Expenses and Professional Fees" on the part of any party hereto. This term sheet, other than as provided in the immediately preceding sentence, does not constitute a contractual commitment of the Company or the Investor but merely represents proposed terms for the Convertible Offering.

In witness whereof Fire & Flower Holdings Corp. and Green Acre Capital LP have executed this Term Sheet effective as of the [•] day of March, 2023.

FIRE & FLOWER HOLDINGS CORP.

Per: _____

Name: Stephane Trudel

Title: Chief Executive Officer

GREEN ACRE CAPITAL LP

Per: _____

Name: Shawn Dym

Title: ASO

This is Exhibit “F” referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

A Commissioner for Oaths in and
for the Province of Ontario

Mr. Don Wright
Chairman of the Board
Fire & Flower Holdings Corp.
Email: don@winningtoncapital.com

April 3, 2023

Dear Mr. Wright:

Funds managed by Green Acre Capital (GAC) are the second largest shareholder of Fire and Flower ("FAF" or the "Company"), and as such I as a principal of GAC have a growing concern about the vision for the business, shareholder misalignment and current board governance.

In particular, we are troubled by the weak operating margins and performance relative to that of its competitors such as SNDL/Nova, High Tide, Katz Group and smaller competitors who have profitable operating models despite lesser scale than FAF. We believe these trends can be reversed but that would require a clearly defined growth strategy, alignment of its largest shareholders, and leadership that can execute in a timely manner on the focused and aligned clear vision for the business.

Pressing Issues at FAF

The industry has faced immense competition over the past few years which has led to a very challenging market dynamic, however we are now seeing those trends reverse leading to an opportunity for the leading cannabis retailers. Those companies that weigh into the current dynamic have a significant multiyear opportunity to build profitable industry leaders. Unfortunately, FAF has yet to show an ability to capitalize on these dynamics while our peers have taken meaningful steps in that direction. The majority of the market leaders have grown store counts over the past 12 months while the Company has seen its store count shrink. The gap in performance and scale has increased and led to FAF lagging its largest competitors. I have included the presentation I prepared for FAF and Alimentation Couche Tard (ACT) to review in the hopes that it would define the strategy for growth and shareholder value creation. Unfortunately, our deep analysis has fallen on deaf ears and has not elicited a meaningful response from FAF or ACT.

The history of the company is fraught with major missteps that have left the company undercapitalized in the current market environment. At the time of GAC's initial investment in April 2020, FAF was the leading dispensary operator in Canada by market cap, revenue, and the number of stores in a fast-growing market that seemed to be supply constrained due to regulations. Since that time, we have seen governments ease regulations, creating an explosion and oversaturation of new dispensaries. The increased store counts also led to more cutthroat

competition with Nova's Value Buds stores driving down gross margins for all retailers. FAF was slow to respond to this competition and made poor capital allocation decisions trying to differentiate itself with an overinvestment in technology that has not delivered any financial outperformance relative to that of its peers. As the effects of aggressive price competition took hold, the large-scale competitors took the opportunity to consolidate their store counts by buying struggling stores on terms that were accretive to the acquirer creating a gap between the size of FAF and its largest competitors.

As a result of this, FAF is left unprofitable, undercapitalized, without a clear focus on its growth plans and risks business failure should it not be able to address its capital needs.

Shareholder Misalignment

There is and has been a misalignment between the two largest shareholders of the Company going on now since late last year. In October of 2022, the Company announced that it recommended to minority shareholders to approve a re-pricing (lowering) of the exercise of ACT's warrants that would give them a control position in the Company and agreeing to further increase the optionality by allowing them to further extend the remainder of their warrants all the way to December 2024.

As I made clear to you and management at that time, I believe this financing would lead to meaningful value destruction to all other shareholders and as such it was ultimately voted down by the non-ACT shareholders.

During and since that time I have made numerous attempts to engage with the Company management and board, as well as ACT to go down a path that would be in the best interest of FAF and all of its shareholders. My efforts have been either ignored outright or met with very limited amendments to proposals that were not in the best interest of all shareholders.

I still believe the best path forward is to have a clear vision, followed by execution for the Company with a shareholder base that is united around supporting that clear and defined plan. I have done everything in my power to make clear to the members of the board and management, as well as ACT including by issuing a term sheet to the Company on March 30,2023, where I had committed to making an investment on the same terms as ACT showing my conviction and belief in the value of the plan and a united front from its largest shareholders.

ACT has been largely non-responsive and appears to be starving out the company in an attempt to negotiate for better terms on any capital they provide the business as they will be in the driver's seat should we wait until the maturity of their convertible debentures and warrants near in June. I believe their approach is destroying the minority shareholder value but also the value of their own holdings.

I will do everything I can to protect the minority shareholders and limit their ability to alter terms in a way that is disadvantageous to that of the other shareholders.

Management and Board Lack of Alignment with Shareholders

According to the Company's most recent circular, the entirety of the board and management team own less than 200,000 shares of the company representing less than 0.5% of the shares outstanding. With such low ownership and cash paid salaries to management and the board it is easy to see why any proposal to provide capital, regardless of how dilutive, would be seen as favourable to the board and management. This is a formula for preservation over shareholder value creation!

Just this past Thursday, High Tide press released insider share purchases as a sign of confidence to that of its investors and their stock rallied greater than 20% since making that announcement.

FAF made a leadership change to replace its founding CEO with a seasoned executive from ACT. With management recommending that minority shareholders support ACT's proposal back in October, it makes me wonder if decisions are now being made to exclusively manage the Company to ACT's benefit? We have seen limited communication to investors about the Company's plans, while we have seen improvement to operations, I don't think there has been an outperformance as of yet relative to its peers. We continue to fall behind the better capitalized competitors who are focused on gaining scale.

Lack of Focus on Strategic Plan

The company lacks focus that is consistent with a clearly defined plan and achievable goals. First there was an overinvestment in technology that doesn't provide any or meaningful competitive advantages. Now I believe the company, acting out of desperation, is chasing all opportunities without being discerning about what is achievable given its capital constraints. The lack of strategy and communication of such strategy has led to continued underperformance, while continuing to push up against a timeline that sees upcoming debt maturities and an inability to generate free cash flow at current scale. The company is running out of time to define a strategy and execute in a manner that would create shareholder value. The board must take action now!

Options to Create Shareholder Value

As of now I only see two paths for the creation of long-term shareholder value;

(1) Unified shareholder support to weigh in on the favourable market trends which would achieve long term scale and profitability.
(2) explore a sale of the business.

As I have outlined, I have a strong preference for shareholders to support a plan of consolidation and grow the business. It requires a renewed commitment from

GREEN ACRE CAPITAL

ACT to support plans along the lines of what I have outlined to FAF and ACT. Thus far ACT has not replied to my numerous attempts to bring shareholder alignment between the company's two largest shareholders. I have proposed that we would make investment on similar terms to indicate alignment, show a unified view and make clear that we are not relying on them alone but are prepared to go through this journey together. It is clear ACT has their own agenda for which I am not privy to but do not believe it aligns with the interest of all shareholders.

While I remain optimistic that this could change, FAF does not have the luxury of time to let this play out any longer. With the ACT convertible warrants maturing in June and their warrants expiring with a similar time frame, we cannot afford to find ourselves in a scenario where ACT does not exercise their warrants and are looking to have the note repaid. It appears to me that they are pursuing a strategy to drag things on long enough and create distress at FAF where they can give the appearance of supporting the Company by bailing them out with capital on terms that destroy value for all other shareholders. The board and management must act now to mitigate this risk!

The only option that we are able to control is pursuing the outright sale of the Company. I recommend that a meeting of the board be convened immediately to discuss my letter and an outright sale of the Company. We now have less than three months until ACT potentially puts FAF in a position of great distress. It is the duty of the board to ensure that we aren't at the mercy of ACT, and act in the best interest of the company and more importantly that of its shareholders by giving the shareholders an opportunity to maximize value through the sale of the Company.

I am available to attend the board meeting and discuss my views in order to assist the board in evaluating its options. Time is of the essence!

Sincerely,

Shawn Dym

This is Exhibit “G” referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026F238DDD04E3...

A Commissioner for Oaths in and
for the Province of Ontario

NON-BINDING TERM SHEET

ACQUISITION OF THE ASSETS OF FIRE & FLOWER INC., FRIENDLY STRANGER HOLDINGS CORP.

Proposed Transaction:

5037597 ONTARIO INC. ("**5037597**" or "**Pop's Cannabis**" or the "**Purchaser**") or designated affiliates will, directly or indirectly, acquire all of the assets mentioned in **Schedule A** (the "**Purchased Assets**") of **Fire & Flower Inc.** ("**F&F**"), **Friendly Stranger Holdings Corp.** ("**FS**"), from the shareholders / holding company of **F&F and FS** (the "**Vendors**"), free and clear of liens or encumbrances (the "**Proposed Transaction**").

Nature of the Retail Business being Acquired:

F&F and FS' Ontario assets are in the business of retailing cannabis products and accessories at the licensed locations in Ontario. At Closing, the assets of **F&F and FS** shall include those assets listed in **Schedule A.**

Purchase Consideration:

The purchase price for the Purchased Assets mentioned in **Schedule A**, will total **CDN$ 20 million** including inventory for **F&F and FS** branded stores contemplated in the transaction, subject to adjustment (the "**Purchase Price**"), free and clear of liens or encumbrances.

The Purchase Price will be satisfied by:

a) CDN$ 20,000,000 senior secured note on signing of definitive agreement that clears all existing debts and upon close will satisfy purchase price.

Non-Competition Agreement:

The Purchaser and the Sellers will agree to reasonable customary non-competition and non-solicitation covenants in favour of the Purchaser in respect of the business currently carried on by the Purchased Assets of **F&F and FS** in Ontario.

Due Diligence:

Upon reasonable request by the Purchaser, **F&F and FS** shall permit the Purchaser and its representatives, between the date of this Term Sheet and the Closing, reasonable access to:

(a) the Purchased Assets of **F&F and FS** ; and
(b) all franchise agreements if any
(c) the books and records of the Purchased Assets of **F&F and FS** , including without limitation (i) title papers; and (ii) all federal, provincial, municipal and other governmental licences and applications in respect of the retail

cannabis business of the Purchased Assets of **F&F and FS** ; in order to conduct its due diligence review (the "**Due Diligence Review**").

The Proposed Transaction is subject to completion of the Due Diligence Review and satisfaction with the results of the Due Diligence Review in the Purchaser's sole discretion.

Closing Conditions:

The obligation to close the Proposed Transaction will be subject to customary conditions, including third party approvals and governmental filings and approvals (including any regulatory and shareholder approvals, as applicable) and the absence of any material adverse change in the Purchased Assets' business, assets, financial condition, results of operations, operations, properties, or affairs of the business (subject to customary exceptions). For certainty, the Definitive Agreement (as defined herein) shall set out that the Closing be subject to the receipt of all approvals for the Purchaser (or an affiliate thereof) to operate each of the Purchased Assets as a licensed cannabis retail store in accordance with all applicable laws (the "**Regulatory Approval**").

The parties will close the Proposed Transaction as soon as practicable following receipt of the Regulatory Approval.

For the purposes of this Term Sheet, "**Business Day**" shall mean any day other than a Saturday, Sunday or any other day that commercial banks are not generally open for business in Toronto Ontario.

Debt and Interest Forgiveness upon closing

Upon the completion and fulfillment of all conditions precedent for closing, any and all debt, interest, penalties, fees, and charges associated with the secured note made by the Borrower to the Lender and shall be unconditionally waived, forgiven, and extinguished by the Lender, with no further payment or obligation required by the Borrower. This provision shall apply irrespective of the terms of the Secured Note and shall represent the complete and final settlement of the Secured Note upon Closing. After Closing, the Borrower shall be released from all obligations, liabilities, and indebtedness under the Secured Note, and the Lender shall deliver to the Borrower an appropriate instrument evidencing the termination and satisfaction of the Secured Note

Definitive Agreement:

The parties will enter into a definitive agreement (the "**Definitive Agreement**") containing terms, conditions and indemnities customary for transactions of this nature including, without limitation, the following:

(a) **Representations and Warranties** – The Definitive Agreement will contain representations and warranties which are typical of transactions of this nature including complete representations, warranties and indemnities for environmental issues.

(b) **Indemnification** – The Definitive Agreement shall provide standard indemnification by vendor

(c) **Conditions** – The Definitive Agreement will also contain conditions of closing customary in transactions of this sort, including without limitation:

(i) *Approvals*: receipt of board approval and acceptance by the company's existing shareholder and regulatory approvals, as applicable,

(ii) *No Material Adverse Effect*: that there shall have been no material adverse change, effect or circumstance that is or has been materially adverse to, or could reasonably be expected to have a material adverse on, the Purchaser or the Seller for any reason, and

(iii) *Representations and Warranties*: the continuing truth and accuracy of all representations and warranties and the fulfilment of all covenants, obligations and agreements**.**

(iv) *Financing* – the receipt of financing

Confidentiality: The parties shall treat as confidential the existence and terms of this Term Sheet, including the fact that the parties are discussing the Proposed Transaction. Notwithstanding the foregoing, the Purchaser shall be entitled to disclose this Term Sheet to any agent or underwriter (collectively, the "**Agent**") in connection with the reasonable due diligence of the Agent in connection with a financing by the Purchaser evidenced by an engagement letter, term sheet or such similar instrument executed by the Purchaser and the Agent. In the event the Term Sheet is disclosed to the Agent as contemplated herein, the Purchaser shall ensure that the Agent is subject to an obligation of confidentiality substantially similar to the obligations set out herein.

Exclusivity: **F&F and FS** agrees to negotiate exclusively with **5037597 ONTARIO INC.** in respect of the Proposed Transaction for a period beginning on the date of this Term Sheet and ending 10 days after the date hereof (the "**Exclusivity Period**") in an effort to negotiate the Definitive Agreement and complete the Proposed Transaction. Mutually extendable by both parties. During the Exclusivity Period, **F&F and FS** shall not, and shall not cause or permit any of its officers, directors, employees, representatives or agents to, directly or indirectly, (a) encourage, solicit, initiate or participate in any way in discussions or negotiations with; (b) provide any information to; or (c) enter into any agreement, arrangement or understanding with any person or group of persons (other than **5037597 ONTARIO INC.**, its affiliates and their respective representatives) concerning any transactions, whether by merger, business combination, sale of all or a material portion of the assets of **Ontario** Purchased Assets.

Status of this Term Sheet: It is understood that this Term Sheet is a statement of **5037597 ONTARIO INC**.'s intention to proceed as outlined herein, is not an offer and does not create any legally

binding obligations on any party;, other than the obligations set out in the sections "Due Diligence", "Confidentiality", "Exclusivity", "Status of this Term Sheet", "Termination" "Expenses" and "Governing Law" which shall be legally binding obligations of the parties hereto (collectively, the "**Binding Provisions**").

Closing Date: The parties will close the Proposed Transaction as soon as practicable following receipt of the Regulatory Approval.

Termination: The Binding Provisions will terminate upon the earliest of the following:

(a) execution of a Definitive Agreement by all parties;

(b) mutual written agreement of the parties;

(c) written notice of termination from the Purchaser to the Seller if, at any time, the Purchaser is not satisfied with the results of its due diligence investigation, or

(d) written notice of termination given by either party to the other following the expiry of the Exclusivity Period.

Expenses: Each of the parties shall be responsible for their own costs and charges incurred with respect to the transactions contemplated herein including, without limitation, all costs and charges incurred prior to the date of this Term Sheet and all legal and tax fees and disbursements relating to preparing the transaction documents or otherwise relating to the transactions contemplated herein. All severance cost of employees will be the responsibility of **F&F and FS**.

Notices: Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Purchaser, be addressed to:

5037597 ONTARIO INC.
2 Bloor St. West, Suite 1805,
Toronto, Ontario – M4W3E2

Attention: Mark Vasey
Email: mvasey@broderickcapital.ca

and, in the case of notice to be given to the Seller, be addressed to:

[xxx]

Attention: xxx
Email: xxx

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by electronic transmission to the addressee and a notice shall, if delivered prior to 4:30 pm on a Business Day (local time at the place of receipt), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered.

Successors and Assigns: This Term Sheet will be binding upon and will ensure to the benefit of and be enforceable by the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. No assignment of this Term Sheet will be permitted without the consent of the other party.

Governing Law: This Term Sheet will be governed by and construed in accordance with the laws of the Province of Ontario.

This Term Sheet may be signed in two or more counterparts and by facsimile or PDF.

If this non-binding Term Sheet accurately reflects our discussions, please acknowledge by signing and returning a copy of this Term Sheet to the undersigned on or before 5:00 pm EST on June 1st , 2023.

[*signature page follows*]

Yours very truly,

5037597 ONTARIO INC.

By: Mark Vasey
Mark Vasey, ASO

Acknowledged and agreed to this _____ day of June xxx, 2023.

xxx

By: _____
Name: xxx
Title:

Schedule A

The Purchased Assets consists of the following retail locations operated by Fire & Flower and The Friendly Stranger :

Store	Store Name	Address	Sq ft
029CON	Fire & Flower Inc.		
030CON	Fire & Flower Inc.		
053CON	Fire & Flower Inc.		
085CON	Fire & Flower Inc.		
088CON	Fire & Flower Inc.		
092CON	Fire & Flower Inc.		
117CON	Fire & Flower Inc.		
118CON	Fire & Flower Inc.		
122CON	Friendly Stranger Holdings Corp.		
123CON	Friendly Stranger Holdings Corp.		
124CON	Friendly Stranger Holdings Corp.		
127CON	Friendly Stranger Holdings Corp.		
128CON	Friendly Stranger Holdings Corp.		
129CON	Friendly Stranger Holdings Corp.		
130CON	Friendly Stranger Holdings Corp.		
131CON	Friendly Stranger Holdings Corp.		
132CON	Fire & Flower Inc.		
134CON	Fire & Flower Inc.		
135CON	Friendly Stranger Holdings Corp.		
136CON	Friendly Stranger Holdings Corp.		
148CON	Fire & Flower Inc.		
151CON	Fire & Flower Inc.		
154CON	Fire & Flower Inc.		
163CON	Fire & Flower Inc.		
175CON	Fire & Flower Inc.		
180CON	Fire & Flower Inc.		

This is Exhibit "H" referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

A Commissioner for Oaths in and
for the Province of Ontario

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

June 13, 2023

Private and Confidential
Sent via E-mail: mkonyukhova@stikeman.com

Larry Ellis
Direct Line: 416.595.8639
lellis@millerthomson.com

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9

Attention: Maria Konyukhova

Re: CCAA Proceedings of Fire & Flower Holdings Corp., et al

We represent Green Acre Capital LP ("**Green Acre**"), a significant shareholder of Fire & Flower Holdings Corp. (together with its wholly owned subsidiaries, "**FAF**"). Green Acre is working with other shareholders and creditors of FAF as described below. Capitalized but undefined terms in this letter have the meaning given to them in the Affidavit of Stephane Trudel sworn June 5, 2023 (the "**Trudel Affidavit**"). We will file our Notice of Appearance in due course. If you would please add us to the Service List on behalf of Green Acre it would be appreciated.

We have reviewed the court materials filed in the *Companies' Creditors Arrangement Act* (the "**CCAA**") proceedings (the "**CCAA Proceedings**"), including the Monitor's pre-filling report dated June 5, 2023 (the "**Report**").

Our understanding of the CCAA Proceedings is that FAF intends to sell its going concern business to the highest bidder by way of approval and vesting order. Green Acre was recently contacted by the Monitor to discuss Green Acre's possible interest in participating in the sale and investment solicitation process (the "**SISP**") for the going concern business. On that call, the Monitor described the SISP as being an expedited sales process with a view to completing a sale transaction before the end of summer. Green Acre's concern is that the proposed expedited SISP will result in a credit bid scenario where ACT Investor is likely to credit bid the combination of its secured debt and the DIP Facility to purchase FAF's going concern business. This would result in a complete wipe out of all subordinate debt and equity interests.

The purpose of this letter is to request the following:

1. an adjournment of certain relief intended to be sought at the hearing scheduled for Thursday June 15, 2023, including relief in connection with the commencement of the SISP;

2. answers to critically important questions, as set out below; and

3. a meeting with current FAF management and the Monitor team to understand and discuss alternatives to the SISP.

Adjournment of SISP

Green Acre is requesting an adjournment of the SISP-related relief for the following reasons:

1. As at the time of writing this letter there is neither a court report nor an affidavit uploaded to the Monitor's website that provides a detailed description of the SISP. To the extent that such documents have been provided to the Service List, please provide a copy to us. Green Acre and other stakeholders are entitled to sufficient evidence describing the SISP, and a sufficient period of time to understand the impact of the SISP on their legal rights.

2. We anticipate that FAF is going to suggest that cash burn is the driver for urgency. Our team's financial advisor has reviewed the Cash Flow Statement and believes that it can offer significant improvements to conserve cash. More importantly, Green Acre's team is confident that if certain obligations, including dead leases and other unnecessary expenses, were disclaimed and managed immediately, that FAF could transition to being cash flow positive by mid July. Once FAF was cash flow positive it would enable it to draw less on the DIP Facility and FAF could market itself from a position of strength. Green Acre is prepared to share its restructuring plan in a meeting with FAF management and the Monitor team. It should be encouraging to note that on a conservative basis Green Acre's model of a restructured FAF business demonstrates a company with EBITDA in the range of $7 million to $10 million, effective immediately.

3. We anticipate that FAF is going to point to the fact that it has already hired Canaccord Genuity Corp. ("**Canaccord**"), engaged a special committee and spoken to the market regarding a possible sale of, or investment in, FAF. Green Acre is intimately aware of these efforts and participated directly in that process. Please note the following:

    a. On March 30, 2023, Green Acre made an equity proposal to invest $15,000,000 in FAF, conditional on participation from ACT and other diligence. Green Acre's diligence was slowed as a result of the unavailability of a data room. In May of 2023 Green Acre was granted access to a data room and ultimately confirmed that their offer would not proceed as a result of the number of dead leases. However, it was made clear to FAF management that if FAF could relieve itself from the dead lease obligations, Green Acre would be immediately willing to engage in dialogue regarding equity investment.

    b. FAF received a letter of intent from 5037597 Ontario Inc. o/a Pop's Cannabis Co. ("**Pop's Cannabis**") on June 1, 2023 (the "**Pop's Offer**"). We understand that the Pop's Offer contemplated the purchase of 32 of FAF's retail locations in Ontario in exchange for an all-cash purchase price that would have repaid ACT Investor in full, provided $5-6 million of cash to fund operating expenses, and maintained existing equity. We further understand that FAF didn't engage with Pop's Cannabis following receipt of the Pop's Offer.

4. Green Acre's conclusion is that a simple restructuring effort using the CCAA would immediately result in renewed interest for those equity holders that would be encouraged to invest in a "cleaned up" FAF. A secondary conclusion is that the original process marketed a highly distressed asset without the key disclosure that FAF could utilize a CCAA process to restructure legacy liabilities. Put another way, the original marketing process was flawed in that it marketed a company that nobody would invest in.

An adjournment is fair and reasonable in the circumstances given that, based on the stay of proceedings and Cash Flow Statement, there is no material prejudice caused by a short adjournment to ensure there is a robust canvassing of all reasonable restructuring opportunities with affected stakeholders. An adjournment will allow FAF an opportunity to spend 30 - 60 days working with existing shareholders and other stakeholders to save the business and protect existing stakeholders. Any cash flow concerns can be addressed by utilizing the CCAA to disclaim dead leases and other non-essential obligations. Green Acre looks forward to meeting with FAF and the Monitor team to present its restructuring plan and is hopeful that FAF's management team is willing to do whatever it takes to avoid a sale and save enterprise value for all stakeholders.

Green Acre intends to oppose the SISP for the reasons noted above, among others. Please also note that Green Acre isn't definitively opposed to a SISP. Green Acre's position is that FAF owes a duty to act in the best interest of its stakeholders, which includes an obligation to stabilize the business and develop a solution from a position of strength, rather than conducting a fire sale.

Questions

1. For the period beginning January 1, 2020 and continuing to the present, which members of FAF's Board of Directors and/or executive management have previously been employed by, or served as a director or consulted for, ACT Parent Co. or its affiliates and related parties (including ACT Investor, collectively, "**ACT**")? For any such individuals, when did they begin working or consulting for FAF (in any capacity)?

2. Regarding the special committee mandate referred to at paragraphs 13 and 136 of the Trudel Affidavit, what directors served on the special committee? Did the special committee and/or Canaccord investigate alternatives to the loan agreement with ACT Investor dated October 18, 2022 (the "**October 2022 Loan**")? If yes, please describe those investigations.

3. Did ACT Investor give any indication that it would be unwilling to support the business beyond the October 2022 Loan?

4. Prior to retaining Canaccord and FTI, did FAF retain any other financial advisor? Did ACT retain a financial advisor? If so, in either case, were any reports prepared by any such financial advisor(s)?

5. Is ACT willing to permit FAF time to identify an alternative solution to the proposed expedited SISP? Has FAF considered a rights offering to be coupled with a plan of arrangement? If so, can Green Acre review that analysis? If not, why not?

6. Regarding the special committee mandate and discussions referred to at paragraphs 15 and 140 of the Trudel Affidavit:

    a. What directors served on the special committee?

    b. What "key stakeholders of FAF and other industry participants and financial institutions" did the special committee speak to? Were any of those parties provided access to a data room and, if so, when?

c. Did the special committee consider the Pop's Offer? If not, why not? If yes, why was a response not provided?

d. Did the special committee and/or FAF's other directors and/or FAF management discuss the Pop's Offer with ACT?

e. Did the special committee and/or FAF consider a shareholder rights offering as a means of funding a plan of arrangement restructuring? If yes, why was a SISP restructuring path chosen instead?

7. For the period of time from the October 2022 Loan until present, how many credible offers has FAF received for a purchase of, or investment in, its business, other than the Pop's Offer? Did any of these offers exceed the combined aggregate value of the DIP Facility and the October 2022 Loan?

8. At any point did FAF request that ACT Investor enter into a forbearance agreement? If not, why not?

9. Is ACT supportive of FAF making an effort to restructure its affairs?

10. Regarding the DIP Term Sheet, were any other lenders canvassed to ensure that the terms were competitive?

Meeting

The Green Acre team includes professionals with considerable cannabis retail experience. This team has worked around the clock over the past seven days to develop a path that saves value for existing stakeholders. Our client would appreciate the opportunity to meet with FAF management and the Monitor team to present its restructuring plan, which provides a clear solution that preserves value for all stakeholders.

Green Acre appreciates that time is of the essence and is prepared to meet as early as Monday next week. Please note that Green Acre is currently working with many shareholders and creditors. There may be additional parties that are interest in joining the meeting.

We will close by noting that Green Acre's objective isn't to prevent a sale of FAF's business to ACT. Green Acre's objective is to explore readily available opportunities that would avoid the value destruction that would result from ACT utilizing a credit bid to own FAF's business. The fundamental concern is that a truncated SISP does not maximize stakeholder value, and is not necessary in the circumstances.

Best regards,

MILLER THOMSON LLP
Per:

Larry Ellis
Partner

LE/mf

c. Gavin Finlayson, Miller Thomson LLP
Patrick Corney, Miller Thomson LLP
Sam Massie, Miller Thomson LLP
Leanne Williams, Thornton Grout Finnegan LLP
Rebecca Kennedy, Thornton Grout Finnegan LLP
Jeffrey Rosenberg, FTI Consulting
Jodi Porepa, FTI Consulting

This is Exhibit "I" referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

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for the Province of Ontario

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

June 14, 2023

Gavin Finlayson
Direct Line: 416.595.8619
Gfinlayson@millerthomson.com

Private and Confidential
Sent via E-mail: mkonyukhova@stikeman.com

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9

Attention: Maria Konyukhova

Dear Ms. Konyukhova,

Re: CCAA Proceedings of Fire & Flower Holdings Corp., et al

We are counsel to Green Acre Capital LP ("**Green Acre**") and we write further to the Applicants' motion record served this morning, in support of a motion returnable tomorrow (the "**Motion Record**"). Capitalized but undefined terms in this letter have the meaning given to them in the Affidavit of Stephane Trudel, dated June 14, 2023.

As you know from our letter dated June 13, 2023 (the "**Green Acre Letter**"), Green Acre requests a minimum 30-day adjournment of the SISP approval and related relief being sought tomorrow. That adjournment is all the more reasonable and necessary in light of the Applicants' Motion Record, which seeks approval of a Stalking Horse Agreement on one day of notice and (as of yet) without a factum or any justification for the short-service of the Motion Record. We recognize that service of materials in CCAA proceedings on the Commercial List often does not strictly comply with the *Rules of Civil Procedure*, but given the concerns raised in the Green Acre Letter and the impact of the proposed Stalking Horse Agreement on the Applicants' stakeholders, one day of notice is not fair and reasonable and does not give stakeholders any effective ability to consider the materials nor the effect of the materials on their legal position.

At this time, Green Acre intends to serve responding materials and to cross examine Stephane Trudel on his affidavits dated June 5 and June 14, 2023. We will require 1.5 days for the examination. We are prepared to consent to an expedited schedule. Provided we receive meaningful responses to the information requests in the Green Acre Letter, we expect to be in a position to deliver materials next week, and to conduct examinations towards the end of the week.

There is no immediate material prejudice caused by our requested adjournment and, accordingly, we are of the view that your consenting to such adjournment would be consistent with the three "C's" of the Commercial List.

Given the imminent motion date, we look forward to hearing from you as soon as possible.

Yours truly,

MILLER THOMSON LLP

Per:

Gavin Finlayson
Partner
GF/mf

c. Larry Ellis, Miller Thomson LLP
Patrick Corney, Miller Thomson LLP
Sam Massie, Miller Thomson LLP
Philip Yang, Stikeman Elliott LLP
Leanne Williams, Thornton Grout Finnegan LLP
Rebecca Kennedy, Thornton Grout Finnegan LLP
Jeffrey Rosenberg, FTI Consulting
Jodi Porepa, FTI Consulting

This is Exhibit "J" referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

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for the Province of Ontario

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

June 14, 2023

Larry Ellis
Direct Line: 416.595.8639
lellis@millerthomson.com

Private and Confidential
Sent via E-mail

DAVIES WARD PHILLIPS & VINEBERG LLP
1501 McGill College Avenue, 8th Floor
Montreal, QC H3A 3N9

Attention: Christian Lachance
Natalie Renner

Dear Sir/Mesdame,

Re: CCAA Proceedings of Fire & Flower Holdings Corp., et al (the "CCAA Proceedings")

We represent Green Acre Capital LP ("**Green Acre**"), a significant shareholder of Fire & Flower Holdings Corp. (together with its wholly-owned subsidiaries, "**FAF**"). In addition, you are advised that Green Acre will likely be a creditor of FAF as well in very short order. Capitalized but undefined terms in this letter have the meaning given to them in the Affidavit of Stephane Trudel sworn June 14, 2023 (the "**Trudel Affidavit**").

We understand that you represent ACT Investor (together with ACT Parent Co., "**Couche Tard**"), and that Couche Tard is FAF's largest shareholder and only secured creditor, DIP Lender for the CCAA Proceedings, and proposed Stalking Horse Bidder.

The purpose of this letter is to request answers to questions that are critically important to our assessment of the Applicants' motion for approval of a SISP and related Stalking Horse Agreement with Couche Tard.

As described in the Trudel Affidavit, following an abbreviated SISP, and absent a successful competing bid, the Applicants intend to sell their business to Couche Tard in accordance with the terms of the Stalking Horse Agreement. The Stalking Horse Agreement contemplates a credit bid and reverse vesting structure that would result in a complete elimination of all FAF's subordinate debt and equity interests. This is a particularly troubling outcome in this case, given that approximately 58% of FAF's equity is held by retail investors. In our view, the Applicants' proposed process fails to maximize stakeholder value, and is not necessary at this time.

Green Acre's financial advisor has reviewed the Cash Flow Statement and has identified a number of steps that would lead to immediate improvements to FAF's financial performance and conservation of cash. In particular, Green Acre is confident that if certain obligations, including dead leases and other unnecessary expenses, were immediately disclaimed, FAF could transition to being cash flow positive by mid-July. Green Acre's model of a restructured FAF business forecasts EBITDA in the range of $7 million to $10 million, effective immediately. Positive cash flow would reduce (or eliminate) FAF's dependence on the DIP facility and would enable FAF to market itself from a position of strength.

In light of the foregoing, Green Acre is of the view that it is premature for the Applicants to seek approval of the SISP and Stalking Horse Agreement before they have fully explored the viability of a plan of arrangement. Consequently, we have requested that the Applicants and Monitor agree to a 30-day adjournment of their motion, and would be pleased to discuss this request with you directly.

If Couche Tard insists that the Applicants proceed with their motion for approval of the SISP and Stalking Horse Agreement at this time, then we ask that Couche Tard respond to the following requests at its earliest opportunity:

1. Provide a description of Mr. Trudel's employment history with Couche Tard.

2. Provide particulars regarding Mr. Trudel's involvement in the negotiations regarding any of the Bridge Loan Agreement, the failed Warrant and Share Transaction, the DIP Facility Agreement, and the Stalking Horse Agreement.

3. Provide particulars including the dates and amounts of any compensation (including non-cash benefits) provided to Mr. Trudel or any persons related to him by Couche Tard or any affiliate.

4. Advise whether, at the time the ACT Investor entered the Bridge Loan Agreement, it was Couche Tard's intention to use this debt as consideration for the purchase of FAF's business. If not, advise as to when Couche Tard formed the intention to credit bid the Bridge Loan Agreement debt.

5. Green Acre calculates the effective interest rate for the DIP Facility at 28%. Advise whether Couch Tard agrees with this calculation, or in the alternative, the basis for any disagreement.

6. Advise whether Couche Tard intends to include any fees and expenses related to the Stalking Horse Bid, the Stalking Horse Agreement, and due diligence of FAF's business in the Credit Bid Consideration.

7. Provide Couche Tard's rationale for seeking to effect its takeover of FAF through a reverse vesting order, when a plan of arrangement is viable in the circumstances.

8. Advise whether Couche Tard has retained a financial advisor to assess FAF, and if so, whether such advisor prepared a report on FAF and provide a copy of such report.

Please be assured that Green Acre's objective is not to prevent a sale of FAF's business to Couche Tard. Rather, Green Acre's objective is to ensure that all available alternatives have first been explored, with a view toward avoiding the value destruction that would result from Couche Tard's credit bid.

We trust the foregoing is satisfactory.

Best regards,
MILLER THOMSON LLP

Per:

Larry Ellis
Partner
LE/mf

c. Gavin Finlayson, Miller Thomson LLP
Patrick Corney, Miller Thomson LLP
Sam Massie, Miller Thomson LLP
Leanne Williams, Thornton Grout Finnegan LLP
Rebecca Kennedy, Thornton Grout Finnegan LLP
Jeffrey Rosenberg, FTI Consulting
Jodi Porepa, FTI Consulting

This is Exhibit “K” referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

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MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

June 14, 2023

Larry Ellis
Direct Line: 416.595.8639
lellis@millerthomson.com

Private and Confidential
Sent via E-mail

FTI CONSULTING CANADA INC.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K 1G8

Attention: Jeffrey Rosenberg
Jodi Porepa

THORNTON GROUT FINNIGAN LLP
Suite 3200, TD West Tower
100 Wellington St. West
P.O. Box 329
Toronto-Dominion Centre
Toronto ON M5K 1K7

Attention: Leanne Williams
Rebecca Kennedy

Dear Ms. Williams and Ms. Kennedy:

Re: CCAA Proceedings of Fire & Flower Holdings Corp., et al (the "CCAA Proceedings")

We represent Green Acre Capital LP ("**Green Acre**"), a significant shareholder of Fire & Flower Holdings Corp. (together with its wholly owned subsidiaries, "**FAF**"). Capitalized but undefined terms in this letter have the meaning given to them in the Affidavit of Stephane Trudel sworn June 14, 2023 (the "**Trudel Affidavit**").

You have been copied on our correspondence to FAF dated June 13 and June 14, 2023, and our letter to ACT Investor (together with ACT Parent Co., "**Couche Tard**") dated June 14, 2023.

The purpose of this letter is to obtain the Monitor's position on Green Acre's request for an adjournment of the SISP approval and Stalking Horse Agreement approval relief. Green Acre's position is that the SISP approval and Stalking Horse Agreement approval relief should be adjourned for a minimum of 30 days to facilitate the exploration of readily available alternatives that preserve value for stakeholders in addition to Couche Tard. If such an adjournment cannot be agreed to, Green Acre will oppose the relief and require agreement with the Applicants and the Monitor on a litigation timetable.

Service rules exist to provide parties with reasonable notice in order to understand how their rights are being affected. Proceeding with SISP and Stalking Horse Agreement approval on one day of notice (and as of 5:00 p.m., without a factum) is not fair and reasonable and does not give stakeholders any effective ability to consider the materials nor their position. Stakeholders are entitled to that ability

because the proposed Stalking Horse Agreement contemplates a pure credit bid for FAF's business, under which every unsecured creditor and shareholder will be wiped out.

Of course service can be abridged, but there should be an extraordinary commercial rationale for it. In this case, the Applicants have not tendered a shred of evidence regarding why the relevant portions of their motion are urgent and whey service should be abridged. Moreover, in their Initial Order materials, the Applicants did not even preview Stalking Horse Agreement approval. Green Acre's position is that a SISP and Stalking Horse Agreement approval are not urgently required, for the reasons described in our June 13 letter to FAF, and that an adjournment causes no material prejudice to anyone. While an adjournment might cause small additional costs to Couche Tard, that is the price of having a Court-supervised process and requesting to access the extraordinary power of a reverse vesting order.

Given that the motion is scheduled to be heard tomorrow morning, we look forward to hearing from you tonight.

Best regards,

MILLER THOMSON LLP

Per:

Larry Ellis
Partner
LE/mf

c. Gavin Finlayson, Miller Thomson LLP
Patrick Corney, Miller Thomson LLP
Sam Massie, Miller Thomson LLP

This is Exhibit "L" referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD94F2...

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for the Province of Ontario

Stikeman Elliott

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, ON Canada M5L 1B9

Main: 416 869 5500
Fax: 416 947 0866
www.stikeman.com

Maria Konyukhova
Direct: +1 416 869 5230
MKonyukhova@stikeman.com

June 14, 2023
File No.: 150065.1002

Miller Thomson LLP
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON M5H 3S1

By e-mail (lellis@millerthomson.com)

Attention: Larry Ellis:

Re: CCAA Proceedings of Fire & Flower Holdings Corp., et al

Fire & Flower Holdings Corp. (the "**Company**") is in receipt of your letter dated June 13, 2023 (received at 6:21 p.m. on Tuesday, June 13) and your partner's letter of June 14, 2023. Capitalized terms used but not defined herein shall have the meaning ascribed thereto in such letters.

We understand Green Acre is a shareholder of the Company and holds no secured or unsecured debt.

The Company delivered its affidavit and supporting materials in connection with the SISP motion early on June 14, 2023 and included Green Acre on the service list. Notice of Motion of the SISP was sent out on June 10, 2023.

The Company is not agreeable to an adjournment of matters relating to the SISP at its hearing on June 15, 2023. As outlined in greater detail below and contrary to your assertions, there will be immediate material prejudice caused by your requested adjournment as the Company does not have the liquidity necessary to fund an additional 30 days of discussions. In addition, the uncertainty that would follow a delay in commencing the SISP, default under the DIP Agreement (as defined and described below) and continued lack of a committed going concern solution will only harm the value of this business - which Green Acre may not care about as they are currently "out-of-the-money" shareholders only.

Moreover, the discussions Green Acre is proposing to have can and should happen in parallel and under the umbrella of a Court-approved and Monitor-supervised process to ensure fairness and transparency. Your letters fail to outline any benefit to any stakeholders from delaying the SISP to conduct those discussions.

The SISP outlines a process that is customary for companies in its position. After careful consideration of all alternatives by the Company and its board of directors (the "**Board**"), the SISP has been developed by the Company and the Monitor as a means of seeking to maximize the value of the business and assets of the Company and its subsidiaries (the "**F&F Group**"). In particular, the SISP has been designed to be broad and flexible, and to solicit interest in, and

opportunities for: (a) one or more sales or partial sales of all, substantially all, or certain portions of the F&F Group's business and assets; and/or (ii) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the F&F Group or their business.

As part of the SISP, the Company has entered into non-disclosure agreements with numerous interested parties and intends to cooperate with such parties to maximize value for its stakeholders. Green Acre is welcome to participate in such process if it wishes to propose its "clear solution" that preserves value for all stakeholders that was not previously shared by Green Acre since its execution of a non-disclosure agreement with the Company on December 6, 2022, including after months of subsequent discussions with the Company's directors and senior management. In order to ensure that all interested parties are on a level playing field, the Company will not be meeting with interested parties to discuss alternatives to the SISP. Instead, all interested parties, including Green Acre, are invited to follow the same procedures relating to the evaluation and submission of proposals as provided for in the SISP.

As you are aware, the Company has been actively pursuing additional financing to raise capital to fund its operations. Following careful consideration of all available alternatives, and consultation with legal and financial advisors, the Board determined that it was in the best interests of the Company to file an application for creditor protection under the CCAA. In order to fund the CCAA proceedings and other short-term working capital requirements, the F&F Group executed a term sheet (the "**DIP Agreement**") with 2707031 Ontario Inc. (the "**DIP Lender**"), an affiliate of Alimentation Couche-Tard Inc. ("**ACT**"), pursuant to which the DIP Lender agreed to advance a debtor-in-possession loan in the amount of C$9,800,000 (the "**DIP Loan**") on customary market terms, in accordance with the Corporation's rules and policies, including the Related Party Transactions Policy. The DIP Loan was approved by an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the CCAA, and is paramount to the successful restructuring of the F&F Group as part of the CCAA proceedings.

Notably, an adjournment requested by Green Acre will foreclose the Company's ability to obtain the second advance under the DIP Loan which it requires to maintain any operations beyond the week of June 30, 2023. Without that financing, the Company will be forced to start shutting down operations immediately to provide notice to employees. This is so despite the Company already taking aggressive cost-cutting measures by disclaiming dead and unprofitable leases and downsizing its workforce – the anticipated cost savings of which are reflected in the cash-flows filed with the Court.

Furthermore, your letter and complaints seem to focus on matters predating the CCAA and irrelevant to the relief being sought by the Company tomorrow. In the spirit of transparency, we respond to those questions below without admitting any relevance of same to the hearing tomorrow.

Pursuant to the DIP Agreement, the F&F Group is required to comply with the SISP and the milestones set forth therein. An adjournment of the SISP by the F&F Group could constitute a breach of covenant under the DIP Agreement, and such breach would have a material adverse effect on the F&F Group, as it will not have sufficient funds on hand to continue operations in the ordinary course throughout the CCAA proceedings.

As mentioned above, the Company entered into a mutual non-disclosure agreement with Green Acre on December 6, 2022, pursuant to which the Company provided Green Acre with access to a densely populated data room, which included sufficient information about the Company to

help Green Acre determine the desirability of entering into a business arrangement or transaction with the Company. In addition to making these confidential documents available to Green Acre, the Company made its directors and officers available to Green Acre and held multiple meetings with Green Acre to share and discuss the Company's 2023 budget and cash flow. The need for additional capital was made abundantly clear in such conversations. At no point during the subsequent six-month process has Green Acre proposed a viable investment, acquisition or other arrangement or transaction which is comparable in quantum to the DIP Loan, or other investments either proposed or completed by ACT or its affiliates, without the conditionality of involvement by ACT in such transaction. As you state in your letter, the Green Acre $15 million equity proposal was conditional on concurrent warrant exercises by ACT in an aggregate amount of $12 million, and Green Acre was only prepared to commit to invest $3 million. Given the access that Green Acre has already had to the Company and its management team, Green Acre will not be prejudiced by participating in the SISP.

As publicly disclosed, in September 2022, a special committee of the board of directors of the Company of independent directors, namely Donald Wright (Chair), Sharon Ranson and Avininder Grewal, was formed to assist the Board in reviewing and negotiating matters related to the Companies' existing strategic capital investments and financing arrangements (including with respect to a financing proposal received from the DIP Lender) in accordance with the Corporation's rules and policies, including the Related Party Transactions Policy. The special committee retained Canaccord Genuity Corp. ("**Canaccord**") as financial advisor. Shortly thereafter, in October 2022, the Company entered into (i) a loan agreement with the DIP Lender in respect of a $11 million working capital loan pursuant to a secured loan facility; and (ii) a subscription agreement and warrant amending agreement that collectively contemplated a $5 million equity investment by the DIP Lender (the "**Proposed Financing**"). The Proposed Financing was amended on December 15, 2022 to provide that the maturity date for approximately $2.4 million of unsecured convertible debentures held by the DIP Lender to be extended. The Proposed Financing was subject to shareholder approval (including by a majority of the minority shareholders) and in recommending that shareholders vote in favour of the Proposed Financing at a special meeting initially called for December 16, 2022 and subsequently held on December 29, 2022, the special committee relied in part on a fairness opinion from Canaccord that the Proposed Financing was fair from a financial point of view to the Companies.

As you know, following the Company's full cooperation with Green Acre in connection with its extensive inquiries surrounding the Proposed Financing, Green Acre advised the Company that it would be voting against the Proposed Financing and Debenture Extension at its special meeting of shareholders, without providing any alternative funding proposal. Ultimately, the Proposed Financing and Debenture Extension were not approved by the requisite number of votes of shareholders at such special meeting.

Notwithstanding the Company's failure to consummate the Proposed Financing and Debenture Extension, it continued discussions with numerous key stakeholders and potential transaction counterparties (several of which the Company had been engaged with in discussions for many months), including Green Acre, in relation to a potential transaction, continuing to provide access to commercially sensitive information about the Company, and making senior management and directors of the Company available to such stakeholders and potential transaction counterparties, including Green Acre for several months following the Meeting, up to as recently as May 2023, and the Company was unable to enter into a viable transaction.

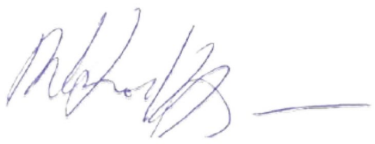
Following consultations with the special committee, senior management and the Company's legal and financial advisors, the Board determined that it was desirable and in the best interests of the F&F Group that an application be filed on their behalf under the CCAA to the Court commencing proceedings thereunder.

In connection with such proceedings, the F&F Group negotiated with the DIP Lender (in its capacity as both the senior secured creditor of the F&F Group and the lender under the DIP Loan) regarding a potential "Stalking Horse Bid". These discussions resulted in the DIP Lender and the F&F Group negotiating the Stalking Horse Agreement, in accordance with the Corporation's rules and policies, including the Related Party Transactions Policy, which the Company believes provides for an executable path to a successful restructuring of the Company. While the F&F Group is optimistic that the SISP will result in a competitive bidding process in furtherance of a value maximizing transaction, the Stalking Horse Agreement assures the preservation and continuity of the core business of the F&F Group as a going concern, and the continued employment of many of the F&F Group's employees.

The terms of the Stalking Horse Agreement were negotiated extensively between the F&F Group and 270, in consultation with the Court-appointed Monitor. Accordingly, the Company believes that the consideration provided under the Stalking Horse Agreement is both fair and reasonable in the circumstances, and reflects the product of extensive, good faith negotiations. The Monitor also supports the approval of the Stalking Horse Agreement solely for the purpose of approving it as the Stalking Horse Bid under the SISP. Green Acre is most welcome to participate in the SISP and the Company looks forward to Green Acre's participation in same.

For all the foregoing reasons, we are not agreeable to adjourning the motion to approve the SISP or the Stalking Horse Agreement. We ask that you consider the consequences of your request on the many stakeholders of the Company, including its many employees, that depend on its continued operations. We would welcome having productive conversations with Green Acre within the context of the Court-approved SISP.

Yours truly,



Maria Konyukhova

cc. Philip Yang, *Stikeman Elliott LLP*

This is Exhibit "M" referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
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DAVIES

1501 McGill College Avenue, 26th Floor
Montréal, QC H3A 3N9 Canada

dwpv.com

Christian Lachance
T 514.841.6576
clachance@dwpv.com

File 280172

June 15, 2023

BY EMAIL

Mr. Larry Ellis
Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON M5H 3S1
lellis@millerthomson.com

Dear Mr. Elis:

CCAA Proceedings of Fire & Flower Holdings Corp., et al.

We acknowledge receipt of your letter of June 14, 2023 in the above mentioned matter. Capitalized terms not defined herein have the meaning given in your letter.

At the outset, we would like to point out that we disagree with the fact that you are addressing questions that are essential to your analysis of the motion for approval of SISP and related Stalking Horse Agreement. Your request jeopardizes the stability of a company that is in a precarious situation to the detriment of its employees and other genuine creditors. It's worth pointing out that, as of the date of your letter, you are not a creditor.

The cornerstone of your request for an adjournment is your belief that the company can survive for several weeks without any interim financing. This premise is simply not true. The truth is that your request jeopardizes the survival of FAF and its value.

That said, since time is of the essence, we will answer the 8 questions in your letter despite our belief that they are not relevant to the upcoming motion.

Question 1: We expect that as a shareholder your client would be aware that Mr. Trudel is a former employee of Couche-Tard. Several public documents from FAF (easily accessible to the public since the latter is a public company) mention this. By way of illustration, we refer you to the press release following his appointment as CEO: https://investors.fireandflower.com/news/news-details/2022/Fire--Flower-Appoints-Alimentation-Couche-Tard-Executive-as-CEO/default.aspx

Question 2: The business discussions regarding the Stalking Horse Agreement and DIP Facility Agreement mainly took place between the professionals. The representatives of Couche tard, when needed, mostly connected with a member of the Board of Directors of FAF, which would not include Mr. Trudel. For the other matters you refer to in question 2, we will need to check our records.

Question 3: We are not aware of any compensation to Mr. Trudel since his departure from Couche Tard. We are also confirming this point with our client.

Question 4: The ACT Investor never considered making a credit bid until after FAF announced that it would have to initiate CCAA proceedings and commence a sale and investment process.

Question 5: We don't know how you arrived at a 28% effective rate, but the fees and interest on the interim financing are simple: (i) an interest rate of 12%;, and (ii) an exit fee of $400,000. We would also like to draw your attention to the fact that the interim financing does not include a commitment fee or a standby fee, whereas such fees are common in interim financing.

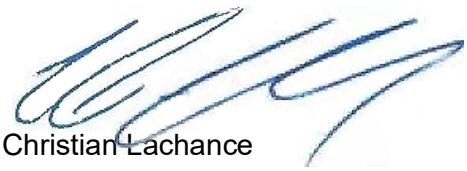
Question 6: Details of the fees can be found in the monitor's report. We note that the Monitor found the fees to be consistent with the average and reasonable in the circumstances.

Question 7: As you are aware, RVOs are an appropriate structure for the cannabis industry given the various licensing issues.

Question 8: Couche Tard has retained the services of a financial advisor. We do not intend to share with you any reports if they exist. That said, I bring to your attention that Couche Tard's financial advisor shares the monitor's view that FAF cannot survive without interim financing.

Lastly, note that if the adjournment being sought in your letter is granted, we will not be in a position to advance the second tranche of the interim financing. As you are aware, the DIP Facility Agreement is conditional on the SISP Milestones being met and based on the cash-flow forecasts. These SISP Milestones were heavily negotiated and agreed to by the parties having regard to the commercial realities of the business and the companies financial situation and taking into account the cash flow and cash burn of FAF over the next 13 weeks.

Yours very truly,



Christian Lachance

cc Natalie Renner

This is Exhibit "N" referred to
in the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
4926E2381D2042C...

A Commissioner for Oaths in and
for the Province of Ontario

Faheim, Monica

From: Shawn Dym <sdym@yorkplains.com>
Sent: Friday, June 16, 2023 12:15 PM
To: Ellis, Larry; Corney, Patrick; Massie, Sam
Subject: [**EXT**] Fwd: Potential Cannabis Retail Opportunity
Attachments: Fire and Flower - SISP Teaser.pdf

Begin forwarded message:

From: "Kim, Richard" <Richard.Kim@fticonsulting.com>
Date: June 16, 2023 at 6:01:02 PM GMT+2
To: Shawn Dym <sdym@yorkplains.com>
Cc: "Mullett, Dean" <Dean.Mullett@fticonsulting.com>, "Rosenberg, Jeffrey" <Jeffrey.Rosenberg@fticonsulting.com>, "Eveleigh, Darcy" <Darcy.Eveleigh@fticonsulting.com>, "Manarin, Olivia" <Olivia.Manarin@fticonsulting.com>, "Harris, Nick" <Nick.Harris@fticonsulting.com>
Subject: Potential Cannabis Retail Opportunity

Hi Shawn,

FTI Capital Advisors has been engaged to undertake a sale and investment solicitation process (the "SISP") to seek proposals in respect of Fire & Flower Holdings Corp. (together with its operating subsidiaries, "FAF" or the "Company"), a large network of cannabis dispensaries with the value proposition of the best products at the best prices. On June 5, 2023, FAF obtained creditor protection under the Companies' Creditors Arrangement Act ("CCAA").

The SISP will solicit proposals for: (i) sale or partial sales of FAF's assets, undertakings, properties and business; and/or (ii) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the business.

Highlights are below:

1. FAF represents an opportunity to purchase or invest in one of Canada's leading cannabis companies that includes a retail consumer technology platform, an established loyalty program and a wholesale and logistics business.
2. At the time of filing for creditor protection, the Company had 91 retail locations across Canada under the brands Fire & Flower, Friendly Stranger and Happy Dayz.
3. FAF's industry leading retail e-commerce platform (Hifyre) manages all areas of consumer engagement and also generates revenue from Canadian licensed producers, equity research analysts and other customers across various industries.
4. Over 575,000 customers subscribe to FAF's membership program (Spark Perks) which provides the Company with consumer data to cultivate a curated shopping experience.
5. FAF's proceedings under the CCAA will allow the Company to exit certain underperforming stores and leases, rationalize headcount and emerge with significantly enhanced profitability.

Let us know when you are available to discuss. We've attached a brief teaser for your review. Interested parties will be required to execute a Confidentiality Agreement in order to receive further information.
Thank you,

Richard Kim
Managing Director

FTI Capital Advisors
richard.kim@fticonsulting.com

This is Exhibit "O" referred to in
the Affidavit of Shawn Dym
sworn June 19, 2023

DocuSigned by:
Patrick Corney
1026E238DDD04F2...

A Commissioner for Oaths in and
for the Province of Ontario

Faheim, Monica

From: Corney, Patrick
Sent: Monday, June 19, 2023 6:13 AM
To: Philip Yang; Ellis, Larry
Cc: Finlayson, Gavin; Faheim, Monica; Dan Murdoch; Maria Konyukhova; Joel Binder; Leanne Williams; rkennedy@tgf.ca
Subject: RE: CCAA Proceedings of Fire & Flower Holdings Corp., et al

Dear Philip and Dan,

Thank you for your letter. We disagree.

Due to the compressed timetable caused directly by FAF's deliberate decision to serve materials on its stakeholders on less than 24 hours' notice we asked for information from the company relevant to our understanding and response to the requested relief.

We tried to propose a reasonable process consistent with the three Cs.

Aside from the litigation, as a shareholder participating in a restructuring we are entitled to obtain information from the company in light of its restructuring to assist us in understanding restructuring alternatives.

You chose to voluntarily deliver your letter despite originally advising you would wait for our responding affidavit.

As such, you have vitiated the formalistic "gotcha" type argument you appear to be trying to make pursuant to the *Rules*.

The fact that you are purporting to take such a position confirms that you are approaching our participation in the court supervised restructuring in an adversarial manner. This further confirms that the company and its management have lost objectivity and independence in representing the interests of stakeholders other than Couche Tard.

PATRICK CORNEY
Partner

Pronouns: He, Him, His

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1
Direct Line: +1 416.595.8555
Email: pcorney@millerthomson.com
millerthomson.com

MILLER THOMSON
AVOCATS | LAWYERS

From: Philip Yang <PYang@stikeman.com>
Sent: Sunday, June 18, 2023 6:20 PM
To: Ellis, Larry <lellis@millerthomson.com>
Cc: Finlayson, Gavin <gfinlayson@millerthomson.com>; Corney, Patrick <pcorney@millerthomson.com>; Faheim, Monica <mfaheim@millerthomson.com>; Dan Murdoch <DMurdoch@stikeman.com>; Maria Konyukhova <MKonyukhova@stikeman.com>; Joel Binder <JBinder@stikeman.com>; Leanne Williams <lwilliams@tgf.ca>; rkennedy@tgf.ca
Subject: [**EXT**] CCAA Proceedings of Fire & Flower Holdings Corp., et al

Mr. Ellis:

Please see attached letter from Daniel S. Murdoch of today's date in response to your client's questions on the affidavits of Stephane Trudel sworn June 5 and 14, 2023 with respect to the above-referenced matter.

Regards,

Philip Yang

Direct: +1 416 869 5593
Mobile: +1 416 476 6195
Email: PYang@stikeman.com

Faheim, Monica

From: Dan Murdoch <DMurdoch@stikeman.com>
Sent: Saturday, June 17, 2023 10:03 PM
To: Corney, Patrick; Philip Yang; Faheim, Monica; Maria Konyukhova
Cc: Ellis, Larry; Finlayson, Gavin; lwilliams@tgf.ca; rkennedy@tgf.ca
Subject: RE: CCAA Proceedings of Fire & Flower Holdings Corp., et al

Patrick,

I have been looped into this matter as Maria left on vacation last night.

There is nothing in your cross-examination questions that relates to the timing of service of materials, which you have had since Wednesday. We certainly disagree that there has been anything adversarial in the approach of our client and the Monitor.

The delay in delivering a responding affidavit and your fluctuating positions on cross examination are not grounds for a further adjournment. Much of the information requested is already in the public record. We are working on responses to your cross-examination questions and will provide them tomorrow. We expect to receive your responding affidavit first, unless you advise that you will not be delivering one. Let us know when we can expect it.

Regards,

Dan

Daniel S. Murdoch

Direct: +1 416-869-5529
Mobile: +1 647-284-6159
Email: dmurdoch@stikeman.com

From: Corney, Patrick <pcorney@millerthomson.com>
Sent: Saturday, June 17, 2023 6:02 PM
To: Philip Yang <PYang@stikeman.com>; Faheim, Monica <mfaheim@millerthomson.com>; Maria Konyukhova <MKonyukhova@stikeman.com>
Cc: Ellis, Larry <lellis@millerthomson.com>; Finlayson, Gavin <gfinlayson@millerthomson.com>; lwilliams@tgf.ca; rkennedy@tgf.ca; Dan Murdoch <DMurdoch@stikeman.com>
Subject: RE: CCAA Proceedings of Fire & Flower Holdings Corp., et al

Hi Phil,

Thanks for your note. We agree that written questions on an affidavit is not necessarily the norm, but we don't agree that it is equivalent to cross-examination. It's our attempt to find a three "Cs" solution to the current situation, which, to be fair, is the result of the Applicants' motion evidence being served on 24 hours' notice.

We will be serving an affidavit no earlier than tomorrow. We are requesting information from the company that is relevant to our client's investment in the company and potential paths to restructure the company for the benefit of all stakeholders.

As a general point, we are disappointed at the adversarial posture the Applicants have adopted from the outset. Green Acre is not a traditional litigation opponent. It is the second largest shareholder of FAF, seeking to maintain the Applicants as a going concern for the benefit of stakeholders in addition to Couche Tard. Green Acre owes duties to all of it stakeholders and should be prepared to provide information, particularly to assist in the consideration of all restructuring options.

We propose that you provide answers to our questions on a rolling basis. If that is not acceptable to the Applicants, please let us know and we will put our questions and this correspondence before the Court and seek appropriate relief, including a further adjournment if necessary, or by asking the court to draw appropriate inferences from the refusal to provide answers.

Best,

PATRICK CORNEY
Partner

Pronouns: He, Him, His

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1
Direct Line: +1 416.595.8555
Email: pcorney@millerthomson.com
millerthomson.com

From: Philip Yang <PYang@stikeman.com>
Sent: Saturday, June 17, 2023 1:28 PM
To: Faheim, Monica <mfaheim@millerthomson.com>; Maria Konyukhova <MKonyukhova@stikeman.com>
Cc: Corney, Patrick <pcorney@millerthomson.com>; Ellis, Larry <lellis@millerthomson.com>; Finlayson, Gavin <gfinlayson@millerthomson.com>; lwilliams@tgf.ca; rkennedy@tgf.ca; Dan Murdoch <DMurdoch@stikeman.com>
Subject: [**EXT**] RE: CCAA Proceedings of Fire & Flower Holdings Corp., et al

Monica:

Patrick advised at 5:30 pm on Thursday that Green Acre would not be cross examining Mr. Trudel but would deliver motion materials as soon as possible.

We were therefore surprised to receive around 7:30 pm last night written cross examination questions. We are not aware of any provision in the Rules for written cross examination, and as you know, the Rules require Green Acre to deliver any responding affidavit(s) prior to cross examination.

Please confirm that Green Acre no longer intends to deliver a responding affidavit. If that is the case, though unconventional we will provide a written response to your cross examination questions, subject to our client's positions on scope and relevance.

Regards,

Philip Yang

Direct: +1 416 869 5593
Mobile: +1 416 476 6195
Email: PYang@stikeman.com

From: Faheim, Monica <mfaheim@millerthomson.com>
Sent: Friday, June 16, 2023 7:21 PM
To: Maria Konyukhova <MKonyukhova@stikeman.com>
Cc: Corney, Patrick <pcorney@millerthomson.com>; Ellis, Larry <lellis@millerthomson.com>; Finlayson, Gavin <gfinlayson@millerthomson.com>; Philip Yang <PYang@stikeman.com>; lwilliams@tgf.ca; rkennedy@tgf.ca
Subject: CCAA Proceedings of Fire & Flower Holdings Corp., et al

Dear Maria:

Enclosed are written questions on the affidavits sworn by Mr. Trudel in this CCAA proceeding.

Answers to these questions are necessary for Green Acre's response to the Applicants' motion returnable this coming Monday. As such, we look forward to a timely reply.

Thank you,
Monica

MONICA FAHEIM
Associate

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1
Direct Line: +1 416.597.6087
Email: mfaheim@millerthomson.com
millerthomson.com

Follow us: LinkedIn / Twitter / stikeman.com

Stikeman Elliott LLP Barristers & Solicitors

5300 Commerce Court West, 199 Bay Street, Toronto, ON M5L 1B9 Canada

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIRE & FLOWER HOLDINGS CORP. et al

Applicant

Court File No.: CV-23-00700581-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

AFFIDAVIT OF SHAWN DYM
(SWORN JUNE 19, 2023)

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON CANADA M5H 3S1

Larry Ellis (LSO 49313K)
lellis@millerthomson.com
Tel: 416.595.8639

Gavin H. Finlayson (LSO44126D)
gfinlayson@millerthomson.com
Tel: 416-595-8619

Patrick Corney (LSO 65462N)
pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Respondent, Green Acre Capital Fund II (Canada) Inc.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIRE & FLOWER HOLDINGS CORP., FIRE & FLOWER INC., 13318184 CANADA INC., 11180703 CANADA INC., 10926671 CANADA LTD., FRIENDLY STRANGER HOLDINGS CORP., PINEAPPLE EXPRESS DELIVERY INC., and HIFYRE INC.
Applicants

Court File No.: CV-23-00700581-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at Toronto

CROSS-MOTION RECORD OF GREEN ACRE CAPITAL FUND II (CANADA) INC.

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO#: 49313K
lellis@millerthomson.com
Tel: 416.595.8639

Gavin H. Finlayson LSO#: 44126D
gfinlayson@millerthomson.com
Tel: 416-595-8619

Patrick Corney LSO#: 65462N
pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for Green Acre Capital Fund II (Canada) Inc.