

Fourth Quarter & Fiscal Year 2021



TSX: FAF | OTCQX: FFLWF



Quarterly Earnings Presentation

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Use of Non-IFRS Measures

This presentation refers to "Adjusted EBITDA" which is a Non-IFRS metric used by management and does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management defines the Adjusted EBITDA as the Income (loss) for the period, as reported, before accretion and interest, tax, and adjusted for removing the share-based compensation expense, depreciation and amortization, gains and losses related to derivative liability revaluations and debt extinguishments, professional fees associated with financing and acquisition and business development activities, impairment charges, and restructuring costs that would have been excluded from profit and loss due to the application of IFRS 16 accounting standards. Management believes "Adjusted EBITDA" is a useful financial metric to assess its operating performance on a cash basis and before the impact of non-cash items. As other companies may calculate this non-IFRS measure differently than the Company, these metrics may not be comparable to similarly titled measures reported by other companies. We caution readers that Adjusted EBITDA should not be substituted for determining net loss as an indicator of operating results, or as a substitute for cash flows from operating activities. Adjusted EBITDA has been calculated differently than in periods prior to Q1 2021, where the Company previously included lease liability cash payments as disclosed in accordance with IFRS 16 "Leases" accounting standards. The updated measure reflects the Company's new approach to analyzing the consolidated operating performance across the business lines. The Company believes the updated definition is a more useful measure to assess performance as it provides meaningful operating results and facilitates period-to-period operating comparisons. A reconciliation of net income (loss) to Adjusted EBITDA is included in the Q4 MD&A.



Fiscal Year 2021 Highlights

- 1 37% increase in revenue to record \$175.5 million
- 2 \$5.1 million Adjusted EBITDA for F2021
- 3 129% year-over-year increase in Hifyre™ revenue
- 4 29% increase in retail revenue to \$130.8 million
- 5 More than 100 retail stores open and operating
- 6 Acquired Pineapple Express, PotGuide and Wikileaf



Fourth Quarter & Recent Highlights

1

Consolidated revenue of \$42.7 million

2

Adjusted EBITDA of negative \$2.4 million

3

DTC Eligibility and 40-F registration for NASDAQ listing

4

Intent to exercise Series B warrants by Circle K owner, Alimentation Couche-Tard

5

Expansion of industry-first member pricing program (Spark Select) to grow the value-driven customer base



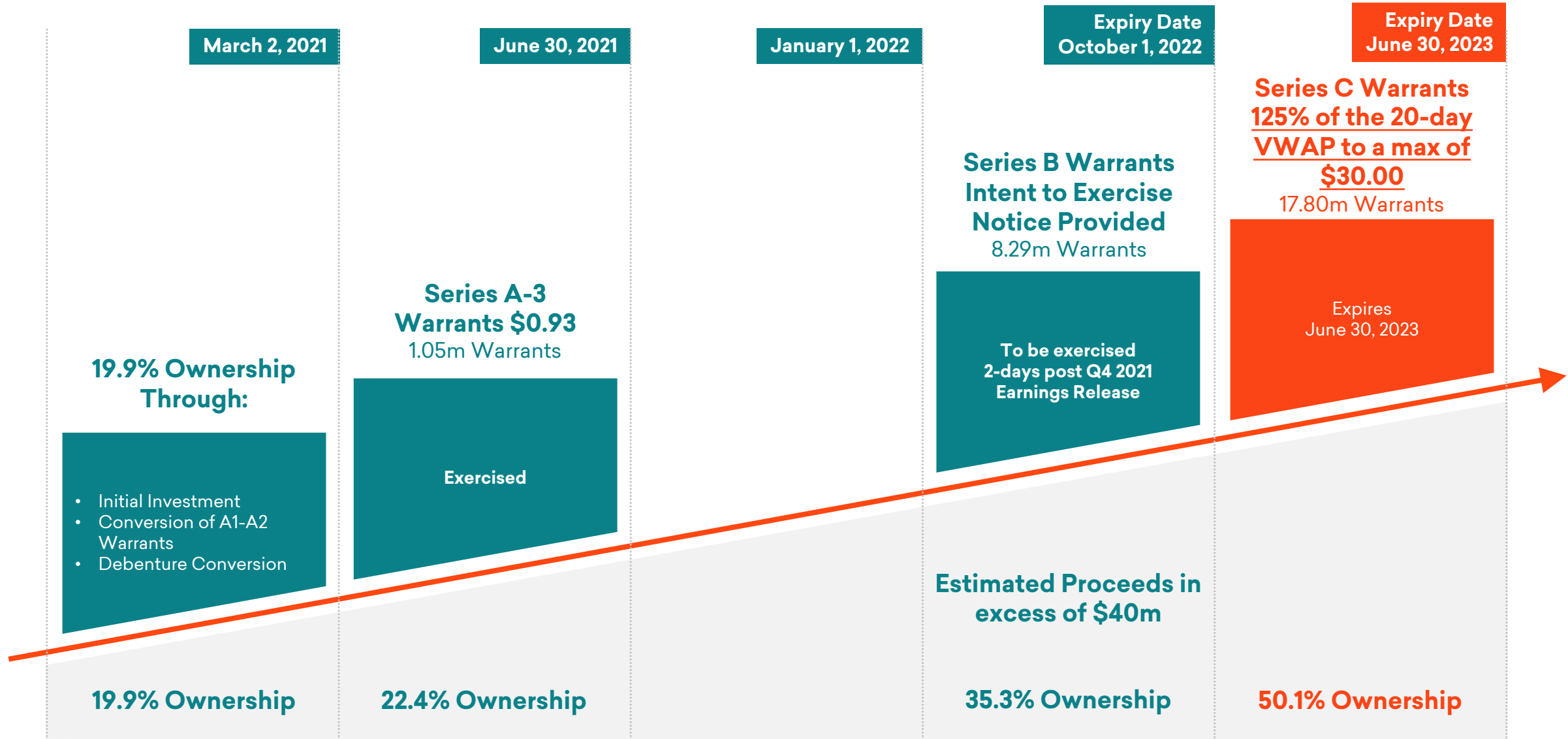
Circle K Strategic Update

Alimentation Couche-Tard is one of the world's largest retailers with a market cap of more than \$60B.

- One of the largest global retailers with strategic interest in cannabis with more than 14,000 stores in 26 countries.
- Strategic agreement with warrants for potential 50.1% at a premium of 25% to market price.
- Exercise of Series B warrants increases ownership stake of Fire & Flower to approximately 35.3%.
- Co-located store program launching across Canada following successful pilot program.
- Significant commercialization opportunities for the Hifyre™ consumer technology platform.



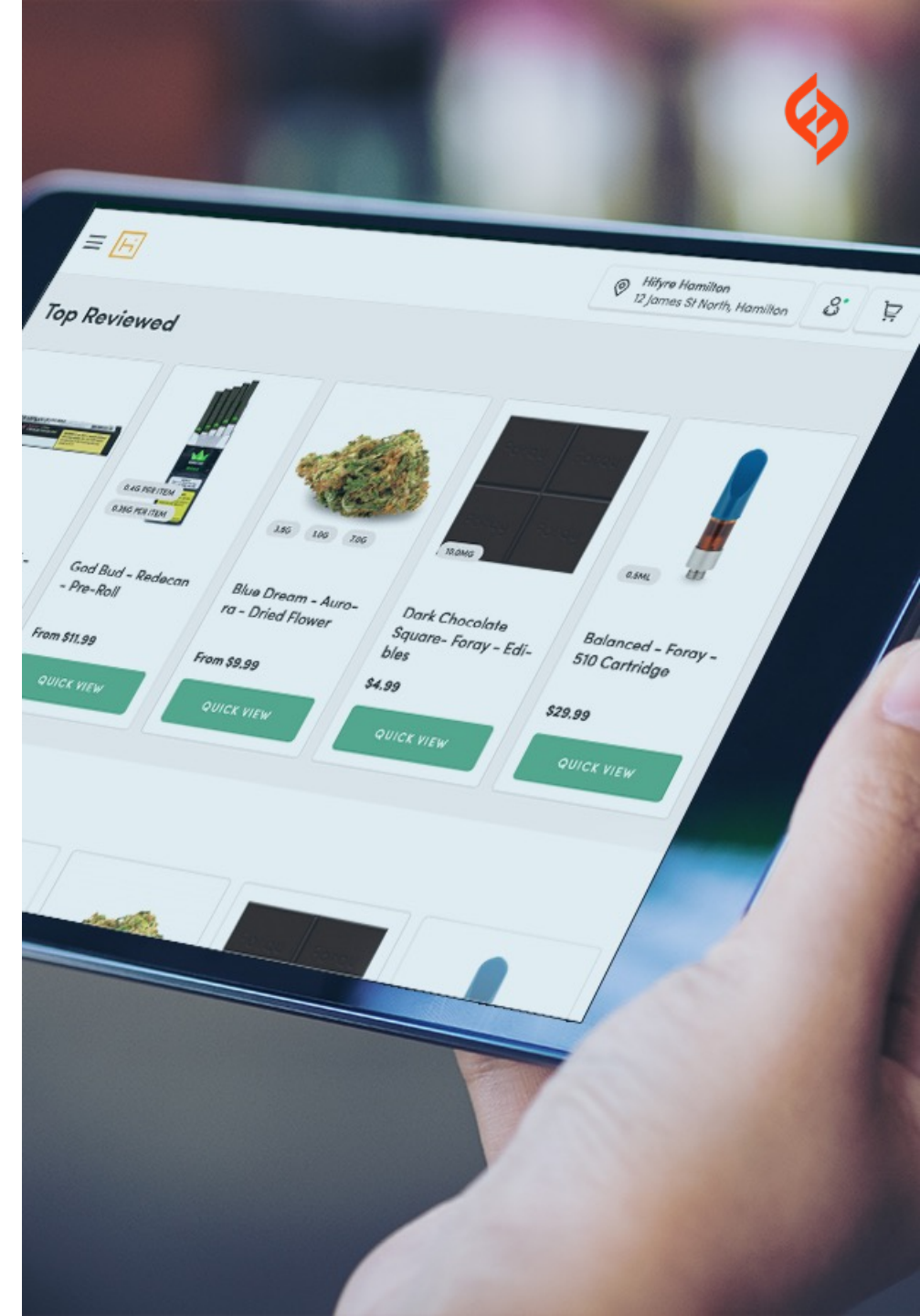
Alimentation Couche-Tard Warrant Summary



Hifyre™ Digital Platform Update

Business evolution to a complete cannabis consumer technology platform driving high margin revenue.

- Opened Hifyre U.S. office in Denver, Colorado with the acquisition of PotGuide.
- Driving licensing revenue through Fire & Flower U.S. Holdings and BDSA data licensing partnership.
- Strong continued MRR and ARR through the Hifyre IQ™ and Hifyre Reach™ product suites.
- Launched pilot Direct to Consumer (DTC) channel through licensed producer branded dispensaries.
- Medical delivery and logistics opportunities with CannDeliv™ technology and Pineapple Express Delivery.



Retail Update & Spark Select

Capturing the value-oriented consumer in the increasingly competitive Canadian retail landscape with more than 420,000 Spark Perks members.

- 100+ corporate-owned stores across multiple retail banners in Ontario, Alberta, British Columbia, Saskatchewan, Manitoba and the Yukon.
- Store growth driven by Circle K licensed co-located store program.
- Expanded industry-first Spark Select program to provide member pricing on a larger number of products with top products discounted to address competitive market demand.
- Program to drive higher overall retail sales, increase engagement from Spark Perks members, offer additional benefits to the fastest growing value-oriented cannabis consumer segment.



 **Member Price**



Q4 & F2021 Financial Highlights

- 1 Fiscal Year 2021 Consolidated Revenue of \$175.5 million (37% increase)
- 2 Fiscal Year 2021 Total Gross Profit of \$62.1 million and Gross Margin percentage of 35%
- 3 Consolidated Adjusted EBITDA of \$5.1 million for the fiscal year 2021
- 4 Fourth Quarter 2021 of \$42.7 million revenue and negative \$2.4 million Adjusted EBITDA

4th Quarter 2021 Consolidated Financial Highlights



	Thirteen weeks ended		Fifty-Two weeks ended	
(In thousands of Canadian dollars, except per share amounts)	29-Jan-22	30-Jan-21	29-Jan-22	30-Jan-21
Total Revenue	42,697	43,219	175,499	128,053
Gross Profit	13,705	16,429	62,094	45,419
Gross Profit Percentage	32.1%	38.0%	35.4%	35.5%
Adjusted EBITDA	(2,410)	3,455	5,120	5,154
Net Loss	(19,461)	(11,417)	(63,592)	(78,959)
Basic-Diluted income per share	(\$0.54)	(\$0.55)	(\$1.89)	(\$4.54)

Q4 2021 Segment Revenue



	Thirteen Weeks Ended		Fifty-Two Weeks Ended	
(In thousands of Canadian dollars unaudited)	29-Jan-22	30-Jan-21	29-Jan-22	30-Jan-21
Revenue				
Retail	31,670	33,156	130,823	101,497
Wholesale	6,969	7,002	30,336	20,300
Digital Platform	4,058	3,061	14,340	6,256
Total Revenue	42,697	43,219	175,499	128,053

Q4 2021 Segment Adjusted EBITDA

	Thirteen Weeks Ended		Fifty-Two Weeks Ended	
(In thousands of Canadian dollars unaudited)	29-Jan-22	30-Jan-21	29-Jan-22	30-Jan-21
Adjusted EBITDA				
Retail	(2,077)	1,930	1,223	7,539
Wholesale	1,010	1,126	4,725	2,905
Digital Platform	1,885	1,581	7,708	1,767
Corporate	(3,228)	(1,182)	(8,536)	(7,057)
Total Adjusted EBITDA	(2,410)	3,455	5,120	5,154



Our Vision

Our vision is to become the largest cannabis consumer platform by using technology to focus on customer needs and by transforming the way they learn about and purchase cannabis.

We will own the relationship with our customers from acquisition to purchase to fulfillment by optimizing and simplifying their consumer experience.

Thank You

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