Know the Facts About 7&i's Engagement with ACT and Antitrust Concerns

7&i is pursuing two parallel paths to ensure that value for shareholders and other stakeholders is maximized:

1. Working closely with ACT to explore the possibility of a viable divestiture path to ensure that any potential sale transaction can be completed if agreed upon, and

2. A stand-alone plan, where well-defined management initiatives and having Stephen Dacus as CEO will be key to our success.

We have been insistent on ensuring a clear path to antitrust regulatory approval as a first step for one reason: a deal that doesn't close is not a deal, and it will destroy shareholder value. The Board will not blindly enter into a transaction with no clear path to closing that could leave the company in a value destructive limbo for multiple years.

We are confident this dual track approach is the best way for us to deliver to shareholders and other stakeholders the value they deserve.

This document corrects the record regarding critical false and misleading claims about 7&i's engagement with Alimentation Couche-Tard (ACT).

MYTH:* *7&i is using antitrust hurdles as an excuse to reject ACT's offer.

FACT: 7&i has not rejected ACT's proposal. In fact, the two parties are currently working together on evaluating potential divestitures to increase the likelihood of satisfying U.S. antitrust regulators and potential court challenge.

- This is highly important, as U.S. antitrust hurdles are very real. The FTC scrutinizes deals of this scale with significant consumer impact, resulting in a challenging and lengthy path to approval.
- The importance of certainty of closing any potential transaction is clearly highlighted by the failure of the Kroger/ Albertsons transaction, which had a very similar competitive landscape and size profile. The agreed deal was blocked by the FTC and litigated in court, with the judge agreeing with the FTC that the combination would be anticompetitive, and the divestiture remedy the companies suggested would not preserve competition.
- Kroger and Albertsons are now accusing each other of bad faith in follow-on litigation. Albertsons has suffered a significant setback in its value creation plan. Albertsons shareholders have suffered as a result. This devastating outcome took more than two years after the definitive agreement was signed.
- The FTC under the new Trump administration recently signaled it would continue a tough approach to antitrust enforcement, using guidelines from the Biden administration.
    - FTC Chairman Andrew N. Ferguson said: *"Insofar as there is any ambiguity, let me be clear: the FTC's and DOJ's joint 2023 Merger Guidelines are in effect and are the framework for this agency's merger-review analysis."*[1]
- 7&i's Board has consistently stated that it is prepared to proceed with a business combination or a going private transaction if that is the best way to maximize value for shareholders and other stakeholders. The Board will not, however, blindly enter a transaction with no clear path to closing that could leave the company in a value destructive limbo for multiple years.

MYTH:* *ACT has a strong track record of M&A and receiving regulatory approvals and therefore there should be no concerns about FTC approval in the case of 7&i as well.

FACT: This is a vastly different transaction than any M&A ACT has previously undertaken. If ACT is so confident of FTC approval, ACT possesses the ability to propose terms that would have ACT assume the risk of the FTC approval instead of asking 7&i shareholders to bear that risk. ACT has not offered to fully assume the risk. Instead, it intends to put all or a significant portion of it on 7&i.

- 7&i is unlike any previous company that ACT has acquired and therefore there is no precedent against which to make a meaningful comparison. ACT's previous deals have been significantly smaller, primarily focused on regional or bolt-on transactions rather than a transformational cross-border acquisition involving significant regulatory hurdles.
- ACT is understating the risk here. Resolving antitrust matters is not nearly as simple as selling a few stores – the divestiture package required for this transaction to even have a chance would be unprecedented in size, complexity, and scale.[2] ACT is fully aware of the magnitude of this risk, as ACT has not at any time offered to fully assume those risks.

[1] https://www.ftc.gov/system/files/ftc_gov/pdf/ferguson-memo-re-merger-guidelines.pdf

[2] Note: Exxon-Mobil transaction in 1999 was the largest-ever retail divestiture in FTC history and resulted in negotiated divestiture sale of ~2,400 gas stations. In the past 25+ years, however, there have been no retail gas divestitures approved that are even a quarter as many sites. Note that ACT also failed to properly execute a divestiture of 10 gas stations in 2018 (required for Holiday acquisition), resulting in a $3.5 million FTC fine.

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MYTH:* *7&i has purposefully delayed negotiations to make an ACT deal harder to complete.

FACT: This assertion is categorically false. From the outset, 7&i has been serious about completing any deal that is in the best interest of shareholders. Until very recently, ACT simply refused to take seriously or meaningfully address 7&i's concerns about the clear antitrust challenges that exist.

- 7&i immediately recognized the significant antitrust challenges that the transaction would face when it received the offer from ACT. After ACT's offer was reported by several media outlets in August 2024, 7&i received an unsolicited notice from the FTC suggesting that the FTC would commence an investigation – which, historically, is rare in advance of an agreed deal.
- On September 6, 2024, 7&i's Board announced its conclusion that ACT did not adequately acknowledge the U.S. regulatory challenges, but ACT did not present any viable solutions to these antitrust concerns.
- Since October 2024, 7&i has been actively seeking serious discussions on addressing competition concerns. In October 2024, 7&i suggested signing a joint defense agreement (JDA) with ACT that would allow for discussions about potential antitrust solutions and store divestitures.
- On November 30, 2024, 7&i suggested that ACT consider a clean sweep U.S. divesture approach to take antitrust off the table – ACT flatly rejected the idea.
- Instead, on December 27, 2024, ACT countered that it would use "reasonable best efforts" to obtain regulatory clearance and that, if it needed to, it would spin off or sell up to a specified number of unspecified stores in the U.S. How this would actually work in practice and whether there could be cobbled together a real business that could be stood up as an independently operated entity that would preserve competition was left unsaid.
- After meeting face-to-face on January 11, 2025, where 7&i sought clarifications regarding ACT's proposal, ACT provided a revised proposal on January 24, 2025 that simply reiterated that the parties should launch a process to separate unspecified overlapping stores – through a spin-out or divestiture buyer/buyers – after a deal announcement.
- 7&i responded on February 5 suggesting that ACT send back a mark-up of the NDA that 7&i had provided to ACT in October that, once signed, would allow the parties to get into a deeper discussion about what the specific remedy/divestiture package would look like and, importantly, whether it will represent a viable, stand-alone business that will effectively preserve current competition and identify third-party divestiture buyers.
- In mid-February, ACT finally agreed to pursue the path proposed by 7&i – put together a specific remedy/divestiture package with identified stores in identified geographies and gauge the interest of potential divestiture buyers. ACT wanted to do that work under the existing joint defense agreement signed by the companies in October, however, rather than enter into the NDA that had been proposed by 7&i. 7&i agreed to proceed on that basis.
- Following on 7&i's proposal, the parties' financial advisors began jointly reaching out to potential divestiture buyers in March. Since that time, 7&i and ACT have jointly executed multiple NDAs with potential divestiture buyers to facilitate sharing confidential information about a potential divestiture package with such potential divestiture buyers.
- 7&i's approach to insist on determining if there is a clear path to certainty of closing the transaction before there is a signed definitive agreement is fully consistent with the risks inherent in a potential combination of 7&i and ACT. No shareholder of 7&i or ACT should want to repeat the disastrous story of Kroger/Albertsons.

MYTH:* *7&i has refused to sign an NDA allowing for full due diligence because they are not serious about considering ACT's proposal.

FACT: That is incorrect. The facts demonstrate 7&i has offered an NDA on terms that ACT refused to accept.

- Twice, 7&i has offered to sign a comprehensive NDA with ACT. In each case, ACT has refused to agree to standard protections that are customary in a friendly deal (e.g., standstill provision). Therefore, an NDA has not been executed.
    - It is not customary to sign a comprehensive NDA without such protections until there is a shared belief that a potential transaction has sufficient certainty of closing and is in the best interest of both sets of shareholders. That is not the case until we can resolve the regulatory issues. And, we do not believe it is responsible or in the best interest of our shareholders to share sensitive financial information with a competitor unless and until there is sufficient certainty of closing.
    - We remain ready to sign an NDA if ACT is prepared to accept standard protections in line with the friendly posture they have committed to publicly.
- Separately, and despite that impasse, in October 2024, 7&i and ACT signed a joint defense agreement (JDA) to exchange information as the companies explore antitrust solutions, including divestitures.

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MYTH: ***The real reason 7&i is "dragging its feet" is because it does not want to be owned by a foreign company.***

FACT: This assertion is categorically false. We believe anyone implying that 7&i would reject a deal based on ACT's origins is attempting to distract from the real issue: whether ACT's proposal can close and deliver sufficient value for shareholders and other stakeholders as promised.

- Now that ACT is finally taking our antitrust concerns seriously, we will be able to determine if there is a path to a viable divestiture process by identifying potential buyers and determining their ability to stand up a real, stand-alone business that will preserve competition.
- 7&i runs a global business with an international outlook. It recently appointed Mr. Dacus, a retail executive from North America, as President & Representative Director and CEO.

MYTH: ***The March 6 management initiatives were announced to avoid doing a deal.***

FACT: The management initiatives were announced in tandem with ongoing deal discussions; it would be irresponsible to ignore necessary steps to improve our business.

- 7&i is committed to maximizing value for shareholders and other stakeholders. At the time the management initiatives were announced, there were no actionable deals on the table from either ACT or any other party. Without certainty about the reality of a deal with ACT or any other party, as stewards of the company, this was the responsible thing for the Board of Directors of 7&i to do. 7&i announced a vast corporate transformation on March 6 including an IPO of 7-Eleven, North America, a sale of a majority stake in the Superstore Business, large capital returns to shareholders, and a new CEO.
- We are now pursuing two parallel paths to unlock shareholder value.
- ACT's proposal has not been rejected, and the two parties are currently working together on evaluating whether potential divestitures could be executed in a manner that would increase the likelihood of satisfying U.S. antitrust regulators. However, unless and until there is a transaction agreed upon, including appropriate regulatory certainty, it would be irresponsible to ignore steps that would improve our business on a stand-alone basis.

MYTH: ***The Special Committee never seriously intended to approve a transaction.***

FACT: The Special Committee was put in place to maximize value and has met more than 30 times to review and proactively make suggestions to move discussions forward.

- See related timeline.

MYTH: ***Mr. Dacus is a poor fit for the role and used the process for his own benefit.***

FACT: Mr. Dacus has been a tangible agent of change since he joined 7&i's Board in 2022, spearheading the Strategy Committee and Special Committee as the Group has transformed into a world-class food-focused retail group.

- Mr. Dacus was selected as the next CEO following a rigorous search process. Recognizing the tremendous transformation the company is actively undergoing, the Committee's top priorities included a candidate with a deep knowledge of our business, the global retail sector and understanding of Japanese business management, culture, and language.
- While the Committee conducted a thorough search, it was unable to identify an individual who met the criteria and could be strongly recommended as a CEO candidate at that moment in time. Only then did the Committee consider Mr. Dacus for the role at the end of November 2024, more than several months into the search process. At no time did Mr. Dacus request to be considered for the CEO role.
- The Nomination Committee determined that he best met the criteria for the "ideal CEO of the Company" that the Committee set forth at the outset of the process.