

Parkland Corporation

Interim Condensed Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2024



Parkland Corporation
Consolidated Balance Sheets
(Unaudited)

(\$ millions)	Note	June 30, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		316	387
Accounts receivable		1,672	1,646
Inventories		1,649	1,758
Income taxes receivable		61	47
Risk management and other financial assets	7	51	112
Prepaid expenses and other		117	75
Assets classified as held for sale	4	591	297
		4,457	4,322
Non-current assets			
Property, plant and equipment		5,086	5,188
Intangible assets		1,128	1,186
Goodwill		2,402	2,418
Investments in associates and joint ventures		346	326
Other long-term assets	5	211	225
Deferred tax assets		229	201
		13,859	13,866
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,783	2,830
Dividends declared and payable		61	60
Income taxes payable		33	26
Long-term debt – current portion	6	213	191
Provisions and other liabilities – current portion	9	75	162
Risk management and other financial liabilities	7	59	56
Liabilities associated with assets held for sale	4	128	26
		3,352	3,351
Non-current liabilities			
Long-term debt	6	6,275	6,167
Provisions and other liabilities	9	722	802
Deferred tax liabilities		372	365
		10,721	10,685
Shareholders' equity			
Shareholders' capital	10	3,238	3,257
Contributed surplus		43	90
Accumulated other comprehensive income (loss)		(31)	(69)
Equity reserve		(33)	(106)
Retained earnings (deficit)		(79)	9
		3,138	3,181
		13,859	13,866

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Consolidated Statements of Income (Loss) (Unaudited)

(\$ millions, unless otherwise stated)	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Sales and operating revenue	13	7,504	7,819	14,443	15,975
Expenses					
Cost of purchases		6,533	6,872	12,555	14,139
Operating costs		380	384	771	793
Marketing, general and administrative		146	147	291	304
Acquisition, integration and other costs		46	39	76	66
Depreciation and amortization		202	206	408	396
Finance costs	11	99	98	190	202
Foreign exchange (gain) loss		7	—	15	1
(Gain) loss on risk management and other		4	(31)	79	(102)
Other (gains) and losses	12	(1)	14	9	35
Share of (earnings) loss of associates and joint ventures		(2)	(6)	(7)	(12)
Earnings (loss) before income taxes		90	96	56	153
Current income tax expense (recovery)		37	32	21	40
Deferred income tax expense (recovery)		(17)	(14)	(30)	(42)
Net earnings (loss)		70	78	65	155
Net earnings (loss) per share (\$ per share):					
Basic		0.40	0.44	0.37	0.88
Diluted		0.39	0.44	0.37	0.87
Weighted average number of common shares (000's of shares)		174,572	175,671	174,918	175,582
Weighted average number of common shares adjusted for the effects of dilution (000's of shares)		177,491	177,795	177,733	177,606

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(\$ millions)	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Net earnings (loss)		70	78	65	155
Other comprehensive income (loss):					
Items that may be reclassified to consolidated statements of income (loss) in subsequent periods:					
Exchange differences on translation of foreign operations		65	(73)	173	(77)
Exchange differences on USD-denominated debt designated as a hedge of the net investment in foreign operations ("Net Investment Hedge"), net of tax	7	(43)	62	(135)	63
Changes in the fair value of cash flow hedges, net of tax		(1)	—	(6)	—
Hedging (gains) losses reclassified to the consolidated statements of comprehensive income (loss)		1	(1)	6	(2)
Other comprehensive income (loss)		22	(12)	38	(16)
Total comprehensive income (loss)		92	66	103	139

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(\$ millions)	Note	Shareholders' capital	Contributed surplus	Accumulated other comprehensive income (loss)	Equity reserve	Retained earnings (deficit)	Total shareholders' equity
As at January 1, 2024		3,257	90	(69)	(106)	9	3,181
Net earnings (loss)		—	—	—	—	65	65
Other comprehensive income (loss)		—	—	38	—	—	38
Dividends		—	—	—	—	(122)	(122)
Change in liability for share purchase obligation		—	—	—	73	—	73
Shares repurchased through normal-course issuer bid	10	(47)	—	—	—	(64)	(111)
Share incentive compensation		—	12	—	—	—	12
Shares issued under share option plan	10	17	(2)	—	—	—	15
Shares issued on vesting of performance share units	10	11	(24)	—	—	—	(13)
Transfer of unused contributions relating to performance share units		—	(33)	—	—	33	—
As at June 30, 2024		3,238	43	(31)	(33)	(79)	3,138
As at January 1, 2023		3,237	73	(67)	—	(206)	3,037
Net earnings (loss)		—	—	—	—	155	155
Other comprehensive income (loss)		—	—	(16)	—	—	(16)
Dividends		—	—	—	—	(120)	(120)
Share incentive compensation		—	17	—	—	—	17
Shares issued under share option plan		10	(1)	—	—	—	9
Shares issued on vesting of performance share units		2	(4)	—	—	—	(2)
As at June 30, 2023		3,249	85	(83)	—	(171)	3,080

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Consolidated Statements of Cash Flows (Unaudited)

(\$ millions)	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Operating activities					
Net earnings (loss)		70	78	65	155
Adjustments for:					
Depreciation and amortization		202	206	408	396
Interest on leases and long-term debt	11	88	89	173	181
Share incentive compensation		8	6	14	15
Change in other assets and other liabilities		(3)	11	(31)	—
Change in fair value of Redemption Options	12	11	5	24	(4)
Deferred income tax expense (recovery)		(17)	(14)	(30)	(42)
Share of net (earnings) loss of associates and joint ventures		(2)	(6)	(7)	(12)
Other operating activities	3	59	1	80	19
Net change in non-cash working capital related to operating activities	3	34	145	(29)	127
Cash generated from (used in) operating activities		450	521	667	835
Investing activities					
Investment in associates and joint ventures		(17)	—	(17)	—
Dividends received from investments in associates and joint ventures		8	2	10	18
Additions to property, plant and equipment and intangible assets		(94)	(118)	(183)	(231)
Change in deferred customer incentives and other assets		(1)	3	(4)	—
Proceeds on asset disposals		2	10	4	17
Net change in non-cash working capital related to investing activities	3	—	(110)	(5)	(116)
Cash generated from (used in) investing activities		(102)	(213)	(195)	(312)
Financing activities					
Net proceeds from (repayments of) the Credit Facility	6	(158)	(232)	(19)	(479)
Net long-term debt (repayments) proceeds, excluding the Credit Facility and non-recourse debt	6	(1)	2	(1)	2
Net proceeds (repayments) from non-recourse debt		12	—	15	—
Interest paid on leases and long-term debt		(107)	(111)	(173)	(184)
Payments on principal amount on leases		(64)	(56)	(135)	(107)
Dividends paid to shareholders		(61)	(60)	(121)	(117)
Shares repurchased through normal-course issuer bid	10	(30)	—	(109)	—
Shares issued for cash, net of share issuance costs	10	(3)	7	2	9
Cash generated from (used in) financing activities		(412)	(450)	(541)	(876)
Increase (decrease) in cash and cash equivalents		(64)	(142)	(69)	(353)
Impact of foreign currency translation on cash		7	(11)	18	(18)
Cash and cash equivalents reclassified as assets held for sale	4	(20)	—	(20)	—
Cash and cash equivalents at beginning of period		393	498	387	716
Cash and cash equivalents at end of period		316	345	316	345
Supplementary cash flow information:					
Income taxes refunded (paid)		(16)	(36)	(28)	(61)

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

1. CORPORATE INFORMATION

Parkland Corporation ("Parkland") is an international fuel distributor, marketer, and convenience retailer, with operations in 26 countries across the Americas. Parkland serves over one million customers each day through its consumer retail business, which is centered on fuel stations and convenience retail, and its commercial business, which is focused on cardlocks and delivering bulk fuel. Parkland is governed by the Business Corporations Act (Alberta) in Canada and its corporate office is located at Suite 1800, 240 4 Ave SW, Calgary, Alberta, T2P 4H4, Canada. The interim condensed consolidated financial statements include the results of Parkland and its subsidiaries together with its interest in investments in associates and joint arrangements as at June 30, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation and statement of compliance

Parkland's interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The interim condensed consolidated financial statements were prepared following the same accounting policies and methods of computation as the annual consolidated financial statements for the year ended December 31, 2023 (the "Annual Consolidated Financial Statements") except for the changes as per note 2(e) below and the recognition of income tax expense, which is based on an estimate of the weighted average effective annual income tax rate applied to the year-to-date earnings.

The interim condensed consolidated financial statements do not contain certain notes and disclosures normally included in the annual consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the Annual Consolidated Financial Statements.

These interim condensed consolidated financial statements were approved for issue by the Board of Directors on July 31, 2024.

(b) Presentation and functional currency

The interim condensed consolidated financial statements are presented in Canadian dollars, which is Parkland's functional currency. Functional currency of each of the Parkland's individual entities is based on the currency that reflects the primary economic environment in which it operates.

(c) Use of estimates and judgments

The preparation of Parkland's financial statements requires management to make estimates and judgments that affect the reported amounts of revenue, expenses, assets, liabilities and accompanying disclosures. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Significant estimates and judgments used in the preparation of the interim condensed consolidated financial statements are described in Parkland's Annual Consolidated Financial Statements.

(d) Changes in presentation

Certain amounts related to freight costs within the cost of purchases and operating costs for the comparative periods were reclassified to conform to the current period presentation. Refer to note 13(a) for further details.

(e) Amended standards adopted by Parkland

Parkland has adopted the following accounting amendments that are effective for the interim and annual consolidated financial statements starting January 1, 2024. The adoption of these amendments did not have a material impact on the interim condensed consolidated financial statements.

- Amendments to IAS 1- Presentation of Financial Statements ("IAS 1"), issued in 2020 and 2022, clarify requirements for classifying liabilities as current or non-current and introduce additional disclosures of material information that enables users of financial statements to comprehend the risk that non-current liabilities with covenants may become payable within the next twelve months. These amendments have been applied retrospectively.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

- Amendments to IFRS 16 - Leases, issued in 2022 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. These amendments have been applied retrospectively.
- Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures, issued in 2023 clarify the characteristics of supplier finance arrangements and require certain disclosures on these arrangements, intended to assist users of financial statements in understanding their impacts on the companies' liabilities and cash flows. These amendments have been applied retrospectively.

(f) Recently announced accounting pronouncements

The standards, amendments and interpretations that are issued, but not yet effective up to the date of approval of the interim condensed consolidated financial statements and that may have an impact on Parkland's disclosures and financial position are disclosed below. Parkland intends to adopt these standards, amendments and interpretations when they become effective.

Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates ("IAS 21"). The amendments address the lack of exchangeability of illiquid currencies and specify how an entity determines the exchange rate when a currency is not readily exchangeable at the measurement date as well as additional required disclosures. When a currency is not exchangeable, an entity estimates the spot rate as the rate that would have been applied to an orderly transaction between market participants at the measurement date and that would reflect the prevailing economic conditions. An entity must disclose information that would enable users to evaluate how a currency's lack of exchangeability affects financial performance, financial positions, and cash flows of an entity. The amendments to IAS 21 are effective January 1, 2025, with early adoption permitted. Parkland is currently assessing the impact of these amendments on its consolidated financial statements.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued new IFRS 18 - Presentation and Disclosure in Financial Statements ("IFRS 18") replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 introduces the following key changes:

- Structure of the statement of income (loss): IFRS 18 introduces a defined structure for the statement of income (loss) composed of operating, investing, financing categories with defined subtotals, such as operating earnings (loss), earnings (loss) before financing and income taxes and net earnings (loss) for the year. The new guidance also requires disclosure of expenses in the operating category by nature, function or a mix of both on the face of the statement of income (loss).
- Disclosures on management-defined performance measures (MPMs): IFRS 18 requires companies to disclose definitions of company-specific MPMs that are related to the statement of income (loss) and provide reconciliations between the MPMs and the most similar specified subtotals within the statement of income (loss) in a single note.
- Aggregation and disaggregation (impacting all primary financial statements and notes): IFRS 18 sets out enhanced guidance on the principles of how items should be aggregated based on shared characteristics. The changes are expected to provide more detailed and useful information to investors.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. Parkland is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

Amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures

In May 2024, the IASB issued narrow-scope amendments to the recognition, derecognition and classification requirements in IFRS 9 - Financial Instruments ("IFRS 9") and introduced additional disclosure requirements in IFRS 7 - Financial Instruments: Disclosure ("IFRS 7"). The amendments include:

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

- Clarification on the timing of recognition and derecognition of financial assets and liabilities, with a new optional exception introduced for earlier derecognition of financial liabilities settled through electronic payment systems.
- Introduction of additional disclosures for certain financial instruments with contractual terms that could change the timing or amount of contractual cash flows due to contingent events that are not directly related to changes in basic lending risks and costs.
- Additional guidance for assessing whether the contractual cash flows of financial assets represent solely payments of principal and interest and updated disclosures for equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Parkland is currently assessing the impact of these amendments on its consolidated financial statements.

3. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital related to operating activities

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Accounts receivable	20	39	(13)	262
Inventories ⁽¹⁾	82	99	(3)	103
Prepaid expenses and other	(37)	20	(43)	1
Accounts payable and accrued liabilities ⁽¹⁾	22	(69)	42	(221)
Income taxes payable	22	(1)	7	(5)
Income taxes receivable	(1)	(2)	(14)	(16)
Deferred revenue	6	3	3	(11)
Risk management and other	(80)	56	(8)	14
Net cash inflow (outflow) from changes in non-cash working capital related to operating activities	34	145	(29)	127

⁽¹⁾ For comparative purposes, \$297 was reclassified between net change in inventories and accounts payable and accrued liabilities for the three and six months ended June 30, 2023, to conform to the presentation used in the current period.

Net change in non-cash working capital related to investing activities

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Accounts payable and accrued liabilities	—	(26)	(5)	(32)
Provisions and other liabilities	—	(84)	—	(84)
Net cash inflow (outflow) from changes in non-cash working capital related to investing activities	—	(110)	(5)	(116)

Cash held in margin current accounts as at June 30, 2024 amounted to \$63 (June 30, 2023 - \$96).

Other operating activities

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
(Gain) loss on risk management and other - unrealized	56	(11)	67	(43)
Other items	3	12	13	62
	59	1	80	19

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

4. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

As part of Parkland's portfolio optimization strategy, management committed to a plan to sell certain assets within the Canada and USA segments. Accordingly, these assets and associated liabilities are presented as held for sale. Efforts to sell these assets have started and a sale is expected to occur within the next 12 months. The assets and liabilities classified as held for sale are presented below. Parkland measured its non-current assets classified as held for sale at the lower of the carrying amount and fair value less costs to sell, and no impairment was required.

	Note	June 30, 2024	December 31, 2023
Assets classified as held for sale:			
Cash and cash equivalents ⁽¹⁾		20	—
Accounts receivable		53	24
Inventories		20	8
Property, plant and equipment		402	226
Intangible assets		5	5
Goodwill		90	33
Other long-term assets		1	1
Total assets classified as held for sale		591	297
Liabilities directly associated with assets classified as held for sale:			
Accounts payable		1	4
Long-term debt ⁽²⁾	6	52	5
Provisions and other liabilities	9	75	17
Total liabilities associated with assets held for sale		128	26

⁽¹⁾ Includes \$15 (December 31, 2023 - nil) of cash and cash equivalents related to non-recourse project financing for the continued multi-year growth of the electric vehicle charging network across Canada ("Non-recourse project financing").

⁽²⁾ Includes \$14 (December 31, 2023 - nil) related to Non-recourse project financing.

5. OTHER LONG-TERM ASSETS

	Note	June 30, 2024	December 31, 2023
Redemption Options ⁽¹⁾	7	44	66
Deferred customer incentives		67	67
Other assets ⁽²⁾		100	92
		211	225

⁽¹⁾ Parkland's Senior Notes contain optional redemption features that allow Parkland to redeem the notes prior to maturity at a premium.

⁽²⁾ Other assets include long-term prepaid expenses, deposits, long-term receivables and other balances.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

6. LONG-TERM DEBT

	June 30, 2024	December 31, 2023
Credit Facility	946	929
Unamortized deferred financing costs	(2)	(3)
	944	926
Senior Notes:		
3.875% Senior Notes, due 2026	600	600
5.875% US\$500 Senior Notes, due 2027	684	660
6.00% Senior Notes, due 2028	400	400
4.375% Senior Notes, due 2029	600	600
4.50% US\$800 Senior Notes, due 2029	1,095	1,056
4.625% US\$800 Senior Notes, due 2030	1,095	1,056
Unamortized premium: Redemption Options	34	37
Unamortized discount: deferred financing costs	(29)	(33)
	4,479	4,376
Other notes and borrowings	3	8
Total Credit Facility, Senior Notes, Other notes and borrowings	5,426	5,310
Lease obligations ⁽¹⁾	1,062	1,048
Total long-term debt	6,488	6,358
Less: current portion of Credit Facility, Senior Notes, Other notes and borrowings	(1)	(1)
Less: current portion of Lease obligations	(212)	(190)
Long-term debt	6,275	6,167

⁽¹⁾ Parkland has included extension options in the calculation of the lease obligations in limited circumstances where it has the right to extend a lease term at its discretion and is reasonably certain to exercise the extension option.

Credit Facility

On June 9, 2023, Parkland modified the Credit Facility agreement to incorporate the mechanism for transition from the Canadian Dollar Offered Rate ("CDOR") benchmark to the Canadian Overnight Repo Rate Average ("CORRA") for Canadian dollar denominated loans under the Credit Facility ("CORRA loans") as the CDOR benchmark was discontinued in June 2024. As at June 30, 2024 and December 31, 2023, Parkland is not carrying any amounts of CORRA loans within its outstanding Credit Facility balances.

As at June 30, 2024, Parkland issued \$68 (December 31, 2023 - \$53) of letters of credit, and \$465 (December 31, 2023 - \$436) of surety bonds to provide guarantees on behalf of its subsidiaries in the ordinary course of business, which are not recognized in the interim condensed consolidated financial statements. Maturity dates for these guarantees vary and are up to and including March 31, 2035.

As at June 30, 2024, Parkland provided \$4,655 (December 31, 2023 - \$4,092) of unsecured guarantees to counterparties of commodities swaps and purchase and supply agreements of crude oil, fuel and other petroleum products.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES

Parkland's financial instruments consist of cash and cash equivalents, accounts receivable, certain portions of other long-term assets, risk management and other financial assets and liabilities, certain portions of prepaid expenses and other, accounts payable and accrued liabilities, dividends declared and payable, long-term debt, and certain portions of provisions and other liabilities.

(a) Fair value measurement hierarchy

The fair value hierarchy table for Parkland's financial assets and liabilities is as follows:

Fair value as at June 30, 2024					
	Note	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Commodities swaps, forwards and futures contracts		—	13	—	13
Interest rate swaps		—	2	—	2
Emission credit forward and option contracts		—	35	—	35
Currency forward exchange contracts		—	1	—	1
Risk management and other financial assets		—	51	—	51
Commodities swaps, forwards and futures contracts		—	(4)	—	(4)
Emission credit forward and option contracts		—	(55)	—	(55)
Risk management and other financial liabilities		—	(59)	—	(59)
Other items included in other long-term assets:					
Redemption Options	5	—	44	—	44
Other items included in other long-term assets		—	44	—	44
Fair value as at December 31, 2023					
	Note	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Commodities swaps, forwards and futures contracts		—	61	—	61
Interest rate swaps		—	3	—	3
Emission credit forward and option contracts		—	47	—	47
Currency forward exchange contracts		—	1	—	1
Risk management and other financial assets		—	112	—	112
Commodities swaps, forwards and futures contracts		—	(8)	—	(8)
Emission credit forward and option contracts		—	(48)	—	(48)
Risk management and other financial liabilities		—	(56)	—	(56)
Other items included in other long-term assets:					
Redemption Options	5	—	66	—	66
Other investments		—	—	6	6
Other items included in other long-term assets		—	66	6	72

There were no changes in the nature and characteristics of commodities swaps, forwards and futures contracts, currency forward exchange contracts, emission credit forward and option contracts, and Redemption Options. There were no transfers between fair value measurement hierarchy levels during the six months ended June 30, 2024.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

(b) Other financial instruments

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, dividends declared and payable, and the share purchase obligation under the automatic share purchase plan ("ASPP") approximate their fair values as at June 30, 2024 and December 31, 2023 due to the short-term nature of these instruments. The Senior Notes had a carrying value of \$4,479 and an estimated fair value of \$4,218 as at June 30, 2024 (December 31, 2023 – \$4,376 and \$4,130, respectively), determined by discounting future cash flows using discount rates ranging from 6.1% to 6.6% (December 31, 2023 - 5.8% to 6.7%), representing the rates available to Parkland for loans with similar terms, conditions and maturity dates.

(c) Net Investment Hedge

Parkland has designated certain USD-denominated debt and payable balances as a Net Investment Hedge. During the three and six months ended June 30, 2024, Parkland recognized a foreign exchange loss, net of tax, of \$43 and \$135 respectively (2023 - gain, net of tax, of \$62 and \$63) on these balances, representing the effective portion of the hedge in other comprehensive income (loss), offsetting exchange differences on translation of foreign operations. As at June 30, 2024, the US\$2,759 of USD-denominated long-term debt was designated as the net investment hedge (December 31, 2023 - US\$2,804).

(d) Fair value measurement

Parkland used the following techniques to value financial instruments categorized in Level 2:

- fair values of the outstanding heating oil, gasoline and refined products put and call option contracts are determined using external counterparty information, which is compared to observable data;
- fair values of commodities forward contracts, futures contracts, emission credits and allowances forward and option contracts, currency forward exchange contracts, and interest rate swap contracts are determined using independent price publications, third-party pricing services, market exchanges and investment dealer quotes;
- fair values of the Redemption Options are determined using a valuation model based on inputs from observable market data, including independent price publications, third-party pricing services, and market exchanges.

8. CAPITAL MANAGEMENT

Parkland's capital structure comprises long-term debt (including the current portion) and shareholders' capital, less cash and cash equivalents. Parkland's objective when managing its capital structure is to maintain financial flexibility and availability of capital to finance internally generated growth, potential acquisitions, and continue to provide returns for shareholders.

(a) Leverage Ratio

Parkland's primary capital management measure is the Leverage Ratio, which is used internally by key management personnel to monitor Parkland's overall financial strength, capital structure flexibility, ability to service debt and meet current and future commitments. In order to manage its financing requirements, Parkland may (i) adjust its plan for capital spending, dividends paid to shareholders, and share repurchases, or (ii) issue new shares or new debt. The Leverage Ratio does not have any standardized meaning prescribed under IFRS Accounting Standards. It is therefore unlikely to be comparable to similar measures presented by other companies. The detailed calculation of the Leverage Ratio is as follows:

	June 30, 2024	December 31, 2023
Leverage Debt	5,193	4,976
Leverage EBITDA	1,674	1,780
Leverage Ratio	3.1	2.8

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

	Note	June 30, 2024	December 31, 2023
Senior Funded Debt:			
Long-term debt	6	6,488	6,358
Less:			
Lease obligations	6	(1,062)	(1,048)
Cash and cash equivalents		(316)	(387)
Cash and cash equivalents classified as held for sale	4	(20)	—
Add:			
Non-recourse cash ⁽¹⁾	4	15	—
Letters of credit and others	6	88	53
Leverage Debt		5,193	4,976

	Three months ended				Trailing twelve months ended	
	Sept 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	June 30, 2024	December 31, 2023
Adjusted EBITDA	585	463	327	504	1,879	1,913
Share incentive compensation	5	11	6	8	30	30
Reverse: IFRS 16 impact ⁽²⁾	(71)	(82)	(83)	(80)	(316)	(282)
	519	392	250	432	1,593	1,661
Other adjustments ⁽³⁾					81	119
Leverage EBITDA					1,674	1,780

⁽¹⁾ Cash and cash equivalents attributable to Non-recourse project financing.

⁽²⁾ Includes the impact of operating leases prior to the adoption of IFRS 16, previously recognized under operating costs, which aligns with management's view of the impact of earnings.

⁽³⁾ Includes adjustments to normalize Adjusted EBITDA for non-recurring events relating to the completion of turnarounds, unplanned shutdown resulting from extreme cold weather event, third-party power outage and the EBITDA attributable to EV charging operations financed through non-recourse project financing.

(b) Credit Facility covenants

Parkland is required under the terms of its Credit Facility to comply with certain financial covenants consisting of (i) Senior Funded Debt to Credit Facility EBITDA ratio, (ii) Total Funded Debt to Credit Facility EBITDA ratio, and (iii) Interest coverage ratio (calculated as a ratio of Credit Facility EBITDA to Interest Expense) for each quarterly reporting period. The Credit Facility EBITDA, Senior Funded Debt and Interest Expense are defined under the terms of the Credit Facility and do not have any standardized meaning prescribed under IFRS Accounting Standards. They are therefore unlikely to be comparable to similar measures presented by other companies. Parkland was in compliance with all Credit Facility covenants throughout the six months ended June 30, 2024, and expects to remain in compliance over the next year.

9. PROVISIONS AND OTHER LIABILITIES

	June 30, 2024	December 31, 2023
Asset retirement obligations - current (a)	3	3
Environmental provision - current (b)	5	6
Deferred revenue	22	19
Short-term deposits, provisions and other	45	134
Provisions and other liabilities - current	75	162
Asset retirement obligations - non-current (a)	529	591
Environmental provision - non-current (b)	105	120
Employee benefits and other	25	24
Long-term deposits, provisions and other	53	54
Deferred share units liability	10	13
Provisions and other liabilities - non-current	722	802

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

(a) Asset retirement obligations

	January 1, 2024 to June 30, 2024	January 1, 2023 to December 31, 2023
Asset retirement obligations, beginning of period	594	532
Additional provisions and changes in retirement cost estimates	12	52
Change due to passage of time, discount rate and inflation rate	(22)	36
Obligations settled or transferred during the period	(5)	(22)
Change due to foreign exchange	7	(4)
Reclassification to liabilities associated with assets classified as held for sale	(54)	—
Asset retirement obligations, end of period	532	594
Current	3	3
Non-current	529	591
Asset retirement obligations, end of period	532	594

As at June 30, 2024, the inflation rate used to determine the value of future asset retirement costs ranged from 2.97% to 3.24% (December 31, 2023 - 2.97% to 3.24%), and the discount rate used to determine the present value of the future asset retirement costs ranged from 5.10% to 5.97% (December 31, 2023 - 4.76% to 5.66%). The total undiscounted estimated future cash flows required to settle Parkland's asset retirement obligations were \$1,245 as at June 30, 2024 (December 31, 2023 - \$1,233). These costs are expected to be paid up to the year 2073 (December 31, 2023 - 2073).

(b) Environmental provision

	January 1, 2024 to June 30, 2024	January 1, 2023 to December 31, 2023
Environmental provision, beginning of period	126	115
Additional provision made in the period	4	3
Change due to passage of time, discount rate and inflation rate	(20)	11
Obligations settled or transferred during the period	(1)	(2)
Change due to foreign exchange	1	(1)
Environmental provision, end of period	110	126
Current	5	6
Non-current	105	120
Environmental provision, end of period	110	126

As at June 30, 2024, the inflation rate used to determine the value of future costs related to environmental activities ranged from 2.97% to 3.24% (December 31, 2023 - 2.97% to 3.24%), and the discount rates used to determine the present value of the future costs related to environmental activities ranged from 5.06% to 5.97% (December 31, 2023 - 4.74% to 4.76%).

10. SHAREHOLDERS' CAPITAL

Authorized capital of Parkland consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series without par value. There are no preferred shares outstanding. Changes to shareholders' capital were as follows:

	January 1, 2024 to June 30, 2024		January 1, 2023 to December 31, 2023	
	Number of common shares (000's)	Amount (\$ millions)	Number of common shares (000's)	Amount (\$ millions)
Shareholders' capital, beginning of period	175,781	3,257	175,428	3,237
Issued under share option plan	458	17	846	28
Issued on vesting of performance share units	396	11	90	3
Shares repurchased through NCIB	(2,526)	(47)	(583)	(11)
Shareholders' capital, end of period	174,109	3,238	175,781	3,257

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

As of June 30, 2024, the maximum obligation of \$33 (December 31, 2023 - \$106) relating to share purchases under the ASPP was recognized in Provisions and other liabilities.

During the three and six months ended June 30, 2024, Parkland purchased for cancellation 708,600 and 2,526,088 common shares, respectively (2023 - nil and nil) for a total of \$29 and \$111, respectively (2023 - nil and nil) under the NCIB.

11. FINANCE COSTS

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Interest on long-term debt	72	77	142	158
Interest on leases	16	12	31	23
Amortization, accretion and other finance costs	11	9	17	21
	99	98	190	202

12. OTHER (GAINS) AND LOSSES

	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
(Gain) loss on disposal of assets		(1)	1	(3)	7
Change in fair value of Redemption Options	7	11	5	24	(4)
Change in estimates of environmental provision	9	(12)	6	(16)	10
Other income		(3)	(3)	(5)	(6)
Others ⁽¹⁾		4	5	9	28
		(1)	14	9	35

⁽¹⁾ Includes nil and nil for the three and six months ended June 30, 2024 (2023 - \$1 and \$24), respectively, associated with the write-off of certain assets related to the renewable diesel complex.

13. SEGMENT AND OTHER INFORMATION

(a) Operating segments

Parkland's reportable operating segments are differentiated by the nature of their products, services, and geographic boundaries. Parkland also reports activities not directly attributable to an operating segment under Corporate. No operating segments have been aggregated into reportable segments. The basis of segmentation remains consistent with those disclosed in the Annual Consolidated Financial Statements.

General information

Depreciation and amortization, finance costs, acquisition, integration and other costs, (gain) loss on risk management and other - unrealized unless underlying physical sales activity has occurred, (gain) loss on foreign exchange - unrealized, other (gains) and losses and income taxes are not allocated to segments because they are not reviewed as part of segment information by the chief operating decision maker. Accordingly, there are certain asymmetries in the allocation of net earnings (loss) to segments with respect to these items. The segregation of total assets and liabilities by reportable segment is not presented to or reviewed by the chief operating decision maker. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Parkland's chief operating decision maker uses (i) adjusted earnings (loss) before interest, tax, depreciation and amortization ("Adjusted EBITDA"), and (ii) adjusted gross margin (including fuel and petroleum product adjusted gross margin, and food, convenience and other adjusted gross margin) as measures of segment profit under IFRS 8 as follows:

- Adjusted EBITDA is used by Parkland as the key measure for the underlying core operating performance of business segment activities at an operational level. Adjusted EBITDA excludes the effects of significant items of income and expenditure that are not considered representative of Parkland's underlying core operating performance. Such

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

items include, among other items: (i) acquisition, integration and other costs, (ii) unrealized gains and losses on (a) foreign exchange, (b) risk management and other financial assets and liabilities unless they relate to underlying physical sales activity in the current period, and (c) emission credits and allowances held for trading within inventory and the associated emission obligations, (iii) adjustments to foreign exchange gains and losses as a result of cash pooling arrangements and refinancing activities, (iv) realized foreign exchange gains and losses on accrued financing costs in foreign currency and the offsetting realized risk management gains and losses on the related foreign exchange risk management instruments, (v) changes in values of the Sol Put Option, Redemption Options, environmental provision and asset retirement obligations, (vi) loss on inventory write-downs for which there are offsetting associated risk management derivatives with unrealized gains, (vii) impairments of non-current assets, (viii) loss on modification of long-term debt, (ix) earnings impact from hyperinflation accounting, (x) certain realized gains and losses on risk management assets and liabilities that are related to underlying physical sales activity in another period, (xi) gains and losses on asset disposals, (xii) adjustments for the effect of market-based performance conditions for equity-settled share-based award settlements and (xiii) other adjusting items. Adjusted EBITDA is also adjusted to include Parkland's proportionate share of its joint venture investees' Adjusted EBITDA.

- Adjusted gross margin is used by Parkland to analyze the performance of sale and purchase transactions and performance on margin for each operating segment. Adjusted gross margin excludes the effects of significant items of income and expenditure that are not considered representative of Parkland's underlying core margin performance and may have an impact on the quality of margins, such as (i) unrealized gains and losses on (a) foreign exchange, (b) risk management and other financial assets and liabilities unless underlying physical sales activity has occurred, and (c) emission credits and allowances held for trading within inventory and the associated emission obligations, (ii) loss on inventory write-downs for which there are offsetting associated risk management derivatives with unrealized gains, (iii) certain realized gains and losses on risk management assets and liabilities that are related to underlying physical sales activity in another period, and (iv) other adjusting items.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

Segment information	Canada		International		USA		Refining		Corporate		Intersegment eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the three months ended June 30,														
External fuel and petroleum product volume	3,139	3,278	1,713	1,923	1,114	1,281	425	394	—	—	—	—	6,391	6,876
Internal fuel and petroleum product volume ⁽¹⁾	148	63	—	—	38	—	698	730	—	—	(884)	(793)	—	—
Total fuel and petroleum product volume (million litres)	3,287	3,341	1,713	1,923	1,152	1,281	1,123	1,124	—	—	(884)	(793)	6,391	6,876
Sales and operating revenue⁽²⁾														
Revenue from external customers	3,675	3,760	2,129	2,156	1,385	1,632	315	271	—	—	—	—	7,504	7,819
Inter-segment revenue ⁽¹⁾	134	65	—	—	41	—	822	835	3	1	(1,000)	(901)	—	—
Total sales and operating revenue	3,809	3,825	2,129	2,156	1,426	1,632	1,137	1,106	3	1	(1,000)	(901)	7,504	7,819
Cost of purchases⁽⁶⁾	3,393	3,443	1,913	1,945	1,266	1,447	956	937	—	—	(995)	(900)	6,533	6,872
Adjusted gross margin														
Fuel and petroleum product adjusted gross margin, before the following:	324	288	184	179	90	123	181	169	—	—	—	—	779	759
Gain (loss) on risk management and other - realized	(4)	3	44	9	1	(2)	10	10	1	—	—	—	52	20
Gain (loss) on foreign exchange - realized	(1)	—	(1)	(5)	—	—	(1)	4	(2)	3	—	—	(5)	2
Other adjusting items to adjusted gross margin ⁽⁵⁾	—	—	1	—	—	(2)	—	(2)	1	(1)	—	—	2	(5)
Fuel and petroleum product adjusted gross margin	319	291	228	183	91	119	190	181	—	2	—	—	828	776
Food, convenience and other adjusted gross margin	92	94	32	32	70	62	—	—	3	1	(5)	(1)	192	188
Total adjusted gross margin	411	385	260	215	161	181	190	181	3	3	(5)	(1)	1,020	964
Operating costs ⁽⁶⁾	178	176	54	56	85	86	65	67	—	—	(2)	(1)	380	384
Marketing, general and administrative	62	60	30	28	28	29	4	5	25	25	(3)	—	146	147
Share in (earnings) loss of associates and joint ventures	—	—	(2)	(6)	—	—	—	—	—	—	—	—	(2)	(6)
(Gain) loss on foreign exchange - realized ⁽⁴⁾	—	—	—	(26)	—	(8)	—	—	(2)	9	—	—	(2)	(25)
Other adjusting items to Adjusted EBITDA ⁽⁵⁾	(1)	(1)	(4)	(5)	(1)	—	—	—	—	—	—	—	(6)	(6)
Adjusted EBITDA	172	150	182	168	49	74	121	109	(20)	(31)	—	—	504	470
Reconciliation to net earnings (loss)														
Adjusted EBITDA													504	470
Acquisition, integration and other costs													46	39
Depreciation and amortization													202	206
Finance costs													99	98
(Gain) loss on foreign exchange - unrealized													4	27
(Gain) loss on risk management and other - unrealized													56	(11)
Other (gains) and losses													(1)	14
Other adjusting items													8	1
Income tax expense (recovery) ⁽⁷⁾													20	18
Net earnings (loss)													70	78

⁽¹⁾ Internal fuel and petroleum product volume and inter-segment revenue includes transactions executed by Parkland where two Parkland group entities facilitate fuel and petroleum product exchange with the same third party. These exchange transactions are netted on consolidation.

⁽²⁾ See sections (c) and (d) for further details on sales and operating revenue.

⁽³⁾ Includes realized risk management loss related to underlying physical sales activity in another period of \$1 for International (2023 - nil), nil for USA (2023 - \$2 gain), and nil for Refining (2023 - \$2 gain); adjustment to foreign exchange gains and losses related to cash pooling arrangements of \$2 for Corporate (2023 - \$1); and adjustment to realized risk management gains of \$1 for Corporate (2023 - nil).

⁽⁴⁾ Includes realized foreign exchange gains of \$2 for Corporate (2023 - \$9 loss), nil for International (2023 - \$26) and nil for USA (2023 - \$8) on the settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

⁽⁵⁾ Includes the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of \$3 for International (2023 - \$3); and other income of \$1 for International (2023 - \$2), \$1 for Canada (2023 - \$1) and \$1 for USA (2023 - nil).

⁽⁶⁾ For comparative purposes, certain amounts related to freight costs were reclassified between cost of purchases and operating costs for Canada and USA segments, to conform to the presentation used in the current period. The reclassified amounts for the three months ended June 30, 2023, were: Canada (\$9), USA (\$8) and Consolidated (\$1).

⁽⁷⁾ Income tax expense (recovery) includes the impact of Pillar Two rules substantively enacted in Canada on June 20, 2024.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

	Canada		International		USA		Refining		Corporate		Intersegment eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the six months ended June 30,														
External fuel and petroleum product volume	6,162	6,530	3,410	4,066	2,211	2,586	894	617	—	—	—	—	12,677	13,799
Internal fuel and petroleum product volume ⁽¹⁾	261	160	—	—	38	—	1,273	1,294	—	—	(1,572)	(1,454)	—	—
Total fuel and petroleum product volume (million litres)	6,423	6,690	3,410	4,066	2,249	2,586	2,167	1,911	—	—	(1,572)	(1,454)	12,677	13,799
Sales and operating revenue⁽²⁾														
Revenue from external customers	6,943	7,412	4,194	4,763	2,653	3,330	653	470	—	—	—	—	14,443	15,975
Inter-segment revenue ⁽¹⁾	248	172	—	—	43	—	1,487	1,517	5	2	(1,783)	(1,691)	—	—
Total sales and operating revenue	7,191	7,584	4,194	4,763	2,696	3,330	2,140	1,987	5	2	(1,783)	(1,691)	14,443	15,975
Cost of purchases⁽⁶⁾	6,337	6,799	3,715	4,330	2,390	3,011	1,887	1,688	—	—	(1,774)	(1,689)	12,555	14,139
Adjusted gross margin														
Fuel and petroleum product adjusted gross margin, before the following:	672	604	414	368	174	205	253	299	—	—	—	—	1,513	1,476
Gain (loss) on risk management and other - realized	(3)	4	1	49	—	(6)	(12)	12	2	—	—	—	(12)	59
Gain (loss) on foreign exchange - realized	(1)	1	(3)	(6)	—	—	(4)	2	(5)	2	—	—	(13)	(1)
Other adjusting items to adjusted gross margin ⁽⁵⁾	(2)	—	4	—	2	—	—	(3)	2	—	—	—	6	(3)
Fuel and petroleum product adjusted gross margin	666	609	416	411	176	199	237	310	(1)	2	—	—	1,494	1,531
Food, convenience and other adjusted gross margin	182	181	65	65	132	114	—	—	5	2	(9)	(2)	375	360
Total adjusted gross margin	848	790	481	476	308	313	237	310	4	4	(9)	(2)	1,869	1,891
Operating costs ⁽⁶⁾	362	355	107	114	168	172	139	153	—	—	(5)	(1)	771	793
Marketing, general and administrative	124	122	60	59	59	58	9	11	43	55	(4)	(1)	291	304
Share in (earnings) loss of associates and joint ventures	—	—	(7)	(12)	—	—	—	—	—	—	—	—	(7)	(12)
(Gain) loss on foreign exchange - realized ⁽⁴⁾	—	—	—	(26)	—	(8)	—	—	(5)	—	—	—	(5)	(34)
Other adjusting items to Adjusted EBITDA ⁽⁵⁾	(1)	(4)	(10)	(10)	(1)	(4)	—	(1)	—	(6)	—	—	(12)	(25)
Adjusted EBITDA	363	317	331	351	82	95	89	147	(34)	(45)	—	—	831	865
Adjusted EBITDA	363	317	331	351	82	95	89	147	(34)	(45)	—	—	831	865
Reconciliation to net earnings (loss)														
Adjusted EBITDA													831	865
Acquisition, integration and other costs													76	66
Depreciation and amortization													408	396
Finance costs													190	202
(Gain) loss on foreign exchange - unrealized													7	34
(Gain) loss on risk management and other derivatives - unrealized													67	(43)
Other (gains) and losses													9	35
Other adjusting items ⁽⁵⁾													18	22
Income tax expense (recovery) ⁽⁷⁾													(9)	(2)
Net earnings (loss)													65	155

⁽¹⁾ Internal fuel and petroleum product volume and inter-segment revenue includes transactions executed by Parkland where two Parkland group entities facilitate fuel and petroleum product exchange with the same third party. These exchange transactions are netted on consolidation.

⁽²⁾ See sections (c) and (d) for further details on sales and operating revenue.

⁽³⁾ Includes realized risk management loss related to underlying physical sales activity in another period of \$4 for International (2023 - nil) and nil for Refining (2023 - \$3 gain); adjustment to foreign exchange gains and losses related to cash pooling arrangements of \$4 for Corporate (2023 - nil); and adjustment to realized risk management gains of \$2 for Corporate (2023 - nil).

⁽⁴⁾ Includes realized foreign exchange gains of \$5 for Corporate (2023 - nil); nil for International (2023 - \$26) and nil for USA (2023 - \$8) on the settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

⁽⁵⁾ Includes the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of \$7 for International (2023 - \$6); other income of \$3 for International (2023 -\$4), \$1 for Canada (2023 - \$1), and \$1 for USA (2023 - \$1); and the effect of market-based performance conditions for equity-settled share-based award settlements of nil for Corporate (2023 - \$6), nil for Canada (2023 - \$3), nil in USA (2023 - \$3) and nil for Refining (2023 - \$1).

⁽⁶⁾ For comparative purposes, certain amounts related to freight costs were reclassified between cost of purchases and operating costs for Canada and USA segments, to conform to the presentation used in the current period. The reclassified amounts for the six months ended June 30, 2023, and the year ended December 31, 2023, were: Canada (\$17 and \$36, respectively), USA (\$18 and \$33, respectively) and Consolidated (\$1 and \$3, respectively). The revised amounts for cost of purchases, fuel and petroleum adjusted gross margin, total adjusted gross margin and operating expenses for the year-ended December 31, 2023, were: Canada (\$14,124, \$1,289, \$1,671 and \$736, respectively), USA (\$5,889, \$385, \$636 and \$353, respectively) and Consolidated (\$28,481, \$3,257, \$4,004 and \$1,600, respectively).

⁽⁷⁾ Income tax expense (recovery) includes the impact of Pillar Two rules substantively enacted in Canada on June 20, 2024.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

(b) Property, plant, and equipment, intangible assets additions, acquisitions, and depreciation and amortization

For the three months ended June 30,	Canada		International		USA		Refining		Corporate		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Additions to property, plant and equipment and intangible assets ⁽¹⁾	24	43	16	8	5	12	40	37	9	18	94	118
Depreciation and amortization	77	82	64	60	29	32	27	28	5	4	202	206

For the six months ended June 30,	Canada		International		USA		Refining		Corporate		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Additions to property, plant and equipment and intangible assets ⁽¹⁾	46	64	22	15	9	26	91	104	15	22	183	231
Depreciation and amortization	154	159	130	110	57	67	55	52	12	8	408	396

⁽¹⁾ Property, plant and equipment additions and acquisitions do not include right-of-use assets.

(c) Geographic information

Sales and operating revenue from external customers	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Canada	3,846	3,772	7,241	7,305
United States	1,741	2,138	3,405	4,388
Other countries	1,917	1,909	3,797	4,282
	7,504	7,819	14,443	15,975

	June 30, 2024			
	Canada	United States	Other countries	Consolidated
Property, plant and equipment	2,864	931	1,291	5,086
Intangible assets	728	178	222	1,128
Goodwill	1,278	542	582	2,402

	December 31, 2023			
	Canada	United States	Other countries	Consolidated
Property, plant and equipment	3,025	934	1,229	5,188
Intangible assets	759	187	240	1,186
Goodwill	1,334	524	560	2,418

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024 (\$ millions, unless otherwise stated)

(d) Sales and operating revenue by product

	Canada		International		USA		Refining		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the three months ended June 30,										
Gasoline and diesel	3,206	3,265	1,812	1,725	1,162	1,402	42	31	6,222	6,423
Liquid petroleum gas ⁽¹⁾	72	71	25	24	2	4	—	—	99	99
Other fuel and petroleum products ⁽²⁾	279	292	246	364	4	12	273	240	802	908
Fuel and petroleum product revenue	3,557	3,628	2,083	2,113	1,168	1,418	315	271	7,123	7,430
Food and convenience store ⁽³⁾	82	79	7	6	91	89	—	—	180	174
Other retail ⁽⁴⁾	3	2	7	6	1	1	—	—	11	9
Lubricants and other ⁽⁵⁾	33	51	32	31	125	124	—	—	190	206
Food, convenience and other non-fuel revenue	118	132	46	43	217	214	—	—	381	389
External sales and operating revenue	3,675	3,760	2,129	2,156	1,385	1,632	315	271	7,504	7,819
For the six months ended June 30,										
Gasoline and diesel	6,111	6,433	3,437	3,738	2,223	2,884	78	47	11,849	13,102
Liquid petroleum gas ⁽¹⁾	223	271	54	49	7	16	—	—	284	336
Other fuel and petroleum products ⁽²⁾	376	455	610	885	9	12	575	423	1,570	1,775
Fuel and petroleum product revenue	6,710	7,159	4,101	4,672	2,239	2,912	653	470	13,703	15,213
Food and convenience store ⁽³⁾	160	149	13	11	168	165	—	—	341	325
Other retail ⁽⁴⁾	7	5	14	13	3	3	—	—	24	21
Lubricants and other ⁽⁵⁾	66	99	66	67	243	250	—	—	375	416
Food, convenience and other non-fuel revenue	233	253	93	91	414	418	—	—	740	762
External sales and operating revenue	6,943	7,412	4,194	4,763	2,653	3,330	653	470	14,443	15,975

⁽¹⁾ Liquid petroleum gas includes propane and butane.

⁽²⁾ Other fuel and petroleum products include crude oil, aviation fuel, asphalt, fuel oils, gas oils, ethanol, biodiesel and certain emission credits and allowances.

⁽³⁾ Food and convenience store revenue generated from Canada, International, and USA depends on the business model operated by each segment, and includes sale of food and merchandise, suppliers' rebates, royalties and license fees and rental income from retailers in the form of a percentage rent on convenience store sales.

⁽⁴⁾ Other retail revenue includes advertising revenue and other miscellaneous retail-related revenues.

⁽⁵⁾ Lubricants and other include lubricants, freight, tanks and parts installation, cylinder exchanges, other products and services, and revenue from operating leases. During the three and six months ended June 30, 2024, distribution terminals in Canada recognized revenue from operating leases of \$6 and \$13 (2023 - \$9 and \$19), respectively.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

14. OTHER DISCLOSURES

In addition to the reportable operating segments disclosed above, Parkland also voluntarily discloses business performance by lines of business and the results of renewable and conventional operations. There have been no changes to the basis of these disclosures which remain consistent with those disclosed in the Annual Consolidated Financial Statements.

(a) Lines of business

	Retail		Commercial		Refining		Corporate		Eliminations		Consolidated	
For the three months ended June 30,	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Fuel and petroleum product volume (million litres)												
External fuel and petroleum product volume	2,588	2,623	3,378	3,859	425	394	—	—	—	—	6,391	6,876
Internal fuel and petroleum product volume ^{(1) (5)}	—	—	1,760	1,682	698	730	—	—	(2,458)	(2,412)	—	—
Total fuel and petroleum product volume	2,588	2,623	5,138	5,541	1,123	1,124	—	—	(2,458)	(2,412)	6,391	6,876
Sales and operating revenue												
Revenue from external customers	3,885	3,779	3,304	3,769	315	271	—	—	—	—	7,504	7,819
Inter-business line revenue ^{(1) (5)}	—	—	1,860	1,766	822	835	3	1	(2,685)	(2,602)	—	—
Total sales and operating revenue	3,885	3,779	5,164	5,535	1,137	1,106	3	1	(2,685)	(2,602)	7,504	7,819
Cost of purchases⁽⁵⁾	3,426	3,361	4,821	5,176	956	937	—	—	(2,670)	(2,601)	6,533	6,873
Adjusted gross margin												
Fuel and petroleum product adjusted gross margin, before the following:	340	307	266	282	181	169	—	—	(8)	—	779	758
Gain (loss) on risk management and other - realized	12	(6)	29	16	10	10	1	—	—	—	52	20
Gain (loss) on foreign exchange - realized	—	—	(2)	(5)	(1)	4	(2)	3	—	—	(5)	2
Other adjusting items to adjusted gross margin ⁽²⁾	—	—	1	(2)	—	(2)	1	(1)	—	—	2	(5)
Fuel and petroleum product adjusted gross margin	352	301	294	291	190	181	—	2	(8)	—	828	775
Food, convenience and other adjusted gross margin	119	111	77	77	—	—	3	1	(7)	(1)	192	188
Total adjusted gross margin	471	412	371	368	190	181	3	3	(15)	(1)	1,020	963
Operating costs	182	168	146	149	65	67	—	—	(13)	(1)	380	383
Marketing, general and administrative	53	53	66	64	4	5	25	25	(2)	—	146	147
Share in (earnings) loss of associates and joint ventures	(3)	(3)	1	(3)	—	—	—	—	—	—	(2)	(6)
(Gain) loss on foreign exchange - realized ⁽³⁾	—	(17)	—	(17)	—	—	(2)	9	—	—	(2)	(25)
Other adjusting items to Adjusted EBITDA ⁽⁴⁾	(3)	(1)	(3)	(5)	—	—	—	—	—	—	(6)	(6)
Adjusted EBITDA	242	212	161	180	121	109	(20)	(31)	—	—	504	470

⁽¹⁾ Internal fuel and petroleum product volume and inter-segment revenue includes transactions executed by Parkland where two Parkland group entities facilitate fuel and petroleum product exchange with the same third party. These exchange transactions are netted on consolidation.

⁽²⁾ Includes realized risk management loss related to underlying physical sales activity in another period of \$1 for Commercial (2023 - \$2 gain) and nil for Refining (2023 - \$2 gain); adjustment to foreign exchange gains and losses related to cash pooling arrangements of \$2 for Corporate (2023 - \$1); and adjustment to realized risk management gains of \$1 for Corporate (2023 - nil).

⁽³⁾ Includes realized foreign exchange gains of \$2 for Corporate (2023 - \$9 loss); nil for Retail (2023 - \$17) and nil for Commercial (2023 - \$17) on settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

⁽⁴⁾ Includes the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of \$3 for Retail (2023 - \$3); other income of \$3 for Commercial (2023 - \$5) and other expense of nil for Retail (2023 - \$2).

⁽⁵⁾ For comparative purposes, certain amounts in Commercial within inter-business line revenue, cost of purchases and internal fuel and petroleum product volume, were revised to conform to the presentation used in the current period. For the three months ended June 30, 2023, the amounts of revision to inter-business line revenue, cost of purchases and internal fuel and petroleum product volume were: \$60, \$60 and 68 million litres, respectively. The revisions were eliminated with no impact on consolidated amounts.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

	Retail		Commercial		Refining		Corporate		Eliminations		Consolidated	
For the six months ended June 30,	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Fuel and petroleum product volume (million litres)												
External fuel and petroleum product volume	4,987	5,019	6,796	8,163	894	617	—	—	—	—	12,677	13,799
Internal fuel and petroleum product volume ^{(1) (5)}	—	—	3,365	3,385	1,273	1,294	—	—	(4,638)	(4,679)	—	—
Total fuel and petroleum product volume	4,987	5,019	10,161	11,548	2,167	1,911	—	—	(4,638)	(4,679)	12,677	13,799
Sales and operating revenue												
Revenue from external customers	7,226	7,133	6,564	8,372	653	470	—	—	—	—	14,443	15,975
Inter-business line revenue ^{(1) (5)}	—	—	3,422	3,472	1,487	1,517	5	2	(4,914)	(4,991)	—	—
Total sales and operating revenue	7,226	7,133	9,986	11,844	2,140	1,987	5	2	(4,914)	(4,991)	14,443	15,975
Cost of purchases⁽⁵⁾	6,336	6,318	9,221	11,121	1,887	1,688	—	—	(4,889)	(4,989)	12,555	14,138
Adjusted gross margin												
Fuel and petroleum product adjusted gross margin, before the following:	666	606	609	572	253	299	—	—	(15)	—	1,513	1,477
Gain (loss) on risk management and other - realized	5	(11)	(7)	58	(12)	12	2	—	—	—	(12)	59
Gain (loss) on foreign exchange - realized	—	—	(4)	(5)	(4)	2	(5)	2	—	—	(13)	(1)
Other adjusting items to adjusted gross margin ⁽²⁾	—	—	4	—	—	(3)	2	—	—	—	6	(3)
Fuel and petroleum product adjusted gross margin	671	595	602	625	237	310	(1)	2	(15)	—	1,494	1,532
Food, convenience and other adjusted gross margin	224	209	156	151	—	—	5	2	(10)	(2)	375	360
Total adjusted gross margin	895	804	758	776	237	310	4	4	(25)	(2)	1,869	1,892
Operating costs	353	327	301	315	139	153	—	—	(22)	(1)	771	794
Marketing, general and administrative	102	108	140	131	9	11	43	55	(3)	(1)	291	304
Share in (earnings) loss of associates and joint ventures	(7)	(6)	—	(6)	—	—	—	—	—	—	(7)	(12)
(Gain) loss on foreign exchange - realized ⁽³⁾	—	(17)	—	(17)	—	—	(5)	—	—	—	(5)	(34)
Other adjusting items to Adjusted EBITDA ⁽⁴⁾	(7)	(8)	(5)	(10)	—	(1)	—	(6)	—	—	(12)	(25)
Adjusted EBITDA	454	400	322	363	89	147	(34)	(45)	—	—	831	865

⁽¹⁾ Internal fuel and petroleum product volume and inter-segment revenue includes transactions executed by Parkland where two Parkland group entities facilitate fuel and petroleum product exchange with the same third party. These exchange transactions are netted on consolidation.

⁽²⁾ Includes realized risk management loss related to underlying physical sales activity in another period of \$4 for Commercial (2023 - nil) and nil for Refining (2023 - \$3 gain); adjustment to foreign exchange gains and losses related to cash pooling arrangements of \$4 for Corporate (2023 - nil); and adjustment to realized risk management gains of \$2 for Corporate (2023 - nil).

⁽³⁾ Includes realized foreign exchange gains of \$5 for Corporate (2023 - nil), nil for Retail (2023 - \$17) and nil for Commercial (2023 - \$17) on settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

⁽⁴⁾ Includes the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of \$7 for Retail (2023 - \$6); other income of \$5 for Commercial (2023 - \$5) and nil for Retail (2023 - \$1); and the effect of market-based performance conditions for equity-settled share-based award settlements of nil for Corporate (2023 - \$6), nil for Commercial (2023 - \$5), nil for Retail (2023 - \$1) and nil for Refining (2023 - \$1).

⁽⁵⁾ For comparative purposes, certain amounts in Commercial within inter-business line revenue, cost of purchases and internal fuel and petroleum product volume, were revised to conform to the presentation used in the current period. For the six months ended June 30, 2023, the amounts of revision to inter-business line revenue, cost of purchases and internal fuel and petroleum product volume were \$123, \$123 and 137 million litres, respectively. For the year ended December 31, 2023, the amounts of revision to inter-business line revenue, cost of purchases and internal fuel and petroleum product volume were \$230, \$230 and 254 million, respectively. The revisions were eliminated with no impact on consolidated amounts. The revised values of the inter-business line revenue, cost of purchases and internal fuel and petroleum product volume for the year ended December 31, 2023 in Commercial were: \$7,337, \$22,220 and 7,013 million litres, respectively.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024

(\$ millions, unless otherwise stated)

(b) Renewable and Conventional results

For the three months ended June 30,	Renewable		Conventional		Consolidated	
	2024	2023	2024	2023	2024	2023
Total fuel and petroleum product volume⁽¹⁾	164	178	6,227	6,698	6,391	6,876
Sales and operating revenue	433	358	7,417	7,809	7,850	8,167
Eliminations ⁽²⁾					(346)	(348)
Sales and operating revenue - after eliminations					7,504	7,819
Cost of purchases	347	342	6,532	6,879	6,879	7,221
Eliminations ⁽²⁾					(346)	(348)
Cost of purchases - after eliminations					6,533	6,873
Adjusted gross margin						
Fuel and petroleum product adjusted gross margin, before the following:	86	16	693	742	779	758
Gain (loss) on risk management and other - realized	(7)	7	59	13	52	20
Gain (loss) on foreign exchange - realized	—	—	(5)	2	(5)	2
Other adjusting items to adjusted gross margin ⁽³⁾	3	2	(1)	(7)	2	(5)
Fuel and petroleum product adjusted gross margin	82	25	746	750	828	775
Food, convenience and other adjusted gross margin	—	—	192	188	192	188
Total adjusted gross margin	82	25	938	938	1,020	963
Operating costs	7	4	373	379	380	383
Marketing, general and administrative	2	1	144	146	146	147
Share in (earnings) loss of associates and joint ventures	—	—	(2)	(6)	(2)	(6)
(Gain) loss on foreign exchange - realized ⁽⁴⁾	—	—	(2)	(25)	(2)	(25)
Other adjusting items to Adjusted EBITDA ⁽⁵⁾	—	—	(6)	(6)	(6)	(6)
Adjusted EBITDA	73	20	431	450	504	470

⁽¹⁾ Fuel and petroleum product volume for renewable activities only includes fuel trading volumes and does not include volumes of low-carbon-intensity feedstocks used for co-processing and blending.

⁽²⁾ Represents elimination of transactions between Renewable and Conventional operations.

⁽³⁾ Includes other income of \$3 (2023 - \$2) for Renewable; other costs of \$3 (2023 - \$2) for Conventional; adjustment to foreign exchange gains and losses on cash pooling of \$2 (2023: \$1) for Conventional; realized risk management loss related to underlying physical sales activity in another period of \$1 (2023 - \$4 gain) for Conventional; and adjustment to realized risk management gains of \$1 for Conventional (2023 - nil).

⁽⁴⁾ Includes realized foreign exchange gains of \$2 (2023 - \$25) for Conventional on settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

⁽⁵⁾ Includes share of depreciation and income taxes and other adjustments for investments in joint ventures and associates of \$3 (2023 - \$3) for Conventional; and other income of \$3 (2023 - \$3) for Conventional.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2024 (\$ millions, unless otherwise stated)

	Renewable		Conventional		Consolidated	
	2024	2023	2024	2023	2024	2023
For the six months ended June 30,						
Total fuel and petroleum product volume⁽¹⁾	221	293	12,456	13,506	12,677	13,799
Sales and operating revenue	681	586	14,272	15,947	14,953	16,533
Eliminations ⁽²⁾					(510)	(558)
Sales and operating revenue - after eliminations					14,443	15,975
Cost of purchases	527	565	12,538	14,131	13,065	14,696
Eliminations ⁽²⁾					(510)	(558)
Cost of purchases - after eliminations					12,555	14,138
Adjusted gross margin						
Fuel and petroleum product adjusted gross margin, before the following:	154	21	1,359	1,456	1,513	1,477
Gain (loss) on risk management and other - realized	(1)	13	(11)	46	(12)	59
Gain (loss) on foreign exchange - realized	—	—	(13)	(1)	(13)	(1)
Other adjusting items to adjusted gross margin ⁽³⁾	3	3	3	(6)	6	(3)
Fuel and petroleum product adjusted gross margin	156	37	1,338	1,495	1,494	1,532
Food, convenience and other adjusted gross margin	—	—	375	360	375	360
Total adjusted gross margin	156	37	1,713	1,855	1,869	1,892
Operating costs	13	7	758	787	771	794
Marketing, general and administrative	3	2	288	302	291	304
Share in (earnings) loss of associates and joint ventures	—	—	(7)	(12)	(7)	(12)
(Gain) loss on foreign exchange - realized ⁽⁴⁾	—	—	(5)	(34)	(5)	(34)
Other adjusting items to Adjusted EBITDA ⁽⁵⁾	—	—	(12)	(25)	(12)	(25)
Adjusted EBITDA	140	28	691	837	831	865

⁽¹⁾ Fuel and petroleum product volume for renewable activities only includes fuel trading volumes and does not include volumes of low-carbon-intensity feedstocks used for co-processing and blending.

⁽²⁾ Represents elimination of transactions between Renewable and Conventional operations.

⁽³⁾ Includes realized risk management loss related to underlying physical sales activity in another period of \$4 (2023 - \$3 gain) for Conventional; adjustment to foreign exchange gains and losses related to cash pooling arrangements of \$4 (2023 - nil) for Conventional; other income of \$3 (2023 - \$3) for Renewable; other costs of \$3 (2023 - \$3) for Conventional; and adjustment to realized risk management gains of \$2 for Conventional (2023 - nil).

⁽⁴⁾ Includes realized foreign exchange gains of \$5 (2023 - \$34) for Conventional on settlement of financing balances not included within adjusted gross margin as these gains do not relate to commodity sale and purchase transactions.

⁽⁵⁾ Includes the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of \$7 (2023 - \$6) for Conventional; other income of \$5 (2023 - \$6) for Conventional; and the effect of market-based performance conditions for equity-settled share-based award settlements of nil (2023 - \$13) for Conventional.