Q2 2024

Management's Discussion and Analysis

Parkland

Parkland

Three and six months ended June 30, 2024

Report to shareholders

Management's Discussion and Analysis Q2 2024

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Basis of presentation

This Management's Discussion and Analysis ("MD&A") for Parkland Corporation ("Parkland", "the Company", "we", "our" or "us") dated July 31, 2024, should be read in conjunction with our interim condensed consolidated financial statements for the three and six months ended June 30, 2024 (the "Interim Condensed Consolidated Financial Statements"), our audited consolidated financial statements for the year ended December 31, 2023 (the "Annual Consolidated Financial Statements"), our 2023 annual MD&A (the "Annual MD&A"), and our annual information form for the year ended December 31, 2023 dated February 27, 2024 (the "Annual Information Form"). Information contained within the Annual MD&A is not discussed in this MD&A if it remains substantially unchanged.

Unless otherwise noted, all financial information is prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), also referred to as Generally Accepted Accounting Principles ("GAAP"), using the accounting policies described in Note 2 of the Annual Consolidated Financial Statements and in Note 2 of the Interim Condensed Consolidated Financial Statements. The MD&A is presented in millions of Canadian dollars unless otherwise noted. Additional information about Parkland including quarterly and annual reports and the Annual Information Form is available online at System for Electronic Data Analysis and Retrieval + ("SEDAR+") at www.sedarplus.ca and Parkland's website at www.parkland.ca.

Specified financial measures and non-financial measures

Parkland has identified several key financial and operating performance measures that management believes provide meaningful information in assessing Parkland's underlying performance. Readers are cautioned that these measures do not have a standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. Refer to Section 16 of this MD&A for a list of specified financial measures and non-financial measures.

Risks and forward-looking information

Parkland's financial and operational performance is potentially affected by a number of factors including, but not limited to, the factors described within the Forward-looking information section and Risk factors section of this MD&A and the Annual Information Form. The information within these sections of this MD&A is based on Parkland's current expectations, estimates, projections and assumptions that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking information contained herein is subject to a number of risks and uncertainties beyond Parkland's control including, without limitation, changes in market, competition, governmental or regulatory developments, and general economic conditions and other factors under Section 12 of this MD&A and the Risk factors section of the Annual MD&A and Annual Information Form. Readers are cautioned that such forward-looking information contained in this MD&A should not be used for purposes other than for which it is disclosed herein and are cautioned not to place undue reliance on these forward-looking statements. Refer to Section 17 of this MD&A for further details.

1. PARKLAND OVERVIEW

Parkland is an international fuel distributor, marketer, and convenience retailer with operations in 26 countries across the Americas. We serve over one million customers each day. Our retail network meets the fuel and convenience needs of everyday consumers. Our commercial operations provide businesses with industrial fuels so that they can better serve their customers. In addition to meeting our customers' needs for essential fuels, we provide a range of choices to help them lower their environmental impact. These include renewable fuels sourcing, manufacturing and blending, carbon and renewables trading, solar power, and ultra-fast electric vehicle ("EV") charging. With approximately 4,000 retail and commercial locations across Canada, the United States and the Caribbean region, we have developed supply, distribution and trading capabilities to accelerate growth and business performance.

Our strategy is focused on two pillars: our Customer Advantage and our Supply Advantage. Through our Customer Advantage, we aim to be the first choice of our customers, cultivating their loyalty through proprietary brands, differentiated offers, our extensive network, competitive pricing, reliable service, and our compelling loyalty program. Our Supply Advantage is based on achieving the lowest cost to serve among independent fuel marketers and distributors in the hard-to-serve markets in which we operate, through our well-positioned assets, significant scale, and deep supply and logistics capabilities. Our business is underpinned by our people and our values of safety, integrity, community and respect, which are deeply embedded across our organization.

Parkland's common shares are listed and traded on the Toronto Stock Exchange under the symbol PKI. We operate through four reportable segments: Canada, International, USA, and Refining.

2. PERFORMANCE OVERVIEW

($ millions, unless otherwise noted)	Three months ended June 30,			Six months ended June 30,		
Financial Summary	**2024**	2023	2022	**2024**	2023	2022
Sales and operating revenue	**7,504**	7,819	9,715	**14,443**	15,975	17,321
Adjusted EBITDA[(1)(2)]	**504**	470	450	**831**	865	837
Canada[(3)]	**172**	150	174	**363**	317	365
International[(3)]	**182**	168	87	**331**	351	169
USA[(3)]	**49**	74	51	**82**	95	98
Refining[(3)]	**121**	109	164	**89**	147	253
Corporate[(3)]	**(20)**	(31)	(26)	**(34)**	(45)	(48)
Net earnings (loss)[(2)]	**70**	78	81	**65**	155	136
Net earnings (loss) per share – basic ($ per share)	**0.40**	0.44	0.52	**0.37**	0.88	0.88
Net earnings (loss) per share – diluted ($ per share)	**0.39**	0.44	0.52	**0.37**	0.87	0.87
Adjusted earnings (loss)[(2)(4)]	**156**	130	166	**199**	244	302
Cash generated from (used in) operating activities	**450**	521	341	**667**	835	293
Trailing-twelve-month ("TTM") Cash generated from (used in) operating activities per share[(5)]	**9.21**	10.99	3.97	**9.21**	10.99	3.97
Available cash flow[(4)]	**222**	161	267	**317**	298	487
TTM Available cash flow per share[(4)]	**4.75**	3.05	4.66	**4.75**	3.05	4.66
TTM Dividend payout ratio[(4)]	**29%**	44%	27%	**29%**	44%	27%
Dividends	**61**	60	51	**122**	120	100
Dividends per share[(5)]	**0.3500**	0.3400	0.3249	**0.7000**	0.6800	0.6390
Weighted average number of common shares (million shares)	**175**	176	156	**175**	176	155
TTM Return on invested capital[(4)(6)]	**9.0%**	7.7%	—	**9.0%**	7.7%	—
Growth capital expenditures[(2)(5)]	**41**	57	43	**71**	91	65
Maintenance capital expenditures[(2)(5)]	**53**	61	44	**112**	140	73
Total assets	**13,859**	13,295	14,047	**13,859**	13,295	14,047
Non-current financial liabilities	**6,296**	6,322	7,155	**6,296**	6,322	7,155

(1) Total of segments measure. See Section 16 of this MD&A.
(2) For the three and six months ended June 30, 2022, represents the amounts attributable to Parkland.
(3) Measure of segment profit (loss). See Section 16 of this MD&A.
(4) Non-GAAP financial measure or non-GAAP financial ratio. See Section 16 of this MD&A.
(5) Supplementary financial measure. See Section 16 of this MD&A.
(6) Return on invested capital ("ROIC") was introduced as a new non-GAAP ratio as part of Parkland's 2024-2025 guidance metrics and disclosed for the first time as part of the Annual MD&A for the trailing twelve months ended December 31, 2022. As such, the calculations for the periods before that date are not available.

A. Adjusted EBITDA, Net earnings (loss) and Adjusted earnings (loss)

Adjusted EBITDA

Parkland achieved Adjusted EBITDA of $504 million for the second quarter of 2024 and $831 million for the first six months of 2024, representing an increase of $34 million and a decrease of $34 million, respectively, when compared to the same periods in 2023. Overall, the period-over-period variances in Adjusted EBITDA are due to the following:

- Canada achieved an increase in Adjusted EBITDA of $22 million for the second quarter of 2024 and $46 million for the first six months of 2024, primarily driven by (i) stronger fuel unit margins and the benefits of our supply capabilities, and (ii) volume growth in the company owned retail network in the first quarter of 2024. This was partially offset by the impact of softening industry demand in our retail and integrated logistics business.
- International's Adjusted EBITDA increased by $14 million for the second quarter of 2024 and decreased by $20 million for the first six months of 2024, primarily driven by (i) improved unit fuel margins in the wholesale business, partially offset by lower volumes, (ii) continued strength in the base retail business accompanied by the addition of new sites, and (iii) strong aviation business performance resulting from robust tourism and regional sports events. The decrease in Adjusted EBITDA for the first six months of 2024 was primarily due to the non-recurring realized foreign exchange gains in the comparative period.
- USA's Adjusted EBITDA decreased by $25 million for the second quarter of 2024 and $13 million for the first six months of 2024, primarily due to (i) lower unit retail and commercial margins driven by unfavourable commodity price environment and distillate market conditions, respectively, and (ii) decreased volume demand in line with industry trends. This was partially offset by (i) improved lubricants margins resulting from margin optimization measures, and (ii) strong C-Store performance driven by rebrands and C-store category initiatives.
- Refining's Adjusted EBITDA increased by $12 million for the second quarter of 2024 and decreased by $58 million for the first six months of 2024. The increase for the second quarter of 2024 was primarily driven by an increase in the composite utilization by 6.7 percentage points due to safe and reliable operations and record co-processing of bio-feedstocks. The decrease for the first six months of 2024 was primarily driven by the unplanned shutdown[1] in the first quarter of 2024. partially offset by (i) supply optimization, (ii) lower operating costs driven by the reduced throughput, and (iii) lower maintenance costs due to the 2023 Turnaround[2] in the comparative period.
- Corporate Adjusted EBITDA expense decreased by $11 million for the second quarter of 2024, primarily due to the non-recurring foreign exchange losses in the comparative period, and decreased by $11 million for the first six months of 2024 due to reduced Marketing, general and administrative expenses as a result of continued cost reduction initiatives and the timing of certain expenditures.

Net earnings (loss)

Net earnings (loss) decreased by $8 million to $70 million for the second quarter of 2024 and decreased by $90 million to $65 million for the first six months of 2024 respectively, as compared to the same periods in 2023. In addition to the Adjusted EBITDA results discussed above, the period-over-period variances were primarily due to a decrease in net earnings from (i) unrealized losses on risk management and other primarily driven by volatility in emission credit and diesel prices, (ii) net changes on revaluation of redemption options driven by volatility in interest rates and changes in credit spread, (iii) higher depreciation in the first six months of 2024 due to a higher leased asset base to support organic growth, and (iv) increase in acquisition, integration and other costs attributable to the integration of previously acquired businesses, implementation of enterprise-wide systems and costs associated with the restructuring activities. This was partially offset by (i) increase in gain from revaluation of environmental provision gains due to changes in discount rates, (ii) the impact of certain write-offs in the comparative period, (iii) a decrease in finance costs driven by lower borrowings under the Credit Facility, partially offset by higher effective rates and increased lease obligations to support organic growth, and (iv) an increase in income tax recovery in the first six months of 2024 due to a taxable loss driven primarily by the unplanned temporary shutdown of the Burnaby Refinery in the first quarter of 2024, partially offset by the impact of Pillar Two taxes for the first six months of 2024.

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[1] Parkland's refinery in Burnaby, British Columbia (the "Burnaby Refinery") safely returned to normal operations on March 29, 2024, following an unplanned shutdown for 11 weeks, which began due to extreme cold weather and an interruption in natural gas supply earlier in the year, and was extended by technical issues on subsequent start-up.

[2] Parkland's scheduled eight-week turnaround at the Burnaby Refinery began in early February 2023 and was successfully completed subsequent to the first quarter of 2023 (the "2023 Turnaround"). The facility returned to normal operations in early April 2023.

Adjusted earnings (loss)

Parkland observed an increase in Adjusted earnings of $26 million for the second quarter of 2024, primarily due to strong Adjusted EBITDA results discussed above. Adjusted earnings decreased by $45 million for the first six months of 2024, primarily driven by lower Adjusted EBITDA results as discussed above and higher depreciation due to a higher leased asset base to support organic growth. This was partially offset by (i) a decrease in finance costs driven by lower borrowings under the Credit Facility, and (ii) an increase in income tax recovery due to a taxable loss driven primarily by the unplanned temporary shutdown of the Burnaby Refinery.

B. Cash flows, liquidity and capital allocation

Parkland achieved cash generated from operating activities of $1,612 million for the trailing twelve months ended June 30, 2024, reflecting a strong operational performance.

- Available cash flow per share increased to $4.75 from $3.05, for the trailing twelve months ended June 30, 2024, as compared to the same period in 2023, driven by strong performance in the last six months of 2023 and the second quarter of 2024, offset by the impact of the increased number of weighted average outstanding common shares for the trailing twelve months ended June 30, 2024, as compared to the same period in 2023, driven by (i) shares issued on acquisition of the remaining 25% share of Sol Investments SEZC as part of the Share Exchange[3] in the third quarter of 2022, and (ii) issuances under the stock option plan, and on vesting of performance share units, net of shares repurchased under the NCIB.
- Leverage Ratio[4] increased and remained stable at 3.1 as at June 30, 2024, as compared to 2.8 at December 31, 2023, and 3.1 at March 31, 2024, primarily due to the temporary shutdown of the Burnaby Refinery during the first quarter of 2024, and increase in USD-denominated debt balances in a stronger USD environment. Parkland was in compliance with, and well below the restrictions with respect to all of its Credit Facility covenants.
- ROIC increased to 9.0% from 7.7% for the trailing twelve months ended June 30, 2024, as compared to the same period in 2023, driven by robust economic performance and growth from our previously completed acquisitions, partially offset by the unplanned shutdown of the Burnaby Refinery during the first quarter of 2024, and a higher average effective tax rate resulting from the enactment of Pillar Two in Canada. Parkland will continue to focus on efficient capital allocation and value creation for shareholders.
- Liquidity available[5] as at June 30, 2024, was $1,246 million, comprising cash and cash equivalents and borrowing capacity available under the Credit Facility.

C. Dividends and dividend payout ratio

In the second quarter of 2024 and the first six months of 2024, Parkland declared dividends to shareholders of $61 million and $122 million, respectively. The dividends declared were slightly higher when compared to the same periods in 2023, due to an increase, for the 12th consecutive year, in an annual dividend by $0.04 per share to $1.40 per share, partially offset by lower number of outstanding common shares driven by 3.1 million common shares repurchased under the normal course issuer bid program ("NCIB") during the trailing twelve months ended June 30, 2024.

The dividend payout ratio decreased to 29% for the trailing twelve months ended June 30, 2024, compared to 44% for the same period in 2023. This was primarily due to higher Available cash flow as a result of strong Adjusted EBITDA performance in the last six months of 2023 and the second quarter of 2024, partially offset by an increase in dividends to shareholders.

D. Capital expenditures

Parkland continues to invest in growth across the organization and fund capital expenditures using a disciplined capital allocation approach. Combined growth capital expenditures and maintenance capital expenditures for the second quarter of 2024 and the first six months of 2024 decreased by $24 million and $48 million, respectively, as compared to the same periods

[3] On August 4, 2022, Parkland entered into a share exchange agreement (the "Share Exchange Agreement") with Simpson Oil Limited ("Simpson Oil") to acquire 12.5 million shares in the capital of Sol Investments SEZC (collectively, with its subsidiaries, "Sol") from Simpson Oil, representing Simpson Oil's remaining 25% non-controlling interest ("NCI") of Sol, in exchange for 20 million common shares of Parkland (the "Share Exchange"). In connection with entering into the Share Exchange Agreement, effective August 4, 2022, Parkland does not allocate a portion of segment profit or loss to NCI and includes 100% of International's results as Adjusted EBITDA. The Share Exchange was completed on October 18, 2022.

[4] Capital management measure. See Section 16 of this MD&A.

[5] Supplementary financial measure. See Section 16 of this MD&A.

in 2023. The decrease was primarily attributable to higher volume of site conversions, rebranding and site expansion activities and the 2023 Turnaround in the comparative period.

- Growth capital expenditures were focused on (i) capacity enhancement and low-carbon fuel manufacturing growth initiatives at the Burnaby Refinery, (ii) fleet, storage tank and equipment purchases to support new contracts, (iii) ongoing enhancements to the JOURNIE™ Rewards program in various digital platforms, (iv) site network expansion projects in Canada, including EV charging, and (v) the pipeline capacity expansion in Canada.
- Maintenance capital expenditures were focused on (i) replacements of fleet and equipment across the Canada, USA and International markets, (ii) ongoing maintenance at the Burnaby Refinery, terminals and other infrastructure to ensure plant reliability and regulatory compliance, and (iii) the capital repairs associated with the unplanned shutdown of the Burnaby Refinery, as discussed above.

3. SUSTAINABILITY

Parkland continues to progress our environment, social and governance (ESG) ambitions. We have updated our sustainability strategy which encompasses our goals of aspiring to zero safety incidents, upholding zero tolerance for racism, discrimination, corruption, bribery, and unethical behaviour, and supporting our governments' emissions reduction goals. In 2024, Parkland published its fifth annual Sustainability Report highlighting our accomplishments and goals. Key updates for Parkland as we continue to advance in our sustainability journey include the following:

- Parkland co-processed a record 43 million litres of bio-feedstocks during the second quarter of 2024 (2023 - 20 million litres) and 47 million litres of bio-feedstocks during the first six months of 2024 (2023 - 27 million litres). The co-processed volumes for the second quarter and the first six months of 2024 are equivalent to a reduction of 98,538 tonnes and 109,376 tonnes of CO2e[6], respectively (2023 - 47,653 tonnes and 63,545 tonnes, respectively) for our customers, compared to conventional fuels like gasoline or diesel.
- Parkland continues to make progress in building one of Canada's largest ultra-fast EV charging networks. As at June 30, 2024, Parkland had successfully built 56 operational EV-charging locations (December 31, 2023 - 50) and 212 charge ports (December 31, 2023 - 188) as part of its plan to build an ultra-high speed charging network in dense urban centres and along major highways in British Columbia, Ontario and Alberta.
- During the second quarter of 2024, International's joint venture renewable energy business ("Sol Ecolution")[7], which facilitates the development of diverse renewable and low-carbon fuel energy solutions in the Caribbean, completed additional state-of-the-art solar photovoltaic systems, bringing its total number of completed sites to 67 as at June 30, 2024 (December 31, 2023 - 56).

Health, safety and environment ("HSE")

The table below presents Parkland's consolidated lost time injury frequency ("LTIF") rate and total recordable injury frequency ("TRIF") rate calculated on a trailing-twelve-month basis. Parkland continues to be committed to safety and we are confident that a continued focus on our HSE indicators will drive long-term sustainable LTIF and TRIF improvements.

	June 30, 2024	June 30, 2023
TTM LTIF [(1)]	**0.21**	0.22
TTM TRIF[(1)]	**1.21**	0.87

[(1)] Non-financial measure. See Section 16 of this MD&A.

[6] Carbon dioxide equivalent ("CO2e") means the number of metric tons of CO2 emissions with the same global warming potential as one metric ton of another greenhouse gas. The customer emission reduction is calculated using the methodology outlined in the British Columbia Low Carbon Fuel Regulation. Please see Parkland's 2023 Sustainability Report dated July 31, 2024, for more detail, which is also available online at Parkland's website at www.parkland.ca/sustainability/sustainability-report.

[7] Parkland's interest in Sol Ecolution is included in Investments in associates and joint ventures within the interim condensed consolidated financial statements and is accounted for using equity method.

4. SEGMENT OVERVIEW, HIGHLIGHTS AND RESULTS

Refer to Section 16 of the Annual MD&A for a description of Parkland's segments.

A. Canada

	Three months ended June 30,				Six months ended June 30,			
($ millions, unless otherwise noted)	**2024**	2023	Change	%	**2024**	2023	Change	%
Fuel and petroleum product volume[1] (million litres)	**3,139**	3,278	(139)	(4)%	**6,162**	6,530	(368)	(6)%
Fuel and petroleum product adjusted gross margin[2][3][4]	**319**	291	28	10%	**666**	609	57	9%
Food, convenience and other adjusted gross margin[3]	**92**	94	(2)	(2)%	**182**	181	1	1%
Adjusted gross margin[3]	**411**	385	26	7%	**848**	790	58	7%
Operating costs[2]	**178**	176	2	1%	**362**	355	7	2%
Marketing, general and administrative	**62**	60	2	3%	**124**	122	2	2%
Other items[5]	**(1)**	(1)	—	—%	**(1)**	(4)	3	(75)%
Adjusted EBITDA[3]	**172**	150	22	15%	**363**	317	46	15%
Key performance measures:								
Company SSVG[6]	**(1.0)%**	9.3%	(10.3)p.p		**2.3%**	8.4%	(6.1)p.p	
Food and Company C-Store SSSG (excluding cigarettes)[7]	**(0.7)%**	3.1%	(3.8)p.p		**1.1%**	4.5%	(3.4)p.p	
Food and Company C-Store SSSG (including cigarettes)[7]	**(3.0)%**	2.5%	(5.5)p.p		**(1.3)%**	2.1%	(3.4)p.p	
Food and Company C-Store gross margin percentage[7]	**34.8%**	34.1%	0.7p.p		**34.8%**	33.9%	0.9p.p	

(1) Includes gasoline, diesel and propane volumes.
(2) Certain amounts within fuel and petroleum product adjusted gross margin and operating costs were revised to conform to the presentation used in the current period.
(3) Measure of segment profit (loss). See Section 16 for additional information and breakdown of food, convenience and other adjusted gross margin.
(4) Fuel and petroleum product adjusted gross margin (cpl) was 10.16 for the second quarter of 2024 (2023 - 8.88) and 10.81 for the first six months of 2024 (2023 - 9.33). Cpl metrics are impacted by variations in mix of retail, wholesale and commercial volumes. See Section 16 of this MD&A for a description of supplementary financial measures.
(5) Other items for the second quarter of 2024 includes other income of $1 million (2023 - $1 million). Other items for the first six months of 2024 includes effect of market-based performance conditions for equity-settled share-based award settlements of nil (2023 - $3 million); and other income of $1 million (2023 - $1 million).
(6) Non-financial measure. Company SSVG denotes same-store volume growth. Includes gasoline and diesel volumes, but excludes propane volumes sold at retail sites. See Section 16 of this MD&A.
(7) Non-GAAP financial ratio. See Section 16 of this MD&A.

Q2 and Q2 YTD Performance - 2024 vs. 2023

Canada delivered Adjusted EBITDA of $172 million for the second quarter of 2024 and $363 million for the first six months of 2024, representing an increase of $22 million and $46 million, respectively, as compared to the same periods in 2023. The changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin increased by $28 million for the second quarter of 2024, due to stronger fuel unit margins and the benefits of our supply capabilities, partially offset by the impact of softening industry demand in our retail and integrated logistics business. Fuel and petroleum product adjusted gross margin increased by $57 million for the first six months of 2024, driven by the reasons noted above and strong volume growth in our company owned retail network in the first quarter of 2024.
- Food, convenience and other adjusted gross margin remained flat for the second quarter and the first six months of 2024.
- Food and Company C-Store SSSG excluding and including cigarettes of (0.7)%, and (3.0)%, respectively, for the second quarter of 2024, was driven by (i) economic conditions that have reduced discretionary spending for consumers, (ii) ongoing industry declines in cigarette sales, and (iii) strong results in the comparative period, partially offset by successful execution of our marketing and loyalty programs and strength in core categories such as packaged beverages. Food and Company C-Store SSSG excluding and including cigarettes was 1.1%, and (1.3)%, respectively for the first six months of 2024, reflecting strong Food and C-Store performance in the first quarter of 2024 driven by the benefits from the site conversions to our proprietary brands, and continued success of our marketing programs and merchandising initiatives, in addition to the factors noted above. Food and convenience store revenue for Canada remained relatively flat for the second quarter and the first six months of 2024.

- Food and Company C-Store gross margin percentage increased from 34.1% to 34.8% during the second quarter of 2024 and increased from 33.9% to 34.8% during the first six months of 2024, due to a targeted shift in mix to higher-margin categories and price optimization in various core categories.
- Operating costs and Marketing, general and administrative expenses remained relatively flat for the second quarter and the first six months of 2024 as the impact of inflationary pressures was offset by successful ongoing targeted cost-saving initiatives .

B. International

	Three months ended June 30,				Six months ended June 30,			
($ millions, unless otherwise noted)	**2024**	2023	Change	%	**2024**	2023	Change	%
Fuel and petroleum product volume (million litres)[1]	**1,713**	1,923	(210)	(11)%	**3,410**	4,066	(656)	(16)%
Fuel and petroleum product adjusted gross margin[2][3]	**228**	183	45	25%	**416**	411	5	1%
Food, convenience and other adjusted gross margin[2]	**32**	32	—	—%	**65**	65	—	—%
Adjusted gross margin[2]	**260**	215	45	21%	**481**	476	5	1%
Operating costs	**54**	56	(2)	(4)%	**107**	114	(7)	(6)%
Marketing, general and administrative	**30**	28	2	7%	**60**	59	1	2%
Other items [4]	**(6)**	(37)	31	(84)%	**(17)**	(48)	31	(65)%
Adjusted EBITDA[2]	**182**	168	14	8%	**331**	351	(20)	(6)%

[1] Includes gasoline, diesel and propane volumes.
[2] Measure of segment profit (loss). See Section 16 of this MD&A.
[3] Fuel and petroleum product adjusted gross margin (cpl) was 13.31 for the second quarter of 2024 (2023 - 9.52) and 12.20 for the first six months of 2024 (2023 - 10.11). Cpl metrics are impacted by variations in mix of retail, wholesale and commercial volumes. See Section 16 of this MD&A for a description of supplementary financial measures.
[4] Other items for the second quarter of 2024 includes share of (earnings) loss of associates and joint ventures of $2 million (2023 - $6 million); share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $3 million (2023 - $3 million); other income of $1 million (2023 - $2 million); and non-recurring realized foreign exchange gains on settlement of financing balances of nil (2023 - $26 million). Other items for the first six months of 2024 includes: share of (earnings) loss of associates and joint ventures of $7 million (2023 - $12 million); share of depreciation and income taxes and other adjustments for investments in joint ventures and associates of $7 million (2023 - $6 million); other income of $3 million (2023 - $4 million); non-recurring realized foreign exchange gains on settlement of financing balances of nil (2023 -$26 million).

Q2 and Q2 YTD Performance - 2024 vs. 2023

International delivered Adjusted EBITDA of $182 million for the second quarter of 2024 and $331 million for the first six months of 2024, representing an increase of $14 million and decrease of $20 million, respectively, compared to the same periods in 2023. The changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin increased by $45 million for the second quarter of 2024 and $5 million for the first six months of 2024, primarily due to (i) improved unit margins in the wholesale business which was partially offset by lower volumes, (ii) favourable retail business results due to the addition of new sites and continued strength in the base business, and (iii) strong performance in the aviation business driven by robust tourism and regional sporting events.
- Food, convenience and other adjusted gross margin remained flat for the second quarter and the first six months of 2024.
- Operating costs decreased by $2 million for the second quarter of 2024 and $7 million for the first six months of 2024 due to continued cost control efforts.
- Marketing, general and administrative expenses remained relatively flat for the second quarter and the first six months of 2024, as the impact of inflationary pressures was offset by successful ongoing targeted cost-saving initiatives.
- Income within other items decreased by $31 million for the second quarter and the first six months of 2024, primarily due to the non-recurring realized foreign exchange losses of $26 million in the comparative periods.

C. USA

($ millions, unless otherwise noted)	Three months ended June 30, 2024	2023	Change	%	Six months ended June 30, 2024	2023	Change	%
Fuel and petroleum product volume[1] (million litres)	**1,114**	1,281	(167)	(13)%	**2,211**	2,586	(375)	(15)%
Fuel and petroleum product adjusted gross margin[2][3][4]	**91**	119	(28)	(24)%	**176**	199	(23)	(12)%
Food, convenience and other adjusted gross margin[3]	**70**	62	8	13%	**132**	114	18	16%
Adjusted gross margin[3]	**161**	181	(20)	(11)%	**308**	313	(5)	(2)%
Operating costs[2]	**85**	86	(1)	(1)%	**168**	172	(4)	(2)%
Marketing, general and administrative	**28**	29	(1)	(3)%	**59**	58	1	2%
Other items[5]	**(1)**	(8)	7	(88)%	**(1)**	(12)	11	(92)%
Adjusted EBITDA[3]	**49**	74	(25)	(34)%	**82**	95	(13)	(14)%
Key performance measures:								
Company SSVG[6]	**(8.4)%**	(0.1)%	(8.3)p.p		**(9.3)%**	(3.0)%	(6.3)p.p	
Food and Company C-Store SSSG (excluding cigarettes)[7]	**—%**	4.9%	(4.9)p.p		**0.8%**	5.2%	(4.4)p.p	
Food and Company C-Store SSSG (including cigarettes)[7]	**(0.9)%**	4.0%	(4.9)p.p		**—%**	3.8%	(3.8)p.p	
Food and Company C-Store gross margin percentage[7]	**33.3%**	31.5%	1.8p.p		**33.9%**	30.3%	3.6p.p	

(1) Includes gasoline, diesel and propane volumes.
(2) Certain amounts within fuel and petroleum product adjusted gross margin and operating costs were revised to conform to the presentation used in the current period.
(3) Measure of segment profit (loss). See Section 16 of this MD&A.
(4) Fuel and petroleum product adjusted gross margin (cpl) was 8.17 for the second quarter of 2024 (2023 - 9.29) and 7.96 for the first six months of 2024 (2023 - 7.70). Cpl metrics are impacted by variations in mix of retail, wholesale and commercial volumes. Refer to Section 16 of this MD&A for a description of supplementary financial measures.
(5) Other items for the second quarter of 2024 includes other income of $1 million (2023 - nil); and non-recurring realized foreign exchange gains on settlement of financing balances of nil (2023 - $8 million). Other items for the first six months of 2024 includes the effect of market-based performance conditions for equity-settled share-based award settlements of nil (2023 - $3 million); other income of $1 million (2023 - $1 million); and non-recurring realized foreign exchange gains on settlement of financing balances of nil (2023 - $8 million).
(6) Non-financial measure. Company SSVG denotes same-store volume growth. Includes gasoline and diesel volumes, but excludes propane volumes sold at retail sites. See Section 16 of this MD&A.
(7) Non-GAAP financial ratio. See Section 16 of this MD&A.

Q2 and Q2 YTD Performance - 2024 vs. 2023

USA delivered Adjusted EBITDA of $49 million for the second quarter of 2024 and $82 million for the first six months of 2024, representing a decrease of $25 million and $13 million, respectively, compared to the same periods in 2023. The changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin decreased by $28 million for the second quarter of 2024 and $23 million for the first six months of 2024, driven by (i) lower unit retail margins due to unfavourable commodity price environment, (ii) lower commercial margins as a result of unfavourable diesel market conditions and (iii) decreased diesel and retail gasoline demand in line with industry trends.
- Food, convenience and other adjusted gross margin increased by $8 million for the second quarter of 2024 and $18 million for the first six months of 2024, driven by (i) margin management initiatives resulting in improved lubricants margins, and (ii) C-store gross margin improvement through C-store category initiatives and performance of On the Run rebrands.
- Food and Company C-Store SSSG excluding and including cigarettes and Food and convenience store revenue remained relatively flat for the second quarter and the first six months of 2024.
- Food and Company C-Store gross margin percentage increased from 31.5% to 33.3% for the second quarter of 2024 and from 30.3% to 33.9% for the first six months of 2024, driven by the impacts of our margin optimization initiatives.
- Operating costs and Marketing, general and administrative expenses remained relatively flat for the second quarter and the first six months of 2024, as the impact of inflationary pressures was offset by successful ongoing targeted cost-saving initiatives.

D. Refining

($ millions, unless otherwise noted)	Three months ended June 30, 2024	2023	Change	%	Six months ended June 30, 2024	2023	Change	%
External fuel and petroleum product volume[1] (million litres)	**425**	394	31	8%	**894**	617	277	45%
Internal fuel and petroleum product volume (million litres)	**698**	730	(32)	(4)%	**1,273**	1,294	(21)	(2)%
Total fuel and petroleum product volume (million litres)	**1,123**	1,124	(1)	—%	**2,167**	1,911	256	13%
Fuel and petroleum product adjusted gross margin[2]	**190**	181	9	5%	**237**	310	(73)	(24)%
Adjusted gross margin[2]	**190**	181	9	5%	**237**	310	(73)	(24)%
Operating costs	**65**	67	(2)	(3)%	**139**	153	(14)	(9)%
Marketing, general and administrative	**4**	5	(1)	(20)%	**9**	11	(2)	(18)%
Other items	**—**	—	—	—%	**—**	(1)	1	(100)%
Adjusted EBITDA[2]	**121**	109	12	11%	**89**	147	(58)	(39)%
Key performance measures:								
Crude utilization[3]	**92.3%**	88.5%	3.8pp		**55.8%**	60.9%	(5.1)p.p	
Composite utilization[3]	**97.7%**	91.0%	6.7pp		**58.8%**	62.6%	(3.8)p.p	
Crude throughput[3] (000's bpd)	**50.8**	48.7	2.1	4%	**30.7**	33.5	(2.8)	(8)%
Bio-feedstock throughput[3] (000's bpd)	**3.0**	1.4	1.6	114%	**1.7**	0.9	0.8	89%

(1) Includes external gasoline, diesel, propane, crude oil and other volumes. Intersegment volumes, including volumes produced by the Burnaby Refinery and transferred to other segments, are excluded from these reported volumes.
(2) Measure of segment profit (loss). See Section 16 of this MD&A.
(3) Non-financial measure. See Section 16 of this MD&A.

Q2 and Q2 YTD Performance - 2024 vs. 2023

Refining delivered Adjusted EBITDA of $121 million for the second quarter of 2024 and $89 million for the first six months of 2024, representing an increase of $12 million and decrease of $58 million, respectively, as compared to the same periods in 2023. The changes in Adjusted EBITDA were primarily due to the following:

- Adjusted gross margin increased by $9 million for the second quarter of 2024 driven by an increase in composite utilization by 6.7 percentage points due to safe and reliable operations and record co-processing of bio-feedstocks. Adjusted gross margin decreased by $73 million and composite utilization decreased by 3.8 percentage points for the first six months of 2024, primarily driven by the impact of unplanned shutdown[8] in the first quarter of 2024 which was partially offset by supply optimization and the impact of lower utilization in the comparative period due to the 2023 Turnaround.
- Operating costs remained relatively flat for the second quarter of 2024 and decreased by $14 million for the first six months of 2024, mainly due to (i) lower fuel costs driven by reduced throughput, and (ii) lower maintenance costs compared to the same period in 2023 due to the execution of the 2023 Turnaround.
- Marketing, general and administrative expenses remained flat for the second quarter and the first six months of 2024, as the impact of inflationary pressures was offset by successful ongoing targeted cost-saving initiatives.

E. Corporate

($ millions, unless otherwise noted)	Three months ended June 30, 2024	2023	Change	%	Six months ended June 30, 2024	2023	Change	%
Marketing, general and administrative	**25**	25	—	—%	**43**	55	(12)	(22)%
Other items [1]	**(5)**	6	(11)	(183)%	**(9)**	(10)	1	(10)%
Adjusted EBITDA[2] expense	**20**	31	(11)	(35)%	**34**	45	(11)	(24)%

(1) Other items for the second quarter of 2024 includes non-fuel internal revenue of $3 million (2023 - $1 million); and realized foreign exchange gains of $2 million (2023 - $7 million losses). Other items for the first six months of 2024 includes non-fuel internal revenue of $5 million (2023 - $2 million); realized foreign exchange gains of $4 million (2023 - $2 million); and other items of nil (2023 - $6 million).
(2) Measure of segment profit (loss). See Section 16 of this MD&A.

8 The Burnaby Refinery safely returned to normal operations on March 29, 2024, following an unplanned shutdown for 11 weeks, which began due to extreme cold weather and an interruption in natural gas supply earlier in the year, and was extended by technical issues on subsequent start-up.

Corporate Adjusted EBITDA expense decreased by $11 million for the second quarter and the first six months of 2024. as compared to the same periods in 2023.

- The Marketing, general and administrative expenses remained flat for the second quarter of 2024, as the impact of inflationary pressures was offset by successful ongoing targeted cost-saving initiatives, and decreased by $12 million for the first six months of 2024, due to cost reduction initiatives and timing of certain expenditures.
- The decrease of $11 million expense in other items for the second quarter of 2024 was primarily due to the non-recurring realized foreign exchange losses of $9 million in the comparative period. The impact of other items remained relatively flat for the first six months of 2024.

5. QUARTERLY FINANCIAL DATA

The following is a summary of selected consolidated financial information derived from our most recent interim and annual consolidated financial statements.

($ millions, unless otherwise noted)	2024		2023				2022	
For the three months ended	**June 30**	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30
Financial Summary								
Sales and operating revenue[(1)]	**7,504**	6,939	7,746	8,731	7,819	8,156	8,719	9,422
Adjusted gross margin[(1)(2)]	**1,020**	849	1,012	1,101	964	927	995	864
Adjusted EBITDA[(2)(3)]	**504**	327	463	585	470	395	455	328
Canada[(4)]	**172**	191	190	206	150	167	197	140
International[(4)]	**182**	149	157	170	168	183	110	104
USA[(4)]	**49**	33	39	52	74	21	46	(18)
Refining[(4)]	**121**	(32)	106	188	109	38	128	135
Corporate[(4)]	**(20)**	(14)	(29)	(31)	(31)	(14)	(26)	(33)
Net earnings (loss)[(3)]	**70**	(5)	86	230	78	77	69	105
Net earnings (loss) per share – basic ($ per share)	**0.40**	(0.03)	0.49	1.31	0.44	0.44	0.39	0.67
Net earnings (loss) per share – diluted ($ per share)	**0.39**	(0.03)	0.48	1.28	0.44	0.43	0.39	0.66
Adjusted earnings (loss)[(3)(5)]	**156**	43	151	231	130	114	117	49
Adjusted earnings (loss) per share[(5)] – basic ($ per share)	**0.89**	0.25	0.86	1.31	0.74	0.65	0.67	0.31
Adjusted earnings (loss) per share[(5)] – diluted ($ per share)	**0.88**	0.25	0.84	1.28	0.73	0.64	0.67	0.31

(1) Certain amounts within sales and operating revenue, cost of purchases and operating costs for the comparative periods were revised to conform to the presentation used in the current period. See Note 13 of the Interim Condensed Consolidated Financial Statements.
(2) Total of segments measure. See Section 16 of this MD&A.
(3) For the three months ended September 30, 2022, represents the amount attributable to Parkland.
(4) Measure of segment profit (loss). See Section 16 of this MD&A.
(5) Non-GAAP financial measure or ratio. See Section 16 of this MD&A.

Over the last eight quarters, Parkland's sales and operating revenue, Adjusted gross margin, Adjusted EBITDA and Adjusted earnings (loss) were primarily impacted by (i) fluctuations in the price of fuel and petroleum products, (ii) market conditions impacting unit margins and sales volume, (iii) Parkland's acquisitions and the realization of related synergies, (iv) organic growth, (v) the impact on commodity prices and margins resulting from the Russia-Ukraine conflict and the Middle East conflict, (vi) the spot wholesale inventory and risk management losses in USA in a rapidly declining and volatile market in the third quarter of 2022, (vii) the B.C. Hydro power outage in the second quarter of 2022 and the fourth quarter of 2023, (viii) the 2023 Turnaround, (ix) non-recurring[9] realized gains on foreign exchange arising on the settlement of financing balances, (x) continued optimization of our supply and integrated logistic capabilities, (xi) unseasonably warm weather reducing volume demand in our logistics and commercial home heating businesses in the fourth quarter of 2023 and the first quarter of 2024, (xii) the unplanned Burnaby Refinery shutdown, which began due to extreme cold weather in the first quarter of 2024, (xiii) unfavourable industry trends and macroeconomic conditions in USA during the first six months of 2024, and (xiv) general inflation.

The fluctuations in Refining results are largely driven by (i) crack spreads, which change based on market conditions and drive refining margins, (ii) the refinery utilization, which is impacted by the timing of the maintenance turnaround, extreme weather events and mechanical breakdowns and (iii) price fluctuation and optimization activities, which include maximizing product sales in local markets and reducing compliance costs through co-processing.

9 Realized foreign exchange gains of this magnitude are not expected to reoccur in the future as these relate to the settlement of older financing balances issued at significantly less favourable exchange rates relative to the exchange rates at the date of settlement.

6. CASH FLOWS AND DIVIDENDS

A. Cash flows

The following table presents summarized information from the consolidated statements of cash flows:

($ millions, unless otherwise noted)	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash generated from (used in) operating activities	**450**	521	**667**	835
Cash generated from (used in) investing activities	**(102)**	(213)	**(195)**	(312)
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	**(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
Cash generated from (used in) operating activities per share[1]	**2.58**	2.97	**3.81**	4.76

[1] Supplementary financial measure. See Section 16 of this MD&A.

Operating activities

Q2 2024 vs. Q2 2023

Parkland generated $450 million in cash from operating activities for the second quarter of 2024. This was primarily attributable to: (i) Adjusted EBITDA of $504 million, and (ii) an inflow of $34 million net change in non-cash working capital driven by the decrease in commodity prices, partially offset by timing of the settlement of risk management contracts. The cash inflows were partially offset by: (i) $46 million in acquisition, integration and other costs primarily related to the integration of previously acquired businesses, implementation of enterprise-wide systems and processes and costs associated with the restructuring activities, and (ii) $37 million of current income taxes.

In comparison, Parkland generated $521 million in cash from operating activities for the second quarter of 2023. This was primarily attributable to: (i) Adjusted EBITDA of $470 million, and (ii) an inflow of $145 million net change in non-cash working capital, primarily relating to the timing of the settlement of risk management contracts and a decrease in commodity prices. The cash inflows were partially offset by: (i) $39 million in acquisition, integration and other costs primarily related to the integration of previously acquired businesses, implementation of enterprise-wide systems and processes and costs associated with the restructuring activities, and (ii) $32 million of current income taxes.

Q2 2024 YTD vs. Q2 2023 YTD

Parkland generated $667 million in cash from operating activities for the first six months of 2024. This was primarily attributable to Adjusted EBITDA of $831 million. The cash inflows were partially offset by: (i) $76 million in acquisition, integration and other costs primarily related to the integration of previously acquired businesses, implementation of enterprise-wide systems and processes and costs associated with the restructuring activities, (ii) an outflow of $31 million from other liabilities and assets due to timing of payment of certain deposits, and (iii) an outflow of $29 million from net change in non-cash working capital mainly attributable to the timing of certain inventory purchases and prepayments, and (iv) current income taxes of $21 million.

In comparison, Parkland generated $835 million in cash from operating activities for the first six months of 2023. This was primarily attributable to: (i) Adjusted EBITDA of $865 million, and (ii) an inflow of $127 million from net change in non-cash working capital due to the timing of settlement of risk management contracts and a decrease in commodity prices. The cash inflows were partially offset by: (i) $66 million in acquisition, integration and other costs primarily related to the integration of previously acquired businesses, implementation of enterprise-wide systems and processes and costs associated with the restructuring activities, and (ii) current income taxes of $40 million.

Investing activities

Q2 2024 vs. Q2 2023

Parkland invested $102 million in the second quarter of 2024, primarily attributable to: (i) a total of $94 million of growth capital expenditures and maintenance capital expenditures as discussed in Section 8 of this MD&A, and (ii) a $17 million investment in Sol Ecolution. This was partially offset by $10 million in dividends received from investments in associates and joint ventures and proceeds on disposal of certain assets.

In comparison, Parkland invested $213 million in the second quarter of 2023, primarily attributable to: (i) a total of $118 million of growth capital expenditures and maintenance capital expenditures as discussed in Section 8 of this MD&A, and (ii) $110 million change in net non-cash working capital outflow largely attributable to payment of the deferred consideration relating to Vopak Acquisition[10]. This was partially offset by $12 million in dividends received from investments in associates and joint ventures and proceeds on the disposal of certain assets.

Q2 2024 YTD vs. Q2 2023 YTD

Parkland invested $195 million in the first six months of 2024, primarily attributable to: (i) a total $183 million of growth capital expenditures and maintenance capital expenditures as discussed in Section 8 of this MD&A, and (ii) a $17 million investment in Sol Ecolution. This was partially offset by $14 million in dividends received from investments in associates and joint ventures and proceeds on the disposal of certain assets.

In comparison, Parkland invested $312 million in the first six months of 2023, primarily attributable to: (i) $231 million of growth capital expenditures and maintenance capital expenditures as discussed in Section 8 of this MD&A, and (ii) $116 million change in net non-cash working capital outflow largely attributable to payment of the deferred consideration relating to Vopak Acquisition[9]. This was partially offset by $35 million in dividends from the investment in associates and proceeds on the disposal of certain assets.

Financing activities

Q2 2024 vs. Q2 2023

Parkland used $412 million of cash in financing activities for the second quarter of 2024. This was primarily attributable to: (i) $158 million of net repayments under the Credit Facility as we continue to focus on deleveraging, (ii) $107 million payments for interest on leases and long-term debt, (iii) $64 million payments made on the principal amount on leases, (iv) $61 million in cash dividends paid to shareholders, and (v) $30 million shares repurchased under the NCIB.

In comparison, Parkland used $450 million of cash in financing activities during the second quarter of 2023. This was primarily attributable to: (i) $232 million repayments under the Credit Facility, (ii) $111 million payments for interest on leases and long-term debt, (iii) $60 million in cash dividends paid to shareholders, and (iv) $56 million payments made on the principal amount on leases.

Q2 2024 YTD vs. Q2 2023 YTD

Parkland used $541 million of cash in financing activities in the first six months of 2024. This was primarily attributable to: (i) $173 million payments for interest on leases and long-term debt, (ii) $135 million payments made on principal amount on leases, (iii) $121 million in cash dividends paid to shareholders, (iv) $109 million shares repurchased under the NCIB, and (v) $19 million repayments under the Credit Facility as we continue to focus on deleveraging.

In comparison, Parkland used $876 million of cash in financing activities in the first six months of 2023. This was primarily attributable to: (i) $479 million repayments under the Credit Facility, (ii) $184 million payments for interest on leases and long-term debt, (iii) $117 million in cash dividends paid to shareholders, and (iv) $107 million payments made on principal amount on leases.

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[10] On June 1, 2022, Parkland successfully completed the acquisition of all of the issued and outstanding equity interest of Vopak Terminal of Canada Inc. and Vopak Terminals of Eastern Canada Inc. (collectively, the "Vopak Acquisition"), which include four product terminals strategically located in east and west Montreal, Quebec, and Hamilton, Ontario.

B. Available cash flow and Available cash flow per share

	Three months ended June 30,		Trailing twelve months ended June 30	
($ millions, unless otherwise noted)	**2024**	2023	**2024**	2023
Cash generated from (used in) operating activities[1]	**450**	521	**1,612**	1,868
Exclude: Adjusted EBITDA attributable to NCI, net of tax	**—**	—	**—**	(11)
	450	521	**1,612**	1,857
Reverse: Change in other assets and other liabilities	**3**	(11)	**34**	—
Reverse: Net change in non-cash working capital related to operating activities	**(34)**	(145)	**32**	(491)
Include: Maintenance capital expenditures[1][2]	**(53)**	(61)	**(257)**	(320)
Include: Dividends received from investments in associates and joint ventures	**8**	2	**17**	23
Include: Interest on leases and long-term debt	**(88)**	(89)	**(344)**	(343)
Include: Payments of principal amount on leases	**(64)**	(56)	**(263)**	(209)
Exclude: Payments of principal amount on leases attributable to NCI	**—**	—	**—**	2
Available cash flow[3]	**222**	161	**831**	519
Weighted average number of common shares (millions)[4]			**175**	170
TTM Available cash flow per share[3]			**4.75**	3.05

(1) Supplementary financial measure for the trailing twelve month period. See Section 16 of this MD&A.
(2) For the trailing twelve months ended June 30, 2023, represents the amounts attributable to Parkland.
(3) Non-GAAP financial measure or non-GAAP financial ratio. See Section 16 of this MD&A.
(4) Weighted average number of common shares are calculated in accordance with Parkland's accounting policy contained in Note 2 of the Annual Consolidated Financial Statements.

Available cash flow increased by $61 million for the three months ended June 30, 2024, as compared to the same period in 2023, as a result of (i) an increase in Adjusted EBITDA performance as discussed in Section 2A above, and (ii) lower maintenance capital expenditures due to the 2023 Turnaround in the comparative period, partially offset by an increase in lease payments due to organic growth initiatives.

Available cash flow increased by $312 million for the trailing twelve months ended June 30, 2024, as compared to the same period in 2023, as a result of (i) strong Adjusted EBITDA performance in the last six months of 2023 and the second quarter of 2024, and (ii) lower capital maintenance expenditures due to 2023 Turnaround in the comparative period and disciplined capital allocation, offset by an increase in lease payments due to organic growth initiatives.

Available cash flow per share increased from $3.05 to $4.75 for the trailing twelve months ended June 30, 2024, as compared to the same period in 2023, driven by the increase in Available cash flow as discussed above, partially offset by an increase in the weighted average number of outstanding common shares driven by (i) shares issued pursuant to the Share Exchange Agreement[11], and (ii) issuances under the stock option plan, and on vesting of performance share units, net of shares repurchased under the NCIB.

Cash generated from operating activities for the three months ended June 30, 2024, decreased by $71 million as compared to the same period in 2023, primarily as a result of the lower inflow related to changes in non-cash working capital, driven by the timing of the settlement of risk management contracts and changes in commodity prices, partially offset by an increase in Adjusted EBITDA performance as discussed in Section 2.

Cash generated from operating activities for the trailing twelve months ended June 30, 2024, decreased by $256 million as compared to the same period in 2023, primarily as a result of the higher inflow related to changes in non-cash working capital in the comparative period, driven by the timing of the settlement of risk management contracts and decrease in commodity prices, partially offset by an increase in Adjusted EBITDA performance as discussed in Section 2.

11 On August 4, 2022, Parkland entered into a share exchange agreement (the "Share Exchange Agreement") with Simpson Oil Limited ("Simpson Oil") to acquire 12.5 million shares in the capital of Sol Investments SEZC (collectively, with its subsidiaries, "Sol") from Simpson Oil, representing Simpson Oil's remaining 25% non-controlling interest ("NCI") of Sol, in exchange for 20 million common shares of Parkland (the "Share Exchange"). In connection with entering into the Share Exchange Agreement, effective August 4, 2022, Parkland does not allocate a portion of segment profit or loss to NCI and includes 100% of International's results as Adjusted EBITDA. The Share Exchange was completed on October 18, 2022.

C. Dividends

	Three months ended June 30,				Six months ended June 30,			
($ millions, unless otherwise noted)	**2024**	2023	Change	%	**2024**	2023	Change	%
Dividends declared to shareholders	**61**	60	1	2%	**122**	120	2	2%
Dividends paid to shareholders	**(61)**	(60)	(1)	2%	**(121)**	(117)	(4)	3%

Parkland increased the annual dividend by $0.06 per share to $1.36 per share from $1.30 per share, effective March 22, 2023, and by $0.04 per share to $1.40 per share from $1.36 per share, effective March 22, 2024.

Dividends declared to shareholders increased by $1 million in the second quarter of 2024, and by $2 million in the first six months of 2024, primarily due to the increase in annual per-share dividend, partially offset by the lower number of outstanding common shares driven by 3.1 million common shares repurchased under the NCIB during the trailing twelve months ended June 30, 2024.

Dividends paid to shareholders increased by $1 million to $61 million in the second quarter of 2024 , and by $4 million to $121 million in the first six months of 2024 due to the increases in the annual per-share dividends described above.

D. Dividend payout ratio

	Trailing twelve months ended June 30,	
($ millions, unless otherwise noted)	**2024**	2023
Available cash flow[1]	**831**	519
Dividends[2]	**242**	227
Dividend payout ratio[1]	**29%**	44%

[1] Non-GAAP financial measure or non-GAAP financial ratio. See Section 16 of this MD&A.
[2] Supplementary financial measure. See Section 16 of this MD&A

The dividend payout ratio decreased for the trailing twelve months ended June 30, 2024, as compared to the same period in 2023, due to the impact of higher available cash flow, as discussed in Section 6B, partially offset by an increase in dividends declared, as discussed in Section 6C.

7. CAPITAL MANAGEMENT, LIQUIDITY AND COMMITMENTS

A. Capital management

Leverage Ratio

Leverage Ratio is one of Parkland's key capital management measures, which is used internally by key management personnel to monitor Parkland's overall financial strength, capital structure flexibility, and ability to service debt and meet current and future commitments. To manage its capital and 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.

Leverage Ratio increased and remained stable at 3.1 as at June 30, 2024, as compared to 2.8 at December 31, 2023, and 3.1 at March 31, 2024, respectively, primarily driven by (i) the temporary shutdown of the Burnaby Refinery during the first quarter of 2024 as discussed above, and (ii) the increase in USD-denominated debt balances in a stronger USD environment.

($ millions, unless otherwise noted)	**June 30, 2024**	March 31, 2024	December 31, 2023
Leverage Debt	**5,193**	5,208	4,976
Leverage EBITDA	**1,674**	1,657	1,780
Leverage Ratio[1]	**3.1**	3.1	2.8

[1] Capital management measure. Refer to Section 16 of this MD&A for additional details.

ROIC

ROIC is used by Parkland as a key measure to monitor the return on investments and assess its efficiency at allocating the capital under its control. In addition, ROIC is also used as a metric to measure effectiveness of allocating capital over the long-term, relative to the Company's cost of capital.

	Trailing twelve months ended June 30,	
($ millions, unless otherwise noted)	**2024**	2023
Net operating profit after tax	**836**	705
Average invested capital	**9,251**	9,128
ROIC[1]	**9.0%**	7.7%

[1] Non-GAAP financial ratio. See Section 16 of this MD&A.

ROIC was 9.0% at June 30, 2024, as compared to 7.7% at June 30, 2023, driven by robust economic performance and growth from our previously completed acquisitions, partially offset by the unplanned shutdown of the Burnaby Refinery during the first quarter of 2024 and a higher average effective tax rate resulting from the enactment of Pillar Two in Canada in June 2024. Parkland will continue to focus on efficient capital allocation and value creation for shareholders.

Normal course issuer bid program

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

Credit Facility covenants

In addition to the internal capital management measures, Parkland was in compliance with the restrictions with respect to all of its Credit Facility 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) throughout the three months ended June 30, 2024, and six months ended June 30, 2024, and expects to remain in compliance over the next year. See the Credit Agreement available on SEDAR+ at www.sedarplus.ca.

B. Available sources of liquidity

Parkland's sources of liquidity as at June 30, 2024, are cash and cash equivalents, as well as available funds under its Credit Facility. While it is typical for Parkland's cash flows to have seasonal fluctuations, such fluctuations do not materially impact Parkland's liquidity. Management believes that cash flows from operations will be adequate to fund maintenance capital expenditures, interest, income taxes, dividends, and share repurchases. Any future acquisitions or commitments will be funded by available cash flows from operations, debt and equity offerings, if needed, and available borrowing capacity under the Credit Facility.

The following table provides a summary of available cash and cash equivalents and unused credit facilities:

($ millions)	**June 30, 2024**	December 31, 2023
Cash and cash equivalents[1]	**336**	387
Unused credit facilities	**910**	952
	1,246	1,339

[1] Includes cash held in margin and project financing current accounts as at June 30, 2024, amounted to $78 million (December 31, 2023 - $11 million) and cash and cash equivalents classified as held for sale of $20 million as at June 30, 2024 (December 31, 2023 - nil).

C. Contractual obligations

Parkland has contractual obligations under various debt agreements, leases, capital expenditures and other contractual commitments with maturities from less than a year to over five years. Parkland's contractual obligations decreased from $13,000 million as at December 31, 2023, to $12,940 million as at June 30, 2024. The decrease was primarily due to (i) a decrease in provisions and other liabilities mainly attributable to a settlement of an obligation under the automatic share purchase plan ("ASPP"), and (ii) a decrease in accounts payable and accrued liabilities due to lower commodity prices, partially offset by higher long-term debt balances resulting from a stronger US dollar to Canadian dollar foreign exchange rate at June 30, 2024.

As at June 30, 2024 ($ millions)	Less than one year	Years two and three	Years four and five	Thereafter	Total
Commitments					
Pipeline commitment[1]	**55**	**169**	**177**	**1,663**	**2,064**
Acquisition of property, plant and equipment	**121**	**25**	**—**	**—**	**146**
Total commitments	**176**	**194**	**177**	**1,663**	**2,210**
Other obligations					
Accounts payable and accrued liabilities	**2,783**	**—**	**—**	**—**	**2,783**
Dividends declared and payable	**61**	**—**	**—**	**—**	**61**
Risk management and other financial liabilities	**59**	**—**	**—**	**—**	**59**
Long-term debt - including interest	**453**	**1,355**	**2,559**	**3,372**	**7,739**
Provisions and other liabilities	**47**	**10**	**8**	**23**	**88**
Total other obligations	**3,403**	**1,365**	**2,567**	**3,395**	**10,730**
Total contractual obligations	**3,579**	**1,559**	**2,744**	**5,058**	**12,940**

[1] The commitment is over the contract term of 20 years. The tolls are estimated based on the service provider's latest published tolling structure and are subject to further revision.

Fuel and petroleum products and other purchase commitments

In addition to the commitments described above, Parkland has entered into purchase orders and contracts during the normal course of business for the purchase of goods and services. Such obligations include commodity purchase obligations transacted at market prices.

D. Off-balance sheet arrangements

In the normal course of business, Parkland is obligated to make future payments, including under contractual obligations and guarantees.

Guarantees

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

Letters of credit and surety bonds

As at June 30, 2024, Parkland issued $68 million (December 31, 2023 - $53 million) of letters of credit and $465 million (December 31, 2023 - $436 million) 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.

8. CAPITAL EXPENDITURES

The following table provides a summary and reconciliation of maintenance and growth capital expenditures:

	Three months ended June 30,		Six months ended June 30,	
($ millions)	**2024**	2023	**2024**	2023
Growth capital expenditures				
Canada	**8**	25	**18**	38
International	**9**	2	**12**	5
USA	**2**	2	**3**	6
Refining	**13**	10	**23**	21
Corporate	**9**	18	**15**	21
Growth capital expenditures[(1)]	**41**	57	**71**	91
Maintenance capital expenditures				
Canada	**16**	18	**28**	26
International	**7**	6	**10**	10
USA	**3**	10	**6**	20
Refining	**27**	27	**68**	83
Corporate	**—**	—	**—**	1
Maintenance capital expenditures[(1)]	**53**	61	**112**	140
Additions to property, plant and equipment and intangible assets[(1)(2)]	**94**	118	**183**	231

(1) Supplementary financial measure. See Section 16 of this MD&A.
(2) Refer to Note 13 of the Interim Condensed Consolidated Financial Statements.

Parkland's combined growth capital expenditures and maintenance capital expenditures for the second quarter of 2024 and the first six months of 2024 decreased by $24 million and $48 million, respectively, as compared to the same periods in 2023. The decrease is primarily attributable to higher volume of site conversions, rebranding and site expansion activities and the 2023 Turnaround in the comparative period.

Growth capital expenditures decreased by $16 million for the second quarter of 2024 and $20 million for the first six months of 2024 and were focused on (i) capacity enhancement and low-carbon fuel manufacturing growth initiatives at the Burnaby Refinery, (ii) fleet, storage tank and equipment purchases to support new contracts, (iii) ongoing enhancements to the JOURNIE™ Rewards program in various digital platforms, (iv) site network expansion projects in Canada, including EV charging, and (v) the pipeline capacity expansion in Canada.

Maintenance capital expenditures decreased by $8 million for the second quarter of 2024 and $28 million for the first six months of 2024 and were focused on (i) replacements of the fleet and equipment across the Canada, USA and International markets, (ii) ongoing maintenance at the Burnaby Refinery, terminals and other infrastructure to ensure plant reliability and regulatory compliance, and (iii) the capital repairs associated with the unplanned shutdown of the Burnaby Refinery, as discussed above.

Committed capital expenditures

Contractual commitments for the acquisition of property, plant and equipment as at June 30, 2024, are $146 million (December 31, 2023 - $131 million). These contractual commitments are expected to be incurred primarily over the next 12 months and relate mainly to (i) ongoing maintenance projects and low-carbon fuel manufacturing growth initiatives at the Burnaby Refinery, (ii) infrastructure renovations and equipment upgrades, and (iii) site rebranding, including On the Run / Marché Express brand conversion. Parkland plans to use cash and cash equivalents, cash flows from operations, proceeds from divestment activities and available borrowing capacity under the Credit Facility to fund these commitments.

9. REVENUE AND NET EARNINGS (LOSS)

A. Revenue

($ millions)	Canada[1]		International[1]		USA[1]		Refining[1]		Consolidated	
Three months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Fuel and petroleum product revenue	**3,557**	3,628	**2,083**	2,113	**1,168**	1,418	**315**	271	**7,123**	7,430
Food, convenience and other non-fuel revenue	**118**	132	**46**	43	**217**	214	**—**	—	**381**	389
Sales and operating revenue[2]	**3,675**	3,760	**2,129**	2,156	**1,385**	1,632	**315**	271	**7,504**	7,819

($ millions)	Canada[1]		International[1]		USA[1]		Refining[1]		Consolidated	
Six months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Fuel and petroleum product revenue	**6,710**	7,159	**4,101**	4,672	**2,239**	2,912	**653**	470	**13,703**	15,213
Food, convenience and other non-fuel revenue	**233**	253	**93**	91	**414**	418	**—**	—	**740**	762
Sales and operating revenue[2]	**6,943**	7,412	**4,194**	4,763	**2,653**	3,330	**653**	470	**14,443**	15,975

(1) Refer to Note 13 of the Interim Condensed Consolidated Financial Statements for additional information on Parkland's segments.
(2) Sales and operating revenue includes revenue from external customers only.

Sales and operating revenue for the second quarter of 2024 and for the first six months of 2024 decreased by $315 million and $1,532 million, respectively, as compared to the same periods in 2023. Overall, the period-over-period variances in sales and operating revenue are as follows:

- Sales and operating revenue for Canada decreased by $85 million for the second quarter of 2024 and by $469 million for the first six months of 2024. The decrease was mainly due to (i) lower volumes in integrated logistics business, commercial, and retail driven by softening industry demand resulting from general market conditions and unseasonably warm weather in the first quarter of 2024 and (ii) lower commodity prices, partially offset by strong volume growth in our company owned retail network in the first quarter of 2024.
- Sales and operating revenue for International remained relatively flat for the second quarter of 2024 and decreased $569 million for the first six months of 2024, mainly due to lower volumes in the wholesale business in the first quarter of 2024, compared to an exceptional comparative period with reduced competition and unusually favourable market dynamics in the region.
- Sales and operating revenue for USA decreased by $247 million for the second quarter of 2024 and $677 million for the first six months of 2024. The decrease was mainly due to lower fuel and petroleum volumes attributable to reduced demand and business activity, and lower commodity prices.
- Sales and operating revenue for Refining increased by $44 million for the second quarter of 2024 and $183 million for the first six months of 2024 due to higher external crude sales resulting from efficient management of pipeline capacity.

B. Net earnings (loss)

The following table shows the reconciliation of Adjusted EBITDA to net earnings (loss) for the three and six months ended June 30, 2024.

	Three months ended June 30,		Six months ended June 30,	
($ millions)	**2024**	2023	**2024**	2023
Adjusted EBITDA	**504**	470	**831**	865
Less/(add):				
Acquisition, integration and other costs	**46**	39	**76**	66
Depreciation and amortization	**202**	206	**408**	396
Finance costs	**99**	98	**190**	202
(Gain) loss on foreign exchange – unrealized	**4**	27	**7**	34
(Gain) loss on risk management and other – unrealized	**56**	(11)	**67**	(43)
Other (gains) and losses[(1)]	**(1)**	14	**9**	35
Other adjusting items[(2)]	**8**	1	**18**	22
Income tax expense (recovery)	**20**	18	**(9)**	(2)
Net earnings (loss)	**70**	78	**65**	155

[(1)] Other (gains) and losses for the three months ended June 30, 2024, include the following: (i) $12 million non-cash valuation gain (2023 - $6 million loss) due to the change in estimates of environmental provision; (ii) $11 million non-cash valuation loss (2023 - $5 million loss) due to the change in fair value redemption options; (iii) $4 million loss (2023 - $5 million loss) in Others; (iv) $3 million (2023- $3 million) in Other income; and $1 million gain (2023 - $1 million loss) on disposal of assets. Other (gains) and losses for the first six months of 2024 include the following: (i) $24 million non-cash valuation loss (2023 - $4 million gain) due to the change in fair value of redemption options; (ii) $16 million non-cash valuation gain (2023 - $10 million loss) due to the change in estimates of environmental provision; (iii) $9 million loss (2023 - $28 million loss) in Others; (iv) $5 million (2023 - $6 million) in Other income; and (v) $3 million gain (2023 - $7 million loss) on disposal of assets. Refer to Note 12 of the Interim Condensed Consolidated Financial Statements.

[(2)] Other adjusting items for the three months ended June 30, 2024, include: (i) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $3 million (2023 - $3 million); (ii) other income of $3 million (2023 - $3 million); (iii) adjustment to foreign exchange gains and losses related to cash pooling arrangements of $2 million (2023 - $1 million); (iv) realized risk management loss related to underlying physical sales activity in another period of $1 million (2023 - $4 million gain); and (v) adjustment to realized risk management gains related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions of $1 million (2023 - nil). Other adjusting Items for the first six months of 2024 include: (i) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $7 million (2023 - $6 million); (ii) other income of $5 million (2023 - $6 million); (iii) realized risk management loss related to underlying physical sales activity in another period of $4 million (2023 - $3 million gain); (iv) adjustment to foreign exchange gains and losses related to cash pooling arrangements of $4 million (2023 - nil); (v) adjustment to realized risk management gains related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions of $2 million (2023 - nil); and (vi) the effect of market-based performance conditions for equity-settled share-based award settlements of nil (2023 - $13 million).

Net earnings were $70 million for the second quarter of 2024 and $65 million for the first six months of 2024, representing a decrease of $8 million and $90 million, respectively, compared to the same periods in 2023.

The decreases were primarily due to the:

- increase in unrealized losses on risk management and other of $67 million for the second quarter of 2024 and $110 million for the first six months of 2024, primarily driven by volatility in emission credit and diesel prices;
- decrease in Adjusted EBITDA of $34 million for the first six months of 2024 as discussed in Section 2 above;
- increase in loss on revaluation of redemption options included in other (gains) and losses of $6 million for the second quarter of 2024 and $28 million for the first six months of 2024 driven by interest rate volatility and changes in credit spreads;
- increase in depreciation and amortization of $12 million for the first six months of 2024 due to a higher leased asset base to support organic growth; and
- increase in acquisition, integration and other costs by $7 million for the second quarter of 2024 and $10 million for the first six months of 2024 attributable to the integration of previously acquired businesses, implementation of enterprise-wide systems and processes and costs associated with restructuring activities.

The decreases were partially offset by the:

- increase in Adjusted EBITDA of $34 million for the second quarter of 2024 as discussed in Section 2 above;
- non-recurring unrealized foreign exchange gains of $27 million on settlement of financing balances during the second quarter of 2023;
- increase in the gain from revaluation of environmental provision of $18 million for the second quarter of 2024 and $26 million for the first six months of 2024, primarily driven by changes in discount rates;

- decrease in finance costs of $12 million for the first six months of 2024 due to lower average borrowings under the Credit Facility, partially offset by (i) higher effective interest rates under the Credit Facility, and (ii) higher lease obligations;
- write off of certain assets of $11 million for the first six months of 2023;
- increase in gains on asset disposal of $2 million for the second quarter of 2024 and $10 million for the first six months of 2024; and
- increase in income tax recovery of $7 million for the first six months of 2024 due to a taxable loss driven primarily by the unplanned temporary shutdown of the Burnaby Refinery, partially offset by the impact of Pillar Two taxes for the first six months of 2024.

10. LINE OF BUSINESS INFORMATION

In addition to the reportable operating segments discussed under Section 4 of this MD&A, Parkland also voluntarily discloses business performance by line of business. Refer to Note 14 of the Interim Condensed Consolidated Financial Statements for additional information and the reconciliation of Adjusted gross margin and Adjusted EBITDA to net earnings (loss). The results of our lines of businesses are as follows:

($ millions, unless otherwise noted)	Retail		Commercial		Refining		Corporate		Eliminations		Consolidated	
Three months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Total fuel and petroleum product volume (million litres)	**2,588**	2,623	**5,138**	5,541	**1,123**	1,124	**—**	—	**(2,458)**	(2,412)	**6,391**	6,876
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
Adjusted EBITDA	**242**	212	**161**	180	**121**	109	**(20)**	(31)	**—**	—	**504**	470

($ millions, unless otherwise noted)	Retail		Commercial		Refining		Corporate		Eliminations		Consolidated	
Six months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Total fuel and petroleum product volume (million litres)	**4,987**	5,019	**10,161**	11,548	**2,167**	1,911	**—**	—	**(4,638)**	(4,679)	**12,677**	13,799
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
Adjusted EBITDA	**454**	400	**322**	363	**89**	147	**(34)**	(45)	**—**	—	**831**	865

The period-over-period variances for the lines of businesses are as follows:

- The Retail business achieved Adjusted EBITDA of $242 million for the second quarter of 2024 and $454 million for the first six months of 2024, representing an increase of $30 million and $54 million, respectively, as compared to the same periods in 2023. The increase was driven by (i) stronger unit margins in Canada and International resulting from continued price and supply optimization, and (ii) C-store gross margin improvement in USA through C-store category initiatives and performance of On the Run rebrands.
- The Commercial business achieved Adjusted EBITDA of $161 million for the second quarter of 2024 and $322 million for the first six months of 2024, representing a decrease of $19 million and $41 million, respectively, as compared to the same periods in 2023. The decrease was driven by (i) lower volumes due to reduced business activity and demand, (ii) lower margins as a result of unfavourable distillate market conditions in USA, and (iii) non-recurring foreign exchange gains in the comparative period. This was partially offset by (i) strong wholesale unit margins and aviation business performance in International, and (ii) improved lubricant margins driven by margin management initiatives in USA.
- Results of Refining and Corporate are discussed within Section 4 of this MD&A.

11. RENEWABLE AND CONVENTIONAL RESULTS

Parkland is involved in emission credit and renewable fuel trading, co-processing of bio-feedstocks and blending of low-carbon fuels to produce fuels that generate emission credits. Refer to Note 14 of the Interim Condensed Consolidated Financial Statements for additional information on renewable and conventional results. The summary results of renewable and conventional operations are as follows:

($ millions)	Renewable		Conventional		Consolidated	
Three months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023
Adjusted EBITDA	**73**	20	**431**	450	**504**	470

($ millions)	Renewable		Conventional		Consolidated	
Six months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023
Adjusted EBITDA	**140**	28	**691**	837	**831**	865

Parkland achieved Adjusted EBITDA attributable to renewable activities of $73 million for the second quarter of 2024 and $140 million for the first six months of 2024, representing an increase of $53 million and $112 million, respectively, as compared to the same periods in 2023. The increase was primarily driven by (i) recognition of federal Clean Fuel Regulations (CFR) credits starting in the third quarter of 2023, (ii) increased sales of federal and provincial credits and allowances, (iii) lower prices of bio-feedstock and low-carbon fuels and (iv) strength in compliance trading markets resulting in higher emission credit prices and associated margins in the first quarter of 2024,. The increase for the first six months of 2024 was partially offset by (i) reduced activities on the co-processing of the bio-feedstocks, primarily due to an unplanned shutdown of the Burnaby Refinery in the first quarter of 2024 and (ii) a strategic shift to discontinue trading of some underperforming compliance products, while adapting to market price fluctuations and positioning for future growth.

The remaining conventional results form part of each operating segment's performance, which is discussed in Section 4 of this MD&A.

12. RISK FACTORS

Key business risks

Parkland is exposed to a number of risk factors through the pursuit of our strategic objectives and the nature of our operations, which are outlined in Section 12 of the Annual MD&A and in the Annual Information Form. These risk factors have not changed materially since the dates of their publication.

Financial instruments and financial risks

Financial instruments recorded at fair value through profit or loss

Parkland uses various financial instruments recorded at fair value through profit or loss to reduce exposures to fluctuations in commodity prices and foreign exchange rates and support business and growth strategies. These financial instruments include commodities swaps, forwards and futures contracts, currency forward exchange contracts, emission credits, allowances forward, option contracts, interest rate swaps, Redemption Options, and other investments.

The following table presents the impact of the financial assets and liabilities measured at fair value on the consolidated statements of income (loss):

	Three months ended June 30,		**Six months ended June 30,**	
($ millions)	**2024**	2023	**2024**	2023
Gain (loss) on risk management and other - realized[(1)(2)]	**52**	20	**(12)**	59
Gain (loss) on risk management and other - unrealized[(1)(3)]	**(56)**	11	**(67)**	43
Gain (loss) on risk management and other	**(4)**	31	**(79)**	102
Change in fair value of Redemption Options[(4)]	**(11)**	(5)	**(24)**	4
Impact on consolidated statements of income (loss)	**(15)**	26	**(103)**	106

(1) Gains and losses on risk management and other are primarily related to commodities swaps, forwards and futures contracts, currency forward exchange contracts, emission credits forward and option contracts, emission credits and allowances held for trading, and interest rate swaps.
(2) Realized gain or loss on commodities swaps, forwards and futures contracts is offset by gain or loss on physical products delivered and recorded within "Sales and operating revenue" and "Cost of purchases" (i.e. gross margin) during the period.
(3) Unrealized gain or loss on commodities swaps, forwards and futures contracts is expected to be largely offset upon realization of any gain or loss on physical products at the time of sale. Unrealized gain or loss on emission credits forward contracts, option contracts, emission credits and allowances held for trading, and the related emission obligations are recognized when the contracts are settled, credits and allowances are sold, and the related obligations are settled.
(4) Recognized in "Other (gains) and losses". See Note 15 of the Annual Consolidated Financial Statements for details on the Redemption Options.

Net investment hedge

Parkland has designated certain USD-denominated debt balances as a net investment hedge to mitigate foreign exchange risk related to foreign operations ("Net investment hedge"). The effective portion of the hedge is recognized in other comprehensive income (loss). See Note 7 of the Interim Condensed Consolidated Financial Statements for further details on the Net investment hedge.

Other risks

A detailed discussion of additional risk factors relating to Parkland and its business is presented in the Annual Information Form available on SEDAR+ at www.sedarplus.ca.

13. OUTLOOK

As a result of the unplanned shutdown at the Burnaby Refinery in the first quarter of 2024, and unfavourable market conditions experienced for the first six months of 2024, that could persist for the remainder of the year, Parkland has revised its 2024 Adjusted EBITDA Guidance to $1,900 million - $2,000 million (the "Revised 2024 Adjusted EBITDA Guidance[11] Range"). This represents a decrease of $50 million from our previous guidance of $1,950 million - $2,050 million (the "2024 Adjusted EBITDA Guidance[12] Range"). There have been no other changes to the guidance metrics previously mentioned in Section 13 of the Annual MD&A.

For additional details relating to our 2024-2025 Guidance, refer to the Annual MD&A and Parkland's press releases dated November 14, 2023, and July 31, 2024, which are available at www.sedarplus.ca. The factors and assumptions that contribute to Parkland's assessment of the 2024-2025 Guidance are consistent with existing Parkland disclosure, and such range is subject to risks and uncertainties inherent in Parkland's business. Readers are directed Section 12 and Section 17 of this MD&A, Section 12 of the Annual MD&A and Parkland's Annual Information Form for a description of such factors, assumptions, risks and uncertainties.

12 Specified financial measure. See Section 16 and Section 17 of this MD&A.

14. OTHER

A. Controls environment

Internal controls over financial reporting

Based on the evaluation of Parkland's disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in National Instrument 52-109, the Chief Executive Officer and Chief Financial Officer have concluded that Parkland's DC&P and ICFR were designed and operating effectively as at June 30, 2024.

Changes in internal controls over financial reporting

There were no changes in Parkland's ICFR during the six months ended June 30, 2024, that materially affected, or are reasonably likely to materially affect, Parkland's ICFR. Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems that are determined to be effective can provide only reasonable, but not absolute, assurance that financial information is accurate and complete. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

B. Shares outstanding

As at June 30, 2024, Parkland had approximately 174.1 million (December 31, 2023 - 175.8 million) common shares, 3.4 million (December 31, 2023 - 3.4 million) share options, 2.0 million (December 31, 2023 - 2.1 million) performance share units, and 0.3 million (December 31, 2023 - 0.3 million) deferred share units outstanding. The share options consist of approximately 2.2 million (December 31, 2023 - 2.1 million) share options that are currently exercisable into common shares.

C. Fuel and petroleum product volume

(million litres)	Canada		International		USA		Refining		Consolidated	
Three months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Retail[1]	**1,677**	1,721	**420**	413	**491**	489	**—**	—	**2,588**	2,623
Commercial[1][2]	**1,462**	1,557	**1,293**	1,510	**623**	792	**—**	—	**3,378**	3,859
Refining	**—**	—	**—**	—	**—**	—	**425**	394	**425**	394
Fuel and petroleum product volume[3]	**3,139**	3,278	**1,713**	1,923	**1,114**	1,281	**425**	394	**6,391**	6,876

(million litres)	Canada		International		USA		Refining		Consolidated	
Six months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Retail[1]	**3,247**	3,273	**833**	821	**907**	925	**—**	—	**4,987**	5,019
Commercial[1][2]	**2,915**	3,257	**2,577**	3,245	**1,304**	1,661	**—**	—	**6,796**	8,163
Refining	**—**	—	**—**	—	**—**	—	**894**	617	**894**	617
Fuel and petroleum product volume[3]	**6,162**	6,530	**3,410**	4,066	**2,211**	2,586	**894**	617	**12,677**	13,799

[1] Includes gasoline and diesel.
[2] Commercial includes the operations of cardlock sites, bulk fuel, propane, heating oil, lubricants, and other related services to commercial, industrial, aviation, and residential customers as well as fuel supply and wholesale transactions.
[3] Fuel and petroleum product volume includes volumes from external customers only.

D. Related party transactions

As at June 30, 2024, Parkland continues to have transactions with related parties in the normal course of business. Since December 31, 2023, there have been no changes to the composition, nature or frequency of its related party transactions including commitments. As at June 30, 2024, Parkland has contractually committed to invest approximately $33 million (December 31, 2023: $49 million) in its associate investees.

($ millions)	Three months ended June 30, 2024	June 30, 2023	Six months ended June 30, 2024	June 30, 2023
Investment in Associates				
Fuel revenue[(1)]	**68**	137	**164**	248
Cost of purchases[(1)]	**64**	61	**136**	166
Investment in Joint Ventures				
Fuel revenue[(2)]	**246**	144	**473**	372

[(1)] Includes related party transactions with the Société Anonyme de la Raffinerie des Antilles ("SARA") refinery, in which Parkland holds a 29% interest.
[(2)] Includes related party transactions with the Isla JV, in which Parkland holds a 50% interest.

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

($ millions)	June 30, 2024	December 31, 2023
Investments in Associates		
Accounts payable	**19**	23
Accounts receivable	**29**	37
Investment in Joint Ventures		
Accounts payable	**—**	1
Accounts receivable	**35**	51

E. Assets classified as held for sale

As part of Parkland's portfolio optimization strategy, management is committed to a plan to sell certain assets within the Canada and USA segments in the next 12 months. The assets and the related liabilities held for sale as at June 30, 2024, were $591 million and $128 million, respectively (December 31, 2023 - $297 million and $26 million, respectively).

F. Site count by business model

	As at June 30, 2024			
	Canada	**USA**	**International[(1)]**	**Total**
Company-owned / leased, Company-operated[(2)]	**98**	**137**	**15**	**250**
Company-owned / leased, dealer-operated	**6**	**—**	**240**	**246**
Company-owned / leased, retailer-operated	**794**	**72**	**—**	**866**
Dealer-owned, dealer-operated / consignment dealer	**1,195**	**451**	**246**	**1,892**
Franchisee-operated[(3)]	**220**	**—**	**—**	**220**
Cardlock	**167**	**46**	**—**	**213**
	2,480	**706**	**501**	**3,687**

	As at December 31, 2023			
	Canada	**USA**	**International[(1)]**	**Total**
Company-owned / leased, Company-operated[(2)]	86	138	15	239
Company-owned / leased, dealer-operated	6	—	237	243
Company-owned / leased, retailer-operated	795	72	—	867
Dealer-owned, dealer-operated / consignment dealer	1,214	447	241	1,902
Franchisee-operated[(3)]	231	—	—	231
Cardlock	165	46	—	211
	2,497	703	493	3,693

[(1)] Site count excludes Parkland's 50% interest in the Isla JV. As at June 30, 2024, Isla JV's site count for Company sites and Dealer sites are 109 and 128, respectively (December 31, 2023 - 109 and 128).
[(2)] Includes Company-operated food stores where Parkland owns the food inventory. As at June 30, 2024, Parkland is the operator of 98 Company-operated stores under the M&M Food Market brand (December 31, 2023 - 86).
[(3)] In addition, as at June 30, 2024, Parkland had arrangements with 2,512 (December 31, 2023 - 2,418) third-party retailers to distribute and sell M&M Food Market products at the retailers' sites under the name "M&M Express".

15. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Parkland's material accounting policies and significant accounting estimates and judgments are contained in the Annual Consolidated Financial Statements. Refer to Note 2 of the Annual Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements for a summary of material accounting policies and estimates or references to notes where such policies are contained.

Critical accounting estimates and judgments

The preparation of Parkland's consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of revenue, expenses, assets, liabilities, accompanying disclosures and the disclosure of contingent liabilities. These estimates and judgments are subject to change based on experience and new information. Uncertainty about these estimates and judgments could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affecting future periods. Refer to "Critical accounting estimates and judgments" in the Annual MD&A for further information on these critical accounting estimates and judgments. Since the date of our Annual MD&A, there were no material changes to the critical accounting estimates and judgments.

16. SPECIFIED FINANCIAL MEASURES AND NON-FINANCIAL MEASURES

Parkland's management uses certain financial measures to analyze the operating performance, leverage and liquidity of the business. Parkland categorizes these measures as (i) Total of segments measures, (ii) Non-GAAP financial measures and ratios, (iii) Supplementary financial measures, and (iv) Capital management measures (collectively the "Specified financial measures") as per the requirements of the National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112") and its related companion policy released by the Canadian Securities Administrators in May 2021. In addition, Parkland uses certain non-financial measures that are not within the scope of NI 52-112.

A. Measures of segment profit (loss) and Total of segments measures

Adjusted earnings (loss) before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and Adjusted gross margin, including fuel and petroleum product adjusted gross margin and food, convenience and other adjusted gross margin, are measures of segment profit (loss) (and their aggregates are "Total of segments measures") used by the chief operating decision maker to make decisions about resource allocation to the segment and to assess its performance. Refer to Note 26 of the Annual Consolidated Financial Statements for more information. In accordance with IFRS Accounting Standards, adjustments and eliminations made in preparing an entity's financial statements and allocations of revenue, expenses, and gains or losses shall be included in determining reported segment profit (loss) only if they are included in the measure of the segment's profit (loss) that is used by the chief operating decision maker. As such, these measures are unlikely to be comparable to measures of segment profit (loss) presented by other issuers, who may calculate these measures differently.

Adjusted EBITDA

Parkland views Adjusted EBITDA as the key measure for the underlying core operating performance of business segment activities at an operational level. Adjusted EBITDA is used by management to set targets for Parkland (including annual guidance and variable compensation targets) and is used to determine Parkland's ability to service debt, finance capital expenditures and provide for dividend payments to shareholders. In addition to finance costs, depreciation, amortization and income tax expense (recovery), Adjusted EBITDA also excludes costs that are not considered representative of Parkland's underlying core operating performance, including, 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 it relates 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. Parkland's Adjusted EBITDA is also adjusted to include Parkland's proportionate share of its joint-venture investees' Adjusted EBITDA. Concurrently with Parkland entering into the Share Exchange Agreement, effective August 4, 2022, Parkland does not allocate a portion of segment profit or loss to NCI and includes 100 per cent of International results as Adjusted EBITDA. Refer to Section 9B of this MD&A for the reconciliation of Adjusted EBITDA to net earnings (loss), which is the most directly comparable financial measure.

Adjusted gross margin

Parkland uses Adjusted gross margin as a measure of segment profit (loss) to analyze the performance of sale and purchase transactions and performance on margin. Adjusted gross margin excludes the effects of 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. The most directly comparable financial measure is sales and operating revenue.

	Three months ended June 30,		**Six months ended June 30,**	
($ millions)	**2024**	2023	**2024**	2023
Sales and operating revenue	**7,504**	7,819	**14,443**	15,975
Cost of purchases	**(6,533)**	(6,872)	**(12,555)**	(14,139)
Gain (loss) on risk management and other - realized	**52**	20	**(12)**	59
Gain (loss) on foreign exchange - realized	**(5)**	2	**(13)**	(1)
Other adjusting items to Adjusted gross margin[1]	**2**	(5)	**6**	(3)
Adjusted gross margin	**1,020**	964	**1,869**	1,891
Fuel and petroleum product adjusted gross margin	**828**	776	**1,494**	1,531
Food, convenience and other adjusted gross margin	**192**	188	**375**	360
Adjusted gross margin	**1,020**	964	**1,869**	1,891

[1] Other adjusting items to Adjusted gross margin for the three months ended June 30, 2024 include (i) realized risk management loss related to underlying physical sales activity in another period of $1 million (2023 - $4 million gain); (ii) adjustment to foreign exchange gains and losses related to cash pooling arrangements of $2 million (2023 - $1 million); and (iii) adjustment to realized risk management gains related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions of $1 million (2023 - nil). Other adjusting items to Adjusted gross margin for the six months ended June 30, 2024 include (i) realized risk management loss related to underlying physical sales activity in another period of $4 million (2023 - $3 million gain); (ii) adjustment to foreign exchange gains and losses related to cash pooling arrangements of $4 million (2023 - nil); and (iii) adjustment to realized risk management gains related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions of $2 million (2023 - nil).

Food, convenience and other adjusted gross margin

($ millions)	Canada		International		USA		Corporate		Intersegment Eliminations		Consolidated	
For the three months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Food and convenience store[1]	**69**	69	**6**	4	**31**	28	**—**	—	**—**	—	**106**	101
Other retail[2]	**4**	2	**7**	6	**2**	2	**—**	—	**—**	—	**13**	10
Lubricants and other[3]	**19**	23	**19**	22	**37**	32	**3**	1	**(5)**	(1)	**73**	77
Food, convenience and other adjusted gross margin	**92**	94	**32**	32	**70**	62	**3**	1	**(5)**	(1)	**192**	188

($ millions)	Canada		International		USA		Corporate		Intersegment Eliminations		Consolidated	
For the six months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Food and convenience store[1]	**134**	130	**9**	8	**57**	50	**—**	—	**—**	—	**200**	188
Other retail[2]	**7**	5	**14**	13	**3**	3	**—**	—	**—**	—	**24**	21
Lubricants and other[3]	**41**	46	**42**	44	**72**	61	**5**	2	**(9)**	(2)	**151**	151
Food, convenience and other adjusted gross margin	**182**	181	**65**	65	**132**	114	**5**	2	**(9)**	(2)	**375**	360

(1) 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.
(2) Other retail revenue includes facilities rental revenue, advertising revenue and other miscellaneous retail-related revenues.
(3) Lubricants and other include lubricants, freight, tanks and parts installation, cylinder exchanges, and other products and services and non-retail operating lease revenue.

B. Non-GAAP financial measures and ratios

Certain non-GAAP financial measures and ratios are included in this MD&A to assist management, investors and analysts with the analysis of operating and financial performance, leverage and liquidity. These non-GAAP financial measures and ratios do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The non-GAAP financial measures and ratios should not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS Accounting Standards. Except as otherwise indicated, these non-GAAP measures are calculated and disclosed on a consistent basis from period to period.

Adjusted earnings (loss) and Adjusted earnings (loss) per share

Adjusted earnings (loss) is a non-GAAP financial measure and Adjusted earnings (loss) per share is a non-GAAP financial ratio, each representing the underlying core operating performance of business activities of Parkland at a consolidated level. The most directly comparable financial measure to Adjusted earnings (loss) and Adjusted earnings (loss) per share is Net earnings (loss).

Adjusted earnings (loss) and Adjusted earnings (loss) per share represent how well Parkland's operational business is performing, while considering depreciation and amortization, interest on leases and long-term debt, accretion and other finance costs, and income taxes. The Company uses these measures because it believes that Adjusted earnings (loss) and Adjusted earnings (loss) per share are useful for management and investors in assessing the Company's overall performance as they exclude certain items that are not reflective of the Company's underlying business operations.

Adjusted earnings (loss) excludes costs that are not considered representative of Parkland's underlying core operating performance including: (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. Parkland's Adjusted earnings (loss) and Adjusted earnings (loss) per share are also adjusted to include Parkland's proportionate share of its joint-venture investees' Adjusted earnings (loss). Concurrently with Parkland entering into the Share Exchange Agreement, effective August 4, 2022, Parkland does not allocate a portion of Adjusted earnings (loss) to NCI and includes 100 per cent of International results as Adjusted earnings (loss).

Please see below for the reconciliation of Adjusted earnings (loss) to net earnings (loss) and calculation of Adjusted earnings (loss) per share.

	Three months ended June 30,		**Six months ended June 30,**	
($ millions, unless otherwise stated)	**2024**	2023	**2024**	2023
Net earnings (loss)	**70**	78	**65**	155
Add:				
Acquisition, integration and other costs	**46**	39	**76**	66
(Gain) loss on foreign exchange – unrealized	**4**	27	**7**	34
(Gain) loss on risk management and other – unrealized	**56**	(11)	**67**	(43)
Other (gains) and losses	**(1)**	14	**9**	35
Other adjusting items[1]	**8**	1	**18**	22
Tax normalization[2]	**(27)**	(18)	**(43)**	(25)
Adjusted earnings (loss)	**156**	130	**199**	244
Weighted average number of common shares (million shares)[3]	**175**	176	**175**	176
Weighted average number of common shares adjusted for the effects of dilution (million shares)[3]	**177**	178	**178**	178
Adjusted earnings (loss) per share ($ per share)				
Basic	**0.89**	0.74	**1.14**	1.39
Diluted	**0.88**	0.73	**1.12**	1.37

[1] Other adjusting items for the three months ended June 30, 2024, include: (i) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $3 million (2023 - $3 million); (ii) other income of $3 million (2023 - $3 million); (iii) adjustment to foreign exchange gains and losses related to cash pooling arrangements of $2 million (2023 - $1 million); (iv) realized risk management loss related to underlying physical sales activity in another period of $1 million (2023 - $4 million gain); and (v) adjustment to realized risk management gains related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions of $1 million (2023 - nil). Other adjusting Items for the first six months of 2024 include: (i) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $7 million (2023 - $6 million); (ii) other income of $5 million (2023 - $6 million); (iii) realized risk management loss related to underlying physical sales activity in another period of $4 million (2023 - $3 million gain); (iv) adjustment to foreign exchange gains and losses related to cash pooling arrangements of $4 million (2023 - nil); (v) adjustment to realized risk management gains of related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions of $2 million (2023 - nil); and (vi) the effect of market-based performance conditions for equity-settled share-based award settlements of nil (2023 - $13 million).

[2] The tax normalization adjustment was applied to net earnings (loss) adjusting items that were considered temporary differences, such as acquisition, integration and other costs, unrealized foreign exchange gains and losses, unrealized gains and losses on risk management and other, gains and losses on asset disposals, changes in fair value of redemption options, changes in estimates of environmental provisions, loss on inventory write-downs for which there are offsetting associated risk management derivatives with unrealized gains, impairments of non-current assets. The tax impact was estimated using the effective tax rates applicable to jurisdictions where the related items occur.

[3] Weighted average number of common shares are calculated in accordance with Parkland's accounting policy contained in Note 2 of the Annual Consolidated Financial Statements.

Available cash flow and Available cash flow per share

Available cash flow and Available cash flow per share are a non-GAAP financial measure and a non-GAAP financial ratio, respectively.

Available cash flow is calculated as cash generated from (used in) operating activities, the most directly comparable financial measure, adjusted for items such as (i) net change in (a) non-cash working capital and (b) other assets and other liabilities, (ii) maintenance capital expenditures, (iii) dividends received from investments in associates and joint ventures, (iv) interest on leases and long-term debt, and (v) payments on principal amount on leases. We use this non-GAAP financial measure to monitor Parkland's ability to generate cash flow for capital allocation, including distributions to shareholders, investment in the growth of the business, and deleveraging.

Available cash flow per share is a non-GAAP financial ratio calculated by dividing Available cash flow by the weighted average number of outstanding common shares.

($ millions, unless otherwise noted)	Three months ended September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	**Trailing twelve months ended June 30,2024**
Cash generated from (used in) operating activities	528	417	217	450	**1,612**
Reverse: Change in other assets and other liabilities	7	(4)	28	3	**34**
Reverse: Net change in non-cash working capital related to operating activities	(14)	17	63	(34)	**32**
Include: Maintenance capital expenditures	(52)	(93)	(59)	(53)	**(257)**
Include: Dividends received from investments in associates and joint ventures	4	3	2	8	**17**
Include: Interest on leases and long-term debt	(83)	(88)	(85)	(88)	**(344)**
Include: Payments of principal amount on leases	(57)	(71)	(71)	(64)	**(263)**
Available cash flow	333	181	95	222	**831**
Weighted average number of common shares (millions)[3]					**175**
TTM Available cash flow per share					**4.75**

($ millions, unless otherwise noted)	Three months ended September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023[1]	Trailing twelve months ended June 30, 2023
Cash generated from (used in) operating activities	404	629	314	521	1,868
Exclude: Adjusted EBITDA attributable to NCI, net of tax	(11)	—	—	—	(11)
	393	629	314	521	1,857
Reverse: Change in other assets and other liabilities	23	(23)	11	(11)	—
Reverse: Net change in non-cash working capital related to operating activities[1]	(132)	(232)	18	(145)	(491)
Include: Maintenance capital expenditures[2]	(62)	(118)	(79)	(61)	(320)
Include: Dividends received from investments in associates and joint ventures	5	—	16	2	23
Include: Interest on leases and long-term debt	(76)	(86)	(92)	(89)	(343)
Include: Payments on principal amount on leases	(50)	(52)	(51)	(56)	(209)
Exclude: Payments on principal amount on leases attributable to NCI	2	—	—	—	2
Available cash flow	103	118	137	161	519
Weighted average number of common shares (millions)[3]					170
TTM Available cash flow per share					3.05

[1] For comparative purposes, certain amounts within net change in non-cash working capital related to operating activities for the three months ended June 30, 2023, were revised to conform to the current period presentation.
[2] For the three months ended September 30, 2022, and for the trailing twelve months ended June 30, 2023, represents the amounts attributable to Parkland.
[3] Weighted average number of common shares are calculated in accordance with Parkland's accounting policy contained in Note 2 of the Annual Consolidated Financial Statements.

Available cash flow per share Guidance is a non-GAAP financial ratio, which represents the forward-looking metric of Available cash flow per share. Available cash flow per share Guidance is calculated based on historical cash flow performance and the assumptions made on the future performance of Parkland. The significant assumptions related to the Available cash flow per share Guidance are disclosed in Section 17.

Dividend payout ratio ("Dividend payout ratio")

The dividend payout ratio is a non-GAAP ratio calculated by dividing dividends distributed by Available cash flow. There is no directly comparable financial measure for dividend payout ratio. We use dividend payout ratio as a useful indicator of Parkland's ability to generate cash flows to sustain quarterly dividends to shareholders.

($ millions, unless otherwise noted)	Three months ended September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	**Trailing twelve months ended June 30, 2024**
Available cash flow	333	181	95	222	**831**
Dividends	60	60	61	61	**242**
Dividend payout ratio					**29 %**

($ millions, unless otherwise noted)	Three months ended September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	Trailing twelve months ended June 30, 2023
Available cash flow	103	118	137	161	519
Dividends	50	57	60	60	227
Dividend payout ratio					44 %

Return on invested capital ("ROIC")

ROIC is a non-GAAP financial ratio. The measure is calculated as a ratio of Net operating profit after tax ("NOPAT") divided by average invested capital. NOPAT describes the profitability of Parkland's base operations, excluding the impact of leverage and certain other items of income and expenditure that are not considered representative of Parkland's underlying core operating performance. NOPAT is based on Adjusted EBITDA, defined in Section 16A, less depreciation expense and the estimated tax expense using the expected average tax rate estimated using statutory tax rates in each jurisdiction where Parkland operates. Average invested capital is the amount of capital deployed by Parkland that represents the average of opening and closing debt and shareholder's equity, including equity reserves, net of cash and cash equivalents. We use this non-GAAP measure to assess Parkland's efficiency in investing capital.

($ millions, unless otherwise noted) ROIC	Three months ended September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	**Trailing twelve months ended June 30, 2024**
Net earnings (loss)	230	86	(5)	70	**381**
Add/(less):					
Income tax expense (recovery)	54	(15)	(29)	20	**30**
Acquisition, integration and other costs	38	42	30	46	**156**
Depreciation and amortization	205	222	206	202	**835**
Finance cost	93	89	91	99	**372**
(Gain) loss on foreign exchange - unrealized	1	—	3	4	**8**
(Gain) loss on risk management and other - unrealized	(19)	28	11	56	**76**
Other (gains) and losses	(37)	5	10	(1)	**(23)**
Other adjusting items	20	6	10	8	**44**
Adjusted EBITDA	585	463	327	504	**1,879**
Less: Depreciation	(205)	(222)	(206)	(202)	**(835)**
Adjusted EBIT	380	241	121	302	**1,044**
Average effective tax rate[1]					**19.9 %**
Less: Taxes					**(208)**
Net operating profit after tax					**836**
Opening invested capital					**9,191**
Closing invested capital					**9,310**
Average invested capital					**9,251**
Return on invested capital					**9.0 %**

[1] Includes the impact of Pillar Two rules substantively enacted in Canada on June 20, 2024.

($ millions, unless otherwise noted)		
Invested capital	**June 30, 2024**	June 30, 2023
Long-term debt - current portion	**213**	178
Long-term debt	**6,275**	6,278
Shareholders' equity	**3,138**	3,080
Exclude: Cash and cash equivalents	**(316)**	(345)
Total	**9,310**	9,191

($ millions, unless otherwise noted)	Three months ended				Trailing twelve months ended June 30, 2023
ROIC	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	
Net earnings	118	69	77	78	342
Add/(less):					
Income tax expense (recovery)	(2)	22	(20)	18	18
Acquisition, integration and other costs	45	41	27	39	152
Depreciation and amortization	202	212	190	206	810
Finance cost	87	94	104	98	383
(Gain) loss on foreign exchange - unrealized	(16)	8	7	27	26
(Gain) loss on risk management and other - unrealized	(1)	9	(32)	(11)	(35)
Other (gains) and losses	(88)	(21)	21	14	(74)
Other adjusting items	(5)	21	21	1	38
Adjusted EBITDA[(1)]	340	455	395	470	1,660
Less: Depreciation	(202)	(212)	(190)	(206)	(810)
Adjusted EBIT	138	243	205	264	850
Average effective tax rate					17.0 %
Less: Taxes					(145)
Net operating profit after tax					705
Opening invested capital					9,065
Closing invested capital					9,191
Average invested capital					9,128
Return on invested capital					7.7 %

(1) For the three months ended September 30, 2022 and for the trailing twelve months ended June 30, 2023, represents the amounts including NCI.

($ millions, unless otherwise noted)		
Invested capital	June 30, 2023	June 30, 2022
Long-term debt - current portion	178	143
Long-term debt	6,278	6,494
Shareholders' equity	3,080	2,445
Sol Put Option	—	646
Exclude: Cash and cash equivalents	(345)	(663)
Total	9,191	9,065

ROIC Guidance is a non-GAAP financial ratio, which represents the forward-looking metric of ROIC. ROIC Guidance is calculated based on the historic ROIC performance and the assumptions made on the future performance of Parkland. The significant assumptions related to the ROIC Guidance are disclosed in Section 17.

Food and Company C-Store same store sales growth ("Food and Company C-Store SSSG")

Food and Company C-Store SSSG is a non-GAAP financial ratio and refers to the period-over-period sales growth generated by retail food and convenience stores at the same Company sites. The effects of opening and closing stores, temporary closures (including closures for On the Run / Marché Express conversions), expansions of stores, renovations of stores, and stores with changes in food service models in the period are excluded to derive a comparable same-store metric. Same-store sales growth is a metric commonly used in the retail industry that provides meaningful information to investors in assessing the health and strength of Parkland's brands and retail network, which ultimately impacts financial performance. The most directly comparable financial measure to Food and Company C-Store SSSG is food and convenience store revenue within sales and operating revenue.

Below is a reconciliation of convenience store revenue (Food and C-Store revenue) for the Canada and the USA segments with the Food and Company C-Store same store sales ("SSS"), and the calculation of the Food and Company C-Store SSSG. For USA, the SSS metrics are presented based on constant currencies using the respective current period average exchange rate for both the current and comparative periods.

Canada:

($ millions, unless otherwise noted)	**Three months ended June 30,** **2024**	2023	%[1]	**Six months ended June 30,** **2024**	2023	%[1]
Food and Company C-Store revenue	**82**	79		**160**	149	
Add:						
Point-of-sale ("POS") value of goods and services sold at Food and Company C-Store operated by retailers and franchisees[2]	**305**	316		**581**	594	
Less:						
Rental and royalty income from retailers, franchisees and other[3]	**(63)**	(64)		**(122)**	(119)	
Same Store revenue adjustments[4] (excluding cigarettes)	**(16)**	(15)		**(28)**	(26)	
Food and Company C-Store same-store sales (including cigarettes)	**308**	316	(3.0)%	**591**	598	(1.3)%
Less:						
Same Store revenue adjustments[4] (cigarettes)	**(105)**	(114)		**(200)**	(213)	
Food and Company C-Store same-store sales (excluding cigarettes)	**203**	202	(0.7)%	**391**	385	1.1 %

($ millions, unless otherwise noted)	Three months ended June 30, 2023	2022	%[1]	Six months ended June 30, 2023	2022	%[1]
Food and Company C-Store revenue	79	102		149	202	
Add:						
Point-of-sale ("POS") value of goods and services sold at Food and Company C-Store operated by retailers[2]	316	256		594	421	
Less:						
Rental income from retailers and other[3]	(64)	(52)		(119)	(86)	
Same Store revenue adjustments[4][5] (excluding cigarettes)	(34)	(16)		(114)	(37)	
Food and Company C-Store same-store sales (including cigarettes)	297	290	2.5%	510	500	2.1%
Less:						
Same Store revenue adjustments[4][5] (cigarettes)	(104)	(103)		(191)	(195)	
Food and Company C-Store same-store sales (excluding cigarettes)	193	187	3.1%	319	305	4.5%

(1) Percentages are calculated based on actual amounts and are impacted by rounding.
(2) POS values used to calculate Food and Company C-Store SSSG are not a Parkland financial measure and do not form part of Parkland's consolidated financial statements as Parkland earns rental income from retailers in the form of a percentage rent on convenience store sales. POS values are calculated based on the information obtained from Parkland's POS systems at retail sites, including transactional data, such as sales, costs and volumes, which are subject to internal controls over financial reporting. We also use this data to calculate rental income from retailers in the form of a percentage rent on convenience store sales, which is recorded as revenue in our consolidated financial statements.
(3) Includes rental income from retailers in the form of a percentage rent on Food and Company C-Store sales, royalty, franchisee fees and excludes revenues from automated teller machine, POS system licensing fees, and other.
(4) This adjustment excludes the effects of acquisitions, opening and closing stores, temporary closures (including closures for On the Run / Marché Express conversions), expansions of stores, renovations of stores, and stores with changes in food service models, to derive a comparable same-store metric.
(5) Excludes sales from acquisitions completed within the year as these will not impact the metric until after the completion of one year of the acquisitions when the sales or volume generated establish the baseline for these metrics.

USA:

($ millions, unless otherwise noted)	Three months ended June 30, 2024	2023	%[1]	Six months ended June 30, 2024	2023	%[1]
Food and Company C-Store revenue	**91**	89		**168**	165	
Adjusted for:						
Impact of foreign currency exchange[2]	**—**	2		**—**	2	
Less:						
Same Store revenue adjustments[3] (excluding cigarettes)	**(4)**	(4)		**(7)**	(6)	
Food and Company C-Store same-store sales (including cigarettes)	**87**	87	(0.9)%	**161**	161	— %
Less:						
Same Store revenue adjustments[3] (cigarettes)	**(23)**	(24)		**(44)**	(46)	
Food and Company C-Store same-store sales (excluding cigarettes)	**64**	63	— %	**117**	115	0.8 %

[1] Percentages are calculated based on actual amounts and are impacted by rounding.
[2] This adjustment excludes the impact of foreign exchange by using the current period average exchange rate for both the current and comparative periods.
[3] This adjustment excludes the effects of acquisitions, opening and closing stores, temporary closures expansions of stores, renovations of stores, and stores with changes in food service models, to derive a comparable same-store metric.

($ millions)	Three months ended June 30, 2023	2022	%[1]	Six months ended June 30, 2023	2022	%[1]
Food and Company C-Store revenue	**89**	82		**165**	149	
Adjusted for:						
Impact of foreign currency exchange[2]	**—**	4		**—**	9	
Less:						
Same Store revenue adjustments[3] (excluding cigarettes)	**(5)**	(5)		**(17)**	(15)	
Food and Company C-Store same-store sales	**84**	81	4.0%	**148**	143	3.8%
Less:						
Same Store revenue adjustments[3] (cigarettes)	**(29)**	(29)		**(49)**	(48)	
Food and Company C-Store same-store sales (excluding cigarettes)	**55**	52	4.9%	**99**	95	5.2%

[1] Percentages are calculated based on actual amounts and are impacted by rounding.
[2] This adjustment excludes the impact of foreign exchange by using the current period average exchange rate for both the current and comparative periods.
[3] This adjustment excludes the effects of acquisitions, opening and closing stores, temporary closures expansions of stores, renovations of stores, and stores with changes in food service models, to derive a comparable same-store metric.

Food and Company C-Store gross margin percentage

Food and Company C-Store gross margin percentage is a non-GAAP financial ratio used by Parkland's Canada and USA segments to analyze the performance of its food, convenience and servicing operations at its backcourt. In Canada, Food and Company C-Store gross margin includes the margin on goods and services sold at Food and Company C-Store operated by retailers and franchisees and includes margins from franchise fees, suppliers' rebates and fees from licensing and other services. In USA, Food and Company C-Store gross margin includes the margin on goods and services sold at Food and Company C-Stores operated by Parkland. The most directly comparable financial measure to Food and Company C-Store gross margin percentage is food and convenience store revenue within sales and operating revenue. Below is a reconciliation of convenience store revenue and cost of purchases of the Canada and USA segments with the Food and Company C-Store gross margin.

Canada:

($ millions, unless otherwise noted)	Three months ended June 30, 2024	Three months ended June 30, 2023[1]	Six months ended June 30, 2024	Six months ended June 30, 2023[1]
Adjusted Food and Company C-Store revenue	**324**	331	**619**	624
Adjusted Food and Company C-Store cost of sales	**(211)**	(218)	**(402)**	(412)
Adjusted Food and Company C-Store gross margin	**113**	113	**217**	212
Food and Company C-Store gross margin percentage[2]	**34.8 %**	34.1 %	**34.8 %**	33.9 %
Food and Company C-Store revenue	**82**	79	**160**	149
Add:				
POS value of goods and services sold at Food and Company C-Store operated by retailers and franchisees[4]	**305**	316	**581**	594
Less:				
Rental and royalty income from retailers, franchisees and others[3]	**(63)**	(64)	**(122)**	(119)
Adjusted Food and Company C-Store revenue	**324**	331	**619**	624
Food and Company C-Store cost of sales	**13**	10	**26**	19
Add:				
Cost of goods and services sold at Food and Company C-Store operated by retailers and franchisees[4]	**198**	208	**376**	393
Adjusted Food and Company C-Store cost of sales	**211**	218	**402**	412

[1] For comparative purposes, information for the three months ended June 30, 2023, and six months ended June 30, 2023, was restated to conform to the presentation used in the current period.
[2] Percentages are calculated based on actual amounts and are impacted by rounding.
[3] Includes rental income from retailers in the form of a percentage rent on convenience store sales, royalty and franchise fees, suppliers' rebates and certain other revenues.
[4] POS value of goods and services sold at Food and Company C-Store operated by retailers and franchisees and the related estimates of cost of those goods and services are not financial measures for Parkland and do not form part of Parkland's consolidated financial statements as Parkland earns rental income from retailers in the form of a percentage rent on convenience store sales. POS values are calculated based on the information obtained from Parkland's POS systems at retail sites, including transactional data, such as sales, costs and volumes, which are subject to internal controls over financial reporting. We also use this data to calculate rental income from retailers in the form of a percentage rent on convenience store sales, which is recorded as revenue in our consolidated financial statements.

USA:

($ millions, unless otherwise noted)	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Food and Company C-Store revenue	**91**	89	**168**	165
Food and Company C-Store cost of sales	**60**	61	**111**	115
Food and Company C-Store gross margin[1]	**31**	28	**57**	50
Food and Company C-Store gross margin percentage[1][2]	**33.3 %**	31.5 %	**33.9 %**	30.3 %

[1] USA Food and Company C-Store gross margin and C-Store gross margin percentage are both considered supplementary financial measures. The composition of USA Food and Company C-Store gross margin is consistent with that of Adjusted gross margin defined in the Section 16A. USA Food and Company C-Store gross margin percentage is calculated as a ratio of USA Food and Company C-Store gross margin to USA Food and Company C-Store revenue.
[2] Percentages are calculated based on actual amounts and are impacted by rounding.

C. Supplementary financial measures

Parkland uses a number of supplementary financial measures to evaluate the success of our strategic objectives and to set variable compensation targets for employees. These measures may not be comparable to similar measures presented by other issuers, as other issuers may calculate these metrics differently. Supplementary financial measures used throughout this MD&A are described in the following table:

Supplementary financial measure	Description	Calculation	Why we use the measure and why it is useful
Maintenance capital expenditures	Capital expenditure metric for activities that are maintenance in nature.	Additions to property, plant and equipment and intangible assets that are considered to be maintenance in nature, including but not limited to: • turnaround and other maintenance capital projects at the Burnaby Refinery; • upgrades of retail sites, including primarily aesthetic major renovations (also known as "refreshes"); • rebrand or refresh of retail sites, including securing a supply agreement with a new independent retailer; • replacement of existing concrete structures, paving, roofing, furniture and equipment; • upgrade or replacement of trucking fleets; and • upgrade of software systems or point-of-sale systems. The calculation is adjusted to exclude the portion of additions to maintenance capital expenditures attributable to NCI.	Parkland uses maintenance capital expenditures as a key performance measure to monitor expenditures on property, plant and equipment and intangible assets to sustain the current level of economic activity and maintain cash flows from operating activities at a constant level of productive capacity. Parkland considers the volume of fuel and propane sales, the volume of convenience store sales, the volume of lubricant sales, agricultural inputs, and the delivery to be productive capacity. The classification of capital as growth or maintenance is subject to judgment, as many of Parkland's capital projects have components of both. A reconciliation of this measure is presented in Section 8 of this MD&A.

Supplementary financial measure	Description	Calculation	Why we use the measure and why it is useful
Growth capital expenditures	Capital expenditure metric for activities that are growth in nature.	Additions to property, plant and equipment and intangible assets that are considered to be growth in nature, including but not limited to: • the new retail site builds under the "new-to-industry" program; • construction of a new building on an existing site; • IT capital expenditures related to the integration of acquired businesses; • acquisition of new real estate; • addition of new trucks and trailers to increase the size of the fleet; • addition of new equipment to increase the size and capacity of a retail site; and • acquisition of new customer relationships. • addition of new infrastructure and tanks to support large new customer contracts. However, acquisitions of businesses and intangibles are not included as part of growth capital expenditures. The calculation is adjusted to exclude the portion of additions to growth capital expenditures attributable to NCI.	Parkland uses growth capital expenditures to monitor expenditures on property, plant and equipment and intangible assets that increase the current level of economic activity. The classification of capital as growth or maintenance is subject to judgment, as many of Parkland's capital projects have components of both. A reconciliation of this measure is presented in Section 8 of this MD&A.
Additions to property, plant and equipment and intangible assets	Capital expenditure metric that includes both maintenance and growth capital expenditures.	Additions to property, plant and equipment and intangible assets.	Parkland uses net additions to property, plant and equipment and intangible assets to monitor additions to property, plant and equipment and intangible assets to sustain the current level of economic activity, provide a growth platform and maintain cash flows from operating activities at a constant level of productive capacity.
Trailing-twelve-months ("TTM") Cash generated from (used in) operating activities	Measure of the amount of cash generated by the Company's operations over the last twelve months. Not applicable for annual reporting periods.	Refer to Parkland's Consolidated Statements of Cash Flows for details on the calculation of cash generated from (used in) operating activities.	TTM cash generated from (used in) operating activities indicates whether a company can generate sufficient positive cash flow to maintain and grow its operations.
TTM Cash generated from (used in) operating activities per share	Measure of the amount of cash per share generated by the Company's operations over the last twelve months.	Cash generated from (used in) operating activities divided by the weighted average number of common shares for the TTM period.	This measure indicates the Company's cash operating performance over the last twelve months, on a per share basis.
TTM Dividends	Measure of the amount of dividends declared by the Company over the last twelve months. Not applicable for annual reporting periods.	Refer to Parkland's Consolidated Statements of Changes in Shareholders' Equity for the amount of dividends declared.	This measure indicates the distribution of corporate profits, based upon the number of shares held in Parkland, to shareholders over the last twelve months.

Supplementary financial measure	Description	Calculation	Why we use the measure and why it is useful
Cash generated from (used in) operating activities per share	Measure represents the amount of cash per share generated from (used in) by the Company from operating activities.	Cash generated from (used in) operating activities divided by the weighted average number of outstanding common shares for the period.	This measure indicates the Company's cash operating performance on a per share basis.
Dividends per share	Measure represents the dividends paid per share for the respective period.	Dividends per share is the sum of the dividends per share declared for the respective period.	This is an important metric to investors because the amount paid out in dividends directly translates to income for the shareholders.
Liquidity available	Measure represents the readily available liquidity in the short term.	The financial measure is the sum of cash and cash equivalents - unrestricted, cash and cash equivalents - restricted, cash and cash equivalents classified as held for sale and unused credit facilities.	This measure is used by management to assess Parkland's ability to meet its short-term commitments.
Measures calculated on a cents-per-litre ("cpl") basis	Financial measures calculated on a cpl basis (e.g. Adjusted gross margin) refer to the specific financial metric for a litre of fuel and petroleum product sold in the related segment.	The financial measure (e.g. Adjusted gross margin) is divided by the segment's relevant fuel and petroleum product volume to arrive at the cpl basis.	Cpl metrics are used by management to identify trends in financial measures while removing the impact of volume variability, where appropriate.
Adjusted EBITDA Guidance	Measure represents our forecast of Adjusted EBITDA.	This measure is calculated based on historical data and estimates of future conditions as inputs to make informed forecasts that are predictive in determining the direction of future trends. This measure is a forward-looking measure of which the equivalent historical measure is Adjusted EBITDA. See Section 16A for further detail on the composition of Adjusted EBITDA.	Parkland uses this measure to provide guidance to shareholders, investors and analysts, detailing the Adjusted EBITDA we expect to achieve in the upcoming fiscal year(s).
Capital Expenditure Guidance	Measure represents our forecast of the maintenance and growth capital expenditures	This measure is calculated based on historical data and estimates of future conditions as inputs to make informed forecasts that are predictive in determining the direction of future trends. This measure is a forward-looking measure for which the equivalent historical measures are the maintenance and growth capital expenditures described in Section 8 of this MD&A.	Parkland uses this measure to provide guidance to shareholders, investors and analysts, detailing the capital expenditures we expect to invest in the upcoming fiscal year(s).
Leverage Ratio Guidance	Measure represents our forecast of the Leverage Ratio.	This measure is calculated based on historical data and estimates of future conditions as inputs to make informed forecasts that are predictive in determining the direction of future trends. This measure is a forward-looking measure of which the equivalent historical measure is the Leverage Ratio. See Section 16D for further detail on the composition of the Leverage Ratio.	Parkland uses this measure to provide guidance to shareholders, investors and analysts on Parkland's overall financial strength, capital structure flexibility, and ability to service debt and meet future commitments.

D. Capital management measures

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, and ability to service debt and meet current and future commitments. In order to manage its financing requirements, Parkland may adjust capital spending or dividends paid to shareholders, or issue new shares or new debt. The Leverage Ratio is calculated as a ratio of Leverage Debt to Leverage EBITDA and 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 Leverage Ratio is as follows:

($ millions, unless otherwise noted)	December 31, 2023	March 31, 2024	**June 30, 2024**
Leverage Debt	4,976	5,208	**5,193**
Leverage EBITDA	1,780	1,657	**1,674**
Leverage Ratio	2.8	3.1	**3.1**

($ millions, unless otherwise noted)	December 31, 2023	March 31, 2024	**June 30, 2024**
Long-term debt	6,358	6,630	**6,488**
Less:			
Lease obligations	(1,048)	(1,084)	**(1,062)**
Cash and cash equivalents	(387)	(393)	**(316)**
Cash and cash equivalents classified as held for sale	—	—	**(20)**
Non-recourse debt[1]	—	(3)	**—**
Add:			
Non-recourse cash[1]	—	5	**15**
Letters of credit and other	53	53	**88**
Leverage Debt	4,976	5,208	**5,193**

[1] Represents Non-recourse debt and Cash and cash equivalents balances attributable to project financing.

	Three months ended				
($ millions, unless otherwise noted)	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	**Trailing twelve months ended June 30, 2024**
Adjusted EBITDA	585	463	327	504	**1,879**
Share incentive compensation	5	11	6	8	**30**
Reverse: IFRS 16 impact[1]	(71)	(82)	(83)	(80)	**(316)**
	519	392	250	432	**1,593**
Other adjustments[2]					**81**
Leverage EBITDA					**1,674**

[1] 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.

[2] Includes adjustments to normalize Adjusted EBITDA for non-recurring events relating to 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.

($ millions, unless otherwise noted)	Three months ended June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	**Trailing twelve months ended March 31, 2024**
Adjusted EBITDA	470	585	463	327	**1,845**
Share incentive compensation	6	5	11	6	**28**
Reverse: IFRS 16 impact[1]	(68)	(71)	(82)	(83)	**(304)**
	408	519	392	250	**1,569**
Other adjustments[2]					**88**
Leverage EBITDA					**1,657**

[1] 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.
[2] 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.

($ millions, unless otherwise noted)	Three months ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	Trailing twelve months ended December 31, 2023
Adjusted EBITDA	395	470	585	463	1,913
Share incentive compensation	8	6	5	11	30
Reverse: IFRS 16 impact[1]	(61)	(68)	(71)	(82)	(282)
	342	408	519	392	1,661
Other adjustments[2]					119
Leverage EBITDA					1,780

[1] 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.
[2] Includes adjustments to normalize Adjusted EBITDA for non-recurring events relating to the completion of turnarounds and third-party power outage.

E. Non-financial measures

In addition to the specified financial measures mentioned above, Parkland uses a number of non-financial measures in measuring the success of our strategic objectives and to set variable compensation targets for employees. These non-financial measures are not accounting measures, do not have comparable IFRS Accounting Standards measures, and may not be comparable to similar measures presented by other issuers, as other issuers may calculate these metrics differently.

Non-financial measure	Description	Calculation	Why we use this measure and why it is useful	Comments
Company same-store volume growth ("Company SSVG")	Company same-store volume growth refers to fuel and petroleum product volume growth at active Company sites. The effects of acquisition, opening and closing stores, temporary closures (including closures for On the Run / Marché Express conversions), expansions of stores, renovations of stores, and stores with changes in food service models in the period are excluded.	Company SSVG is derived by comparing the current year volume of active sites to the prior-year volume of comparable sites.	Same-store volume growth is a metric commonly used in the retail industry that provides meaningful information to investors in assessing the health and strength of Parkland's brands and retail network, which ultimately impact financial performance.	
Crude utilization	Crude utilization refers to the amount of crude oil that is run through the crude distillation units compared to crude throughput.	The amount of crude oil that is run through the crude distillation units expressed as a percentage of the 55,000 barrels per day crude distillation capacity at the Burnaby Refinery.	Crude utilization provides meaningful information to investors in evaluating the operational performance of the Burnaby Refinery.	A higher utilization generally allows for more efficient operations and lower costs per barrel.

Non-financial measure	Description	Calculation	Why we use this measure and why it is useful	Comments
Composite utilization	Composite utilization refers to the amount of crude oil and co-processed bio-feedstock refined through the distillation units and Fluid Catalytic Cracking and Diesel Hydrotreating processing units compared to name-plate crude throughput.	The amount of crude oil and co-processed units expressed as a percentage of the 55,000 barrels per day name-plate distillation capacity at the Burnaby Refinery.	Composite utilization provides meaningful information to investors in evaluating the operational performance of the Burnaby Refinery.	A higher utilization generally allows for more efficient operations and lower costs per barrel.
Crude throughput	Crude throughput refers to the amount of crude oil processed and converted to products in the Burnaby Refinery.	The amount of crude oil that runs through crude distillation units expressed in thousands of barrels per day.	Crude throughput provides meaningful information to investors in evaluating the operational performance.	A higher throughput generally allows for more efficient operations and lower costs per barrel.
Bio-feedstock throughput	Bio-feedstock throughput refers to the amount of bio-feedstock such as canola oil and oil derived from animal fats (tallow) co-processed in the Burnaby Refinery using existing infrastructure and equipment.	The amount of co-processed feedstock expressed in thousands of barrels per day.	Bio-feedstock throughput provides meaningful information to investors in evaluating our success and capabilities in delivering low-carbon fuels.	A higher throughput indicates increased co-processing and our continued development and advancement in lower-carbon-intensity fuels and technologies.
Lost time injury frequency ("LTIF") rate and total recordable injury frequency ("TRIF") rate	LTIF and TRIF rates are industry measures of health and safety that provide the number of lost time incidents and total recordable incidents, respectively, that occurred within a given period relative to a standardized number of employee exposure hours worked.	LTIF and TRIF rates are calculated by multiplying the number of incidents by 200,000, divided by the total number of employee exposure hours worked.	Among other important indicators, LTIF and TRIF rates provide normalized and meaningful information on safety performance. This allows us to help drive improvements and accurately compare ourselves with peers and industry.	A lost time incident is one where an employee sustained a job-related injury or illness and was not able to work their next full shift. Recordable incidents include all instances where medical attention from a medical professional is required, even if the employee is able to work their next shift.

Glossary of terms

Term	Definition
Backcourt	Terminology used in the retail gas industry that refers to the part of a retail site where convenience store merchandise and services such as car washes are sold.
Diesel Hydrotreating ("DHT")	Diesel Hydrotreating is the process to remove sulphur and other contaminants from intermediate streams before blending into a finished refined diesel product.
Fluid Catalytic Cracking ("FCC")	Fluid Catalytic Cracking is the chemical process that utilizes a catalyst and heat to break long-chain hydrocarbons into smaller-chain hydrocarbons to produce gasoline, diesel and liquid petroleum gas.
Franchise stores	The franchise business model includes food retail sites operated by franchisees. Parkland enters into long-term agreements with franchisees and a large network of suppliers to develop, distribute and earn royalty and other revenues from the sales of food products.
Marketing, General and Administrative expense ("MG&A")	Marketing, General and Administrative expenses are typically fixed in nature and do not vary significantly with volume. Activities in this category include sales, marketing, real estate, finance, operations, credit, network development and infrastructure.
Operating Costs	Operating Costs include wages and benefits for employees, driving and administrative labour, fleet maintenance and operating costs, third-party delivery expenses, retailer fuel commission, along with the costs associated with owning and maintaining land, buildings and equipment, such as rent, repairs and maintenance, environmental, utilities, insurance and property tax costs.

Low-carbon fuel	Low-carbon fuels refer to materials that, when burned, provide thermal energy with fewer emissions than fossil fuels.
Refining crack spread	Terminology used in the oil and gas industry that refers to the general price differential between crude oil and petroleum products refined from it.

17. FORWARD-LOOKING INFORMATION

Caution regarding forward-looking information

This MD&A contains certain forward-looking information. Forward-looking information can generally be identified by words such as "believes", "expects", "expected", "will", "plan", "intends", "target", "would", "seek", "could", "projects", "projected", "anticipates", "estimates", "continues", or similar words. In particular, this MD&A contains forward-looking information including, without limitation, forward-looking statements regarding Parkland's:

- business objectives and strategy, expectations with respect to our operations, capital investment philosophy, and its continued focus on efficient capital allocation and value creation for shareholders;
- outlook and the 2024-2025 Guidance, including the Revised 2024 Adjusted EBITDA Guidance Range;
- EGS strategy encompassing our goals of aspiring to zero safety incidents, upholding zero tolerance for racism, discrimination, corruption, bribery and unethical behaviour, and supporting our governments' emissions reduction goals;
- plan to build an ultra-fast EV charging network in dense urban centres and along main highways in British Columbia, Ontario and Alberta, the anticipated locations, and the status thereof;
- commitments with respect to HSE and the impact thereof, including driving long-term sustainable LTIF and TRIF improvements;
- anticipated sources of liquidity to fund maintenance capital expenditures, interest, income taxes, dividends, and any share repurchases;
- expected source of funds for future acquisitions or commitments;
- expectations for managing capital and financing requirements, including the potential to adjust plans for capital spending and dividends paid to shareholders, share repurchases and issuances of new shares or new debt, if any;
- availability of funds under the Credit Facility and the non-recourse debt and the terms of such funding;
- expectations regarding compliance with covenants under the Credit Facility;
- expectations and initiatives regarding operations and expenses;
- contractual commitments for the acquisition of property, plant and equipment as at June 30, 2024 and expectations relating to such commitments and projects relating thereto, if such projects are completed, and the timing, funding and terms thereof;
- expectations regarding the effects of seasonality on cash flows;
- expected capital resources and its ability to meet foreseeable liquidity requirements;
- future dividend payments;
- market conditions and the impact thereof, including with respect to commodity prices, exchange rates and foreign exchange risk; and
- portfolio optimization strategy, including management's plan to sell certain assets within the Canada and USA segments in the next 12 months.

The forward-looking information contained herein is based upon Parkland's current views with respect to future events based on certain material factors and assumptions. As such, readers are urged to consider the factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements contained in this MD&A are based upon a number of material factors and assumptions including, without limitation:

- prevailing and expected market conditions;
- the regulatory framework that governs the operation of Parkland's business;
- customer trends and preferences, including rates of EV adoption;
- the effects of inflation;
- the effects of global conflicts, geopolitical tension and trade disputes and disruption on general economic conditions;
- climate change impacts on Parkland's operations;

- Parkland's ability to adapt its business in a changing regulatory environment;
- Parkland's ability to operate and upgrade its enterprise resource planning systems without interruption;
- Parkland's ability to win new customers in the various markets where it operates;
- Parkland's ability to identify customers' evolving needs;
- Parkland's ability to successfully integrate completed acquisitions into its operations;
- Parkland's ability to identify and successfully negotiate accretive acquisitions, if applicable;
- Parkland's ability to realize synergies and cost reductions from the implementation of integration initiatives, increased purchasing power, and contract renegotiations, among other items;
- Parkland's ability to reliably source crude, natural gas, electricity and bio-feedstocks for the Burnaby Refinery and continued access to and operation of the Trans Mountain Pipeline and expansion project;
- commodity prices and volumes for gasoline, diesel, propane, lubricants, heating oil and other petroleum products;
- refining crack spreads per barrel;
- financial market conditions, including interest rates, inflation and exchange rates;
- ability of suppliers to meet commitments;
- Parkland's ability to operate safely and reliably;
- Parkland's ability to retain key management;
- Parkland's future debt levels;
- Parkland's ability to generate sufficient cash flows from operations to meet its current and future obligations;
- future capital expenditures to be made by Parkland;
- access to, and terms of, future sources of funding for Parkland's capital program;
- Parkland's ability to execute its portfolio optimization strategy, including with respect to identifying buyers, and completing such dispositions, if any, on terms reasonable to Parkland and in a timely manner; and
- Parkland's ability to continue to compete in a competitive landscape, as well as the additional factors referenced in the Annual Information Form.

In addition, the key material assumptions underlying the Revised 2024 Adjusted EBITDA Guidance Range, which is described in Section 13 of this MD&A, include:

- continued integration of acquired businesses, synergy capture, and organic growth initiatives;
- an increase in Retail and Commercial Fuel and petroleum product adjusted gross margin of approximately 5% and Food, convenience and other adjusted gross margin of approximately 5% as compared to the year ended December 31, 2023;
- Refining adjusted gross margin of approximately $40bbl to $41/bbl and average Burnaby Refinery composite utilization of 75 to 80% (factoring in the unplanned outage) based on the Burnaby Refinery's crude processing capacity of 55,000 bpd;
- the realization of $100 million of run-rate MG&A cost efficiencies by the end of 2024;
- enhancements to operations, utilization and optimization of supply at the Burnaby Refinery during 2024; and
- implementation of ongoing operating and MG&A cost reductions across the business.

These forward-looking statements involve numerous assumptions, known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking information contained here is subject to certain risks and uncertainties including, without limitation, those described under the heading "Risk Factors" in this MD&A, the Annual MD&A and the Annual Information Form, and set forth below:

- general market conditions;
- micro and macroeconomic trends and conditions, including increases in interest rates, inflation and commodity prices;
- ability to execute on our business objectives, projects and strategies and realize the benefits therefrom;
- ability to meet our commitments and targets including with respect to our ESG strategy and HSE matters;
- ability to realize the benefits from our customer and supply advantages;
- ability to realize the expected benefits, synergies and opportunities from completed acquisitions and, if applicable, those of future acquisitions as well;
- ability to identify buyers and complete dispositions, if any, on terms reasonable to Parkland and in a timely manner;
- ability to identify future acquisition targets, if applicable, and secure funding for future acquisitions, if any;
- ability to secure future capital to support and develop our business, including the issuance of additional common shares;

- effectiveness of Parkland's management systems and programs;
- effectiveness of Parkland's risk management strategy;
- factors and risks associated with retail pricing, margins and refining crack spreads;
- availability and pricing of petroleum product supply;
- volatility of crude oil and refined product prices;
- competitive environment of our industry in North America and the Caribbean;
- environmental impact;
- risk of changes to environmental and regulatory laws, including the failure of Parkland to obtain or maintain required permits;
- risk of pending or future litigation;
- potential undisclosed liabilities (including environmental) associated with completed acquisitions;
- failure to meet financial, operational and strategic objectives and plans;
- cyber-attacks and data breaches;
- the impact of new and emerging technologies; and
- availability of capital and operating funds.

Additional information on these and other factors that could affect Parkland's operations or financial results is discussed in this MD&A, the Annual MD&A, the Annual Information Form and other continuous disclosure documents available under Parkland's profile on SEDAR+ at www.sedarplus.ca or Parkland's website at www.parkland.ca.

The forward-looking statements speak only as of the date of this MD&A and Parkland does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this MD&A are expressly qualified by these cautionary statements.