Parkland Corporation

Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2024

Parkland Corporation

Consolidated Balance Sheets
(Unaudited)

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

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Consolidated Statements of Income (Loss)
(Unaudited)

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

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

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

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

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

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Consolidated Statements of Cash Flows
(Unaudited)

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

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

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

1. CORPORATE INFORMATION

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation and statement of compliance

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

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

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

(b) Presentation and functional currency

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

(c) Use of estimates and judgments

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

(d) Changes in presentation

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

(e) Amended standards adopted by Parkland

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

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

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

(f) Recently announced accounting pronouncements

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

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

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

IFRS 18 - Presentation and Disclosure in Financial Statements

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

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

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

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

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

($ millions, unless otherwise stated)

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

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

3. SUPPLEMENTAL CASH FLOW INFORMATION

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

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

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

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

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

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

Other operating activities

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

($ millions, unless otherwise stated)

4. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

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

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

[1] Includes $15 (December 31, 2023 - nil) of cash and cash equivalents related to non-recourse project financing for the continued multi-year growth of the electric vehicle charging network across Canada ("Non-recourse project financing").
[2] Includes $14 (December 31, 2023 - nil) related to Non-recourse project financing.

5. OTHER LONG-TERM ASSETS

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

[1] Parkland's Senior Notes contain optional redemption features that allow Parkland to redeem the notes prior to maturity at a premium.
[2] Other assets include long-term prepaid expenses, deposits, long-term receivables and other balances.

($ millions, unless otherwise stated)

6. LONG-TERM DEBT

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

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

Credit Facility

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

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

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

($ millions, unless otherwise stated)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES

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

(a) Fair value measurement hierarchy

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

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

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

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

($ millions, unless otherwise stated)

(b) Other financial instruments

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

(c) Net Investment Hedge

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

(d) Fair value measurement

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

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

8. CAPITAL MANAGEMENT

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

(a) Leverage Ratio

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

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

($ millions, unless otherwise stated)

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

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

(1) Cash and cash equivalents attributable to Non-recourse project financing.
(2) Includes the impact of operating leases prior to the adoption of IFRS 16, previously recognized under operating costs, which aligns with management's view of the impact of earnings.
(3) Includes adjustments to normalize Adjusted EBITDA for non-recurring events relating to the completion of turnarounds, unplanned shutdown resulting from extreme cold weather event, third-party power outage and the EBITDA attributable to EV charging operations financed through non-recourse project financing.

(b) Credit Facility covenants

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

9. PROVISIONS AND OTHER LIABILITIES

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

(a) Asset retirement obligations

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

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

(b) Environmental provision

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

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

10. SHAREHOLDERS' CAPITAL

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

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

($ millions, unless otherwise stated)

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

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

11. FINANCE COSTS

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

12. OTHER (GAINS) AND LOSSES

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

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

13. SEGMENT AND OTHER INFORMATION

(a) Operating segments

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

General information

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

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

- Adjusted EBITDA is used by Parkland as the key measure for the underlying core operating performance of business segment activities at an operational level. Adjusted EBITDA excludes the effects of significant items of income and expenditure that are not considered representative of Parkland's underlying core operating performance. Such items include, among other items: (i) acquisition, integration and other costs, (ii) unrealized gains and losses on (a) foreign exchange, (b) risk management and other financial assets and liabilities unless they relate to underlying physical sales activity in the current period, and (c) emission credits and allowances held for trading within inventory and the associated emission obligations, (iii) adjustments to foreign exchange gains and losses as a result of cash pooling arrangements and refinancing activities, (iv) realized foreign exchange gains and losses on accrued financing costs in foreign currency and the offsetting realized risk management gains and losses on the related foreign exchange risk management instruments, (v) changes in values of the Sol Put Option, Redemption Options, environmental provision and asset retirement obligations, (vi) loss on inventory write-downs for which there are offsetting associated risk management derivatives with unrealized gains, (vii) impairments of non-current assets, (viii) loss on modification of long-term debt, (ix) earnings impact from hyperinflation accounting, (x) certain realized gains and losses on risk management assets and liabilities that are related to underlying physical sales activity in another period, (xi) gains and losses on asset disposals, (xii) adjustments for the effect of market-based performance conditions for equity-settled share-based award settlements and (xiii) other adjusting items. Adjusted EBITDA is also adjusted to include Parkland's proportionate share of its joint venture investees' Adjusted EBITDA.

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

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

Reconciliation to net earnings (loss)	Consolidated 2024	Consolidated 2023
Adjusted EBITDA	**504**	470
Acquisition, integration and other costs	**46**	39
Depreciation and amortization	**202**	206
Finance costs	**99**	98
(Gain) loss on foreign exchange – unrealized	**4**	27
(Gain) loss on risk management and other – unrealized	**56**	(11)
Other (gains) and losses	**(1)**	14
Other adjusting items	**8**	1
Income tax expense (recovery)[7]	**20**	18
Net earnings (loss)	**70**	78

(1) Internal fuel and petroleum product volume and inter-segment revenue includes transactions executed by Parkland where two Parkland group entities facilitate fuel and petroleum product exchange with the same third party. These exchange transactions are netted on consolidation.
(2) See sections (c) and (d) for further details on sales and operating revenue.
(3) Includes realized risk management loss related to underlying physical sales activity in another period of $1 for International (2023 - nil), nil for USA (2023 - $2 gain), and nil for Refining (2023 - $2 gain); adjustment to foreign exchange gains and losses related to cash pooling arrangements of $2 for Corporate (2023 - $1); and adjustment to realized risk management gains of $1 for Corporate (2023 - nil).
(4) Includes realized foreign exchange gains of $2 for Corporate (2023 - $9 loss), nil for International (2023 - $26) and nil for USA (2023 - $8) on the settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.
(5) Includes the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $3 for International (2023 - $3); and other income of $1 for International (2023 - $2), $1 for Canada (2023 - $1) and $1 for USA (2023 - nil).
(6) For comparative purposes, certain amounts related to freight costs were reclassified between cost of purchases and operating costs for Canada and USA segments, to conform to the presentation used in the current period. The reclassified amounts for the three months ended une 30, 2023, were: Canada ($9), USA ($8) and Consolidated ($1).
(7) Income tax expense (recovery) includes the impact of Pillar Two rules substantively enacted in Canada on June 20, 2024.

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

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

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

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

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

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

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

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

($ millions, unless otherwise stated)

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

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

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

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

(c) Geographic information

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

	June 30, 2024			
	Canada	**United States**	**Other countries**	**Consolidated**
Property, plant and equipment	**2,864**	**931**	**1,291**	**5,086**
Intangible assets	**728**	**178**	**222**	**1,128**
Goodwill	**1,278**	**542**	**582**	**2,402**
	December 31, 2023			
	Canada	United States	Other countries	Consolidated
Property, plant and equipment	3,025	934	1,229	5,188
Intangible assets	759	187	240	1,186
Goodwill	1,334	524	560	2,418

($ millions, unless otherwise stated)

(d) Sales and operating revenue by product

	Canada		International		USA		Refining		Consolidated	
For the three months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Gasoline and diesel	**3,206**	3,265	**1,812**	1,725	**1,162**	1,402	**42**	31	**6,222**	6,423
Liquid petroleum gas(1)	**72**	71	**25**	24	**2**	4	**—**	—	**99**	99
Other fuel and petroleum products(2)	**279**	292	**246**	364	**4**	12	**273**	240	**802**	908
Fuel and petroleum product revenue	**3,557**	3,628	**2,083**	2,113	**1,168**	1,418	**315**	271	**7,123**	7,430
Food and convenience store(3)	**82**	79	**7**	6	**91**	89	**—**	—	**180**	174
Other retail(4)	**3**	2	**7**	6	**1**	1	**—**	—	**11**	9
Lubricants and other(5)	**33**	51	**32**	31	**125**	124	**—**	—	**190**	206
Food, convenience and other non-fuel revenue	**118**	132	**46**	43	**217**	214	**—**	—	**381**	389
External sales and operating revenue	**3,675**	3,760	**2,129**	2,156	**1,385**	1,632	**315**	271	**7,504**	7,819

	Canada		International		USA		Refining		Consolidated	
For the six months ended June 30,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Gasoline and diesel	**6,111**	6,433	**3,437**	3,738	**2,223**	2,884	**78**	47	**11,849**	13,102
Liquid petroleum gas(1)	**223**	271	**54**	49	**7**	16	**—**	—	**284**	336
Other fuel and petroleum products(2)	**376**	455	**610**	885	**9**	12	**575**	423	**1,570**	1,775
Fuel and petroleum product revenue	**6,710**	7,159	**4,101**	4,672	**2,239**	2,912	**653**	470	**13,703**	15,213
Food and convenience store(3)	**160**	149	**13**	11	**168**	165	**—**	—	**341**	325
Other retail(4)	**7**	5	**14**	13	**3**	3	**—**	—	**24**	21
Lubricants and other(5)	**66**	99	**66**	67	**243**	250	**—**	—	**375**	416
Food, convenience and other non-fuel revenue	**233**	253	**93**	91	**414**	418	**—**	—	**740**	762
External sales and operating revenue	**6,943**	7,412	**4,194**	4,763	**2,653**	3,330	**653**	470	**14,443**	15,975

(1) Liquid petroleum gas includes propane and butane.
(2) Other fuel and petroleum products include crude oil, aviation fuel, asphalt, fuel oils, gas oils, ethanol, biodiesel and certain emission credits and allowances.
(3) Food and convenience store revenue generated from Canada, International, and USA depends on the business model operated by each segment, and includes sale of food and merchandise, suppliers' rebates, royalties and license fees and rental income from retailers in the form of a percentage rent on convenience store sales.
(4) Other retail revenue includes advertising revenue and other miscellaneous retail-related revenues.
(5) Lubricants and other include lubricants, freight, tanks and parts installation, cylinder exchanges, other products and services, and revenue from operating leases. During the three and six months ended June 30, 2024, distribution terminals in Canada recognized revenue from operating leases of $6 and $13 (2023 - $9 and $19), respectively.

14. OTHER DISCLOSURES

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

(a) Lines of business

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

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

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

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

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

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

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

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

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

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

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

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

($ millions, unless otherwise stated)

(b) Renewable and Conventional results

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

(1) Fuel and petroleum product volume for renewable activities only includes fuel trading volumes and does not include volumes of low-carbon-intensity feedstocks used for co-processing and blending.
(2) Represents elimination of transactions between Renewable and Conventional operations.
(3) Includes other income of $3 (2023 - $2) for Renewable; other costs of $3 (2023 - $2) for Conventional; adjustment to foreign exchange gains and losses on cash pooling of $2 (2023: $1) for Conventional; realized risk management loss related to underlying physical sales activity in another period of $1 (2023 - $4 gain) for Conventional; and adjustment to realized risk management gains of $1 for Conventional (2023 - nil).
(4) Includes realized foreign exchange gains of $2 (2023 - $25) for Conventional on settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.
(5) Includes share of depreciation and income taxes and other adjustments for investments in joint ventures and associates of $3 (2023 - $3) for Conventional; and other income of $3 (2023 - $3) for Conventional.

($ millions, unless otherwise stated)

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

(1) Fuel and petroleum product volume for renewable activities only includes fuel trading volumes and does not include volumes of low-carbon-intensity feedstocks used for co-processing and blending.
(2) Represents elimination of transactions between Renewable and Conventional operations.
(3) Includes realized risk management loss related to underlying physical sales activity in another period of $4 (2023 - $3 gain) for Conventional; adjustment to foreign exchange gains and losses related to cash pooling arrangements of $4 (2023 - nil) for Conventional; other income of $3 (2023 - $3) for Renewable; other costs of $3 (2023 - $3) for Conventional; and adjustment to realized risk management gains of $2 for Conventional (2023 - nil).
(4) Includes realized foreign exchange gains of $5 (2023 - $34) for Conventional on settlement of financing balances not included within adjusted gross margin as these gains do not relate to commodity sale and purchase transactions.
(5) Includes the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $7 (2023 - $6) for Conventional; other income of $5 (2023 - $6) for Conventional; and the effect of market-based performance conditions for equity-settled share-based award settlements of nil (2023 - $13) for Conventional.