Parkland Corporation

Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2025

Parkland Corporation

Consolidated Balance Sheets
(Unaudited)

($ millions)	Note	**March 31, 2025**	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		**362**	385
Accounts receivable		**1,558**	1,510
Inventories		**1,470**	1,511
Income taxes receivable		**53**	69
Risk management and other financial assets	7	**59**	68
Prepaid expenses and other		**92**	93
Assets classified as held for sale	4	**868**	842
		4,462	4,478
Non-current assets			
Property, plant and equipment		**5,000**	5,032
Intangible assets		**1,113**	1,152
Goodwill		**2,422**	2,426
Investments in associates and joint ventures		**344**	344
Other long-term assets	5	**352**	333
Deferred tax assets		**276**	279
		13,969	14,044
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**2,580**	2,613
Dividends declared and payable		**63**	61
Income taxes payable		**36**	21
Long-term debt – current portion	6	**244**	261
Provisions and other liabilities – current portion	9	**77**	72
Risk management and other financial liabilities	7	**23**	62
Liabilities associated with assets held for sale	4	**297**	292
		3,320	3,382
Non-current liabilities			
Long-term debt	6	**6,362**	6,380
Provisions and other liabilities	9	**729**	712
Deferred tax liabilities		**369**	383
Income taxes payable		**30**	21
		10,810	10,878
Shareholders' equity			
Shareholders' capital	10	**3,251**	3,238
Contributed surplus		**44**	56
Accumulated other comprehensive income (loss)		**9**	18
Retained earnings (deficit)		**(145)**	(146)
		3,159	3,166
		13,969	14,044

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 March 31, 2025	2024
Sales and operating revenue	14	**6,813**	6,939
Expenses			
Cost of purchases	14	**5,848**	6,022
Operating costs		**382**	391
Marketing, general and administrative		**150**	145
Acquisition, integration and other costs	13	**29**	30
Depreciation and amortization		**202**	206
Finance costs	11	**99**	91
Foreign exchange (gain) loss	7	**(3)**	8
(Gain) loss on risk management and other	7	**59**	75
Other (gains) and losses	12	**(19)**	10
Share of (earnings) loss of associates and joint ventures		**(6)**	(5)
Earnings (loss) before income taxes		**72**	(34)
Current income tax expense (recovery)		**18**	(16)
Deferred income tax expense (recovery)		**(10)**	(13)
Net earnings (loss)		**64**	(5)
Net earnings (loss) per share ($ per share):			
Basic		**0.37**	(0.03)
Diluted		**0.36**	(0.03)
Weighted average number of common shares (000's of shares)		**174,021**	175,264
Weighted average number of common shares adjusted for the effects of dilution (000's of shares)		**175,726**	175,264

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

($ millions)		Three months ended March 31, **2025**	2024
Net earnings (loss)		**64**	(5)
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		**(22)**	108
Exchange differences on USD-denominated debt designated as a hedge of the net investment in foreign operations ("Net Investment Hedge"), net of tax	7	**8**	(92)
Changes in the fair value of cash flow hedges, net of tax	7	**1**	(5)
Hedging (gains) losses reclassified to the consolidated statements of income (loss)	7	**2**	5
Items that will not be reclassified to consolidated statements of income (loss) in subsequent periods:			
Remeasurements on employee benefit plans		**2**	—
Other comprehensive income (loss)		**(9)**	16
Total comprehensive income (loss)		**55**	11

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, 2025		**3,238**	**56**	**18**	**—**	**(146)**	**3,166**
Net earnings (loss)		**—**	**—**	**—**	**—**	**64**	**64**
Other comprehensive income (loss)		**—**	**—**	**(9)**	**—**	**—**	**(9)**
Dividends		**—**	**—**	**—**	**—**	**(63)**	**(63)**
Share incentive compensation		**—**	**7**	**—**	**—**	**—**	**7**
Shares issued under share option plan	10	**3**	**—**	**—**	**—**	**—**	**3**
Shares issued on vesting of performance share units	10	**10**	**(19)**	**—**	**—**	**—**	**(9)**
As at March 31, 2025		**3,251**	**44**	**9**	**—**	**(145)**	**3,159**
As at January 1, 2024		3,257	90	(69)	(106)	9	3,181
Net earnings (loss)		—	—	—	—	(5)	(5)
Other comprehensive income (loss)		—	—	16	—	—	16
Dividends		—	—	—	—	(61)	(61)
Change in liability for share purchase obligation		—	—	—	94	—	94
Shares repurchased through normal-course issuer bid ("NCIB")		(34)	—	—	—	(48)	(82)
Share incentive compensation		—	6	—	—	—	6
Shares issued under share option plan		16	(2)	—	—	—	14
Shares issued on vesting of performance share units		8	(17)	—	—	—	(9)
As at March 31, 2024		3,247	77	(53)	(12)	(105)	3,154

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation
Consolidated Statements of Cash Flows
(Unaudited)

($ millions)	Note	Three months ended March 31, 2025	2024
Operating activities			
Net earnings (loss)		**64**	(5)
Adjustments for:			
Depreciation and amortization		**202**	206
Interest on leases and long-term debt	11	**89**	85
Share incentive compensation		**8**	6
Change in other assets and other liabilities		**(1)**	(28)
Change in fair value of Redemption Options	12	**(21)**	13
Deferred income tax expense (recovery)		**(10)**	(13)
Share of net (earnings) loss of associates and joint ventures		**(6)**	(5)
Other operating activities	3	**14**	13
Net change in non-cash working capital related to operating activities	3	**(53)**	(55)
Cash generated from (used in) operating activities		**286**	217
Investing activities			
Dividends received from investments in associates and joint ventures		**5**	2
Additions to property, plant and equipment and intangible assets		**(104)**	(89)
Change in long-term receivables and other assets	5	**(2)**	(3)
Proceeds on asset disposals		**8**	2
Net change in non-cash working capital related to investing activities	3	**11**	(5)
Cash generated from (used in) investing activities		**(82)**	(93)
Financing activities			
Net proceeds from (repayments of) the Credit Facility	6	**(1)**	139
Net proceeds (repayments) from non-recourse debt		**1**	3
Interest paid on long-term debt and leases	11	**(82)**	(66)
Payments on principal amount on leases		**(77)**	(71)
Dividends paid to shareholders		**(61)**	(60)
Shares repurchased through normal-course issuer bid	10	**—**	(79)
Shares issued for cash, net of share issuance costs	10	**(6)**	5
Cash generated from (used in) financing activities		**(226)**	(129)
Increase (decrease) in cash and cash equivalents		**(22)**	(5)
Impact of foreign currency translation on cash		**(1)**	11
Cash and cash equivalents at beginning of period		**385**	387
Cash and cash equivalents at end of period		**362**	393
Supplementary cash flow information:			
Income taxes refunded (paid)		**23**	(12)

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Corporation

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2025
($ millions, unless otherwise stated)

1. CORPORATE INFORMATION

Parkland is a leading international fuel distributor, marketer, and convenience retailer with safe and reliable operations in 26 countries across the Americas. Our retail network meets the fuel and convenience needs of everyday consumers. Our commercial operations provide businesses with fuel to operate, complete projects and better serve their customers. In addition to meeting our customers' needs for essential fuels, Parkland provides a range of choices to help them lower their environmental impact, including manufacturing and blending renewable fuels, ultra-fast EV charging, a variety of solutions for carbon credits and renewables, and solar power. 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. 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 March 31, 2025.

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, 2024 (the "Annual Consolidated Financial Statements") except for the changes as per notes 2(d) and 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 May 5, 2025.

(b) Presentation and functional currency

The interim condensed consolidated financial statements are presented in Canadian dollars, which is Parkland's functional currency. The functional currency of each of 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 the Annual Consolidated Financial Statements.

(d) Changes in presentation

Certain shared costs for the comparative period related to marketing, general and administrative costs, were re-allocated to the remaining segments from corporate to conform to the current period allocation, which uses a more comprehensive and streamlined allocation of costs using the benefits received model and better aligns these costs to the relevant operating segments. Refer to note 14(a) for further details.

($ millions, unless otherwise stated)

(e) Amended standards adopted by Parkland

Parkland has adopted the following accounting amendment effective for the annual periods beginning January 1, 2025. The adoption of these amendments did not have a material impact on the interim condensed consolidated financial statements.

- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates ("IAS 21"), issued in 2023, 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. This amendment has been applied retrospectively.

3. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Three months ended March 31,	
	2025	2024
Accounts receivable	**(65)**	(33)
Inventories	**(137)**	(85)
Prepaid expenses and other	**(8)**	(6)
Accounts payable and accrued liabilities	**147**	20
Income taxes payable	**25**	(15)
Income taxes receivable	**16**	(13)
Deferred revenue	**—**	(3)
Risk management and other	**(31)**	80
Net cash inflow (outflow) from changes in non-cash working capital related to operating activities	**(53)**	(55)

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

	Three months ended March 31,	
	2025	2024
Accounts payable and accrued liabilities	**11**	(5)
Net cash inflow (outflow) from changes in non-cash working capital related to investing activities	**11**	(5)

Cash held in margin and project financing current accounts as at March 31, 2025 amounted to $38 (March 31, 2024 - $93).

(c) Other operating activities

		Three months ended March 31,	
	Note	**2025**	2024
(Gain) loss on risk management and other - unrealized		**3**	3
Impairment and write-offs		**—**	8
Provision and other liabilities		**(1)**	—
(Gain) loss on disposal of assets	12	**1**	(2)
Other items		**11**	4
		14	13

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.

The assets and associated liabilities include retail sites located across Canada and retail and commercial businesses (cardlock facilities, bulk storage plants and warehouses) located in Florida, United States. 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.

($ millions, unless otherwise stated)

	Note	**March 31, 2025**	December 31, 2024
Assets classified as held for sale:			
Accounts receivable		**95**	89
Inventories		**39**	38
Property, plant and equipment		**596**	578
Intangible assets		**36**	36
Goodwill[1]		**92**	92
Other long-term assets		**1**	—
Deferred tax asset		**9**	9
Total assets classified as held for sale		**868**	842
Liabilities directly associated with assets classified as held for sale:			
Accounts payable		**59**	47
Long-term debt[2]	6	**132**	141
Provisions and other liabilities	9	**83**	79
Deferred tax liabilities		**23**	25
Total liabilities associated with assets held for sale		**297**	292

[1] Goodwill has been allocated to the disposal groups on a relative fair value basis.
[2] Long-term debt primarily includes lease obligations.

5. OTHER LONG-TERM ASSETS

	Note	**March 31, 2025**	December 31, 2024
Redemption Options[1]	7	**72**	51
Deferred customer incentives		**74**	75
Long-term prepaid expenses, deposits, other assets and receivables		**106**	107
Note receivable		**100**	100
		352	333

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

($ millions, unless otherwise stated)

6. LONG-TERM DEBT

	March 31, 2025	December 31, 2024
Credit Facility	**198**	198
Unamortized deferred financing costs	**(1)**	(2)
	197	196
Senior Notes:		
3.875% Senior Notes, due 2026	**600**	600
5.875% US$500 Senior Notes, due 2027	**716**	718
6.00% Senior Notes, due 2028	**400**	400
4.375% Senior Notes, due 2029	**600**	600
4.50% US$800 Senior Notes, due 2029	**1,145**	1,148
4.625% US$800 Senior Notes, due 2030	**1,145**	1,148
6.625% US$500 Senior Notes, due 2032	**716**	718
Unamortized premium: Redemption Options	**52**	55
Unamortized discount: deferred financing costs	**(32)**	(34)
	5,342	5,353
Non-recourse debt(2)	**31**	30
Other notes and borrowings	**8**	8
Total Credit Facility, Senior Notes, Other notes and borrowings	**5,578**	5,587
Lease obligations(1)	**1,028**	1,054
Total long-term debt	**6,606**	6,641
Less: current portion of Lease obligations	**(244)**	(261)
Long-term debt	**6,362**	6,380

(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.
(2) As at March 31, 2025, $31 (December 31, 2024 - $30) has been drawn on the non-recourse debt, which resulted in the initial recognition of the long-term debt at its fair value of $30 (December 31, 2024 - $29) and deferred government grant of $1 (December 31, 2024 - $1).

As at March 31, 2025, Parkland issued $66 million (December 31, 2024 - $74 million) of letters of credit 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.

($ 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 March 31, 2025			
	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		—	**7**	—	**7**
Emission credit forward and option contracts[1]		—	**31**	—	**31**
Currency forward exchange contracts[2]		—	**21**	—	**21**
Risk management and other financial assets		—	**59**	—	**59**
Currency forward exchange contracts[2]		—	**(1)**		**(1)**
Emission credit forward and option contracts[1]		—	**(22)**	—	**(22)**
Risk management and other financial liabilities		—	**(23)**	—	**(23)**
Other items included in other long-term assets:					
Redemption Options	5	—	**72**	—	**72**
Other items included in other long-term assets		—	**72**	—	**72**

		Fair value as at December 31, 2024			
	Note	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Emission credit forward and option contracts[1]		—	44	—	44
Currency forward exchange contracts[2]		—	24	—	24
Risk management and other financial assets		—	68	—	68
Commodities swaps, forwards and futures contracts		—	(4)	—	(4)
Emission credit forward and option contracts[1]		—	(58)	—	(58)
Risk management and other financial liabilities		—	(62)	—	(62)
Redemption Options	5	—	51	—	51
Other items included in other long-term assets		—	51	—	51

[1] Unrealized losses (gains) on emission credits forward contracts, option contracts, emission credits and allowances held for trading, and the related emission obligations are realized when the contracts are settled, credits and allowances are purchased or sold, and the related obligations are settled. As at March 31, 2025, an additional unrealized loss of $34 (December 31, 2024: loss of $27) was included in emission credits and allowances held for trading within inventory with a fair value of $116 (December 31, 2024: $125)

[2] The balance includes net risk management assets amounting to $20 as at March 31, 2025 (December 31, 2024 - $23) in relation to the cash flow hedges. Refer to Note 7(d) for additional details of the cash flow hedges.

There were no changes in the nature, characteristics and risks of commodities swaps, forwards and futures contracts, currency forward exchange contracts, cross-currency and interest rate swap contracts, emission credit forward and option contracts, and Redemption Options that can result in change in class of financial assets and financial liabilities disclosed above. There were no transfers between fair value measurement hierarchy levels during the three months ended March 31, 2025.

(b) Other financial instruments

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and dividends declared and payable approximate their fair values as at March 31, 2025 and December 31, 2024, due to the short-term nature of these instruments. The carrying value of the note receivable carried at amortized cost approximates its fair value, as the interest rate on the note receivable approximates the market rate of interest over the term of four years. The Senior Notes had a carrying value of $5,342 and an estimated fair value of $5,169 as at March 31, 2025 (December 31, 2024 – $5,353 and $5,115, respectively), determined by discounting future cash flows using discount rates ranging from 5.4% to 6.8% (December 31, 2024 - 5.5% to 6.9%), representing the rates available to Parkland for loans with similar terms, conditions and maturity dates. Estimated fair value of Senior Notes is classified as level 2 in the fair value hierarchy.

(c) Net Investment Hedge

Parkland has designated certain USD-denominated debt and payable balances as a net investment hedge. During the three months ended March 31, 2025, Parkland recognized a foreign exchange gain, net of tax, of $8 (2024 - loss, net of tax, of $92) 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 March 31, 2025, the US$2,124 of USD-denominated long-term debt was designated as the net investment hedge (December 31, 2024 - US$2,179).

(d) Cash Flow Hedges

To mitigate foreign exchange risk arising on revaluation of certain USD-denominated receivable and payable balances where the functional currency is not the US dollar; Parkland enters into foreign currency forward contracts to buy and sell a fixed amount of US dollars for a fixed amount of Canadian dollars at a future date. These receivables and payables and these foreign currency forwards are designated as hedged items and hedging instruments, respectively, within the cash flow hedges. As at March 31, 2025, Parkland had outstanding forward contracts, which were designated as cash flow hedges, to buy and sell US$160 and US$10 (December 31, 2024 - US$87 and nil) at the weighted average forward rate of CAD$1.43 per US dollar and CAD$1.42 per US dollar, respectively, maturing in April 2025 (December 31, 2024 - CAD $1.41 per US dollar maturing in January 2025). As at March 31, 2025, the carrying amount of risk management assets and liabilities recognized with respect to the cash flow hedges was $1 and $1, respectively (December 31, 2024 - $2 and nil). For the three months ended March 31, 2025, a revaluation loss of $1 (2024 - loss of $5) was recognized in other comprehensive income for the cash flow hedge and a total of $1 (2024 - $5) was reclassified from the accumulated other comprehensive income to consolidated statements of income (loss). As at March 31, 2025, the balance recognized in the cash flow hedge reserve on this hedge was nil (December 31, 2024 - nil).

Parkland has entered into a three-year currency swap in relation to the issuance of the 2024 Senior Notes. The spot element of the cross-currency swap ("hedging instrument") was designated in a cash flow hedge relationship to hedge the variability of the 2024 Senior Notes' interest and principal cash flows ("hedged item") due to changes in the spot exchange rates. As at March 31, 2025, the fair value of the hedging instrument was an asset of $20 (December 31, 2024 - $21) recognized in Risk management and other liabilities. For the three months ended March 31, 2025, a revaluation gain of $2 on the hedging instrument (2024 - nil) was recognized in other comprehensive income and a total of $1 loss (2024 - nil) was reclassified from the accumulated other comprehensive income to consolidated statements of income (loss). As at March 31, 2025, the balance recognized in the cash flow hedge reserve on this hedge was a loss of $9 (December 31, 2024 - loss of $12).

(e) 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, cross-currency 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.

($ millions, unless otherwise stated)

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 and maintenance, pay dividends, and consider other growth and shareholder returns options.

(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:

	March 31, 2025	December 31, 2024
Leverage Debt	**5,257**	5,268
Leverage EBITDA	**1,476**	1,481
Leverage Ratio	**3.6**	3.6

	Note	**March 31, 2025**	December 31, 2024
Senior Funded Debt:			
Long-term debt	6	**6,606**	6,641
Less:			
Lease obligations	6	**(1,028)**	(1,054)
Cash and cash equivalents		**(362)**	(385)
Non-recourse debt[1]	6	**(31)**	(30)
Risk management asset[2]		**(29)**	(30)
Add:			
Non-recourse cash[1]		**14**	31
Letters of credit and others		**87**	95
Leverage Debt		**5,257**	5,268

		Three months ended				**Trailing twelve months ended**	
	Note	Jun 30, 2024	Sept 30, 2024	Dec 31, 2024	Mar 31. 2025	**March 31, 2025**	December 31, 2024
Adjusted EBITDA	14	504	431	428	375	**1,738**	1,690
Share incentive compensation		8	6	11	8	**33**	31
Reverse: IFRS 16 impact[3]		(80)	(84)	(91)	(93)	**(348)**	(338)
		432	353	348	290	**1,423**	1,383
Acquisition pro-forma adjustment[4]						**7**	11
Other adjustments[5]						**46**	87
Leverage EBITDA						**1,476**	1,481

(1) Represents Non-recourse debt and Non-recourse cash balance related to project financing (see Note 6).
(2) Represents the risk management asset/liability associated with the spot element of the cross-currency swap designated in a cash flow hedge relationship to hedge the variability of principal cash flows of the 2024 Senior Notes resulting from changes in the spot exchange rates (see Note 7).
(3) 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.
(4) Includes the impact of pro-forma pre-acquisition EBITDA estimates based on anticipated benefits, costs and synergies from acquisitions.
(5) Includes adjustments to normalize Adjusted EBITDA for non-recurring events relating to the completion of turnarounds, unplanned shutdown resulting from extreme cold weather events, and the EBITDA attributable to EV charging operations financed through non-recourse project financing.

($ millions, unless otherwise stated)

(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 three months ended March 31, 2025, and expects to remain in compliance over the next year.

9. PROVISIONS AND OTHER LIABILITIES

	March 31, 2025	December 31, 2024
Asset retirement obligations - current (a)	**11**	5
Environmental provision - current (b)	**2**	2
Deferred revenue	**26**	25
Short-term deposits, provisions and other	**38**	40
Provisions and other liabilities - current	**77**	72
Asset retirement obligations - non-current (a)	**530**	519
Environmental provision - non-current (b)	**112**	109
Employee benefits and other	**24**	26
Long-term deposits, provisions and other	**56**	52
Deferred share units liability	**7**	6
Provisions and other liabilities - non-current	**729**	712

(a) Asset retirement obligations

	January 1, 2025 to March 31, 2025	January 1, 2024 to December 31, 2024
Asset retirement obligations, beginning of period	**524**	594
Additional provisions and changes in retirement cost estimates	**14**	21
Change due to passage of time, discount rate and inflation rate	**10**	(30)
Obligations settled or transferred during the period	**(2)**	(13)
Change due to foreign exchange	**(1)**	17
Reclassification to liabilities associated with assets classified as held for sale	**(4)**	(65)
Asset retirement obligations, end of period	**541**	524
Current	**11**	5
Non-current	**530**	519
Asset retirement obligations, end of period	**541**	524

As at March 31, 2025, the inflation rate used to determine the value of future asset retirement costs ranged from 2.97% to 3.62% (December 31, 2024 - 2.97% to 3.24%), and the discount rate used to determine the present value of the future asset retirement costs ranged from 4.98% to 6.11% (December 31, 2024 - 4.98% to 6.38%). The total undiscounted estimated future cash flows required to settle Parkland's asset retirement obligations were $1,105 as at March 31, 2025 (December 31, 2024 - $1,086). These costs are expected to be paid up to the year 2073 (December 31, 2024 - 2073).

(b) Environmental provision

	January 1, 2025 to March 31, 2025	January 1, 2024 to December 31, 2024
Environmental provision, beginning of period	**111**	126
Additional provision made in the period	**1**	8
Change due to passage of time, discount rate and inflation rate	**3**	(24)
Obligations settled or transferred during the period	**(1)**	(4)
Change due to foreign exchange	**—**	5
Environmental provision, end of period	**114**	111
Current	**2**	2
Non-current	**112**	109
Environmental provision, end of period	**114**	111

As at March 31, 2025, the inflation rate used to determine the value of future costs related to environmental activities ranged from 2.97% to 3.62% (December 31, 2024 - 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 4.98% to 6.11% (December 31, 2024 - 4.98% to 6.38%). The total undiscounted estimated future cash flows required to settle Parkland's environmental provision obligations were $589 as at March 31, 2025 (December 31, 2024 - $577). The amount and timing of settlement with respect to environmental provision are uncertain and dependent on various factors, including regulatory requirements.

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, 2025 to March 31, 2025		January 1, 2024 to December 31, 2024	
	Number of common shares (000's)	**Amount ($ millions)**	common shares (000's)	Amount ($ millions)
Shareholders' capital, beginning of period	**173,931**	**3,238**	175,781	3,257
Issued under share option plan	**81**	**3**	630	23
Issued on vesting of performance share units	**369**	**10**	429	12
Shares repurchased through NCIB	**—**	**—**	(2,909)	(54)
Shareholders' capital, end of period	**174,381**	**3,251**	173,931	3,238

During the three months ended March 31, 2025, Parkland purchased and cancelled nil common shares (2024 - 1,817,488) for a total of nil (2024 - $82) under the NCIB.

11. FINANCE COSTS

	Three months ended March 31,	
	2025	2024
Interest on long-term debt	**72**	70
Interest on leases	**17**	15
Amortization, accretion and other finance costs	**10**	6
	99	91

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($ millions, unless otherwise stated)

12. OTHER (GAINS) AND LOSSES

		Three months ended March 31,	
	Note	**2025**	2024
(Gain) loss on disposal of assets		**1**	(2)
Change in fair value of Redemption Options	7	**(21)**	13
Change in estimates of environmental provision	9	**4**	(4)
Other income		**(4)**	(2)
Other		**1**	5
		(19)	10

13. ACQUISITION, INTEGRATION AND OTHER COSTS

Acquisition, integration and other costs for the three months ended March 31, 2025, primarily include the Implementation of enterprise-wide systems of $20 (2024 - $12), the restructuring activities related to outsourcing, transformation and cost efficiency initiatives of $11 (2024 - $3), the settlement of certain items related to past acquisitions ($6) (2024 - $5).

14. 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.

	Canada		International		USA		Refining		Corporate		Intersegment eliminations		Consolidated	
For the three months ended March 31,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
External fuel and petroleum product volume	**3,229**	3,023	**1,737**	1,697	**1,001**	1,097	**338**	469	**—**	—	**—**	—	**6,305**	6,286
Internal fuel and petroleum product volume[1]	**111**	113	**—**	—	**3**	—	**604**	575	**—**	—	**(718)**	(688)	**—**	—
Total fuel and petroleum product volume (million litres)	**3,340**	3,136	**1,737**	1,697	**1,004**	1,097	**942**	1,044	**—**	—	**(718)**	(688)	**6,305**	6,286
Sales and operating revenue[2]														
Revenue from external customers	**3,355**	3,268	**2,053**	2,065	**1,168**	1,268	**237**	338	**—**	—	**—**	—	**6,813**	6,939
Inter-segment revenue[1]	**97**	114	**—**	—	**3**	2	**684**	665	**2**	2	**(786)**	(783)	**—**	—
Total sales and operating revenue	**3,452**	3,382	**2,053**	2,065	**1,171**	1,270	**921**	1,003	**2**	2	**(786)**	(783)	**6,813**	6,939
Cost of purchases	**3,053**	2,944	**1,778**	1,802	**1,031**	1,124	**769**	931	**—**	—	**(783)**	(779)	**5,848**	6,022
Adjusted gross margin														
Fuel and petroleum product adjusted gross margin, before the following:	**314**	348	**236**	230	**81**	84	**152**	72	**—**	—	**—**	—	**783**	734
Gain (loss) on risk management and other - realized[6][8]	**(57)**	(7)	**4**	(43)	**(1)**	(1)	**(2)**	(22)	**—**	1	**—**	—	**(56)**	(72)
Gain (loss) on foreign exchange - realized	**(1)**	—	**(2)**	(2)	**—**	—	**1**	(3)	**—**	(3)	**—**	—	**(2)**	(8)
Other adjusting items to adjusted gross margin[3][6]	**(5)**	6	**(8)**	3	**—**	2	**—**	—	**—**	1	**—**	—	**(13)**	12
Fuel and petroleum product adjusted gross margin	**251**	347	**230**	188	**80**	85	**151**	47	**—**	(1)	**—**	—	**712**	666
Food, convenience and other adjusted gross margin	**85**	90	**39**	33	**59**	62	**—**	—	**2**	2	**(3)**	(4)	**182**	183
Total adjusted gross margin	**336**	437	**269**	221	**139**	147	**151**	47	**2**	1	**(3)**	(4)	**894**	849
Operating costs	**163**	184	**65**	53	**91**	83	**66**	74	**—**	—	**(3)**	(3)	**382**	391
Marketing, general and administrative[7]	**63**	67	**36**	32	**32**	33	**6**	6	**13**	8	**—**	(1)	**150**	145
Share in (earnings) loss of associates and joint ventures	**—**	—	**(6)**	(5)	**—**	—	**—**	—	**—**	—	**—**	—	**(6)**	(5)
(Gain) loss on foreign exchange - realized[4]	**—**	—	**—**	—	**—**	—	**—**	—	**—**	(3)	**—**	—	**—**	(3)
Other adjusting items to Adjusted EBITDA[5]	**—**	—	**(7)**	(6)	**—**	—	**—**	—	**—**	—	**—**	—	**(7)**	(6)
Adjusted EBITDA	**110**	186	**181**	147	**16**	31	**79**	(33)	**(11)**	(4)	**—**	—	**375**	327
Reconciliation to net earnings (loss)														
Adjusted EBITDA													**375**	327
Acquisition, integration and other costs													**29**	30
Depreciation and amortization													**202**	206
Finance costs													**99**	91
(Gain) loss on foreign exchange - unrealized													**(5)**	3
(Gain) loss on risk management and other derivatives - unrealized[6]													**3**	3
Other (gains) and losses													**(19)**	10
Other adjusting items[3][5][6]													**(6)**	18
Income tax expense (recovery)													**8**	(29)
Net earnings (loss)													**64**	(5)

(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 adjustment for realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of $8 gain for International (2024 - $3 loss), and $5 gain for Canada (2024 - $8 loss); adjustment to foreign exchange gains and losses related to cash pooling arrangements of nil for Corporate (2024 - $2 loss); adjustment to realized risk management gains of nil for Corporate, related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions (2024 - $1 gain) and other items of nil for Canada (2024 - $2 loss) and nil for USA (2024 - $2 gain).

(4) Includes realized foreign exchange gains of nil for Corporate (2024 - $3) 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 adjustment for the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $5 for International (2024 - $4); and other income of $2 for International (2024 -$2).

(6) For comparative purposes, certain amounts were reclassified between realized and unrealized gain/(loss) on risk management with no changes to Adjusted EBITDA or net earnings, to conform to the presentation used in the current period.

(7) For comparative purposes, certain shared marketing, general and administrative costs within Corporate were reallocated to other segments as described in Note 2d. The reallocated amounts for the three months ended March 31, 2024, and the year ended December 31, 2024, were: Canada ($5 and $18, respectively), International ($2 and $8, respectively), USA ($2 and $8, respectively), Refining ($1 and $5, respectively), and Corporate ($10 and $39, respectively). The revised amounts for the year ended December 31, 2024 were: Canada ($269), International ($131), USA ($127), Refining ($24), and Corporate ($62).

(8) Gain (loss) on risk management and other - realized includes losses of $53 in Canada on emission credit forward and option contracts realized as a result of the commercial decision to wind down certain compliance market positions.

($ millions, unless otherwise stated)

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

For the three months ended	Canada		International		USA		Refining		Corporate		Consolidated	
March 31,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Additions to property, plant and equipment and intangible assets[1]	**38**	22	**21**	6	**7**	4	**35**	51	**3**	6	**104**	89
Depreciation and amortization	**73**	77	**74**	66	**24**	28	**25**	28	**6**	7	**202**	206

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

(c) Geographic information

	Three months ended March 31,	
Sales and operating revenue from external customers	**2025**	2024
Canada	**3,224**	3,395
United States	**1,717**	1,664
Other countries	**1,872**	1,880
	6,813	6,939

	March 31, 2025			
	Canada	**United States**	**Other countries**	**Consolidated**
Property, plant and equipment	**3,068**	**513**	**1,419**	**5,000**
Intangible assets	**792**	**130**	**191**	**1,113**
Goodwill	**1,302**	**513**	**607**	**2,422**
	5,162	**1,156**	**2,217**	**8,535**

	December 31, 2024			
	Canada	United States	Other countries	Consolidated
Property, plant and equipment	3,060	543	1,429	5,032
Intangible assets	810	136	206	1,152
Goodwill	1,303	514	609	2,426
	5,173	1,193	2,244	8,610

(d) Sales and operating revenue by product

	Canada		International		USA		Refining		Consolidated	
For the three months ended March 31,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Gasoline and diesel	**2,839**	2,905	**1,609**	1,625	**961**	1,061	**24**	36	**5,433**	5,627
Liquid petroleum gas[1]	**145**	151	**29**	29	**10**	5	**—**	—	**184**	185
Other fuel and petroleum products[2]	**259**	97	**360**	364	**6**	5	**213**	302	**838**	768
Fuel and petroleum product revenue	**3,243**	3,153	**1,998**	2,018	**977**	1,071	**237**	338	**6,455**	6,580
Food and convenience store[3]	**79**	78	**6**	6	**72**	77	**—**	—	**157**	161
Other retail[4]	**4**	4	**7**	7	**1**	2	**—**	—	**12**	13
Lubricants and other[5]	**29**	33	**42**	34	**118**	118	**—**	—	**189**	185
Food, convenience and other non-fuel revenue	**112**	115	**55**	47	**191**	197	**—**	—	**358**	359
External sales and operating revenue	**3,355**	3,268	**2,053**	2,065	**1,168**	1,268	**237**	338	**6,813**	6,939

[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 the 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 months ended March 31, 2025, distribution terminals in Canada recognized revenue from operating leases of $8 (2024 - $7).

($ millions, unless otherwise stated)

15. OTHER DISCLOSURES

In addition to the reportable operating segments disclosed above, Parkland also voluntarily discloses business performance by lines of business. The basis of line of business remains consistent with those disclosed in the Annual Consolidated Financial Statements.

	Retail[6]		Commercial[6]		Refining		Corporate		Eliminations		Consolidated	
For the three months ended March 31,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
External fuel and petroleum product volume[5]	**2,397**	2,453	**3,570**	3,364	**338**	469	**—**	—	**—**	—	**6,305**	6,286
Adjusted gross margin												
Fuel and petroleum product adjusted gross margin[5], before the following:	**336**	327	**302**	342	**152**	72	**—**	—	**(7)**	(7)	**783**	734
Gain (loss) on risk management and other - realized[4]	**4**	(7)	**(58)**	(44)	**(2)**	(22)	**—**	1	**—**	—	**(56)**	(72)
Gain (loss) on foreign exchange - realized	**—**	—	**(3)**	(2)	**1**	(3)	**—**	(3)	**—**	—	**(2)**	(8)
Other adjusting items to adjusted gross margin[1][4]	**—**	—	**(13)**	11	**—**	—	**—**	1	**—**	—	**(13)**	12
Fuel and petroleum product adjusted gross margin[5]	**340**	320	**228**	307	**151**	47	**—**	(1)	**(7)**	(7)	**712**	666
Food, convenience and other adjusted gross margin	**103**	105	**80**	79	**—**	—	**2**	2	**(3)**	(3)	**182**	183
Total adjusted gross margin[5]	**443**	425	**308**	386	**151**	47	**2**	1	**(10)**	(10)	**894**	849
Operating costs[5]	**178**	176	**148**	150	**66**	74	**—**	—	**(10)**	(9)	**382**	391
Marketing, general and administrative[5]	**64**	61	**67**	71	**6**	6	**13**	8	**—**	(1)	**150**	145
Share in (earnings) loss of associates and joint ventures	**(3)**	(4)	**(3)**	(1)	**—**	—	**—**	—	**—**	—	**(6)**	(5)
(Gain) loss on foreign exchange - realized[2]	**—**	—	**—**	—	**—**	—	**—**	(3)	**—**	—	**—**	(3)
Other adjusting items to Adjusted EBITDA[3]	**(5)**	(4)	**(2)**	(2)	**—**	—	**—**	—	**—**	—	**(7)**	(6)
Adjusted EBITDA[4]	**209**	196	**98**	168	**79**	(33)	**(11)**	(4)	**—**	—	**375**	327

[1] Includes adjustment for realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of $13 gain for Commercial (2024 - $11 loss); and adjustment to foreign exchange gains and losses related to cash pooling arrangements of nil loss for Corporate (2024 - $2); and adjustment to realized risk management gains of nil for Corporate, related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions (2024 - $1 gain).
[2] Includes realized foreign exchange gains of nil for Corporate (2024 - $3) on settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.
[3] Includes adjustment for the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $5 for Retail (2024 - $4); and other income of $2 for Commercial (2024 - $2).
[4] For comparative purposes, certain amounts were reclassified between realized and unrealized gain/(loss) on risk management with no changes to Adjusted EBITDA or net earnings, to conform to the presentation used in the current period.
[5] For comparative purposes, certain amounts within (i) external fuel and petroleum product volume, (ii) fuel and petroleum product adjusted gross margin, (iii) total adjusted gross margin, (iv) operating costs, (v) Marketing, general and administrative, and (vi) Adjusted EBITDA were revised to conform to the presentation used in the current period. The amount of revision for the three months ended March 31, 2024, were: Retail (54 million litres, $1, $1, $5, $12, and $16 respectively); Commercial (54 million litres, $1, $1, $5, $3, and $7 respectively); Refining (nil, nil, nil, nil, $1, and $1 respectively); and Corporate (nil, nil, nil, nil, $10, and $10 respectively).
[6] The Adjusted EBITDA for our marketing business, which includes both the Retail and Commercial lines of business, was $307 (2024 - $364).

16. SUBSEQUENT EVENTS

On May 5, 2025, Parkland and Sunoco LP (NYSE: SUN) ("Sunoco" or the "Partnership") announced that they have entered into a definitive agreement (the "Agreement") whereby Sunoco will acquire all outstanding shares of Parkland in a cash and equity transaction valued at approximately U.S.$9.1 billion, including assumed debt (the "Transaction"). The proposed Transaction will be effected pursuant to a plan of arrangement under the Business Corporations Act (Alberta), which requires approval by the court. As part of the Transaction, Sunoco intends to form a new publicly-traded Delaware limited liability company named SUNCorp, LLC ("SUNCorp"). SUNCorp will hold limited partnership units of Sunoco that are economically equivalent to Sunoco's publicly-traded common units on the basis of one Sunoco common unit for each outstanding SUNCorp unit. Under the terms of the Agreement, Parkland shareholders will receive 0.295 SUNCorp units and $19.80 for each Parkland share. Parkland shareholders can elect, in the alternative, to receive $44.00 per Parkland share in cash or 0.536 SUNCorp units for each Parkland share, subject to certain restrictions as more particularly set out in the Agreement. The Transaction is expected to close in the second half of 2025 upon the satisfaction of closing conditions, including approval by Parkland's shareholders and customary regulatory and stock exchange listing approvals. The agreement includes customary deal protections, including fiduciary-out provisions, non-solicitation covenants, and the right to match any superior proposals, subject to Parkland paying a break fee in the amount of $275 million in certain circumstances.