Q4 2024

Management's Discussion and Analysis

Parkland

Year ended December 31, 2024

Report to shareholders

Management's Discussion and Analysis | Q4 2024

Table of Contents

1. Parkland overview 2
2. Performance overview 2
3. Sustainability 5
4. Segment overview, highlights and results 6
5. Quarterly financial data 11
6. Cash flows and dividends 12
7. Capital management, liquidity and commitments 15
8. Capital expenditures 19
9. Revenue and net earnings (loss) 20
10. Line of business information 22
11. Risk factors 23
12. Outlook 37
13. Other 37
14. Accounting policies and critical accounting estimates 39
15. Segment descriptions 42
16. Specified financial measures and non-financial measures 46
17. Forward-looking information 62
18. Fourth quarter segment information 65

Basis of presentation

This Management's Discussion and Analysis ("MD&A") for Parkland Corporation ("Parkland", "the Company", "we", "our" or "us") dated March 5, 2025, should be read in conjunction with our December 31, 2024 consolidated financial statements (the "Annual Consolidated Financial Statements"). All financial information contained herein, unless stated otherwise, has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), also referred to as Generally Accepted Accounting Principles ("GAAP"), using the accounting policies described in Note 2 of the Annual Consolidated Financial Statements. The MD&A is presented in millions of Canadian dollars unless otherwise noted. Additional information about Parkland, including quarterly and annual reports and the most recent Annual Information Form (the "Annual Information Form"), is available online at System for Electronic Data Analysis and Retrieval+ ("SEDAR+") at www.sedarplus.ca and Parkland's website at www.parkland.ca.

Specified financial measures and non-financial measures

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

Risks and forward-looking information

Parkland's financial and operational performance is potentially affected by a number of factors including, but not limited to, the factors described within the Forward-looking information section and Risk factors section of this MD&A and the Annual Information Form. The information within these sections of this MD&A is based on Parkland's current expectations, estimates, projections, and assumptions that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking information contained herein is subject to a number of risks and uncertainties beyond Parkland's control including, without limitation, changes in market, competition, governmental or regulatory developments, and general economic conditions and other factors under Section 11 of this MD&A and the Risk factors section of the Annual Information Form. Readers are cautioned that such forward-looking information contained in this MD&A should not be used for purposes other than for which it is disclosed herein and are cautioned not to place undue reliance on these forward-looking statements. Refer to Section 17 of this MD&A for further details.

1. PARKLAND OVERVIEW

Parkland is 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.

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

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

2. PERFORMANCE OVERVIEW

($ millions, unless otherwise noted)	Three months ended December 31,			Year ended December 31,		
Financial Summary	**2024**	2023	2022	**2024**	2023	2022
Sales and operating revenue	**6,734**	7,746	8,719	**28,303**	32,452	35,462
Adjusted EBITDA[(1)(2)]	**428**	463	455	**1,690**	1,913	1,620
Canada[(3)]	**190**	190	197	**753**	713	702
International[(3)]	**171**	157	110	**654**	678	383
USA[(3)]	**32**	39	46	**168**	186	126
Refining[(3)]	**60**	106	128	**198**	441	516
Corporate[(3)]	**(25)**	(29)	(26)	**(83)**	(105)	(107)
Net earnings (loss)[(2)]	**(29)**	86	69	**127**	471	310
Net earnings (loss) per share – basic ($ per share)	**(0.17)**	0.49	0.39	**0.73**	2.68	1.94
Net earnings (loss) per share – diluted ($ per share)	**(0.17)**	0.48	0.39	**0.72**	2.63	1.92
Adjusted earnings (loss)[(2)(4)]	**100**	151	117	**405**	626	468
Cash generated from (used in) operating activities	**462**	417	629	**1,535**	1,780	1,326
Trailing-twelve-month ("TTM") Cash generated from (used in) operating activities per share[(5)]	**8.80**	10.13	8.29	**8.80**	10.13	8.29
Available cash flow[(4)]	**110**	181	118	**556**	812	708
TTM Available cash flow per share[(4)]	**3.19**	4.61	4.43	**3.19**	4.61	4.43
TTM Dividend payout ratio[(4)]	**44%**	30%	29%	**44%**	30%	29%
Dividends	**61**	60	57	**244**	240	207
Dividends per share[(5)]	**0.3500**	0.3400	0.3250	**1.400**	1.3600	1.2891
Weighted average number of common shares (million shares)[(6)]	**174**	176	173	**174**	176	160
TTM Return on invested capital ("ROIC")[(4)]	**7.4%**	9.8%	8.4%	**7.4%**	9.8%	8.4%
Growth capital expenditures[(2)(5)]	**162**	49	129	**276**	197	241
Maintenance capital expenditures[(2)(5)]	**96**	93	118	**279**	285	253
Total assets	**14,044**	13,866	14,288	**14,044**	13,866	14,288
Non-current financial liabilities	**6,380**	6,192	6,811	**6,380**	6,192	6,811

[(1)] Total of segments measure. See Section 16 of this MD&A.
[(2)] For the three months and the year ended December 31, 2022, represents the amounts attributable to Parkland.
[(3)] Measure of segment profit (loss). See Section 16 of this MD&A.
[(4)] Non-GAAP financial measure or non-GAAP financial ratio. See Section 16 of this MD&A.
[(5)] Supplementary financial measure. See Section 16 of this MD&A.
[(6)] Weighted average number of common shares are calculated in accordance with Parkland's accounting policy contained in Note 2 of the Annual Consolidated Financial Statements.

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

Adjusted EBITDA

Parkland achieved Adjusted EBITDA of $428 million for the fourth quarter of 2024 and $1,690 million for the year ended December 31, 2024, representing a decrease of $35 million and $223 million, respectively, when compared to the same periods in 2023. Overall, the period-over-period variances in Adjusted EBITDA are due to the following:

- Canada's Adjusted EBITDA remained flat for the fourth quarter of 2024 and increased by $40 million for the year ended December 31, 2024, primarily driven by (i) stronger fuel unit margins from continued price and supply optimization, (ii) volume growth in the company-operated retail network, and (iii) reduced operating costs due to successful ongoing targeted cost-saving initiatives. This was partially offset by the (i) impact of softening demand in our dealer-operated network and logistics business, (ii) lower volumes in commercial and logistics business due to unseasonably warm weather, and (iii) the benefit from non-recurring insurance recoveries in the comparative period.
- International's Adjusted EBITDA increased by $14 million for the fourth quarter of 2024 and decreased by $24 million for the year ended December 31, 2024, primarily driven by (i) improved unit margins and continued growth in the retail and commercial base businesses, and (ii) reduction in operating costs driven by lower licensing costs in select markets and continued targeted cost-saving initiatives. This was partially offset by the impact of lower volumes in the wholesale business due to increased competition. The decrease in Adjusted EBITDA for the year ended December 31, 2024, was also due to the non-recurring realized foreign exchange gains in the comparative period.
- USA's Adjusted EBITDA decreased by $7 million for the fourth quarter of 2024 and by $18 million for the year ended December 31, 2024, primarily driven by (i) the decline in fuel volumes due to increased competition in commercial business and retail industry trends, and (ii) inflationary pressures on marketing, general and administrative expenses. This was partially offset by (i) strong unit margins with successful renegotiation of supply contracts and (ii) improvements in C-Store and lubricants margins driven by various initiatives. The decrease in Adjusted EBITDA for the year ended December 31, 2024 was also due to the non-recurring realized foreign exchange gains in the comparative period.
- Refining's Adjusted EBITDA decreased by $46 million for the fourth quarter of 2024, primarily due to lower refining margin environment and decreased by $243 million for the year ended December 31, 2024, primarily driven by (i) significantly lower refining margin environment during the second half of 2024, and (ii) the impact of an unplanned shutdown[1] in the first quarter of 2024, partially offset by the impact of supply optimization.
- Corporate Adjusted EBITDA expense decreased by $4 million for the fourth quarter of 2024 and $22 million for the year ended December 31, 2024, primarily driven by (i) reduced Marketing, general and administrative expenses as a result of continued cost reduction initiatives, and (ii) foreign exchange gains on certain USD denominated balances in a rising USD environment.

Net earnings

Net earnings decreased by $115 million to a net loss of $29 million for the fourth quarter of 2024 and by $344 million to $127 million for the year ended December 31, 2024, respectively, as compared to the same periods in 2023. In addition to the Adjusted EBITDA results discussed above, the period-over-period variances were primarily due to a decrease in net earnings from (i) net changes on revaluation of redemption options driven by volatility in interest rates and changes in credit spreads, (ii) an increase in the acquisition, integration and other costs associated with the restructuring activities, implementation of enterprise-wide systems and settlement of certain items related to past acquisitions and other costs, (iii) net unrealized losses on risk management and other primarily driven by volatility in commodity and emission credits prices, (iv) non-recurring insurance recoveries in the comparative period, (v) higher depreciation in the fourth quarter of 2024 due to a higher leased asset base to support organic growth, and (vi) an increase in finance costs driven by higher lease obligations to support organic growth. This was partially offset by (i) a decrease in income tax expense for the year ended December 31, 2024, due to lower taxable earnings primarily attributable to a significantly lower refining margin environment during the second half of 2024 and the unplanned shutdown of the Burnaby Refinery in the first quarter of 2024, (ii) gain from the revaluation of environmental provision due to higher discount rates, (iii) lower depreciation in the fourth quarter of 2024 due to classification of certain assets as held for sale and the dispositions during the year, and (iv) a decrease in finance costs driven by lower average borrowings and lower effective interest rates.

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

Adjusted earnings

Adjusted earnings decreased by $51 million to $100 million for the fourth quarter of 2024 and decreased by $221 million to $405 million for the year ended December 31, 2024, respectively, as compared to the same periods in 2023. This was primarily driven by a decrease in Adjusted EBITDA as discussed above and a higher tax expense during the fourth quarter of 2024 due to relatively more income in jurisdictions with higher tax rates and the impact of global minimum tax.

B. Cash flows, liquidity, and capital allocation

- Available cash flow per share decreased to $3.19 from $4.61 for the trailing twelve months ended December 31, 2024, as compared to the same period in 2023, as a result of (i) a decrease in Adjusted EBITDA for the year ended December 31, 2024 as discussed in Section 2A above, (ii) an increase in lease payments due to organic growth initiatives, and (iii) higher acquisition, integration and other costs primarily associated with the restructuring activities and implementation of enterprise-wide systems.
- Leverage Ratio[2] increased to 3.6 as at December 31, 2024, as compared to 2.8 at December 31, 2023, primarily driven by (i) a decrease in Adjusted EBITDA for the year ended December 31, 2024 as discussed in Section 2A above, and (ii) the increase in USD-denominated debt balances in a stronger USD environment. Parkland was in compliance with all of its Credit Facility covenants as at December 31, 2024, as discussed in Section 7A of this MD&A.
- ROIC decreased to 7.4% from 9.8% for the trailing twelve months ended December 31, 2024, as compared to the same period in 2023, driven by (i) a decrease in Adjusted EBITDA for the year ended December 31, 2024 as discussed in Section 2A above, and (ii) a higher applicable tax rate due to the impact of global minimum tax.
- Liquidity available[3], as at December 31, 2024, was $2,045 million, comprising cash and cash equivalents and borrowing capacity available under the Credit Facility.

C. Dividends and dividend payout ratio

During 2024, Parkland increased the dividends per share for the 12th consecutive year, demonstrating strong performance and value proposition for the shareholders.

In the fourth quarter of 2024 and the year ended December 31, 2024, Parkland declared dividends to shareholders of $61 million and $244 million, respectively. Dividends declared were higher when compared to the same periods in 2023 due to an increase in an annual dividend by $0.04 per share to $1.40 per share, partially offset by a lower number of outstanding common shares driven by 2.9 million common shares repurchased for cancellation under the normal course issuer bid program ("NCIB") during the trailing twelve months ended December 31, 2024.

The dividend payout ratio increased to 44% for the trailing twelve months ended December 31, 2024, compared to 30% for the same period in 2023. This was primarily due to lower available cash flow, as discussed in Section 2B above.

D. Capital expenditures

Parkland continues to invest in growth across the organization and fund capital expenditures using a disciplined capital allocation approach. Combined growth capital expenditures and maintenance capital expenditures for the fourth quarter of 2024 and the year ended December 31, 2024, increased by $116 million and $73 million, respectively, as compared to the same periods in 2023, primarily driven by higher growth capital expenditures relating to (i) expansion of the dealer and company-operated retail network, which is expected to be offset by additional divestments, (ii) capacity enhancement and low-carbon fuel manufacturing growth initiatives at the Burnaby Refinery, and (iii) On the Run / Marché Express site conversions in Canada and USA markets, while the maintenance capital expenditures remain relatively flat.

[2] Capital management measure. See Section 16 of this MD&A.
[3] Supplementary financial measure. See Section 16 of this MD&A.

3. SUSTAINABILITY

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

- Parkland co-processed 31 million litres of bio-feedstocks during the fourth quarter of 2024 (2023 - 26 million litres) and 108 million litres of bio-feedstocks during the year ended December 31, 2024 (2023 - 91 million litres). The co-processed volumes for the fourth quarter and the year ended December 31, 2024 are equivalent to a reduction of 78,881 tonnes and 285,589 tonnes of CO_2e[4], respectively (2023 - 73,767 tonnes and 250,513 tonnes, respectively) for our customers, compared to conventionally refined gasoline and diesel.
- As at December 31, 2024, Parkland had built 58 Electric Vehicle ("EV") charging locations (December 31, 2023 - 50) and 218 charge ports (December 31, 2023 - 188) as part of its plan to build an ultra-fast EV charging network in dense urban centres and along major highways in British Columbia, Ontario, Quebec and Alberta.
- During the fourth quarter of 2024, International, through its investment in the renewable energy business ("Sol Ecolution")[5], in the Caribbean, completed additional solar photovoltaic systems, bringing its total number of completed sites to 72 as at December 31, 2024 (December 31, 2023 - 56).

Health, safety and environment ("HSE")

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

	December 31, 2024	December 31, 2023
TTM LTIF [(1)]	**0.13**	0.26
TTM TRIF[(1)]	**1.01**	1.07

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

[4] Carbon dioxide equivalent ("CO_2e") means the number of metric tons of CO_2 emissions with the same global warming potential as one metric ton of another greenhouse gas. The customer emission reduction is calculated using the methodology outlined in the British Columbia Low Carbon Fuel Regulation. Please see Parkland's 2023 Sustainability Report dated July 31, 2024, for more detail, which is also available online at Parkland's website at www.parkland.ca/sustainability/sustainability-report.

[5] Parkland's interest in Sol Ecolution is included in Investments in associates and joint ventures within the Annual Consolidated Financial Statements and is accounted for using the equity method.

4. SEGMENT OVERVIEW, HIGHLIGHTS AND RESULTS

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

A. Canada

	Three months ended December 31,				Year ended December 31,			
($ millions, unless otherwise noted)	**2024**	2023	Change	%	**2024**	2023	Change	%
Fuel and petroleum product volume[1] (million litres)	**3,163**	3,367	(204)	(6)%	**12,524**	13,351	(827)	(6)%
Fuel and petroleum product adjusted gross margin[2][3][4]	**331**	343	(12)	(3)%	**1,340**	1,293	47	4%
Food, convenience and other adjusted gross margin[2][3]	**98**	105	(7)	(7)%	**379**	378	1	—%
Adjusted gross margin[3]	**429**	448	(19)	(4)%	**1,719**	1,671	48	3%
Operating costs[2]	**175**	195	(20)	(10)%	**717**	736	(19)	(3)%
Marketing, general and administrative	**64**	63	1	2%	**251**	241	10	4%
Other items[5]	**—**	—	—	—%	**(2)**	(19)	17	(89)%
Adjusted EBITDA[3]	**190**	190	—	—%	**753**	713	40	6%
Key performance measures:								
Company SSVG[6]	**(1.2)%**	6.9%	(8.1)p.p		**1.2%**	6.9%	(5.7)p.p	
Food and Company C-Store SSSG (excluding cigarettes)[7]	**(2.0)%**	1.2%	(3.2)p.p		**(0.3)%**	3.2%	(3.5)p.p	
Food and Company C-Store SSSG (including cigarettes)[7]	**(3.9)%**	1.1%	(5.0)p.p		**(2.7)%**	2.1%	(4.8)p.p	
Food and Company C-Store gross margin percentage[7]	**34.7%**	36.0%	(1.3)p.p		**34.9%**	34.7%	0.2 p.p	

(1) Includes gasoline, diesel, and propane volumes.
(2) Certain amounts within fuel and petroleum product adjusted gross margin, food, convenience and other adjusted gross margin, and operating costs were revised to conform to the presentation used in the current period.
(3) Measure of segment profit (loss). See Section 16 for additional information and a breakdown of food, convenience and other adjusted gross margin.
(4) Fuel and petroleum product adjusted gross margin (cpl) was 10.46 for the fourth quarter of 2024 (2023 - 10.19) and 10.70 for the year ended December 31, 2024 (2023 - 9.68). Cpl metrics are impacted by variations in the mix of retail, wholesale, and commercial volumes. See Section 16 of this MD&A for a description of supplementary financial measures.
(5) Other items for the year ended December 31, 2024 includes (i) other income of $2 million (2023 - $16 million), and (ii) effect of market-based performance conditions for equity-settled share-based award settlements of nil (2023 - $3 million).
(6) Non-financial measure. Company SSVG denotes same-store volume growth, which includes gasoline and diesel volumes but excludes propane volumes sold at retail sites. See Section 16 of this MD&A.
(7) Non-GAAP financial ratio. See Section 16 of this MD&A.

Q4 and Q4 YTD Performance - 2024 vs. 2023

Canada delivered Adjusted EBITDA of $190 million for the fourth quarter of 2024 and $753 million for the year ended December 31, 2024, remaining flat and increasing by $40 million, respectively, as compared to the same periods in 2023. The changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin decreased by $12 million for the fourth quarter of 2024, primarily driven by (i) exceptional results from the supply business in the comparative period resulting from favourable market conditions, (ii) lower volumes in the commercial and logistics business due to unseasonably warm weather, and (iii) disposition of our Canadian commercial propane business. This was partially offset by stronger unit margins from continued price and supply optimization.

  Fuel and petroleum product adjusted gross margin increased by $47 million for the year ended December 31, 2024, mainly due to (i) stronger unit margins from continued price and supply optimization, and (ii) volume growth in our company-operated network. This was partially offset by (i) the impact of lower volumes due to softening demand in our dealer-operated retail network and logistics business, and (ii) exceptional results in the trading business in the comparative period, as noted above.
- Company SSVG was (1.2)% for the fourth quarter of 2024, due to slightly lower volumes resulting from general market conditions and 1.2% for the year ended December 31, 2024, demonstrating strength in our company-owned network and benefits from our loyalty programs.
- Food, convenience and other adjusted gross margin decreased by $7 million for the fourth quarter of 2024, primarily due to (i) lower sales in our M&M Food Market business due to inflationary pressures that have reduced discretionary spending for consumers and the Canada Post employee strike and (ii) disposition of our Canadian commercial propane business. Food, convenience and other adjusted gross margin remained flat for the year ended December 31, 2024.

- Food and Company C-Store SSSG excluding cigarettes of (2.0)% for the fourth quarter of 2024 and (0.3)% for the year ended December 31, 2024, was primarily driven by (i) lower M&M Food Market sales due to inflationary pressures that have reduced discretionary spending for consumers and the Canada Post employee strike partially offset by strong C-Store performance due to successful execution of our marketing and loyalty programs including JOURNIE™ Rewards and merchandising initiatives.

  Food and Company C-Store SSSG including cigarettes of (3.9)% for the fourth quarter of 2024, and (2.7)% for the year ended December 31, 2024, was driven by ongoing industry declines in cigarette sales, in addition to the factors noted above.

  Food and convenience store revenue for Canada decreased by $6 million for the fourth quarter of 2024 and increased by $6 million for the year ended December 31, 2024 due to the reasons noted above.
- Food and Company C-Store gross margin percentage remained relatively flat for the fourth quarter and the year ended December 31, 2024, demonstrating our success in maintaining gross margin percentage in a soft consumer environment through our margin optimization initiatives at food and C-Stores.
- Operating costs decreased by $20 million for the fourth quarter of 2024 and by $19 million for the year ended December 31, 2024, primarily due to successful ongoing targeted cost-saving initiatives, disposition of the Canadian commercial propane business, and the impact of reduced volumes.
- Marketing, general and administrative expenses remained flat for the fourth quarter of 2024 and increased by $10 million for the year ended December 31, 2024, primarily driven by inflationary pressures, marketing programs, and other growth initiatives and partially offset by the impact of continued cost control measures.
- Income within other items decreased by $17 million for the year ended December 31, 2024, primarily due to the non-recurring insurance recoveries in the comparative period.

B. International

	Three months ended December 31,				**Year ended December 31,**			
($ millions, unless otherwise noted)	**2024**	2023	Change	%	**2024**	2023	Change	%
Fuel and petroleum product volume (million litres)[1]	**1,816**	1,898	(82)	(4)%	**6,795**	7,872	(1,077)	(14)%
Fuel and petroleum product adjusted gross margin[2][3]	**214**	201	13	6%	**824**	826	(2)	—%
Food, convenience and other adjusted gross margin[2]	**30**	33	(3)	(9)%	**129**	126	3	2%
Adjusted gross margin[2]	**244**	234	10	4%	**953**	952	1	—%
Operating costs	**54**	63	(9)	(14)%	**216**	234	(18)	(8)%
Marketing, general and administrative	**32**	26	6	23%	**123**	115	8	7%
Other items [4]	**(13)**	(12)	(1)	8%	**(40)**	(75)	35	(47)%
Adjusted EBITDA[2]	**171**	157	14	9%	**654**	678	(24)	(4)%

[1] Includes gasoline, diesel, and propane volumes.
[2] Measure of segment profit (loss). See Section 16 of this MD&A.
[3] Fuel and petroleum product adjusted gross margin (cpl) was 11.78 for the fourth quarter of 2024 (2023 - 10.59) and 12.13 for the year ended December 31, 2024 (2023 - 10.49). Cpl metrics are impacted by variations in the mix of retail, wholesale, and commercial volumes. See Section 16 of this MD&A for a description of supplementary financial measures.
[4] Other items for the fourth quarter of 2024 includes (i) share of depreciation and income taxes and other adjustments for investments in joint ventures and associates of $12 million (2023 - $4 million), (ii) share of (earnings) loss of associates and joint ventures of $3 million (2023 - $3 million), (iii) impact of hyperinflation of $3 million (2023 - $3 million); and (iv) other income of $1 million (2023 - $2 million). Other items for the year ended December 31, 2024 includes (i) share of depreciation and income taxes and other adjustments for investments in joint ventures and associates of $23 million (2023 - $15 million), (ii) share of (earnings) loss of associates and joint ventures of $14 million (2023 - $20 million), (iii) other income of $6 million (2023 - $6 million), (iv) impact of hyperinflation of $3 million (2023 - $3 million); and (v) non-recurring realized foreign exchange gains on settlement of financing balances of nil (2023 -$31 million).

Q4 and Q4 YTD Performance - 2024 vs. 2023

International delivered Adjusted EBITDA of $171 million for the fourth quarter of 2024 and $654 million for the year ended December 31, 2024, representing an increase of $14 million[6] and decrease of $24 million[7], respectively, compared to the same periods in 2023. The changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin increased by $13 million for the fourth quarter of 2024 and remained relatively flat for the year ended December 31, 2024, primarily driven by (i) improved unit margins in the wholesale business from favourable market conditions and (ii) continued strength in the retail and commercial base

[6] The reported results were impacted by the translation into Canadian Dollars as the U.S. Dollar strengthened against the Canadian Dollar by 2.7% in the fourth quarter of 2024 and 1.5% for the year ended December 31, 2024 when compared to the same periods in 2023.

business, which was partially offset by the impact of reduced wholesale volumes with lower margins, due to increased competition.

- Food, convenience and other adjusted gross margin decreased by $3 million for the fourth quarter of 2024 due to lower service fees from the aviation business due to increased competition, and it remained relatively flat for the year ended December 31, 2024.
- Operating costs decreased by $9 million for the fourth quarter of 2024 and $18 million for the year ended December 31, 2024, primarily due to lower licensing costs in select markets, the impact of reduced volumes, and continued targeted cost-saving initiatives, which more than offset the impact of inflationary pressures.
- Marketing, general and administrative expenses increased by $6 million for the fourth quarter of 2024 and by $8 million for the year ended December 31, 2024, primarily due to the timing of certain employee-related expenses in the fourth quarter of 2024 and the impact of inflationary pressures, partially offset by successful ongoing targeted cost-saving initiatives.
- Income within other items remained relatively flat for the fourth quarter of 2024 and decreased by $35 million for the year ended December 31, 2024, primarily due to the non-recurring realized foreign exchange gains in the comparative periods of nil and $31 million.

C. USA

	Three months ended December 31,				Year ended December 31,			
($ millions, unless otherwise noted)	**2024**	2023	Change	%	**2024**	2023	Change	%
Fuel and petroleum product volume[1] (million litres)	**1,062**	1,125	(63)	(6)%	**4,430**	4,987	(557)	(11)%
Fuel and petroleum product adjusted gross margin[2][3][4]	**89**	85	4	5%	**369**	385	(16)	(4)%
Food, convenience and other adjusted gross margin[3]	**65**	71	(6)	(8)%	**265**	251	14	6%
Adjusted gross margin[3]	**154**	156	(2)	(1)%	**634**	636	(2)	—%
Operating costs[2]	**91**	91	—	—%	**348**	353	(5)	(1)%
Marketing, general and administrative	**31**	26	5	19%	**119**	109	10	9%
Other items[5]	**—**	—	—	—%	**(1)**	(12)	11	(92)%
Adjusted EBITDA[3]	**32**	39	(7)	(18)%	**168**	186	(18)	(10)%
Key performance measures:								
Company SSVG[6]	**(1.3)%**	(11.6)%	10.3p.p		**(6.1)%**	(4.6)%	(1.5)p.p	
Food and Company C-Store SSSG (excluding cigarettes)[7]	**(3.9)%**	0.4%	(4.3)p.p		**(1.4)%**	3.3%	(4.7)p.p	
Food and Company C-Store SSSG (including cigarettes)[7]	**(4.3)%**	0.2%	(4.5)p.p		**(2.0)%**	2.5%	(4.5)p.p	
Food and Company C-Store gross margin percentage[7]	**32.8%**	29.3%	3.5p.p		**33.3%**	30.6%	2.7p.p	

[1] Includes gasoline, diesel and propane volumes.
[2] Certain amounts within the fuel and petroleum product adjusted gross margin and operating costs were revised to conform to the presentation used in the current period.
[3] Measure of segment profit (loss). See Section 16 of this MD&A.
[4] Fuel and petroleum product adjusted gross margin (cpl) was 8.38 for the fourth quarter of 2024 (2023 - 7.56) and 8.33 for the year ended December 31, 2024 (2023 - 7.72). Cpl metrics are impacted by variations in the mix of retail, wholesale, and commercial volumes. Refer to Section 16 of this MD&A for a description of supplementary financial measures.
[5] Other items for the year ended December 31, 2024, includes (i) other income of $1 million (2023 - $1 million), (ii) non-recurring realized foreign exchange gains on settlement of financing balances of nil (2023 - $8 million); and (iii) the effect of market-based performance conditions for equity-settled share-based award settlements of nil (2023 - $3 million).
[6] Non-financial measure. Company SSVG denotes same-store volume growth, which includes gasoline and diesel volumes but excludes propane volumes sold at retail sites. See Section 16 of this MD&A.
[7] Non-GAAP financial ratio. See Section 16 of this MD&A.

Q4 and Q4 YTD Performance - 2024 vs. 2023

USA delivered Adjusted EBITDA of $32 million for the fourth quarter of 2024 and $168 million for the year ended December 31, 2024, representing a decrease of $7 million and $18 million, respectively, compared to the same periods in 2023. The changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin increased by $4 million for the fourth quarter of 2024, driven by stronger fuel margins from continued price and supply optimization, partially offset by a decline in fuel volumes driven by increased competition in commercial business and retail industry trends. Fuel and petroleum product adjusted gross margin decreased by $16 million for the year ended December 31, 2024, due to a decline in fuel volumes, as discussed above. This was partially offset by the stronger fuel margins driven by the successful renegotiation of supply contracts in the third quarter of 2024. The Company SSVG of (1.3)% and (6.1)% for the fourth

quarter of 2024 and the year ended December 31, 2024, respectively, is reflective of lower retail gasoline demand in 2024.

- Food, convenience and other adjusted gross margin decreased by $6 million for the fourth quarter of 2024, driven by certain cost reclassifications in the comparative period. Food, convenience and other adjusted gross margin increased by $14 million for the year ended December 31, 2024, primarily driven by (i) lubricant margin improvement initiatives, and (ii) C-store gross margin improvement through pricing optimization and performance of On the Run rebrands.
- Food and Company C-Store SSSG excluding cigarettes was (3.9)% for the fourth quarter of 2024 and (1.4)% for the year ended December 31, 2024, primarily due to inflationary pressures that have reduced discretionary consumer spending. Food and Company C-Store SSSG including cigarettes of (4.3)% for the fourth quarter of 2024 and (2.0)% for the year ended December 31, 2024, was driven by ongoing industry declines in cigarette sales, in addition to the reasons noted above. Our C-Store sales remained strong, driven by pricing optimization, and saw a lower impact than fuel volumes in a soft consumer environment
  Food and convenience store revenue for the fourth quarter of 2024 and the year ended December 31, 2024 both declined by $3 million, due to reasons noted above.
- Food and Company C-Store gross margin percentage increased from 29.3% to 32.8% for the fourth quarter of 2024 and increased from 30.6% to 33.3% for the year ended December 31, 2024, driven by pricing optimization in several major categories, as noted above.
- Operating costs remained flat for the fourth quarter of 2024 and decreased by $5 million for the year ended December 31, 2024, due to successful ongoing targeted cost-saving initiatives and the impact of reduced volumes, which more than offset the impact of inflationary pressures.
- Marketing, general and administrative expenses increased by $5 million for the fourth quarter of 2024 and $10 million for the year ended December 31, 2024, due to the timing of certain employee- related expenses in the fourth quarter of 2024 and the impact of inflationary pressures.
- Income within other items remained flat for the fourth quarter of 2024 and decreased by $11 million for the year ended December 31, 2024, primarily due to the non-recurring realized foreign exchange gains in the comparative period of $8 million.

D. Refining

	Three months ended December 31,				Year ended December 31,			
($ millions, unless otherwise noted)	**2024**	2023	Change	%	**2024**	2023	Change	%
External fuel and petroleum product volume[1] (million litres)	**378**	320	58	18%	**1,652**	1,403	249	18%
Internal fuel and petroleum product volume (million litres)	**679**	654	25	4%	**2,670**	2,658	12	—%
Total fuel and petroleum product volume (million litres)	**1,057**	974	83	9%	**4,322**	4,061	261	6%
Fuel and petroleum product adjusted gross margin[2]	**138**	186	(48)	(26)%	**493**	755	(262)	(35)%
Adjusted gross margin[2]	**138**	186	(48)	(26)%	**493**	755	(262)	(35)%
Operating costs	**74**	74	—	—%	**276**	292	(16)	(5)%
Marketing, general and administrative	**4**	6	(2)	(33)%	**19**	23	(4)	(17)%
Other items	**—**	—	—	—%	**—**	(1)	1	(100)%
Adjusted EBITDA[2]	**60**	106	(46)	(43)%	**198**	441	(243)	(55)%
Key performance measures:								
Crude utilization[3]	**84.9%**	86.3%	(1.4)p.p		**73.7%**	76.8%	(3.1)p.p	
Composite utilization[3]	**88.7%**	89.7%	(1.0)p.p		**77.1%**	79.6%	(2.5)p.p	
Crude throughput[3] (000's bpd)	**46.7**	47.5	(0.8)	(1.7)%	**40.6**	42.2	(1.6)	(4)%
Bio-feedstock throughput[3] (000's bpd)	**2.1**	1.8	0.3	17%	**1.8**	1.6	0.2	13%

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

Q4 and Q4 YTD Performance - 2024 vs. 2023

Refining delivered Adjusted EBITDA of $60 million for the fourth quarter of 2024 and $198 million for the year ended December 31, 2024, representing a decrease of $46 million and $243 million, respectively, as compared to the same periods in 2023. The changes in Adjusted EBITDA were primarily due to the following:

- Adjusted gross margin decreased by $48 million for the fourth quarter of 2024, primarily due to lower refining margin environment. Adjusted gross margin decreased by $262 million for the year ended December 31, 2024, primarily due to (i) a significantly lower refining margin environment during the second half of 2024, and (ii) the impact of the unplanned shutdown of the Burnaby Refinery during the first quarter of 2024. This was partially offset by strong benefits from supply optimization and the impact of the 2023 Turnaround[7] in the comparative period.
- The composite utilization and crude throughput remained relatively flat for the fourth quarter of 2024, despite the impact of the 10 day unplanned shutdown at the Burnaby Refinery and remained relatively flat for the year ended December 31, 2024.
- Operating costs remained flat for the fourth quarter of 2024 and decreased by $16 million for the year ended December 31, 2024, mainly due to (i) lower fuel costs driven by reduced throughput and (ii) lower maintenance costs compared to the same period in 2023 due to the execution of the 2023 Turnaround.
- Marketing, general and administrative expenses decreased by $2 million for the fourth quarter of 2024 and $4 million for the year ended December 31, 2024, mainly because of successful ongoing targeted cost-saving initiatives.

E. Corporate

	Three months ended December 31,				Year ended December 31,			
($ millions, unless otherwise noted)	**2024**	2023	Change	%	**2024**	2023	Change	%
Marketing, general and administrative	**33**	29	4	14%	**101**	118	(17)	(14)%
Other items [(1)]	**(8)**	—	(8)	—%	**(18)**	(13)	(5)	38%
Adjusted EBITDA[(2)] expense	**25**	29	(4)	(14)%	**83**	105	(22)	(21)%

[(1)] Other items for the fourth quarter of 2024 includes (i) realized foreign exchange gains of $4 million (2023 - $1 million loss), (ii) non-fuel gross margin on internal sales of $1 million (2023 - $1 million); and (ii) realized risk management gains of $3 million (2023 - nil). Other items for the year ended December 31, 2024 includes (i) non-fuel gross margin on internal sales of $8 million (2023 - $5 million), (ii) realized foreign exchange gains of $7 million (2023 - $2 million), (iii) realized risk management gains of $3 million (2023 - nil); and (iv) other items of nil (2023 - $6 million).

[(2)] Measure of segment profit (loss). See Section 16 of this MD&A.

Corporate Adjusted EBITDA expense decreased by $4 million for the fourth quarter of 2024 and by $22 million for the year ended December 31, 2024, as compared to the same periods in 2023.

- The Marketing, general and administrative expenses increased by $4 million for the fourth quarter of 2024, driven by the timing of certain employee-related expenses, and decreased by $17 million for the year ended December 31, 2024, due to cost reduction initiatives.
- Other items decreased by $8 million for the fourth quarter of 2024 and by $5 million for the year ended December 31, 2024, primarily due to foreign exchange gains on certain USD-denominated balances in a rising USD environment.

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

5. QUARTERLY FINANCIAL DATA

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

($ millions, unless otherwise noted)	2024				2023			
For the three months ended	**Dec 31**	Sept 30	June 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31
Financial Summary								
Sales and operating revenue[(1)]	**6,734**	7,126	7,504	6,939	7,746	8,731	7,819	8,156
Adjusted gross margin[(1)(2)]	**968**	955	1,020	849	1,012	1,101	964	927
Adjusted EBITDA[(2)]	**428**	431	504	327	463	585	470	395
Canada[(3)]	**190**	200	172	191	190	206	150	167
International[(3)]	**171**	152	182	149	157	170	168	183
USA[(3)]	**32**	54	49	33	39	52	74	21
Refining[(3)]	**60**	49	121	(32)	106	188	109	38
Corporate[(3)]	**(25)**	(24)	(20)	(14)	(29)	(31)	(31)	(14)
Net earnings (loss)	**(29)**	91	70	(5)	86	230	78	77
Net earnings (loss) per share – basic ($ per share)	**(0.17)**	0.52	0.40	(0.03)	0.49	1.31	0.44	0.44
Net earnings (loss) per share – diluted ($ per share)	**(0.17)**	0.52	0.39	(0.03)	0.48	1.28	0.44	0.43
Adjusted earnings (loss)[(4)]	**100**	106	156	43	151	231	130	114
Adjusted earnings (loss) per share[(4)] – basic ($ per share)	**0.58**	0.61	0.89	0.25	0.86	1.31	0.74	0.65
Adjusted earnings (loss) per share[(4)] – diluted ($ per share)	**0.57**	0.60	0.88	0.25	0.84	1.28	0.73	0.64

(1) Certain amounts within sales and operating revenue, cost of purchases, and operating costs for the comparative periods were revised to conform to the presentation used in the current period. See Note 26 of the Annual Consolidated Financial Statements.
(2) Total of segments measure. See Section 16 of this MD&A.
(3) Measure of segment profit (loss). See Section 16 of this MD&A.
(4) Non-GAAP financial measure or ratio. See Section 16 of this MD&A.

Over the last eight quarters, Parkland's sales and operating revenue, Adjusted gross margin, Adjusted EBITDA, and Adjusted earnings (loss) were primarily impacted by (i) fluctuations in the price of fuel and petroleum products, (ii) market conditions impacting unit margins and sales volume, (iii) Parkland's acquisitions and the realization of related synergies, (iv) organic growth, (v) continued optimization of our supply and integrated logistic capabilities, (vi) the impact on commodity prices and margins resulting from the Russia-Ukraine conflict and the Middle East conflict, (vii) higher refining margins in the third quarter of 2023, (viii) the B.C. Hydro power outage in the fourth quarter of 2023, (ix) the 2023 Turnaround, (x) non-recurring[8] realized gains on foreign exchange arising on the settlement of financing balances, (xi) unseasonably warm weather reducing volume demand in our logistics and commercial home heating businesses in winter seasons of 2023 and 2024, (xii) increased competition resulting in lower commercial volumes in International during 2024, (xiii) the unplanned shutdown of the Burnaby Refinery in the first quarter of 2024, (xiv) unfavourable industry trends and macroeconomic conditions in USA in 2024, (xv) significantly lower refining margin environment during the second half of 2024, (xvi) successful renegotiation of supply contracts in USA during the third quarter of 2024, (xvii) softening industry demand in the dealer-operated retail network and integrated business in Canada during 2024, (xviii) successful ongoing targeted cost-saving initiatives, and (xix) general inflation.

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

6. CASH FLOWS AND DIVIDENDS

A. Cash flows

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

	Three months ended December 31,		Year ended December 31,	
($ millions, unless otherwise noted)	**2024**	2023	**2024**	2023
Cash generated from (used in) operating activities	**462**	417	**1,535**	1,780
Cash generated from (used in) investing activities	**(228)**	(112)	**(524)**	(516)
Cash generated from (used in) financing activities	**(250)**	(335)	**(1,042)**	(1,573)
Increase (decrease) in cash and cash equivalents	**(16)**	(30)	**(31)**	(309)
Impact of foreign currency translation on cash	**15**	(11)	**29**	(20)
Cash and cash equivalents reclassified from (to) assets held for sale	**23**	—	**—**	—
Cash and cash equivalents at beginning of period	**363**	428	**387**	716
Cash and cash equivalents at end of period	**385**	387	**385**	387
Cash generated from (used in) operating activities per share[1]	**2.67**	2.37	**8.80**	10.13

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

Operating activities

Q4 2024 vs. Q4 2023

Parkland generated $462 million in cash from operating activities for the fourth quarter of 2024. This was primarily attributable to (i) Adjusted EBITDA of $428 million and (ii) an inflow of $180 million from net change in non-cash working capital due to the timing of the settlement of risk management and other financial instruments and lower inventory balances as a result of a decrease in commodity prices and the timing of certain inventory purchases. The cash inflows were partially offset by (i) $65 million in payments for acquisition, integration and other costs, primarily related to restructuring activities and implementation of enterprise-wide systems, and (ii) an outflow of $80 million from other liabilities and assets mainly due to the timing of the settlement of margin accounts used for risk management and other financial instruments.

In comparison, Parkland generated $417 million in cash from operating activities for the fourth quarter of 2023. This was primarily attributable to (i) Adjusted EBITDA of $463 million, partially offset by (i) $42 million in acquisition, integration and other costs, primarily associated with the restructuring activities and implementation of enterprise-wide systems, and (ii) $11 million of current income taxes.

Q4 2024 YTD vs. Q4 2023 YTD

Parkland generated $1,535 million in cash from operating activities for the year ended December 31, 2024. This was primarily attributable to (i) Adjusted EBITDA of $1,690 million and (ii) an inflow of $138 million from net change in non-cash working capital mainly due to the impact of the decrease in commodity prices and timing of certain tax-related payments. The cash inflows were partially offset by (i) $176 million in payments for acquisition, integration and other costs, primarily costs associated with the restructuring activities and implementation of enterprise-wide systems, (ii) current income taxes of $55 million, and (iii) an outflow of $43 million from other liabilities and assets mainly due to the timing of the settlement of margin accounts used for risk management and other financial instruments.

In comparison, Parkland generated $1,780 million in cash from operating activities for the year ended December 31, 2023. This was primarily attributable to (i) Adjusted EBITDA of $1,913 million and (ii) an inflow of $124 million from net change in non-cash working capital due to lower receivables balance as a result of a decrease in commodity prices and negotiation of better payment terms with vendors. The increases were partially offset by: (i) $146 million in acquisition, integration and other costs primarily associated with the restructuring activities and implementation of enterprise-wide systems, and (ii) current income taxes of $75 million.

Investing activities

Q4 2024 vs. Q4 2023

Parkland invested $228 million in the fourth quarter of 2024, primarily attributable to a total of $258 million of growth capital expenditures and maintenance capital expenditures, and $10 million funded through non-recourse project financing, as

discussed in Section 8 of this MD&A. This was partially offset by $38 million in proceeds on the disposal of certain assets and dividends received from investments in associates and joint ventures.

In comparison, Parkland invested $112 million in the fourth quarter of 2023, primarily attributable to a total of $142 million of growth capital expenditures and maintenance capital expenditures, as discussed in Section 8 of this MD&A. This was partially offset by $26 million in dividends received from investments in associates and joint ventures and proceeds on the disposal of certain assets.

Q4 2024 YTD vs. Q4 2023 YTD

Parkland invested $524 million in the year ended December 31, 2024, primarily attributable to (i) a total of $555 million of growth capital expenditures and maintenance capital expenditures, and $20 million funded through non-recourse project financing, as discussed in Section 8 of this MD&A and (ii) a $17 million investment in Sol Ecolution. This was partially offset by (i) $57 million in proceeds on the disposal of certain assets, and (ii) $20 million in dividends received from investments in associates and joint ventures.

In comparison, Parkland invested $516 million in the year ended December 31, 2023, primarily attributable to (i) a total of $482 million of growth capital expenditures and maintenance capital expenditures, as discussed in Section 8 of this MD&A, and (ii) $96 million change in net non-cash working capital outflow largely attributable to payment of the deferred consideration relating to Vopak Acquisition[9]. This was partially offset by (i) $52 million in proceeds on the disposal of certain assets, and (ii) $25 million in dividends received from the investment in associates and joint ventures.

Financing activities

Q4 2024 vs. Q4 2023

Parkland used $250 million of cash in financing activities for the fourth quarter of 2024. This was primarily attributable to (i) $37 million of net repayments under the Credit Facility, (ii) $76 million payments made on the principal amount on leases, (iii) $94 million payments for interest on long-term debt and leases, and (iv) $61 million in cash dividends paid to shareholders. This was partially offset by $14 million of net proceeds from non-recourse debt to finance the continued multi-year growth of the EV charging network.

In comparison, Parkland used $335 million of cash in financing activities for the fourth quarter of 2023. This was primarily attributable to (i) $106 million of net repayments under the Credit Facility, (ii) $81 million of payments for interest on long-term debt and leases, (iii) $71 million of payments made on the principal amount owing on leases, (iv) $60 million in cash dividends paid to shareholders, and (v) $26 million of shares repurchased under the NCIB program.

Q4 2024 YTD vs. Q4 2023 YTD

Parkland used $1,042 million of cash in financing activities in the year ended December 31, 2024. This was primarily attributable to (i) $778 million repayments under the Credit Facility which were greater than the proceeds from the 2024 Senior Notes[10] and resulted in reduction in long-term debt, (ii) $329 million payments for interest on long-term debt and leases, (iii) $280 million payments made on principal amount on leases, (iv) $243 million in cash dividends paid to shareholders, and (v) $123 million of shares repurchased under the NCIB. This was partially offset by (i) $677 million of net proceeds from the 2024 Senior Notes, which were used for the repayment of a portion of outstanding drawings under the Credit Facility, as mentioned above, and (ii) $30 million of net proceeds from non-recourse debt to finance the continued multi-year growth of the EV charging network.

In comparison, Parkland used $1,573 million of cash in financing activities in the year ended December 31, 2023. This was primarily attributable to (i) $747 million of net repayments under the Credit Facility, (ii) $351 million of payments for interest on long-term debt and leases, (iii) $237 million in cash dividends paid to shareholders, (iv) $235 million of payments made on the principal amount owing on leases, and (v) $26 million of shares repurchased under the NCIB program.

---

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

[10] On August 16, 2024, Parkland completed the private offering of US$500 million aggregate principal amount of senior unsecured notes due August 15, 2032, which bear interest at a rate of 6.625% per annum (the "2024 Senior Notes").

B. Available cash flow and Available cash flow per share

	Three months ended December 31,		Trailing twelve months ended December 31,	
($ millions, unless otherwise noted)	**2024**	2023	**2024**	2023
Cash generated from (used in) operating activities[1]	**462**	417	**1,535**	1,780
Reverse: Change in other assets and other liabilities	**80**	(4)	**43**	3
Reverse: Net change in non-cash working capital related to operating activities	**(180)**	17	**(138)**	(124)
Include: Maintenance capital expenditures[2]	**(96)**	(93)	**(279)**	(285)
Include: Dividends received from investments in associates and joint ventures	**7**	3	**20**	25
Include: Interest on leases and long-term debt	**(87)**	(88)	**(345)**	(352)
Include: Payments of principal amount on leases	**(76)**	(71)	**(280)**	(235)
Available cash flow[3]	**110**	181	**556**	812
Weighted average number of common shares (millions)[4]			**174**	176
TTM Available cash flow per share[3]			**3.19**	4.61

[1] Supplementary financial measure for the trailing-twelve month period. See Section 16 of this MD&A.
[2] Supplementary financial measure. See Section 16 of this MD&A.
[3] Non-GAAP financial measure or non-GAAP financial ratio. See Section 16 of this MD&A.
[4] Weighted average number of common shares is calculated in accordance with Parkland's accounting policy contained in Note 2 of the Annual Consolidated Financial Statements.

Available cash flow decreased by $71 million for the three months ended December 31, 2024, and $256 million for the trailing twelve months ended December 31, 2024, as compared to the same periods in 2023, primarily due to (i) a decrease in Adjusted EBITDA as discussed in Section 2A above, (ii) increase in lease payments due to organic growth initiatives, and (iii)higher acquisition, integration and other costs primarily associated with the restructuring activities and implementation of enterprise-wide systems.

Available cash flow per share decreased from $4.61 to $3.19 for the trailing twelve months ended December 31, 2024, as compared to the same period in 2023, primarily driven by a decrease in available cash flow as discussed above.

Cash generated from operating activities for the three months ended December 31, 2024, increased by $45 million as compared to the same period in 2023, primarily as a result of a higher inflow related to changes in non-cash working capital, driven by the timing of the settlement of risk management contracts. This was partially offset by (i) a decrease in Adjusted EBITDA, as discussed in Section 2A above, and (ii) higher acquisition, integration and other costs primarily associated with the restructuring activities and implementation of enterprise-wide systems.

Cash generated from operating activities for the trailing twelve months ended December 31, 2024, decreased by $245 million as compared to the same period in 2023, primarily as a result of (i) a decrease in Adjusted EBITDA as discussed in Section 2A above, and (ii) a higher acquisition, integration and other costs primarily associated with the restructuring activities and implementation of enterprise-wide systems.

C. Dividends

	Three months ended December 31,				Year ended December 31,			
($ millions, unless otherwise noted)	**2024**	2023	Change	%	**2024**	2023	Change	%
Dividends declared to shareholders	**61**	60	1	2%	**244**	240	4	2%
Dividends paid to shareholders	**(61)**	(60)	(1)	2%	**(243)**	(237)	(6)	3%

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

Dividends declared to shareholders increased by $1 million in the fourth quarter of 2024, and by $4 million in the year ended December 31, 2024, primarily due to the increase in the annual per-share dividend, partially offset by the lower number of outstanding common shares driven by 2.9 million common shares repurchased under the NCIB during the trailing twelve months ended December 31, 2024.

Dividends paid to shareholders increased by $1 million to $61 million in the fourth quarter of 2024 and by $6 million to $243 million in the year ended December 31, 2024, due to the increases in the annual per-share dividends described above.

D. Dividend payout ratio

	Trailing twelve months ended December 31,	
($ millions, unless otherwise noted)	**2024**	2023
Available cash flow[1]	**556**	812
Dividends[2]	**244**	240
Dividend payout ratio[1]	**44%**	30%

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

The dividend payout ratio increased for the trailing twelve months ended December 31, 2024, as compared to the same period in 2023, due to lower available cash flow, as discussed in Section 6B.

7. CAPITAL MANAGEMENT, LIQUIDITY AND COMMITMENTS

A. Capital management

Leverage Ratio

Leverage Ratio is one of Parkland's key capital management measures, which is used internally by key management personnel to monitor Parkland's overall financial strength, capital structure flexibility, and ability to service debt and meet current and future commitments. To manage its capital and financing requirements, Parkland may (i) adjust its plan for capital spending, dividends paid to shareholders, and share repurchases or (ii) issue new shares or new debt.

The Leverage Ratio increased to 3.6 as at December 31, 2024, as compared to 2.8 at December 31, 2023, primarily driven by (i) a decrease in Adjusted EBITDA as discussed in Section 2A of this MD&A, (ii) increase in lease payments due to organic growth initiatives, and (iii) the increase in USD-denominated debt balances in a stronger USD environment.

($ millions, unless otherwise noted)	**December 31, 2024**	December 31, 2023
Leverage Debt	**5,268**	4,976
Leverage EBITDA	**1,481**	1,780
Leverage Ratio[1]	**3.6**	2.8

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

ROIC

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

($ millions, unless otherwise noted)	Trailing twelve months ended **December 31, 2024**	 December 31, 2023
Net operating profit after tax	**691**	908
Average invested capital	**9,356**	9,223
ROIC[(1)]	**7.4%**	9.8%

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

ROIC was 7.4% for the trailing twelve months ended December 31, 2024, as compared to 9.8% for the trailing twelve months ended December 31, 2023, driven by (i) a decrease in Adjusted EBITDA as discussed in Section 2A above, and (ii) a higher applicable tax rates.

Normal course issuer bid program

On December 1, 2023, Parkland commenced an NCIB, which was effective until November 30, 2024, allowing Parkland to purchase a maximum of 14,056,984 common shares over the 12-month period.

On December 1, 2024, Parkland commenced a new NCIB, which is effective until November 30, 2025, allowing Parkland to purchase a maximum of 13,814,717 common shares over the 12-month period. In connection with the current NCIB, Parkland entered into an automatic share purchase plan ("ASPP") with its designated broker, that, among other things, allows the purchase of common shares during quarterly predetermined blackout periods and other periods when Parkland may be in possession of material undisclosed information and would not ordinarily be permitted to purchase common shares. Purchases under the ASPP are determined by the designated broker at its sole discretion based on the purchasing parameters set by Parkland in accordance with the rules of the Toronto Stock Exchange, applicable securities laws, and the terms of the ASPP. Outside of the periods above, purchases under the current NCIB will be completed at Parkland's discretion.

During the year ended December 31, 2024, Parkland purchased and cancelled 2,908,538 common shares (December 31, 2023 - 583,159) for a total of $125 million (December 31, 2023 - $26 million) under the NCIB program.

As of December 31, 2024, an obligation of nil (December 31, 2023 - $106 million) relating to share purchases under the ASPP was recognized in Provisions and other liabilities, see Note 17 of the Annual Consolidated Financial Statements.

Credit Facility covenants

In addition to the internal capital management measures, Parkland was in compliance with the restrictions with respect to all of its Credit Facility covenants consisting of (i) Senior Funded Debt to Credit Facility EBITDA ratio, (ii) Total Funded Debt to Credit Facility EBITDA ratio, and (iii) Interest coverage ratio (calculated as a ratio of Credit Facility EBITDA to Interest Expense) throughout the year ended December 31, 2024 and 2023, and expects to remain in compliance over the next year. See the Credit Agreement available on SEDAR+ at www.sedarplus.ca.

B. Available sources of liquidity

Parkland's sources of liquidity as at December 31, 2024, are cash and cash equivalents, as well as available funds under its Credit Facility and non-recourse project financing. While it is typical for Parkland's cash flows to have seasonal fluctuations, such fluctuations do not materially impact Parkland's liquidity. Management believes that cash flows from operations will be adequate to fund capital expenditures, interest, income taxes, dividends, and share repurchases on an annual basis. Any future acquisitions or commitments will be funded by available cash flows from operations, debt and equity offerings if needed, and available borrowing capacity under the Credit Facility.

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

($ millions)	**December 31, 2024**	December 31, 2023
Cash and cash equivalents[1]	**385**	387
Unused credit facilities	**1,660**	952
Liquidity available[2]	**2,045**	1,339

[1] Includes cash held in margin and project financing current accounts as at December 31, 2024, which amounted to $94 million (December 31, 2023 - $11 million).
[2] Supplementary financial measure. See Section 16 of this MD&A.

Credit facility

On June 24, 2024, 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 December 31, 2024, Parkland is not carrying any amounts of CORRA loans within its outstanding Credit Facility balances.

The amended Credit Facility has a combined revolving facility of $1,594 million and US$250 million with a maturity date of April 14, 2027.

Parkland can obtain various types of loans under the Credit Facility, including loans at Canadian and U.S. Prime rates, the Secured Overnight Financing Rate ("SOFR"), and the CORRA. The revolving facilities are extendible each year for a rolling five-year period at Parkland's option, subject to approval by the lenders. Security on the Credit Facility consists of the assignment of insurance and priority interests on all present and future Parkland properties and assets. Additionally, certain subsidiaries have provided security in connection with the Credit Facility.

Base shelf prospectus

On November 1, 2024, Parkland filed a base shelf prospectus (the "Shelf Prospectus") for common shares, preferred shares, subscription receipts, warrants, debentures, notes and other evidence of indebtedness, as well as convertible securities and units composed of one or more of the aforementioned (collectively, the "Prospectus Securities"). The Shelf Prospectus allows Parkland to, from time to time, offer and sell the Prospectus Securities, separately or together, in amounts, at prices and on terms set forth in one or more prospectus supplements. This Shelf Prospectus, which expires on December 1, 2026, replaces the base shelf prospectus previously filed by Parkland on August 19, 2022, and expired on September 19, 2024.

Non-recourse project financing

On November 15, 2023, Parkland, through its wholly-owned subsidiary OTR Infrastructure LP ("EVCo"), entered into a non-recourse project financing agreement of up to $210 million with the Canada Infrastructure Bank ("CIB loan"). The CIB loan is accessible to EVCo specifically to fund the expansion of the EV charging network. The CIB loan has a term of eighteen years at a base rate of 3.65% per annum plus step-up margins should the financed EV charging ports exceed pre-determined utilization expectations. Quarterly repayments of principal and interest are expected to commence no later than 2029. Principal repayments are based on agreed utilization targets and may be reduced if such targets are not met.

The CIB loan is secured by a first-priority security interest over specified assets and insurance policies maintained by the EVCo in connection with the financed charging ports. As at December 31, 2024, $30 million (December 31, 2023 - nil) has been drawn on the CIB loan.

C. Contractual obligations

Parkland has contractual obligations for long-term debt including leases, capital expenditures and other contractual commitments with maturities from less than a year to over five years. Parkland's contractual obligations of $13,213 million at December 31, 2024, remained relatively flat compared to $13,263 million at December 31, 2023.

As at December 31, 2024 ($ millions)	Less than one year	Years two and three	Years four and five	Thereafter	Total
Commitments					
Pipeline commitment[1]	**84**	**172**	**180**	**1,572**	**2,008**
Acquisition of property, plant and equipment[2]	**130**	**48**	**—**	**—**	**178**
Other commitments	**56**	**6**	**—**	**8**	**70**
Total commitments	**270**	**226**	**180**	**1,580**	**2,256**
Other obligations					
Accounts payable and accrued liabilities	**2,613**	**—**	**—**	**—**	**2,613**
Dividends declared and payable	**61**	**—**	**—**	**—**	**61**
Risk management and other financial liabilities	**62**	**—**	**—**	**—**	**62**
Long-term debt - including interest	**569**	**2,379**	**2,729**	**2,465**	**8,142**
Provisions and other liabilities	**34**	**11**	**8**	**26**	**79**
Total other obligations	**3,339**	**2,390**	**2,737**	**2,491**	**10,957**
Total contractual obligations	**3,609**	**2,616**	**2,917**	**4,071**	**13,213**

[1] The commitment is over the contract term of 20 years. The tolls are estimated based on the service provider's latest published tolling structure and are subject to further revision.
[1] Includes a capital commitment for EVCo of $26 million, which is expected to be financed through non-recourse project financing funded through non-recourse debt (See Note 14(c) of the Annual Consolidated Financial Statements).

Committed capital expenditures

Contractual commitments for the acquisition of property, plant and equipment as at December 31, 2024 are $178 million (December 31, 2023 - $131 million). These contractual commitments are expected to be incurred primarily over the next 12 months and relate mainly to (i) ongoing maintenance projects and low-carbon fuel manufacturing growth initiatives at the Burnaby Refinery, (ii) infrastructure renovations and equipment upgrades, and (iii) site network expansion projects in Canada, including EV charging. Parkland plans to use cash and cash equivalents, cash flows from operations, proceeds from divestment activities, available borrowing capacity under the Credit Facility and the non-recourse project financing to fund these commitments.

Fuel and petroleum products and other purchase commitments

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

D. Off-balance sheet arrangements

Parkland has no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on the Company's financial performance or financial condition, including liquidity and capital resources. In the normal course of business, Parkland is obligated to make future payments, including under contractual obligations and guarantees.

Letters of credit

As at December 31, 2024, Parkland issued $74 million (December 31, 2023 - $53 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 consolidated financial statements. Maturity dates for these guarantees vary and are up to and including March 31, 2035.

8. CAPITAL EXPENDITURES

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

($ millions)	Three months ended December 31, 2024	Three months ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
Growth capital expenditures				
Canada	**97**	24	**130**	94
International	**10**	2	**28**	11
USA	**36**	2	**45**	9
Refining	**15**	13	**55**	41
Corporate	**14**	8	**38**	42
Growth capital expenditures including non-recourse project financing	**172**	49	**296**	197
Less: Growth capital expenditures related to non-recourse project financing[2]	**10**	—	**20**	—
Growth capital expenditures[1]	**162**	49	**276**	197
Maintenance capital expenditures				
Canada	**30**	30	**84**	70
International	**29**	23	**54**	38
USA	**8**	9	**18**	33
Refining	**28**	31	**121**	143
Corporate	**1**	—	**2**	1
Maintenance capital expenditures including non-recourse project financing	**96**	93	**279**	285
Less: Maintenance capital expenditures related to non-recourse project financing[2]	**—**	—	**—**	—
Maintenance capital expenditures[1]	**96**	93	**279**	285
Additions to property, plant and equipment and intangible assets[1][3]	**268**	142	**575**	482
Less: Additions to property, plant and equipment and intangible assets related to non-recourse project financing [2]	**10**	—	**20**	—
Capital expenditures [1]	**258**	142	**555**	482

[1] Supplementary financial measure. See Section 16 of this MD&A.
[2] Growth capital expenditures related to EVCo is expected to be financed through non-recourse project financing funded through non-recourse debt. See Section 7B of this MD&A.
[3] Refer to Note 26 of the Annual Consolidated Financial Statements.

Parkland's capital expenditures for the fourth quarter of 2024 and the year ended December 31, 2024, increased by $116 million and $73 million, respectively, as compared to the same periods in 2023. This increase was primarily driven by higher growth capital expenditures while the maintenance capital expenditures remain relatively flat.

Growth capital expenditures increased by $113 million for the fourth quarter of 2024 and $79 million for the year ended December 31, 2024 and were focused on (i) expansion of the dealer and company-operated retail network, which is expected to be offset by additional divestments (ii) capacity enhancement and low-carbon fuel manufacturing growth initiatives at the Burnaby Refinery, (iii) On the Run / Marché Express site conversions and rebranding activities in Canada and USA, (iv) fleet, storage tanks and equipment purchases to enable supply optimization, (v) ongoing enhancements to the JOURNIE™ Rewards program in various digital platforms, and (vi) site network expansion projects in Canada.

Maintenance capital expenditures increased by $3 million for the fourth quarter of 2024 and decreased by $6 million for the year ended December 31, 2024 and were focused on (i) replacements of fleet and equipment and site renovations across Canada, USA and International markets, (ii) ongoing maintenance at the Burnaby Refinery, terminals and other infrastructure to ensure plant reliability and regulatory compliance, and (iii) the capital repairs associated with the unplanned shutdown of the Burnaby Refinery during the first quarter of 2024.

Growth capital expenditures related to non-recourse project financing increased by $10 million for the fourth quarter of 2024 and $20 million for the year ended December 31, 2024, respectively, as compared to the same periods in 2023 as we continued to progress towards building EV-charging locations and charge ports as part of our plan to build an ultra-high speed charging network across Canada.

9. REVENUE AND NET EARNINGS (LOSS)

A. Revenue

($ millions)	Canada[1][3]		International[1]		USA[1]		Refining[1]		Consolidated[3]	
Three months ended December 31,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Fuel and petroleum product revenue	**3,121**	3,554	**1,893**	2,303	**1,004**	1,239	**338**	262	**6,356**	7,358
Food, convenience and other non-fuel revenue	**128**	135	**48**	47	**202**	206	**—**	—	**378**	388
Sales and operating revenue[2]	**3,249**	3,689	**1,941**	2,350	**1,206**	1,445	**338**	262	**6,734**	7,746

($ millions)	Canada[1][3]		International[1]		USA[1]		Refining[1]		Consolidated[3]	
Year ended December 31,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Fuel and petroleum product revenue	**13,293**	14,848	**7,820**	9,287	**4,408**	5,678	**1,280**	1,129	**26,801**	30,942
Food, convenience and other non-fuel revenue	**482**	487	**191**	181	**829**	842	**—**	—	**1,502**	1,510
Sales and operating revenue[2]	**13,775**	15,335	**8,011**	9,468	**5,237**	6,520	**1,280**	1,129	**28,303**	32,452

[1] Refer to Note 26 of the Annual Consolidated Financial Statements for additional information on Parkland's segments.
[2] Sales and operating revenue includes revenue from external customers only.
[3] For comparative purposes, $9 and $38 were reclassified in the Canada segment between fuel and petroleum product revenue and food, convenience and other non-fuel revenue for the fourth quarter of 2023 and the year ended December 31, 2023, respectively, to conform to the presentation used in the current period.

Sales and operating revenue for the fourth quarter of 2024 and for the year ended December 31, 2024 decreased by $1,012 million and $4,149 million, respectively, as compared to the same periods in 2023. Overall, the period-over-period variances in sales and operating revenue are as follows:

- Sales and operating revenue for Canada decreased by $440 million for the fourth quarter of 2024 and by $1,560 million for the year ended December 31, 2024. The decrease was mainly due to (i) lower commodity prices, (ii) reduced volumes in the logistics and commercial businesses due to unseasonably warm weather, and (iii) softening demand in dealer-operated retail network resulting from general market conditions, partially offset by strong volume growth in our company-owned retail network during the first nine months of 2024.
- Sales and operating revenue for International decreased by $409 million for the fourth quarter of 2024 and $1,457 million for the year ended December 31, 2024, mainly due to (i) lower commodity prices, and (ii) lower wholesale volumes.
- Sales and operating revenue for USA decreased by $239 million for the fourth quarter of 2024 and $1,283 million for the year ended December 31, 2024, mainly due to lower commodity prices and lower fuel and petroleum volumes attributable to reduced demand and business activity.
- Sales and operating revenue for Refining increased by $76 million for the fourth quarter of 2024, primarily due to higher sales of federal and provincial credits and allowances and increased by $151 million for the year ended December 31, 2024, driven by higher external crude sales resulting from efficient management of pipeline capacity during the unplanned shutdown in the first quarter of 2024, in addition to the reasons noted above.

B. Net earnings (loss)

The following table shows the reconciliation of Adjusted EBITDA to net earnings (loss) for the year ended December 31, 2024.

	Three months ended December 31,		Year ended December 31,	
($ millions)	**2024**	2023	**2024**	2023
Adjusted EBITDA[1]	**428**	463	**1,690**	1,913
Less/(add):				
Acquisition, integration and other costs	**81**	42	**218**	146
Depreciation and amortization	**210**	222	**825**	823
Finance costs	**92**	89	**378**	384
(Gain) loss on foreign exchange – unrealized	**(2)**	—	**6**	35
(Gain) loss on risk management and other – unrealized	**34**	28	**45**	(34)
Other (gains) and losses[2]	**30**	5	**38**	3
Other adjusting items[3]	**20**	6	**53**	48
Income tax expense (recovery)	**(8)**	(15)	**—**	37
Net earnings (loss)	**(29)**	86	**127**	471

[1] Total of segments measure. See Section 16 of this MD&A.

[2] Other (gains) and losses for the three months ended December 31, 2024, include: (i) $45 million non-cash valuation loss (2023 - $14 million gain) due to change in fair value of redemption options; (ii) $10 million gain (2023 - $15 million) on disposal of assets; (iii) $5 million non-cash valuation gain (2023 - $11 million loss) due to the change in estimates of environmental provisions; (iv) $2 million (2023 - $2 million) in other income; (v) $2 million loss (2023 - $21 million) in others; and (vi) nil non-cash valuation loss (2023 - $4 million) due to impairments and write-offs. Other (gains) and losses for the year ended December 31, 2024, include: (i) $44 million non-cash valuation loss (2023 - $31 million gain) due to the change in fair value of redemption options; (ii) $37 million non-cash valuation loss (2023 - $41 million) due to impairments and write-offs; (iii) $16 million non-cash valuation gain (2023 - $14 million loss) due to the change in estimates of environmental provisions; (iv) $15 million gain (2023 - $14 million gain) on disposal of assets; (v) $10 million (2023 - $23 million) in other income; and (vi) $2 million gain (2023 - $16 million loss) in others. Refer to Note 22 of the Annual Consolidated Financial Statements.

[3] Other adjusting items for the three months ended December 31, 2024, include: (i) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $18 million (2023 - $9 million); (ii) the impact of hyperinflation accounting of $4 million (2023 - $2 million); (iii) other income of $1 million (2023 - $2 million); (iv) realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of $1 million gain (2023 - $2 million); (v) adjustment to foreign exchange losses related to cash pooling arrangements of $1 million gain (2023 - $1 million); and (vi) adjustment to realized risk management gains related to interest rate swaps, as these gains do not relate to commodity sale and purchase transactions, of $1 million (2023 - nil). Other adjusting items for the year ended December 31, 2024, include: (i) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $29 million (2023 - $20 million); (ii) realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of $11 million loss (2023 - $6 million gain); (iii) other income of $9 million (2023 - $23 million); (iv) the impact of hyperinflation accounting of $4 million (2023 - $2 million); (v) adjustment to foreign exchange losses related to cash pooling arrangements of $3 million (2023 - nil); (vi) adjustment to realized risk management gains related to interest rate swaps, as these gains do not relate to commodity sale and purchase transactions, of $3 million (2023 - nil); and (vii) the effect of market-based performance conditions for equity-settled share-based award settlements of nil (2023 - $13 million).

Parkland observed a net loss of $29 million for the fourth quarter of 2024 and net earnings of $127 million for the year ended December 31, 2024, representing a decrease in earnings of $115 million and $344 million, respectively, compared to the same periods in 2023.

The decreases were primarily due to the:

- decrease in Adjusted EBITDA of $35 million for the fourth quarter of 2024 and $223 million for the year ended December 31, 2024, as discussed in Section 2A above;
- increase in net losses on the revaluation of redemption options included in other (gains) and losses by $59 million for the fourth quarter of 2024 and $75 million for the year ended December 31, 2024, driven by interest rate volatility and changes in credit spreads;
- increase in the acquisition, integration and other costs by $39 million for the fourth quarter of 2024 and $72 million for the year ended December 31, 2024, driven by the restructuring activities, implementation of enterprise-wide systems and settlement of certain items related to past acquisitions and other costs;
- increase in unrealized losses on risk management and other of $6 million for the fourth quarter of 2024 and $79 million for the year ended December 31, 2024, primarily driven by volatility in commodity prices, including crude, diesel and gasoline, and emission credits;
- decrease of $14 million for the year ended December 31, 2024, due to non-recurring insurance recoveries included in other (gains) and losses in the comparative period; and
- decrease in income tax recovery of $7 million for the fourth quarter of 2024 due to relatively more income in jurisdictions with higher tax rates and the impact of global minimum tax.

The decreases were partially offset by the:

- the impact of non-recurring unrealized foreign exchange gains of $39 million transferred to realized gains on settlement of financing balances in the first nine months of 2023;
- decrease in income tax expense of $37 million for the year ended December 31, 2024, driven by lower taxable earnings, primarily attributable to a significantly lower refining margin environment during the second half of 2024 and the unplanned shutdown of the Burnaby Refinery in the first quarter of 2024, partially offset by the impact of higher applicable tax rates due to the impact of global minimum tax;
- increase in the gain from revaluation of environmental provision included in other (gains) and losses of $16 million for the fourth quarter of 2024 and $30 million for the year ended December 31, 2024, primarily due to higher discount rates;
- decrease in depreciation and amortization of $12 million for the fourth quarter of 2024, primarily attributable to the discontinuation of depreciation and amortization on certain assets classified as held for sale and the dispositions during the year, partially offset by higher leased asset base to support organic growth; and
- decrease in finance costs of $6 million for the year ended December 31, 2024 due to lower average borrowings and lower effective interest rates, partially offset by higher lease obligations.

10. LINE OF BUSINESS INFORMATION

In addition to the reportable operating segments discussed under Section 4 of this MD&A, Parkland also voluntarily discloses business performance by line of business. Refer to Note 27 of the Annual Consolidated Financial Statements for additional information and the reconciliation of Adjusted gross margin and Adjusted EBITDA to net earnings (loss). Information for the three months ended December 31, 2024 has been derived using Note 14 of the Interim Condensed Consolidated Financial Statements for three and nine months ended September 30, 2024 and Note 27 of the Annual Consolidated Financial Statements. The results of our lines of businesses are as follows:

($ millions, unless otherwise noted)	Retail[2]		Commercial[2]		Refining		Corporate		Eliminations		Consolidated	
Three months ended December 31,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
External fuel and petroleum product volume[1]	**2,579**	2,603	**3,462**	3,787	**378**	320	**—**	—	**—**	—	**6,419**	6,710
Fuel and petroleum product adjusted gross margin[1]	**329**	320	**313**	317	**138**	186	**6**	(1)	**(8)**	(8)	**778**	814
Food, convenience and other adjusted gross margin[1]	**116**	117	**77**	92	**—**	—	**1**	1	**(4)**	(12)	**190**	198
Adjusted gross margin[1]	**445**	437	**390**	409	**138**	186	**7**	—	**(12)**	(20)	**968**	1,012
Adjusted EBITDA[1]	**213**	198	**180**	188	**60**	106	**(25)**	(29)	**—**	—	**428**	463

($ millions, unless otherwise noted)	Retail[2]		Commercial[2]		Refining		Corporate		Eliminations		Consolidated	
Year ended December 31,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
External fuel and petroleum product volume[1]	**10,484**	10,558	**13,265**	15,652	**1,652**	1,403	**—**	—	**—**	—	**25,401**	27,613
Fuel and petroleum product adjusted gross margin[1]	**1,371**	1,287	**1,192**	1,249	**493**	755	**5**	2	**(30)**	(32)	**3,031**	3,261
Food, convenience and other adjusted gross margin[1]	**457**	443	**316**	312	**—**	—	**8**	5	**(20)**	(17)	**761**	743
Adjusted gross margin[1]	**1,828**	1,730	**1,508**	1,561	**493**	755	**13**	7	**(50)**	(49)	**3,792**	4,004
Adjusted EBITDA[1]	**903**	840	**672**	737	**198**	441	**(83)**	(105)	**—**	—	**1,690**	1,913

[1] For comparative purposes, certain amounts within (i) external fuel and petroleum product volume, (ii) fuel and petroleum product adjusted gross margin, (iii) food, convenience, and other adjusted gross margin, (iv) total adjusted gross margin, and (v) Adjusted EBITDA were revised for the reclassification and reallocation of freight costs and to conform to the presentation used in the current period, with no impact on consolidated results. The amount of revision for the fourth quarter of 2023, were: Retail (60 million litres, $9 million, nil, $9 million, and $5 million, respectively) and Commercial (60 million litres, $1 million, nil, $1 million, and $5 million, respectively). The amount of revision for the year ended December 31, 2023 were: Retail (236 million litres, $37 million, nil, $37 million, and $16 million, respectively) and Commercial (236 million litres, $2 million, $4 million, $2 million, and $16 million, respectively).

[2] The Adjusted EBITDA for our marketing business, which includes both the Retail and Commercial lines of business, for the fourth quarter of 2024 and the year ended December 31, 2024 was $393 million (2023 - $386 million) and $1,575 million (2023 - $1,577 million), respectively.

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

- The Retail business achieved Adjusted EBITDA of $213 million for the fourth quarter of 2024 and $903 million for the year ended December 31, 2024, increasing by $15 million and $63 million, respectively, as compared to the same periods in 2023. The increase was driven by (i) stronger unit margins in Canada and International resulting from continued price and supply optimization, (ii) volume growth in the company operated retail network within Canada, (iii) successful renegotiation of supply contracts in USA, and (iv) C-store margin optimization initiatives in Canada and USA. This was partially offset by (i) a decline in fuel volumes due to reduced demand, and (ii) the impact of non-recurring foreign exchange gains and insurance recoveries during the first nine months of the comparative period.
- The Commercial business achieved Adjusted EBITDA of $180 million for the fourth quarter of 2024 and $672 million for the year ended December 31, 2024, decreasing by $8 million and $65 million, respectively, as compared to the same periods in 2023. The decrease was driven by (i) lower volumes due to increased competition and industry trends, and (ii) the impact of non-recurring foreign exchange gains in the first nine months of the comparative period. This was partially offset by (i) improved unit margins from supply optimization and favourable market conditions for wholesale business in International, (ii) lubricant margin improvement initiatives in USA, and (iii) reduced operating costs due to successful ongoing targeted cost-saving initiatives.
- Results of Refining and Corporate are discussed within Section 4 of this MD&A.

11. RISK FACTORS

An investment in Parkland's securities is subject to various risks, including those risks inherent to the industry in which we operate. Current and prospective purchasers of Parkland's securities should carefully consider the following risk factors, as well as the other information contained in documents filed by Parkland pursuant to applicable securities laws, including the Annual Information Form. If any event arising from these risks occurs, Parkland's business, prospects, financial condition, results of operations or cash flows, reputation, the value and trading price of the Common Shares and its ability to pay dividends could be adversely affected.

Parkland is exposed to a number of risk factors through the pursuit of our strategic objectives and the nature of our operations. We use a proactive approach for enterprise risk management to enable effective decision-making through the consistent identification of risks inherent to our activities. Parkland performs an annual enterprise risk assessment using a systematic approach that includes significant engagement from Parkland's Senior Leadership Team, Senior Management Team, and individuals across the business. Current and emerging risks are assessed using Parkland's enterprise risk management framework by considering controls and mitigating factors to determine residual risk rankings. Key residual risk exposures are reassessed regularly by cross-functional teams. Reporting to the Board of Directors on identified risks and management action plans is done on a regular basis. In 2024, Parkland conducted a comprehensive enterprise risk management assessment, which included the Board's views on key risks to which Parkland is exposed.

Parkland's key risk themes and their residual ratings are summarized below based upon a calculated score of likelihood and impact for each key risk theme:

Risk Matrix	Low	LIKELIHOOD		High		Legend
High						Risks that are appropriately mitigated through management systems.
		2				Risks that require oversight by senior management to monitor the continued effectiveness of management systems.
IMPACT			1			Higher impact risks that require oversight by senior management to monitor the continued effectiveness of management systems.
		5,6,7	4	3		Exceeds Parkland's risk threshold and requires immediate action to reduce the risk or discontinue the applicable business operation to avoid the risk.
Low		8,9,10				

The following is a non-exhaustive list of risk themes and the related risk factors which are categorized in the risk matrix above. Additional risks and uncertainties not currently known to Parkland or that it currently views as immaterial may also materially and adversely affect its business, financial condition and results of operations. Readers should consult their own advisors and experts where necessary before making any investment decision.

(1) Operational Resiliency

Refinery Operations

Key operational risks at the Burnaby Refinery include: supply disruptions of crude oil and bio-feedstocks, product offtake contract issues or interruptions, operational availability, labour and material shortages, compliance with regulatory requirements and local community opposition. Major accidents could cause significant damage and may result in operational interruptions, loss of licenses, fines, reputational damage, injuries, or fatalities. See the "Health, Safety and Environment" risk factor below for additional information. Large amounts of power, heat by way of natural gas and large volumes of water are used to refine crude oil, the supply of which is not in Parkland’s control, and even a temporary interruption of power, natural gas or water could adversely affect continuous operations.

Unanticipated costs and delays during maintenance may negatively impact Parkland’s operational results. Scheduled and unscheduled maintenance and repairs at the Burnaby Refinery reduce revenue and increase Parkland’s operating costs, impacting Parkland’s financial and operational results.

Refinery Supply

Parkland contracts with third parties for the supply of crude oil and other feedstock to the Burnaby Refinery. Crude oil sourced by the Burnaby Refinery is delivered from Alberta by Trans Mountain Pipeline Limited ("TMPL"). Interruptions or apportionment on the TMPL's pipeline system can result in Parkland temporarily ceasing or decreasing processing operations at the Burnaby Refinery and may materially affect Parkland’s business, financial condition and results of operations.

The Burnaby Refinery could see variability in its crude deliveries as the capacity on the pipeline fluctuates from time to time, which can impact committed as well as uncommitted linespace, based on operating conditions and planned and/or unplanned maintenance. In addition to the TMPL line capacity, extreme or unexpected weather events may affect the operation of the TMPL. Significant operational delays, changes in tariffs and unanticipated costs could adversely impact the refinery.

Fuel Storage and Distribution

Operating fuel storage and distribution terminals and transporting fuel products involve inherent risks, including, without limitation, oil spills, environmental incidents, fires, collisions, catastrophic disasters, injuries or fatalities, damage to or destruction or loss of property, and business interruption. These incidents may lead to material third-party claims or regulatory fines, potentially affecting Parkland's license to operate and rendering these locations inoperable for a period of time. While we generally maintain insurance to mitigate these types of losses, there can be no assurance that coverage will be sufficient to address potential liabilities. A significant environmental incident could result in losses that exceed the insurance coverage currently maintained by Parkland and could have an adverse effect on our business, financial condition, reputation and operational results.

Transportation

Parkland's products and feedstock are transported and supplied using a variety of methods, including pipeline, truck, rail, and ship. Any interruptions, restrictions, delays, technical malfunctions, adverse weather, derailment, incident, release, changes to freight costs, or regulatory changes affecting any of the methods of transportation used by Parkland could adversely affect Parkland's ability to deliver and receive its products, the economics associated with certain methods of transportation, reputation, business, prospects, results of operations, and financial condition. Additionally, global shipping delays at critical infrastructure, restrictions and disruptions due to regional conflicts, and associated costs may have an adverse impact on Parkland’s ability to transport products successfully.

Calamitous Events

Calamitous events, such as natural disasters, terrorist attacks, cyber-attacks, war and armed conflict, geopolitical tension, and pandemics, may have significant effects on general economic conditions, consumer spending, and travel and tourism, which may disproportionately impact various customers of the Company. In particular, calamitous events may have an adverse effect on Parkland’s operational resiliency and may also increase the likelihood of other risk factors materializing or the severity of the impact of such risks. Strategic targets, such as energy-related assets, may be at greater risk of possible future attacks within the geographic area that the Company operates.

(2) Macroeconomic Factors

Balance Sheet Resiliency

Parkland's business strategy and day-to-day operations are dependent on access to private and public debt markets. Access to and cost of capital may be affected by factors not specific to Parkland, such as adverse conditions in the credit markets, general and industry-specific market and economic conditions and interest rate fluctuations. Parkland's access to and cost of capital will also be dependent on long-term credit ratings, which are determined by, among other things, the level and quality of our earnings and our ability to meet financial obligations. Parkland has incurred debt that involves significant interest expenses and debt service obligations that may have a negative effect on our operational results. A credit rating downgrade could potentially limit our access to private and public credit markets and increase the costs of borrowing under our existing credit facilities. A downgrade could also limit our access to short-term debt markets and increase the cost of borrowing in the short-term and long-term debt markets. The inability to access capital on a cost-effective or timely basis may result in a loss of liquidity, an increase in the cost of capital or an inability to execute value-added transactions requiring significant capital.

Parkland may need additional debt or equity financing to sustain operations, fund capital expenditures, expand, develop new services, complete acquisitions, address competition, repay existing or future indebtedness, or take advantage of certain opportunities. There can be no assurance that such funding, if needed, will be available on acceptable terms, and any volatility or uncertainty in the credit markets in the future may increase costs associated with issuing debt. Furthermore, evolving climate risk policies in capital markets may limit access to financing as lenders and investors adopt more restrictive decarbonization policies.

Economic Conditions and Geopolitical Instability

Parkland’s business is influenced by a number of economic and political factors that may adversely affect its business, prospects, operational results, and financial condition. These include economic downturns, including in industries or regional economies in which our customers conduct business or where our operations are located. In particular, certain sectors, such as oil and gas exploration, forestry, mining, farming and aviation, are subject to changes in commodity prices, general

economic conditions, limited access to capital and natural disasters, which can impact the demand for Parkland's products by customers operating within these sectors.

External factors beyond the Company’s control, such as global trade tensions, unemployment rates, levels of personal disposable income, inflation, regional or economic conditions, political changes (including those related to the 2025 Canadian federal election), and disruptions due to war and other activities, can also affect economic variables and consumer confidence. Changes in these conditions could adversely affect industrial activity, consumer spending, and travel and tourism in certain of Parkland’s markets. Some of Parkland’s sites are located in areas that are more severely affected by weak economic conditions. Additionally, oil prices, fuel costs, sales volumes, gross profits, and merchandise sales may experience seasonal fluctuations that affect consumer demand.

Inflation

Inflation and interest rates affect the economies and business environments where Parkland operates and could pose risks to customer demand, our liquidity and financial position. Trade wars and tariff escalation have the potential to push inflation higher in 2025. Significant inflationary pressures may increase costs, which Parkland may not be able to fully offset through price adjustments, partly due to the associated impact on customer purchasing behaviours. Our inability or failure to do so could harm Parkland’s business, financial condition, and operational results. Additionally, inflation and measures to control it, such as the imposition of higher interest rates, could increase Parkland’s borrowing costs, which could, in turn, have an adverse effect on Parkland's cash flow and ability to service its obligations under the Credit Agreement. Parkland regularly reassesses asset impairment indicators to reflect changing inflation and interest rates, ensuring our financial reporting reflects current conditions.

Impact of US Tariffs and Canadian Counter Tariffs

Parkland's financial and operational performance may be adversely affected by the imposition of tariffs by the United States and corresponding counter tariffs by Canada. These tariffs could lead to increases in fuel supply costs or changes in local market pricing and supply dynamics. Additionally, retaliatory measures may impact our ability to export products to the US market, potentially reducing revenue and market share. The uncertainty surrounding trade policies may also lead to volatility in currency exchange rates, further impacting our financial results. We are actively monitoring these developments and exploring strategies to mitigate potential adverse effects, but there can be no assurance that our efforts will be successful.

Jurisdictional risk

Parkland operates in certain jurisdictions with risks typical of emerging markets or developing countries, including political or social unrest, changes in laws or regulations or tax regimes, currency fluctuations, inflation, uncertainty regarding the enforceability of contractual, property, and other legal rights in local courts, unpredictable government actions, and delays in obtaining or the inability to obtain necessary governmental permits or the reimbursement of refundable tax from fiscal authorities. In addition, some of these jurisdictions present an increased risk of incidents of bribery, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions, and may require additional compliance procedures with applicable anti-corruption legislation. Parkland's failure to identify, manage and mitigate instances of fraud, corruption, violations of its code of conduct or applicable legislative and regulatory requirements increase the risk that Parkland may be implicated in such incidents and require Parkland to incur costs with any sanctions thereunder.

These risks could result in a disruption of Parkland's operations, increase costs incurred by Parkland or have an adverse effect on Parkland's business, financial condition and results of operations.

Epidemics, pandemics or outbreaks of an infectious disease

Parkland’s business, financial condition, and operational results could be adversely affected by epidemics, pandemics, or other health crises in regions where Parkland operates or has suppliers, customers, or employees. Such health crises and government responses thereto may result in, among other things, increased volatility in financial markets, commodity prices and exchange rates, global supply chain disruptions, labour shortages, reduced trade volumes, operational restrictions, quarantine orders, business closures, travel restrictions, overall economic slowdowns, political and economic instability, and civil unrest.

(3) Commodity Price and Pricing Pressure

Fuel and Petroleum Products Pricing

Parkland's fuel and petroleum product revenue is a significant component of its total revenue. Petroleum, crude oil, and natural gas liquids ("NGLs") markets are volatile, with prices affected by global and regional supply and demand, over which Parkland has no control. Parkland is susceptible to supply disruptions and market price changes, including degradation of supply discounts for crude oil and NGLs that drive customer demand. General economic and market conditions, political conditions and instability, especially in oil-producing regions such as the Middle East, Africa, and South America, and the value of the U.S. or Canadian dollars relative to other foreign currencies, particularly those of oil-producing nations, can impact crude oil supplies and production costs. Volatility in fuel and petroleum product supply and costs could result in significant changes in the retail price of petroleum products, fuel gross margins per litre, and refining gross margins. Higher supply and product costs can also result in increased working capital and corresponding financing requirements. In addition, increases and volatility in wholesale motor fuel costs could result in an increase in the retail price of petroleum products, which could dampen consumer demand for motor fuel. These factors could materially influence Parkland's fuel and petroleum product volume and overall customer traffic, which, in turn, could have an adverse effect on the Company's operating results, adjusted gross profit, and overall financial condition. Production at refining facilities is subject to production interruptions, which can periodically disrupt the availability and price of refined products. Certain of Parkland's sales and volumes are driven by the opportunity to market variations in pricing of crude oil and NGLs between geographical regions and markets, and changes in pricing and relative pricing of these products may result in losses.

Pricing Pressure and Competition

The motor, aviation and marine fuel industry is very competitive. Parkland competes with major national and international integrated oil companies, independent marketers, branded and unbranded independent wholesalers, independent retail stations, dealers who purchase fuel from Parkland, other commercial fuel and propane marketers, convenience store chains, independent convenience stores, large and small food retailers. Parkland also competes with several non-traditional retailers that have entered the retail fuel business in recent years, including major grocery chains, supermarkets, club stores and mass merchants, which are significant retail competitors. The petroleum industry also competes with other industries in supplying energy, fuel, and other related products to industrial, commercial, and retail consumers. In some of Parkland's markets, competitors have been in existence longer and have greater financial, marketing and other resources than Parkland. Parkland may not be able to compete successfully against current and future competitors, and competitive and pricing pressures that Parkland faces could adversely affect Parkland's business, prospects, results of operations or financial condition.

Refining Commodity Supply

Refining gross margins are primarily driven by commodity prices and are a function of the difference between the costs of feedstock (primarily crude oil) and the market prices for the marketing of finished products (such as gasoline, diesel, jet fuel, lubricants, fuel oil and fuel and lubricant additives). Prices for commodities are determined by global and regional marketplaces and are influenced by many factors, including supply/demand balances, inventory levels, industry refinery operations, import/export balances, currency fluctuations, seasonal demand, political climate, disruptions at the refinery resulting from unplanned outages due to severe weather, fires or other operational events and plant capacity utilization. Sustained low refining margins may have an adverse effect on Parkland's revenue, profitability and ability to service debt and pay dividends.

Derivative Financial Instruments and Hedging Effectiveness

Parkland uses derivative financial and physical instruments related to the future price of crude oil, fuel products and environmental compliance instruments and their relationship with each other, with the intent of fulfilling customer requirements while reducing volatility in our cash flows due to fluctuations in their prices and relative spreads. Such hedging activities may not be effective in reducing the volatility of our cash flows and may reduce our earnings, profitability and cash flows. Furthermore, Parkland may not be able to enter into effective derivative financial or physical instruments to reduce the volatility of the prices of products it sells if there is no established derivative market for such products or market prices are distressed, leading to reduced hedge correlation, or it being uneconomic to do so. In addition, a portion of Parkland's hedging activities are subject to the risks that a counterparty may not perform its obligations under the applicable derivative instrument.

(4) Information Technology, Security Breach and Privacy

IT Continuity

At the operational level, Parkland relies on electronic systems for recording of sales and accumulation of financial data and analytical information. A major failure of computer systems would disrupt the flow of information and could cause loss of data records or corruption of data, which could impact the accuracy of financial reporting and management information and Parkland's ability to operate its business. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches and computer viruses, which could result in a loss of sensitive business information, systems interruption or the disruption of Parkland's business operations.

Technological Developments and Digital Transformation

Parkland operates in an environment of rapid technological change, disruption and growth, which may hinder its ability, among other things, to define and prioritize technology requirements and infrastructure design, effectively implement new systems, technologies and internal controls, effectively operate and maintain existing infrastructure, innovate new digital solutions, or establish growth platforms to better understand, target and engage customers. Failure to keep pace with market advancements in technology, including automation, artificial intelligence and analytics, could negatively affect Parkland's operations and competitiveness.

Confidential and Personal Information

In the normal course of business, Parkland obtains large amounts of data, including personal data, such as financial information, from our customers. This data is stored on both internal and external systems. Parkland continues to monitor and maintain the protection of our IT systems and security controls over individually identifiable customer, employee and vendor data provided to us. A breakdown or a breach in our systems that results in unintended exposure of confidential information, personal information, or other sensitive data could occur. With respect to data stored externally, Parkland may not fully control the security measures, response and recovery plans maintained by the third-party provider.

Cyber Security

Parkland's business, including its operations, are dependent on information systems and other digital technologies, including the systems of cloud providers and third parties with which Parkland conducts business. Systems and technologies are essential for the operation of our assets, processing transactions, transmitting information and summarizing and reporting results of operations. Digital transformation continues to increase the number and complexity of such systems and dependencies.

Cyber-attacks are rapidly evolving and becoming increasingly sophisticated. Parkland may not be able to prevent a cyber-attack, resulting in a material loss of data or an inability to quickly recover or operate. A successful cyber-attack resulting in the loss of sensitive customer, employee or vendor data could adversely affect our reputation, results of operations, financial condition and liquidity and could result in litigation against us or the imposition of penalties. Parkland may be at increased risk of cyber-attacks and data breaches because of its increased size, prominence and financial strength, as well as its expansion of consumer data obtained through our JOURNIE™ Rewards loyalty program, all of which increases Parkland's profile for more serious cyber criminals.

(5) Health, Safety and Environment

Parkland is subject to hazards and risks inherent in its operations and the industries that we service. Such risks include, but are not limited to, equipment failures, vehicle accidents, human error, accidental release of harmful substances, including through transportation of petroleum products by road, rail, barge or other marine vessels and pipelines, proximity to marine environments, explosions, fires and natural disasters.

Commercial and Retail

Parkland's commercial and retail businesses are exposed to risks including, but not limited to, transportation and storage of hazardous substances, vehicle accidents, fires, explosion, accidental spills or releases of liquid petroleum products, chemicals or other hazardous substances.

In addition, as a convenience and food retailer, Parkland is also subject to risks related to food safety. These include, but are not limited to, risks associated with food preparation, labelling, storage and timely disposal.

Refining and Supply

The Burnaby Refinery faces hazards related to hydrocarbon supply and processing, including, but not limited to, fires, explosions, railcar or marine vessel incidents, oil spills, migration of harmful substances, corrosion, vandalism, terrorism, and other accidents that may occur at or during transport to or from sites. The consequences of an accidental spill or release at or near any marine terminal used in connection with Parkland's operations could be significant, given the complexities of addressing releases occurring in marine environments or along populated coastlines. Such incidents could result in significant disruptions to offshore shipping activities and impede Parkland's ability to operate in any affected areas.

These hazards may interrupt operations, cause injuries or fatalities, cause loss of or damage to equipment, property, IT or control systems, and data, or result in environmental damage that may include pollution of water, land, or air. The consequences could expose Parkland to business interruptions, potential liabilities, modifications to or revocation of existing regulatory approvals, fines and other environmental damages, or reputational impacts.

Other HSE Risk Considerations

Parkland has obtained insurance in an effort to address and mitigate HSE hazards and risks inherent in its operations. In addition, Parkland has established operational and emergency response procedures and adopted safety and environmental programs to reduce potential loss exposure. There can be no assurance that the potential liabilities will not exceed the applicable coverage limits under its insurance policies. Consistent with industry practice, not all hazards and risks are covered by insurance, and no assurance can be given that insurance will be consistently available on an economically feasible basis.

(6) Impact of Climate Change and Sustainability / ESG Requirements

Climate Change and Extreme Weather

Parkland's sales volume and profitability can experience increased volatility due to extreme and unpredictable weather events that may increase in frequency and severity as a result of climate change, including but not limited to: winter temperatures, forest fires, flooding and hurricanes in Canada and the northern United States and severe tropical storms, hurricanes, earthquakes and volcanoes in the southern United States and Caribbean, which may cause pipeline closures, downed telephone lines, flooded facilities, power outages, fuel shortages, damaged or destroyed property and equipment and work interruptions. Any of the foregoing events may damage Parkland's assets, disrupt its supply channels, interrupt Parkland's ability to deliver goods and services and/or decrease demand for its products. Any of these events could occur and could have an adverse effect on Parkland's business, financial condition, ability to realize the anticipated growth opportunities and synergies and future business prospects. Climate change may increase the frequency and/or severity of severe weather conditions and events, which may increase the impact of these factors.

Climate Change Regulations

Parkland operates in jurisdictions regulating or proposing to regulate GHG emissions, including through clean fuel standards aimed at reducing the carbon intensity of fuels. While some regulations are in effect, others remain under development, review, discussion or implementation, creating uncertainty relating to the timing and effects of these emerging regulations, including how they may be harmonized, making it difficult to determine the cost impacts and effects on Parkland accurately. Additional changes to climate change legislation may adversely affect Parkland's business, financial condition, operational results and cash flows.

The ultimate effects of climate change legislation, regulations and initiatives on Parkland's operations and the timing of these effects will depend on several factors, including, among other things, the GHG emission reductions required for industrial sectors, the extent to which Parkland can adapt its fuel offerings or take advantage of incentive programs, including by purchasing compliance instruments on the open market or through auctions, the price and availability of credits, the extent to which Parkland is able to recover the costs incurred through the pricing of Parkland's products in the competitive marketplace, and market penetration of EVs.

Many of the jurisdictions in which we operate mandate a progressively increasing share of new passenger vehicles sold to be “zero-emission” vehicles, including through tax incentives. As these types of vehicles become more widespread due to government incentives, regulatory measures, technological advancements, consumer preferences, competitive pricing, or other factors, there could be a consequential negative impact on the demand and pricing of our fuel products.

Existing and proposed environmental legislation and regulations that do, or will, require lower-carbon-intensity fuels have and will result in increased compliance costs to Parkland. These regulations may negatively affect the marketing of refined petroleum products and may require us to alter our products or adapt operations to allow us to sell in such jurisdictions. These costs may not be able to be passed along to consumers, resulting in a lower margin for Parkland on the sale of its products. Further, new environmental regulations may require Parkland to invest in new technologies and projects, which may require significant capital and resources. Such technologies and projects may face delays and interruptions, or Parkland may fail to effectively identify and implement appropriate technologies and projects, which may adversely affect Parkland's ability to compete with other companies.

ESG Focus and Targets

Parkland's ESG targets depend significantly on our ability to execute our business strategy, related milestones and schedules, each of which can be impacted by the numerous risks and uncertainties associated with the business, industry and regulatory environment in which we operate. We recognize that our ability to adapt to and succeed in a lower-carbon economy will be compared against our peers. Some investors and stakeholders may compare companies based on ESG-related performance, including climate-related performance. Failure to achieve our ESG targets, or a perception among key stakeholders that our ESG targets are insufficient, could adversely affect our reputation and our ability to attract capital.

There is also a risk that some or all of the expected benefits and opportunities of achieving our various ESG targets may fail to materialize, may cost more to achieve or may not occur within the expected time periods. In addition, there are risks that actions taken by Parkland in implementing targets and ambitions relating to ESG focus areas may have a negative impact on our existing business and operations and increase capital expenditures, which could have a negative impact on our future operating and financial results.

Technological Developments, Changes in Consumer Preferences and Reputation

Reputational risk is inherent in every business decision, and there is the potential that a decision or negative impact could result in the deterioration of the Company's reputation with key customers and suppliers. Public attitude towards Parkland may be negatively affected by new policies and emerging technologies that have the effect of steering the public away from petroleum-based fuels or non-fuel-dependent means of transportation. In addition, certain hazards inherent to operating a petroleum-based business, including environmental hazards and sustainability concerns, could lead to a deterioration of Parkland's reputation with the public. Negative changes to Parkland's reputation could have an adverse effect on the Company's business, financial condition and future prospects.

(7) Regulatory Compliance

Parkland's business and operations are subject to numerous federal, provincial, state, territorial and local laws and regulations. Parkland has incurred and expects to continue to incur significant expenses to comply with these laws and regulations. Parkland has established reserves for the future cost of known compliance obligations, such as remediation of identified environmental impacts. However, these reserves may prove inadequate to meet its actual liability. Moreover, future amendments and new requirements, more stringent interpretation of existing requirements or the discovery of currently unknown compliance issues may require Parkland to incur material expenditures or subject it to liabilities that it currently does not anticipate.

Parkland operates in several jurisdictions within highly regulated industries. Failure to appropriately operate within each regulatory jurisdiction could lead to fines, penalties and unfavourable tax assessments, which could adversely affect Parkland's business and operating results. Furthermore, transportation fuel sales are taxed by the federal, provincial, state and, in some cases, municipal governments. Material increases in taxes or changes in tax legislation, including the establishment of minimum effective taxation levels, could have a material effect on the profitability of Parkland. In addition, various federal, provincial, state, territorial and local agencies have the authority to prescribe product quality specifications for the sale of commodities. Given the magnitude of taxes collected and remitted by Parkland on behalf of varying levels of government, any non-compliance or error by Parkland in completing, collecting or remitting could lead to material fines and penalties.

Competition Regulations

Parkland is exposed to competition and anti-trust laws and the risk of non-compliance with such laws could result in the imposition of significant fines or penalties, require Parkland to divest certain assets or result in Parkland being subject to

other remedies, such as margin controls in certain markets. Such remedies could have an adverse effect on our operating results and financial condition.

Environmental Regulations

Parkland's business and properties are subject to extensive local, provincial, territorial, state and federal laws and regulations across Canada, the United States and numerous Caribbean and South American jurisdictions, including, but not limited to, those relating to emissions to the air, discharges into water, releases of hazardous and toxic substances and remediation of contaminated sites (collectively, "Applicable Environmental Laws"). Applicable Environmental Laws require that Parkland's operations and certain properties associated with Parkland's retail and storage operations be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such Applicable Environmental Laws may require significant expenditures by Parkland, including capital costs to maintain and upgrade equipment and facilities and expenditures to ensure compliance with new Applicable Environmental Laws. Failure to comply with such Applicable Environmental Laws may result in penalties and costs that could adversely affect our business and our operating results. Any changes to the Applicable Environmental Laws that are adverse to Parkland or our properties could affect our operating and financial performance. In addition, new regulations and laws are proposed from time to time that, if adopted, could have an adverse effect on our operating results and financial condition.

Pending and Future Legal Proceedings

Alleged failure by Parkland to comply with laws and regulations may lead to governmental authorities imposing fines or penalties or denying, revoking or delaying the renewal of permits or licenses. In addition, governmental authorities, as well as third parties, may claim that Parkland is liable for loss or damage, such as environmental damage. Parkland may be the subject of litigation by customers, suppliers and other third parties. A significant judgment against Parkland, the loss of a significant permit or other approval, the imposition of a significant fine or penalty, or other unfavourable results may, in certain circumstances, result in an event of default under certain of our agreements and, in any case, may adversely affect Parkland's business, prospects, results of operations or financial condition. Unfavourable results, government investigations or settlements may also encourage other parties to commence additional legal proceedings and may cause negative publicity and reputational damage to Parkland. Legal proceedings are expensive, time-consuming and may divert management's attention away from the operation of Parkland's business.

Indigenous Rights Claims

Indigenous groups assert their rights to treaties, titles, and land in various regions of western Canada, particularly in British Columbia. Such claims may affect many businesses operating in western Canada, including Parkland, as the claims are litigated or settled with the federal and provincial governments through negotiation. While the claims are outstanding, the federal and provincial governments have a duty to consult with Indigenous people on actions and decisions that may affect the asserted Indigenous or treaty rights and, in certain cases, accommodate their concerns. The government's duty to consult may be triggered if Parkland applies to obtain or renew significant permits, leases, licenses and other approvals for its operations in areas that are subject to outstanding Indigenous rights claims.

Parkland has numerous direct relations with Indigenous Nations, people and groups relating to our operations on treaty or traditional lands. Parkland's failure to develop and manage these relationships and engage openly, early and frequently could adversely affect our business and projects and damage our reputation.

(8) Sustainable and Scalable Business Model

The Company continues to enhance its systems and processes as part of our ongoing commitment to excellence, and while we maintain robust oversight mechanisms and leverage both internal expertise and external partnerships to address potential challenges, there is no assurance that these initiatives will be successfully implemented. Challenges with system implementation could lead to increased costs, operational challenges and impacts on customer service.

Additionally, Parkland competes with companies to attract and retain employees and third-party contractors with appropriate technical skills. Hiring and retaining skilled personnel may be challenging if the employment market is strong and there is intense competition for such personnel and there can be no assurance that Parkland will be able to attract and retain skilled and experienced employees and contractors. Some of Parkland's employees are also represented by labour unions and there is no assurance that collective bargaining agreements will be reached without a strike, work stoppage or

other labour action. Challenges with any of the foregoing may have an adverse effect on our business, operational results or financial condition.

(9) Transaction Risk

Transaction Costs and Failure to Realize Anticipated Benefits of Transactions

Parkland has incurred, and expects to incur in the future, a number of costs associated with transactions, including potential acquisitions and divestments of assets or businesses. Achieving the full benefits of any transaction includes, without limitation, consolidation or deconsolidation of functions and integration or separation of operations, procedures and personnel, as applicable. Acquisitions also involve efforts to realize the anticipated growth opportunities, synergies and operating expense reductions. These activities are supported by the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and other operational matters. Notwithstanding Parkland's commitment to providing the labour and resources required to support transactions, there is a risk that the anticipated benefits of any given transaction may not be fully realized.

Potential Undisclosed Liabilities

Additionally, in pursuing transactions, and particularly acquisitions, Parkland conducts due diligence on the relevant businesses or assets and seeks detailed representations and warranties with respect to those businesses or assets. Despite such efforts, there can be no assurance that Parkland will not become subject to undisclosed liabilities or litigation as a result of an acquisition, which may materialize long after the acquisition has been completed. In addition, liabilities may exist that were not discovered during the due diligence process prior to completing an acquisition. This failure to discover potential liabilities may be due to various factors, such as failure to accurately assess all of the pre-existing liabilities of the operations acquired or vendors failing to comply with applicable laws. If this occurs, Parkland may be responsible for such liabilities, which could adversely affect its business, prospects, results of operations or financial condition.

Future Transaction Risk

Parkland's ability to complete acquisitions or divestments, if any, will depend, in part, on Parkland's ability to: (i) identify suitable opportunities that are in line with Parkland's strategies and its customers' needs; (ii) negotiate the terms of the transaction on acceptable terms; (iii) complete the transactions within the expected timeframe; (iv) fund the transactions; (v) obtain the necessary approvals from governmental agencies and other third parties within the expected time frame; (vi) in the case of acquisitions, improve the results of the businesses acquired and integrate them successfully, achieve the anticipated synergies in the acquired businesses, and retain key employees, customers and suppliers of the acquired businesses; (vii) in the case of divestments, ensure that the separation of the divested assets or business is successful and achieves the desired outcomes, manage associated one-time costs within expectations, and achieve ongoing cost reductions for the remaining business or Parkland as a whole; and (viii) effectively identify and address any regulatory requirements in connection with these transactions. Failure to do so may deprive Parkland of the benefit of the transaction and may adversely affect Parkland’s financial and operational results.

(10) Third-Party Risks

Third-party risks can negatively affect Parkland’s operations, financial condition, and reputation due to actions, or failures to act, of third-party entities, such as suppliers, contractors, service providers, or partners. This reliance on third parties is expected to increase over time. Third parties may fail to deliver goods or services on time, meet quality or performance standards, and be subject to cyber incidents, resulting in operational delays or inefficiencies. The financial health of third-party partners can impact Parkland's ability to execute contracts or rely on essential services, especially if these partners experience financial difficulties or insolvency. Third-party actions may expose Parkland to legal or regulatory risks, such as non-compliance with laws, intellectual property breaches, or contractual disputes. Parkland may face reputational damage if a third-party’s actions or failures lead to scandals, fraud, or unethical conduct.

Additionally, Parkland may be subject, from time to time, to legal and business challenges in the operation of our company due to actions instituted by activist shareholders or others. Responding to such actions could be costly and time-consuming, may not align with our business strategies and could divert the attention of our Board of Directors and senior management from the pursuit of our business strategies. Perceived uncertainties as to our future direction as a result of shareholder activism may lead to the perception of a change in the direction of the business or other instability and may affect our relationships with third-party entities, such as suppliers, contractors, services providers, partners, employees and others, as well as the trading price of our securities.

Other information

The Strategic Review, as defined and discussed in Section 13G of this MD&A, is a complex process and will require the expenditure of significant time and resources by the management team, which may divert management's time and attention affecting operational efficiency and business performance of the Company. Changes in market and macroeconomic conditions (including tariffs and increased trade tensions) could impact the valuation of our assets and the attractiveness of potential transactions, leading to suboptimal outcomes. There is no assurance that the Strategic Review will result in any specific transaction or outcome, and the process may not achieve the intended value maximization for shareholders. The announcement and conduct of a strategic review may lead to market speculation and uncertainty, which could affect our share price and investor confidence. Further, if a transaction does not result from the Strategic Review, then our share price may be negatively affected regardless of underlying business performance. These consequences, alone or in combination, may have a material adverse effect on Parkland's business, financial condition or results of operations or a negative impact on an investment in the Common Shares.

Financial instruments and financial risks

Financial instruments recorded at fair value through profit or loss

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

Fair value measurement

Parkland's financial assets and liabilities measured at fair value through profit or loss are categorized into a three-level hierarchy depending on the degree to which the inputs are observable as follows:

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 - Inputs that are not based on observable market data (unobservable inputs).

The fair values of Parkland's recurring measurements of risk management and other are determined based on Level 2 inputs. 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 swaps, currency forward exchange contracts, and interest rate swaps are determined using independent price publications, third-party pricing services, market exchanges and investment dealer quotes; and,
- 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.

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

($ millions)	Year ended December 31, 2024	2023
Gain (loss) on risk management and other - realized[1][2]	**73**	51
Gain (loss) on risk management and other - unrealized[1][3]	**(45)**	34
Gain (loss) on risk management and other	**28**	85
Change in fair value of Redemption Options[4]	**(44)**	31
Impact on consolidated statements of income (loss)	**(16)**	116

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

Redemption Options

The Senior Notes contain redemption options that allow Parkland to redeem the notes prior to maturity at a premium ("Redemption Options"). These Redemption Options are accounted for as an embedded derivative financial instrument. For more information on Parkland's financial instruments and related financial risk factors, see Note 15 of the Annual Consolidated Financial Statements.

Market risk

US dollar currency risk

Parkland is exposed to foreign currency risk relating to its operating and financing activities, which arises from purchasing and selling certain products and services, and borrowing in a currency that is not the functional currency of the relevant group entity. Parkland mitigates the risk using derivative financial instruments including US dollar forward contracts. The impact on Parkland's net earnings (loss) is driven by the impact of changes in foreign exchange rates on the carrying values of monetary assets and liabilities, including the USD-denominated debt, and is offset by the impact on Parkland's other comprehensive income (loss) as a result of designation of certain USD-denominated debt as a net investment hedge to mitigate foreign exchange risk related to foreign operations.

Parkland is primarily exposed to changes in the exchange rates between the US dollar and the functional currencies noted in the following table, which demonstrates the sensitivity to changes in exchange rates, with all other variables held constant, on financial instruments denominated in US dollars at the end of the reporting period.

For the years ended	December 31, 2024		December 31, 2023	
	Net earnings (loss)	OCI, net of tax	Net earnings (loss)	OCI, net of tax
USD/CAD - 10% change[1][4]	**(13)**	**(272)**	7	(331)
USD/Other currencies[2] - 10% change	**(19)**	**—**	(7)	—
USD/SRD - 25% change[3]	**11**	**—**	3	—
	(21)	**(272)**	3	(331)

[1] The impact on net earnings includes financial instruments designated as cash flow hedges and the impact on other comprehensive income includes financial instruments designated as net investment hedge.
[2] Includes Euro, Dominican Pesos, Jamaican dollar, and other currencies, excluding Surinamese dollar.
[3] A higher sensitivity is used to reflect the reasonably possible changes in the exchange rate between the US dollar and Surinamese dollar.
[4] The sensitivity analysis above does not include the impact of a 10% change in the USD/CAD exchange rate on the translation of net earnings (loss) of foreign operations that would result in additional earnings for approximately $22 million (2023: $40 million).

Cash flow hedges

To mitigate the risk arising from the revaluation of certain USD-denominated receivable balances where the functional currency is not the US dollar and to hedge the variability of the 2024 Senior Notes interest and principal cash flows due to changes in spot exchange rates, Parkland has entered, respectively, into foreign currency forward contracts to sell a fixed amount of US dollars for a fixed amount of Canadian dollars at future date, and into a currency swap in relation to the issuance of the 2024 Senior Notes ("Cash flow hedges"). The revaluation gains from the Cash flow hedges are recognized in

other comprehensive income (loss), with the effective portion being reclassified from the Cash flow hedges reserve to consolidated statements of income (loss). See Note 15 of the Annual Consolidated Financial Statements for further details on the Cash flow hedges.

Net investment hedge

Parkland has designated certain USD-denominated debt balances as a net investment hedge to mitigate foreign exchange risk related to foreign operations ("Net investment hedge"). The effective portion of the hedge is recognized in other comprehensive income (loss). See Note 15 of the Annual Consolidated Financial Statements for further details on the Net investment hedge.

Commodity price risk

Parkland periodically enters into derivative contracts, including swaps, forwards, options and futures contracts, to manage exposure to movements in commodity prices. The commodity risk management contracts are used to lock in margins with customers on commodities to be delivered. Any gains or losses on such risk management contracts are expected to largely offset, upon realization, any gains or losses on physical products at the time of sale. Risk management derivatives used to mitigate commodity price risk are sensitive to price movements. As at December 31, 2024, a 5% change in commodity prices would change the (gain) loss on risk management and other by approximately $28 million (2023 - $35 million) due to the change in the fair values of risk management contracts. See Note 15 of the Annual Consolidated Financial Statements for further details on the commodity price risk.

Interest rate risk

Parkland is normally exposed to market risk from changes in the Canadian and US prime interest rates and bankers' acceptance rates linked to the CORRA and SOFR, which can impact Parkland's borrowing costs on the Credit Facility. Parkland monitors and analyzes interest rate risk on a regular basis and mitigates interest rate risk by considering refinancing, credit line renewals and issuing long-term debt at a fixed rate. Parkland enters into interest rate swap contracts to fix the interest rate on its outstanding variable-interest debt balances. As at December 31, 2024, a 100-basis point change in variable interest rates, with all other variables held constant, including the amount of borrowings and letters of credit drawn under the Credit Facility, would have caused an increase or decrease in interest on long-term debt and net earnings (loss) of approximately $1 million (2023 - $7 million).

Credit risk

Parkland is exposed to credit risk from operating activities and certain financing activities. Parkland's exposure to concentrations of significant credit risk to any individual customer is limited. Credit risk is minimized by Parkland's broad and geographically diverse customer base spread across several countries and currencies. Parkland manages its exposure to credit risk through a variety of means, including, but not limited to: (i) rigorous credit granting procedures, including review of each new customer's credit history before extending credit, and imposing short payment terms or security interests where applicable; (ii) ongoing customer credit evaluations, including review of customer financial conditions and credit performance; (iii) ongoing close monitoring of outstanding amounts; and (iv) use of standby and commercial letters of credit for certain customers, where applicable. Parkland's allowances for receivables are maintained at levels considered adequate to provide for future credit losses.

Parkland’s credit risk on a four-year note receivable recognized upon the sale of the Canadian commercial propane business ("Note receivable") (see Note 24 of the Annual Consolidated Financial Statements) is minimized as the propane business is well established and is expected to be profitable. Further, the Note receivable is secured against all present and future assets of Avenir Energy Limited ("Avenir") and is only subordinate to Avenir’s revolving credit facility. The maximum exposure to credit risk of accounts receivable and Note receivable is their respective carrying values.

Counterparties for all risk management and other derivatives transacted by Parkland are major financial institutions or counterparties with investment-grade credit ratings.

Liquidity risk

Parkland mitigates liquidity risk by forecasting spending and cash flow requirements, considering the seasonality of working capital needs and ensuring access to multiple sources of capital to the extent possible, including cash and cash equivalents, cash from operating activities, undrawn credit facilities, access to non-recourse project financing and various credit products at competitive rates. As at December 31, 2024, Parkland's available liquidity was $2,045 million, comprised of cash and cash

equivalents of $385 million (December 31, 2023 - $387 million) and borrowing capacity available under the Credit Facility of $1,660 million (December 31, 2023 – $952 million). Parkland believes it has sufficient funding to meet foreseeable liquidity requirements through the use of credit facilities, cash flows from operating activities, and cash on hand.

Parkland is committed to retaining strong credit ratings to support access to capital markets. Parkland currently has the following credit ratings:

	Standard & Poor's	Morningstar DBRS	Moody's
Corporate	BB	BB	Ba2
3.875% $600 Senior Notes, due 2026	BB	BB	not rated
5.875% US$500 Senior Notes, due 2027	BB	BB	Ba3
6.00% $400 Senior Notes, due 2028	BB	BB	not rated
4.375% $600 Senior Notes, due 2029	BB	BB	not rated
4.50% US$800 Senior Notes, due 2029	BB	BB	Ba3
4.625% US$800 Senior Notes, due 2030	BB	BB	Ba3
6,625% US$500 Senior Notes, due 2032	BB	BB	Ba3

Other risks

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

12. OUTLOOK

The highlights for Parkland's 2025 guidance metrics (the "2025 Guidance") include:

- Adjusted EBITDA range of $1,800 million to $2,100 million (the "2025 Adjusted EBITDA Guidance"[11]), which includes Refining Adjusted EBITDA of approximately $300 million (the "2025 Refining Adjusted EBITDA Guidance"[11]);
- Capital expenditures between $475 million to $525 million (the "2025 Capital Expenditure Guidance"[11]);
- Available cash flow of $5.00 to $6.00 per share (the "2025 Available cash flow per share Guidance"[11]);
- Leverage Ratio at the low end of our 2 to 3 times target range by year-end 2025 (the "2025 Leverage Ratio Guidance"[11]); and
- Completion of the previously announced divestment program to sell our non-core assets, which we expect to exceed $500 million for the period between 2023 and 2025 (the "2025 Divestment Plan"[11])

Parkland achieved Adjusted EBITDA of $1,690 million for the year ended December 31, 2024, which was slightly lower than the updated 2024 Adjusted EBITDA guidance of $1,700 million to $1,750 million disclosed in Section 13 of the Management's Discussion and Analysis for the three and nine months ended September 30, 2024 (the "Q3 2024 MD&A"). This was primarily due to lower-than-expected volumes driven by increased competition, softening demand and industry trends.

Capital expenditures of $555 million for the year ended December 31, 2024, were higher than the 2024 capital expenditure guidance of $475 million to $525 million disclosed in Section 13 of Management's Discussion and Analysis for the year ended December 31, 2023 (the "Q4 2023 MD&A"). This was primarily driven by higher-than-expected growth capital expenditures driven by capital re-allocation as we realized opportunities to expand the dealer and company-operated retail network, which is expected to be offset by additional divestments.

The ROIC of 7.4 percent and Available cash flow per share of $3.19 per share for the year ended December 31, 2024 were lower than the revised 2024 ROIC guidance of approximately 8 percent and the revised 2024 Available cash flow per share guidance of approximately $3.75 per share, respectively, as disclosed in Section 13 of the Q3 2024 MD&A, primarily due to lower than expected Adjusted EBITDA as discussed above.

For additional details relating to our 2025 Guidance, refer to Parkland's press release dated November 26, 2024, which is available at www.sedarplus.ca. The factors and assumptions that contribute to Parkland's assessment of the 2025 Guidance are set forth under Section 17 of this MD&A, and such guidance ranges are subject to risks and uncertainties inherent in Parkland's business. Readers are directed to Section 11 and Section 17 of this MD&A and the press release dated November 26, 2024, for a description of such factors, assumptions, risks and uncertainties.

13. OTHER

A. Controls environment

Internal controls over financial reporting

Based on the evaluation of Parkland's disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in National Instrument 52-109, the Chief Executive Officer and Chief Financial Officer have concluded that Parkland's DC&P and ICFR were designed and operating effectively as at December 31, 2024, under the guidance from the Committee of Sponsoring Organizations of the Treadway Commission Framework in Internal Control – Integrated Framework (2013).

Changes in internal controls over financial reporting

There were no changes in Parkland's ICFR during the year ended December 31, 2024, that materially affected, or are reasonably likely to materially affect, Parkland's ICFR. Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems that are determined to be effective can provide only reasonable, but not absolute, assurance that financial information is accurate and complete. Additionally, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

[11] Supplementary financial measure. See Section 16 and Section 17 of this MD&A

B. Shares outstanding

As at December 31, 2024, Parkland had approximately 173.9 million (December 31, 2023 - 175.8 million) common shares, 3.0 million (December 31, 2023 - 3.4 million) share options, 1.9 million (December 31, 2023 - 2.1 million) performance share units, and 0.2 million (December 31, 2023 - 0.3 million) deferred share units outstanding. The share options consist of approximately 1.9 million (December 31, 2023 - 2.1 million) share options that are currently exercisable into common shares.

C. External fuel and petroleum product volume

(million litres)	Canada		International		USA		Refining		Consolidated	
Three months ended December 31,	**2024**	2023	**2024**	2023	**2024**	2023[4]	**2024**	2023	**2024**	2023[4]
Retail[1]	**1,673**	1,683	**410**	419	**496**	501	**—**	—	**2,579**	2,603
Commercial[1][2]	**1,490**	1,684	**1,406**	1,479	**566**	624	**—**	—	**3,462**	3,787
Refining	**—**	—	**—**	—	**—**	—	**378**	320	**378**	320
Fuel and petroleum product volume[3]	**3,163**	3,367	**1,816**	1,898	**1,062**	1,125	**378**	320	**6,419**	6,710

(million litres)	Canada		International		USA		Refining		Consolidated	
Year ended December 31,	**2024**	2023	**2024**	2023	**2024**	2023[4]	**2024**	2023	**2024**	2023[4]
Retail[1]	**6,721**	6,783	**1,657**	1,647	**2,106**	2,128	**—**	—	**10,484**	10,558
Commercial[1][2]	**5,803**	6,568	**5,138**	6,225	**2,324**	2,859	**—**	—	**13,265**	15,652
Refining	**—**	—	**—**	—	**—**	—	**1,652**	1,403	**1,652**	1,403
Fuel and petroleum product volume[3]	**12,524**	13,351	**6,795**	7,872	**4,430**	4,987	**1,652**	1,403	**25,401**	27,613

[1] Includes gasoline and diesel.
[2] Commercial includes the operations of cardlock sites, bulk fuel, propane, heating oil, lubricants, and other related services to commercial, industrial, aviation, and residential customers as well as fuel supply and wholesale transactions.
[3] Fuel and petroleum product volume includes volumes from external customers only.
[4] For comparative purposes, certain amounts were revised to conform to the presentation used in the current period, with no impact on consolidated results. The amount of revision for the fourth quarter of 2023, were: Retail (60 million litres) and Commercial (60 million litres). The amount of revision for the year ended December 31, 2023 were: Retail (236 million litres) and Commercial (236 million litres).

D. Related party transactions

All of Parkland's related party transactions are in the normal course of business, unless otherwise noted. We purchase and sell fuel, petroleum products and limited services at market terms from and to certain companies, which are considered related parties due to Parkland having joint control or significant influence over them. This includes the Société Anonyme de la Raffinerie des Antilles (the "SARA Refinery"), the Isla Dominicana de Petroleo Corp. ("Isla JV"), and Sol Ecolution. Transactions with related parties are measured at the negotiated contract prices at the time of sale. As at December 31, 2024, Parkland has contractually committed to invest approximately $35 million (December 31, 2023 - 49 million) in its associate investments.

Further details of the related companies and transactions are disclosed in Note 11 and Note 25 of the Annual Consolidated Financial Statements.

E. Assets classified as held for sale

As part of Parkland's portfolio optimization strategy, management is committed to a plan to sell certain assets within the Canada and USA segments. The assets and associated liabilities include retail sites located across Canada, and retail and commercial businesses (cardlock facilities, bulk storage plants and warehouses) in the United States, with the majority located in Florida. Efforts to sell these assets on both individual and combined basis for various assets have commenced, and the sales are expected to occur in the next 12 months. Parkland expects to use the proceeds from the sale of these assets as part of its capital allocation towards organic growth, dividends and share buybacks and deleveraging to enhance shareholder value.

The assets and the related liabilities held for sale as at December 31, 2024 were $842 million and $292 million, respectively (December 31, 2023 - $297 million and $26 million). During 2024, Parkland divested assets for an aggregate consideration of $214 million (2023 - $65 million) that included cash consideration of $60 million (2023 - $52 million) and non-cash consideration in the form of the Note receivable and other non-current assets for $154 million (2023 - $13 million).

F. Site count by business model

Business model	As at December 31, 2024			
	Canada[1]	USA[1]	International[2]	Total
Company-owned / leased, Company-operated[3]	**107**	**128**	**15**	**250**
Company-owned / leased, dealer-operated	**8**	**—**	**234**	**242**
Company-owned / leased, retailer-operated	**794**	**69**	**—**	**863**
Dealer-owned, dealer-operated / consignment dealer	**1,214**	**450**	**243**	**1,907**
Franchisee-operated[4]	**210**	**—**	**—**	**210**
Cardlock	**165**	**46**	**—**	**211**
	2,498	**693**	**492**	**3,683**

Business model	As at December 31, 2023			
	Canada[1]	USA[1]	International[2]	Total
Company-owned / leased, Company-operated[3]	86	138	15	239
Company-owned / leased, dealer-operated	6	—	237	243
Company-owned / leased, retailer-operated	795	72	—	867
Dealer-owned, dealer-operated / consignment dealer	1,214	447	241	1,902
Franchisee-operated[4]	231	—	—	231
Cardlock	165	46	—	211
	2,497	703	493	3,693

[1] Site count includes sites classified as assets held for sale. Refer to Note 12 of the Annual Consolidated Financial Statements.
[2] Site count excludes Parkland's 50% interest in the Isla JV. As at December 31, 2024, Isla JV's site count for Company sites and Dealer sites are 110 and 128 respectively (December 31, 2023 - 109 and 128).
[3] Includes Company-operated food stores where Parkland owns the food inventory. As at December 31, 2024, Parkland is the operator of 107 Company-operated stores under the M&M Food Market brand (December 31, 2023 - 86).
[4] In addition, as at December 31, 2024, Parkland had arrangements with 2,371 (December 31, 2023 - 2,418) third-party retailers to distribute and sell M&M Food Market products at the retailers' sites under the name "M&M Express".

G. Subsequent events

Tariffs

On March 4, 2025, tariffs announced by the government of the United States on certain goods in 2025, became effective. The Canadian government immediately responded with retaliatory tariffs on certain goods imported from the United States, in addition to the other measures. The impacts of tariffs on Parkland are subject to significant uncertainty and cannot be quantified at this time.

Dividends

On March 5, 2025, Parkland declared a first quarter dividend of $0.36 per share, payable on April 15, 2025, to shareholders of record on March 21, 2025. The aggregate amount of the proposed dividend expected to be paid and not recognized as a liability at December 31, 2024 is $61.

Strategic Review

On March 5, 2025, Parkland announced that its Board of Directors had initiated a review of strategic alternatives (the "Strategic Review") to identify opportunities to maximize value for all shareholders. During this process, the Company will analyze and evaluate its existing business strategy and optimization opportunities, while also considering value maximization alternatives which are in the best interests of all shareholders and the Company. The financial effect of the Strategic Review is not determinable at this time, and there is no impact on the financial results for the year ended December 31, 2024.

14. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

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

Critical accounting estimates and judgments

The preparation of Parkland's consolidated financial statements requires management to make estimates and judgments

that affect the reported amounts of revenue, expenses, assets, liabilities, accompanying disclosures and the disclosure of contingent liabilities. These estimates and judgments are subject to change based on experience and new information. Uncertainty about these estimates and judgments could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affecting future periods. Estimates and judgments are reviewed on an ongoing basis, and impact all of Parkland's reporting segments. Revisions to estimates are recognized prospectively. The areas of critical accounting estimates and judgments are as follows:

Asset retirement and environmental provisions

Asset retirement obligations and environmental provisions represent the present value estimates of Parkland's cost to remediate sites and perform other environmental activities and impact primarily the provisions and other liabilities, property, plant and equipment, other (gains) and losses and finance cost line items within the consolidated financial statements. Parkland applies judgment in assessing the existence, extent and expected method of remediation of decommissioning, and other environmental activities required at the end of each reporting period. Parkland also uses judgment to determine whether the nature of the activities performed is related to decommissioning and remediation activities or normal operating activities. Further, Parkland considers anticipated methods and extent of remediation, technological advances, possible future uses of the site, and regulatory, environmental, and safety.

On average, the decommissioning and remediation cost estimate per site ranges from $0.3 million to $0.6 million (2023 - $0.3 million to $0.6 million), due to the variability in the size of the site, level of contamination, location, and other factors. Actual costs are uncertain, and estimates can vary as a result of changes to relevant laws and regulations, the emergence of new technologies, operational experience, prices, and closure plans. The estimated timing of future decommissioning and remediation may change due to factors such as closure plans and regulatory considerations. The amount and timing of settlement in respect to environmental provisions is uncertain and dependent on similar factors. Changes to estimates relating to future expected costs, discount rates, changes in the regulatory environment, and timing may have a material impact on the amounts presented. For further details on the key assumptions used during 2024 and 2023, including the sensitivity disclosures, refer to the Note 17 of the Annual Consolidated Financial Statements.

Business combinations

Parkland uses judgment to determine fair values of identifiable assets and liabilities in business combinations. The most significant estimates include free cash flow projections determined based on the forecasted revenue, operating costs and maintenance capital expenditures. Forecasted revenue and operating costs are based on spend levels adjusted for future growth rates estimated based on the historical performance and future market expectations. Free cash flows are discounted using the rates of return on comparable investments reflecting market participant assumptions. The values placed on the acquired assets and assumed liabilities, affect the amount of goodwill recorded on an acquisition. Estimates around business combinations have an impact on the non-financial assets on the Parkland's consolidated financial statements, including intangible assets and goodwill. No business acquisitions occurred during 2024 and 2023.

Asset impairment

Asset impairment tests require the allocation of assets to cash-generating units ("CGUs") or groups of CGUs ("CGU group"), which requires significant judgment and interpretation with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared resources and assets, and the way in which management monitors the operations. The assessment of whether there is any indication of impairment is performed at the end of each reporting period, and requires the application of judgment, historical experience, and use of external and internal sources of information. Assumptions around asset impairment may impact certain non-financial assets on the consolidated financial statements, including property, plant, and equipment, intangible assets, goodwill and assets held for sale.

Asset impairment tests require the estimation of the recoverable amount of the non-financial asset, CGU or the CGU group. Parkland calculates the recoverable amounts using fair value less costs of disposal. The fair value less costs of disposal calculation is based on an earnings multiple approach. Parkland references Adjusted EBITDA forecasts and implied earnings multiples and appropriate discount rates for the recoverable amount calculations. The forecasts do not include restructuring activities that Parkland is not yet committed to, or significant future investments that will enhance the performance of the asset or CGU being tested. The implied multiples are determined by utilizing multiples of comparable public companies and recently completed transactions by operating segment. The recoverable amount is sensitive to Adjusted EBITDA forecasts

and implied earnings multiples. For the details of the key assumptions used during 2024 and 2023, including the sensitivity disclosures, refer to the Note 9, Goodwill, in the Annual Consolidated Financial Statements.

Judgments and estimates made in assessing the impact of climate change

Parkland considers the impacts of climate change, including the transition to a low-carbon economy, in the preparation of its consolidated financial statements. The impacts could be significant as they could result in lower future demand for refined products, significant change in the regulations or increase in catastrophic events. Climate change factors are considered by Parkland in making significant accounting judgments and assumptions including (i) preparation of management forecasts used in testing assets for impairment, (ii) determination of useful lives for calculation of depreciation and amortization, (iii) determination of net realizable value of inventories, and (iv) calculations of asset retirement obligations (estimated timing and costs of future decommissioning) and environmental provisions. As at December 31, 2024 and 2023, climate change has no material impact on these judgments and assumptions.

Amended standards adopted by Parkland

Parkland has adopted the following accounting amendments that are effective for the annual periods beginning January 1, 2024. The adoption of these amendments did not have a material impact on the 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 with variable lease payments, 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.

Recently announced accounting pronouncements

The following standards, amendments and interpretations are issued, but not yet effective as at December 31, 2024, and 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 the financial performance, financial position, and cash flows of an entity. The amendments to IAS 21 are effective January 1, 2025. Parkland does not expect these amendments to have a material impact on its operations or 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, and financing categories with defined subtotals, such as operating earnings (loss), earnings (loss) before financing and income taxes and net earnings (loss) for the year. The new guidance also requires disclosure of expenses in the operating category by nature, function or a mix of both on the face of the statement of income (loss).
- Disclosures on management-defined performance measures (MPMs): IFRS 18 requires companies to disclose definitions of company-specific MPMs that are related to the statement of income (loss) and provide reconciliations

between the MPMs and the most similar specified subtotals within the statement of income (loss) in a single note.
- Aggregation and disaggregation (impacting all primary financial statements and notes): IFRS 18 sets out enhanced guidance on the principles of how items should be aggregated based on shared characteristics. The changes are expected to provide more detailed and useful information to investors.

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

Amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures
In May 2024, the IASB issued narrow-scope amendments to the recognition, derecognition and classification requirements in IFRS 9 - Financial Instruments ("IFRS 9") and introduced additional disclosure requirements in IFRS 7 - Financial Instruments: Disclosure ("IFRS 7"). The amendments include:
- Clarification on the timing of recognition and derecognition of financial assets and liabilities, with a new optional exception introduced for earlier derecognition of financial liabilities settled through electronic payment systems.
- Introduction of additional disclosures for certain financial instruments with contractual terms that could change the timing or amount of contractual cash flows due to contingent events that are not directly related to changes in basic lending risks and costs.
- Additional guidance for assessing whether the contractual cash flows of financial assets represent solely payments of principal and interest and updated disclosures for equity instruments designated at fair value through other comprehensive income.

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

15. SEGMENT DESCRIPTIONS

Canada

Overview

Canada owns, supplies and supports a coast-to-coast network of convenience and fuel stores, EV charging stations, food retail locations, cardlock sites, bulk fuel, heating oil, lubricants and other related services to commercial, industrial and residential customers. Canada's retail business operates under its leading food and convenience store brands, On the Run / Marché Express and M&M Food Market, providing locally relevant food and convenience offers, and operating under five key retail fuel brands: Ultramar, Esso, Chevron, Pioneer and Fas Gas Plus, while offering its customers convenience and discounts digitally through its JOURNIE™ Rewards loyalty program. Canada also serves its commercial customer base through a family of brands including Pipeline Commercial, Chevron, Bluewave Energy, Ultramar, Columbia Fuels and Island Petroleum. Canada is also responsible for managing fuel supply contracts, marketing fuel, transporting and distributing fuel through ships, rail and highway carriers and storing fuel in terminals and other owned and leased facilities. Canada also maintains fuel supply contracts with multiple oil refiners and wholesale and trading suppliers. This diversity of supply contracts, combined with strategic storage and logistics infrastructure, allows Parkland to obtain fuel at competitive prices and enhances fuel supply security for Parkland-owned sites and for all Parkland customers. Additionally, Canada engages in low-carbon activities, such as emission credit and renewable fuel trading transactions and blending of low-carbon-intensity fuels (bio-diesel, ethanol and others) to produce lower carbon intensity fuels creating additional emission credits.

Business models

Canada operates and generates profit from the following two main channels:

- **Retail** - Canada’s retail operations are carried out under three main business models:
    - **Company** – The Company business model includes sites that are owned or leased by Parkland and are operated and managed by either Parkland or independent retailers on its behalf. Parkland owns the fuel inventory and maintains control of the retail selling price at the fuel pumps. Convenience store inventory is owned by the retailer and Parkland pays the retailer a commission and collects from the retailer percentage fees on the store sales or gross margins. Parkland owns the inventory at Company M&M Food Market locations. Sites operating under industry models such as “company-owned, retailer-operated” (CORO) and “company-owned, company-operated” (COCO) are included under the Company business model.

- **Dealer** – The Dealer business model includes sites owned or leased by an independent dealer and are operated and managed by the independent dealer. The sites may also be owned or leased by Parkland and further leased or sub-leased to the dealers. Parkland secures long-term fuel supply contracts with the dealer, usually between 5 and 20 years in length, and supplies fuel to the dealer based on independently published rack prices. The dealer owns the fuel inventory and maintains control of the retail price selling at the fuel pumps, unless the inventory was sold to the dealer by Parkland on consignment, in which case Parkland owns the fuel inventory and maintains control of the retail price selling at the pumps. Convenience store inventory is owned by the dealer. Parkland also supports the On the Run / Marché Express brand at 137 Dealer locations across the country. Sites operating under industry models such as "dealer-owned, dealer-operated" (DODO), "company-owned/leased, dealer-operated" (CODO) or "consignment dealer-operated" fall under the Dealer business model.

- **Franchisee** – The Franchisee business model includes food stores operated and managed by franchisees. Parkland has entered into long-term agreements with the franchisees pursuant to which Parkland receives a percentage royalty fee on the food store sales, grants the franchisees the right to access brand names and trademarks and provides the franchisees initial training, operating assistance and advice, marketing and product sourcing arrangements.

Canada Retail is organized into three regions, East Region, Central Region and West Region. Each region is further organized into several territories.

- **Commercial** - Canada's commercial business delivers bulk fuel, heating oil, lubricants and other related products and services to commercial, industrial, and residential customers across Canada through an extensive delivery network. The commercial business also has an extensive cardlock network that includes commercial truck fueling stations and marine fuel facilities, and a majority of the cardlock sites are co-located with a retail site. Parkland uses a variety of regionally relevant trade names, service marks and trademarks in the businesses that are considered by Parkland to be important and valuable in marketing its products.

Canada Commercial is organized into five regions Pacific Region, Prairies Region, Ontario Region, Quebec Region and Atlantic Region.

Seasonality

Generally, results of Canada's retail operations fluctuate based on seasonality and experience higher volumes in the second and third quarters of the year during the summer driving season. In contrast, Canada's commercial operations generally experience higher volumes in the first and fourth quarters of the year as a result of higher demand for diesel and heating oil in the winter. The results of the commercial operations also fluctuate based on seasonality, degree days in its residential home heat business and local gross domestic product.

International

Overview

International, which operates primarily as Sol and is made up of Sol and its subsidiaries, is the largest independent fuel marketer in the Caribbean, with sales and operations in 24 countries. International has an integrated supply chain backed by an extensive distribution and storage network, a premier brand portfolio and an exceptional team. International's businesses and assets are predominantly located in the Caribbean Region and the northeast coast of South America and consist of: (i) retail businesses, which, as at December 31, 2024, included 249 Company sites and 243 Dealer sites, the majority of which are under the Esso, Mobil, Shell, Texaco and Sol brands, and a 50% joint venture interest in Isla's retail network consisting of 238 sites, including 110 Company sites and 128 Dealer sites; (ii) supply and distribution operations, comprised of owned or leased infrastructure assets, including import terminals, storage facilities, pipelines, marine berths and charter ships; (iii) commercial and industrial businesses, which supply gasoline, diesel, fuel oil, propane and lubricants; (iv) aviation fuel operations at 14 airports in the region; and (v) Sol Ecolution, International's renewable energy investment, which provides commercial solar and other renewable energy solutions. In addition, the business owns a 29% non-operating financial stake in the entity that owns and operates the Société Anonyme de la Raffinerie des Antilles (the "SARA Refinery") located in Fort-de-France, Martinique, which has a nameplate capacity of approximately 18,000 barrels per day and supplies refined products to Guadeloupe, French Guiana and Martinique. International extends Parkland's supply reach internationally and builds on

Parkland's Supply Advantage strategy, providing Parkland with a strategic growth platform and access to key markets and comprehensive supply infrastructure in the Caribbean and the northeast coast of South America.

Business model

International operates and generates profit from the following two main channels:

- **Retail** – International's retail business operates under the Esso, Mobil, Shell, Texaco and Sol brands. International is also the owner of the Sol Shop convenience store brand and utilizes the On the Run brand in multiple International markets. The Sol and On the Run convenience stores take advantage of the newest technology to minimize the time from order to serve and have proprietary food and drink offers, including made-to-order hot food, bakery, cold food, as well as hot and chilled beverages. International's retail business operates in 21 countries. International's retail business operates under one of the two main business models:
    - **Company** – These sites are owned or leased by Parkland and operated by a dealer or employees of Parkland. Sites operating under industry models such as "company-owned, company-operated" (COCO), "company-leased, company-operated" (CLCO), "company-owned, dealer operated" (CODO) and "company-leased, dealer-operated" (CLDO) are included in this model. In COCO and CODO sites, Parkland owns the site, and in CLCO and CLDO sites, Parkland leases the site from a third party. In COCO and CLCO sites, Parkland owns the fuel and the convenience store inventory and operates the forecourt and backcourt. In CODO and CLDO sites, Parkland does not own the fuel or convenience inventory, and instead supplies fuel to dealers under long-term contracts and collects a percentage fees on backcourt sales.

    - **Dealer** – These "dealer-owned, dealer operated" (DODO) sites are owned, managed and operated by the dealer. Parkland secures long-term fuel supply contracts with the dealer and supplies fuel to the dealer. The dealer owns the fuel inventory. Convenience store inventory is usually owned by the dealer.

- **Commercial and Wholesale –** International's commercial and wholesale business delivers and supplies gasoline, diesel, fuel oil, propane and lubricants to customers in various geographies and sectors, including power, oil and gas, mining and hospitality. In addition, International's aviation business operates at 14 airports in the region, providing aviation fuel and related services to airlines. Of these, International manages and operates the fuel terminals at 9 airports.

International has sales and operations in 24 countries in the Caribbean. International also maintains offices in 21 countries, which are organized into three ROCs as follows:

Eastern ROC	Northern ROC	Southern ROC
Anguilla	Bahamas	Guyana
Barbados	Bermuda	Suriname
British Virgin Islands	Cayman Islands	
Dominica	Jamaica	
Grenada	Belize	
St. Kitts & Nevis	Dominican Republic	
St. Lucia	Puerto Rico	
St. Maarten		
St. Vincent & Grenadines		
French Guiana		
Guadeloupe		
Martinique		

Seasonality

International results are influenced by a variety of inherent business factors. The volumes and Adjusted EBITDA of the Eastern ROC and Northern ROC are expected to be higher in the first and fourth quarters of the year during tourism high season, as compared to the second and third quarters of the year during tourism low season. Southern ROC's volumes and Adjusted EBITDA are expected to be influenced by volume of activity in the oil and gas and mining industries. In addition to the regional variations, International's Adjusted EBITDA is also influenced by fluctuations in quantity and timing of volumes related to third-party wholesale spot sales as well as the crude supply to the SARA Refinery.

USA

Overview

USA delivers fuel, lubricants and other related products and services to customers, and operates a network of 647 retail fuel and convenience stores and 46 cardlock sites under various brands throughout the United States. USA operates a wide

variety of terminals, storage facilities and trucks, and contracts with pipeline, storage facilities and third-party carriers to support its network.

Business model

Business model

USA operates and generates profit from the following two main channels:

- **Retail** – USA's retail operations are carried out under two main business models:
  - **Company** – The Company business model includes sites that are owned or leased by Parkland and are operated and managed by either Parkland or independent retailers on its behalf. Parkland owns the fuel inventory and maintains control of the retail selling price at the fuel pumps. Convenience store inventory is either owned by Parkland or by a qualified independent retailer. If a site is operated by an independent qualified retailer, Parkland does not maintain control of the convenience store inventory and does not participate in the convenience store sales operations. Sites operating under the industry models such as "company-owned, retailer-operated" (CORO) and "company-owned, company-operated" (COCO) are included under the Company business model.

  - **Dealer** – The Dealer business model includes sites owned or leased by an independent dealer and are operated and managed by an independent dealer. Parkland secures long-term fuel supply contracts with the dealers, usually 10 years in length, and supplies fuel to the dealers based on the independently published rack prices. Dealer supply arrangements include multi-site dealer chains supplies and branded and unbranded relationships. The dealer owns the fuel inventory and maintains control of the retail price selling at the fuel pumps. Convenience store inventory is owned by the dealer. Sites operating under the industry model "dealer-owned, dealer-operated" (DODO) are included under the Dealer business model.

    The USA's retail sites operate under various brands including, without limitation, On the Run, ARCO, Cenex, Chevron, Conoco, Exxon, Marathon, Mobil, Mr. Gas, Sinclair, Texaco, Phillips 66, Shell, U-Gas and 76. USA's convenience store business operates under various brands including, without limitation, Superpumper, On the Run, KJ's, Hart's, KB Express, Casey's Corner, Mr. Gas and U Shop. USA offers a diverse product mix at its convenience stores, including QSRs.

- **Commercial** – USA's commercial business delivers gasoline, diesel, marine fuel oil, propane, lubricants and ancillary products to customers in various geographies and sectors, including commercial, industrial, automotive, retail, agricultural, construction, mining, energy and marine. Fuel is primarily delivered to customers by truck. USA is a supplier of ExxonMobil lubricants and Ridgeline, Parkland's private label offering for lubricants and other ancillary products. USA's commercial business also operates a network of cardlocks that are compatible with major fueling networks and 3rd party card holders. USA's commercial business operates under various brands including, without limitation, Rhinehart Oil, Farstad Oil, Conrad & Bischoff, Tropic Oil and National Fuel Network. USA's wholesale business supplies gasoline, diesel and other fuels to wholesale customers. USA's wholesale business primarily operates under Parkland (U.S.) Supply Corp., a wholly-owned U.S. subsidiary of Parkland.

USA also maintains offices in nine states, which are organized into four ROCs as follows:

Northern ROC	Rockies ROC	Pacific Northwest ROC	Southeast ROC
Montana North Dakota	Arizona Colorado New Mexico Utah	Idaho Wyoming	Florida

Seasonality

USA results fluctuate based on seasonality. The demand for fuel and petroleum products increases during the second and third quarters because of the agriculture, construction and mining seasons and increased consumer travel. Additionally, in the first quarter, marine fuel demand increases due to active cruise ship operations. As a result, USA Adjusted EBITDA is generally higher in the second and third quarters.

Refining

Overview

Refining operations include the Burnaby Refinery, which is owned and operated by Parkland. The Burnaby Refinery is a 55,000bpd light / medium crude refinery in Burnaby, British Columbia, which is ideally located to serve the British Columbia market with pipeline access to Canadian crude oil. It is the only refinery in the Vancouver area and the largest of only two refineries in the province. Additionally, the Burnaby Refinery is highly integrated with the Canada retail, commercial, and wholesale businesses, as the majority of its production is sold to the Canada segment.

Corporate

Corporate includes centralized administrative services and expenses incurred to support global operations and enterprise-wide functions that cannot be reasonably allocated to Parkland's remaining operating segments due to their nature. Certain Corporate costs and gains are allocated to the other operating segments that include direct costs and gains attributable to those operating segments as well as other non-direct costs and gains incurred by Corporate. Allocations of non-direct costs and gains are based on the consumption of Corporate administrative resources by operating segments estimated using various cost drivers such as headcount, time spent by Corporate employees to support the operating segments and profitability of the operating segments. The remaining costs and gains in Corporate are not allocated to Parkland's operating segments due to their nature.

16. SPECIFIED FINANCIAL MEASURES AND NON-FINANCIAL MEASURES

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

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

Adjusted earnings (loss) before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and Adjusted gross margin, including fuel and petroleum product adjusted gross margin and food, convenience and other adjusted gross margin, are measures of segment profit (loss) (and their aggregates are "Total of segments measures") used by the chief operating decision maker to make decisions about resource allocation to the segment and to assess its performance. Refer to Note 26 of the Annual Consolidated Financial Statements for more information. In accordance with IFRS Accounting Standards, adjustments and eliminations made in preparing an entity's financial statements and allocations of revenue, expenses, and gains or losses shall be included in determining reported segment profit (loss) only if they are included in the measure of the segment's profit (loss) that is used by the chief operating decision maker. As such, these measures are unlikely to be comparable to measures of segment profit (loss) presented by other issuers, who may calculate these measures differently. Any inter-segment profits on transactions which are not completed with external parties by the end of the reporting period are offset within the results of each segment.

Adjusted EBITDA

Parkland views Adjusted EBITDA as the key measure for the underlying core operating performance of business segment activities at an operational level. Adjusted EBITDA is used by management to set targets for Parkland (including annual guidance and variable compensation targets) and is used to determine Parkland's ability to service debt, finance capital expenditures and provide for dividend payments to shareholders. In addition to finance costs, depreciation, amortization and income tax expense (recovery), Adjusted EBITDA also excludes costs that are not considered representative of Parkland's underlying core operating performance, including, among other items: (i) acquisition, integration and other costs, (ii) unrealized gains and losses on (a) foreign exchange, (b) risk management and other financial assets and liabilities unless it relates to underlying physical sales activity in the current period, and (c) emission credits and allowances held for trading within inventory and the associated emission obligations, (iii) adjustments to foreign exchange gains and losses as a result of cash pooling arrangements and refinancing activities, (iv) realized foreign exchange gains and losses on accrued financing costs in foreign currency and the offsetting realized risk management gains and losses on the related foreign exchange risk management instruments, (v) changes in values of the 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 and other financial assets and liabilities that are related to underlying physical sales activity in another period, (xi) gains and losses on asset disposals, (xii) adjustments for the effect of market-based performance conditions for equity-settled share-based award settlements, and (xiii) other adjusting items. Parkland's Adjusted EBITDA is also adjusted to include Parkland's share of its equity-accounted investees' Adjusted EBITDA. Refer to Section 9B of this MD&A for the reconciliation of Adjusted EBITDA to net earnings (loss), which is the most directly comparable financial measure.

Adjusted gross margin

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

	Three months ended December 31,		**Year ended December 31,**	
($ millions)	**2024**	2023	**2024**	2023
Sales and operating revenue	**6,734**	7,746	**28,303**	32,452
Cost of purchases[1]	**(5,783)**	(6,850)	**(24,587)**	(28,481)
Gain (loss) on risk management and other - realized	**16**	122	**73**	51
Gain (loss) on foreign exchange - realized	**(3)**	2	**(15)**	(7)
Other adjusting items to Adjusted gross margin[2]	**4**	(8)	**18**	(11)
Adjusted gross margin	**968**	1,012	**3,792**	4,004
Fuel and petroleum product adjusted gross margin[1]	**778**	814	**3,031**	3,261
Food, convenience and other adjusted gross margin[1]	**190**	198	**761**	743
Adjusted gross margin[1]	**968**	1,012	**3,792**	4,004

[1] For comparative purposes, certain amounts within cost of purchases, fuel and petroleum product adjusted gross margin, and food, convenience and other adjusted gross margin were revised for the reclassification and reallocation of freight costs and to conform to the presentation used in the current period.

[2] Other adjusting items to Adjusted gross margin for the three months ended December 31, 2024, include (i) impact of hyperinflation accounting of $7 million loss (2023 - $5 million gain); (ii) realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of $1 million gain (2023 - $2 million gain); (iii) adjustment to foreign exchange losses related to cash pooling arrangements of $1 million gain (2023 - $1 million); and (iv) adjustment to realized risk management gains related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions of $1 million (2023 - nil). Other adjusting items to Adjusted gross margin for the year ended December 31, 2024, include (i) realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of $11 million loss (2023 - $6 million gain); (ii) impact of hyperinflation accounting of $7 million loss (2023 - $5 million gain); (iii) adjustment to foreign exchange losses related to cash pooling arrangements of $3 million (2023 - nil); and (iv) adjustment to realized risk management gains related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions of $3 million (2023 - nil).

Food, convenience and other adjusted gross margin

($ millions)	Canada		International		USA		Corporate		Intersegment Eliminations		Consolidated	
For the three months ended December 31,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Food and convenience store[1][4]	**70**	76	**5**	5	**26**	24	**—**	—	**—**	—	**101**	105
Other retail[2][4]	**6**	3	**7**	7	**2**	2	**—**	—	**—**	—	**15**	12
Lubricants and other[3]	**22**	26	**18**	21	**37**	45	**2**	1	**(5)**	(12)	**74**	81
Food, convenience and other adjusted gross margin	**98**	105	**30**	33	**65**	71	**2**	1	**(5)**	(12)	**190**	198

($ millions)	Canada		International		USA		Corporate		Intersegment Eliminations		Consolidated	
For the year ended December 31,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Food and convenience store[1][4]	**275**	277	**19**	17	**113**	105	**—**	—	**—**	—	**407**	399
Other retail[2][4]	**17**	12	**28**	26	**5**	6	**—**	—	**—**	—	**50**	44
Lubricants and other[3][4]	**87**	89	**82**	83	**147**	140	**9**	5	**(21)**	(17)	**304**	300
Food, convenience and other adjusted gross margin	**379**	378	**129**	126	**265**	251	**9**	5	**(21)**	(17)	**761**	743

[1] 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.
[2] Other retail revenue includes facilities rental revenue, advertising revenue and other miscellaneous retail-related revenues.
[3] Lubricants and other include lubricants, freight, tanks and parts installation, cylinder exchanges and throughput fee, other products and services, and non-retail operating lease revenue.
[4] For comparative purposes, certain amounts within food and convenience store, other retail, and lubricants and other adjusted gross margin were revised for the reclassification to conform to the presentation used in the current period.

B. Non-GAAP financial measures and ratios

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

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

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

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

Adjusted earnings (loss) excludes costs that are not considered representative of Parkland's underlying core operating performance including: (i) acquisition, integration and other costs (ii) unrealized gains and losses on (a) foreign exchange, (b) risk management and other financial assets and liabilities unless they relate to underlying physical sales activity in the current period, and (c) emission credits and allowances held for trading within inventory and the associated emission obligations, (iii) adjustments to foreign exchange gains and losses as a result of cash pooling arrangements and refinancing activities, (iv) realized foreign exchange gains and losses on accrued financing costs in foreign currency and the offsetting realized risk management gains and losses on the related foreign exchange risk management instruments, (v) changes in values of the 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 and other financial assets and liabilities that are related to underlying physical sales activity in another period, (xi) gains and losses on asset disposals, (xii) adjustments for the effect of market-based performance conditions for equity settled share-based award settlements, and (xiii) other adjusting items. Parkland's Adjusted earnings (loss) and Adjusted earnings (loss) per share are also adjusted to include Parkland's share of its equity-accounted investees' Adjusted earnings (loss).

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

	Three months ended December 31,		**Year ended December 31,**	
($ millions, unless otherwise stated)	**2024**	2023	**2024**	2023
Net earnings (loss)	**(29)**	86	**127**	471
Add:				
Acquisition, integration and other costs	**81**	42	**218**	146
(Gain) loss on foreign exchange – unrealized	**(2)**	—	**6**	35
(Gain) loss on risk management and other – unrealized	**34**	28	**45**	(34)
Other (gains) and losses	**30**	5	**38**	3
Other adjusting items[1]	**20**	6	**53**	48
Tax normalization[2]	**(34)**	(16)	**(82)**	(43)
Adjusted earnings (loss)	**100**	151	**405**	626
Weighted average number of common shares (million shares)[3]	**174**	176	**174**	176
Weighted average number of common shares adjusted for the effects of dilution (million shares)[3]	**174**	180	**177**	179
Adjusted earnings (loss) per share ($ per share)				
Basic	**0.58**	0.86	**2.32**	3.56
Diluted	**0.57**	0.84	**2.29**	3.50

[1] Other adjusting items for the three months ended December 31, 2024 include: (i) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $18 million (2023 - $9 million); (ii) the impact of hyperinflation accounting of $4 million (2023 - $2 million); (iii) other income of $1 million (2023 - $2 million); (iv) realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of $1 million gain (2023 - $2 million); (v) adjustment to foreign exchange losses related to cash pooling arrangements of $1 million gain (2023 - $1 million); and (vi) adjustment to realized risk management gains related to interest rate swaps, as these gains do not relate to commodity sale and purchase transactions, of $1 million (2023 - nil). Other adjusting items for the year ended December 31, 2024 include: (i) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $29 million (2023 - $20 million); (ii) realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of $11 million loss (2023 - $6 million gain); (iii) other income of $9 million (2023 - $23 million); (iv) the impact of hyperinflation accounting of $4 million (2023 - $2 million); (v) adjustment to foreign exchange losses related to cash pooling arrangements of $3 million (2023 - nil); (vi) adjustment to realized risk management gains related to interest rate swaps, as these gains do not relate to commodity sale and purchase transactions, of $3 million (2023 - nil); and (vii) the effect of market-based performance conditions for equity-settled share-based award settlements of nil (2023 - $13 million).

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

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

Available cash flow and Available cash flow per share

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

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

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

($ millions, unless otherwise noted)	Three months ended March 31, 2024[1]	June 30, 2024	September 30, 2024	December 31, 2024	**Trailing twelve months ended December 31, 2024**
Cash generated from (used in) operating activities	217	450	406	462	**1,535**
Reverse: Change in other assets and other liabilities	28	3	(68)	80	**43**
Reverse: Net change in non-cash working capital related to operating activities[1]	55	(34)	21	(180)	**(138)**
Include: Maintenance capital expenditures	(59)	(53)	(71)	(96)	**(279)**
Include: Dividends received from investments in associates and joint ventures	2	8	3	7	**20**
Include: Interest on leases and long-term debt	(85)	(88)	(85)	(87)	**(345)**
Include: Payments of principal amount on leases	(71)	(64)	(69)	(76)	**(280)**
Available cash flow	87	222	137	110	**556**
Weighted average number of common shares (millions)[2]					**174**
TTM Available cash flow per share					**3.19**

($ millions, unless otherwise noted)	Three months ended March 31, 2023	June 30, 2023[1]	September 30, 2023	December 31, 2023	Trailing twelve months ended December 31, 2023
Cash generated from (used in) operating activities	314	521	528	417	1,780
Reverse: Change in other assets and other liabilities	11	(11)	7	(4)	3
Reverse: Net change in non-cash working capital related to operating activities[1]	18	(145)	(14)	17	(124)
Include: Maintenance capital expenditures	(79)	(61)	(52)	(93)	(285)
Include: Dividends received from investments in associates and joint ventures	16	2	4	3	25
Include: Interest on leases and long-term debt	(92)	(89)	(83)	(88)	(352)
Include: Payments on principal amount on leases	(51)	(56)	(57)	(71)	(235)
Available cash flow	137	161	333	181	812
Weighted average number of common shares (millions)[2]					176
TTM Available cash flow per share					4.61

[1] For comparative purposes, certain amounts within the net change in non-cash working capital related to operating activities for the three months ended March 31, 2024, and the three months ended June 30, 2023, were revised to conform to the current period presentation.
[2] Weighted average number of common shares are calculated in accordance with Parkland's accounting policy contained in Note 2 of the Annual Consolidated Financial Statements.

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

Dividend payout ratio

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

($ millions, unless otherwise noted)	Three months ended March 31, 2024[1]	June 30, 2024	September 30, 2024	December 31, 2024	**Trailing twelve months ended December 31, 2024**
Available cash flow[1]	87	222	137	110	**556**
Dividends	61	61	61	61	**244**
Dividend payout ratio					**44 %**

[1] For comparative purposes, certain amounts within available cash flow for the three months ended March 31, 2024, were revised to conform to the current period presentation.

($ millions, unless otherwise noted)	Three months ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	Trailing twelve months ended December 31, 2023
Available cash flow	137	161	333	181	812
Dividends	60	60	60	60	240
Dividend payout ratio					30 %

Return on invested capital ("ROIC")

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

($ millions, unless otherwise noted)	**Trailing twelve months ended December 31,**	
ROIC	**2024**	2023
Net earnings (loss)	**127**	471
Add/(less):		
Income tax expense (recovery)	**—**	37
Acquisition, integration and other costs	**218**	146
Depreciation and amortization	**825**	823
Finance cost	**378**	384
(Gain) loss on foreign exchange - unrealized	**6**	35
(Gain) loss on risk management and other - unrealized	**45**	(34)
Other (gains) and losses	**38**	3
Other adjusting items	**53**	48
Adjusted EBITDA	**1,690**	1,913
Less: Depreciation and amortization	**(825)**	(823)
Less: Pro-forma depreciation and amortization on assets classified as held for sale	**(7)**	—
Adjusted EBIT	**858**	1,090
Average effective tax rate	**19.5 %**	16.7 %
Less: Taxes	**(167)**	(182)
Net operating profit after tax	**691**	908
Opening invested capital	**9,152**	9,293
Closing invested capital	**9,563**	9,152
Average invested capital	**9,356**	9,223
Return on invested capital	**7.4 %**	9.8 %

Invested Capital	**December 31,**		
($ millions, unless otherwise noted)	**2024**	2023	2022
Long-term debt - current portion	**261**	191	173
Long-term debt	**6,380**	6,167	6,799
Long-term debt in liabilities classified as held for sale	**141**	—	—
Shareholders' equity	**3,166**	3,181	3,037
Exclude: Cash and cash equivalents	**(385)**	(387)	(716)
Total	**9,563**	9,152	9,293

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

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

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

Canada:

	Three months ended December 31,			**Twelve Months Ended December 31,**		
($ millions, unless otherwise noted)	**2024**	2023	%[1]	**2024**	2023	%[1]
Food and Company C-Store revenue	**89**	93		**329**	323	
Add:						
Point-of-sale ("POS") value of goods and services sold at Food and Company C-Store operated by retailers and franchisees[2]	**308**	323		**1,203**	1,247	
Less:						
Rental and royalty income from retailers, franchisees and other[3]	**(60)**	(67)		**(243)**	(253)	
Same Store revenue adjustments[4] (excluding cigarettes)	**(15)**	(15)		**(58)**	(52)	
Food and Company C-Store same-store sales (including cigarettes)	**322**	334	(3.9)%	**1,231**	1,265	(2.7)%
Less:						
Same Store revenue adjustments[4] (cigarettes)	**(96)**	(105)		**(405)**	(436)	
Food and Company C-Store same-store sales (excluding cigarettes)	**226**	229	(2.0)%	**826**	829	(0.3)%

	Three months ended December 31,			Twelve Months Ended December 31,		
($ millions, unless otherwise noted)	2023	2022	%[1]	2023	2022	%[1]
Food and Company C-Store revenue	93	88		323	359	
Add:						
Point-of-sale ("POS") value of goods and services sold at Food and Company C-Store operated by retailers[2]	323	323		1,247	1,046	
Less:						
Rental income from retailers and other[3]	(67)	(67)		(253)	(207)	
Same Store revenue adjustments[4][5] (excluding cigarettes)	(20)	(19)		(152)	(57)	
Food and Company C-Store same-store sales (including cigarettes)	329	325	1.1 %	1,165	1,141	2.1 %
Less:						
Same Store revenue adjustments[4][5] (cigarettes)	(102)	(100)		(407)	(407)	
Food and Company C-Store same-store sales (excluding cigarettes)	227	225	1.2 %	758	734	3.2 %

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

USA:

($ millions, unless otherwise noted)	Three months ended December 31, 2024	2023	%[1]	Twelve Months Ended December 31, 2024	2023	%[1]
Food and Company C-Store revenue	**79**	82		**340**	343	
Adjusted for:						
Impact of foreign currency exchange[2]	**—**	2		**—**	5	
Less:						
Same Store revenue adjustments[3] (excluding cigarettes)	**(9)**	(10)		**(23)**	(24)	
Food and Company C-Store same-store sales (including cigarettes)	**70**	74	(4.3)%	**317**	324	(2.0)%
Less:						
Same Store revenue adjustments[3] (cigarettes)	**(20)**	(22)		**(88)**	(92)	
Food and Company C-Store same-store sales (excluding cigarettes)	**50**	52	(3.9)%	**229**	232	(1.4)%

($ millions)	Three months ended December 31, 2023	2022	%[1]	Twelve months ended December 31, 2023	2022	%[1]
Food and Company C-Store revenue	82	81		343	321	
Adjusted for:						
Impact of foreign currency exchange[2]	—	—		—	11	
Less:						
Same Store revenue adjustments[3] (excluding cigarettes)	(6)	(6)		(28)	(26)	
Food and Company C-Store same-store sales	76	75	0.2%	315	306	2.5%
Less:						
Same Store revenue adjustments[3] (cigarettes)	(22)	(22)		(96)	(94)	
Food and Company C-Store same-store sales (excluding cigarettes)	54	53	0.4%	219	212	3.3%

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

Food and Company C-Store gross margin percentage

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

Canada:

($ millions, unless otherwise noted)	Three months ended December 31, 2024	2023	Twelve Months Ended December 31, 2024	2023
Adjusted Food and Company C-Store revenue	**337**	350	**1,289**	1,320
Adjusted Food and Company C-Store cost of sales	**(220)**	(224)	**(839)**	(862)
Adjusted Food and Company C-Store gross margin	**117**	126	**450**	458
Food and Company C-Store gross margin percentage[(1)]	**34.7 %**	36.0 %	**34.9 %**	34.7 %
Food and Company C-Store revenue	**89**	93	**329**	323
Add:				
POS value of goods and services sold at Food and Company C-Store operated by retailers and franchisees[(3)]	**308**	323	**1,203**	1,247
Less:				
Rental and royalty income from retailers, franchisees and others[(2)]	**(60)**	(66)	**(243)**	(250)
Adjusted Food and Company C-Store revenue	**337**	350	**1,289**	1,320
Food and Company C-Store cost of sales	**19**	16	**54**	46
Add:				
Cost of goods and services sold at Food and Company C-Store operated by retailers and franchisees[(3)]	**201**	208	**785**	816
Adjusted Food and Company C-Store cost of sales	**220**	224	**839**	862

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

USA:

($ millions, unless otherwise noted)	Three months ended December 31, 2024	2023	Year ended December 31, 2024	2023
Food and Company C-Store revenue	**79**	82	**340**	343
Food and Company C-Store cost of sales	**(53)**	(58)	**(227)**	(238)
Food and Company C-Store gross margin[(1)]	**26**	24	**113**	105
Food and Company C-Store gross margin percentage[(1)(2)]	**32.8 %**	29.3 %	**33.3 %**	30.6 %

[(1)] USA Food and Company C-Store gross margin and C-Store gross margin percentage are both considered supplementary financial measures. The composition of USA Food and Company C-Store gross margin is consistent with that of the Adjusted gross margin defined in Section 17A. USA Food and Company C-Store gross margin percentage is calculated as a ratio of USA Food and Company C-Store gross margin to USA Food and Company C-Store revenue.
[(2)] Percentages are calculated based on actual amounts and are impacted by rounding.

C. Supplementary financial measures

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

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

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

Supplementary financial measure	Description	Calculation	Why we use the measure and why it is useful
TTM Cash generated from (used in) operating activities per share	Measure of the amount of cash per share generated by the Company's operations over the last twelve months.	Cash generated from (used in) operating activities divided by the weighted average number of common shares for the TTM period.	This measure indicates the Company's cash operating performance over the last twelve months, on a per-share basis.
TTM Dividends	Measure of the amount of dividends declared by the Company over the last twelve months. Not applicable for annual reporting periods.	Refer to Parkland's Consolidated Statements of Changes in Shareholders' Equity for the amount of dividends declared.	This measure indicates the distribution of corporate profits, based upon the number of shares held in Parkland, to shareholders over the last twelve months.
Cash generated from (used in) operating activities per share	Measure represents the amount of cash per share generated from (used in) by the Company from operating activities.	Cash generated from (used in) operating activities divided by the weighted average number of outstanding common shares for the period.	This measure indicates the Company's cash operating performance on a per-share basis.
Dividends per share	Measure represents the dividends paid per share for the respective period.	Dividends per share is the sum of the dividends per share declared for the respective period.	This is an important metric to investors because the amount paid out in dividends directly translates to income for the shareholders.
Liquidity available	Measure represents the readily available liquidity in the short term.	The financial measure is the sum of cash and cash equivalents - unrestricted, cash and cash equivalents - restricted, cash and cash equivalents classified as held for sale and unused credit facilities.	This measure is used by management to assess Parkland's ability to meet its short-term commitments.
Measures calculated on a cents-per-litre ("cpl") basis	Financial measures calculated on a cpl basis (e.g. Adjusted gross margin) refer to the specific financial metric for a litre of fuel and petroleum product sold in the related segment.	The financial measure (e.g. Adjusted gross margin) is divided by the segment's relevant fuel and petroleum product volume to arrive at the cpl basis.	Cpl metrics are used by management to identify trends in financial measures while removing the impact of volume variability, where appropriate.
Adjusted EBITDA Guidance	Measure represents our forecast of Adjusted EBITDA.	This measure is calculated based on historical data and estimates of future conditions as inputs to make informed forecasts that are predictive in determining the direction of future trends. This measure is a forward-looking measure of which the equivalent historical measure is Adjusted EBITDA. See Section 17A for further detail on the composition of Adjusted EBITDA.	Parkland uses this measure to provide guidance to shareholders, investors and analysts, detailing the Adjusted EBITDA we expect to achieve in the upcoming fiscal year(s).

Supplementary financial measure	Description	Calculation	Why we use the measure and why it is useful
Capital Expenditure Guidance	Measure represents our forecast of the maintenance and growth capital expenditures excluding non-recourse project financing	This measure is calculated based on historical data and estimates of future conditions as inputs to make informed forecasts that are predictive in determining the direction of future trends. This measure is a forward-looking measure for which the equivalent historical measures are the maintenance capital expenditures and growth capital expenditures excluding non-recourse project financing described in Section 8 of this MD&A.	Parkland uses this measure to provide guidance to shareholders, investors and analysts, detailing the capital expenditures we expect to invest in the upcoming fiscal year(s).
Leverage Ratio Guidance	Measure represents our forecast of the Leverage Ratio.	This measure is calculated based on historical data and estimates of future conditions as inputs to make informed forecasts that are predictive in determining the direction of future trends. This measure is a forward-looking measure of which the equivalent historical measure is the Leverage Ratio. See Section 17D for further detail on the composition of the Leverage Ratio.	Parkland uses this measure to provide guidance to shareholders, investors and analysts on Parkland's overall financial strength, capital structure flexibility, and ability to service debt and meet future commitments.
Refining Adjusted EBITDA Guidance	Measure represents our forecast of Adjusted EBITDA for the Refining segment.	This measure is calculated based on historical data and estimates of future conditions as inputs to make informed forecasts that are predictive in determining the direction of future trends. This measure is a forward-looking measure of which the equivalent historical measure is Adjusted EBITDA. See Section 17A for further detail on the composition of Adjusted EBITDA.	Parkland uses this measure to provide guidance to shareholders, investors and analysts, detailing the Adjusted EBITDA for the Refining segment we expect to achieve in the upcoming fiscal year(s).
Divestment Plan	Measure represents our forecast of the expected consideration from asset dispositions.	This measure is calculated based on cash and non-cash consideration received on the sale of certain assets as part of our portfolio optimization strategy. This measure is a forward-looking measure of which the equivalent historical measure is the consideration received on the disposition of assets as disclosed within the Section 14F.	Parkland uses this measure to provide guidance to shareholders, investors and analysts on Parkland's progress towards portfolio optimization and capital allocation.

D. Capital management measures

Leverage Ratio

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

($ millions, unless otherwise noted)	**December 31, 2024**	December 31, 2023
Leverage Debt	**5,268**	4,976
Leverage EBITDA	**1,481**	1,780
Leverage Ratio	**3.6**	2.8

($ millions, unless otherwise noted)	**December 31, 2024**	December 31, 2023
Long-term debt	**6,641**	6,358
Less:		
Lease obligations	**(1,054)**	(1,048)
Cash and cash equivalents	**(385)**	(387)
Non-recourse debt[1]	**(30)**	—
Risk management asset[2]	**(30)**	—
Add:		
Non-recourse cash[1]	**31**	—
Letters of credit and other	**95**	53
Leverage Debt	**5,268**	4,976

[1] Represents non-recourse debt and non-recourse cash balance related to project financing.
[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.

	Three months ended				
($ millions, unless otherwise noted)	March 31, 2024	June 30, 2024	Sept 30, 2024	December 31, 2024	**Trailing twelve months ended December 31, 2024**
Adjusted EBITDA	327	504	431	428	**1,690**
Share incentive compensation	6	8	6	11	**31**
Reverse: IFRS 16 impact[1]	(83)	(80)	(84)	(91)	**(338)**
	250	432	353	348	**1,383**
Acquisition pro-forma adjustment[2]					**11**
Other adjustments[3]					**87**
Leverage EBITDA					**1,481**

[1] Includes the impact of operating leases prior to the adoption of IFRS 16, previously recognized under operating costs, which aligns with management's view of the impact of earnings.
[2] Includes the impact of pro-forma pre-acquisition EBITDA estimates based on anticipated benefits, costs and systems from acquisitions.
[3] Includes adjustments to normalize Adjusted EBITDA for non-recurring events relating to the unplanned shutdowns at the Burnaby Refinery and the EBITDA attributable to EV charging operations financed through non-recourse project financing.

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

[1] Includes the impact of operating leases prior to the adoption of IFRS 16, previously recognized under operating costs, which aligns with management's view of the impact of earnings.
[2] Includes adjustments to normalize Adjusted EBITDA for non-recurring events relating to the completion of turnarounds and third-party power outage.

E. Non-financial measures

In addition to the specified financial measures mentioned above, Parkland uses a number of non-financial measures to measure the success of our strategic objectives and to set variable compensation targets for employees. These non-financial

measures are not accounting measures, do not have comparable IFRS Accounting Standards measures, and may not be comparable to similar measures presented by other issuers, as other issuers may calculate these metrics differently.

Non-financial measure	Description	Calculation	Why we use this measure and why it is useful	Comments
Company same-store volume growth ("Company SSVG")	Company same-store volume growth refers to fuel and petroleum product volume growth at active Company sites. The effects of acquisition, opening and closing stores, temporary closures (including closures for On the Run / Marché Express conversions), expansions of stores, renovations of stores, and stores with changes in food service models in the period are excluded.	Company SSVG is derived by comparing the current year's volume of active sites to the prior-year volume of comparable sites.	Same-store volume growth is a metric commonly used in the retail industry that provides meaningful information to investors in assessing the health and strength of Parkland's brands and retail network, which ultimately impact financial performance.	
Crude utilization	Crude utilization refers to the amount of crude oil that is run through the crude distillation units compared to crude throughput.	The amount of crude oil that is run through the crude distillation units expressed as a percentage of the 55,000 barrels per day crude distillation capacity at the Burnaby Refinery.	Crude utilization provides meaningful information to investors in evaluating the operational performance of the Burnaby Refinery.	A higher utilization generally allows for more efficient operations and lower costs per barrel.
Composite utilization	Composite utilization refers to the amount of crude oil and co-processed bio-feedstock refined through the distillation units and Fluid Catalytic Cracking and Diesel Hydrotreating processing units compared to name-plate crude throughput.	The amount of crude oil and co-processed units expressed as a percentage of the 55,000 barrels per day name-plate distillation capacity at the Burnaby Refinery.	Composite utilization provides meaningful information to investors in evaluating the operational performance of the Burnaby Refinery.	A higher utilization generally allows for more efficient operations and lower costs per barrel.
Crude throughput	Crude throughput refers to the amount of crude oil processed and converted to products in the Burnaby Refinery.	The amount of crude oil that runs through crude distillation units expressed in thousands of barrels per day.	Crude throughput provides meaningful information to investors in evaluating the operational performance.	A higher throughput generally allows for more efficient operations and lower costs per barrel.
Bio-feedstock throughput	Bio-feedstock throughput refers to the amount of bio-feedstock such as canola oil and oil derived from animal fats (tallow) co-processed in the Burnaby Refinery using existing infrastructure and equipment.	The amount of co-processed feedstock expressed in thousands of barrels per day.	Bio-feedstock throughput provides meaningful information to investors in evaluating our success and capabilities in delivering low-carbon fuels.	A higher throughput indicates increased co-processing and our continued development and advancement in lower-carbon-intensity fuels and technologies.
Lost time injury frequency ("LTIF") rate and total recordable injury frequency ("TRIF") rate	LTIF and TRIF rates are industry measures of health and safety that provide the number of lost time incidents and total recordable incidents, respectively, that occurred within a given period relative to a standardized number of employee exposure hours worked.	LTIF and TRIF rates are calculated by multiplying the number of incidents by 200,000, divided by the total number of employee exposure hours worked.	Among other important indicators, LTIF and TRIF rates provide normalized and meaningful information on safety performance. This allows us to help drive improvements and accurately compare ourselves with peers and industry.	A lost time incident is one where an employee sustained a job-related injury or illness and was not able to work their next full shift. Recordable incidents include all instances where medical attention from a medical professional is required, even if the employee is able to work their next shift.

Glossary of terms

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

17. FORWARD-LOOKING INFORMATION

Caution regarding forward-looking information

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

- the Strategic Review, the details relating thereto with respect to Parkland considering value maximization alternatives and evaluating its existing business strategies and optimization opportunities, and the expectation resulting therefrom to maximize value for all shareholders;
- business objectives and strategy, expectations with respect to our operations, capital investment philosophy, deleveraging strategy, and continued focus on efficient capital allocation, value creation for shareholders and future growth;
- outlook and the 2025 Guidance, including the 2025 Adjusted EBITDA Guidance (including the 2025 Refining Adjusted EBITDA Guidance), the 2025 Capital Expenditure Guidance, the 2025 Available cash flow per share Guidance, the 2025 Leverage Ratio Guidance, and the 2025 Divestment Plan;
- ESG strategy encompassing our goals of aspiring to zero safety incidents, upholding zero tolerance for racism, discrimination, corruption, bribery, and unethical behaviour, and supporting our governments' emissions reduction goals;
- plan to build an ultra-fast EV charging network in dense urban centres and along major highways in British Columbia, Ontario, Québec and Alberta;
- commitments with respect to HSE and the impact thereof, including driving long-term sustainable LTIF and TRIF improvements;
- anticipated sources of liquidity to fund, on an annual basis, maintenance capital expenditures, interest, income taxes, dividends, and share repurchases, if any;
- expected source of funds for future acquisitions, if any, or commitments;
- expectations for managing capital and financing requirements, including the potential to adjust plans for capital spending, dividends paid to shareholders, share repurchases and issuances of new shares or new debt, if any;
- availability of funds under the Credit Facility and the terms of such funding;
- expectations regarding compliance with covenants under the Credit Facility;
- expectations regarding timing for repayments of principal and interest under the CIB loan;
- expectations and initiatives regarding operations and expenditures, and expectations with respect to the funding thereof;
- contractual commitments for the acquisition of property, plant and equipment as at December 31, 2024 and expectations relating to such commitments and projects relating thereto, if such projects are completed, and the timing, funding and terms thereof;
- expectations regarding the effects of seasonality on cash flows;
- expected capital resources and its ability to meet foreseeable liquidity requirements;
- market conditions and the impact thereof, including with respect to commodity prices, interest rates, exchange rates and foreign exchange risk, and expectations with respect to risk management commodities swaps, forwards and futures contracts;
- credit risk expectations with respect to the Note receivable;
- portfolio optimization strategy, including management's plan to sell certain assets within the Canada and USA segments in the next 12 months, the expected use of proceeds from the sale of these assets, and expected impacts on the business; and
- expectations regarding adoption of accounting standards, amendments, and interpretations, and timing of such adoption, and the expected impact of the foregoing.

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

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

- the Strategic Review resulting in Parkland undertaking a transaction and Parkland's ability to complete such transaction on terms acceptable to Parkland and in a timely manner and to realize the benefits resulting therefrom;
- prevailing and expected market conditions;
- the regulatory framework that governs the operation of Parkland's business;
- customer trends and preferences, including consumption of fossil fuels and rates of EV adoption;
- the effects of global conflicts, geopolitical tension, trade disputes and disruption, and the imposition of tariffs on general economic conditions;
- climate change impacts and extreme weather events and conditions on Parkland's operations;
- Parkland's ability to adapt its business in a changing regulatory environment;
- Parkland's ability to successfully execute its business objectives, projects and strategies, including, without limitation, our ESG strategy;
- Parkland's ability to operate and upgrade its enterprise resource planning systems without interruption;
- Parkland's ability to win new customers in the various markets where it operates;
- Parkland's ability to identify customers' evolving needs;
- Parkland's ability to successfully integrate completed acquisitions into its operations;
- Parkland's ability to identify and execute on accretive organic initiatives, if any;
- Parkland's ability to realize synergies and cost reductions from the implementation of integration initiatives, increased purchasing power, and contract renegotiations, among other items;
- Parkland's ability to reliably source crude, natural gas, electricity and bio-feedstocks for the Burnaby Refinery and continued access to and operation of the TMPL;
- commodity prices and volumes for gasoline, diesel, propane, lubricants, heating oil and other petroleum products;
- refining crack spreads per barrel;
- financial market conditions, including interest rates, inflation and exchange rates and the effects thereof on Parkland;
- ability of suppliers to meet commitments;
- Parkland's ability to operate safely and reliably;
- Parkland's ability to retain key management and Board members, and to identify and attract new individuals, when required;
- Parkland's future debt levels;
- Parkland's ability to generate sufficient cash flows from operations to meet its current and future obligations;
- future capital expenditures to be made by Parkland;
- availability of funds under the Credit Agreement, and other sources of financing, and the terms of such funding;
- access to, and terms of, future sources of funding for Parkland's capital program;
- Parkland's ability to execute its portfolio optimization strategy, including with respect to identifying buyers, and completing such dispositions, if any, on terms acceptable to Parkland and in a timely manner;
- Parkland's ability to complete future acquisitions, if any, on terms and timing acceptable to Parkland; and
- Parkland's ability to continue to compete in a competitive landscape, as well as the additional factors referenced in the Annual Information Form.

In addition, the key material assumptions underlying the 2025 Adjusted EBITDA Guidance, which is described in Section 12 of this MD&A, include:

- continued integration of acquired businesses and synergy capture, and progression of organic growth initiatives;
- market trends in line with Parkland's current expectations;
- achievement of Parkland's expected increase of approximately 5% in Adjusted EBITDA during the 2025 financial year from its retail and commercial lines of business;
- Refining adjusted gross margin of $32/bbl to $33/bbl and average Burnaby Refinery composite utilization of 90 to 95% based on the Burnaby Refinery's crude processing capacity of 55,000 bpd, and completion of planned maintenance, including deferral of the previously planned turnaround to 2026 (the "Refining Assumptions"); and
- implementation of ongoing cost reductions across the business.

The 2025 Refining Adjusted EBITDA Guidance assumes the Refining Assumptions. The 2025 Capital Expenditure Guidance is mainly driven by increased Adjusted EBITDA and assumes no material change to underlying operations and no planned turnaround at the Burnaby Refinery. The 2025 Available cash flow per share Guidance assumes increasing cash flow through continued integration of acquired businesses and organic growth, while maintaining or decreasing the number of outstanding common shares. The 2025 Leverage Ratio Guidance assumes increasing the amount of Adjusted EBITDA

through continued integration of acquired businesses, organic business growth in 2025, and maintaining or decreasing debt levels. The 2025 Divestment Plan assumes that Parkland will be able to execute its portfolio optimization strategy, including with respect to identifying buyers and completing such dispositions on terms reasonable to Parkland and in a timely manner.

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

- general market conditions;
- micro and macroeconomic trends and conditions, including increases in interest rates, inflation, imposition of tariffs, and fluctuating commodity prices;
- ability to execute on our business objectives, projects and strategies and realize the benefits therefrom;
- the Strategic Review process and the timing thereof, whether the Strategic Review will result in Parkland undertaking a transaction, and if so, the terms and timing relating thereto, the completion thereof and realizing benefits resulting therefrom;
- ability to meet our commitments and targets including with respect to our ESG strategy and HSE initiatives;
- ability to realize the benefits from our customer and supply advantages;
- ability to effectively integrate completed acquisitions and realize the expected benefits, synergies and opportunities therefrom and, if applicable, those of future acquisitions as well;
- ability to identify buyers and complete dispositions, if any, on terms reasonable to Parkland and in a timely manner;
- ability to identify future acquisition targets, if applicable, and secure funding for future acquisitions, if any;
- ability to secure future capital to support and develop our business, including the issuance of additional common shares;
- effectiveness of Parkland's management systems and programs;
- effectiveness of Parkland's risk management strategy;
- factors and risks associated with retail pricing, margins and refining crack spreads;
- availability and pricing of petroleum product supply;
- volatility of crude oil and refined product prices;
- competitive environment of our industry in North America and the Caribbean;
- environmental impact;
- risk of changes to environmental and regulatory laws, including the failure of Parkland to obtain or maintain required permits;
- risk of pending or future litigation;
- potential undisclosed liabilities (including environmental) associated with completed acquisitions;
- failure to meet financial, operational and strategic objectives and plans;
- failure of internal controls and procedures;
- cyber-attacks and data breaches;
- the impact of new and emerging technologies; and
- availability of capital and operating funds.

The foregoing factors are not exhaustive. Additional information on these and other factors that could affect Parkland's operations or financial results is discussed in this MD&A, the Annual Information Form, and other continuous disclosure documents available under Parkland's profile on SEDAR+ at www.sedarplus.ca or Parkland's website at www.parkland.ca.

Many factors could cause Parkland's or any particular business segment's actual results, performance or achievements to vary from the forward-looking information in this MD&A. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, sought, proposed, estimated or expected. As such, readers are urged to consider the factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on these forward-looking statements.

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

18. FOURTH QUARTER SEGMENT INFORMATION

Segment information ($ millions)	**Canada**		**International**		**USA**		**Refining**		**Corporate**		**Intersegment eliminations**		**Consolidated**	
For the three months ended December	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
External fuel and petroleum product volume	**3,163**	3,367	**1,816**	1,898	**1,062**	1,125	**378**	320	**—**	—	**—**	—	**6,419**	6,710
Internal fuel and petroleum product volume[1]	**135**	117	**—**	—	**1**	—	**679**	654	**—**	—	**(815)**	(771)	**—**	—
Total fuel and petroleum product volume (million litres)	**3,298**	3,484	**1,816**	1,898	**1,063**	1,125	**1,057**	974	**—**	—	**(815)**	(771)	**6,419**	6,710
Sales and operating revenue[2]														
Revenue from external customers	**3,249**	3,689	**1,941**	2,350	**1,206**	1,445	**338**	262	**—**	—	**—**	—	**6,734**	7,746
Inter-segment revenue[1]	**120**	135	**—**	—	**4**	9	**662**	722	**2**	1	**(788)**	(867)	**—**	—
Total sales and operating revenue	**3,369**	3,824	**1,941**	2,350	**1,210**	1,454	**1,000**	984	**2**	1	**(788)**	(867)	**6,734**	7,746
Cost of purchases[6]	**2,939**	3,395	**1,714**	2,168	**1,053**	1,306	**845**	836	**1**	—	**(769)**	(855)	**5,783**	6,850
Adjusted gross margin														
Fuel and petroleum product adjusted gross margin, before the following:	**332**	324	**197**	149	**92**	77	**155**	148	**—**	—	**(15)**	—	**761**	698
Gain (loss) on risk management and other - realized	**2**	20	**7**	58	**(2)**	9	**5**	35	**4**	—	**—**	—	**16**	122
Gain (loss) on foreign exchange - realized	**(3)**	(1)	**3**	(1)	**—**	—	**(7)**	4	**4**	—	**—**	—	**(3)**	2
Other adjusting items to adjusted gross margin[3]	**—**	—	**7**	(5)	**(1)**	(1)	**(15)**	(1)	**(2)**	(1)	**15**	—	**4**	(8)
Fuel and petroleum product adjusted gross margin	**331**	343	**214**	201	**89**	85	**138**	186	**6**	(1)	**—**	—	**778**	814
Food, convenience and other adjusted gross margin	**98**	105	**30**	33	**65**	71	**—**	—	**1**	1	**(4)**	(12)	**190**	198
Total adjusted gross margin	**429**	448	**244**	234	**154**	156	**138**	186	**7**	—	**(4)**	(12)	**968**	1,012
Operating costs[6]	**175**	195	**54**	63	**91**	91	**74**	74	**—**	—	**(3)**	(12)	**391**	411
Marketing, general and administrative	**64**	63	**32**	26	**31**	26	**4**	6	**33**	29	**(1)**	—	**163**	150
Share in (earnings) loss of associates and joint ventures	**6**	5	**(3)**	(3)	**—**	—	**—**	—	**—**	—	**—**	—	**3**	2
(Gain) loss on foreign exchange - realized[4]	**—**	—	**—**	—	**—**	—	**—**	—	**(1)**	—	**—**	—	**(1)**	—
Other adjusting items to Adjusted EBITDA[5]	**(6)**	(5)	**(10)**	(9)	**—**	—	**—**	—	**—**	—	**—**	—	**(16)**	(14)
Adjusted EBITDA	**190**	190	**171**	157	**32**	39	**60**	106	**(25)**	(29)	**—**	—	**428**	463
Reconciliation to net earnings (loss)														
Adjusted EBITDA													**428**	463
Acquisition, integration and other costs													**81**	42
Depreciation and amortization													**210**	222
Finance costs													**92**	89
(Gain) loss on foreign exchange – unrealized													**(2)**	—
(Gain) loss on risk management and other – unrealized													**34**	28
Other (gains) and losses													**30**	5
Other adjusting items[3][5]													**20**	6
Income tax expense (recovery)													**(8)**	(15)
Net earnings (loss)													**(29)**	86

[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 Section 9 for further details on sales and operating revenue.

[3] Includes offset of gains on intercompany sales of compliance credits not yet sold externally of $15 million for Refining (2023 - nil); adjustment for impact of hyperinflation accounting of $7 million loss for International (2023 - $5 million gain); adjustment for realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of $1 million gain for Canada (2023 - nil), nil for Refining (2023 - $1 million gain) and nil for USA (2023 - $1 million gain); reallocation of margin relating to cross-border transactions with USA customers transacted by Canada operations resulting in $1 million gain for Canada (2023 - nil), adjustment to realized risk management gains of $1 million for Corporate (2023 - nil); and adjustment to foreign exchange gains and losses related to cash pooling arrangements of $1 million gain for Corporate (2023 - $1 million).

[4] Includes realized foreign exchange gains of $1 million for Corporate (2023 - nil) 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 $12 million for International (2023 - $4 million) and $6 million for Canada (2023 - $5 million); impact of hyperinflation accounting of $3 million loss for International (2023 - $3 million gain); and other income of $1 million for International (2023 -$2 million).

[6] For comparative purposes, certain amounts related to freight costs were reclassified between cost of purchases and operating costs for Canada and USA segments, with no impact to consolidated amounts, to conform to the presentation used in the current period. The reclassified amounts for the fourth quarter of 2023, were: Canada ($8) and USA ($8).