

Q1 2025

Management's Discussion and Analysis



Parkland

Report to shareholders

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Basis of presentation

This Management's Discussion and Analysis ("MD&A") for Parkland Corporation ("Parkland", "the Company", "we", "our" or "us") dated May 5, 2025, should be read in conjunction with our interim condensed consolidated financial statements for the three months ended March 31, 2025 (the "Interim Condensed Consolidated Financial Statements"), our audited consolidated financial statements for the year ended December 31, 2024 (the "Annual Consolidated Financial Statements"), our 2024 annual MD&A for the year ended December 31, 2024 (the "Annual MD&A"), and our annual information form for the year ended December 31, 2024, dated March 5, 2025 (the "Annual Information Form"). Information contained within the Annual MD&A is not discussed in this MD&A if it remains substantially unchanged.

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

Specified financial measures and non-financial measures

Parkland has identified several key financial and operating performance measures that management believes provide meaningful information in assessing Parkland's underlying performance. Readers are cautioned that these measures do not have a standardized meaning prescribed by IFRS Accounting Standards and, therefore, may not be comparable to similar measures presented by other entities. Refer to Section 15 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 MD&A and 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 16 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 Electric Vehicle ("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.

Parkland and Sunoco Transaction

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

2. PERFORMANCE OVERVIEW

(\$ millions, unless otherwise noted)		Three months ended March 31,		
Financial Summary		2025	2024	2023
Sales and operating revenue		6,813	6,939	8,156
Adjusted EBITDA ⁽¹⁾		375	327	395
Canada ⁽²⁾⁽³⁾		110	186	167
International ⁽²⁾⁽³⁾		181	147	183
USA ⁽²⁾⁽³⁾		16	31	21
Refining ⁽²⁾⁽³⁾		79	(33)	38
Corporate ⁽²⁾⁽³⁾		(11)	(4)	(14)
Net earnings (loss)		64	(5)	77
Net earnings (loss) per share – basic (\$ per share)		0.37	(0.03)	0.44
Net earnings (loss) per share – diluted (\$ per share)		0.36	(0.03)	0.43
Adjusted earnings (loss) ⁽⁴⁾		65	43	114
Cash generated from (used in) operating activities		286	217	314
Trailing twelve month ("TTM") Cash generated from (used in) operating activities ⁽⁵⁾		1,604	1,683	1,688
TTM Cash generated from (used in) operating activities per share ⁽⁵⁾		9.21	9.56	10.23
Available cash flow ⁽⁴⁾⁽⁶⁾		117	87	137
TTM Available cash flow per share ("Available cash flow per share") ⁽⁴⁾⁽⁶⁾		3.37	4.34	3.79
TTM Dividend payout ratio ("Dividend payout ratio") ⁽⁴⁾⁽⁶⁾		42%	32%	35%
Dividends		63	61	60
Dividends per share ⁽⁵⁾		0.3600	0.3500	0.3400
Weighted average number of common shares (million shares) ⁽⁷⁾		174	175	175
TTM Return on invested capital ("ROIC") ⁽⁴⁾		7.6%	8.9%	7.9%
Growth capital expenditures ⁽⁵⁾		29	27	34
Maintenance capital expenditures ⁽⁵⁾		62	59	79
Total assets		13,969	13,904	13,757
Non-current financial liabilities		6,361	6,459	6,642

⁽¹⁾ Total of segments measure. See Section 15 of this MD&A.

⁽²⁾ For comparative purposes, certain amounts in 2024 were revised to conform to the presentation used in the current period with respect to the allocation of Corporate costs. See Note 2d of the Interim Condensed Consolidated Financial Statements for further details.

⁽³⁾ Measure of segment profit (loss). See Section 15 of this MD&A.

⁽⁴⁾ Non-GAAP financial measure or non-GAAP financial ratio. See Section 15 of this MD&A.

⁽⁵⁾ Supplementary financial measure. See Section 15 of this MD&A.

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

⁽⁷⁾ 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.

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

Adjusted EBITDA

Parkland achieved an Adjusted EBITDA of \$375 million for the first quarter of 2025, representing an increase of \$48 million when compared to the same period in 2024. Overall, the period-over-period variances in Adjusted EBITDA are due to the following:

- Canada's Adjusted EBITDA decreased by \$76 million for the first quarter of 2025, primarily driven by (i) the commercial decision to wind down our California compliance market positions due to recent regulatory developments in the United States that have created volatility and intensified market disruptions resulting in realized losses of \$53 million, (ii) the disposition of our Canadian commercial propane business (iii) reduced diesel arbitrage opportunities from moving refined product from Canada to the US, (iv) lower retail volumes in the second half of March 2025 due to expected decrease in fuel prices with the consumer carbon tax removal on April 1, 2025, resulting in customers and dealers delaying fuel purchases to benefit from reduced prices, and the general market conditions, and (v) lower margins in our M&M Food Market business due to inflationary pressures. This was partially offset by (i) stronger fuel unit margins from continued price and supply optimization, (ii) strength in the commercial business due to colder weather, (iii) convenience store profit optimization initiatives and (iv) strong car-wash performance.
- International's Adjusted EBITDA increased by \$34 million for the first quarter of 2025, primarily driven by (i) improved wholesale performance due to strong volumes and margin contributions from recurring and high-volume wholesale customers, (ii) strength in commercial base business with increased demand from power segment customers, (iii) additional freight revenue generated through leasing available shipping space for fuel delivery and (iv) strengthening of the US Dollar. This was partially offset by higher operating expenses due to increased volumes and a regulatory change resulting in additional licensing costs.
- USA's Adjusted EBITDA decreased by \$15 million for the first quarter of 2025, primarily driven by (i) the decline in fuel volume demand due to increased price competition from diesel over-supply in certain markets and retail industry trends, (ii) declining fuel margins due to reduced rail and regional arbitrage opportunities due to market conditions, (iii) reduced consumer demand consistent with broader trends in the convenience store industry and (iv) higher operating expenses due to credit losses related to certain commercial customers and inflationary pressures. This was partially offset by the impact of the strengthening of the US Dollar.
- Refining's Adjusted EBITDA increased by \$112 million for the first quarter of 2025, primarily driven by the increase in the composite utilization¹ to 76.0% compared to 19.9% for the first quarter of 2024 when the Burnaby Refinery² had an unplanned shutdown for 11 weeks.
- Corporate Adjusted EBITDA expense increased by \$7 million for the first quarter of 2025, primarily driven by the timing of certain expenses and foreign exchange gains on the settlement of certain US Dollar-denominated balances in the comparative period.

Net earnings

Net earnings increased by \$69 million to \$64 million for the first quarter of 2025, as compared to the same period in 2024. In addition to the Adjusted EBITDA results discussed above, the period-over-period variances were primarily due to an increase in net earnings from (i) the impact of realization of prior period losses on risk management and other in Adjusted EBITDA on the wind down of California compliance market positions resulting in unrealized gains in the current period, (ii) net gain on revaluation of redemption options driven by volatility in interest rates and narrowing credit spreads. This was partially offset by (i) an increase in income tax expense due to higher taxable income and the impact of the global minimum tax enacted in the second quarter of 2024 and (ii) an increase in losses from the revaluation of environmental provision due to lower discount rates.

Adjusted earnings

Adjusted earnings increased by \$22 million to \$65 million for the first quarter of 2025, as compared to the same period in 2024. This was primarily driven by the increase in Adjusted EBITDA, as discussed above, partially offset by higher tax expense due to increased taxable income and the impact of the global minimum tax enacted in the second quarter of 2024.

¹ Non-financial measure. See Section 15 of this MD&A.

² Parkland's refinery in Burnaby, British Columbia (the "Burnaby Refinery").

B. Cash flows, liquidity, and capital allocation

- Available cash flow per share decreased to \$3.37 from \$4.34 for the trailing twelve months ended March 31, 2025, as compared to the same period in 2024, as a result of lower available cash flow driven by (i) a significantly lower refining margin environment during the second half of 2024, (ii) realized losses of \$53 million due to the wind down of California compliance market positions in the first quarter of 2025, (iii) a higher income tax expense due to higher income and the impact of the global minimum tax enacted in the second quarter of 2024, (iv) an increase in lease payments due to expansion of terminal storage and shipping capacity in International markets, and (v) higher acquisition, integration and other costs during the last nine months of 2024 primarily associated with the restructuring activities related to outsourcing, transformation and cost efficiency initiatives and implementation of enterprise-wide systems. This was partially offset by the impact of (i) the unplanned shutdown at the Burnaby Refinery for 11 weeks in the first quarter of 2024 and (ii) a reduced number of common shares due to repurchases under the normal course issuer bid program ("NCIB").
- Leverage Ratio³ remained stable at 3.6 as at March 31, 2025, as compared to 3.6 at December 31, 2024. Parkland was in compliance with all of its Credit Facility covenants as at March 31, 2025, as discussed in Section 7A of this MD&A.
- ROIC decreased to 7.6% from 8.9% for the trailing twelve months ended March 31, 2025, as compared to the same period in 2024, primarily driven by (i) a significantly lower refining margin environment during the second half of 2024, (ii) realized losses of \$53 million due to the wind down of California compliance market positions in the first quarter of 2025, and (iii) higher applicable tax rates with the enactment of global minimum tax in the second quarter of 2024.
- Liquidity available⁴, as at March 31, 2025, was \$2,023 million, comprising cash and cash equivalents and borrowing capacity available under the Credit Facility.

C. Dividends and dividend payout ratio

During 2025, Parkland increased the dividends per share for the 13th consecutive year, demonstrating a commitment to steady and modest dividend growth.

In the first quarter of 2025, Parkland declared dividends to shareholders of \$63 million. Dividends declared were higher when compared to the same period in 2024 due to an increase in an annual dividend by \$0.04 per share to \$1.44 per share, partially offset by a lower number of outstanding common shares driven by 1.1 million common shares repurchased for cancellation under the NCIB during the trailing twelve months ended March 31, 2025.

The dividend payout ratio increased to 42% for the trailing twelve months ended March 31, 2025, compared to 32% for the same period in 2024. This was primarily due to lower available cash flow, as discussed in Section 2B above and higher dividends.

D. Capital expenditures and Divestment Plan

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 first quarter of 2025 remained relatively flat as compared to the same periods in 2024. Refer to Section 8 below for further details.

During the first quarter of 2025, Parkland divested assets for a total cash consideration of \$6 million (2024 - \$2 million). As at March 31, 2025, Parkland had completed divestments under the 2025 Divestment Plan (as defined in Section 12 of this MD&A), for an aggregate consideration of \$285 million (December 31, 2024: \$279 million), which included cash consideration of \$118 million (December 31, 2024: \$112 million) and non-cash consideration in the form of a Note receivable and other non-current assets for \$167 million (December 31, 2024: \$167 million).

³ Capital management measure. See Section 15 of this MD&A.

⁴ Supplementary financial measure. See Section 15 of this MD&A.

3. SUSTAINABILITY

Parkland continues to progress its enterprise-wide sustainability strategy. In 2024, Parkland published its fifth annual Sustainability Report and refreshed its sustainability strategy, which includes five new priorities to better concentrate our efforts as the energy transition evolves and provides new opportunities for companies like ours. These include:

- promoting healthy and safe operations;
- supporting customers through the energy transition;
- reducing our operational climate impact;
- building a diverse team and inclusive workplace; and
- investing in our communities.

Key updates for Parkland as we continue to advance in our sustainability journey include the following:

- Parkland co-processed 29 million litres of bio-feedstocks during the first quarter of 2025 (2024 - 4.6 million litres), the equivalent to a reduction of 77,940 tonnes of CO₂e⁵ (2024 - 12,764 tonnes) for our customers, compared to conventionally refined gasoline and diesel.
- During the first quarter of 2025, International, through its investment in the renewable energy business ("Sol Ecolution")⁶ in the Caribbean, completed additional solar photovoltaic systems, bringing its total number of completed sites to 76 as at March 31, 2025 (December 31, 2024 - 72).

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 months 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.

	March 31, 2025	March 31, 2024
TTM LTIF ⁽¹⁾	0.21	0.21
TTM TRIF ⁽¹⁾	1.13	1.07

⁽¹⁾ Non-financial measure. See Section 15 of this MD&A.

⁵ Carbon dioxide equivalent ("CO₂e") means the number of metric tons of CO₂ emissions with the same global warming potential as one metric ton of another greenhouse gas. The customer emission reduction is calculated using the methodology outlined in the British Columbia Low Carbon Fuel Regulation. Please see Parkland's 2023 Sustainability Report dated July 31, 2024, for more detail, which is also available online at Parkland's website at www.parkland.ca/sustainability/sustainability-report.

⁶ Parkland's interest in Sol Ecolution is included in Investments in associates and joint ventures within the Interim Condensed Consolidated Financial Statements and is accounted for using the equity method.

4. SEGMENT OVERVIEW, HIGHLIGHTS AND RESULTS

Refer to Section 15 of the Annual MD&A for the descriptions of Parkland's segments.

A. Canada

(\$ millions, unless otherwise noted)	Three months ended March 31,			
	2025	2024	Change	%
Fuel and petroleum product volume ⁽¹⁾ (million litres)	3,229	3,023	206	7%
Fuel and petroleum product adjusted gross margin ⁽²⁾⁽³⁾	251	347	(96)	(28)%
Food, convenience and other adjusted gross margin ⁽²⁾	85	90	(5)	(6)%
Adjusted gross margin ⁽²⁾	336	437	(101)	(23)%
Operating costs	163	184	(21)	(11)%
Marketing, general and administrative ⁽⁴⁾	63	67	(4)	(6)%
Adjusted EBITDA ⁽²⁾⁽⁴⁾	110	186	(76)	(41)%
Key performance measures:				
Company SSVG ⁽⁵⁾	(2.0)%	5.9%	(7.9)p.p	
Food and Company C-Store SSSG (excluding cigarettes) ⁽⁶⁾	(0.6)%	3.1%	(3.7)p.p	
Food and Company C-Store SSSG (including cigarettes) ⁽⁶⁾	(4.1)%	0.6%	(4.7)p.p	
Food and Company C-Store gross margin percentage ⁽⁶⁾	36.0%	35.3%	0.7p.p	

⁽¹⁾ Includes gasoline, diesel, and propane volumes.

⁽²⁾ Measure of segment profit (loss). See Section 15 for additional information and a breakdown of food, convenience and other adjusted gross margin.

⁽³⁾ Fuel and petroleum product adjusted gross margin (cpl) was 7.77 for the first quarter of 2025 (2024 - 11.48). Cpl metrics are impacted by variations in the mix of retail, wholesale, and commercial volumes. See Section 15 of this MD&A for a description of supplementary financial measures. Fuel and petroleum product adjusted gross margin (cpl) adjusted for the impact of the realized California market compliance losses was 9.41 for the first quarter of 2025.

⁽⁴⁾ For comparative purposes, certain amounts in 2024 were revised to conform to the presentation used in the current period with respect to the allocation of Corporate costs. See Note 2d of the Interim Condensed Consolidated Financial Statements for further details.

⁽⁵⁾ 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 15 of this MD&A.

⁽⁶⁾ Non-GAAP financial ratio. See Section 15 of this MD&A.

Q1 Performance - 2025 vs. 2024

Canada delivered an Adjusted EBITDA of \$110 million for the first quarter of 2025, representing a decrease of \$76 million as compared to the same period in 2024. The changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin decreased by \$96 million for the first quarter of 2025, primarily driven by (i) realized losses of \$53 million as a result of the commercial decision to wind down our California compliance market positions due to recent regulatory developments in the United States that have created volatility and intensified market disruptions, (ii) disposition of our Canadian commercial propane business in the fourth quarter of 2024, (iii) reduced diesel arbitrage opportunities from moving refined product from Canada to the US, (iv) reduced volumes due to expected decrease in fuel prices from consumer carbon tax removal on April 1, 2025, resulting in customers and dealers delaying fuel purchases to benefit from reduced prices, which impacted the volumes in the second half of March 2025 and the general market conditions, as reflected in Company SSVG of (2.0)%. This was partially offset by (i) stronger unit margins due to continued price and supply optimization in the Canadian retail and commercial businesses and (ii) strength in commercial business due to colder weather.
- Food, convenience and other adjusted gross margin decreased by \$5 million for the first quarter of 2025, primarily driven by (i) the disposition of our Canadian commercial propane business, resulting in lower propane service margins, and (ii) lower margins in our M&M Food Market business due to inflationary pressures that have reduced discretionary spending for consumers. This was partially offset by (i) retail profit optimization, and (ii) strong car wash performance.
- Food and Company C-Store SSSG excluding cigarettes of (0.6)% for the first quarter of 2025, was due to softness in our food business tied to inflationary pressure offset by continued growth across centre of store categories and alcohol.
- Food and Company C-Store SSSG including cigarettes of (4.1)% for the first quarter of 2025, was driven by ongoing industry declines in cigarette sales, in addition to the factors noted above.
- Food and convenience store revenue for Canada remained relatively flat for the first quarter of 2025.

- Food and Company C-Store gross margin percentage for the first quarter of 2025 increased from 35.3% to 36.0% during the first quarter of 2025, driven by optimized product assortment and pricing.
- Operating costs decreased by \$21 million and Marketing, general and administrative expenses decreased by \$4 million for the first quarter of 2025, primarily due to the disposition of the Canadian commercial propane business, which accounted for \$16 million and \$3 million, respectively, and targeted cost-saving initiatives.

B. International

(\$ millions, unless otherwise noted)	Three months ended March 31,			
	2025	2024	Change	%
Fuel and petroleum product volume (million litres) ⁽¹⁾	1,737	1,697	40	2%
Fuel and petroleum product adjusted gross margin ⁽²⁾⁽³⁾	230	188	42	22%
Food, convenience and other adjusted gross margin ⁽²⁾	39	33	6	18%
Adjusted gross margin ⁽²⁾	269	221	48	22%
Operating costs	65	53	12	23%
Marketing, general and administrative ⁽⁵⁾	36	32	4	13%
Other items ⁽⁴⁾	(13)	(11)	(2)	18%
Adjusted EBITDA ⁽²⁾⁽⁵⁾	181	147	34	23%

⁽¹⁾ Includes gasoline, diesel, and propane volumes.

⁽²⁾ Measure of segment profit (loss). See Section 15 of this MD&A.

⁽³⁾ Fuel and petroleum product adjusted gross margin (cpl) was 13.24 for the first quarter of 2025 (2024 - 11.08). Cpl metrics are impacted by variations in the mix of retail, wholesale, and commercial volumes. See Section 15 of this MD&A for a description of supplementary financial measures.

⁽⁴⁾ Other items for the first quarter of 2025 include (i) share of (earnings) loss of associates and joint ventures of \$6 million (2024 - \$5 million); (ii) share of depreciation and income taxes and other adjustments for investments in joint ventures and associates of \$5 million (2024 - \$4 million); and (iii) other income of \$2 million (2024 - \$2 million).

⁽⁵⁾ For comparative purposes, certain amounts in 2024 were revised to conform to the presentation used in the current period with respect to the allocation of Corporate costs. See Note 2d of the Interim Condensed Consolidated Financial Statements for further details.

Q1 Performance - 2025 vs. 2024

International delivered Adjusted EBITDA of \$181 million for the first quarter of 2025, representing an increase of \$34 million compared to the same period in 2024. In addition to the translation impact of a strengthening US Dollar on the reported results⁷, the changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin increased by \$42 million for the first quarter of 2025, primarily driven by (i) stronger wholesale volumes and margins, particularly with recurring and high-volume customers and (ii) continued strength in our commercial base business due to increased volumes from the power segment customers, partially offset by slightly lower volumes in retail business.
- Food, convenience and other adjusted gross margin increased by \$6 million for the first quarter of 2025 due to other income from freight revenue generated through leasing available shipping space for fuel delivery.
- Operating costs increased by \$12 million for the first quarter of 2025, primarily due to (i) the impact of supporting higher volume including higher throughput fees and inspection costs, and (iii) increased business license fee due to a regulatory change in the Bahamas.
- Marketing, general and administrative expenses increased by \$4 million for the first quarter of 2025, primarily due to the timing of employee expenses.
- Income within other items remained relatively flat for the first quarter of 2025.

⁷ As the US Dollar strengthened against the Canadian Dollar, the net impact of the translation of the reported results into Canadian Dollars in the first quarter of 2025 when compared to the same period in 2024 was an increase in Adjusted EBITDA by \$11 million.

C. USA

(\$ millions, unless otherwise noted)	Three months ended March 31,			
	2025	2024	Change	%
Fuel and petroleum product volume ⁽¹⁾ (million litres)	1,001	1,097	(96)	(9)%
Fuel and petroleum product adjusted gross margin ⁽²⁾⁽³⁾	80	85	(5)	(6)%
Food, convenience and other adjusted gross margin ⁽²⁾	59	62	(3)	(5)%
Adjusted gross margin ⁽²⁾	139	147	(8)	(5)%
Operating costs	91	83	8	10%
Marketing, general and administrative ⁽⁴⁾	32	33	(1)	(3)%
Adjusted EBITDA ⁽²⁾⁽⁴⁾	16	31	(15)	(48)%
Key performance measures:				
Company SSVG ⁽⁵⁾	(7.7)%	(9.8)%	2.1p.p	
Food and Company C-Store SSSG (excluding cigarettes) ⁽⁶⁾	(10.4)%	1.7%	(12.1)p.p	
Food and Company C-Store SSSG (including cigarettes) ⁽⁶⁾	(9.3)%	1.1%	(10.4)p.p	
Food and Company C-Store gross margin percentage ⁽⁶⁾	32.8%	33.8%	(1.0)p.p	

⁽¹⁾ Includes gasoline, diesel and propane volumes.

⁽²⁾ Measure of segment profit (loss). See Section 15 of this MD&A.

⁽³⁾ Fuel and petroleum product adjusted gross margin (cpl) was 7.99 for the first quarter of 2025 (2024 - 7.75). Cpl metrics are impacted by variations in the mix of retail, wholesale, and commercial volumes. Refer to Section 15 of this MD&A for a description of supplementary financial measures.

⁽⁴⁾ For comparative purposes, certain amounts in 2024 were revised to conform to the presentation used in the current period with respect to the allocation of Corporate costs. See Note 2d of the Interim Condensed Consolidated Financial Statements for further details.

⁽⁵⁾ 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 15 of this MD&A.

⁽⁶⁾ Non-GAAP financial ratio. See Section 15 of this MD&A.

Q1 Performance - 2025 vs. 2024

USA delivered an Adjusted EBITDA of \$16 million for the first quarter of 2025, representing a decrease of \$15 million, compared to the same period in 2024. In addition to the translation impact of a strengthening US Dollar on the reported results⁸, the changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin decreased by \$5 million for the first quarter of 2025, primarily driven by (i) lower demand for fuel volumes in the commercial business, attributable to price competition from an over-supply of diesel in the Northern and Rockies Regional Operating Centres (ROCs), (ii) lower retail volumes impacted primarily by broader industry trends as reflected in the Company SSVG of (7.7)% for the first quarter of 2025, and (iii) declining fuel margins due to reduced rail and regional arbitrage opportunities.
- Food, convenience and other adjusted gross margin decreased by \$3 million for the first quarter of 2025, primarily driven by (i) a decline in consumer demand, reflecting broader industry trends driven by reduced consumer spending and foot traffic in convenience stores, and (ii) the impact of temporary interruption in food offerings and a related decline in complementary sales during the rollout of a new food program.
- Food and Company C-Store SSSG excluding and including cigarettes were (10.4)% and (9.3)%, respectively, for the first quarter of 2025. The declines were primarily attributable to inflationary pressures that have reduced discretionary consumer spending, as well as the impact of the new food program, as noted above, resulting in a decrease of \$5 million in food and convenience revenue.
- Food and Company C-Store gross margin percentage decreased from 33.8% to 32.8% for the first quarter of 2025, driven by lower food and related complementary sales, as noted above, which have higher margins.
- Operating costs increased by \$8 million for the first quarter of 2025, due to credit losses related to certain commercial customers and the impact of inflationary pressures. These increases were partially offset by the impact of reduced volumes and ongoing targeted cost-saving initiatives.
- Marketing, general and administrative expenses remained flat for the first quarter of 2025.

⁸ As the US Dollar strengthened against the Canadian Dollar, the net impact of the translation of the reported results into Canadian Dollars in the first quarter of 2025 when compared to the same period in 2024 was an increase in Adjusted EBITDA of \$1 million.

D. Refining

(\$ millions, unless otherwise noted)	Three months ended March 31,			
	2025	2024	Change	%
External fuel and petroleum product volume ⁽¹⁾ (million litres)	338	469	(131)	(28)%
Internal fuel and petroleum product volume (million litres)	604	575	29	5%
Total fuel and petroleum product volume (million litres)	942	1,044	(102)	(10)%
Fuel and petroleum product adjusted gross margin ⁽²⁾	151	47	104	221%
Adjusted gross margin ⁽²⁾	151	47	104	221%
Operating costs	66	74	(8)	(11)%
Marketing, general and administrative ⁽⁴⁾	6	6	—	—%
Adjusted EBITDA ⁽²⁾	79	(33)	112	(339)%
Key performance measures:				
Crude utilization ⁽³⁾	72.3%	19.4%	52.9p.p	
Composite utilization ⁽³⁾	76.0%	19.9%	56.1p.p	
Crude throughput ⁽³⁾ (000's bpd)	39.8	10.6	29.2	275%
Bio-feedstock throughput ⁽³⁾ (000's bpd)	2.0	0.3	1.7	567%

⁽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 15 of this MD&A.

⁽³⁾ Non-financial measure. See Section 15 of this MD&A.

⁽⁴⁾ For comparative purposes, certain amounts in 2024 were revised to conform to the presentation used in the current period with respect to the allocation of Corporate costs. See Note 2d of the Interim Condensed Consolidated Financial Statements for further details.

Q1 Performance - 2025 vs. 2024

Refining delivered Adjusted EBITDA of \$79 million for the first quarter of 2025, representing an increase of \$112 million, as compared to the same period in 2024. The changes in Adjusted EBITDA were primarily due to the following:

- Adjusted gross margin increased by \$104 million for the first quarter of 2025, primarily due to the increase in the composite utilization of 76.0% compared to 19.9% for the first quarter of 2024, when the Burnaby Refinery had an unplanned shutdown for 11 weeks. The Burnaby Refinery also successfully completed a three-week planned maintenance event during the first quarter of 2025 and performed safely and reliably, which allowed us to benefit from favourable market conditions.
- Operating costs decreased by \$8 million for the first quarter of 2025, mainly due to additional costs incurred in relation to the unplanned shutdown in the comparative period.
- Marketing, general and administrative expenses remained flat for the first quarter of 2025.

E. Corporate

(\$ millions, unless otherwise noted)	Three months ended March 31,			
	2025	2024	Change	%
Marketing, general and administrative ⁽³⁾	13	8	5	63%
Other items ⁽¹⁾	(2)	(4)	2	(50)%
Adjusted EBITDA ⁽²⁾ expense	11	4	7	175%

⁽¹⁾ Other items for the first quarter of 2025 include (i) non-fuel gross margin on internal sales of \$2 million (2024 - \$2 million); and (ii) other items of nil (2024 - \$2 million).

⁽²⁾ Measure of segment profit (loss). See Section 15 of this MD&A.

⁽³⁾ For comparative purposes, certain amounts in 2024 were revised to conform to the presentation used in the current period with respect to the allocation of Corporate costs. See Note 2d of the Interim Condensed Consolidated Financial Statements for further details.

Corporate Adjusted EBITDA expense increased by \$7 million for the first quarter of 2025, as compared to the same period in 2024.

- The Marketing, general and administrative expenses increased by \$5 million for the first quarter of 2025, driven by the timing of certain expenses in the comparative period.
- Other items decreased by \$2 million for the first quarter of 2025, primarily due to foreign exchange gains on the settlement of certain US Dollar-denominated balances in the comparative period.

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)	2025	2024				2023		
For the three months ended	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Sept 30	Jun 30
Financial Summary								
Sales and operating revenue	6,813	6,734	7,126	7,504	6,939	7,746	8,731	7,819
Adjusted gross margin ⁽¹⁾	894	968	955	1,020	849	1,012	1,101	964
Adjusted EBITDA ⁽¹⁾	375	428	431	504	327	463	585	470
Canada ⁽²⁾⁽³⁾	110	185	196	168	186	190	206	150
International ⁽²⁾⁽³⁾	181	169	150	180	147	157	170	168
USA ⁽²⁾⁽³⁾	16	30	52	47	31	39	52	74
Refining ⁽²⁾⁽³⁾	79	59	48	119	(33)	106	188	109
Corporate ⁽²⁾⁽³⁾	(11)	(15)	(15)	(10)	(4)	(29)	(31)	(31)
Net earnings (loss)	64	(29)	91	70	(5)	86	230	78
Net earnings (loss) per share – basic (\$ per share)	0.37	(0.17)	0.52	0.40	(0.03)	0.49	1.31	0.44
Net earnings (loss) per share – diluted (\$ per share)	0.36	(0.17)	0.52	0.39	(0.03)	0.48	1.28	0.44
Adjusted earnings (loss) ⁽⁴⁾	65	100	106	156	43	151	231	130
Adjusted earnings (loss) per share ⁽⁴⁾ – basic (\$ per share)	0.37	0.58	0.61	0.89	0.25	0.86	1.31	0.74
Adjusted earnings (loss) per share ⁽⁴⁾ – diluted (\$ per share)	0.37	0.57	0.60	0.88	0.25	0.84	1.28	0.73

⁽¹⁾ Total of segments measure. See Section 15 of this MD&A.

⁽²⁾ For comparative purposes, certain amounts in 2024 were revised to conform to the presentation used in the current period with respect to the allocation of Corporate costs. See Note 2d of the Interim Condensed Consolidated Financial Statements for further details.

⁽³⁾ Measure of segment profit (loss). See Section 15 of this MD&A.

⁽⁴⁾ Non-GAAP financial measure or ratio. See Section 15 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) the foreign currency exchange fluctuation, specifically between the US dollar and Canadian dollar, (ii) fluctuations in the price of fuel and petroleum products, (iii) market conditions impacting unit margins and sales volume, (iv) Parkland's acquisitions and the realization of related synergies, (v) organic growth, (vi) continued optimization of our supply and integrated logistic capabilities, (vii) the impact on commodity prices and margins resulting from the Russia-Ukraine conflict and the Middle East conflict, (viii) higher refining margins in the third quarter of 2023, (ix) the B.C. Hydro power outage in the fourth quarter of 2023, (x) non-recurring⁹ 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 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 which continued in the first quarter of 2025, (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) a decision to wind down our California compliance market positions due to recent regulatory developments in the United States that have created volatility and intensified market disruptions in the first quarter of 2025, (xix) reduced diesel arbitrage opportunities in Canada and USA in the first quarter of 2025, (xx) successful ongoing targeted cost-saving initiatives, and (xxi) general inflation.

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

6. CASH FLOWS AND DIVIDENDS

A. Cash flows

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

(\$ millions, unless otherwise noted)	Three months ended March 31,	
	2024	2023
Cash generated from (used in) operating activities	286	217
Cash generated from (used in) investing activities	(82)	(93)
Cash generated from (used in) financing activities	(226)	(129)
Increase (decrease) in cash and cash equivalents	(22)	(5)
Impact of foreign currency translation on cash	(1)	11
Cash and cash equivalents at beginning of period	385	387
Cash and cash equivalents at end of period	362	393
Cash generated from (used in) operating activities per share ⁽¹⁾	1.64	1.24

⁽¹⁾ Supplementary financial measure. See Section 15 of this MD&A.

Operating activities

Q1 2025 vs. Q1 2024

Parkland generated \$286 million in cash from operating activities for the first quarter of 2025. This was primarily attributable to Adjusted EBITDA of \$375 million. The cash inflows were partially offset by (i) an outflow of \$53 million from net change in non-cash working capital, primarily due to the commercial decision to wind down our California compliance market positions due to recent regulatory developments in the United States that have created volatility and intensified market disruptions and (ii) \$30 million in payments for acquisition, integration and other costs, primarily related to restructuring activities and implementation of enterprise-wide systems.

In comparison, Parkland generated \$217 million in cash from operating activities for the first quarter of 2024. This was primarily attributable to Adjusted EBITDA of \$327 million, partially offset by (i) an outflow of \$55 million net change in non-cash working capital due to an increase in commodity prices, partially offset by the impact of timing of settlement of risk management contracts, and (ii) \$30 million in acquisition, integration and other costs primarily related to implementation of enterprise-wide systems and restructuring activities.

Investing activities

Q1 2025 vs. Q1 2024

Parkland invested \$82 million in the first quarter of 2025, primarily attributable to \$91 million of capital expenditures, and \$13 million funded through non-recourse project financing, as discussed in Section 8 of this MD&A. This was partially offset by (i) \$13 million in proceeds on the disposal of certain assets and dividends received from investments in associates and joint ventures, and (ii) \$11 million from net change in non-cash working capital related to investing activities due to the timing of payments for capital expenditures.

In comparison, Parkland invested \$93 million in the first quarter of 2024, primarily attributable to a total of \$86 million of capital expenditures and \$3 million funded through non-recourse project financing, as discussed in Section 8 of this MD&A.

Financing activities

Q1 2025 vs. Q1 2024

Parkland used \$226 million of cash in financing activities for the first quarter of 2025. This was primarily attributable to (i) \$82 million payments for interest on long-term debt and leases, (ii) \$77 million payments made on the principal amount on leases, and (iii) \$61 million in cash dividends paid to shareholders.

In comparison, Parkland used \$129 million of cash in financing activities for the first quarter of 2024. This was primarily attributable to (i) \$79 million of shares repurchased under the NCIB, (ii) \$71 million of payments made on the principal amount owing on leases, (iii) \$66 million of payments for interest on leases and long-term debt, and (iv) \$60 million in cash dividends paid to shareholders. This was partially offset by \$139 million of net proceeds under the Credit Facility.

B. Available cash flow and Available cash flow per share

	Three months ended March 31,		Trailing twelve months ended March 31,	
(\$ millions, unless otherwise noted)	2025	2024	2025	2024
Cash generated from (used in) operating activities ⁽¹⁾	286	217	1,604	1,683
Reverse: Change in other assets and other liabilities	1	28	16	20
Reverse: Net change in non-cash working capital related to operating activities ⁽⁵⁾	53	55	(140)	(87)
Include: Maintenance capital expenditures ⁽²⁾	(62)	(59)	(282)	(265)
Include: Dividends received from investments in associates and joint ventures	5	2	23	11
Include: Interest on leases and long-term debt	(89)	(85)	(349)	(345)
Include: Payments of principal amount on leases	(77)	(71)	(286)	(255)
Available cash flow ⁽³⁾	117	87	586	762
Weighted average number of common shares (millions) ⁽⁴⁾			174	176
TTM Available cash flow per share ⁽³⁾			3.37	4.34

⁽¹⁾ Supplementary financial measure for the trailing twelve months period. See Section 15 of this MD&A.

⁽²⁾ Supplementary financial measure. See Section 15 of this MD&A.

⁽³⁾ Non-GAAP financial measure or non-GAAP financial ratio. See Section 15 of this MD&A.

⁽⁴⁾ Weighted average number of common shares is calculated in accordance with Parkland's accounting policy described in Note 2 of the Annual Consolidated Financial Statements.

⁽⁵⁾ 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, were revised to conform to the current period presentation.

Available cash flow increased by \$30 million for the three months ended March 31, 2025, as compared to the same period in 2024, primarily due to an increase in Adjusted EBITDA performance as discussed in Section 2A above. This was partially offset by (i) an increase in income tax expense due to higher taxable earnings and the impact of the global minimum tax enacted in the second quarter of 2024, and (ii) an increase in lease payments due to the expansion of terminal storage and shipping capacity in International markets.

Available cash flow decreased by \$176 million for the trailing twelve months ended March 31, 2025, as compared to the same period in 2024, as a result of (i) a significantly lower refining margin environment during the second half of 2024, (ii) realized losses due to winding down California compliance market positions in the first quarter of 2025, (iii) a higher income tax expense due to increased taxable income and the impact of the global minimum tax enacted in the second quarter of 2024, and (iv) higher acquisition, integration and other costs primarily associated with the restructuring activities related to outsourcing, transformation and cost efficiency initiatives and implementation of enterprise-wide systems during the last nine months of 2024 and (v) an increase in lease payments due to expansion of terminal storage and shipping capacity in International markets. This was partially offset by the impact of the unplanned shutdown at the Burnaby Refinery for 11 weeks during the first quarter of 2024.

Available cash flow per share decreased from \$4.34 to \$3.37 for the trailing twelve months ended March 31, 2025, as compared to the same period in 2024, primarily driven by a decrease in available cash flow as discussed, partially offset by the lower number of outstanding common shares, driven by 1.1 million common shares repurchased under the NCIB during the trailing twelve months ended March 31, 2025.

Cash generated from operating activities for the three months ended March 31, 2025, increased by \$69 million as compared to the same period in 2024, primarily as a result of (i) an increase in Adjusted EBITDA, as discussed in Section 2A above, and (ii) a lower outflow from other liabilities and assets mainly due to the timing of the settlement of margin accounts used for risk management and other financial instruments. This was partially offset by an increase in income tax expense due to higher taxable earnings and the impact of the global minimum tax enacted in the second quarter of 2024.

Cash generated from operating activities for the trailing twelve months ended March 31, 2025, decreased by \$79 million as compared to the same period in 2024, primarily as a result of (i) a significantly lower refining margin environment during the second half of 2024 as well as realized losses due to winding down California compliance market positions in the first quarter of 2025, (ii) a higher income tax expense due to higher taxable earnings and the impact of the global minimum tax enacted in the second quarter of 2024, and (iii) a higher acquisition, integration and other costs primarily associated with the restructuring activities related to outsourcing, transformation and cost efficiency initiatives and implementation of enterprise-wide system during the last nine months of 2024. This was partially offset by higher inflow related to changes in non-cash working capital, driven by a decrease in commodity prices and the timing of certain inventory purchases.

C. Dividends

(\$ millions, unless otherwise noted)	Three months ended March 31,			
	2025	2024	Change	%
Dividends declared to shareholders	63	61	2	3%
Dividends paid to shareholders	(61)	(60)	(1)	2%

Parkland increased the annual dividend by \$0.04 per share to \$1.40 per share from \$1.36 per share, effective March 22, 2024, and by \$0.04 per share to \$1.44 per share from \$1.40 per share, effective March 21, 2025.

Dividends declared to shareholders increased by \$2 million in the first quarter of 2025, primarily due to the increase in the annual per-share dividend. This was partially offset by the lower number of outstanding common shares, driven by 1.1 million common shares repurchased under the NCIB during the trailing twelve months ended March 31, 2025.

Dividends paid to shareholders increased by \$1 million to \$61 million in the first quarter of 2025, due to the increases in the annual per-share dividends described above.

D. Dividend payout ratio

(\$ millions, unless otherwise noted)	Trailing twelve months ended March 31,	
	2025	2024
Available cash flow ⁽¹⁾	586	762
Dividends ⁽²⁾	246	241
Dividend payout ratio ⁽¹⁾	42%	32%

⁽¹⁾ Non-GAAP financial measure or non-GAAP financial ratio. See Section 15 of this MD&A.

⁽²⁾ Supplementary financial measure. See Section 15 of this MD&A.

The dividend payout ratio increased for the trailing twelve months ended March 31, 2025, as compared to the same period in 2024, due to lower available cash flow, as discussed in Section 6B, and an increase in dividends, as discussed in Section 6C.

7. CAPITAL MANAGEMENT, LIQUIDITY AND COMMITMENTS

A. Capital management

Leverage Ratio

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

The Leverage Ratio remained stable at 3.6 as at March 31, 2025, as compared to 3.6 at December 31, 2024.

(\$ millions, unless otherwise noted)	March 31, 2025	December 31, 2024
Leverage Debt	5,257	5,268
Leverage EBITDA	1,476	1,481
Leverage Ratio ⁽¹⁾	3.6	3.6

⁽¹⁾ Capital management measure. Refer to Section 15 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	
	March 31, 2025	March 31, 2024
Net operating profit after tax	721	832
Average invested capital ⁽²⁾	9,478	9,384
ROIC ⁽¹⁾	7.6%	8.9%

⁽¹⁾ Non-GAAP financial ratio. See Section 15 of this MD&A.

⁽²⁾ For comparative purposes, certain amounts within averaged invested capital for the trailing twelve months ended March 31, 2024 were revised to conform to the current period presentation.

ROIC was 7.6% for the trailing twelve months ended March 31, 2025, as compared to 8.9% for the trailing twelve months ended March 31, 2024, primarily driven by a decrease in Adjusted EBITDA due to (i) a significantly lower refining margin environment during the second half of 2024, (ii) realized losses of \$53 million due to the wind down of California compliance market positions in the first quarter of 2025, and (iii) the higher applicable tax rates with the enactment of global minimum tax in the second quarter of 2024.

Normal course issuer bid program

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

Credit Facility covenants

In addition to the internal capital management measures, Parkland was in compliance with the restrictions with respect to all of its Credit Facility covenants consisting of (i) Senior Funded Debt to Credit Facility EBITDA ratio, (ii) Total Funded Debt to Credit Facility EBITDA ratio, and (iii) Interest coverage ratio (calculated as a ratio of Credit Facility EBITDA to Interest Expense) throughout the three months ended March 31, 2025, 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 March 31, 2025, 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)	March 31, 2025	December 31, 2024
Cash and cash equivalents ⁽¹⁾	362	385
Unused credit facilities	1,661	1,660
Liquidity available ⁽²⁾	2,023	2,045

⁽¹⁾ Includes cash held in margin and project financing current accounts as at March 31, 2025, which amounted to \$38 million (December 31, 2024 - \$94 million).

⁽²⁾ Supplementary financial measure. See Section 15 of this MD&A.

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 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 March 31, 2025, \$31 million (December 31, 2024 - \$30 million) 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 trended lower to \$13,000 million at March 31, 2025, compared to \$13,213 million at December 31, 2024, primarily driven by (i) a decrease in long-term debt due to lower interest obligations as we draw closer to debt maturities and reduction in lease liability due to settlements, (ii) a reduction in risk management liabilities mainly due to the wind down of the California compliance market positions and (iii) a decrease in accounts payable from lower commodity prices.

March 31, 2025 (\$ millions)	Less than one year	Years two and three	Years four and five	Thereafter	Total
Commitments					
Pipeline commitment ⁽¹⁾	84	174	182	1,548	1,988
Acquisition of property, plant and equipment ⁽²⁾	168	2	—	—	170
Other commitments	45	12	6	8	71
Total commitments	297	188	188	1,556	2,229
Other obligations					
Accounts payable and accrued liabilities	2,580	—	—	—	2,580
Dividends declared and payable	63	—	—	—	63
Risk management and other financial liabilities	23	—	—	—	23
Long-term debt - including interest	511	2,394	2,708	2,442	8,055
Provisions and other liabilities	32	2	3	13	50
Total other obligations	3,209	2,396	2,711	2,455	10,771
Total contractual obligations	3,506	2,584	2,899	4,011	13,000

⁽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.

⁽²⁾ Includes a capital commitment for EVCo of \$30 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 March 31, 2025 are \$170 million (December 31, 2024 - \$178 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 those made under contractual obligations and guarantees.

Letters of credit

As at March 31, 2025, Parkland issued \$66 million (December 31, 2024 - \$74 million) of letters of credit to provide guarantees on behalf of its subsidiaries in the ordinary course of business, which are not recognized in the Interim Condensed Consolidated Financial Statements. Maturity dates for these guarantees vary and are up to and including March 31, 2035.

8. CAPITAL EXPENDITURES

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

(\$ millions)	Three months ended March 31,	
	2025	2024
Growth capital expenditures		
Canada	21	10
International	5	3
USA	2	1
Refining	11	10
Corporate	3	6
Growth capital expenditures including non-recourse project financing	42	30
Less: Growth capital expenditures related to non-recourse project financing ⁽²⁾⁽⁴⁾	13	3
Growth capital expenditures⁽¹⁾⁽⁴⁾	29	27
Maintenance capital expenditures		
Canada	17	12
International	16	3
USA	5	3
Refining	24	41
Corporate	—	—
Maintenance capital expenditures including non-recourse project financing	62	59
Less: Maintenance capital expenditures related to non-recourse project financing ⁽²⁾	—	—
Maintenance capital expenditures⁽¹⁾	62	59
Additions to property, plant and equipment and intangible assets ⁽¹⁾⁽³⁾	104	89
Less: Additions to property, plant and equipment and intangible assets related to non-recourse project financing ⁽²⁾	13	3
Capital expenditures⁽¹⁾	91	86

⁽¹⁾ Supplementary financial measure. See Section 15 of this MD&A.

⁽²⁾ Growth capital expenditures and maintenance capital expenditures related to EVCo are 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 14 of the Interim Condensed Consolidated Financial Statements

⁽⁴⁾ For comparative purposes, certain amounts were revised to conform to the presentation used in the current period.

Parkland's capital expenditures for the first quarter of 2025 increased by \$5 million as compared to the same period in 2024.

Growth capital expenditures increased by \$2 million for the first quarter of 2025 and were focused on (i) capacity expansion and low-carbon fuel manufacturing initiatives at the Burnaby Refinery, (ii) On the Run / Marché Express and other site conversions and rebranding activities in both Canada and the USA, (iii) car wash station upgrades and store re-imaging, (iv) continued enhancements to the JOURNIE™ Rewards program across various digital platforms, and (v) site network expansion projects in Canada.

Maintenance capital expenditures increased by \$3 million for the first quarter of 2025 and were focused on (i) ongoing maintenance at the Burnaby Refinery to ensure plant reliability and regulatory compliance, (ii) site renovations and various equipment, including fuel tanks, replacement activities across Canada, USA and International markets, and (iii) pipelines and other equipment maintenance at various terminals across Canada. The maintenance capital expenditures for the first quarter of 2025, as compared to the same period in 2024, decreased for Refining by \$17 million, mainly due to an unplanned shutdown in the first quarter of 2024, and increased for International by \$13 million mainly due to higher tank and equipment replacement activities in 2025.

Growth capital expenditures related to non-recourse project financing increased by \$10 million for the first quarter of 2025, as compared to the same period in 2024 as we continued to progress towards building EV charge ports on multiple locations as part of our plan to build an ultra-fast charging network across Canada.

9. REVENUE AND NET EARNINGS (LOSS)

A. Revenue

(\$ millions)	Canada ⁽¹⁾		International ⁽¹⁾		USA ⁽¹⁾		Refining ⁽¹⁾		Consolidated	
Three months ended March 31,	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Fuel and petroleum product revenue	3,243	3,153	1,998	2,018	977	1,071	237	338	6,455	6,580
Food, convenience and other non-fuel revenue	112	115	55	47	191	197	—	—	358	359
Sales and operating revenue ⁽²⁾	3,355	3,268	2,053	2,065	1,168	1,268	237	338	6,813	6,939

⁽¹⁾ Refer to Note 14 of the Interim Condensed Consolidated Financial Statements for additional information on Parkland's segments.

⁽²⁾ Sales and operating revenue includes revenue from external customers only.

Sales and operating revenue for the first quarter of 2025 decreased by \$126 million, as compared to the same period in 2024. Overall, the period-over-period variances in sales and operating revenue are as follows:

- Sales and operating revenue for Canada increased by \$87 million for the first quarter of 2025. The increase was mainly due to (i) increased volumes in the logistics business due to colder weather, partially offset by (i) the impact of lower commodity prices and (ii) reduced volumes in the retail business due to general market conditions and the expected decrease in fuel prices from the removal of consumer carbon tax effective April 1, 2025.
- Sales and operating revenue for International decreased by \$12 million for the first quarter of 2025, mainly due to lower commodity prices, partially offset by (i) the increase in wholesale volumes, (ii) additional freight revenue from certain customers and (iii) the impact of a strengthening US Dollar.
- Sales and operating revenue for USA decreased by \$100 million for the first quarter of 2025, primarily due to (i) lower fuel and petroleum volumes, driven by reduced demand, and (ii) lower commodity prices, partially offset by the impact of a strengthening US Dollar.
- Sales and operating revenue for Refining decreased by \$101 million for the first quarter of 2025, primarily due to higher crude sales in the comparative period resulting from efficient management of pipeline capacity following the unplanned shutdown at the Burnaby Refinery.

B. Net earnings (loss)

The following table shows the reconciliation of Adjusted EBITDA to net earnings (loss) for the three months ended March 31, 2025.

(\$ millions)	Three months ended March 31,	
	2025	2024
Adjusted EBITDA ⁽¹⁾	375	327
Less/(add):		
Acquisition, integration and other costs	29	30
Depreciation and amortization	202	206
Finance costs	99	91
(Gain) loss on foreign exchange – unrealized	(5)	3
(Gain) loss on risk management and other – unrealized ⁽⁴⁾	3	3
Other (gains) and losses ⁽²⁾	(19)	10
Other adjusting items ⁽³⁾⁽⁴⁾	(6)	18
Income tax expense (recovery)	8	(29)
Net earnings (loss)	64	(5)

⁽¹⁾ Total of segments measure. See Section 15 of this MD&A.

⁽²⁾ Other (gains) and losses for the three months ended March 31, 2025, include: (i) \$21 million non-cash valuation gain (2024 - \$13 million loss) due to change in fair value of redemption options; (ii) \$4 million non-cash valuation loss (2024 - \$4 million gain) due to the change in estimates of environmental provisions; (iii) \$4 million (2024 - \$2 million) in other income; and (iv) \$1 million loss (2024 - \$5 million loss) in others; and (v) \$1 million loss (2024 - \$2 million gain) on disposal of assets;

⁽³⁾ Other adjusting items for the three months ended March 31, 2025, include: (i) realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of \$13 million gain (2024 - \$11 million loss); (ii) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of \$5 million (2024 - \$4 million); (iii) other income of \$2 million (2024 - \$2 million); (iv) adjustment to foreign exchange losses related to cash pooling arrangements of nil (2024 - \$2 million loss); and (v) realized risk management gains related to interest rate swaps, as these gains do not relate to commodity sale and purchase transactions, of nil (2024 - \$1 million).

⁽⁴⁾ For comparative purposes, certain amounts were reclassified between realized and unrealized gain/(loss) on risk management for the three months ended March 31, 2024, with no changes to Net earnings (loss).

Net earnings were \$64 million for the first quarter of 2025, representing an increase in earnings of \$69 million, compared to the same period in 2024.

The increase was primarily due to the:

- increase in Adjusted EBITDA of \$48 million for the first quarter of 2025, as discussed in Section 2A above;
- impact of realization of prior period losses on risk management and other of \$38 million on the wind down of California compliance market positions resulting in unrealized gains in the current period, partially offset by an unrealized loss of \$14 million on renewable natural gas credits position in the current period due to decrease in market prices and expected contractual volumes; and
- increase in net gains on the revaluation of redemption options included in other (gains) and losses by \$34 million for the first quarter of 2025, driven by interest rate volatility and changes in credit spreads.

The increases were partially offset by the:

- increase in income tax expense of \$37 million for the first quarter of 2025 due to increased taxable income and the impact of the global minimum tax enacted in the second quarter of 2024; and
- increase in the losses from the revaluation of environmental provision included in other (gains) and losses of \$8 million for the first quarter of 2025, primarily due to lower discount rates.

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 15 of the Interim Condensed Consolidated Financial Statements for additional information and the reconciliation of Adjusted gross margin and Adjusted EBITDA to net earnings (loss). The results of our lines of business are as follows:

(\$ millions, unless otherwise noted)	Retail ⁽²⁾		Commercial ⁽²⁾		Refining		Corporate		Eliminations		Consolidated	
Three months ended March 31,	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
External fuel and petroleum product volume⁽¹⁾	2,397	2,453	3,570	3,364	338	469	—	—	—	—	6,305	6,286
Fuel and petroleum product adjusted gross margin	340	320	228	307	151	47	—	(1)	(7)	(7)	712	666
Food, convenience and other adjusted gross margin	103	105	80	79	—	—	2	2	(3)	(3)	182	183
Adjusted gross margin	443	425	308	386	151	47	2	1	(10)	(10)	894	849
Adjusted EBITDA⁽³⁾	209	196	98	168	79	(33)	(11)	(4)	—	—	375	327

⁽¹⁾ For comparative purposes, certain amounts within external fuel and petroleum product volume were revised to conform to the presentation used in the current period. The amount of revision for the three months ended March 31, 2024, were: Retail (54 million litres); and Commercial (54 million litres).

⁽²⁾ The Adjusted EBITDA for our marketing business, which includes both the Retail and Commercial lines of business, was \$307 million (2024 - \$364 million).

⁽³⁾ For comparative purposes, certain amounts in 2024 were revised to conform to the presentation used in the current period with respect to the allocation of Corporate costs. See Note 2d of the Interim Condensed Consolidated Financial Statements for further details.

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

- The Retail business achieved an Adjusted EBITDA of \$209 million for the first quarter of 2025, representing an increase of \$13 million as compared to the same period in 2024. The increase was driven by (i) stronger unit margins in Canada and International resulting from continued price and supply optimization, (ii) the impact of the strengthening of the US Dollar on USA and International adjusted gross margin, (iii) C-store margin optimization and merchandising initiatives in Canada, and (iv) a lower operating cost and marketing, general and administrative expenses in Canada due to targeted cost saving initiatives. This was partially offset by (i) a decline in fuel volumes due to reduced demand in Canada in the last half of March 2025 with the expected removal of consumer carbon taxes on April 1, 2025, general market conditions, and broader industry trends in USA, (ii) lower margins in our M&M Food Market business due to inflationary pressures that have reduced discretionary spending for consumers, (iii) reduced consumer spending and foot traffic in convenience stores in USA market, and (iv) higher operating costs and marketing, general and administrative expenses in USA and International markets due to the strengthening of the US Dollar.
- The Commercial business achieved an Adjusted EBITDA of \$98 million for the first quarter of 2025 representing a decrease of \$70 million as compared to the same period in 2024. The decrease was driven by (i) realized losses as a result of our commercial decision to wind down our California compliance market positions due to recent regulatory

developments in the United States that have created volatility and intensified market disruptions, (ii) loss in gross margin from the disposition of our Canadian commercial propane business in the fourth quarter of 2024, (iii) declining fuel margins due to reduced rail and regional arbitrage opportunities in USA, and (iv) higher operating costs and marketing, general and administrative expenses in USA and International due to the strengthening of the US Dollar. This was partially offset by (i) improved wholesale performance in the International market due to contributions and volumes from strategic contracts and recurring wholesale customers, (ii) improved unit margins from continued price and supply optimization, (iii) the impact of the strengthening of the US Dollar on the USA and International adjusted gross margin, and (iv) lower operating costs and marketing, general and administrative expenses due to the disposition of our Canadian propane business.

- Results of Refining and Corporate are discussed within Section 4 of this MD&A.

11. RISK FACTORS

Parkland is exposed to a number of risk factors through the pursuit of our strategic objectives and the nature of our operations, which are outlined in Section 11 of the Annual MD&A and in the Annual Information Form. These risk factors have not changed materially since the dates of their publication.

Financial instruments and financial risks

Financial instruments recorded at fair value through profit or loss

Parkland uses various financial instruments recorded at fair value through profit or loss to reduce exposures to fluctuations in commodity prices and foreign exchange rates 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.

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

(\$ millions)	Three months ended March 31,	
	2025	2024
Gain (loss) on risk management and other - realized ⁽¹⁾⁽²⁾	(56)	(72)
Gain (loss) on risk management and other - unrealized ⁽¹⁾⁽³⁾	(3)	(3)
Gain (loss) on risk management and other	(59)	(75)
Change in fair value of Redemption Options ⁽⁴⁾	21	(13)
Impact on consolidated statements of income (loss)	(38)	(88)

⁽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.

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 buy and 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 7 of the Interim Condensed 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 7 of the Interim Condensed Consolidated Financial Statements for further details on the net investment hedge.

Other risks

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

12. OUTLOOK

There have been no changes to the guidance metrics previously described in Section 12 of the Annual MD&A. Parkland now expects results to be toward the lower end of the 2025 Adjusted EBITDA Guidance range of \$1,800 million to \$2,100 million, as noted in our press release dated April 16, 2025. We continue to prioritize cost efficiencies, supply optimization, capturing synergies from previous acquisitions, deleveraging and enhancing shareholder returns and are confident in achieving Parkland's 2025 guidance metrics set forth below.

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

- Adjusted EBITDA range of \$1,800 million to \$2,100 million (the "2025 Adjusted EBITDA Guidance"¹⁰), which includes Refining Adjusted EBITDA of approximately \$300 million (the "2025 Refining Adjusted EBITDA Guidance"¹⁰);
- Capital expenditures between \$475 million to \$525 million (the "2025 Capital Expenditure Guidance"¹⁰);
- Available cash flow of \$5.00 to \$6.00 per share (the "2025 Available cash flow per share Guidance"¹⁰);
- Leverage Ratio at the low end of our 2 to 3 times target range by year-end 2025 (the "2025 Leverage Ratio Guidance"¹⁰); 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"¹⁰)

For additional details relating to our 2025 Guidance, refer to Parkland's press releases dated November 26, 2024, and April 16, 2025, which are available at www.sedarplus.ca. The factors and assumptions that contribute to Parkland's assessment of the 2025 Guidance are set forth under Section 16 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 16 of this MD&A and the press releases dated November 26, 2024, and April 16, 2025, 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 effectively as at March 31, 2025, 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 three months ended March 31, 2025, 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.

¹⁰ Specified financial measure. See Section 15 and Section 16 of this MD&A

B. Shares outstanding

As at March 31, 2025, Parkland had approximately 174.4 million (December 31, 2024 - 173.9 million) common shares, 3.6 million (December 31, 2024 - 3.0 million) share options, 2.1 million (December 31, 2024 - 1.9 million) performance share units, and 0.2 million (December 31, 2024 - 0.2 million) deferred share units outstanding. The share options consist of approximately 2.3 million (December 31, 2024 - 1.9 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 March 31,	2025	2024	2025	2024	2025	2024 ⁽⁴⁾	2025	2024	2025	2024 ⁽⁴⁾
Retail ⁽¹⁾	1,540	1,570	406	413	451	470	—	—	2,397	2,453
Commercial ⁽¹⁾⁽²⁾	1,689	1,453	1,331	1,284	550	627	—	—	3,570	3,364
Refining	—	—	—	—	—	—	338	469	338	469
Fuel and petroleum product volume ⁽³⁾	3,229	3,023	1,737	1,697	1,001	1,097	338	469	6,305	6,286

⁽¹⁾ Includes gasoline and diesel.

⁽²⁾ Commercial includes the operations of cardlock sites, bulk fuel, propane, heating oil, 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 revisions for the first quarter of 2024, were: Retail (54 million litres) and Commercial (54 million litres).

D. Related party transactions

As at March 31, 2025, Parkland continues to have transactions with related parties in the normal course of business. As at March 31, 2025, Parkland has contractually committed to invest approximately \$35 million (December 31, 2024 - \$35 million) in its associate investments.

(\$ millions)	Three months ended	
	March 31, 2025	March 31, 2024
Investment in Associates		
Fuel revenue ⁽¹⁾	90	96
Cost of purchases ⁽¹⁾	67	72
Investment in Joint Ventures		
Fuel revenue ⁽²⁾	226	227

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

⁽²⁾ Includes related party transactions with the Isla JV, in which Parkland holds a 50% interest.

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

(\$ millions)	March 31, 2025	December 31, 2024
Investments in Associates		
Accounts payable	22	29
Accounts receivable	52	32
Investment in Joint Ventures		
Accounts payable	1	2
Accounts receivable	47	43

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.

The assets and the related liabilities held for sale as at March 31, 2025 were \$868 million and \$297 million, respectively (December 31, 2024 - \$842 million and \$292 million).

F. Site count by business model

	As at March 31, 2025			
Business model	Canada ⁽¹⁾	USA ⁽¹⁾	International ⁽²⁾	Total
Company-owned / leased, Company-operated ⁽³⁾	112	124	15	251
Company-owned / leased, dealer-operated	8	—	233	241
Company-owned / leased, retailer-operated	793	69	—	862
Dealer-owned, dealer-operated / consignment dealer	1,203	451	245	1,899
Franchisee-operated ⁽⁴⁾	201	—	—	201
Cardlock	163	46	—	209
	2,480	690	493	3,663

	As at December 31, 2024			
Business model	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

⁽¹⁾ Site count includes sites classified as assets held for sale. Refer to Note 4 of the Interim Condensed Consolidated Financial Statements.

⁽²⁾ Site count excludes Parkland's 50% interest in the Isla JV. As at March 31, 2025, Isla JV's site count for Company sites and Dealer sites are 110 and 129, respectively (December 31, 2024 - 110 and 128).

⁽³⁾ Includes Company-operated food stores where Parkland owns the food inventory. As at March 31, 2025, Parkland is the operator of 112 Company-operated stores under the M&M Food Market brand (December 31, 2024 - 107).

⁽⁴⁾ In addition, as at March 31, 2025, Parkland had arrangements with 2,375 (December 31, 2024 - 2,371) third-party retailers to distribute and sell M&M Food Market products at the retailers' sites under the name "M&M Express".

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 and the Interim Condensed Consolidated Financial Statements for a summary of material accounting policies and estimates or references to notes where such policies are contained.

Critical accounting estimates and judgments

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

15. 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 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 items 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 the 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.

(\$ millions)	Three months ended March 31,	
	2025	2024
Sales and operating revenue	6,813	6,939
Cost of purchases	(5,848)	(6,022)
Gain (loss) on risk management and other - realized ⁽²⁾	(56)	(72)
Gain (loss) on foreign exchange - realized	(2)	(8)
Other adjusting items to Adjusted gross margin ⁽¹⁾⁽²⁾	(13)	12
Adjusted gross margin	894	849
Fuel and petroleum product adjusted gross margin	712	666
Food, convenience and other adjusted gross margin	182	183
Adjusted gross margin	894	849

⁽¹⁾ Other adjusting items to Adjusted gross margin for the three months ended March 31, 2025, includes adjustment for realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of \$13 gain (2024 - \$11 loss); adjustment to foreign exchange gains and losses related to cash pooling arrangements of nil (2024 - \$2 loss); and adjustment to realized risk management gains of nil for Corporate, related to interest rate swaps as these gains do not relate to commodity sale and purchase transactions (2024 - \$1 gain).

⁽²⁾ For comparative purposes, certain amounts were reclassified between realized and unrealized gain/(loss) on risk management for the three months ended March 31, 2024, with no changes to Adjusted gross margin.

Food, convenience and other adjusted gross margin

(\$ millions)	Canada		International		USA		Corporate		Intersegment Eliminations		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
For the three months ended March 31,												
Food and convenience store ⁽¹⁾	65	65	4	3	24	26	—	—	—	—	93	94
Other retail ⁽²⁾	2	3	7	7	1	1	—	—	—	—	10	11
Lubricants and other ⁽³⁾	18	22	28	23	34	35	2	2	(3)	(4)	79	78
Food, convenience and other adjusted gross margin	85	90	39	33	59	62	2	2	(3)	(4)	182	183

⁽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.

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 items 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.

(\$ millions, unless otherwise stated)	Three months ended March 31,	
	2025	2024
Net earnings (loss)	64	(5)
Add/(less):		
Acquisition, integration and other costs	29	30
(Gain) loss on foreign exchange – unrealized	(5)	3
(Gain) loss on risk management and other – unrealized ⁽⁴⁾	3	3
Other (gains) and losses	(19)	10
Other adjusting items ⁽¹⁾⁽⁴⁾	(6)	18
Tax normalization ⁽²⁾	(1)	(16)
Adjusted earnings (loss)	65	43
Weighted average number of common shares (million shares) ⁽³⁾	174	175
Weighted average number of common shares adjusted for the effects of dilution (million shares) ⁽³⁾	176	175
Adjusted earnings (loss) per share (\$ per share)		
Basic	0.37	0.25
Diluted	0.37	0.25

⁽¹⁾ Other adjusting items for the three months ended March 31, 2025 include: (i) realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of \$13 million gain (2024 - \$11 million loss); (ii) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of \$5 million (2024 - \$4 million); (iii) other income of \$2 million (2024 - \$2 million); (iv) adjustment to foreign exchange losses related to cash pooling arrangements of nil (2024 - \$2 million loss); and (v) adjustment to realized risk management gains related to interest rate swaps, as these gains do not relate to commodity sale and purchase transactions, of nil (2024 - \$1 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 and 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 is calculated in accordance with Parkland's accounting policy contained in Note 2 of the Annual Consolidated Financial Statements.

⁽⁴⁾ For comparative purposes, certain amounts were reclassified between realized and unrealized gain/(loss) on risk management with no changes to Adjusted earnings (loss) to conform to the presentation used in the current period.

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 set targets (including annual guidance and variable compensation targets) and 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				Trailing twelve months ended March 31, 2025
	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	
Cash generated from (used in) operating activities	450	406	462	286	1,604
Reverse: Change in other assets and other liabilities	3	(68)	80	1	16
Reverse: Net change in non-cash working capital related to operating activities ⁽¹⁾	(34)	21	(180)	53	(140)
Include: Maintenance capital expenditures	(53)	(71)	(96)	(62)	(282)
Include: Dividends received from investments in associates and joint ventures	8	3	7	5	23
Include: Interest on leases and long-term debt	(88)	(85)	(87)	(89)	(349)
Include: Payments of principal amount on leases	(64)	(69)	(76)	(77)	(286)
Available cash flow	222	137	110	117	586
Weighted average number of common shares (millions) ⁽²⁾					174
TTM Available cash flow per share					3.37

(\$ millions, unless otherwise noted)	Three months ended				Trailing twelve months ended March 31, 2024
	June 30, 2023 ⁽¹⁾	September 30, 2023	December 31, 2023	March 31, 2024 ⁽¹⁾	
Cash generated from (used in) operating activities	521	528	417	217	1,683
Reverse: Change in other assets and other liabilities	(11)	7	(4)	28	20
Reverse: Net change in non-cash working capital related to operating activities ⁽¹⁾	(145)	(14)	17	55	(87)
Include: Maintenance capital expenditures	(61)	(52)	(93)	(59)	(265)
Include: Dividends received from investments in associates and joint ventures	2	4	3	2	11
Include: Interest on leases and long-term debt	(89)	(83)	(88)	(85)	(345)
Include: Payments on principal amount on leases	(56)	(57)	(71)	(71)	(255)
Available cash flow	161	333	181	87	762
Weighted average number of common shares (millions) ⁽²⁾					176
TTM Available cash flow per share					4.34

⁽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 is 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 that 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 Parkland's future performance. The assumptions related to Available cash flow per share Guidance are disclosed in Section 16.

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 the 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				Trailing twelve months ended March 31, 2025
	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	
Available cash flow ⁽¹⁾	222	137	110	117	586
Dividends	61	61	61	63	246
Dividend payout ratio					42 %

(\$ millions, unless otherwise noted)	Three months ended				Trailing twelve months ended March 31, 2024
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024 ⁽¹⁾	
Available cash flow ⁽¹⁾	161	333	181	87	762
Dividends	60	60	60	61	241
Dividend payout ratio					32 %

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

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 15A, 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, including debt liabilities classified as held for sale, as well as 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)	Three months ended				Trailing twelve months ended March 31, 2025
	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	
ROIC					
Net earnings (loss)	70	91	(29)	64	196
Add/(less):					
Income tax expense (recovery)	20	17	(8)	8	37
Acquisition, integration and other costs	46	61	81	29	217
Depreciation and amortization	202	207	210	202	821
Finance cost	99	96	92	99	386
(Gain) loss on foreign exchange - unrealized	4	1	(2)	(5)	(2)
(Gain) loss on risk management and other - unrealized	56	(48)	34	3	45
Other (gains) and losses	(1)	(1)	30	(19)	9
Other adjusting items	8	7	20	(6)	29
Adjusted EBITDA	504	431	428	375	1,738
Less: Depreciation and amortization	(202)	(207)	(210)	(202)	(821)
Less: Pro-forma depreciation and amortization on assets classified as held for sale	—	—	(7)	(7)	(14)
Adjusted EBIT	302	224	211	166	903
Average effective tax rate					20.1 %
Less: Taxes					(182)
Net operating profit after tax					721
Opening invested capital					9,421
Closing invested capital					9,535
Average invested capital					9,478
Return on invested capital					7.6 %

Invested Capital	March 31,	
(\$ millions, unless otherwise noted)	2025	2024
Long-term debt - current portion	244	218
Long-term debt	6,362	6,412
Long-term debt in liabilities classified as held for sale ⁽¹⁾	132	30
Shareholders' equity	3,159	3,154
Exclude: Cash and cash equivalents	(362)	(393)
Total	9,535	9,421

(\$ millions, unless otherwise noted)					
	Three months ended				
ROIC	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	Trailing twelve months ended March 31, 2024
Net earnings (loss)	78	230	86	(5)	389
Add/(less):					
Income tax expense (recovery)	18	54	(15)	(29)	28
Acquisition, integration and other costs	39	38	42	30	149
Depreciation and amortization	206	205	222	206	839
Finance cost	98	93	89	91	371
(Gain) loss on foreign exchange - unrealized	27	1	—	3	31
(Gain) loss on risk management and other - unrealized ⁽²⁾	(11)	(19)	28	3	1
Other (gains) and losses	14	(37)	5	10	(8)
Other adjusting items ⁽²⁾	1	20	6	18	45
Adjusted EBITDA	470	585	463	327	1,845
Less: Depreciation and amortization	(206)	(205)	(222)	(206)	(839)
Adjusted EBIT	264	380	241	121	1,006
Average effective tax rate					17.3 %
Less: Taxes					(174)
Net operating profit after tax					832
Opening invested capital					9,347
Closing invested capital					9,421
Average invested capital					9,384
Return on invested capital					8.9 %

Invested Capital	March 31,	
(\$ millions, unless otherwise noted)	2024	2023
Long-term debt - current portion	218	184
Long-term debt	6,412	6,599
Long-term debt in liabilities classified as held for sale ⁽¹⁾	30	—
Shareholders' equity	3,154	3,062
Exclude: Cash and cash equivalents	(393)	(498)
Total	9,421	9,347

⁽¹⁾ For comparative purposes, long-term debt in liabilities classified as held for sale were included as part of invested capital as at March 31, 2024, to conform to the current period presentation.

⁽²⁾ For comparative purposes, certain amounts were reclassified between realized and unrealized gain/(loss) on risk management for the three months ended March 31, 2024, with no changes to Adjusted EBITDA.

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 March 31,			
(\$ millions, unless otherwise noted)	2025	2024	% ⁽¹⁾
Food and Company C-Store revenue	79	78	
Add:			
Point-of-sale ("POS") value of goods and services sold at Food and Company C-Store operated by retailers and franchisees ⁽²⁾	263	276	
Less:			
Rental and royalty income from retailers, franchisees and other ⁽³⁾	(57)	(59)	
Same Store revenue adjustments ⁽⁴⁾ (excluding cigarettes)	(12)	(10)	
Food and Company C-Store same-store sales (including cigarettes)	273	285	(4.1)%
Less:			
Same Store revenue adjustments ⁽⁴⁾ (cigarettes)	(84)	(95)	
Food and Company C-Store same-store sales (excluding cigarettes)	189	190	(0.6)%

Three months ended March 31,			
(\$ millions, unless otherwise noted)	2024	2023	% ⁽¹⁾
Food and Company C-Store revenue	78	70	
Add:			
Point-of-sale ("POS") value of goods and services sold at Food and Company C-Store operated by retailers ⁽²⁾	276	278	
Less:			
Rental income from retailers and other ⁽³⁾	(59)	(56)	
Same Store revenue adjustments ⁽⁴⁾⁽⁵⁾ (excluding cigarettes)	(12)	(11)	
Food and Company C-Store same-store sales (including cigarettes)	283	281	0.6 %
Less:			
Same Store revenue adjustments ⁽⁴⁾⁽⁵⁾ (cigarettes)	(95)	(99)	
Food and Company C-Store same-store sales (excluding cigarettes)	188	182	3.1 %

⁽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:

	Three months ended March 31,		
(\$ millions, unless otherwise noted)	2025	2024	% ⁽¹⁾
Food and Company C-Store revenue	72	77	
Adjusted for:			
Impact of foreign currency exchange ⁽²⁾	—	5	
Less:			
Same Store revenue adjustments ⁽³⁾ (excluding cigarettes)	(3)	(6)	
Food and Company C-Store same-store sales (including cigarettes)	69	76	(9.3)%
Less:			
Same Store revenue adjustments ⁽³⁾ (cigarettes)	(20)	(21)	
Food and Company C-Store same-store sales (excluding cigarettes)	49	55	(10.4)%

	Three months ended March 31,		
(\$ millions)	2024	2023	% ⁽¹⁾
Food and Company C-Store revenue	77	76	
Less:			
Same Store revenue adjustments ⁽³⁾ (excluding cigarettes)	(3)	(2)	
Food and Company C-Store same-store sales	74	74	1.1%
Less:			
Same Store revenue adjustments ⁽³⁾ (cigarettes)	(21)	(22)	
Food and Company C-Store same-store sales (excluding cigarettes)	53	52	1.7%

⁽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 March 31,	
	2025	2024
Adjusted Food and Company C-Store revenue	285	295
Adjusted Food and Company C-Store cost of sales	(182)	(191)
Adjusted Food and Company C-Store gross margin	103	104
Food and Company C-Store gross margin percentage ⁽¹⁾	36.0 %	35.3 %
Food and Company C-Store revenue	79	78
Add:		
POS value of goods and services sold at Food and Company C-Store operated by retailers and franchisees ⁽³⁾	263	276
Less:		
Rental and royalty income from retailers, franchisees and others ⁽²⁾	(57)	(59)
Adjusted Food and Company C-Store revenue	285	295
Food and Company C-Store cost of sales	14	13
Add:		
Cost of goods and services sold at Food and Company C-Store operated by retailers and franchisees ⁽³⁾	168	178
Adjusted Food and Company C-Store cost of sales	182	191

⁽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 March 31,	
	2025	2024
Food and Company C-Store revenue	72	77
Food and Company C-Store cost of sales	(48)	(51)
Food and Company C-Store gross margin ⁽¹⁾	24	26
Food and Company C-Store gross margin percentage ⁽¹⁾⁽²⁾	32.8 %	33.8 %

⁽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 15A. 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. 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 15A 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 15D 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 15A 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 Section 2D of this MD&A and Section 13E of the Annual MD&A	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)	March 31, 2025	December 31, 2024
Leverage Debt	5,257	5,268
Leverage EBITDA	1,476	1,481
Leverage Ratio	3.6	3.6
(\$ millions, unless otherwise noted)	March 31, 2025	December 31, 2024
Long-term debt	6,606	6,641
Less:		
Lease obligations	(1,028)	(1,054)
Cash and cash equivalents	(362)	(385)
Non-recourse debt ⁽¹⁾	(31)	(30)
Risk management asset ⁽²⁾	(29)	(30)
Add:		
Non-recourse cash ⁽¹⁾	14	31
Letters of credit and other	87	95
Leverage Debt	5,257	5,268

⁽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.

(\$ millions, unless otherwise noted)	Three months ended				Trailing twelve months ended March 31, 2025
	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	
Adjusted EBITDA	504	431	428	375	1,738
Share incentive compensation	8	6	11	8	33
Reverse: IFRS 16 impact ⁽¹⁾	(80)	(84)	(91)	(93)	(348)
	432	353	348	290	1,423
Acquisition pro-forma adjustment ⁽²⁾					7
Other adjustments ⁽³⁾					46
Leverage EBITDA					1,476

⁽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 synergies from acquisitions.

⁽³⁾ Includes adjustments to normalize Adjusted EBITDA for non-recurring events relating to the unplanned shutdown at the Burnaby Refinery, completion of turnarounds at the Burnaby Refinery and the EBITDA attributable to EV charging operations financed through non-recourse project financing.

(\$ millions, unless otherwise noted)	Three months ended				Trailing twelve months ended December 31, 2024
	March 31, 2024	June 30, 2024	September 30, 2024	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 synergies from acquisitions.

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

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, where applicable and further outlined below. 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.

Non-financial measure	Description	Calculation	Why we use this measure and why it is useful	Comments
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 injury severity 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 information regarding injury frequency. This allows us to help drive continuous improvement, benchmark performance against industry peers, and set variable compensation targets for employees.	Lost Time Injuries include job-related injuries and illnesses that prevent an employee from working their next scheduled shift. Recordable Injuries include all instances of medical treatment, modified work duties and time away from work as prescribed by a medical professional.

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.

16. FORWARD-LOOKING INFORMATION

Caution regarding forward-looking information

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

- business objectives and strategy, expectations with respect to our operations;
- prioritization of cost efficiencies, supply optimization, capturing synergies from previous acquisitions, deleveraging and enhancing shareholder returns;
- the Transaction, the structure and details thereof, approvals required in connection thereto and the timing and completion thereof;
- expectation that Sunoco will acquire all of the issued and outstanding common shares of Parkland in the Transaction, as well as its assumed debt;
- expectations regarding the listing of SUNCorp shares on the New York Stock Exchange;
- 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 and Parkland's confidence in achieving these metrics;
- expected results to be on the lower end of the 2025 Adjusted EBITDA Guidance range;
- sustainability strategy encompassing five new priorities, including: promoting healthy and safe operations; supporting customers through the energy transition; reducing our operations climate impact; building a diverse team and inclusive workplace; and investing in our communities;
- plan to build an ultra-fast EV charging network across Canada;
- commitments with respect to HSE and the impact thereof, including driving long-term sustainable LTIF and TRIF improvements;
- anticipated sources of liquidity to fund capital expenditures, interest, income taxes, dividends, share repurchases, if any, all on an annual basis, future acquisitions, if any, and 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 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 March 31, 2025 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;
- 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; and
- portfolio optimization strategy, including management's plan to sell certain assets within the Canada and USA segments.

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 when evaluating the forward-looking statements and are cautioned not to place undue reliance on these forward-looking statements.

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

- prevailing and expected market conditions;
- the regulatory framework that governs the operation of Parkland's business;
- customer trends and preferences, including consumption of petroleum products 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 sustainability strategy, the 2025 Divestment Plan and the portfolio optimization strategy, and the impact of the strategic review that Parkland initiated on March 5, 2025 (the "Strategic Review") thereon;
- Parkland's ability to obtain the shareholder approvals, court approval and regulatory approvals required to consummate the Transaction;
- Parkland's ability to successfully integrate its operations with Sunoco following the Transaction;
- 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 Trans Mountain Pipeline;
- 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 and other counterparties to meet contractual 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:

- the Strategic Review process and 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 the benefits resulting therefrom;
- the impact of the Strategic Review on Parkland's ability to successfully execute its business objectives, projects and strategies, and in turn, achieve the 2025 Guidance;
- 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;
- ability to meet our commitments and targets including with respect to our sustainability 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;
- counterparty credit risk;
- 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 the Annual MD&A and 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.