Q2 2025

Management's Discussion and Analysis

Parkland

Parkland

Three and six months ended June 30, 2025

Report to shareholders

Management's Discussion and Analysis Q2 2025

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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 August 5, 2025, should be read in conjunction with our interim condensed consolidated financial statements for the three and six months ended June 30, 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.

Sunoco LP acquisition of Parkland

On May 5, 2025, Parkland and Sunoco LP (NYSE: SUN) (“Sunoco”) announced that they have entered into a definitive agreement (the "Agreement") whereby Sunoco will indirectly acquire all outstanding shares of Parkland in a cash and equity transaction valued at approximately $12.5 billion, including assumed debt (the "Transaction" or the "Sunoco Transaction"). The proposed Transaction will be effected pursuant to a plan of arrangement under the Business Corporations Act (Alberta). As part of the Transaction, Sunoco intends to list a Delaware limited liability company named SunocoCorp LLC ("SunocoCorp") on the New York Stock Exchange. SunocoCorp will hold limited partnership units of Sunoco that have similar attributes to Sunoco's publicly-traded common units on the basis of one Sunoco common unit for each outstanding SunocoCorp unit. Under the terms of the Agreement, Parkland shareholders will receive 0.295 SunocoCorp 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 SunocoCorp units for each Parkland share, subject to certain pro-rations, cash and unit maximums, and adjustments as more particularly set out in the Agreement.

The Agreement imposes restrictions on Parkland prior to closing, including, without limitation, with respect to incurring capital expenditure or indebtedness or completing acquisitions and dispositions, in each case, above certain thresholds without prior written consent from Sunoco.

The Transaction was approved by Parkland's shareholders on June 24, 2025, and is expected to close in the fourth quarter of 2025 upon the satisfaction of customary closing conditions, including regulatory approvals and stock exchange listing approvals.

2. PERFORMANCE OVERVIEW

($ millions, unless otherwise noted)	Three months ended June 30,			Six months ended June 30,		
Financial Summary	**2025**	2024	2023	**2025**	2024	2023
Sales and operating revenue	**6,874**	7,504	7,819	**13,687**	14,443	15,975
Adjusted EBITDA[(1)]	**508**	504	470	**883**	831	865
Canada[(2)(3)]	**190**	168	150	**300**	354	317
International[(2)(3)]	**168**	180	168	**349**	327	351
USA[(2)(3)]	**26**	47	74	**42**	78	95
Refining[(2)(3)]	**136**	119	109	**215**	86	147
Corporate[(2)(3)]	**(12)**	(10)	(31)	**(23)**	(14)	(45)
Net earnings (loss)	**172**	70	78	**236**	65	155
Net earnings (loss) per share – basic ($ per share)	**0.99**	0.40	0.44	**1.35**	0.37	0.88
Net earnings (loss) per share – diluted ($ per share)	**0.97**	0.39	0.44	**1.34**	0.37	0.87
Adjusted earnings (loss)[(4)]	**158**	156	130	**223**	199	244
Cash generated from (used in) operating activities	**502**	450	521	**788**	667	835
Trailing twelve month ("TTM") Cash generated from (used in) operating activities[(5)]	**1,656**	1,612	1,868	**1,656**	1,612	1,868
TTM Cash generated from (used in) operating activities per share[(5)]	**9.52**	9.19	10.99	**9.52**	9.19	10.99
Available cash flow[(4)(6)]	**187**	222	161	**304**	309	298
TTM Available cash flow per share ("Available cash flow per share")[(4)(6)]	**3.17**	4.69	3.05	**3.17**	4.69	3.05
TTM Dividend payout ratio ("Dividend payout ratio")[(4)(6)]	**45%**	29%	44%	**45%**	29%	44%
Dividends	**63**	61	60	**126**	122	120
Dividends per share[(5)]	**0.3600**	0.3500	0.3400	**0.7200**	0.7000	0.6800
Weighted average number of common shares (million shares)[(7)]	**174**	175	176	**174**	175	176
TTM Return on invested capital ("ROIC")[(4)]	**7.7%**	9.0%	7.7%	**7.7%**	9.0%	7.7%
Growth capital expenditures[(5)(8)]	**50**	40	57	**79**	67	91
Maintenance capital expenditures[(5)]	**70**	53	61	**132**	112	140
Total assets	**13,617**	13,859	13,295	**13,617**	13,859	13,295
Non-current financial liabilities	**5,623**	6,296	6,322	**5,623**	6,296	6,322

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

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

Adjusted EBITDA

Parkland achieved Adjusted EBITDA of $508 million for the second quarter of 2025, and $883 million for the first six months of 2025 respectively, representing an increase of $4 million and $52 million, respectively, when compared to the same periods in 2024. Overall, the period-over-period variances in Adjusted EBITDA are due to the following:

- Canada's Adjusted EBITDA increased by $22 million for the second quarter of 2025, primarily due to (i) stronger unit margins from continued price and supply optimization, and (ii) volume growth in our company-owned network, reflecting stronger execution and increased engagement through our loyalty program. This increase was partially offset by the disposition of our Canadian commercial propane business in the fourth quarter of 2024. Adjusted EBITDA decreased by $54 million for the first six months of 2025 primarily driven by (i) the commercial decision to wind down our California compliance market positions in the first quarter of 2025 due to regulatory developments in the United States that created volatility and intensified market disruptions resulting in realized losses of $53 million and (ii) the disposition of our Canadian commercial propane business, partially offset by the impact of improved margins from continued price and supply optimization.
- International's Adjusted EBITDA decreased by $12 million for the second quarter of 2025, primarily due to temporarily lower units margins driven by market instability from price volatility , partially offset by the continued strength in the retail business. Adjusted EBITDA increased by $22 million for the first six months of 2025, mainly driven by (i) strengthening of the US Dollar, (ii) continued strength in the base retail business, (iii) strong performance in commercial base business from power and marine segment customers, and (iv) additional freight revenue generated through leasing available shipping space for fuel delivery. This was partially offset by (i) the impact of market instability as discussed above, and (ii) higher operating expenses due to increased volumes, and (iii) a regulatory change resulting in additional licensing costs.
- USA's Adjusted EBITDA decreased by $21 million for the second quarter of 2025 and $36 million for the first six months of 2025 respectively, primarily driven by (i) lower fuel unit margins due to an increasingly competitive pricing environment and reduced rail and regional arbitrage opportunities and, (ii) lower retail volumes and reduced consumer spending and foot traffic in convenience stores reflecting broader industry trends.
- Refining's Adjusted EBITDA increased by $17 million for the second quarter of 2025, primarily driven by improved refining margins, and increased by $129 million for the first six months of 2025 due to the increase in the composite utilization[1] to 85.1% compared to 58.8% for the first six months of 2024 when the Burnaby Refinery[2] had an unplanned shutdown for 11 weeks and continued supply optimization.
- Corporate Adjusted EBITDA expense increased by $2 million for the second quarter of 2025 and $9 million for the first six months of 2025, respectively, primarily driven by foreign exchange gains on the settlement of certain US Dollar-denominated balances in the comparative period and timing of certain expenses.

Net earnings

Net earnings increased by $102 million to $172 million for the second quarter of 2025 and increased by $171 million to $236 million for the first six months of 2025, respectively, as compared to the same periods 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) unrealized gains on commodity risk management contracts due to lower commodity prices and the impact of reclassification of prior period losses from unrealized to realized on settlement of transaction, including the first quarter losses on the wind down of California compliance market positions, (ii) net gain on revaluation of redemption options driven by expected decrease in medium-term interest rates and narrowing credit spreads and (iii) unrealized gains on foreign exchange driven by foreign exchange volatility between USD and Canadian Dollar. 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, (ii) costs in relation to the Sunoco Transaction, and (iii) an increase in depreciation and amortization on certain assets no longer meeting the asset-held-for-sale criteria due to changes in Parkland's portfolio optimization strategy in connection with the Sunoco Transaction, and (ii) a higher leased asset base to support organic growth.

Adjusted earnings

Adjusted earnings remained relatively flat for the second quarter of 2025 and increased by $24 million to $223 million for the first six months of 2025, respectively, as compared to the same period in 2024. This was primarily driven by the increase in

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

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

Adjusted EBITDA, partially offset by higher (i) income tax expense, (ii) depreciation and amortization, and (ii) leased asset base to support organic growth, as discussed above.

B. Cash flows, liquidity, and capital allocation

- Available cash flow per share decreased to $3.17 from $4.69 for the trailing twelve months ended June 30, 2025, as compared to the same period ending June 30, 2024, primarily driven by (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) an increase in planned fleet and equipment replacements and infrastructure maintenance, (iv) an increase in lease payments due to expansion of terminal storage and shipping capacity in International markets, and (v) 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. This was partially offset by the impact of higher composite utilization, driven by the unplanned shutdown at the Burnaby Refinery, in the comparative period, for 11 weeks in the first quarter of 2024.
- Leverage Ratio[3] improved to 3.4 as at June 30, 2025, as compared to 3.6 at December 31, 2024, primarily driven by a decrease in Leverage debt resulting from a stronger Canadian dollar environment. Parkland was in compliance with all of its Credit Facility covenants as at June 30, 2025, as discussed in Section 7A of this MD&A.
- ROIC decreased to 7.7% from 9.0% for the trailing twelve months ended June 30, 2025, as compared to the same period ending June 30, 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 available[4] as at June 30, 2025, was $2,177 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 second quarter of 2025 and the first six months of 2025 , Parkland declared dividends to shareholders of $63 million and $126 million, respectively. Dividends declared were higher when compared to the same period in 2024 due to an increase in the annual dividend by $0.04 per share to $1.44 per share.

The dividend payout ratio increased to 45% for the trailing twelve months ended June 30, 2025, compared to 29% for the same period ending June 30, 2024. This was primarily due to lower available cash flow, as discussed in Section 2B above, and higher dividends.

D. Capital expenditures

Parkland's capital expenditures for the second quarter of 2025 and the first six months of 2025 increased by $27 million and $32 million, respectively, as compared to the same periods in 2024, primarily driven by higher planned maintenance capital expenditures and an increase in growth capital expenditures to expand the dealer network and loyalty programs' reach. Refer to Section 8 below for further details.

[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 2025, we will continue advancing our recently updated sustainability targets. These targets represent our most material ESG topics that help drive long-term value for our business and shareholders and are framed under five priority areas:

- 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 40 million litres of bio-feedstocks during the second quarter of 2025 (2024 - 43 million litres) and 69 million litres of bio-feedstocks during the first six months of 2025 (2024 - 47 million litres). The co-processed volumes for the second quarter and the first six months of 2025 are equivalent to a reduction of 104,772 tonnes and 182,712 tonnes of CO_2e[5], respectively (2024 - 116,300 tonnes and 129,063, respectively) for our customers, compared to conventionally refined gasoline and diesel.
- As at June 30, 2025, Parkland had built 60 Electric Vehicle ("EV") charging locations (December 31, 2024 - 58) and 232 charge ports (December 31, 2024 - 218) as part of its plan to build an ultra-fast EV charging network in dense urban centres and along major highways in British Columbia, Ontario, Quebec and Alberta.
- For the first six months of 2025, International, through its investment in the renewable energy business ("Sol Ecolution")[6] in the Caribbean, completed 4 additional solar photovoltaic systems, bringing its total number of completed sites to 76 as at June 30, 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.

	June 30, 2025	June 30, 2024
TTM LTIF [(1)]	**0.25**	0.21
TTM TRIF[(1)]	**1.15**	1.21

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

[5] Carbon dioxide equivalent ("CO_2e") means the number of metric tons of CO_2 emissions with the same global warming potential as one metric ton of another greenhouse gas. The customer emission reduction is calculated using the methodology outlined in the British Columbia Low Carbon Fuel Regulation. Please see Parkland's 2023 Sustainability Report dated July 31, 2024, for more details, 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

	Three months ended June 30,				Six months ended June 30,			
($ millions, unless otherwise noted)	**2025**	2024	Change	%	**2025**	2024	Change	%
Fuel and petroleum product volume[1] (million litres)	**3,269**	3,139	130	4%	**6,498**	6,162	336	5%
Fuel and petroleum product adjusted gross margin[2][3]	**336**	319	17	5%	**587**	666	(79)	(12)%
Food, convenience and other adjusted gross margin[2]	**94**	92	2	2%	**179**	182	(3)	(2)%
Adjusted gross margin[2]	**430**	411	19	5%	**766**	848	(82)	(10)%
Operating costs	**174**	178	(4)	(2)%	**337**	362	(25)	(7)%
Marketing, general and administrative[4]	**66**	66	—	—%	**129**	133	(4)	(3)%
Other items - (income)/expense[5]	**—**	(1)	1	(100)%	**—**	(1)	1	(100)%
Adjusted EBITDA[2][4]	**190**	168	22	13%	**300**	354	(54)	(15)%
Key performance measures:								
Company SSVG[6]	**4.6%**	(1.0)%	5.6p.p		**1.4%**	2.3%	(0.9)p.p	
Food and Company C-Store SSSG (excluding cigarettes)[7]	**4.2%**	(0.7)%	4.9p.p		**2.0%**	1.1%	0.9p.p	
Food and Company C-Store SSSG (including cigarettes)[7]	**(0.3)%**	(3.0)%	2.7p.p		**(2.1)%**	(1.3)%	(0.8)p.p	
Food and Company C-Store gross margin percentage[7]	**34.2%**	34.6%	(0.4)p.p		**35.1%**	34.9%	0.2p.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 10.28 for the second quarter of 2025 (2024 - 10.16) and 9.03 (2024 - 10.81) for the first six months of 2025. 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 9.85 for the first six months 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) Other items for the second quarter and the first six months of 2025 includes other income of nil (2024 - $1 million).

(6) Non-financial measure. Company SSVG denotes same-store volume growth, which includes gasoline and diesel volumes but excludes propane volumes sold at retail sites. See Section 15 of this MD&A.

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

Q2 and Q2 YTD Performance - 2025 vs. 2024

Canada delivered Adjusted EBITDA of $190 million for the second quarter of 2025 and $300 million for the first six months of 2025, representing an increase of $22 million and a decrease of $54 million, respectively, as compared to the same periods in 2024. The changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin increased by $17 million for the second quarter of 2025, primarily due to (i) stronger unit margins from continued price and supply optimization, and (ii) strong same-store volume growth of 4.6%, driven by increased industry traffic and strength of our company-owned network, supported by stronger site execution and increased engagement through our loyalty program. This increase was partially offset by the disposition of our Canadian commercial propane business in the fourth quarter of 2024. Fuel and petroleum product adjusted gross margin decreased by $79 million for the first six months of 2025, primarily driven by (i) realized losses of $53 million in the first quarter of 2025, as a result of the commercial decision to wind down our California compliance market positions, and (ii) the disposition of our Canadian commercial propane business as noted above. This was partially offset by continued price and supply optimization.
- Food, convenience and other adjusted gross margin remained relatively flat for the second quarter and the first six months of 2025.
- Food and Company C-Store SSSG excluding cigarettes was 4.2% for the second quarter of 2025 and 2.0% for the first six months of 2025. This strong result reflects continued growth in core categories such as packaged beverages and alcohol, driven by increased industry traffic, strong execution, and the benefits of our retail programs.
- Food and Company C-Store SSSG including cigarettes of (0.3)% for the second quarter of 2025 and (2.1)% for the first six months of 2025, reflects the continued industry-wide declines in cigarette sales, offset by the factors noted above.
- Food and convenience store revenue and Food and Company C-Store gross margin percentage remained relatively flat for the second quarter of 2025 and the first six months of 2025.

- Operating costs decreased by $4 million for the second quarter of 2025 and $25 million for the first six months of 2025, primarily driven by the disposition of the Canadian commercial propane business as noted above and targeted cost-saving initiatives. For the second quarter of 2025, this was offset by certain one-time wholesale customer expenses.
- Marketing, general and administrative expenses remained flat for the second quarter of 2025 and decreased by $4 million for the first six months of 2025, primarily driven by the disposition of the Canadian commercial propane business and targeted cost-saving initiatives. For the second quarter of 2025, this was offset by the timing of strategic marketing investments in the Retail business.

B. International

	Three months ended June 30,				Six months ended June 30,			
($ millions, unless otherwise noted)	**2025**	2024	Change	%	**2025**	2024	Change	%
Fuel and petroleum product volume (million litres)[1]	**1,692**	1,713	(21)	(1)%	**3,429**	3,410	19	1%
Fuel and petroleum product adjusted gross margin[2][3]	**216**	228	(12)	(5)%	**446**	416	30	7%
Food, convenience and other adjusted gross margin[2]	**32**	32	—	—%	**71**	65	6	9%
Adjusted gross margin[2]	**248**	260	(12)	(5)%	**517**	481	36	7%
Operating costs	**59**	54	5	9%	**124**	107	17	16%
Marketing, general and administrative[5]	**34**	32	2	6%	**70**	64	6	9%
Other items - (income)/expense [4]	**(13)**	(6)	(7)	117%	**(26)**	(17)	(9)	53%
Adjusted EBITDA[2][5]	**168**	180	(12)	(7)%	**349**	327	22	7%

[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 12.77 for the second quarter of 2025 (2024 - 13.31) and 13.01 for the first six months of 2025 (2024 - 12.20). 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 second quarter of 2025 include (i) share of depreciation and income taxes and other adjustments for investments in joint ventures and associates of $8 million (2024 - $3 million; (ii) share of (earnings) loss of associates and joint ventures of $4 million (2024 - $2 million); and (iii) other income of $1 million (2024 - $1 million). Other items for the first six months of 2025 include (i) share of depreciation and income taxes and other adjustments for investments in joint ventures and associates of $13 million (2024 - $7 million; (ii) share of (earnings) loss of associates and joint ventures of $10 million (2024 - $7 million); and (iii) other income of $3 million (2024 - $3 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.

Q2 and Q2 YTD Performance - 2025 vs. 2024

International delivered Adjusted EBITDA of $168 million for the second quarter of 2025 and $349 million for the first six months of 2025, representing a decrease of $12 million and an increase of $22 million, respectively, compared to the same periods in 2024. In addition to the translation impact of a strengthening US Dollar on the reported results[7], the changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin decreased by $12 million for the second quarter of 2025, primarily due to temporarily lower unit margins driven by market instability from volatility in pricing, particularly in diesel. Fuel and petroleum product adjusted gross margin increased by $30 million for the first six months of 2025 due to (i) favourable retail business results due to the continued strength in the base business, and (ii) strong performance in the commercial business from power and marine segment customers due to higher volume or improved customer margins.
- Food, convenience and other adjusted gross margin remained flat for the second quarter of 2025 and increased by $6 million for the first six months of 2025 due to other income from freight revenue generated through leasing available shipping space for fuel delivery.
- Operating costs increased by $5 million for the second quarter of 2025 and $17 million for the first six months of 2025, primarily due to (i) higher throughput fees and inspection costs, and (ii) increased business license fees due to a regulatory change in the Bahamas in the first quarter of 2025.
- Marketing, general and administrative expenses increased by $2 million for the second quarter of 2025 and $6 million for the first six months of 2025, primarily due to the timing of certain employee-related expenses.

[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 second quarter of 2025 and in the first six months of 2025, when compared to the same periods in 2024, was an increase in Adjusted EBITDA by $2 million and $9 million, respectively. Additionally, the translation impacted each line item of revenue and expense.

- Income within other items increased by $7 million for the second quarter of 2025 and $9 million for the first six months of 2025, primarily due to higher income from the Isla joint venture ("Isla JV").

C. USA

	Three months ended June 30,				Six months ended June 30,			
($ millions, unless otherwise noted)	**2025**	2024	Change	%	**2025**	2024	Change	%
Fuel and petroleum product volume[1] (million litres)	**1,132**	1,114	18	2%	**2,133**	2,211	(78)	(4)%
Fuel and petroleum product adjusted gross margin[2][3]	**81**	91	(10)	(11)%	**161**	176	(15)	(9)%
Food, convenience and other adjusted gross margin[2]	**64**	70	(6)	(9)%	**123**	132	(9)	(7)%
Adjusted gross margin[2]	**145**	161	(16)	(10)%	**284**	308	(24)	(8)%
Operating costs	**86**	85	1	1%	**177**	168	9	5%
Marketing, general and administrative[4]	**33**	30	3	10%	**65**	63	2	3%
Other items - (income)/expense[5]	**—**	(1)	1	(100)%	**—**	(1)	1	(100)%
Adjusted EBITDA[2][4]	**26**	47	(21)	(45)%	**42**	78	(36)	(46)%
Key performance measures:								
Company SSVG[6]	**(4.0)%**	(8.4)%	4.4p.p		**(5.8)%**	(9.3)%	3.5p.p	
Food and Company C-Store SSSG (excluding cigarettes)[7]	**(4.9)%**	—%	(4.9)p.p		**(7.0)%**	0.8%	(7.8)p.p	
Food and Company C-Store SSSG (including cigarettes)[7]	**(5.3)%**	(0.9)%	(4.4)p.p		**(7.2)%**	—%	(7.2)p.p	
Food and Company C-Store gross margin percentage[7]	**32.3%**	33.3%	(1.0)p.p		**32.6%**	33.9%	(1.3)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 7.16 for the second quarter of 2025 (2024 - 8.17) and 7.55 for the first six months of 2025 (2024 - 7.96). 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] Other items for the second quarter of 2025 includes other income of nil (2024 - $1 million). Other items for the first six months of 2025 includes other income of nil (2024 - $1 million).
[6] Non-financial measure. Company SSVG denotes same-store volume growth, which includes gasoline and diesel volumes but excludes propane volumes sold at retail sites. See Section 15 of this MD&A.
[7] Non-GAAP financial ratio. See Section 15 of this MD&A.

Q2 and Q2 YTD Performance - 2025 vs. 2024

USA delivered Adjusted EBITDA of $26 million for the second quarter of 2025 and $42 million for the first six months of 2025, representing a decrease of $21 million and $36 million, respectively, compared to the same periods in 2024. In addition to the translation impact of a strengthening US Dollar on the reported results[8], the changes in Adjusted EBITDA were primarily due to the following:

- Fuel and petroleum product adjusted gross margin decreased by $10 million for the second quarter of 2025 and $15 million for the first six months of 2025, primarily driven by (i) lower retail and commercial unit margins due to ongoing competitive pricing environment and reduced rail and regional arbitrage opportunities, and (ii) lower retail volumes impacted primarily by broader industry trends, as reflected in the Company SSVG of (4.0)% for the second quarter of 2025 and (5.8)% for the first six months of 2025.
- Food, convenience and other adjusted gross margin decreased by $6 million for the second quarter of 2025 and $9 million for the first six months of 2025, primarily driven by (i) a decline in consumer demand, reflecting broader industry trends driven by reduced consumer spending and lower foot traffic in convenience stores, and (ii) lower commercial freight revenue resulting from decreased customer activity and increasingly competitive pricing environment.
- Food and Company C-Store SSSG excluding and including cigarettes of (4.9)% and (5.3)%, respectively, for the second quarter of 2025, and (7.0)% and (7.2)%, respectively, for the first six months of 2025, were primarily attributable to inflationary pressures that have reduced discretionary consumer spending. Food and convenience store revenue declined by $9 million for the second quarter of 2025 and $14 million for the first six months of 2025, respectively, due to the reason noted above.

[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 second quarter of 2025 and in the first six months of 2025, when compared to the same periods in 2024, was an increase in Adjusted EBITDA by nil and $1 million, respectively. Additionally, the translation impacted each line item of revenue and expense.

- Food and Company C-Store gross margin percentage decreased from 33.3% to 32.3% for the second quarter of 2025 and from 33.9% to 32.6% for the first six months of 2025. These declines were driven by lower sales of high-margin food and related complementary products.
- Operating costs remained relatively flat for the second quarter of 2025 and increased by $9 million for the first six months of 2025, mainly due to certain one-time commercial customer expenses, offset by the impact of reduced volumes in the first quarter of 2025 and ongoing targeted cost-saving initiatives.
- Marketing, general and administrative expenses increased by $3 million for the second quarter of 2025 and $2 million for the first six months of 2025, due to inflationary cost pressures and timing of expenses offset by targeted cost-saving initiatives.

D. Refining

	Three months ended June 30,				Six months ended June 30,			
($ millions, unless otherwise noted)	**2025**	2024	Change	%	**2025**	2024	Change	%
External fuel and petroleum product volume[1] (million litres)	**632**	425	207	49%	**970**	894	76	9%
Internal fuel and petroleum product volume (million litres)	**803**	698	105	15%	**1,407**	1,273	134	11%
Total fuel and petroleum product volume (million litres)	**1,435**	1,123	312	28%	**2,377**	2,167	210	10%
Fuel and petroleum product adjusted gross margin[2]	**211**	190	21	11%	**362**	237	125	53%
Adjusted gross margin[2]	**211**	190	21	11%	**362**	237	125	53%
Operating costs	**69**	65	4	6%	**135**	139	(4)	(3)%
Marketing, general and administrative[4]	**6**	6	—	—%	**12**	12	—	—%
Adjusted EBITDA[2]	**136**	119	17	14%	**215**	86	129	150%
Key performance measures:								
Crude utilization[3]	**89.0%**	92.3%	(3.3)p.p		**80.7%**	55.8%	24.9p.p	
Composite utilization[3]	**94.0%**	97.7%	(3.7)p.p		**85.1%**	58.8%	26.3p.p	
Crude throughput[3] (000's bpd)	**48.9**	50.8	(1.9)	(3.7)%	**44.4**	30.7	13.7	45%
Bio-feedstock throughput[3] (000's bpd)	**2.8**	3.0	(0.2)	(7)%	**2.4**	1.7	0.7	41%

(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.

Q2 and Q2 YTD Performance - 2025 vs. 2024

Refining delivered Adjusted EBITDA of $136 million for the second quarter of 2025 and $215 million for the first six months of 2025, representing an increase of $17 million and $129 million, respectively, as compared to the same periods in 2024. The changes in Adjusted EBITDA were primarily due to the following:

- Adjusted gross margin increased by $21 million for the second quarter of 2025 and $125 million for the first six months of 2025. The increase in the second quarter of 2025 was primarily due to improved refining margins, strong supply optimization, and solid composite utilization of 94.0%. The composite utilization for the first six months of 2025 increased to 85.1% compared to 58.8% in the comparative period, reflecting the successful completion of a three-week planned maintenance during the first quarter of 2025, compared to the unplanned shutdown for 11 weeks in 2024.
- Operating costs increased by $4 million for the second quarter of 2025, and decreased by $4 million for the first six months of 2025, mainly due to the timing of maintenance events in comparative periods.
- Marketing, general and administrative expenses remained flat for the second quarter and the first six months of 2025.

E. Corporate

($ millions, unless otherwise noted)	Three months ended June 30, 2025	2024	Change	%	Six months ended June 30, 2025	2024	Change	%
Marketing, general and administrative[3]	**15**	15	—	—%	**28**	23	5	22%
Other items - (income)/expense [1]	**(3)**	(5)	2	(40)%	**(5)**	(9)	4	(44)%
Adjusted EBITDA[2] expense	**12**	10	2	20%	**23**	14	9	64%

[1] Other items for the second quarter of 2025 include (i) non-fuel gross margin on internal sales of $3 million (2024 - $3 million); and (ii) realized foreign exchange gains of nil (2024 - $2 million). Other items for the first six months of 2025 includes (i) non-fuel gross margin on internal sales of $5 million (2024 - $5 million); and (ii) realized foreign exchange gains of nil (2024 - $4 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 $2 million for the second quarter of 2025 and $9 million for the first six months of 2025, as compared to the same period in 2024.

- The Marketing, general and administrative expenses remained flat for the second quarter of 2025 and increased by $5 million for the first six months of 2025, driven by the timing of certain employee-related expenses.
- Other items decreased by $2 million for the second quarter of 2025 and $4 million for the first six months 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	**June 30**	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Sept 30
Financial Summary								
Sales and operating revenue	**6,874**	6,813	6,734	7,126	7,504	6,939	7,746	8,731
Adjusted gross margin[(1)]	**1,031**	894	968	955	1,020	849	1,012	1,101
Adjusted EBITDA[(1)]	**508**	375	428	431	504	327	463	585
Canada[(2)(3)]	**190**	110	185	196	168	186	190	206
International[(2)(3)]	**168**	181	169	150	180	147	157	170
USA[(2)(3)]	**26**	16	30	52	47	31	39	52
Refining[(2)(3)]	**136**	79	59	48	119	(33)	106	188
Corporate[(2)(3)]	**(12)**	(11)	(15)	(15)	(10)	(4)	(29)	(31)
Net earnings (loss)	**172**	64	(29)	91	70	(5)	86	230
Net earnings (loss) per share – basic ($ per share)	**0.99**	0.37	(0.17)	0.52	0.40	(0.03)	0.49	1.31
Net earnings (loss) per share – diluted ($ per share)	**0.97**	0.36	(0.17)	0.52	0.39	(0.03)	0.48	1.28
Adjusted earnings (loss)[(4)]	**158**	65	100	106	156	43	151	231
Adjusted earnings (loss) per share[(4)] – basic ($ per share)	**0.91**	0.37	0.58	0.61	0.89	0.25	0.86	1.31
Adjusted earnings (loss) per share[(4)] – diluted ($ per share)	**0.90**	0.37	0.57	0.60	0.88	0.25	0.84	1.28

(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-recurring[9] realized gains on foreign exchange arising on the settlement of financing balances, (x) unseasonably warm weather reducing volume demand in our logistics and commercial home heating businesses in 2024, (xi) increased competition resulting in lower commercial volumes in International during 2024, (xii) the unplanned shutdown of the Burnaby Refinery in the first quarter of 2024, (xiii) unfavourable industry trends and macroeconomic conditions in USA in 2024 which continued in the first six months of 2025, (xiv) significantly lower refining margin environment during the second half of 2024, (xv) successful renegotiation of supply contracts in USA during the third quarter of 2024, (xvi) softening industry demand in the dealer-operated retail network and integrated business in Canada during 2024, (xvii) 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, (xviii) reduced diesel arbitrage opportunities in Canada and USA in the first six months of 2025, (xix) improved refining margins in the second quarter of 2025, (xx) market instability from global conflicts in the first quarter of 2025 resulting in price volatility, (xxi) successful ongoing targeted cost-saving initiatives, and (xxii) 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 June 30, 2025	2024	Six months ended June 30, 2025	2024
Cash generated from (used in) operating activities	**502**	450	**788**	667
Cash generated from (used in) investing activities	**(128)**	(102)	**(210)**	(195)
Cash generated from (used in) financing activities	**(280)**	(412)	**(506)**	(541)
Increase (decrease) in cash and cash equivalents	**94**	(64)	**72**	(69)
Impact of foreign currency translation on cash	**(17)**	7	**(18)**	18
Cash and cash equivalents reclassified from (to) assets held for sale	**—**	(20)	**—**	(20)
Cash and cash equivalents at beginning of period	**362**	393	**385**	387
Cash and cash equivalents at end of period	**439**	316	**439**	316
Cash generated from (used in) operating activities per share[(1)]	**2.89**	2.58	**4.52**	3.81

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

Operating activities

Parkland generated $502 million and $788 million in cash from operating activities for the second quarter and the first six months of 2025, respectively as compared to $450 million and $667 million for the same period in 2024. This increase was primarily due to (i) increased in Adjusted EBITDA as discussed in Section 2 above and (ii) increase in non-cash working capital inflow, driven by the timing of settlement of risk management contracts and certain receivables and lower commodity prices, partially offset by the impact of removal of consumer carbon tax in Canada, effective April 1, 2025.

Investing activities

Parkland invested $128 million and $210 million in the second quarter and the first six months of 2025, respectively, as compared to $102 million and $195 million for the same periods in 2024. The increase in primarily attributable capital expenditures as discussed in Sections 2 and 8 of this MD&A, which was partially offset by the impact investment in Sol Ecolution during the first six months 2024.

Financing activities

Parkland used $280 million and $506 million of cash in financing activities for the second quarter and the first six months of 2025, respectively, as compared to $412 million and $541 million for the same periods in 2024. The decrease was primarily attributable to (i) lower repayments under the Credit Facility in the first quarter of 2024 and (ii) shares repurchased under the Normal Course Issued Bid ("NCIB") in the comparative periods.

B. Available cash flow and Available cash flow per share

($ millions, unless otherwise noted)	Three months ended June 30, 2025	2024	Trailing twelve months ended June 30, 2025	2024
Cash generated from (used in) operating activities[1]	**502**	450	**1,656**	1,612
Reverse: Change in other assets and other liabilities	**(7)**	3	**6**	34
Reverse: Net change in non-cash working capital related to operating activities[5]	**(87)**	(34)	**(193)**	24
Include: Maintenance capital expenditures[2]	**(70)**	(53)	**(299)**	(257)
Include: Dividends received from investments in associates and joint ventures	**6**	8	**21**	17
Include: Interest on leases and long-term debt	**(83)**	(88)	**(344)**	(344)
Include: Payments of principal amount on leases	**(74)**	(64)	**(296)**	(263)
Available cash flow[3]	**187**	222	**551**	823
Weighted average number of common shares (millions)[4]			**174**	175
TTM Available cash flow per share[3]			**3.17**	4.69

[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 decreased by $35 million for the three months ended June 30, 2025, as compared to the same period in 2024, primarily due to (i) increased maintenance capital expenditures mainly due to increase in planned fleet and equipment replacements and infrastructure maintenance, and (ii) higher lease payments driven by the expansion of terminal storage and shipping capacity in International markets for future accretive organic growth.

Available cash flow decreased by $272 million for the trailing twelve months ended June 30, 2025, as compared to the same period ending June 30, 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) an increase in maintenance capital expenditures mainly due to increase in planned fleet and equipment replacements and infrastructure maintenance, (iv) an increase in lease payments due to expansion of terminal storage and shipping capacity in International markets, and (v) 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. 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 $4.69 to $3.17 for the trailing twelve months ended June 30, 2025, as compared to the same period ending June 30, 2024, primarily driven by a decrease in available cash flow as discussed, partially offset by the lower number of outstanding common shares, driven by 0.4 million common shares repurchased under the NCIB during the trailing twelve months ended June 30, 2025.

Cash generated from operating activities for the three months ended June 30, 2025, increased by $52 million as compared to the same period in 2024, primarily as a result of a higher inflow from net change in non-cash working capital, driven by the impact of timing of settlement of risk management contracts, partially offset by the impact of removal of consumer carbon tax in Canada, effective April 1, 2025.

Cash generated from operating activities for the trailing twelve months ended June 30, 2025, increased by $44 million as compared to the same period ending June 30, 2024. This was mainly due to higher inflow from net change in non-cash working capital, influenced by (i) timing in settlement of risk management contracts and (ii) fluctuations in forward commodity prices. This was partially offset by (i) the impact of significantly lower refining margin environment during the second half of 2024, and realized losses due to winding down California compliance market positions in the first quarter of 2025, (ii) the impact of removal of the consumer carbon tax in Canada, effective April 1, 2025, and (iii) a higher income tax expense due to higher taxable earnings and the impact of global minimum tax enacted in the second quarter of 2024.

C. Dividends

	Three months ended June 30,				Six months ended June 30,			
($ millions, unless otherwise noted)	**2025**	2024	Change	%	**2025**	2024	Change	%
Dividends declared to shareholders	**63**	61	2	3%	**126**	122	4	3%
Dividends paid to shareholders	**(63)**	(61)	(2)	3%	**(124)**	(121)	(3)	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 second quarter of 2025 and by $4 million in the first six months of 2025, due to the increase in the annual per-share dividend. This was partially offset by the lower number of outstanding common shares, driven by 0.4 million common shares repurchased under the NCIB during the trailing twelve months ended June 30, 2025.

Dividends paid to shareholders increased by $2 million to $63 million in the second quarter of 2025, and by $3 million to $124 million in the first six months of 2025 due to the increases in the annual per-share dividends described above.

D. Dividend payout ratio

	Trailing twelve months ended June 30,	
($ millions, unless otherwise noted)	**2025**	2024
Available cash flow[1][3]	**551**	823
Dividends[2]	**248**	242
Dividend payout ratio[1]	**45%**	29%

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

The dividend payout ratio increased for the trailing twelve months ended June 30, 2025, as compared to the same period ending June 30, 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 improved to 3.4 as at June 30, 2025, as compared to 3.6 at December 31, 2024, primarily driven by a decrease in Leverage Debt resulting from a stronger Canadian dollar environment and strong cash flows.

($ millions, unless otherwise noted)	**June 30, 2025**	December 31, 2024
Leverage Debt	**4,979**	5,268
Leverage EBITDA	**1,468**	1,481
Leverage Ratio[1]	**3.4**	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.

	Trailing twelve months ended	
($ millions, unless otherwise noted)	**June 30, 2025**	June 30, 2024
Net operating profit after tax	**714**	836
Average invested capital[(2)]	**9,282**	9,277
ROIC[(1)]	**7.7%**	9.0%

[(1)] Non-GAAP financial ratio. See Section 15 of this MD&A.
[(2)] For comparative purposes, certain amounts within average invested capital for the trailing twelve months ended June 30, 2024, were revised to conform to the current period presentation.

ROIC was 7.7% for the trailing twelve months ended June 30, 2025, as compared to 9.0% for the same period ending June 30, 2024, primarily driven by a decrease in Adjusted EBITDA due to (i) a significantly lower refining margin environment during the second half of 2024 and (ii) realized losses of $53 million due to the wind down of California compliance market positions in the first quarter of 2025, and 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 and six months ended June 30, 2025, Parkland purchased and cancelled nil common shares (2024 - 708,600 and 2,526,088, respectively) for a total of nil (2024 - $29 million and $111 million, respectively) 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 and six months ended June 30, 2025, and expects to remain in compliance over the next year. See the Credit Agreement available on SEDAR+ at www.sedarplus.ca.

On June 20, 2025, Parkland executed supplemental indentures to the Senior Notes (excluding the 3.875% Senior Notes due 2026) to eliminate Parkland's potential obligation to make a change of control offer as a result of the Sunoco Transaction and to amend the definition of change of control to include Sunoco and its affiliates as qualified owners of Parkland.

B. Available sources of liquidity

Parkland's sources of liquidity as at June 30, 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)	**June 30, 2025**	December 31, 2024
Cash and cash equivalents[(1)]	**439**	385
Unused credit facilities	**1,738**	1,660
Liquidity available[(2)]	**2,177**	2,045

[(1)] Includes cash held in margin and project financing current accounts as at June 30, 2025, which amounted to $128 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 June 30, 2025, $54 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 $12,533 million at June 30, 2025, compared to $13,213 million at December 31, 2024, primarily driven by (i) a decrease in long-term debt balances resulting from a stronger Canadian dollar environment, lower interest obligations as we draw closer to debt maturities and reduction in lease liability due to ongoing lease payments, and (ii) a decrease in accounts payable due to the removal of the consumer carbon tax in Canada effective April 1, 2025. This was partially offset by an increase in provisions and other liabilities primarily driven by the increase in share-based compensation liability as a result of the modification of the share options, performance share units, and restricted share units to be cash-settled upon vesting on the closing date of the Sunoco Transaction.

As at June 30, 2025 ($ millions)	Less than one year	Years two and three	Years four and five	Thereafter	Total
Commitments					
Pipeline commitment[1]	**84**	**175**	**183**	**1,525**	**1,967**
Acquisition of property, plant and equipment[2]	**129**	**12**	**—**	**—**	**141**
Other commitments	**40**	**13**	**8**	**8**	**69**
Total commitments	**253**	**200**	**191**	**1,533**	**2,177**
Other obligations					
Accounts payable and accrued liabilities	**2,477**	**—**	**—**	**—**	**2,477**
Dividends declared and payable	**63**	**—**	**—**	**—**	**63**
Risk management and other financial liabilities	**72**	**—**	**—**	**—**	**72**
Long-term debt - including interest	**986**	**1,593**	**2,584**	**2,451**	**7,614**
Provisions and other liabilities	**107**	**2**	**2**	**19**	**130**
Total other obligations	**3,705**	**1,595**	**2,586**	**2,470**	**10,356**
Total contractual obligations	**3,958**	**1,795**	**2,777**	**4,003**	**12,533**

[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 $28 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 June 30, 2025, are $141 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 June 30, 2025, Parkland issued $64 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:

	Three months ended June 30,		**Six months ended June 30,**	
($ millions)	**2025**	2024	**2025**	2024
Growth capital expenditures				
Canada	**36**	8	**57**	18
International	**12**	9	**17**	12
USA	**2**	2	**4**	3
Refining	**1**	13	**12**	23
Corporate	**4**	9	**7**	15
Growth capital expenditures including non-recourse project financing	**55**	41	**97**	71
Less: Growth capital expenditures related to non-recourse project financing[2][4]	**5**	1	**18**	4
Growth capital expenditures[1][4]	**50**	40	**79**	67
Maintenance capital expenditures				
Canada	**20**	16	**37**	28
International	**12**	7	**28**	10
USA	**5**	3	**10**	6
Refining	**31**	27	**55**	68
Corporate	**2**	—	**2**	—
Maintenance capital expenditures[1]	**70**	53	**132**	112
Additions to property, plant and equipment and intangible assets[1][3]	**125**	94	**229**	183
Less: Additions to property, plant and equipment and intangible assets related to non-recourse project financing[2]	**5**	1	**18**	4
Capital expenditures[1]	**120**	93	**211**	179

[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 15 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 second quarter of 2025 and for the first six months of 2025 increased by $27 million and $32 million, respectively, as compared to the same periods in 2024.

Growth capital expenditures increased by $10 million for the second quarter of 2025 and $12 million for the first six months of 2025 and were focused on (i) fleet, storage tank and equipment purchases related to site network expansion projects in Canada, (ii) capacity expansion and low-carbon fuel manufacturing initiatives at the Burnaby Refinery, (iii) ongoing enhancements to the JOURNIE™ Rewards program across various digital platforms, and (iv) On the Run / Marché Express site conversions, upgrades and rebranding activities in Canada and USA.

Maintenance capital expenditures increased by $17 million for the second quarter of 2025 and $20 million for the first six months of 2025 and were focused on (i) planned infrastructure repairs, fleet and equipment replacements across the Canada, USA and International markets, and (ii) ongoing maintenance at the Burnaby Refinery, terminals and other infrastructure to ensure plant reliability and regulatory compliance.

Growth capital expenditures related to non-recourse project financing increased by $4 million for the second quarter of 2025 and $14 million for the first six months of 2025, as compared to the same periods in 2024 as we continued to progress toward building EV charge ports on multiple locations as part of our plan to build an ultra-fast charging network in select markets across Canada.

9. REVENUE AND NET EARNINGS (LOSS)

A. Revenue

($ millions)	Canada[1]		International[1]		USA[1]		Refining[1]		Consolidated	
Three months ended June 30,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Fuel and petroleum product revenue	**3,262**	3,557	**1,812**	2,083	**1,052**	1,168	**386**	315	**6,512**	7,123
Food, convenience and other non-fuel revenue	**117**	118	**47**	46	**198**	217	**—**	—	**362**	381
Sales and operating revenue[2]	**3,379**	3,675	**1,859**	2,129	**1,250**	1,385	**386**	315	**6,874**	7,504

($ millions)	Canada[1]		International[1]		USA[1]		Refining[1]		Consolidated	
Six months ended June 30,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Fuel and petroleum product revenue	**6,505**	6,710	**3,810**	4,101	**2,029**	2,239	**623**	653	**12,967**	13,703
Food, convenience and other non-fuel revenue	**229**	233	**102**	93	**389**	414	**—**	—	**720**	740
Sales and operating revenue[2]	**6,734**	6,943	**3,912**	4,194	**2,418**	2,653	**623**	653	**13,687**	14,443

[1] Refer to Note 15 of the Interim Condensed Consolidated Financial Statements for additional information on Parkland's segments.
[2] Sales and operating revenue includes revenue from external customers only.

Sales and operating revenue for the second quarter of 2025 and for the first six months of 2025 decreased by $630 million and $756 million, respectively, 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 decreased by $296 million for the second quarter of 2025 and by $209 million for the first six months of 2025, mainly due to the impact of lower commodity prices, partially offset by the impact of volume growth in our company-owned network, supported by stronger site execution and increased engagement through our loyalty programs.
- Sales and operating revenue for International decreased by $270 million for the second quarter of 2025 and by $282 million for the first six months of 2025, mainly due to lower commodity prices, partially offset by the impact of a strengthening US Dollar.
- Sales and operating revenue for USA decreased by $135 million for the second quarter of 2025 and by $235 million for the first six months of 2025, primarily due to (i) lower commodity prices and (ii) lower convenience purchases due to lower foot traffic, partially offset by the impact of a strengthening US Dollar.
- Sales and operating revenue for Refining increased by $71 million for the second quarter of 2025 and decreased by $30 million for the first six months of 2025, primarily driven by the level of crude sales to optimize pipeline capacity based on Burnaby Refinery utilization.

B. Net earnings (loss)

The following table shows the reconciliation of Adjusted EBITDA to net earnings (loss) for the three and six months ended June 30, 2025.

	Three months ended June 30,		Six months ended June 30,	
($ millions)	**2025**	2024	**2025**	2024
Adjusted EBITDA[1]	**508**	504	**883**	831
Less/(add):				
Acquisition, integration and other costs	**46**	46	**75**	76
Depreciation and amortization	**220**	202	**422**	408
Finance costs	**93**	99	**192**	190
(Gain) loss on foreign exchange – unrealized	**(4)**	4	**(9)**	7
(Gain) loss on risk management and other – unrealized[4]	**(51)**	56	**(48)**	59
Costs related to the Sunoco Transaction	**46**	—	**46**	—
Other (gains) and losses[2]	**(70)**	(1)	**(89)**	9
Other adjusting items[3][4]	**17**	8	**11**	26
Income tax expense (recovery)	**39**	20	**47**	(9)
Net earnings (loss)	**172**	70	**236**	65

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

(2) Other (gains) and losses for the three months ended June 30, 2025, include: (i) $55 million non-cash valuation gain (2024 - $11 million loss) due to change in fair value of redemption options; (ii) $8 million non-cash valuation gain (2024 - $12 million gain) due to the change in estimates of environmental provisions; (iii) $3 million (2024 - $3 million) in other income; (iv) $3 million gain (2024 - $1 million gain) on disposal of assets; and (v) $1 million gain (2024 -$4 million loss) in others. Other (gains) and losses for the six months ended June 30, 2025, include: (i) $76 million non-cash valuation gain (2024 - $24 million loss) due to change in fair value of redemption options; (ii) $7 million (2024 - $5 million) in other income; (iii) $4 million non-cash valuation gain (2024 - $16 million gain) due to the change in estimates of environmental provisions; (iv) $2 million gain (2024 - $3 million gain) on disposal of assets; and (v) nil (2024 -$9 million loss) in others.

(3) Other adjusting items for the three months ended June 30, 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 $12 million loss (2024 - $1 million loss); (ii) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $8 million (2024 - $3 million); (iii) adjustment to foreign exchange losses related to cash pooling arrangements of $4 million (2024 - $2 million); (iv) other income of $1 million (2024 - $3 million); 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 gain). Other adjusting items for the six months ended June 30, 2025, include: (i) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $13 million (2024 - $7 million); (ii) adjustment to foreign exchange losses related to cash pooling arrangements of $4 million (2024 - $4 million); (iii) other income of $3 million (2024 - $5 million); (iv) realized gains and losses on risk management and other assets and liabilities related to underlying physical sales activity in another period of $1 million gain (2024 - $12 million loss); (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 -$2 million gain).

(4) For comparative purposes, certain amounts were reclassified between realized and unrealized gain/(loss) on risk management for the six months ended June 30, 2024, with no changes to Net earnings (loss).

Net earnings were $172 million for the second quarter of 2025, and $236 million for the first six months of 2025, representing an increase in earnings of $102 million and $171 million, respectively, compared to the same period in 2024. The increases were primarily due to the:

- increase in unrealized gains on risk management and other of $107 million for the second quarter of 2025 and $107 million for the first six months of 2025, primarily driven by gains on commodity risk management contracts during the the second quarter of 2025 due to lower commodity prices and reclassification of unrealized losses on closing of certain commodity positions. Additionally, the increase during the first six months of 2025 includes the impact of the 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 first quarter of 2025.
- increase in net gains on the revaluation of redemption options included in other (gains) and losses by $66 million for the second quarter of 2025 and $100 million for the first six months of 2025, driven by expected decrease in medium-term interest rates in USA and changes in credit spreads;
- increase in Adjusted EBITDA of $4 million for the second quarter of 2025 and $52 million for the first six months of 2025, as discussed in Section 2A above;
- increase in unrealized gains on foreign exchange of $8 million for the second quarter of 2025 and $16 million for the first six months of 2025, primarily driven by foreign exchange volatility.

The increases were partially offset by the:

- increase in income tax expense of $19 million for the second quarter of 2025 and $56 million for the first six months of 2025, primarily due to the increase in taxable income and the impact of the global minimum tax enacted in the second quarter of 2024;
- $46 million of costs recorded in the second quarter of 2025 in relation to the Sunoco Transaction; and
- increase in depreciation and amortization of $18 million for the second quarter of 2025 and $14 million for the first six months of 2025, primarily due to (i) additional depreciation expense recorded in the second quarter of 2025 in relation to certain assets no longer meeting the asset-held-for-sale recognition criteria at June 30, 2025 due to a change in Parkland's portfolio optimization strategy resulting from the Sunoco Transaction, and (ii) a higher leased asset base to support organic growth.

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 16 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 June 30,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
External fuel and petroleum product volume[1]	**2,721**	2,646	**3,372**	3,320	**632**	425	**—**	—	**—**	—	**6,725**	6,391
Fuel and petroleum product adjusted gross margin	**382**	353	**258**	293	**211**	190	**—**	—	**(7)**	(8)	**844**	828
Food, convenience and other adjusted gross margin	**113**	119	**77**	77	**—**	—	**3**	3	**(6)**	(7)	**187**	192
Adjusted gross margin	**495**	472	**335**	370	**211**	190	**3**	3	**(13)**	(15)	**1,031**	1,020
Adjusted EBITDA[3]	**255**	226	**129**	169	**136**	119	**(12)**	(10)	**—**	—	**508**	504

($ millions, unless otherwise noted)	**Retail**[2]		**Commercial**[2]		**Refining**		**Corporate**		**Eliminations**		**Consolidated**	
Six months ended June 30,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
External fuel and petroleum product volume[1]	**5,118**	5,099	**6,942**	6,684	**970**	894	**—**	—	**—**	—	**13,030**	12,677
Fuel and petroleum product adjusted gross margin	**722**	673	**486**	600	**362**	237	**—**	(1)	**(14)**	(15)	**1,556**	1,494
Food, convenience and other adjusted gross margin	**216**	224	**157**	156	**—**	—	**5**	5	**(9)**	(10)	**369**	375
Adjusted gross margin	**938**	897	**643**	756	**362**	237	**5**	4	**(23)**	(25)	**1,925**	1,869
Adjusted EBITDA[3]	**464**	422	**227**	337	**215**	86	**(23)**	(14)	**—**	—	**883**	831

[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 amounts of revision for the three and six months ended June 30, 2024, were: Retail (58 and 112 million litres); and Commercial (58 and 112 million litres).
[2] The Adjusted EBITDA for our marketing business, which includes both the Retail and Commercial lines of business, was $384 million (2024 - $395 million) for the three months ended June 30, 2025 and $691 million (2024 - $759 million) for the six months ended June 30, 2025.
[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 $255 million for the second quarter of 2025 and $464 million for the first six months of 2025, representing an increase of $29 million and $42 million, respectively, as compared to the same periods in 2024. The increase was driven by (i) stronger fuel unit margins from continued price and supply optimization and volume growth in company-owned network in Canada, (ii) favourable results in International due to the continued strength in the base business, (iii) an increase in income from the Isla JV in International, and (iv) the impact of the strengthening of the US Dollar on International and USA adjusted gross margin. This was partially offset by the impact of lower fuel volumes and reduced spending and foot traffic in convenience stores driven by industry trends in USA, along with reduced unit fuel margins in a competitive environment.
- The Commercial business achieved an Adjusted EBITDA of $129 million for the second quarter of 2025 and $227 million for the first six months of 2025, representing a decrease of $40 million and $110 million, respectively, as

compared to the same period in 2024. The decreases were primarily driven by (i) market instability from global conflicts leading to volatility in pricing in our International markets, (ii) declining unit margins due to an increasingly competitive pricing environment and reduced rail and regional arbitrage opportunities in USA, (iii) disposition of our Canadian commercial propane business, (iv) credit losses related to certain commercial customers in USA and, (v) 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 performance in the International markets due to contributions and volumes from strategic contracts, including recurring wholesale and power and marine segment customers, (ii) improved unit margins from continued price and supply optimization and, (iii) the impact of the strengthening of the US Dollar on the USA and International adjusted gross margin. Additionally, the decrease in Adjusted EBITDA for the first six months of 2025 was due to realized losses in Canada as a result of our commercial decision to wind down our California compliance market positions in the first quarter of 2025, due to regulatory developments in the United States that created volatility and intensified market disruptions.

- 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 contracts, option contracts, interest rate swaps, Redemption Options, and other investments.

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

	Three months ended June 30,		Six months ended June 30,	
($ millions)	**2025**	2024	**2025**	2024
Gain (loss) on risk management and other - realized[1][2][5]	**(16)**	52	**(72)**	(20)
Gain (loss) on risk management and other - unrealized[1][3][5]	**51**	(56)	**48**	(59)
Gain (loss) on risk management and other	**35**	(4)	**(24)**	(79)
Change in fair value of Redemption Options[4]	**55**	(11)	**76**	(24)
Impact on consolidated statements of income (loss)	**90**	(15)	**52**	(103)

[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.

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

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

Following strong second quarter 2025 operating and financial results, Parkland remains on track to be within its previously stated 2025 Adjusted EBITDA Guidance[10] range of $1,800 million to $2,100 million and 2025 Capital Expenditure Guidance[10] range of $475 million to $525 million. In connection with the Sunoco Transaction that is expected to close in the fourth quarter of 2025, Parkland's capital allocation, available cash flow, and leverage have been impacted due to the additional costs. Parkland expects to incur costs relating to the transaction and the restrictions imposed on Parkland under the terms of the Agreement. As a result, Parkland has withdrawn and will no longer provide updates with respect to the previously stated 2025 Guidance metrics for (i) Available cash flow per share, (ii) Leverage Ratio, and (iii) Parkland's divestment program to sell its non-core assets for the period between 2023 and 2025. Additionally, to further simplify external guidance, Parkland has also withdrawn and will no longer provide updates with respect to its 2025 Adjusted EBITDA guidance for the Refining segment.

As we work towards the closing of the transaction, we continue to prioritize safety and operational execution, cost efficiencies, supply optimization, capturing synergies from previous acquisitions, and deleveraging. The factors and assumptions that contribute to Parkland's assessment of the 2025 Adjusted EBITDA Guidance and 2025 Capital Expenditure Guidance, and the related risks and uncertainties are set forth under Sections 16 and 11 of this MD&A, respectively.

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 June 30, 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 six months ended June 30, 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 sections 15 and 16 of this MD&A.

B. Shares outstanding

As at June 30, 2025, Parkland had approximately 174.4 million (December 31, 2024 - 173.9 million) common shares, 3.5 million share options (December 31, 2024 - 3.0 million), 2.1 million performance share units and restricted share units (December 31, 2024 - 1.9 million) and 0.2 million (December 31, 2024 - 0.2 million) deferred share units outstanding. The share options consist of approximately 2.2 million (December 31, 2024 - 1.9 million) share options that are currently exercisable into common shares. The share options, performance share units, and restricted share units will be settled in cash on the closing date of the Sunoco Transaction. Refer to Note 9 and Note 14 of the Interim Condensed Consolidated Financial Statements for additional information.

C. External fuel and petroleum product volume

(million litres)	Canada		International		USA		Refining		Consolidated	
Three months ended June 30,	**2025**	2024	**2025**	2024	**2025**	2024[4]	**2025**	2024	**2025**	2024[4]
Retail[1][4]	**1,747**	1,677	**425**	420	**549**	549	**—**	—	**2,721**	2,646
Commercial[1][2][4]	**1,522**	1,462	**1,267**	1,293	**583**	565	**—**	—	**3,372**	3,320
Refining	**—**	—	**—**	—	**—**	—	**632**	425	**632**	425
Fuel and petroleum product volume[3]	**3,269**	3,139	**1,692**	1,713	**1,132**	1,114	**632**	425	**6,725**	6,391

(million litres)	Canada		International		USA		Refining		Consolidated	
Six months ended June 30,	**2025**	2024	**2025**	2024	**2025**	2024[4]	**2025**	2024	**2025**	2024[4]
Retail[1][4]	**3,287**	3,247	**831**	833	**1,000**	1,019	**—**	—	**5,118**	5,099
Commercial[1][2][4]	**3,211**	2,915	**2,598**	2,577	**1,133**	1,192	**—**	—	**6,942**	6,684
Refining	**—**	—	**—**	—	**—**	—	**970**	894	**970**	894
Fuel and petroleum product volume[3]	**6,498**	6,162	**3,429**	3,410	**2,133**	2,211	**970**	894	**13,030**	12,677

(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 three and six months ended June 2024 were: Retail (58 million litres and 112 million litres, respectively) and Commercial (58 million litres and 112 million litres, respectively).

D. Related party transactions

As at June 30, 2025, Parkland continues to have transactions with related parties in the normal course of business. As at June 30, 2025, Parkland has contractually committed to invest approximately $30 million (December 31, 2024 - $35 million) in its associate investments.

	Three months ended		Six months ended	
($ millions)	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
Investment in Associates				
Fuel revenue[1]	**48**	68	**138**	164
Cost of purchases[1]	**66**	64	**135**	136
Investment in Joint Ventures				
Fuel revenue[2]	**223**	246	**454**	473

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

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

($ millions)	June 30, 2025	December 31, 2024
Investments in Associates		
Accounts payable	**20**	29
Accounts receivable	**25**	32
Investment in Joint Ventures		
Accounts payable	**—**	2
Accounts receivable	**44**	43

E. Assets classified as held for sale

As part of Parkland's portfolio optimization strategy considering the Sunoco Transaction, management is committed to a plan to sell certain assets within the Canada and USA segments. The assets and associated liabilities include retail and commercial assets (cardlock facilities, bulk storage plants and warehouses) located across Canada and the United States.

The assets and the related liabilities held for sale as at June 30, 2025 were $115 million and $23 million, respectively (December 31, 2024 - $842 million and $292 million). During the second quarter of 2025, certain assets and associated liabilities within the Canada and USA segments that were classified as held for sale at December 31, 2024, no longer met the asset-held-for-sale recognition criteria due to a change in strategy resulting from the Sunoco Transaction, and were, accordingly, reclassified to their respective assets and liabilities on the consolidated balance sheets.

F. Site count by business model

	As at June 30, 2025			
Business model	**Canada[1]**	**USA[1]**	**International[2]**	**Total**
Company-owned / leased, Company-operated[3]	**114**	**123**	**15**	**252**
Company-owned / leased, dealer-operated	**8**	**—**	**240**	**248**
Company-owned / leased, retailer-operated	**796**	**68**	**—**	**864**
Dealer-owned, dealer-operated / consignment dealer	**1,183**	**469**	**245**	**1,897**
Franchisee-operated[4]	**196**	**—**	**—**	**196**
Cardlock	**163**	**46**	**—**	**209**
	2,460	**706**	**500**	**3,666**

	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 June 30, 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 June 30, 2025, Parkland is the operator of 114 Company-operated stores under the M&M Food Market brand (December 31, 2024 - 107).
(4) In addition, as at June 30, 2025, Parkland had arrangements with 2,366 (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 have been 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 that 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, (xiii) costs related to the Sunoco Transaction, and (xiv) 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 June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Sales and operating revenue	**6,874**	7,504	**13,687**	14,443
Cost of purchases	**(5,847)**	(6,533)	**(11,695)**	(12,555)
Gain (loss) on risk management and other - realized[2]	**(16)**	52	**(72)**	(20)
Gain (loss) on foreign exchange - realized	**12**	(5)	**10**	(13)
Other adjusting items to Adjusted gross margin[1][2]	**8**	2	**(5)**	14
Adjusted gross margin	**1,031**	1,020	**1,925**	1,869
Fuel and petroleum product adjusted gross margin	**844**	828	**1,556**	1,494
Food, convenience and other adjusted gross margin	**187**	192	**369**	375
Adjusted gross margin	**1,031**	1,020	**1,925**	1,869

[1] Other adjusting items to Adjusted gross margin for the three months ended June 30, 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 $12 million loss (2024 - $1 million loss); (ii) adjustment to foreign exchange losses related to cash pooling arrangements of $4 million (2024 - $2 million); and (iii) 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 gain). Other adjusting items for the six months ended June 30, 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 $1 million gain (2024 - $12 million loss); (ii) adjustment to foreign exchange losses related to cash pooling arrangements of $4 million (2024 - $4 million); and (iii) realized risk management gains related to interest rate swaps, as these gains do not relate to commodity sale and purchase transactions, of nil (2024 -$2 million gain).

[2] For comparative purposes, certain amounts were reclassified between realized and unrealized gain/(loss) on risk management for the six months ended June 30, 2024, with no changes to Adjusted gross margin.

Food, convenience and other adjusted gross margin

($ millions)	Canada		International		USA		Corporate		Intersegment Eliminations		Consolidated	
For the three months ended June 30,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Food and convenience store[1]	**69**	69	**6**	6	**26**	31	**—**	—	**—**	—	**101**	106
Other retail[2]	**4**	4	**6**	7	**2**	2	**—**	—	**—**	—	**12**	13
Lubricants and other[3]	**21**	19	**20**	19	**36**	37	**3**	3	**(6)**	(5)	**74**	73
Food, convenience and other adjusted gross margin	**94**	92	**32**	32	**64**	70	**3**	3	**(6)**	(5)	**187**	192

($ millions)	Canada		International		USA		Corporate		Intersegment Eliminations		Consolidated	
For the six months ended June 30,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Food and convenience store[1][4]	**134**	134	**10**	9	**50**	57	**—**	—	**—**	—	**194**	200
Other retail[2][4]	**6**	7	**13**	14	**3**	3	**—**	—	**—**	—	**22**	24
Lubricants and other[3][4]	**39**	41	**48**	42	**70**	72	**5**	5	**(9)**	(9)	**153**	151
Food, convenience and other adjusted gross margin	**179**	182	**71**	65	**123**	132	**5**	5	**(9)**	(9)	**369**	375

[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 the 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, (xiii) costs related to the Sunoco Transaction, and (xiv) 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 June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Net earnings (loss)	**172**	70	**236**	65
Add/(less):				
Acquisition, integration and other costs	**46**	46	**75**	76
(Gain) loss on foreign exchange – unrealized	**(4)**	4	**(9)**	7
(Gain) loss on risk management and other – unrealized[4]	**(51)**	56	**(48)**	59
Costs related to the Sunoco Transaction	**46**	—	**46**	—
Other (gains) and losses	**(70)**	(1)	**(89)**	9
Other adjusting items[1][4]	**17**	8	**11**	26
Tax normalization[2]	**2**	(27)	**1**	(43)
Adjusted earnings (loss)	**158**	156	**223**	199
Weighted average number of common shares (million shares)[3]	**174**	175	**174**	175
Weighted average number of common shares adjusted for the effects of dilution (million shares)[3]	**177**	177	**176**	178
Adjusted earnings (loss) per share ($ per share)				
Basic	**0.91**	0.89	**1.28**	1.14
Diluted	**0.90**	0.88	**1.27**	1.12

(1) Other adjusting items for the three months ended June 30, 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 $12 million loss (2024 - $1 million loss); (ii) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $8 million (2024 - $3 million); (iii) other income of $1 million (2024 - $3 million); (iv)adjustment to foreign exchange gains and losses related to cash pooling arrangements of $4 million (2024 - $2 million); 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). Other adjusting items for the six months ended June 30, 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 $1 million gain (2024 - $12 million loss); (ii) the share of depreciation, income taxes and other adjustments for investments in joint ventures and associates of $13 million (2024 - $7 million) (iii) other income of $3 million (2024 - $5 million); (iv) adjustment to foreign exchange gains and losses related to cash pooling arrangements of $4 million (2024 - $4 million); 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 - $2 gain). 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.

(2) The tax normalization adjustment was applied to net earnings (loss) adjusting items that were considered temporary differences, such as acquisition, integration and other costs, unrealized foreign exchange gains and losses, unrealized gains and losses on risk management and other, gains and losses on asset disposals, changes in fair value of redemption options, changes in estimates of environmental provisions, loss on inventory write-downs for which there are offsetting associated risk management derivatives with unrealized gains, impairments of non-current assets and strategic transaction costs. 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 September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	**Trailing twelve months ended June 30, 2025**
Cash generated from (used in) operating activities	406	462	286	502	**1,656**
Reverse: Change in other assets and other liabilities	(68)	80	1	(7)	**6**
Reverse: Net change in non-cash working capital related to operating activities[1]	21	(180)	53	(87)	**(193)**
Include: Maintenance capital expenditures	(71)	(96)	(62)	(70)	**(299)**
Include: Dividends received from investments in associates and joint ventures	3	7	5	6	**21**
Include: Interest on leases and long-term debt	(85)	(87)	(89)	(83)	**(344)**
Include: Payments of principal amount on leases	(69)	(76)	(77)	(74)	**(296)**
Available cash flow	137	110	117	187	**551**
Weighted average number of common shares (millions)[2]					**174**
TTM Available cash flow per share					**3.17**

($ millions, unless otherwise noted)	Three months ended September 30, 2023	December 31, 2023	March 31, 2024 [1]	June 30, 2024	Trailing twelve months ended June 30, 2024
Cash generated from (used in) operating activities	528	417	217	450	1,612
Reverse: Change in other assets and other liabilities	7	(4)	28	3	34
Reverse: Net change in non-cash working capital related to operating activities[1]	(14)	17	55	(34)	24
Include: Maintenance capital expenditures	(52)	(93)	(59)	(53)	(257)
Include: Dividends received from investments in associates and joint ventures	4	3	2	8	17
Include: Interest on leases and long-term debt	(83)	(88)	(85)	(88)	(344)
Include: Payments on principal amount on leases	(57)	(71)	(71)	(64)	(263)
Available cash flow	333	181	87	222	823
Weighted average number of common shares (millions)[2]					175
TTM Available cash flow per share					4.69

[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, 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.

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 the dividend payout ratio as a useful indicator of Parkland's ability to generate cash flows to sustain quarterly dividends to shareholders.

($ millions, unless otherwise noted)	Three months ended September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	**Trailing twelve months ended June 30, 2025**
Available cash flow[1]	137	110	117	187	**551**
Dividends	61	61	63	63	**248**
Dividend payout ratio					**45 %**

($ millions, unless otherwise noted)	Three months ended September 30, 2023	December 31, 2023	March 31, 2024 [1]	June 30, 2024	Trailing twelve months ended June 30, 2024
Available cash flow [1]	333	181	87	222	823
Dividends	60	60	61	61	242
Dividend payout ratio					29 %

[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				
ROIC	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	**Trailing twelve months ended June 30, 2025**
Net earnings (loss)	91	(29)	64	172	**298**
Add/(less):					
Income tax expense (recovery)	17	(8)	8	39	**56**
Acquisition, integration and other costs	61	81	29	46	**217**
Depreciation and amortization	207	210	202	220	**839**
Finance cost	96	92	99	93	**380**
(Gain) loss on foreign exchange - unrealized	1	(2)	(5)	(4)	**(10)**
(Gain) loss on risk management and other - unrealized	(48)	34	3	(51)	**(62)**
Costs related to the Sunoco Transaction	—	—	—	46	**46**
Other (gains) and losses	(1)	30	(19)	(70)	**(60)**
Other adjusting items	7	20	(6)	17	**38**
Adjusted EBITDA	431	428	375	508	**1,742**
Less: Depreciation and amortization	(207)	(210)	(202)	(220)	**(839)**
Less: Pro-forma depreciation and amortization on assets classified as held for sale	—	(7)	(7)	14	**—**
Adjusted EBIT	224	211	166	302	**903**
Average effective tax rate					**21.0 %**
Less: Taxes					**(189)**
Net operating profit after tax					**714**
Opening invested capital					**9,362**
Closing invested capital					**9,201**
Average invested capital					**9,282**
Return on invested capital					**7.7 %**

Invested Capital	**June 30,**	
($ millions, unless otherwise noted)	**2025**	2024
Long-term debt - current portion	**847**	213
Long-term debt	**5,618**	6,275
Long-term debt in liabilities classified as held for sale[1]	**2**	52
Shareholders' equity	**3,173**	3,138
Exclude: Cash and cash equivalents	**(439)**	(316)
Total	**9,201**	9,362

($ millions, unless otherwise noted)	Three months ended				
ROIC	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	Trailing twelve months ended June 30, 2024
Net earnings (loss)	230	86	(5)	70	381
Add/(less):					
Income tax expense (recovery)	54	(15)	(29)	20	30
Acquisition, integration and other costs	38	42	30	46	156
Depreciation and amortization	205	222	206	202	835
Finance cost	93	89	91	99	372
(Gain) loss on foreign exchange - unrealized	1	—	3	4	8
(Gain) loss on risk management and other - unrealized[2]	(19)	28	3	56	68
Other (gains) and losses	(37)	5	10	(1)	(23)
Other adjusting items[2]	20	6	18	8	52
Adjusted EBITDA	585	463	327	504	1,879
Less: Depreciation and amortization	(205)	(222)	(206)	(202)	(835)
Adjusted EBIT	380	241	121	302	1,044
Average effective tax rate					19.9 %
Less: Taxes					(208)
Net operating profit after tax					836
Opening invested capital					9,191
Closing invested capital					9,362
Average invested capital					9,277
Return on invested capital					9.0 %

Invested Capital	June 30,	
($ millions, unless otherwise noted)	2024	2023
Long-term debt - current portion	213	178
Long-term debt	6,275	6,278
Long-term debt in liabilities classified as held for sale[1]	52	—
Shareholders' equity	3,138	3,080
Exclude: Cash and cash equivalents	(316)	(345)
Total	9,362	9,191

[1] For comparative purposes, long-term debt in liabilities classified as held for sale was included as part of invested capital as at June 30, 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 Canada and 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 June 30,			**Six months ended June 30,**		
($ millions, unless otherwise noted)	**2025**	2024	%[1]	**2025**	2024	%[1]
Food and Company C-Store revenue	**83**	82		**162**	160	
Add:						
Point-of-sale ("POS") value of goods and services sold at Food and Company C-Store operated by retailers and franchisees[2]	**300**	303		**563**	579	
Less:						
Rental and royalty income from retailers, franchisees and other[3]	**(61)**	(63)		**(118)**	(122)	
Same Store revenue adjustments[4] (excluding cigarettes)	**(5)**	(4)		**(17)**	(14)	
Food and Company C-Store same-store sales (including cigarettes)	**317**	318	(0.3)%	**590**	603	(2.1)%
Less:						
Same Store revenue adjustments[4] (cigarettes)	**(98)**	(108)		**(182)**	(203)	
Food and Company C-Store same-store sales (excluding cigarettes)	**219**	210	4.2 %	**408**	400	2.0 %

	Three months ended June 30,			Six months ended June 30,		
($ millions, unless otherwise noted)	2024	2023	%[1]	2024	2023	%[1]
Food and Company C-Store revenue	82	79		160	149	
Add:						
Point-of-sale ("POS") value of goods and services sold at Food and Company C-Store operated by retailers[2]	305	316		581	594	
Less:						
Rental income from retailers and other[3]	(63)	(64)		(122)	(119)	
Same Store revenue adjustments[4][5] (excluding cigarettes)	(16)	(15)		(28)	(26)	
Food and Company C-Store same-store sales (including cigarettes)	308	316	(3.0)%	591	598	(1.3)%
Less:						
Same Store revenue adjustments[4][5] (cigarettes)	(105)	(112)		(200)	(213)	
Food and Company C-Store same-store sales (excluding cigarettes)	203	204	(0.7)%	391	385	1.1 %

(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:

($ millions, unless otherwise noted)	Three months ended June 30, 2025	2024	%[1]	Six months ended June 30, 2025	2024	%[1]
Food and Company C-Store revenue	**82**	91		**154**	168	
Adjusted for:						
Impact of foreign currency exchange[2]	**—**	1		**—**	6	
Less:						
Same Store revenue adjustments[3] (excluding cigarettes)	**(5)**	(10)		**(8)**	(16)	
Food and Company C-Store same-store sales (including cigarettes)	**77**	82	(5.3)%	**146**	158	(7.2)%
Less:						
Same Store revenue adjustments[3] (cigarettes)	**(6)**	(7)		**(26)**	(28)	
Food and Company C-Store same-store sales (excluding cigarettes)	**71**	75	(4.9)%	**120**	130	(7.0)%

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

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

Food and Company C-Store gross margin percentage

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

Canada:

($ millions, unless otherwise noted)	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Adjusted Food and Company C-Store revenue	**322**	322	**607**	617
Adjusted Food and Company C-Store cost of sales	**(212)**	(210)	**(394)**	(401)
Adjusted Food and Company C-Store gross margin	**110**	112	**213**	216
Food and Company C-Store gross margin percentage[1]	**34.2 %**	34.6 %	**35.1 %**	34.9 %
Food and Company C-Store revenue	**83**	82	**162**	160
Add:				
POS value of goods and services sold at Food and Company C-Store operated by retailers and franchisees[3]	**300**	303	**563**	579
Less:				
Rental and royalty income from retailers, franchisees and others[2]	**(61)**	(63)	**(118)**	(122)
Adjusted Food and Company C-Store revenue	**322**	322	**607**	617
Food and Company C-Store cost of sales	**14**	13	**28**	26
Add:				
Cost of goods and services sold at Food and Company C-Store operated by retailers and franchisees[3]	**198**	197	**366**	375
Adjusted Food and Company C-Store cost of sales	**212**	210	**394**	401

(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 June 30, 2025	2024	Six months ended June 30, 2025	2024
Food and Company C-Store revenue	**82**	91	**154**	168
Food and Company C-Store cost of sales	**(56)**	(60)	**(104)**	(111)
Food and Company C-Store gross margin[1]	**26**	31	**50**	57
Food and Company C-Store gross margin percentage[1][2]	**32.3 %**	33.3 %	**32.6 %**	33.9 %

(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.
Crude throughput	Crude throughput refers to the amount of crude oil processed and converted to products in the 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 of the refinery.
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 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-intensity fuels.
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.

Supplementary financial measure	Description	Calculation	Why we use the measure and why it is useful
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).
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).
C-Store margins	C-Store margins refers to gross profit margins generated by the convenience store operations of the segment.	The amount of convenience store adjusted gross profit expressed as a percentage of convenience store revenue.	Convenience store margins are used by management to measure the profitability of its convenience store operations and provides meaningful information to investors in assessing the health and strength of Parkland's convenience store network.

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)	**June 30, 2025**	December 31, 2024
Leverage Debt	**4,979**	5,268
Leverage EBITDA	**1,468**	1,481
Leverage Ratio	**3.4**	3.6

($ millions, unless otherwise noted)	**June 30, 2025**	December 31, 2024
Long-term debt	**6,465**	6,641
Less:		
Lease obligations	**(1,104)**	(1,054)
Cash and cash equivalents	**(439)**	(385)
Non-recourse debt[1]	**(55)**	(30)
Risk management liability (asset)[2]	**1**	(30)
Add:		
Non-recourse cash[1]	**35**	31
Letters of credit and other	**76**	95
Leverage Debt	**4,979**	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.

	Three months ended				
($ millions, unless otherwise noted)	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	**Trailing twelve months ended June 30, 2025**
Adjusted EBITDA	431	428	375	508	**1,742**
Share incentive compensation	6	11	8	7	**32**
Reverse: IFRS 16 impact[1]	(84)	(91)	(93)	(90)	**(358)**
	353	348	290	425	**1,416**
Acquisition pro-forma adjustment[2]					**6**
Other adjustments[3]					**46**
Leverage EBITDA					**1,468**

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

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

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 impacts 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 is 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 is expressed as a percentage of the 55,000 barrels per day nameplate distillation capacity at the Burnaby Refinery.	Composite utilization provides meaningful information to investors in evaluating the operational performance of the Burnaby Refinery.	A higher utilization generally allows for more efficient operations and lower costs per barrel.
Crude throughput	Crude throughput refers to the amount of crude oil processed and converted to products in the Burnaby Refinery.	The amount of crude oil that runs through crude distillation units expressed in thousands of barrels per day.	Crude throughput provides meaningful information to investors in evaluating the operational performance.	A higher throughput generally allows for more efficient operations and lower costs per barrel.

Non-financial measure	Description	Calculation	Why we use this measure and why it is useful	Comments
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;
- the Sunoco 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 Sunoco Transaction, as well as its assumed debt;
- expectations regarding the listing of SunocoCorp on the New York Stock Exchange;
- expectations regarding the settlement of share options, performance share units, and restricted share units in cash on the closing date of the Sunoco Transaction;
- prioritization of safety and operational execution, cost efficiencies, supply optimization, capturing synergies from previous acquisitions, and deleveraging;
- expectation to remain on track to be within its 2025 Adjusted EBITDA Guidance and 2025 Capital Expenditures Guidance ranges;
- sustainability strategy encompassing five 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 June 30, 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 in light of the Sunoco Transaction, 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 and portfolio optimization strategy in light of the Sunoco Transaction;
- Parkland's and Sunoco's ability to satisfy the conditions precedent to the Sunoco Transaction, including the receipt of regulatory approvals and stock exchange listing, and the timing thereof;
- Parkland's ability to successfully integrate its operations with Sunoco following the Sunoco Transaction;
- 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;
- expected performance from Parkland's retail and commercial lines of business during the 2025 financial year that is consistent with the prior year;
- 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; and
- implementation of ongoing cost reductions across the business.

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.

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 completion of the Sunoco Transaction on the terms described in the Agreement, the timing thereof, and realizing the benefits resulting therefrom;

- the impact of the Sunoco Transaction on Parkland's ability to successfully execute its business objectives, projects and strategies, and in turn, fall within its 2025 Adjusted EBITDA Guidance and 2025 Capital Expenditures Guidance ranges;
- 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 customers 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.