

**Parkland Corporation**

Interim Condensed Consolidated Financial Statements (Unaudited)  
For the three and six months ended June 30, 2023



## Parkland Corporation

### Consolidated Balance Sheets (Unaudited)

(\$ millions)	Note	June 30, 2023	December 31, 2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents - Unrestricted		249	653
Cash and cash equivalents - Restricted		96	63
Accounts receivable		1,548	1,872
Inventories		1,519	1,745
Income taxes receivable		31	14
Risk management and other financial assets	7	40	39
Prepaid expenses and other		106	109
Assets classified as held for sale	4	309	79
		<b>3,898</b>	4,574
<b>Non-current assets</b>			
Property, plant and equipment		4,991	5,141
Intangible assets		1,250	1,355
Goodwill		2,439	2,484
Investments in associates and joint ventures		337	342
Long-term receivables		106	113
Other long-term assets	5	82	82
Deferred tax assets		192	197
		<b>13,295</b>	14,288
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		2,407	2,806
Dividends declared and payable		60	57
Income taxes payable		17	22
Long-term debt - current portion	6	178	173
Provisions and other liabilities - current portion	9	64	139
Risk management and other financial liabilities	7	43	69
Liabilities associated with assets held for sale	4	43	20
		<b>2,812</b>	3,286
<b>Non-current liabilities</b>			
Long-term debt	6	6,278	6,799
Provisions and other liabilities	9	772	752
Deferred tax liabilities		353	414
		<b>10,215</b>	11,251
<b>Shareholders' equity</b>			
Shareholders' capital	10	3,249	3,237
Contributed surplus		85	73
Accumulated other comprehensive income (loss)		(83)	(67)
Retained earnings (deficit)		(171)	(206)
		<b>3,080</b>	3,037
		<b>13,295</b>	14,288

See accompanying notes to the interim condensed consolidated financial statements.

## Parkland Corporation

### Consolidated Statements of Income (Loss) (Unaudited)

(\$ millions, unless otherwise stated)	Note	Three months ended June 30,		Six months ended June 30,	
		2023	2022	2023	2022
Sales and operating revenue	13	<b>7,819</b>	9,715	<b>15,975</b>	17,321
<b>Expenses</b>					
Cost of purchases		<b>6,873</b>	8,561	<b>14,138</b>	15,124
Operating costs		<b>383</b>	345	<b>794</b>	682
Marketing, general and administrative		<b>147</b>	134	<b>304</b>	262
Acquisition, integration and other costs		<b>39</b>	18	<b>66</b>	31
Depreciation and amortization		<b>206</b>	174	<b>396</b>	329
Finance costs	11	<b>98</b>	80	<b>202</b>	150
Foreign exchange (gain) loss		<b>–</b>	4	<b>1</b>	2
(Gain) loss on risk management and other		<b>(31)</b>	217	<b>(102)</b>	411
Other (gains) and losses	12	<b>14</b>	60	<b>35</b>	132
Share of (earnings) loss of associates and joint ventures		<b>(6)</b>	(6)	<b>(12)</b>	(11)
Earnings (loss) before income taxes		<b>96</b>	128	<b>153</b>	209
Current income tax expense (recovery)		<b>32</b>	28	<b>40</b>	58
Deferred income tax expense (recovery)		<b>(14)</b>	9	<b>(42)</b>	(8)
Net earnings (loss)		<b>78</b>	91	<b>155</b>	159
Net earnings (loss) attributable to:					
Parkland		<b>78</b>	81	<b>155</b>	136
Non-controlling interest ("NCI")		<b>–</b>	10	<b>–</b>	23
Net earnings (loss) per share (\$ per share):					
Basic		<b>0.44</b>	0.52	<b>0.88</b>	0.88
Diluted		<b>0.44</b>	0.52	<b>0.87</b>	0.87
Weighted average number of common shares (000's of shares)		<b>175,671</b>	155,680	<b>175,582</b>	155,292
Weighted average number of common shares adjusted for the effects of dilution (000's of shares)		<b>177,795</b>	156,840	<b>177,606</b>	156,399

See accompanying notes to the interim condensed consolidated financial statements.

## Parkland Corporation

### Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(\$ millions)	Note	Three months ended June 30,		Six months ended June 30,	
		2023	2022	2023	2022
Net earnings (loss)		<b>78</b>	91	<b>155</b>	159
Other comprehensive income (loss):					
Items that may be reclassified to consolidated statements of income (loss) in subsequent periods:					
Exchange differences on translation of foreign operations		<b>(73)</b>	64	<b>(77)</b>	35
Exchange differences on USD-denominated debt designated as a hedge of the net investment in foreign operations ("Net Investment Hedge"), net of tax	6	<b>62</b>	(74)	<b>63</b>	(42)
Changes in the fair value of cash flow hedges, net of tax		–	3	–	1
Hedging (gains) losses reclassified to the consolidated statements of comprehensive income (loss)		<b>(1)</b>	(2)	<b>(2)</b>	(2)
Items that will not be reclassified to consolidated statements of income (loss) in subsequent periods:					
Remeasurements on employee benefit plans		–	–	–	(1)
Other comprehensive income (loss)		<b>(12)</b>	(9)	<b>(16)</b>	(9)
Total comprehensive income (loss)		<b>66</b>	82	<b>139</b>	150
Total comprehensive income (loss) attributable to:					
Parkland		<b>66</b>	63	<b>139</b>	122
NCI		–	19	–	28

See accompanying notes to the interim condensed consolidated financial statements.

## Parkland Corporation

### Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(\$ millions)	Note	Shareholders' capital	Contributed surplus	Accumulated other comprehensive income (loss)	Sol Put Option reserve	Retained earnings (deficit)	NCI	Total shareholders' equity
As at January 1, 2023		<b>3,237</b>	<b>73</b>	<b>(67)</b>	–	<b>(206)</b>	–	<b>3,037</b>
Net earnings (loss)		–	–	–	–	<b>155</b>	–	<b>155</b>
Other comprehensive income (loss)		–	–	<b>(16)</b>	–	–	–	<b>(16)</b>
Dividends		–	–	–	–	<b>(120)</b>	–	<b>(120)</b>
Share incentive compensation		–	<b>17</b>	–	–	–	–	<b>17</b>
Shares issued under share option plan	10	<b>10</b>	<b>(1)</b>	–	–	–	–	<b>9</b>
Shares issued on vesting of performance share units	10	<b>2</b>	<b>(4)</b>	–	–	–	–	<b>(2)</b>
As at June 30, 2023		<b>3,249</b>	<b>85</b>	<b>(83)</b>	–	<b>(171)</b>	–	<b>3,080</b>
As at January 1, 2022		2,586	59	(39)	(494)	(142)	362	2,332
Net earnings (loss)		–	–	–	–	136	23	159
Other comprehensive income (loss)		–	–	(14)	–	–	5	(9)
Dividends		–	–	–	–	(100)	–	(100)
Share incentive compensation		–	13	–	–	–	–	13
Shares issued on acquisitions	10	26	–	–	–	–	–	26
Shares issued under dividend reinvestment plan, net of costs	10	18	–	–	–	–	–	18
Shares issued under share option plan	10	9	(1)	–	–	–	–	8
Shares issued on vesting of performance share units	10	1	(3)	–	–	–	–	(2)
As at June 30, 2022		2,640	68	(53)	(494)	(106)	390	2,445

See accompanying notes to the interim condensed consolidated financial statements.

## Parkland Corporation

### Consolidated Statements of Cash Flows (Unaudited)

(\$ millions)	Note	Three months ended June 30,		Six months ended June 30,	
		2023	2022	2023	2022
<b>Operating activities</b>					
Net earnings (loss)		78	91	155	159
Adjustments for:					
Depreciation and amortization		206	174	396	329
Interest on leases and long-term debt	11	89	69	181	133
Share incentive compensation		6	4	15	14
Change in risk management and other		45	(32)	(29)	(5)
Change in other liabilities and other assets		11	1	–	3
Change in fair value of Redemption Options	12	5	16	(4)	102
Change in redemption value of Sol Put Option		–	44	–	48
Deferred income tax expense (recovery)		(14)	9	(42)	(8)
Share of net (earnings) loss of associates and joint ventures		(6)	(6)	(12)	(11)
Early redemption and modification premiums	11	–	2	–	2
Other operating activities		46	5	96	(1)
Net change in non-cash working capital related to operating activities	3	55	(36)	79	(472)
Cash generated from (used in) operating activities		521	341	835	293
<b>Investing activities</b>					
Acquisitions, net of cash acquired		–	(78)	–	(478)
Investment in joint venture and associates		–	–	–	(2)
Dividends received from investments in associates and joint ventures		2	12	18	12
Additions to property, plant and equipment and intangible assets		(118)	(90)	(231)	(145)
Change in long-term receivables and other assets		3	(11)	–	(14)
Proceeds on asset disposals		10	2	17	3
Net change in non-cash working capital related to investing activities	3	(110)	10	(116)	(16)
Cash generated from (used in) investing activities		(213)	(155)	(312)	(640)
<b>Financing activities</b>					
Net proceeds from (repayments of) the Credit Facility	6	(232)	84	(479)	924
Long-term debt repayments, excluding the Credit Facility	6	–	(2)	–	(2)
Proceeds from long-term debt, net of financing costs, excluding the Credit Facility	6	2	–	2	–
Premiums on early redemptions and modifications	11	–	(2)	–	(2)
Interest paid on leases and long-term debt	11	(111)	(85)	(184)	(131)
Payments on principal amount on leases		(56)	(38)	(107)	(75)
Dividends paid to shareholders, net of dividend reinvestment plan		(60)	(13)	(117)	(47)
Shares issued for cash, net of share issuance costs	10	7	10	9	10
Cash generated from (used in) financing activities		(450)	(46)	(876)	677
Increase (decrease) in cash and cash equivalents		(142)	140	(353)	330
Impact of foreign currency translation on cash		(11)	16	(18)	7
Cash and cash equivalents at beginning of period		498	507	716	326
Cash and cash equivalents at end of period		345	663	345	663
<b>Represented by:</b>					
Cash and cash equivalents - Unrestricted		249	542	249	542
Cash and cash equivalents - Restricted		96	121	96	121
Cash and cash equivalents		345	663	345	663
<b>Supplementary cash flow information:</b>					
Income taxes refunded (paid)		(36)	(26)	(61)	(87)

See accompanying notes to the interim condensed consolidated financial statements.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

## 1. CORPORATE INFORMATION

Parkland Corporation ("Parkland") is an international fuel distributor, marketer, and convenience retailer, with operations in 25 countries across the Americas. Parkland serves over one million customers each day through its consumer retail business, which is centered on fuel stations and convenience retail, and its commercial business, which is focused on cardlocks and delivering bulk fuel. Parkland exists under the Business Corporations Act (Alberta) in Canada and its corporate office is located at Suite 1800, 240 4 Ave SW, Calgary, Alberta, T2P 4H4, Canada. The interim condensed consolidated financial statements include the results of Parkland and its subsidiaries together with its interest in investments in associates and joint arrangements as at June 30, 2023.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

Parkland's interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The interim condensed consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with Parkland's annual consolidated financial statements for the year ended December 31, 2022 (the "Annual Consolidated Financial Statements").

These interim condensed financial statements were approved for issue by the Board of Directors on August 3, 2023.

### (b) Basis of measurement

Parkland's interim condensed consolidated financial statements are prepared on a historical cost basis, except for certain items recorded at fair value as detailed in the Annual Consolidated Financial Statements.

### (c) Presentation and functional currency

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

### (d) Accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Annual Consolidated Financial Statements, other than the changes as per Notes 2(f) and 2(g) below and the recognition of income tax expense, which is based on an estimate of the weighted average effective annual income tax rate applied to the year-to-date earnings.

### (e) Use of estimates and judgments

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

### (f) Changes in other information

Parkland has started presenting renewable and conventional results on a consolidated basis within Note 14, rather than as sub-segments of Canada and Refining segments. Comparative information has been revised to conform to the presentation in the current period. The new presentation aims to provide more relevant and concise information to the users of Parkland's consolidated financial statements.

### (g) Amended standards adopted by Parkland

Parkland has adopted the following accounting amendments that are effective for the interim and annual consolidated financial statements starting January 1, 2023. The adoption of these standards did not have a material impact on the consolidated financial statements.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

#### For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

- Amendments to IAS 12 - Income Taxes now require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments were applied retrospectively.
- Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors improve accounting policy disclosures and distinguish changes in accounting estimates from changes in accounting policies. The amendments were applied prospectively.
- Amendments to IAS 12 - Income Taxes on International Tax Reform - Pillar Two Model Rules ("Pillar Two amendments") effective on May 23, 2023 require an entity to retrospectively apply and disclose the use of the temporary exception from the requirements to recognize and disclose deferred tax assets and liabilities related to Pillar Two Global Minimum Tax legislation ("Pillar Two legislation") and contain targeted disclosure requirements for affected entities. Targeted disclosure requirements are effective for annual periods beginning on or after January 1, 2023. During the three and six months ended June 30, 2023, Pillar Two legislation was substantively enacted only in certain jurisdictions where Parkland has an insignificant tax presence. In its 2023 budget, the Canadian Federal Government announced its intentions to substantively enact Pillar Two legislation for the fiscal years beginning on or after December 31, 2023. Parkland continues to monitor changes to Canadian and global tax rules in relation to Pillar Two legislation.

#### (h) Recently announced accounting pronouncements

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

##### **Amendments to IAS 1 - Classification of liabilities as current or non-current**

In January 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements, to clarify that liabilities are classified as either current or non-current, depending on the existence of the substantive right at the end of the reporting period for an entity to defer settlement of the liability for at least twelve months after the reporting period. The IASB made additional clarifications to IAS 1 in October 2022 addressing the classification of debt with covenants. Only covenants that a company is obliged to comply with on or before the reporting date affect the classification of a liability as current or non-current. Further, disclosure is required for any information that enables users of financial statements to comprehend the possibility that non-current liabilities with covenants may become payable within twelve months. The amendments to IAS 1 are effective January 2024, with early adoption permissible. The amendments are required to be adopted retrospectively. Parkland does not expect a material impact from these amendments as a result of the initial application.

##### **Amendments to IFRS 16 - Lease liability in a sale and leaseback**

In September 2022, the IASB issued amendments to IFRS 16 - Leases on sale and leaseback transactions that specify the requirement that a seller-lessee uses in its subsequent measurement of the lease liability in a sale and leaseback transaction to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 with early adoption permitted. The amendments are to be applied retrospectively. Parkland does not anticipate a material impact from these amendments on the consolidated financial statements as a result of the initial application.

##### **Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements**

In May 2023, the IASB issued amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures. The amendments address the presentation of liabilities and the associated cash flows arising out of supplier finance arrangements, as well as disclosures required for such arrangements. The introduced disclosure requirements will assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 with earlier adoption permitted. Parkland is currently assessing the impact of these amendments on its consolidated financial statements.



## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

### 3. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Accounts receivable	39	(327)	262	(796)
Inventories	(198)	(286)	(194)	(648)
Prepaid expenses and other	20	(50)	1	(45)
Accounts payable and accrued liabilities	194	612	42	1,025
Income taxes payable	(1)	(1)	(5)	(30)
Income taxes receivable	(2)	3	(16)	1
Deferred revenue	3	13	(11)	21
Net cash inflow (outflow) from changes in non-cash working capital related to operating activities	55	(36)	79	(472)

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

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Accounts payable and accrued liabilities	(26)	10	(32)	(16)
Provisions and other liabilities	(84)	—	(84)	—
Net cash inflow (outflow) from changes in non-cash working capital related to investing activities	(110)	10	(116)	(16)

### 4. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

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

	June 30, 2023	December 31, 2022
Assets classified as held for sale:		
Accounts receivable	22	—
Inventories	2	—
Prepaid expenses and other	1	—
Property, plant and equipment	253	76
Intangible assets	15	—
Goodwill	15	3
Long-term receivables	1	—
Total assets classified as held for sale	309	79
Liabilities directly associated with assets classified as held for sale:		
Accounts payable	2	—
Long term debt - Lease obligations	12	—
Provisions and other liabilities	25	20
Deferred tax liabilities	4	—
Total liabilities associated with assets held for sale	43	20

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

#### 5. OTHER LONG-TERM ASSETS

	Note	June 30, 2023	December 31, 2022
Redemption Options <sup>(1)</sup>	7	39	35
Long-term prepaid expenses, deposits and other assets		43	47
		<b>82</b>	82

<sup>(1)</sup> Parkland's Senior Notes contain optional redemption features that allow Parkland to redeem the notes prior to maturity at a premium.

#### 6. LONG-TERM DEBT

	June 30, 2023	December 31, 2022
Credit Facility (a)	1,197	1,702
Unamortized deferred financing costs	(4)	(5)
	<b>1,193</b>	1,697
Senior Notes		
3.875% Senior Notes, due 2026	600	600
5.875% US\$500 Senior Notes, due 2027	662	677
6.00% Senior Notes, due 2028	400	400
4.375% Senior Notes, due 2029	600	600
4.50% US\$800 Senior Notes, due 2029	1,059	1,083
4.625% US\$800 Senior Notes, due 2030	1,059	1,083
Unamortized premium: Redemption Options	40	44
Unamortized discount: deferred financing costs	(38)	(42)
	<b>4,382</b>	4,445
Other notes and borrowings	8	2
Credit Facility, Senior Notes, Other notes and borrowings	<b>5,583</b>	6,144
Lease obligations <sup>(1)</sup>	873	828
Total long-term debt	<b>6,456</b>	6,972
Less: current portion of Credit Facility, Senior Notes, Other notes and borrowings	(1)	(1)
Less: current portion of Lease obligations	(177)	(172)
Long-term debt	<b>6,278</b>	6,799

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

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

Estimated principal repayments of the Credit Facility, Senior Notes and Other notes and borrowings, and future lease payments as at June 30, 2023 are as follows:

	2023	2024	2025	2026	2027	Thereafter	Interest included in minimum lease payments	Total
Credit Facility (a)								
Revolving facilities	—	—	—	—	667	—	—	667
Term loan <sup>(1)</sup>	—	—	—	—	530	—	—	530
Senior Notes								
3.875% Senior Notes, due 2026	—	—	—	600	—	—	—	600
5.875% US Senior Notes, due 2027	—	—	—	—	662	—	—	662
6.00% Senior Notes, due 2028	—	—	—	—	—	400	—	400
4.375% Senior Notes, due 2029	—	—	—	—	—	600	—	600
4.50% US Senior Notes, due 2029	—	—	—	—	—	1,059	—	1,059
4.625% US Senior Notes, due 2030	—	—	—	—	—	1,059	—	1,059
Other notes and borrowings	—	1	—	—	—	7	—	8
Undiscounted Future Lease Payments	125	173	127	110	81	540	(283)	873
	125	174	127	710	1,940	3,665	(283)	6,458

<sup>(1)</sup> Parkland intends to convert the Term Loan into a revolving and operating facility loan maturing in 2027 prior to the Term Loan's maturity in 2024, as permitted under the terms of the existing Credit Facility agreement.

Estimated principal repayments of the Credit Facility, Senior Notes and other notes, and future lease payments as at December 31, 2022 are as follows:

	2023	2024	2025	2026	2027	Thereafter	Interest included in minimum lease payments	Total
Credit Facility (a)								
Revolving facilities	—	—	—	—	1,161	—	—	1,161
Term loan	—	541	—	—	—	—	—	541
Senior Notes								
3.875% Senior Notes, due 2026	—	—	—	600	—	—	—	600
5.875% US Senior Notes, due 2027	—	—	—	—	677	—	—	677
6.00% Senior Notes, due 2028	—	—	—	—	—	400	—	400
4.375% Senior Notes, due 2029	—	—	—	—	—	600	—	600
4.50% US Senior Notes, due 2029	—	—	—	—	—	1,083	—	1,083
4.625% US Senior Notes, due 2030	—	—	—	—	—	1,083	—	1,083
Other notes	1	1	—	—	—	—	—	2
Undiscounted Future Lease Payments	204	132	104	90	65	516	(283)	828
	205	674	104	690	1,903	3,682	(283)	6,975

#### (a) Credit Facility

On April 14, 2022, Parkland amended the Credit Facility agreement to, among other things, extend the maturity date of the revolving facilities to April 14, 2027 and add a two-year Term Loan, in the amount of US\$400 maturing on April 14, 2024. The amended Credit Facility has a combined revolving facility of \$1,594 and US\$250 with a maturity date of April 14, 2027. Further, the interest rate benchmark on USD-denominated loans is now the Secured Overnight Financing Rate ("SOFR") in place of the London Inter-Bank Offered Rate ("LIBOR").

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2023 (\$ millions, unless otherwise stated)

On June 9, 2023, Parkland modified the Credit Facility agreement to incorporate the mechanism for transition from the Canadian Dollar Offered Rate ("CDOR") benchmark to the Canadian Overnight Repo Rate Average ("CORRA") for bankers' acceptances under the Credit Facility as the CDOR benchmark will be discontinued in June 2024. As at June 30, 2023, Parkland is not carrying any amounts of bankers' acceptances within its outstanding Credit Facility balances.

Details on the Credit Facility as at June 30, 2023 are as follows:

	Maturity date	Effective rate	Balance
Revolving facilities:			
\$1,594 Canadian Revolving and Operating Facility <sup>(1)</sup>	April 14, 2027	6.98 %	620
US\$250 Bilateral and Operating Facility <sup>(1)(2)</sup>	April 14, 2027	9.97 %	47
US\$400 Term Loan <sup>(3)</sup>	April 14, 2024	6.69 %	530
Outstanding borrowings under the Credit Facility			1,197

<sup>(1)</sup> The Credit Facility is subject to a floating interest rate. Parkland has entered into interest rate swaps to limit exposure to variable rates. Including the impact of the interest rate swaps. The effective rate at June 30, 2023 was 5.71%.

<sup>(2)</sup> As at June 30, 2023, the US Bilateral and Operating Facility consisted primarily of debt in local Caribbean currencies, with interest rates ranging from 9.0% to 12.4%.

<sup>(3)</sup> As at June 30, 2023, the Term Loan with a maturity of April 14, 2024 has been classified as non-current, as under the existing terms of the Credit Facility, Parkland has the right and intent to convert the Term Loan into the revolving and operating facility loans within the Credit Facility.

Details on the Credit Facility as at December 31, 2022 are as follows:

	Maturity date	Effective rate	Balance
Revolving facilities:			
\$1,594 Canadian Revolving and Operating Facility <sup>(1)</sup>	April 14, 2027	6.35 %	1,106
US\$250 Bilateral and Operating Facility <sup>(1)(2)</sup>	April 14, 2027	8.01 %	55
US\$400 Term Loan	April 14, 2024	5.91 %	541
Outstanding borrowings under the Credit Facility			1,702

<sup>(1)</sup> The Credit Facility is subject to a floating interest rate.

<sup>(2)</sup> As at December 31, 2022, the US Bilateral and Operating Facility consisted primarily of debt in local Caribbean currencies, with interest rates ranging from 6.4% to 8.8%.

As at June 30, 2023, Parkland issued \$59 (December 31, 2022 - \$52) of letters of credit and \$342 (December 31, 2022 - \$319) of surety bonds to provide guarantees on behalf of its subsidiaries in the ordinary course of business, which are not recognized in the interim condensed consolidated financial statements. Maturity dates for these guarantees vary and are up to and including March 31, 2035.

As at June 30, 2023, Parkland provided \$3,847 (December 31, 2022 - \$3,650) of unsecured guarantees to counterparties of commodities swaps and purchase and supply agreements of crude oil, fuel and other petroleum products.

#### (b) Net Investment Hedge

Parkland has designated certain USD-denominated debt and payable balances as a net investment hedge to mitigate foreign exchange risk related to net investments in foreign operations for which the US dollar is the functional currency. The foreign currency debt and the net investments in foreign operations are both denominated in US dollar currency; therefore, the hedge ratio is 1:1. The hedge is subject to potential ineffectiveness from the net investment amount falling below the designated balance. During the three and six months ended June 30, 2023, Parkland recognized a foreign exchange gain, net of tax, of \$62 and \$63, respectively (2022 - loss, net of tax, of \$74 and \$42, respectively) on these balances, representing the effective portion of the hedge in other comprehensive income (loss), offsetting exchange differences on translation of foreign operations. As at June 30, 2023, of the \$2,100 of USD-denominated Senior Notes, \$2,100 was designated as the net investment hedge (December 31, 2022 - \$1,950).

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

## 7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES

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

### (a) Fair value measurement hierarchy

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

Fair value as at June 30, 2023					
	Note	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Commodities swaps, forwards and futures contracts		–	1	–	1
Interest rate swaps		–	4	–	4
Emission credit forward and option contracts		–	33	–	33
Currency forward exchange contracts		–	2	–	2
Risk management and other financial assets		–	40	–	40
Commodities swaps, forwards and futures contracts		–	(29)	–	(29)
Emission credit forward and option contracts		–	(14)	–	(14)
Risk management and other financial liabilities		–	(43)	–	(43)
Other items included in other long-term assets					
Redemption Options	5	–	39	–	39
Others	5	–	–	6	6
Other items included in other long-term assets			39	6	45
Fair value as at December 31, 2022					
	Note	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Commodities swaps, forwards and futures contracts		–	–	–	–
Interest rate swaps		–	–	–	–
Emission credit forward and option contracts		–	35	–	35
Currency forward exchange contracts		–	4	–	4
Risk management and other financial assets		–	39	–	39
Commodities swaps, forwards and futures contracts		–	(50)	–	(50)
US dollar forward exchange contract		–	(1)	–	(1)
Emission credit forward and option contracts		–	(18)	–	(18)
Risk management and other financial liabilities		–	(69)	–	(69)
Other items included in other long-term assets					
Redemption Options	5	–	35	–	35
Others	5	–	–	6	6
Other items included in other long-term assets		–	35	6	41

There were no changes in the nature and characteristics of commodities swaps, forwards and futures contracts, currency forward exchange contracts, emission credit forward and option contracts, and redemption options. In April 2023, Parkland entered into interest rate swaps to hedge its exposure to interest rate volatility on the outstanding borrowings under the Credit Facility. Interest rate swaps are measured at fair value through profit or loss with revaluation gains and losses recognized within (gain) loss on risk management and other. There were no transfers between fair value measurement hierarchy levels during the six months ended June 30, 2023.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

#### (b) Other financial instruments

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and dividends declared and payable approximate their fair values as at June 30, 2023 due to the short-term nature of these instruments. The Senior Notes had a carrying value of \$4,382 and an estimated fair value of \$3,948 as at June 30, 2023 (December 31, 2022 - \$4,445 and \$3,902 respectively), determined by discounting future cash flows using discount rates ranging from 7.3% to 7.6% (December 31, 2022 - 7.3% to 8.1%), representing the rates available to Parkland for loans with similar terms, conditions and maturity dates. The carrying value of other long-term liabilities carried at amortized cost approximates fair value as at June 30, 2023, given that they were recently incurred.

#### (c) Offsetting

Parkland enters into enforceable netting arrangements that allow for the offsetting of risk management assets and liabilities. The following risk management assets and liabilities are subject to offsetting on the consolidated balance sheets:

	June 30, 2023			December 31, 2022		
	Gross amount	Amount offset	Net	Gross amount	Amount offset	Net
Risk management and other financial assets	133	(93)	40	179	(140)	39
Risk management and other financial liabilities	(136)	93	(43)	(209)	140	(69)

#### (d) Fair value measurement

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

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

## 8. CAPITAL MANAGEMENT

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

#### Leverage Ratio

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

	June 30, 2023	December 31, 2022
Leverage Debt	5,297	5,480
Leverage EBITDA	1,582	1,602
Leverage Ratio	3.3	3.4

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

	Note	June 30, 2023	December 31, 2022
Long-term debt	6	6,456	6,972
Less:			
Lease obligations	6	(873)	(828)
Cash and cash equivalents		(345)	(716)
Add:			
Letters of credit	6	59	52
<b>Leverage Debt</b>		<b>5,297</b>	<b>5,480</b>

  

	Three months ended				Trailing twelve months ended	
For the years ended	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	June 30, 2023	December 31, 2022
Adjusted EBITDA including NCI	340	455	395	470	1,660	1,687
Share incentive compensation	7	9	8	6	30	30
Reverse: IFRS 16 impact <sup>(1)</sup>	(49)	(58)	(61)	(68)	(236)	(197)
	298	406	342	408	1,454	1,520
Acquisition pro-forma adjustment <sup>(2)</sup>					6	51
Other adjustments <sup>(3)</sup>					122	31
<b>Leverage EBITDA</b>					<b>1,582</b>	<b>1,602</b>

<sup>(1)</sup> 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 to earnings.

<sup>(2)</sup> Amounts for the trailing twelve months ended June 30, 2023 include pro-forma pre-acquisition EBITDA estimates based on anticipated benefits, costs and synergies of acquisitions.

<sup>(3)</sup> Relates to adjustments for the normalization of the impact from the completion of turnarounds during the period and other non-recurring events including extreme weather events, mechanical break-downs, and third-party power outages beyond management's control.

#### Credit Facility covenants

Parkland is required under the terms of its Credit Facility to comply with certain financial covenants consisting of (i) Senior Funded Debt to Credit Facility EBITDA ratio, (ii) Total Funded Debt to Credit Facility EBITDA ratio, and (iii) Interest coverage ratio (calculated as a ratio of Credit Facility EBITDA to Interest Expense). The Credit Facility EBITDA, Senior Funded Debt and Interest Expense are defined under the terms of the Credit Facility and do not have any standardized meaning prescribed under IFRS. They are therefore unlikely to be comparable to similar measures presented by other companies. Parkland was in compliance with all Credit Facility covenants throughout the three and six months ended June 30, 2023.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

## 9. PROVISIONS AND OTHER LIABILITIES

	June 30, 2023	December 31, 2022
Asset retirement obligations - current (a)	21	11
Environmental provision - current (b)	6	1
Deferred revenue	25	36
Short-term deposits, provisions and other	12	91
<b>Provisions and other liabilities - current</b>	<b>64</b>	<b>139</b>
Asset retirement obligations - non-current (a)	555	521
Environmental provision - non-current (b)	115	114
Employee benefits and other	26	31
Long-term deposits, provisions and other	64	75
DSU liability	12	11
<b>Provisions and other liabilities - non-current</b>	<b>772</b>	<b>752</b>

### (a) Asset retirement obligations

	January 1, 2023 to June 30, 2023	January 1, 2022 to December 31, 2022
Asset retirement obligations, beginning of period	532	420
Additional provisions and changes in retirement cost estimates	41	156
Acquisitions	-	89
Obligations settled or transferred	(13)	(49)
Change due to passage of time and discount rate	21	(94)
Change due to foreign exchange	(5)	10
<b>Asset retirement obligations, end of period</b>	<b>576</b>	<b>532</b>
Current	21	11
Non-current	555	521
<b>Asset retirement obligations, end of period</b>	<b>576</b>	<b>532</b>

As at June 30, 2023, the inflation rate used to determine the value of future asset retirement costs ranged from 2.97% to 3.24% (December 31, 2022 - 2.71% to 2.92%), and the discount rate used to determine the present value of the future asset retirement costs ranged from 4.96% to 5.58% (December 31, 2022 - 5.29% to 5.93%). The total undiscounted estimated future cash flows required to settle Parkland's asset retirement obligations were \$1,254 as at June 30, 2023 (December 31, 2022 - \$1,193). These costs are expected to be paid up to the year 2073 (December 31, 2022 - 2073).



## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

#### (b) Environmental provision

	January 1, 2023 to June 30, 2023	January 1, 2022 to December 31, 2022
Environmental provision, beginning of period	115	129
Additional provision made in the period	1	11
Acquisitions	–	3
Change due to passage of time, discount rate and inflation rate	8	(28)
Obligations settled or transferred during the period	(2)	(5)
Exchange differences	(1)	5
Environmental provision, end of period	121	115
Current	6	1
Non-current	115	114
Environmental Provision, end of period	121	115

As at June 30, 2023, the inflation rate used to determine the value of future costs related to environmental activities ranged from 2.97% to 3.24% (December 31, 2022 - 2.71% to 2.92%), and the discount rates used to determine the present value of the future costs related to environmental activities ranged from 4.96% to 5.03% (December 31, 2022 - 5.29% to 5.30%).

## 10. SHAREHOLDERS' CAPITAL

#### (a) Shareholders' capital

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

	January 1, 2023 to June 30, 2023		January 1, 2022 to December 31, 2022	
	Number of common shares (000's)	Amount (\$ millions)	Number of common shares (000's)	Amount (\$ millions)
Shareholders' capital, beginning of period	175,428	3,237	154,176	2,586
Shares issued on acquisitions	–	–	771	26
Issued under dividend reinvestment plan, net of costs	–	–	1,385	45
Issued on acquisition of non-controlling interest in Sol	–	–	20,000	591
Issued under share option plan	323	10	421	12
Issued on vesting of performance share units	56	2	128	4
Shares repurchased through NCIB	–	–	(1,453)	(27)
Shareholders' capital, end of period	175,807	3,249	175,428	3,237

#### (b) Base shelf prospectus

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

#### (c) Normal course issuer bid ("NCIB")

On December 1, 2021, Parkland commenced an NCIB, which was effective until November 30, 2022, allowing Parkland to purchase a maximum of 15,091,885 common shares over the 12-month period.

On December 1, 2022, Parkland commenced a new NCIB, which is effective until November 30, 2023, allowing Parkland to purchase a maximum of 13,992,412 common shares over the 12-month period. In connection with the current NCIB, Parkland can activate the automatic share purchase plan ("ASPP") with its broker to allow for the purchase of shares during quarterly pre-determined blackout periods, when Parkland would not ordinarily be permitted to purchase shares. Outside of these

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

#### For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

predetermined trading blackout periods, purchases under the current NCIB will be completed at Parkland's discretion. There were no shares repurchased under the NCIB during the three and six months ended June 30, 2023 (June 30, 2022 - nil and nil).

## 11. FINANCE COSTS

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Interest on long-term debt	77	61	158	117
Interest on leases	12	8	23	16
Loss on modification of long-term debt	–	2	–	2
Amortization, accretion and other finance costs	9	9	21	15
	98	80	202	150

## 12. OTHER (GAINS) AND LOSSES

	Note	Three months ended June 30,		Six months ended June 30,	
		2023	2022	2023	2022
Change in fair value of Redemption Options	7	5	16	(4)	102
Other <sup>(1)(2)</sup>		9	44	39	30
		14	60	35	132

<sup>(1)</sup> Includes \$1 and \$24 for the three and six months ended June 30, 2023 (2022 - nil and nil), respectively, associated with the write-off of certain assets related to the renewable diesel complex.

<sup>(2)</sup> Includes changes in redemption value of the Sol Put Option, which was de-recognized on Parkland's acquisition of the remaining 25% of issued and outstanding shares in Sol on October 18, 2022. The three and six months ended June 30, 2023 include nil and nil, respectively. (2022 - \$44 and \$48).

## 13. SEGMENT AND OTHER INFORMATION

### Operating segments

Parkland's reportable operating segments are differentiated by the nature of their products, services, and geographic boundaries. Parkland also reports activities not directly attributable to an operating segment under Corporate. No operating segments have been aggregated into reportable segments. The operations in each segment are defined as follows:

#### Canada

Canada owns, supplies, and supports a coast-to-coast network of retail gas stations, electric vehicle ("EV") charging stations, frozen food retail locations, convenience stores, cardlock sites, bulk fuel, heating oil, lubricants, and other related services to commercial, industrial, and residential customers. Canada's retail business operates under its leading food and convenience store brands, M&M Food Market and On the Run / Marché Express, providing locally relevant food offerings and convenience merchandise, and key retail fuel brands, including: Ultramar, Esso, Chevron, Pioneer and Fas Gas Plus. Canada also serves its commercial customer base through a family of brands, including Ultramar, Bluewave Energy, Pipeline Commercial, Chevron, and Columbia Fuels. Canada is also responsible for managing fuel supply contracts, marketing fuel, transporting and distributing fuel through ships, rail and highway carriers, and storing fuel in terminals and other owned and leased facilities. Additionally, Canada engages in low-carbon activities, such as emission credit and renewable fuel trading transactions and blending of low-carbon-intensity fuels (bio-diesel, ethanol and others) to produce greener fuels resulting in emission credits.

#### International

International includes operations in 23 countries predominantly located in the Caribbean and the northeast coast of South America. International operates and services a network of retail service stations under brands including Sol, Esso, Mobil, Shell and Texaco and owns the Sol Shop convenience store brand. International also serves commercial, industrial and aviation businesses. International also includes a 29% interest in the SARA refinery, an associate entity that is based in Martinique with operations to sell refined crude oil in Guadeloupe, French Guiana and Martinique, and a 50% indirect interest in Isla Dominicana

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

#### For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

de Petroleo Corp. ("Isla"), a joint venture that includes a network of retail locations alongside an integrated commercial and aviation business in the Dominican Republic.

#### USA

USA delivers fuel, lubricants and other related products and services to commercial and wholesale customers, and operates a network of retail fuel and convenience stores under various brands, including On the Run, Arco, Cenex, Chevron, Conoco, Exxon, and other brands, and cardlocks under various brands throughout the United States. USA operates a wide variety of terminals, storage facilities and trucks, and contracts with pipeline, storage facilities and third-party carriers to support its network.

#### Refining

Refining represents the operations of the Burnaby Refinery owned and operated by Parkland. Refining is responsible for the refining of fuel products such as gasoline, diesel and jet fuel, and is also engaged in renewable business activities, such as co-processing of bio-feedstocks (i.e. tallow, canola oil, tall oil and others) and blending of low-carbon-intensity fuels (bio-diesel, ethanol and others) with gasoline and diesel to produce greener fuels resulting in emission credits.

#### Corporate

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

#### General information

Depreciation and amortization, finance costs, acquisition, integration and other costs, (gain) loss on risk management and other - unrealized unless underlying physical sales activity has occurred, (gain) loss on foreign exchange - unrealized, other (gains) and losses and income taxes are not allocated to segments because they are not reviewed as part of segment information by the chief operating decision maker. Accordingly, there are certain asymmetries in the allocation of net earnings (loss) to segments with respect to these items.

The segregation of total assets and total liabilities is not practical, as the balance sheets of the reportable segments are not presented to or reviewed by the chief operating decision maker. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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

- Adjusted EBITDA is used by Parkland as the key measure for the underlying core operating performance of business segment activities at an operational level. Adjusted EBITDA excludes the effects of significant items of income and expenditure that are not considered representative of Parkland's underlying core operating performance and may have an impact on the quality of net earnings (loss). Such items include, among other items: (i) costs related to potential and completed acquisitions, (ii) non-core acquisition and integration employee costs, (iii) business integration and restructuring costs, (iv) changes in the fair value of share-based compensation liabilities, (v) unrealized gains and losses on foreign exchange and risk management assets and liabilities unless they relate to underlying physical sales activity in the current period, (vi) adjustments to foreign exchange gains and losses as a result of cash pooling arrangements and refinancing activities, (vii) 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 and other, (viii) changes in values of the Sol Put Option, Redemption Options, environmental liabilities and asset retirement obligations, (ix) loss on inventory write-downs for which there are offsetting associated risk management and other with unrealized gains, (x) impairments of non-current assets, (xi) loss on modification of long-term debt, (xii) earnings impact from hyperinflation accounting, (xiii) certain realized gains and losses on risk management assets and liabilities

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

that are related to underlying physical sales activity in another period, (xiv) gains and losses on asset disposals, (xv) adjustments for the effect of market-based performance conditions for equity-settled share-based award settlements and (xvi) other adjusting items. Adjusted EBITDA is also adjusted to include Parkland's proportionate share of its joint venture investees' Adjusted EBITDA. Effective August 4, 2022, when Parkland entered into the share exchange agreement with Simpson Oil Limited to acquire the remaining 25% shares of Sol Investments SEZC, Parkland does not allocate a portion of segment profit or loss to NCI and includes 100 per cent of International results as Adjusted EBITDA.

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

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

Segment information	Canada		International		USA		Refining		Corporate		Intersegment eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>For the three months ended June 30,</b>														
External fuel and petroleum product volume	3,278	3,042	1,923	1,578	1,281	1,547	394	273	–	–	–	–	6,876	6,440
Internal fuel and petroleum product volume <sup>(1)</sup>	63	102	–	–	–	–	730	640	–	–	(793)	(742)	–	–
<b>Total fuel and petroleum product volume (million litres)</b>	<b>3,341</b>	<b>3,144</b>	<b>1,923</b>	<b>1,578</b>	<b>1,281</b>	<b>1,547</b>	<b>1,124</b>	<b>913</b>	<b>–</b>	<b>–</b>	<b>(793)</b>	<b>(742)</b>	<b>6,876</b>	<b>6,440</b>
<b>Sales and operating revenue<sup>(2)</sup></b>														
Revenue from external customers	3,760	4,519	2,156	2,312	1,632	2,527	271	357	–	–	–	–	7,819	9,715
Inter-segment revenue <sup>(1)</sup>	65	145	–	–	–	–	835	939	1	–	(901)	(1,084)	–	–
<b>Total sales and operating revenue</b>	<b>3,825</b>	<b>4,664</b>	<b>2,156</b>	<b>2,312</b>	<b>1,632</b>	<b>2,527</b>	<b>1,106</b>	<b>1,296</b>	<b>1</b>	<b>–</b>	<b>(901)</b>	<b>(1,084)</b>	<b>7,819</b>	<b>9,715</b>
<b>Cost of purchases</b>	<b>3,452</b>	<b>4,279</b>	<b>1,945</b>	<b>2,044</b>	<b>1,439</b>	<b>2,317</b>	<b>937</b>	<b>1,005</b>	<b>–</b>	<b>–</b>	<b>(900)</b>	<b>(1,084)</b>	<b>6,873</b>	<b>8,561</b>
<b>Adjusted gross margin</b>														
Fuel and petroleum product adjusted gross margin, before the following:	279	306	179	245	131	150	169	289	–	–	–	–	758	990
Gain (loss) on risk management and other - realized	3	(8)	9	(103)	(2)	(39)	10	(47)	–	–	–	–	20	(197)
Gain (loss) on foreign exchange - realized	–	–	(5)	–	–	–	4	(9)	3	(1)	–	–	2	(10)
Other adjusting items to adjusted gross margin <sup>(3)</sup>	–	–	–	–	(2)	–	(2)	–	(1)	2	–	–	(5)	2
Fuel and petroleum product adjusted gross margin	282	298	183	142	127	111	181	233	2	1	–	–	775	785
Food, convenience and other adjusted gross margin	94	79	32	23	62	60	–	2	1	–	(1)	–	188	164
<b>Total adjusted gross margin</b>	<b>376</b>	<b>377</b>	<b>215</b>	<b>165</b>	<b>189</b>	<b>171</b>	<b>181</b>	<b>235</b>	<b>3</b>	<b>–</b>	<b>(1)</b>	<b>–</b>	<b>963</b>	<b>949</b>
Operating costs	167	151	56	36	94	91	67	67	–	–	(1)	–	383	345
Marketing, general and administrative	60	52	28	22	29	29	5	4	25	27	–	–	147	134
Share in (earnings) loss of associates and joint ventures	–	–	(6)	(6)	–	–	–	–	–	–	–	–	(6)	(6)
(Gain) loss on foreign exchange - realized <sup>(5)</sup>	–	–	(26)	–	(8)	–	–	–	9	–	–	–	(25)	–
Other adjusting items to Adjusted EBITDA <sup>(4)</sup>	(1)	–	(5)	(2)	–	–	–	–	–	–	–	–	(6)	(2)
Adjusted EBITDA including NCI	150	174	168	115	74	51	109	164	(31)	(26)	–	–	470	478
Attributable to NCI	–	–	–	28	–	–	–	–	–	–	–	–	–	28
<b>Adjusted EBITDA attributable to Parkland ("Adjusted EBITDA")</b>	<b>150</b>	<b>174</b>	<b>168</b>	<b>87</b>	<b>74</b>	<b>51</b>	<b>109</b>	<b>164</b>	<b>(31)</b>	<b>(26)</b>	<b>–</b>	<b>–</b>	<b>470</b>	<b>450</b>
<b>Reconciliation to net earnings (loss)</b>														
Adjusted EBITDA including NCI													470	478
Acquisition, integration and other costs													39	18
Depreciation and amortization													206	174
Finance costs													98	80
(Gain) loss on foreign exchange - unrealized													27	(6)
(Gain) loss on risk management and other - unrealized													(11)	20
Other (gains) and losses													14	60
Other adjusting items													1	4
Income tax expense (recovery)													18	37
<b>Net earnings (loss)</b>													<b>78</b>	<b>91</b>

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

<sup>(2)</sup> See sections (b) and (c) for further details on sales and operating revenue.

<sup>(3)</sup> Includes realized risk management gain related to underlying physical sales activity in another period of \$2 for Refining (2022 - nil) and \$2 for USA (2022 - nil) totalling \$4 (2022 - nil); and adjustment to foreign exchange gains and losses related to cash pooling arrangements of \$1 for Corporate (2022 - \$2).

<sup>(4)</sup> Includes share of depreciation and income taxes for the Isla joint venture of \$3 for International (2022 - \$3); other income of \$2 for International (2022 - \$1 expense); and customer finance income of \$1 for Canada (2022 - nil)

<sup>(5)</sup> Includes realized foreign exchange gains of \$25 (International: \$26 gain; USA: \$8 gain and Corporate: \$9 loss, 2022 - nil) on settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

Segment information	Canada		International		USA		Refining		Corporate		Intersegment eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>For the six months ended June 30,</b>														
External fuel and petroleum product volume	6,530	6,368	4,066	3,102	2,586	3,326	617	616	–	–	–	–	13,799	13,412
Internal fuel and petroleum product volume <sup>(1)</sup>	160	196	–	–	–	–	1,294	1,276	–	–	(1,454)	(1,472)	–	–
<b>Total fuel and petroleum product volume (million litres)</b>	<b>6,690</b>	<b>6,564</b>	<b>4,066</b>	<b>3,102</b>	<b>2,586</b>	<b>3,326</b>	<b>1,911</b>	<b>1,892</b>	<b>–</b>	<b>–</b>	<b>(1,454)</b>	<b>(1,472)</b>	<b>13,799</b>	<b>13,412</b>
<b>Sales and operating revenue<sup>(2)</sup></b>														
Revenue from external customers	7,412	8,164	4,763	4,034	3,330	4,471	470	652	–	–	–	–	15,975	17,321
Inter-segment revenue <sup>(1)</sup>	172	231	–	–	–	–	1,517	1,657	2	–	(1,691)	(1,888)	–	–
<b>Total sales and operating revenue</b>	<b>7,584</b>	<b>8,395</b>	<b>4,763</b>	<b>4,034</b>	<b>3,330</b>	<b>4,471</b>	<b>1,987</b>	<b>2,309</b>	<b>2</b>	<b>–</b>	<b>(1,691)</b>	<b>(1,888)</b>	<b>15,975</b>	<b>17,321</b>
<b>Cost of purchases</b>	<b>6,816</b>	<b>7,621</b>	<b>4,330</b>	<b>3,514</b>	<b>2,993</b>	<b>4,083</b>	<b>1,688</b>	<b>1,794</b>	<b>–</b>	<b>–</b>	<b>(1,689)</b>	<b>(1,888)</b>	<b>14,138</b>	<b>15,124</b>
<b>Adjusted gross margin</b>														
Fuel and petroleum product adjusted gross margin, before the following:	587	635	368	474	223	279	299	511	–	–	–	–	1,477	1,899
Gain (loss) on risk management and other - realized	4	(11)	49	(195)	(6)	(57)	12	(117)	–	–	–	–	59	(380)
Gain (loss) on foreign exchange - realized	1	1	(6)	2	–	–	2	(7)	2	2	–	–	(1)	(2)
Other adjusting items to adjusted gross margin <sup>(3)</sup>	–	–	–	–	–	–	(3)	–	–	2	–	–	(3)	2
Fuel and petroleum product adjusted gross margin	592	625	411	281	217	222	310	387	2	4	–	–	1,532	1,519
Food, convenience and other adjusted gross margin	181	139	65	46	114	109	–	4	2	–	(2)	–	360	298
<b>Total adjusted gross margin</b>	<b>773</b>	<b>764</b>	<b>476</b>	<b>327</b>	<b>331</b>	<b>331</b>	<b>310</b>	<b>391</b>	<b>4</b>	<b>4</b>	<b>(2)</b>	<b>–</b>	<b>1,892</b>	<b>1,817</b>
Operating costs	338	301	114	76	190	175	153	130	–	–	(1)	–	794	682
Marketing, general and administrative	122	99	59	45	58	58	11	8	55	52	(1)	–	304	262
Share in (earnings) loss of associates and joint ventures	–	–	(12)	(11)	–	–	–	–	–	–	–	–	(12)	(11)
(Gain) loss on foreign exchange - realized <sup>(5)</sup>	–	–	(26)	–	(8)	–	–	–	–	–	–	–	(34)	–
Other adjusting items to Adjusted EBITDA <sup>(3)(4)</sup>	(4)	(1)	(10)	(7)	(4)	–	(1)	–	(6)	–	–	–	(25)	(8)
Adjusted EBITDA including NCI	317	365	351	224	95	98	147	253	(45)	(48)	–	–	865	892
Attributable to NCI	–	–	–	55	–	–	–	–	–	–	–	–	–	55
<b>Adjusted EBITDA attributable to Parkland ("Adjusted EBITDA")</b>	<b>317</b>	<b>365</b>	<b>351</b>	<b>169</b>	<b>95</b>	<b>98</b>	<b>147</b>	<b>253</b>	<b>(45)</b>	<b>(48)</b>	<b>–</b>	<b>–</b>	<b>865</b>	<b>837</b>
Reconciliation to net earnings (loss)														
Adjusted EBITDA including NCI													865	892
Acquisition, integration and other costs													66	31
Depreciation and amortization													396	329
Finance costs													202	150
(Gain) loss on foreign exchange - unrealized													34	–
(Gain) loss on risk management and other - unrealized													(43)	31
Other (gains) and losses													35	132
Other adjusting items													22	10
Income tax expense (recovery)													(2)	50
<b>Net earnings (loss)</b>													<b>155</b>	<b>159</b>

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

<sup>(2)</sup> See sections (b) and (c) for further details on sales and operating revenue.

<sup>(3)</sup> Includes realized risk management gain related to underlying physical sales activity in another period of \$3 for Refining (2022 - nil); and adjustment to foreign exchange gains and losses related to cash pooling arrangements of nil (2022 - \$2) for Corporate.

<sup>(4)</sup> Includes the effect of market-based performance conditions for equity-settled share-based award settlements of \$6 for Corporate (2022 - nil), \$3 for Canada (2022 - nil), \$3 in USA (2022 - nil) and \$1 for Refining (2022 - nil) totalling \$13 (2022 - nil); the share of depreciation and income taxes for the Isla joint venture of \$6 for International (2022 - \$7); other income of \$4 for International (2022 - nil) and \$1 for USA (2022 - nil); and customer finance income of \$1 for Canada (2022 - \$1).

<sup>(5)</sup> Includes realized foreign exchange gains of \$34 (International: \$26 gain; USA: \$8 gain, 2022 - nil) on settlement of financing balances, not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

#### (a) Property, plant, and equipment and intangible assets additions and acquisitions

	Canada		International		USA		Refining		Corporate		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>For the three months ended June 30,</b>												
Additions to property, plant and equipment and intangible assets <sup>(1)</sup>	43	28	8	13	12	19	37	25	18	5	118	90
Attributable to NCI	–	–	–	3	–	–	–	–	–	–	–	3
<b>Additions to property, plant and equipment and intangible assets attributable to Parkland</b>	<b>43</b>	<b>28</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>19</b>	<b>37</b>	<b>25</b>	<b>18</b>	<b>5</b>	<b>118</b>	<b>87</b>
Property, plant and equipment, intangible asset and goodwill acquisitions <sup>(1)</sup>	–	212	–	–	–	–	–	–	–	–	–	212

	Canada		International		USA		Refining		Corporate		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>For the six months ended June 30,</b>												
Additions to property, plant and equipment and intangible assets <sup>(1)</sup>	64	34	15	28	26	29	104	45	22	9	231	145
Attributable to NCI	–	–	–	7	–	–	–	–	–	–	–	7
<b>Additions to property, plant and equipment and intangible assets attributable to Parkland</b>	<b>64</b>	<b>34</b>	<b>15</b>	<b>21</b>	<b>26</b>	<b>29</b>	<b>104</b>	<b>45</b>	<b>22</b>	<b>9</b>	<b>231</b>	<b>138</b>
Property, plant and equipment, intangible asset and goodwill acquisitions <sup>(1)</sup>	–	720	–	–	–	–	–	–	–	–	–	720

<sup>(1)</sup> Property, plant and equipment additions and acquisitions do not include the right-of-use asset.

#### (b) Geographic information

Sales and operating revenue from external customers	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Canada	3,772	4,488	7,305	8,041
United States	2,138	3,216	4,388	5,741
Other countries	1,909	2,011	4,282	3,539
Total	7,819	9,715	15,975	17,321

	June 30, 2023			
	Canada	United States	Other countries	Consolidated
Property, plant and equipment	2,955	957	1,079	4,991
Intangible assets	775	209	266	1,250
Goodwill	1,337	540	562	2,439
Total	5,067	1,706	1,907	8,680

	December 31, 2022			
	Canada	United States	Other countries	Consolidated
Property, plant and equipment	3,038	993	1,110	5,141
Intangible assets	822	233	300	1,355
Goodwill	1,357	552	575	2,484
Total	5,217	1,778	1,985	8,980

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

#### (c) Sales and operating revenue by product

For the three months ended June 30,	Canada		International		USA		Refining		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Gasoline and diesel	3,265	3,924	1,725	1,801	1,402	2,287	31	148	6,423	8,160
Liquid petroleum gas <sup>(1)</sup>	71	99	24	33	4	5	–	–	99	137
Other fuel and petroleum products <sup>(2)</sup>	292	345	364	444	12	26	240	207	908	1,022
Fuel and petroleum product revenue	3,628	4,368	2,113	2,278	1,418	2,318	271	355	7,430	9,319
Food and convenience store <sup>(3)</sup>	79	102	6	3	89	82	–	–	174	187
Other retail <sup>(4)(6)</sup>	2	2	6	7	1	4	–	–	9	13
Lubricants and other <sup>(5)(6)</sup>	51	47	31	24	124	123	–	2	206	196
Food, convenience and other non-fuel revenue	132	151	43	34	214	209	–	2	389	396
External sales and operating revenue	3,760	4,519	2,156	2,312	1,632	2,527	271	357	7,819	9,715

  

For the six months ended June 30,	Canada		International		USA		Refining		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Gasoline and diesel	6,433	6,986	3,738	3,133	2,884	4,019	47	192	13,102	14,330
Liquid petroleum gas <sup>(1)</sup>	271	371	49	60	16	15	–	–	336	446
Other fuel and petroleum products <sup>(2)</sup>	455	522	885	772	12	45	423	456	1,775	1,795
Fuel and petroleum product revenue	7,159	7,879	4,672	3,965	2,912	4,079	470	648	15,213	16,571
Food and convenience store <sup>(3)</sup>	149	202	11	6	165	149	–	–	325	357
Other retail <sup>(4)(6)</sup>	5	5	13	12	3	5	–	–	21	22
Lubricants and other <sup>(5)(6)</sup>	99	78	67	51	250	238	–	4	416	371
Food, convenience and other non-fuel revenue	253	285	91	69	418	392	–	4	762	750
External sales and operating revenue	7,412	8,164	4,763	4,034	3,330	4,471	470	652	15,975	17,321

<sup>(1)</sup> Liquid petroleum gas includes propane and butane.

<sup>(2)</sup> Other fuel and petroleum products include crude oil, aviation fuel, asphalt, fuel oils, gas oils, ethanol and biodiesel.

<sup>(3)</sup> Convenience store revenue generated from Canada, International, and USA depends on the business model operated by each segment, and includes sale of merchandise, suppliers' rebates, rental income from retailers in the form of a percentage rent on convenience store sales, and food revenue generated from frozen food retail locations in Canada.

<sup>(4)</sup> Other retail revenue include facilities rental revenue, advertising revenue and other miscellaneous retail-related revenues.

<sup>(5)</sup> Lubricants and other include lubricants, freight, tanks and parts installation, cylinder exchanges, royalties, emission allowances and other products and services.

<sup>(6)</sup> For comparative purposes, certain amounts within sales and operating revenue for the three and six months ended June 30, 2022 were restated and reclassified to conform to the presentation used in the current period.

## 14. OTHER DISCLOSURES

In addition to the reportable operating segments disclosed above, Parkland also voluntarily discloses business performance by lines of business and the results of renewable and conventional operations.

### (a) Lines of business

#### Retail

Retail line of business includes the operations of Parkland retail service stations, including EV charging stations, and convenience and food stores operating under various brands as well as the sale of fuel to dealers across Canada, the United States and the Caribbean, including the related retail fuel supply margins.

#### Commercial

Commercial includes the operations of cardlock sites, bulk fuel, propane, heating oil, lubricants, and other related services to commercial, industrial, aviation, and residential customers as well as fuel supply and wholesale transactions.

#### Refining

Refining includes the operations of the Burnaby Refinery owned and operated by Parkland.

#### Corporate

Corporate includes centralized administrative services and expenses incurred to support global operations and enterprise-wide functions that cannot be reasonably allocated to Parkland's remaining lines of business due to their nature. Certain Corporate costs and gains are allocated to the other lines of business that include direct costs and gains attributable to lines of business as



## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

well as other non-direct costs and gains incurred by Corporate. Allocations of non-direct costs and gains are based on the consumption of Corporate administrative and financial resources by lines of business, estimated using various drivers such as headcount, time spent by Corporate employees to support the lines of business and profitability of the lines of business. The remaining costs and gains in Corporate are not allocated to Parkland's lines of business due to their nature.

	Retail		Commercial		Refining		Corporate		Eliminations		Consolidated	
For the three months ended June 30,	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Fuel and petroleum product volume (million litres)</b>												
External fuel and petroleum product volume	2,623	2,451	3,859	3,716	394	273	–	–	–	–	6,876	6,440
Internal fuel and petroleum product volume <sup>(1)</sup>	–	–	1,614	1,560	730	640	–	–	(2,344)	(2,200)	–	–
<b>Total fuel and petroleum product volume</b>	<b>2,623</b>	<b>2,451</b>	<b>5,473</b>	<b>5,276</b>	<b>1,124</b>	<b>913</b>	<b>–</b>	<b>–</b>	<b>(2,344)</b>	<b>(2,200)</b>	<b>6,876</b>	<b>6,440</b>
<b>Sales and operating revenue</b>												
Revenue from external customers	3,779	4,180	3,769	5,178	271	357	–	–	–	–	7,819	9,715
Inter-business line revenue <sup>(1)</sup>	–	–	1,706	2,175	835	939	1	–	(2,542)	(3,114)	–	–
<b>Total sales and operating revenue</b>	<b>3,779</b>	<b>4,180</b>	<b>5,475</b>	<b>7,353</b>	<b>1,106</b>	<b>1,296</b>	<b>1</b>	<b>–</b>	<b>(2,542)</b>	<b>(3,114)</b>	<b>7,819</b>	<b>9,715</b>
<b>Cost of purchases</b>	<b>3,361</b>	<b>3,761</b>	<b>5,116</b>	<b>6,909</b>	<b>937</b>	<b>1,005</b>	<b>–</b>	<b>–</b>	<b>(2,541)</b>	<b>(3,114)</b>	<b>6,873</b>	<b>8,561</b>
<b>Adjusted gross margin</b>												
Fuel and petroleum product adjusted gross margin, before the following:	307	321	282	380	169	289	–	–	–	–	758	990
Gain (loss) on risk management and other derivatives - realized	(6)	(17)	16	(133)	10	(47)	–	–	–	–	20	(197)
Gain (loss) on foreign exchange - realized	–	–	(5)	–	4	(9)	3	(1)	–	–	2	(10)
Other adjusting items to adjusted gross margin <sup>(2)</sup>	–	–	(2)	–	(2)	–	(1)	2	–	–	(5)	2
Fuel and petroleum product adjusted gross margin	301	304	291	247	181	233	2	1	–	–	775	785
Food, convenience and other adjusted gross margin	111	98	77	64	–	2	1	–	(1)	–	188	164
<b>Total adjusted gross margin</b>	<b>412</b>	<b>402</b>	<b>368</b>	<b>311</b>	<b>181</b>	<b>235</b>	<b>3</b>	<b>1</b>	<b>(1)</b>	<b>–</b>	<b>963</b>	<b>949</b>
Operating costs	168	147	149	131	67	67	–	–	(1)	–	383	345
Marketing, general and administrative	53	44	64	59	5	4	25	27	–	–	147	134
Share in (earnings) loss of associates and joint ventures	(3)	(3)	(3)	(3)	–	–	–	–	–	–	(6)	(6)
(Gain) loss on foreign exchange - Realized <sup>(4)</sup>	(17)	–	(17)	–	–	–	9	–	–	–	(25)	–
Other adjusting items to Adjusted EBITDA <sup>(3)</sup>	(1)	(1)	(5)	(1)	–	–	–	–	–	–	(6)	(2)
Adjusted EBITDA (loss) including NCI	212	215	180	125	109	164	(31)	(26)	–	–	470	478
Attributable to NCI	–	16	–	12	–	–	–	–	–	–	–	28
<b>Adjusted EBITDA (loss)</b>	<b>212</b>	<b>199</b>	<b>180</b>	<b>113</b>	<b>109</b>	<b>164</b>	<b>(31)</b>	<b>(26)</b>	<b>–</b>	<b>–</b>	<b>470</b>	<b>450</b>

<sup>(1)</sup> Internal fuel and petroleum product volume and inter-business revenue results include fuel and petroleum exchange transactions executed by Parkland where two Parkland group entities would facilitate the product exchange with the same third-party. These exchange transactions are netted on consolidation.

<sup>(2)</sup> Includes realized risk management loss related to underlying physical sales activity in another period of \$2 (2022 - nil) in Refining and \$2 (2022 - nil) in Commercial; and adjustment to foreign exchange gains and losses relating to cash pooling arrangements of \$1 in Corporate (2022 - \$2).

<sup>(3)</sup> Includes share of depreciation and income taxes for the Isla joint venture of \$3 (2022 - \$3) in Retail; other income of \$4 (2022 - \$1) in Commercial and other expense of \$2 (2022 - \$2) in Retail; and customer finance income of \$1 (2022 - nil) in Commercial.

<sup>(4)</sup> Includes realized foreign exchange gains of \$25 (Retail: \$17 gain; Commercial: \$17 gain, Corporate: \$9 loss, 2022 - nil) on settlement of financing balances, not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

	Retail		Commercial		Refining		Corporate		Eliminations		Consolidated	
For the six months ended June 30,	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Fuel and petroleum product volume (million litres)</b>												
External fuel and petroleum product volume	5,019	4,760	8,163	8,036	617	616	–	–	–	–	13,799	13,412
Internal fuel and petroleum product volume <sup>(1)</sup>	–	–	3,248	3,059	1,294	1,276	–	–	(4,542)	(4,335)	–	–
<b>Total fuel and petroleum product volume</b>	<b>5,019</b>	<b>4,760</b>	<b>11,411</b>	<b>11,095</b>	<b>1,911</b>	<b>1,892</b>	<b>–</b>	<b>–</b>	<b>(4,542)</b>	<b>(4,335)</b>	<b>13,799</b>	<b>13,412</b>
<b>Sales and operating revenue</b>												
Revenue from external customers	7,133	7,129	8,372	9,540	470	652	–	–	–	–	15,975	17,321
Inter-business line revenue <sup>(1)</sup>	–	–	3,349	3,738	1,517	1,657	2	–	(4,868)	(5,395)	–	–
<b>Total sales and operating revenue</b>	<b>7,133</b>	<b>7,129</b>	<b>11,721</b>	<b>13,278</b>	<b>1,987</b>	<b>2,309</b>	<b>2</b>	<b>–</b>	<b>(4,868)</b>	<b>(5,395)</b>	<b>15,975</b>	<b>17,321</b>
<b>Cost of purchases</b>	<b>6,318</b>	<b>6,361</b>	<b>10,998</b>	<b>12,364</b>	<b>1,688</b>	<b>1,794</b>	<b>–</b>	<b>–</b>	<b>(4,866)</b>	<b>(5,395)</b>	<b>14,138</b>	<b>15,124</b>
<b>Adjusted gross margin</b>												
Fuel and petroleum product adjusted gross margin, before the following:	606	592	572	796	299	511	–	–	–	–	1,477	1,899
Gain (loss) on risk management and other - realized	(11)	(17)	58	(246)	12	(117)	–	–	–	–	59	(380)
Gain (loss) on foreign exchange - realized	–	–	(5)	3	2	(7)	2	2	–	–	(1)	(2)
Other adjusting items to adjusted gross margin <sup>(2)</sup>	–	–	–	–	(3)	–	–	2	–	–	(3)	2
Fuel and petroleum product adjusted gross margin	595	575	625	553	310	387	2	4	–	–	1,532	1,519
Food, convenience and other adjusted gross margin	209	176	151	118	–	4	2	–	(2)	–	360	298
<b>Total adjusted gross margin</b>	<b>804</b>	<b>751</b>	<b>776</b>	<b>671</b>	<b>310</b>	<b>391</b>	<b>4</b>	<b>4</b>	<b>(2)</b>	<b>–</b>	<b>1,892</b>	<b>1,817</b>
Operating costs	327	279	315	273	153	130	–	–	(1)	–	794	682
Marketing, general and administrative	108	83	131	119	11	8	55	52	(1)	–	304	262
Share in (earnings) loss of associates and joint ventures	(6)	(6)	(6)	(5)	–	–	–	–	–	–	(12)	(11)
(Gain) loss on foreign exchange - Realized <sup>(4)</sup>	(17)	–	(17)	–	–	–	–	–	–	–	(34)	–
Other adjusting items to Adjusted EBITDA <sup>(3)</sup>	(8)	(5)	(10)	(3)	(1)	–	(6)	–	–	–	(25)	(8)
Adjusted EBITDA including NCI	400	400	363	287	147	253	(45)	(48)	–	–	865	892
Attributable to NCI	–	28	–	27	–	–	–	–	–	–	–	55
<b>Adjusted EBITDA</b>	<b>400</b>	<b>372</b>	<b>363</b>	<b>260</b>	<b>147</b>	<b>253</b>	<b>(45)</b>	<b>(48)</b>	<b>–</b>	<b>–</b>	<b>865</b>	<b>837</b>

<sup>(1)</sup> Internal fuel and petroleum product volume and inter-business revenue results include fuel and petroleum exchange transactions executed by Parkland where two Parkland group entities would facilitate the product exchange with the same third-party. These exchange transactions are netted on consolidation.

<sup>(2)</sup> Includes realized risk management gain related to underlying physical sales activity in another period of \$3 (2022 - nil) in Refining; and adjustment to foreign exchange gains and losses related to cash pooling arrangements of nil (2022 - \$2) in Corporate.

<sup>(3)</sup> Includes the effect of market-based performance conditions for equity-settled share-based award settlements of \$6 (2022 - nil) in Corporate, \$5 (2022 - nil) in Commercial, \$1 (2022 - nil) in Retail, and \$1 (2022 - nil) in Refining totalling \$13 (2022 - nil); the share of depreciation and income taxes for the Isla joint venture of \$6 (2022 - \$7) in Retail; other income of \$4 (2022 - \$2) in Commercial and other income of \$1 (2022 - \$2 expense) in Retail; and customer finance income of \$1 (2022 - \$1) in Commercial.

<sup>(4)</sup> Includes realized foreign exchange gains of \$34 (Retail: \$17 gain; Commercial: \$17 gain 2022 - nil) on settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

#### (b) Renewable and Conventional results

Parkland is involved in emission credit and renewable fuel trading, co-processing of bio-feedstocks and blending of low-carbon-intensity fuels to produce greener fuels and generate emission credits. The conventional business comprises those operations of Parkland that are not considered renewable.

Renewable sales and operating revenue is largely comprised of sales of emission credits generated from renewable activities or externally acquired by Parkland entities to external parties or other Parkland entities at the respective market prices of those credits. Costs of renewable operations include direct costs incurred to conduct such operations or centrally incurred costs allocated based on the consumption of resources by renewable operations estimated primarily based on the renewable fuel production relative to total production. Gains and losses from the active trading of emission credits by Parkland entities is disclosed within Gain (loss) on risk management and other.

The results of renewable and conventional operations are as follows:

For the three months ended June 30,	Renewable		Conventional		Consolidated	
	2023	2022	2023	2022	2023	2022
<b>Total fuel and petroleum product volume<sup>(1)</sup></b>	<b>178</b>	161	<b>6,698</b>	6,279	<b>6,876</b>	6,440
Sales and operating revenue	<b>358</b>	382	<b>7,809</b>	9,631	<b>8,167</b>	10,013
Eliminations <sup>(2)</sup>					<b>(348)</b>	(298)
<b>Sales and operating revenue - after eliminations</b>					<b>7,819</b>	9,715
Cost of purchases	<b>342</b>	358	<b>6,879</b>	8,501	<b>7,221</b>	8,859
Eliminations <sup>(2)</sup>					<b>(348)</b>	(298)
<b>Cost of purchases - after eliminations</b>					<b>6,873</b>	8,561
<b>Adjusted gross margin</b>						
Fuel and petroleum product adjusted gross margin, before the following:	<b>16</b>	24	<b>742</b>	966	<b>758</b>	990
Gain (loss) on risk management and other - realized	<b>7</b>	—	<b>13</b>	(197)	<b>20</b>	(197)
Gain (loss) on foreign exchange - realized	—	—	<b>2</b>	(10)	<b>2</b>	(10)
Other adjusting items to adjusted gross margin <sup>(3)</sup>	<b>2</b>	—	<b>(7)</b>	2	<b>(5)</b>	2
Fuel and petroleum product adjusted gross margin	<b>25</b>	24	<b>750</b>	761	<b>775</b>	785
Food, convenience and other adjusted gross margin	—	—	<b>188</b>	164	<b>188</b>	164
<b>Total adjusted gross margin</b>	<b>25</b>	24	<b>938</b>	925	<b>963</b>	949
Operating costs	<b>4</b>	5	<b>379</b>	340	<b>383</b>	345
Marketing, general and administrative	<b>1</b>	1	<b>146</b>	133	<b>147</b>	134
Share in (earnings) loss of associates and joint ventures	—	—	<b>(6)</b>	(6)	<b>(6)</b>	(6)
(Gain) loss on foreign exchange - realized <sup>(4)</sup>	—	—	<b>(25)</b>	—	<b>(25)</b>	—
Other adjusting items to Adjusted EBITDA <sup>(5)</sup>	—	—	<b>(6)</b>	(2)	<b>(6)</b>	(2)
Adjusted EBITDA including NCI	<b>20</b>	18	<b>450</b>	460	<b>470</b>	478
Attributable to NCI	—	—	—	28	—	28
<b>Adjusted EBITDA</b>	<b>20</b>	18	<b>450</b>	432	<b>470</b>	450

<sup>(1)</sup> Fuel and petroleum product volume for renewable activities only includes fuel trading volumes and does not include volumes of low-carbon-intensity feedstocks used for co-processing and blending.

<sup>(2)</sup> Represents elimination of transactions between Renewable and Conventional operations.

<sup>(3)</sup> Includes realized risk management gain related to underlying physical sales activity in another period of \$4 (2022 - nil) for Conventional; adjustment to foreign exchange gains and losses on cash pooling of \$1 (2022: \$2) for Conventional, other income for Renewable of \$2 (2022 - nil) and other expense of \$2 (2022 - nil) for Conventional.

<sup>(4)</sup> Includes realized foreign exchange gains of \$25 (2022 - nil) for Conventional on settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

<sup>(5)</sup> Includes share of depreciation and income taxes for the Isla joint venture of \$3 (2022 - \$3) for Conventional; other income of \$2 (2022 - \$1 loss) for Conventional; and customer finance income of \$1 (2022 - nil) for Conventional.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

For the six months ended June 30,	Renewable		Conventional		Consolidated	
	2023	2022	2023	2022	2023	2022
<b>Total fuel and petroleum product volume<sup>(1)</sup></b>	<b>293</b>	281	<b>13,506</b>	13,131	<b>13,799</b>	13,412
Sales and operating revenue	<b>586</b>	576	<b>15,947</b>	17,227	<b>16,533</b>	17,803
Eliminations <sup>(2)</sup>					<b>(558)</b>	(482)
<b>Sales and operating revenue - after eliminations</b>					<b>15,975</b>	17,321
Cost of purchases	<b>565</b>	521	<b>14,131</b>	15,085	<b>14,696</b>	15,606
Eliminations <sup>(2)</sup>					<b>(558)</b>	(482)
<b>Cost of purchases - after eliminations</b>					<b>14,138</b>	15,124
<b>Adjusted gross margin</b>						
Fuel and petroleum product adjusted gross margin, before the following:	<b>21</b>	55	<b>1,456</b>	1,844	<b>1,477</b>	1,899
Gain (loss) on risk management and other - realized	<b>13</b>	(3)	<b>46</b>	(377)	<b>59</b>	(380)
Gain (loss) on foreign exchange - realized	–	1	<b>(1)</b>	(3)	<b>(1)</b>	(2)
Other adjusting items to adjusted gross margin <sup>(5)</sup>	<b>3</b>	–	<b>(6)</b>	2	<b>(3)</b>	2
Fuel and petroleum product adjusted gross margin	<b>37</b>	53	<b>1,495</b>	1,466	<b>1,532</b>	1,519
Food, convenience and other adjusted gross margin	–	–	<b>360</b>	298	<b>360</b>	298
<b>Total adjusted gross margin</b>	<b>37</b>	53	<b>1,855</b>	1,764	<b>1,892</b>	1,817
Operating costs	<b>7</b>	8	<b>787</b>	674	<b>794</b>	682
Marketing, general and administrative	<b>2</b>	2	<b>302</b>	260	<b>304</b>	262
Share in (earnings) loss of associates and joint ventures	–	–	<b>(12)</b>	(11)	<b>(12)</b>	(11)
(Gain) loss on foreign exchange - realized <sup>(4)</sup>	–	–	<b>(34)</b>	–	<b>(34)</b>	–
Other adjusting items to Adjusted EBITDA <sup>(5)</sup>	–	–	<b>(25)</b>	(8)	<b>(25)</b>	(8)
Adjusted EBITDA including NCI	<b>28</b>	43	<b>837</b>	849	<b>865</b>	892
Attributable to NCI	–	–	–	55	–	55
<b>Adjusted EBITDA</b>	<b>28</b>	43	<b>837</b>	794	<b>865</b>	837

<sup>(1)</sup> Fuel and petroleum product volume for renewable activities only includes fuel trading volumes and does not include volumes of low-carbon-intensity feedstocks used for co-processing and blending.

<sup>(2)</sup> Represents elimination of transactions between Renewable and Conventional operations.

<sup>(3)</sup> Includes realized risk management gain related to underlying physical sales activity in another period of \$3 (2022 - nil) for Conventional; adjustment to foreign exchange gains and losses related to cash pooling arrangements of nil (2022 - \$2) for Conventional, other income for Renewable of \$3 (2022 - nil) and other expense of \$3 (2022 - nil) for Conventional.

<sup>(4)</sup> Includes realized foreign exchange gains of \$34 (2022 - nil) for Conventional on settlement of financing balances not included within adjusted gross margin as these gains do not relate to the commodity sale and purchase transactions.

<sup>(5)</sup> Includes the effect of market-based performance conditions for equity-settled share-based award settlements of \$13 (2022 - nil) for Conventional; the share of depreciation and income taxes for the Isla joint venture of \$6 (2022 - \$7) for Conventional; other income of \$5 (2022 - nil) for Conventional; and customer finance income of \$1 (2022 - \$1) for Conventional.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2023

(\$ millions, unless otherwise stated)

## 15. COMMITMENTS

Parkland has entered into legally binding agreements to make future payments for the purchase of goods and services, including the acquisition of property, plant and equipment. Approximate future undiscounted payments under these agreements are as follows:

June 30, 2023	2023 <sup>(2)</sup>	2024 <sup>(3)</sup>	2025 <sup>(3)</sup>	2026 <sup>(3)</sup>	2027 <sup>(3)</sup>	Thereafter	Total
Pipeline commitment <sup>(1)</sup>	–	46	84	86	88	1,743	2,047
Contractual commitments for the acquisition of property, plant and equipment	93	11	1	–	–	–	105
	93	57	85	86	88	1,743	2,152

<sup>(1)</sup> The commitment is over the contract term of 20 years, and is contingent upon completion of the pipeline. The tolls are estimated based on the service provider's latest published tolling structure and are subject to further revision as the pipeline is completed.

<sup>(2)</sup> Includes amounts for the six-month period ending December 31.

<sup>(3)</sup> Include amounts for the annual periods ending December 31.

December 31, 2022	2023	2024	2025	2026	2027	Thereafter	Total
Pipeline commitment <sup>(1)</sup>	51	51	51	51	51	764	1,019
Contractual commitments for the acquisition of property, plant and equipment	157	3	–	2	–	–	162
	208	54	51	53	51	764	1,181

<sup>(1)</sup> The commitment is over the contract term of 20 years, and is contingent upon completion of the pipeline.