

Fiscal Year 2024

ALIMENTATION COUCHE-TARD INC.
MANAGEMENT DISCUSSION & ANALYSIS
52-week period ended April 28, 2024



Management Discussion and Analysis

The purpose of this Management Discussion and Analysis (“MD&A”) is, as required by regulators, to explain management’s point of view on the financial position and results of the operations of Alimentation Couche-Tard Inc. (“Couche-Tard”) as well as its performance during the fiscal year ended April 28, 2024. More specifically, it aims to let the reader better understand our development strategy, performance in relation to objectives, future expectations, and how we address risk and manage our financial resources. This MD&A also provides information to improve the reader’s understanding of Couche-Tard’s audited annual consolidated financial statements and related notes. It should therefore be read in conjunction with those documents. By “we”, “our”, “us” and “the Corporation”, we refer collectively to Couche-Tard and its subsidiaries.

Except where otherwise indicated, all financial information reflected herein is expressed in United States dollars (“US dollars”) and determined on the basis of IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). We also use measures in this MD&A that do not comply with IFRS Accounting Standards as well as supplementary financial measures. The measures that do not comply with IFRS Accounting Standards are described in the “Non-IFRS Accounting Standards Measures” section of this MD&A and where such measures are presented, the reader is informed. Supplementary financial measures are described where such measures are presented. This MD&A should be read in conjunction with the audited annual consolidated financial statements and related notes included in our 2024 Annual Report, which, along with additional information relating to Couche-Tard, including the most recent Annual Information Form, are available on SEDAR+ at <https://www.sedarplus.com/> and on our website at <https://corpo.couche-tard.com/>.

Forward-Looking Statements

This MD&A includes certain statements that are “forward-looking statements” within the meaning of the securities laws of Canada. Any statement in this MD&A that is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words “believe”, “could”, “should”, “intend”, “expect”, “estimate”, “assume”, and other similar expressions are generally intended to identify forward-looking statements. It is important to know that the forward-looking statements in this MD&A describe our expectations as at June 25, 2024, which are not guarantees of the future performance of Couche-Tard or its industry, and involve known and unknown risks and uncertainties that may cause Couche-Tard’s or the industry’s outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. Assumptions such as synergies objective are based on our comparative analysis of organizational structures and current level of spending across Couche-Tard’s network as well as on Couche-Tard’s ability to bridge the gap, where relevant, and Couche-Tard’s assessment of current contracts in the geographical areas of operations and how Couche-Tard expects to be able to renegotiate these contracts to take advantage of our increased purchasing power. In addition, our synergies objective assumes that we will be able to establish and maintain an effective process for sharing best practices across our network. Finally, our objective is also based on our ability to integrate acquired business. An important change in these facts and assumptions could significantly impact our synergies estimate as well as the timing of the implementation of our different initiatives. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include sales of assets, monetization, mergers, acquisitions, other business combinations or transactions, asset write-down, ongoing military conflicts, or other charges announced or occurring after forward-looking statements are made.

Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

The foregoing risks and uncertainties include the risks set forth under “Business Risks” in our 2024 Annual Report as well as other risks detailed from time to time in reports filed by Couche-Tard with securities regulators in Canada.

Our Business

We are the leader in the Canadian convenience store industry. In the United States, we are one of the largest independent convenience store operators. In Europe, we are a leader in the convenience store and mobility retail business in the Scandinavian countries (Norway, Sweden, and Denmark), in the Baltic countries (Estonia, Latvia, and Lithuania), in Belgium, as well as in Ireland, and we have a strong presence in Luxembourg, Germany, the Netherlands and Poland. In Asia, we operate a network of company-operated convenience stores in Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong SAR") with an enviable local position.

As of April 28, 2024, our network comprised 9,273 convenience stores throughout North America, including 8,211 stores with road transportation fuel dispensing. Our North American network consists of 17 business units, including 14 in the United States covering 46 states and 3 in Canada covering all 10 provinces. Approximately 99,000 people are employed throughout our network and at our service offices in North America. In Europe, we operate a broad retail network across Scandinavia, Germany, Belgium, Ireland, Poland, the Netherlands, the Baltics and Luxembourg through 11 business units. As of April 28, 2024, our network comprised 4,883 stores, the majority of which offer road transportation fuel and convenience products while the others are unmanned automated fuel stations which only offer road transportation fuel. We also offer other products, including energy for stationary engines. With employees at branded franchise stores, approximately 46,000 people are employed in our retail network, terminals, and service offices across Europe. In Asia, our network includes 389 company-operated convenience stores in Hong Kong SAR through 1 business unit, offering a strong on-the-go food offer as well as a variety of other merchandise items and services. Approximately 4,000 people are employed in our retail network and service offices in Asia.

Furthermore, under licensing agreements, close to 2,200 stores are operated under the Circle K banner in 16 other countries and territories (Cambodia, Egypt, Guam, Guatemala, Honduras, Indonesia, Jamaica, Macau, Mexico, Morocco, New Zealand, Saudi Arabia, South Africa, Tanzania, United Arab Emirates, and Vietnam), which brings the worldwide total network to more than 16,700 stores.

Our mission is to make our customers' lives a little easier every day. To this end, we strive to meet the demands and needs of people on-the-go. We offer fast and friendly service, providing fresh food, hot and cold beverages, car wash services, and other high-quality products and services including road transportation fuel and electric vehicle charging solutions, designed to meet or exceed our customers' demands in a clean, welcoming, and efficient environment. Our business model is our key to success. We are a customer-centric, financially disciplined organization that routinely compares best practices, and we use our global experience to enhance our operational expertise and continually invest in our people and our stores.

Value Creation

In the United States, the convenience store sector is fragmented and currently undergoing consolidation. We are actively participating in this process through strategic acquisitions, gaining market share as competitors close their sites, and enhancing our product offerings. Latin America and Southeast Asia remain highly attractive markets for expansion. Given the varying stages of vehicle electrification in these areas, we have identified a unique opportunity to adapt our strategy to local market dynamics. Our goal is to collaborate with strong management teams in these regions to establish a robust growth platform. In Europe and Canada, the sector is often dominated by a few major players, including integrated oil companies. We intend to study investment opportunities that might present themselves, as significant synergies remain to be unlocked by bridging the regional gaps in our current network.

No matter the context, to create value, acquisitions must be concluded under optimal conditions. Therefore, we do not prioritize store count growth at the expense of profitability. In addition to acquisitions, organic development plays a crucial role in the growth of our net earnings. We are committed to continuing to build and expand our network in key geographies where we can leverage our strengths to create value for our Corporation and its shareholders. Highlights include the ongoing improvements we have made to our offerings, such as our Fresh Food, Fast program, the continued rollout of our Inner Circle loyalty program, as well as our innovative and sustainable mobility solutions. Our efforts to enhance the flexibility and control of our supply chain and our ability to adapt quickly to changes have also been key. While maintaining our customary financial discipline, all these elements, alongside our strong balance sheet, have contributed to the growth in our net earnings and to value creation for our shareholders and other stakeholders. We intend to continue in this direction.

Exchange Rate Data

We use the US dollar as our reporting currency, which provides more relevant information given the predominance of our operations in the United States.

The following tables set forth information about exchange rates based upon closing rates expressed as US dollars per comparative currency unit:

	12-week period ended	13-week period ended	52-week period ended	53-week period ended	52-week period ended
	April 28, 2024	April 30, 2023	April 28, 2024	April 30, 2023	April 24, 2022
Average for the period⁽¹⁾					
Canadian dollar	0.7369	0.7386	0.7406	0.7531	0.7978
Norwegian krone	0.0937	0.0961	0.0938	0.0995	0.1150
Swedish krone	0.0949	0.0960	0.0940	0.0959	0.1130
Danish krone	0.1448	0.1449	0.1452	0.1401	0.1555
Zloty	0.2505	0.2301	0.2447	0.2216	0.2522
Euro	1.0798	1.0789	1.0828	1.0423	1.1565
Ruble ⁽²⁾	Not applicable	Not applicable	Not applicable	Not applicable	0.0131
Hong Kong dollar	0.1278	0.1274	0.1278	0.1276	0.1284

(1) Calculated by taking the average of the closing exchange rates of each day in the applicable period.

(2) For the 52-week period ended April 24, 2022, calculated by taking the average of the closing exchange rates of each day, until April 8, 2022.

	As at April 28, 2024	As at April 30, 2023
Period end		
Canadian dollar	0.7322	0.7330
Norwegian krone	0.0908	0.0931
Swedish krone	0.0915	0.0967
Danish krone	0.1437	0.1473
Zloty	0.2480	0.2397
Euro	1.0714	1.0981
Hong Kong dollar	0.1277	0.1274

As we use the US dollar as our reporting currency in our consolidated financial statements and in this document, unless indicated otherwise, results from our operations in other currencies are translated into US dollars using the average rate for the period. Unless otherwise indicated, variations and explanations regarding changes in the foreign exchange rate and the volatility of the Canadian dollar, European currencies, and Hong Kong dollar, which we discuss in the present document, are related to the translation into US dollars of our Canadian, European, Asian, and corporate operations' results ("foreign currency operations"). For the analysis of consolidated results, those variations are determined as being the difference between the corresponding period results in local currencies translated at the current period average exchange rate and the corresponding period results in local currencies translated at the corresponding period average exchange rate. For the analysis of the consolidated balance sheet, those variations are determined as being the difference between the balances in local currencies as at April 28, 2024 translated at the April 28, 2024 closing exchange rate, the balances in local currencies as at April 30, 2023 translated at the April 30, 2023 closing exchange rate, and the variations in local currencies between those two dates translated at the current period average exchange rate.

Fiscal 2024 Overview

Financial Results

Net earnings attributable to shareholders of the Corporation amounted to \$2.7 billion for fiscal 2024, a decrease of \$361.2 million compared with fiscal 2023. Diluted net earnings per share stood at \$2.82, compared with \$3.06 for the previous fiscal year.

The results for fiscal 2024 and fiscal 2023 were affected by specific items disclosed in the “Non-IFRS Accounting Standards Measures” section of this MD&A. Excluding these items, adjusted net earnings attributable to shareholders of the Corporation¹ were approximately \$2.7 billion (\$2.81 per share on a diluted basis¹) for fiscal 2024, compared with \$3.2 billion (\$3.12 per share on a diluted basis¹) for fiscal 2023, a decrease of \$436.0 million, or 13.8%, driven by lower road transportation fuel gross margin¹, the impact of our investments and business acquisitions on depreciation and financial expenses, and the impact of one less week in fiscal 2024 compared with fiscal 2023, partly offset by the contribution from acquisitions.

Changes in our Network during Fiscal 2024

Acquisition of certain European retail assets from TotalEnergies SE

On December 28, 2023 and January 3, 2024, we closed the acquisition of 2,175 sites from TotalEnergies SE for a total cash consideration of approximately €3.4 billion (\$3.8 billion), including preliminary adjustments, and subject to post closing adjustments. The retail assets included in the transaction cover 1,191 sites located in Germany, 562 sites in Belgium, 378 sites in the Netherlands, and 44 sites in Luxembourg, of which 1,492 sites are company-owned and 683 sites are dealer-owned. For the same sites included in the transaction, 19% are company-operated and 81% are dealer-operated. The transaction comprises 100% of TotalEnergies SE's retail assets in Germany and the Netherlands, as well as a 60% controlling interest in the Belgium and Luxembourg entities (together “Circle K Belgium SA”).

From December 28, 2023 and January 3, 2024, the acquired sites' results, balance sheet and cash flows are included in our consolidated financial statements. The earnings attributable to Circle K Belgium SA's other shareholders are presented as Net earnings attributable to non-controlling interest.

Synergies and integration

We expect that our synergies² associated with the acquisition of certain European retail assets from TotalEnergies SE will reach €170.0 million (\$187.0 million) over the 5 years following the transaction. These synergies² should mainly result from improvements in the convenience activities as well as from reductions in operating, selling, general and administrative expenses.

Redemption liability

In relation with the acquisition of 60% of Circle K Belgium SA, we entered into a shareholder's agreement with TotalEnergies Marketing Belgium SA, which holds the remaining 40% ownership interest in this entity. This shareholder's agreement entitled each of the parties, at their sole discretion after a period of two years following the closing of the transaction, to sell their ownership interests to the other party. As a result, a redemption liability of \$251.0 million, representing the present value of the estimated redemption amount as at January 3, 2024, was recorded to Other long-term financial liabilities on the consolidated balance sheet, with an equivalent amount reclassified from Retained earnings. Subsequent to the initial recognition of the redemption liability, the effects of its discounting and any changes to the gross redemption amount are recorded to Retained earnings. As at April 28, 2024, the redemption liability amounted to \$247.2 million.

Financing

In order to finance the acquisition of certain European retail assets from TotalEnergies SE and the related acquisition costs, we entered into a new credit agreement consisting of a non-revolving credit facility of an aggregate maximum amount of \$1.75 billion and €1.5 billion (the “acquisition facility”). As at April 28, 2024, this acquisition facility was fully repaid.

¹ Please refer to the “Non-IFRS Accounting Standards Measures” section for additional information on performance measures not defined by IFRS Accounting Standards.

² Expected synergies represent forward-looking information and are destined to illustrate additional benefits expected to stem from these transactions. They might not be suitable for other needs. For additional information, please refer to the “Forward-Looking Statements” section.

Settlement of currency forward contracts

Prior to the acquisition, to mitigate the currency fluctuation risk associated with the Euro, we entered into Euro / US dollar currency forward contracts with financial institutions for a portion of the consideration, representing €1.9 billion. In relation with the closing of the transaction, the currency forwards were settled for net proceeds of \$16.6 million.

Acquisition of convenience retail and fuel sites operating under the MAPCO brand

On November 1, 2023, we closed the acquisition of 112 company-owned and operated convenience retail and fuel sites operating under the MAPCO brand and located in the states of Alabama, Georgia, Kentucky, Mississippi and Tennessee, in the United States. The acquisition also includes surplus properties and a logistics fleet. The transaction was settled for a consideration of \$468.7 million, financed using our available cash and our United States commercial paper program.

Other acquisitions

During fiscal 2024, we also acquired 27 company-operated stores. We settled these transactions using our available cash.

Store construction

During fiscal 2024, we completed the construction of 76 stores and the relocation or reconstruction of 14 stores. As of April 28, 2024, another 24 stores were under construction and should open in the upcoming quarters.

Summary of changes in our store network

The following tables present certain information regarding changes in our store network over the 12 and 52-week periods ended April 28, 2024⁽¹⁾:

Type of site	12-week period ended April 28, 2024				Total
	Company-operated ⁽²⁾	CODO ⁽³⁾	DODO ⁽⁴⁾	Franchised and other affiliated ⁽⁵⁾	
Number of sites, beginning of period	10,463	1,415	1,476	1,241	14,595
Openings / constructions / additions	25	—	7	9	41
Closures / disposals / withdrawals	(48)	—	(20)	(23)	(91)
Store conversions	5	(6)	1	—	—
Number of sites, end of period	10,445	1,409	1,464	1,227	14,545
Circle K branded sites under licensing agreements					2,195
Total network					16,740
Number of automated fuel stations included in the period-end figures ⁽⁶⁾	1,171	—	92	—	1,263

Type of site	52-week period ended April 28, 2024				Total
	Company-operated ⁽²⁾	CODO ⁽³⁾	DODO ⁽⁴⁾	Franchised and other affiliated ⁽⁵⁾	
Number of sites, beginning of period	9,983	344	820	1,285	12,432
Acquisitions	548	1,083	683	—	2,314
Openings / constructions / additions	76	—	36	57	169
Closures / disposals / withdrawals	(174)	(6)	(71)	(119)	(370)
Store conversions	12	(12)	(4)	4	—
Number of sites, end of period	10,445	1,409	1,464	1,227	14,545
Circle K branded sites under licensing agreements					2,195
Total network					16,740

- (1) Stores which are part of Circle K Belgium SA's network are included at 100%, while stores operated through our RDK joint venture are included at 50%.
- (2) Sites for which the real estate is controlled by Couche-Tard (through ownership or lease agreements) and for which the stores (and/or the service stations) are operated by Couche-Tard or one of its commission agents. This includes stand alone car wash sites.
- (3) Sites for which the real estate is controlled by Couche-Tard (through ownership or lease agreements) and for which the stores (and/or the service stations) are operated by an independent operator in exchange for rent and to which Couche-Tard sometimes provides road transportation fuel through supply contracts. Some of these sites are subject to a franchise agreement, licensing or other similar agreement under one of our main or secondary banners.
- (4) Sites controlled and operated by independent operators. Couche-Tard either supplies road transportation fuel through supply contracts or operates the road transportation fuel activities. Some of these sites are subject to a franchise agreement, licensing or other similar agreement under one of our main or secondary banners.
- (5) Stores operated by an independent operator through a franchising, licensing or another similar agreement under one of our main or secondary banners.
- (6) These sites sell road transportation fuel only.

Issuance of Senior Unsecured Notes

On September 25, 2023, we issued the following Canadian-dollar-denominated senior unsecured notes:

Principal amount	Maturity	Coupon rate	Effective rate	Interest payment dates
CA \$800.0	September 25, 2030	5.59%	5.70%	March 25 th and September 25 th

The \$591.9 million net proceeds from this issuance were used for corporate purposes as well as to invest an amount of CA \$700.0 million (\$512.5 million as at April 28, 2024) in term deposits with major financial institutions which meet our minimum credit ratings requirements. The term deposits will mature on July 23, 2024, and are classified in Other short-term financial assets on the consolidated balance sheet.

As a result of the issuance of those Canadian-dollar-denominated senior unsecured notes, we determined that an anticipated issuance of US-dollar-denominated senior unsecured notes, for which the proceeds were intended to be used for the repayment of the Canadian-dollar-denominated senior unsecured notes maturing in July 2024, was no longer expected to occur. We had designated specific forward starting interest rate swaps as a cash flow hedge of our interest rate risk related to the variability of the interest payments on the anticipated issuance, which led to a pre-tax reclassification adjustment of \$32.9 million from Other comprehensive loss to Other financial items in the consolidated statement of earnings.

On January 25, 2024, we issued the following Canadian-dollar-denominated senior unsecured notes:

Principal amount	Maturity	Coupon rate	Effective rate	Interest payment dates
CA \$500.0	January 25, 2029	4.60%	4.70%	July 25 th and January 25 th

The \$369.4 million net proceeds from this issuance were used to partially repay outstanding indebtedness under our acquisition facility.

On February 12, 2024, we issued the following senior unsecured notes:

Principal	Maturity	Coupon rate	Effective rate	Interest payment dates
€700.0	May 12, 2031	3.65%	3.68%	May 12 th
\$900.0	February 12, 2034	5.27%	5.31%	August 12 th and February 12 th
€650.0	February 12, 2036	4.01%	4.03%	February 12 th
\$600.0	February 12, 2054	5.62%	5.69%	August 12 th and February 12 th

The \$2.9 billion net proceeds from these issuances were used to repay outstanding indebtedness under our acquisition facility.

Share Repurchase Program

On April 26, 2023, the Toronto Stock Exchange approved the renewal of our share repurchase program, which took effect on May 1, 2023. The renewed share repurchase program allowed us to repurchase up to 49.1 million shares, representing 5.0% of the shares outstanding as at April 20, 2023, and the share repurchase period ended April 30, 2024. During fiscal 2024, we repurchased 26.6 million shares, for an amount of \$1.4 billion.

On April 26, 2024, the Toronto Stock Exchange approved another renewal of our share repurchase program, which took effect on May 1, 2024. The renewed share repurchase program allows us to repurchase up to 78.1 million shares, representing 10.0% of the shares outstanding as at April 18, 2024, and the share repurchase period will end no later than April 30, 2025.

All shares repurchased under the share repurchase program were cancelled upon their repurchase. An automatic securities purchase plan, which was pre-cleared by the Toronto Stock Exchange, is also in place and could allow a designated broker to repurchase our shares on our behalf within parameters established by us.

True Blue Car Wash LLC and Big Red Stores

During fiscal 2024, we finalized our estimates of the fair value of assets acquired and liabilities assumed for the True Blue Car Wash LLC and Big Red Stores acquisitions. There were no changes to adjusted net earnings attributable to shareholders of the Corporation¹ previously reported.

¹ Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

Fire & Flower Holdings Corp. (“Fire & Flower”)

In June 2023, Fire & Flower received an order for creditor protection under the *Companies’ Creditors Arrangement Act* and the Ontario Superior Court of Justice approved a Sales and Investment Solicitation Process (“SISP”) pursuant to which one of our wholly-owned subsidiaries was acting as stalking horse bidder. On August 15, 2023, an auction was held in accordance with the SISP and our wholly-owned subsidiary was not the successful bidder. The transaction contemplated by the successful bid was completed on September 15, 2023, and as a result, the principal and accrued interests related to a CA \$9.8 million (\$7.2 million) debtor-in-possession loan and a CA \$11.0 million (\$8.0 million) secured loan, which were granted to Fire & Flower, were repaid, and our ownership interest in Fire & Flower was cancelled. During fiscal 2024, losses of \$3.5 million were recorded, bringing the carrying amount of our ownership interest in Fire & Flower to nil.

Dividends

During its June 25, 2024 meeting, the Board of Directors declared a quarterly dividend of CA 17.5¢ per share for the fourth quarter of fiscal 2024 to shareholders on record as at July 5, 2024, and approved its payment effective July 19, 2024. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

For fiscal 2024, the Board of Directors declared total dividends of CA 66.50¢ per share, an increase of 25.5% compared to CA 53.00¢ for fiscal 2023.

Outstanding Shares and Stock Options

As at June 21, 2024, Couche-Tard had 956,681,427 Common shares issued and outstanding. In addition, as at the same date, Couche-Tard had 2,146,941 outstanding stock options for the purchase of Common shares.

Changes in Accounting Policies

Amendments to IAS 1 Presentation of financial statements

During fiscal 2024, the Corporation adopted *Disclosure of Accounting Policies (Amendments to IAS 1)*, which had no significant impact on the Corporation’s consolidated financial statements.

Amendments to IAS 12 Income taxes

During fiscal 2024, the Corporation adopted *International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)*. As a result, the Corporation has applied the exception to not recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. As a result of its evaluation, the Corporation does not expect that enacted or substantively enacted but not yet in effect Pillar Two legislation will have a significant impact on its consolidated financial statements.

Statements of Earnings Categories

Merchandise and service revenues. In-store merchandise sales primarily comprise the sale of cigarette products and other nicotine products, beverages, beer, wine, fresh food offerings including quick service restaurants, candy and snacks and grocery items. These revenues are recognized at the time of the transaction since control of goods and services is considered transferred when the customer makes payment and takes possession of the sold item. Merchandise sales also include the wholesale of merchandise and goods to certain independent operators and franchisees made from our distribution centers and commissaries, which are generally recognized upon delivery to our customers. Service revenues primarily include car wash revenues, commissions on the sale of lottery tickets, fees from automatic teller machines, sales of calling cards, sales of gift cards and revenues from electric vehicles charging stations.

Service revenues also include franchise and license fees, commissions from agents and royalties from franchisees and licensees which are recognized over the estimated term of the related agreement or periodically based on sales reported.

When our loyalty programs provide our customers with an option to acquire additional goods for free or at a discount and that the option represents a material right through the customer's membership, we recognize revenues related to this separate performance obligation when those future goods are transferred or when the option expires. The stand-alone selling price of the customer's option is generally estimated based on historical data and is adjusted to consider the likelihood that the option will be exercised.

One of our wholly owned subsidiaries generated revenues from the direct sale of cannabis and cannabis-related products in certain company-operated licensed stores in Canada. Moreover, we indirectly participate in the sale of cannabis and cannabis-related products through various license agreements in Canada and in subleasing a portion or all of the premises of certain of our convenience stores and other sites.

Road transportation fuel revenues. We include in our revenues the total dollar amount of road transportation fuel sales, including any embedded taxes when they are included in the purchase price, if we take ownership of the road transportation fuel inventory. In some instances, we purchase road transportation fuel and sell it to certain independent store operators at cost plus a mark-up. We record the full value of these revenues (cost plus mark-up) as road transportation fuel revenues. Where we act as a selling agent for a petroleum distributor, only the commission we earn is recorded as revenue.

Other revenues. Other revenues include sales of energy for stationary engines and aviation fuel, which are generally recognized upon delivery to the customer. Other revenues also include rental income from operating leases, which is recognized on a straight-line basis over the term of the lease.

Cost of sales, excluding depreciation, amortization and impairment. Cost of sales, excluding depreciation, amortization and impairment mainly comprises the cost of finished goods and input materials, transportation costs incurred to bring products to the point of sale, as well as internal logistics costs. Inventories are valued at the lesser of cost and net realizable value. The cost of merchandise is generally valued based on the retail price less a normal margin. The cost of road transportation fuel inventory is generally determined according to the average cost method.

Operating, selling, general and administrative expenses. The main items comprising Operating, selling, general and administrative expenses are labor, electronic payment modes fees, occupancy costs, repairs, maintenance, information technologies and overhead, excluding depreciation, amortization and impairment.

Key performance indicators used by management, which can be found under "Summary Analysis of Consolidated Results for Fiscal 2024 - Other Operating Data", are merchandise and service gross margin¹, growth of same-store merchandise revenues¹, road transportation fuel gross margin¹, growth of same-store road transportation fuel volumes, return on equity¹ and return on capital employed¹.

¹ Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

Non-IFRS Accounting Standards Measures

To provide more information for evaluating the Corporation's performance, the financial information included in our financial documents contains certain data that are not performance measures under IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), which are also calculated on an adjusted basis to exclude specific items. Those performance measures are called "Non-IFRS Accounting Standards measures". We believe that providing those Non-IFRS Accounting Standards measures is useful to management, investors, and analysts, as they provide additional information to measure the performance and financial position of the Corporation.

The following Non-IFRS Accounting Standards financial measures are used in our financial disclosures:

- Gross profit;
- Earnings before interest, taxes, depreciation, amortization and impairment ("EBITDA") and adjusted EBITDA;
- Adjusted net earnings attributable to shareholders of the Corporation;
- Interest-bearing debt;
- Available liquidities.

The following Non-IFRS Accounting Standards ratios are used in our financial disclosures:

- Merchandise and service gross margin and Road transportation fuel gross margin;
- Normalized growth of (decrease in) operating, selling, general and administrative expenses;
- Growth of (decrease in) same-store merchandise revenues for Europe and other regions;
- Adjusted diluted net earnings per share;
- Leverage ratio;
- Return on equity and return on capital employed.

The following capital management measure is used in our financial disclosures:

- Net interest-bearing debt/total capitalization.

Supplementary financial measures are also used in our financial disclosures and those measures are described where they are presented.

Non-IFRS Accounting Standards financial measures and ratios, as well as the capital management measure, are mainly derived from the consolidated financial statements but do not have standardized meanings prescribed by IFRS Accounting Standards. These Non-IFRS Accounting Standards measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS Accounting Standards. In addition, our definitions of Non-IFRS Accounting Standards measures may differ from those of other public corporations. Any such modification or reformulation may be significant. These measures are also adjusted for the pro forma impact of our acquisitions and impacts of new accounting standards if they are considered to be material.

Gross profit. Gross profit consists of revenues less the cost of sales, excluding depreciation, amortization and impairment. This measure is considered useful for evaluating the underlying performance of our operations.

The table below reconciles revenues and cost of sales, excluding depreciation, amortization and impairment, as per IFRS Accounting Standards, to gross profit:

	12-week period ended	13-week period ended	52-week period ended	53-week period ended	52-week period ended
(in millions of US dollars)	April 28, 2024	April 30, 2023	April 28, 2024	April 30, 2023	April 24, 2022
Revenues	17,592.7	16,264.4	69,263.5	71,856.7	62,809.9
Cost of sales, excluding depreciation, amortization and impairment	14,811.2	13,355.8	57,165.6	59,804.6	51,805.1
Gross profit	2,781.5	2,908.6	12,097.9	12,052.1	11,004.8

Please note that the same reconciliation applies in the determination of gross profit by category and by geography presented in the section "Summary Analysis of Consolidated Results".

Merchandise and service gross margin. Merchandise and service gross margin consists of Merchandise and service gross profit divided by Merchandise and service revenues, both measures are presented in the section "Summary Analysis of Consolidated Results". Merchandise and service gross margin is considered useful for evaluating how efficiently we generate gross profit by dollar of revenue.

Road transportation fuel gross margin. Road transportation fuel gross margin consists of Road transportation fuel gross profit divided by total volume of road transportation fuel sold. For the United States and Europe and other regions, both measures are presented in the section “Summary Analysis of Consolidated Results”. For Canada, this measure is presented in functional currency and the table below reconciles, for road transportation fuel, Revenues and Cost of sales, excluding depreciation, amortization and impairment, as per IFRS Accounting Standards, to gross profit and the resulting road transportation fuel gross margin. This measure is considered useful for evaluating how efficiently we generate gross profit by gallon or liter of road transportation fuel sold.

	12-week period ended	13-week period ended	52-week period ended	53-week period ended	52-week period ended
<i>(in millions of Canadian dollars, unless otherwise noted)</i>	April 28, 2024	April 30, 2023	April 28, 2024	April 30, 2023	April 24, 2022
Road transportation fuel revenues	1,736.0	1,894.7	7,978.0	8,412.4	6,703.8
Road transportation fuel cost of sales, excluding depreciation, amortization and impairment	1,568.2	1,724.5	7,221.4	7,686.7	6,085.5
Road transportation fuel gross profit	167.8	170.2	756.6	725.7	618.3
Total road transportation fuel volume sold (in millions of liters)	1,226.5	1,403.6	5,665.9	5,690.1	5,264.8
Road transportation fuel gross margin (CA cents per liter)	13.68	12.13	13.35	12.75	11.74

Normalized growth of (decrease in) operating, selling, general and administrative expenses (“normalized growth of (decrease in) expenses”). Normalized growth of (decrease in) expenses consists of the growth of (decrease in) Operating, selling, general and administrative expenses adjusted for the impact of the changes in our network, the impact from changes in accounting policies and adoption of accounting standards, the impact of more volatile items over which we have limited control including, but not limited to, the net impact of foreign exchange translation, electronic payment fees excluding acquisitions, and acquisition costs, as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends. This measure is considered useful for evaluating our ability to control our expenses on a comparable basis.

The tables below reconcile growth of Operating, selling, general and administrative expenses to normalized growth of (decrease in) expenses:

	12-week period ended	13-week period ended		13-week period ended	12-week period ended	
<i>(in millions of US dollars, unless otherwise noted)</i>	April 28, 2024	April 30, 2023	Variation	April 30, 2023	April 24, 2022	Variation
Operating, selling, general and administrative expenses, as published	1,642.5	1,614.6	1.7%	1,614.6	1,483.8	8.8%
Adjusted for:						
Increase from incremental expenses related to acquisitions	(160.1)	—	(9.9%)	(18.6)	—	(1.3%)
Decrease (increase) from changes in electronic payment fees, excluding acquisitions	17.5	—	1.1%	(6.0)	—	(0.4%)
Increase from changes in acquisition costs recognized to earnings	(0.3)	—	—	(3.6)	—	(0.2%)
Decrease from the net impact of foreign exchange translation	—	—	—	29.4	—	2.0%
Cloud computing transition adjustment	—	—	—	15.1	—	1.0%
Normalized (decrease in) growth of expenses	1,499.6	1,614.6	(7.1%)	1,630.9	1,483.8	9.9%

	52-week period ended	53-week period ended		53-week period ended	52-week period ended	
<i>(in millions of US dollars, unless otherwise noted)</i>	April 28, 2024	April 30, 2023	Variation	April 30, 2023	April 24, 2022	Variation
Operating, selling, general and administrative expenses, as published	6,525.2	6,361.8	2.6%	6,361.8	5,884.5	8.1%
Adjusted for:						
Increase from incremental expenses related to acquisitions	(298.7)	—	(4.7%)	(59.3)	—	(1.0%)
Decrease (increase) from changes in electronic payment fees, excluding acquisitions	68.0	—	1.1%	(98.6)	—	(1.7%)
Increase from changes in acquisition costs recognized to earnings	(4.4)	—	(0.1%)	(7.0)	—	(0.1%)
(Increase) decrease from the net impact of foreign exchange translation	(1.4)	—	—	159.6	—	2.7%
Cloud computing transition adjustment	—	—	—	15.1	—	0.3%
Normalized (decrease in) growth of expenses	6,288.7	6,361.8	(1.1%)	6,371.6	5,884.5	8.3%

Growth of (decrease in) same-store merchandise revenues for Europe and other regions. Same-store merchandise revenues represent cumulative merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues. For Europe and other regions, the growth of (decrease in) same-store merchandise revenues is calculated based on constant currencies using the respective current period average exchange rate for both the current and corresponding period. In Europe and other regions, same-store merchandise revenues include same-store revenues from company-operated stores, as well as CODO and DODO stores which are not included in our consolidated results. This measure is considered useful for evaluating our ability to generate organic growth on a comparable basis in our overall European and other regions store network.

The tables below reconcile Merchandise and service revenues, as per IFRS Accounting Standards, to same-store merchandise revenues for Europe and other regions and the resulting percentage of growth (decrease):

	12-week period ended	13-week period ended	13-week period ended	12-week period ended
<i>(in millions of US dollars, unless otherwise noted)</i>	April 28, 2024	April 30, 2023	April 30, 2023	April 24, 2022
Merchandise and service revenues for Europe and other regions	769.9	585.7	585.7	571.4
Adjusted for:				
Service revenues	(101.3)	(60.5)	(60.5)	(57.8)
Net foreign exchange impact	—	1.8	—	(17.9)
Merchandise revenues not meeting the definition of same-store	(193.6)	(12.5)	(25.1)	(12.5)
Same-store merchandise revenues from stores not included in our consolidated results, including the impact of store conversions	88.4	60.6	75.3	75.4
Total Same-store merchandise revenues for Europe and other regions	563.4	575.1	575.4	558.6
Growth of (decrease in) same-store merchandise revenues for Europe and other regions	(2.0%)		3.0%	

	52-week period ended	53-week period ended	53-week period ended	52-week period ended
<i>(in millions of US dollars, unless otherwise noted)</i>	April 28, 2024	April 30, 2023	April 30, 2023	April 24, 2022
Merchandise and service revenues for Europe and other regions	2,750.3	2,386.7	2,386.7	2,429.1
Adjusted for:				
Service revenues	(277.3)	(200.5)	(200.5)	(205.0)
Net foreign exchange impact	—	39.8	—	(178.4)
Merchandise revenues not meeting the definition of same-store	(313.9)	(51.6)	(93.9)	(50.5)
Same-store merchandise revenues from stores not included in our consolidated results, including the impact of store conversions	324.6	308.0	332.7	357.1
Total Same-store merchandise revenues for Europe and other regions	2,483.7	2,482.4	2,425.0	2,352.3
Growth of same-store merchandise revenues for Europe and other regions	0.1%		3.1%	

Earnings before interest, taxes, depreciation, amortization and impairment (“EBITDA”) and adjusted EBITDA. EBITDA represents net earnings plus income taxes, net financial expenses, and depreciation, amortization and impairment. Adjusted EBITDA represents the EBITDA adjusted for acquisition costs, the impact from changes in accounting policies and adoption of accounting standards, as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends. These performance measures are considered useful to facilitate the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program, share repurchases, and payment of dividends.

The table below reconciles net earnings, as per IFRS Accounting Standards, to EBITDA and adjusted EBITDA:

	12-week period ended	13-week period ended	52-week period ended	53-week period ended	52-week period ended
<i>(in millions of US dollars)</i>	April 28, 2024	April 30, 2023	April 28, 2024	April 30, 2023	April 24, 2022
Net earnings	454.5	670.7	2,732.2	3,090.9	2,683.3
Add:					
Income taxes	51.4	159.6	715.9	838.2	734.3
Net financial expenses	139.9	99.0	387.9	306.7	281.0
Depreciation, amortization and impairment	492.5	389.6	1,760.1	1,525.9	1,545.7
EBITDA	1,138.3	1,318.9	5,596.1	5,761.7	5,244.3
Adjusted for:					
Acquisition costs	4.8	4.5	18.1	13.7	6.7
Cloud computing transition adjustment	—	—	—	—	15.1
Adjusted EBITDA	1,143.1	1,323.4	5,614.2	5,775.4	5,266.1

Adjusted net earnings attributable to shareholders of the Corporation and adjusted diluted net earnings per share. Adjusted net earnings attributable to shareholders of the Corporation represents net earnings attributable to shareholders of the Corporation adjusted for net foreign exchange gains or losses, acquisition costs, the impact from changes in accounting policies and adoption of accounting standards, impairment on goodwill, investments in subsidiaries, joint ventures and associated companies, as well as other specific items for which the impact on consolidated results is not deemed indicative of future trends, and the impact of the non-controlling interests on the items mentioned previously. These measures are considered useful for evaluating the underlying performance of our operations on a comparable basis.

The table below reconciles net earnings attributable to shareholders of the Corporation, as per IFRS Accounting Standards, with adjusted net earnings attributable to shareholders of the Corporation and adjusted diluted net earnings per share:

(in millions of US dollars, except per share amounts, or unless otherwise noted)	12-week period ended	13-week period ended	52-week period ended	53-week period ended	52-week period ended
	April 28, 2024	April 30, 2023	April 28, 2024	April 30, 2023	April 24, 2022
Net earnings attributable to shareholders of the Corporation	453.0	670.7	2,729.7	3,090.9	2,683.3
Adjusted for:					
Net foreign exchange loss (gain)	5.2	(0.4)	(6.2)	0.7	(20.7)
Acquisition costs	4.8	4.5	18.1	13.7	6.7
Reclassification adjustment of gain on forward starting interest rate swaps	—	—	(32.9)	—	—
Impairment of our investment in Fire & Flower	—	—	2.0	23.9	33.7
Loss on convertible promissory notes recorded at fair value through earnings or loss prior to their maturity	—	26.4	—	26.4	—
Impairment and impact of deconsolidation of Russian subsidiaries	—	—	—	—	56.2
Cloud computing transition adjustment	—	—	—	—	15.1
Tax impact of the items above and rounding	(2.0)	(3.2)	5.3	(3.6)	(4.3)
Adjusted net earnings attributable to shareholders of the Corporation	461.0	698.0	2,716.0	3,152.0	2,770.0
Weighted average number of shares - diluted (in millions)	961.5	985.4	968.2	1,009.5	1,063.5
Adjusted diluted net earnings per share	0.48	0.71	2.81	3.12	2.60

Interest-bearing debt. This measure represents the sum of the following balance sheet accounts: Short-term debt and current portion of long-term debt, Long-term debt, Current portion of lease liabilities and Lease liabilities. This measure is considered useful to facilitate the understanding of our financial position in relation with financing obligations. The calculation of this measure of financial position is detailed in the “Net interest-bearing debt/total capitalization” section below.

Net interest-bearing debt/total capitalization. This measure represents the basis for monitoring our capital and is considered useful to assess our financial health, risk profile, and ability to meet our financing obligations. It also provides insights into how our financing obligations are structured in relation with our total capitalization.

The table below presents the calculation of this performance measure:

(in millions of US dollars, except ratio data)	As at April 28, 2024	As at April 30, 2023 ¹	As at April 24, 2022
Short-term debt and current portion of long-term debt	1,066.8	0.7	1.4
Current portion of lease liabilities	503.6	438.1	425.4
Long-term debt	9,226.5	5,888.3	5,963.6
Lease liabilities	3,674.8	3,146.5	3,049.5
Interest-bearing debt	14,471.7	9,473.6	9,439.9
Less: Cash and cash equivalents	(1,309.0)	(834.2)	2,143.9
Net interest-bearing debt	13,162.7	8,639.4	7,296.0
Equity attributable to shareholders of the Corporation	13,189.2	12,564.5	12,437.6
Net interest-bearing debt	13,162.7	8,639.4	7,296.0
Total capitalization	26,351.9	21,203.9	19,733.6
Net interest-bearing debt to total capitalization ratio	0.50 : 1	0.41 : 1	0.37 : 1

Leverage ratio. This measure represents a measure of financial condition considered useful to assess our financial leverage and our ability to cover our net financing obligations in relation to our adjusted EBITDA and pro forma impact of the acquisition of certain European retail assets from TotalEnergies SE for the 52-week period ended April 28, 2024.

¹ The information as at April 30, 2023, has been adjusted based on our final estimates of the fair value of assets acquired and liabilities assumed for True Blue Car Wash LLC and Big Red Stores acquisitions.

The table below reconciles net interest-bearing debt and adjusted EBITDA, for which the calculation methodologies are described in other tables of this section, as well as the pro forma impact of the acquisition of certain European retail assets from TotalEnergies SE, with the leverage ratio:

	52-week period ended	53-week period ended	52-week period ended
<i>(in millions of US dollars, except ratio data)</i>	April 28, 2024	April 30, 2023 ¹	April 24, 2022
Net interest-bearing debt	13,162.7	8,639.4	7,296.0
Adjusted EBITDA	5,614.2	5,775.4	5,266.1
Pro forma adjustments ⁽¹⁾	328.7	—	—
Adjusted EBITDA and pro forma adjustments	5,942.9	5,775.4	5,266.1
Leverage ratio	2.21 : 1	1.50 : 1	1.39 : 1

(1) Represents the pre-acquisition EBITDA estimate of the European retail assets acquired from TotalEnergies SE from May 1, 2023 to the acquisition date, as well as the estimated impact of synergies stemming from the transaction for the same period. EBITDA used in determining this adjustment is derived from unaudited financial information. Please refer to the "Forward-Looking Statements" section for additional information on expected synergies.

Return on equity. This measure is considered useful to assess the relationship between our profitability and our net assets and it also provides insights into how efficiently we are using our equity to generate returns for our shareholders. Average equity attributable to shareholders of the Corporation is calculated by taking the average of the opening and closing balance for the 52 and 53-week periods.

The table below reconciles net earnings attributable to shareholders of the Corporation, as per IFRS Accounting Standards, with the ratio of return on equity:

	52-week period ended	53-week period ended	52-week period ended
<i>(in millions of US dollars, unless otherwise noted)</i>	April 28, 2024	April 30, 2023	April 24, 2022
Net earnings attributable to shareholders of the Corporation	2,729.7	3,090.9	2,683.3
Equity attributable to shareholders of the Corporation - Opening balance	12,564.5	12,437.6	12,180.9
Equity attributable to shareholders of the Corporation - Ending balance	13,189.2	12,564.5	12,437.6
Average equity attributable to shareholders of the Corporation	12,876.9	12,501.1	12,309.3
Return on equity	21.2%	24.7%	21.8%

¹ The information as at April 30, 2023, has been adjusted based on our final estimates of the fair value of assets acquired and liabilities assumed for True Blue Car Wash LLC and Big Red Stores acquisitions.

Return on capital employed. This measure is considered useful as it provides insights into our ability to generate returns from the total amount of capital invested in our operations and it also helps in assessing our operational efficiency and capital allocation decisions. Earnings before interest and taxes (“EBIT”) represents net earnings plus income taxes and net financial expenses. Capital employed represents total assets less short-term liabilities not bearing interest, which excludes the short-term debt and current portion of long-term debt and current portion of lease liabilities. Average capital employed is calculated by taking the average of i) the opening balance of capital employed for the 52 and 53-week periods and pro forma adjustments and ii) the ending balance of capital employed for the 52 and 53-week periods.

The table below reconciles net earnings, as per IFRS Accounting Standards, to EBIT with the ratio of return on capital employed, including the pro forma impact of the acquisition of certain European retail assets from TotalEnergies SE:

	52-week period ended April 28, 2024	53-week period ended April 30, 2023 ¹	52-week period ended April 24, 2022
<i>(in millions of US dollars, unless otherwise noted)</i>			
Net earnings	2,732.2	3,090.9	2,683.3
Add:			
Income taxes	715.9	838.2	734.3
Net financial expenses	387.9	306.7	281.0
EBIT	3,836.0	4,235.8	3,698.6
Pro forma adjustments ⁽¹⁾	142.6	—	—
EBIT and pro forma adjustments	3,978.6	4,235.8	3,698.6
Capital employed - Opening balance ⁽²⁾	24,330.7	24,001.0	23,971.5
Pro forma adjustments ⁽³⁾	4,766.0	—	—
Capital employed - Opening balance and pro forma adjustments	29,096.7	24,001.0	23,971.5
Capital employed - Ending balance ⁽²⁾	30,684.3	24,330.7	24,001.0
Average capital employed	29,890.5	24,165.9	23,986.3
Return on capital employed	13.3%	17.5%	15.4%

(1) Represents the pre-acquisition EBIT estimate of the European retail assets acquired from TotalEnergies SE from May 1, 2023 to the acquisition date as well as the estimated impact of synergies and required capital expenditures for the same period. EBIT used in determining this adjustment is derived from unaudited financial information. Please refer to the “Forward-Looking Statements” section for additional information on expected synergies.

(2) The table below reconciles balance sheet line items, as per IFRS Accounting Standards, to capital employed:

	As at April 28, 2024	As at April 30, 2023 ¹	As at April 24, 2022
<i>(in millions of US dollars)</i>			
Total Assets	36,942.1	29,058.4	29,591.6
Less: Current liabilities	(7,828.2)	(5,166.5)	(6,017.4)
Add: Short-term debt and current portion of long-term debt	1,066.8	0.7	1.4
Add: Current portion of lease liabilities	503.6	438.1	425.4
Capital employed	30,684.3	24,330.7	24,001.0

(3) Represents the estimated impact of the European retail assets acquired from TotalEnergies SE on the opening balance of capital employed, using the same calculation methodology and based on the preliminary estimates of the fair value of assets acquired and liabilities assumed for this acquisition at the acquisition date.

Available liquidities. This measure represents Cash and cash equivalents plus amounts available under our term revolving unsecured operating credit facility less the outstanding principal of issued unsecured commercial paper notes. This measure is considered useful to evaluate our ability to meet our liquidity needs for the foreseeable future.

The table below reconciles Cash and cash equivalents, as per IFRS Accounting Standards, with available liquidities:

	As at April 28, 2024	As at April 30, 2023	As at April 24, 2022
<i>(in millions of US dollars)</i>			
Cash and cash equivalents	1,309.0	834.2	2,143.9
Add: Unused portion of the term revolving unsecured operating credit facility	3,500.0	3,500.0	2,525.0
Less: Letters of credit reducing the amount that may be borrowed on the term revolving unsecured operating credit facility	(2.8)	(2.9)	(6.7)
Less: Outstanding principal of issued unsecured commercial paper notes	(551.3)	—	—
Available liquidities	4,254.9	4,331.3	4,662.2

¹ The information as at April 30, 2023, has been adjusted based on our final estimates of the fair value of assets acquired and liabilities assumed for True Blue Car Wash LLC and Big Red Stores acquisitions.

Summary Analysis of Consolidated Results for the Fourth Quarter of Fiscal 2024

The following table highlights certain information regarding our operations for the 12-week period ended April 28, 2024, and 13-week period ended April 30, 2023, and the results analysis in this section should be read in conjunction with this table. The results from our operations in Europe and Asia are presented together as Europe and other regions.

(in millions of US dollars, unless otherwise stated)	12-week period ended	13-week period ended	Variation %
	April 28, 2024	April 30, 2023	
Revenues	17,592.7	16,264.4	8.2
Operating income	642.2	933.7	(31.2)
Net earnings attributable to shareholders of the Corporation	453.0	670.7	(32.5)
Selected Operating Data:			
Merchandise and service gross margin ⁽¹⁾⁽²⁾ :			
Consolidated	35.1%	35.0%	0.1
United States	34.1%	34.1%	—
Europe and other regions	39.2%	40.9%	(1.7)
Canada	34.9%	34.1%	0.8
Growth of (decrease in) same-store merchandise revenues ⁽³⁾⁽⁴⁾ :			
United States ⁽⁵⁾⁽⁶⁾	(0.5%)	3.3%	
Europe and other regions ⁽²⁾⁽⁷⁾	(2.0%)	3.0%	
Canada ⁽⁵⁾⁽⁶⁾	(3.4%)	5.9%	
Road transportation fuel gross margin ⁽²⁾ :			
United States (cents per gallon)	38.79	45.34	(14.4)
Europe and other regions (cents per liter)	8.30	10.60	(21.7)
Canada (CA cents per liter)	13.68	12.13	12.8
Growth of (decrease in) same-store road transportation fuel volumes ⁽⁴⁾⁽⁵⁾ :			
United States	(1.6%)	0.8%	
Europe and other regions ⁽⁷⁾	(1.7%)	(2.4%)	
Canada	(3.5%)	6.0%	

- (1) Includes revenues derived from franchise fees, royalties, suppliers' rebates on some purchases made by franchisees and licensees, as well as from wholesale of merchandise. Franchise fees from international licensed stores are presented in the United States.
- (2) Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on our performance measures not defined by IFRS Accounting Standards.
- (3) This measure represents the growth of (decrease in) cumulative merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues.
- (4) Presented on a comparable basis of 12 weeks.
- (5) For company-operated stores only.
- (6) Calculated based on respective functional currencies.
- (7) Growth of (decrease in) same-store merchandise revenues and growth of (decrease in) same-store road transportation fuel volumes for Europe and other regions do not include results from the acquisition of certain European retail assets from TotalEnergies SE.

Revenues

Our revenues were \$17.6 billion for the fourth quarter of fiscal 2024, up by \$1.3 billion, an increase of 8.2% compared with the corresponding quarter of fiscal 2023, mainly attributable to the contribution from acquisitions, higher revenues in our wholesale fuel business, as well as the contribution from net growth in store count. Those growth items were partly offset by the impact of one less week in the fourth quarter of fiscal 2024 compared with the fourth quarter of fiscal 2023, a lower average road transportation fuel selling price, softness in traffic as low income consumers are impacted by challenging economic conditions, as well as lower aviation fuel volumes sold as a result of a change in business model. The translation of our foreign currency operations into US dollars had a net positive impact of approximately \$12.0 million on our revenues for the fourth quarter.

Merchandise and service revenues

Total merchandise and service revenues for the fourth quarter of fiscal 2024 were \$4.1 billion, a decrease of \$71.2 million, or 1.7%, compared with the corresponding quarter of fiscal 2023. The decrease is primarily attributable to the impact of one less week in the fourth quarter of fiscal 2024 compared with the fourth quarter of fiscal 2023, and softness in traffic, partly offset by the contribution from acquisitions, which amounted to approximately \$302.0 million, and the contribution from net growth in store count. The translation of our foreign currency operations into US dollars had no impact on merchandise and service revenues for the fourth quarter. Same-store merchandise revenues decreased by 0.5% in the United States, by 2.0% in Europe and other regions¹, and by 3.4% in Canada, all impacted by constraints on discretionary spending due to challenging economic conditions for low income consumers, as well as the continuous decline in the cigarettes industry, partly offset by the growth in other nicotine products.

Road transportation fuel revenues

Total road transportation fuel revenues for the fourth quarter of fiscal 2024 were \$13.3 billion, an increase of \$1.4 billion compared with the corresponding quarter of fiscal 2023. The translation of our foreign currency operations into US dollars had a net positive impact of approximately \$13.0 million. The remaining increase of approximately \$1.4 billion, or 12.1%, is mainly attributable to the contribution from acquisitions, which amounted to approximately \$2.5 billion, higher revenues in our European wholesale activities following a change in our business model, as well as the contribution from net growth in store count, while being partly offset by the impact of one less week in the fourth quarter of fiscal 2024 compared with the fourth quarter of fiscal 2023, a lower average road transportation fuel selling price, which had a negative impact of approximately \$405.0 million, and softness in fuel demand. Same-store road transportation fuel volumes decreased by 1.6% in the United States, by 1.7% in Europe and other regions, and by 3.5% in Canada. During the quarter, fuel demand remained unfavorably impacted by challenging economic conditions.

Other revenues

Total other revenues for the fourth quarter of fiscal 2024 were \$186.9 million, a decrease of \$48.1 million, or 20.5%, compared with the corresponding quarter of fiscal 2023. The decrease is primarily driven by lower aviation fuel volumes sold as a result of a change in business model and lower average selling prices of our other fuel products, which had a minimal impact on gross profit¹, partly offset by the contribution from acquisitions, which amounted to approximately \$15.0 million. The translation of our foreign currency operations into US dollars had no impact on other revenues for the fourth quarter.

Gross profit¹

Our gross profit was \$2.8 billion for the fourth quarter of fiscal 2024, down by \$127.1 million, or 4.4%, compared with the corresponding quarter of fiscal 2023, mainly attributable to the impact of one less week in the fourth quarter of fiscal 2024 compared with the fourth quarter of fiscal 2023, and lower road transportation fuel gross margins¹, partly offset by the contribution from acquisitions. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$1.0 million.

Merchandise and service gross profit

In the fourth quarter of fiscal 2024, our merchandise and service gross profit was \$1.4 billion, a decrease of \$20.6 million compared with the corresponding quarter of fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$1.0 million. The remaining decrease of approximately \$20.0 million, or 1.4%, is primarily attributable to the impact of one less week in the fourth quarter of fiscal 2024 compared with the fourth quarter of fiscal 2023, and softness in traffic, while being partly offset by the contribution from acquisitions, which amounted to approximately \$106.0 million. Our merchandise and service gross margin¹ remained stable in the United States at 34.1%, and increased by 0.8% in Canada to 34.9%, mainly due to a change in product mix. Our merchandise and service gross margin¹ decreased by 1.7% in Europe and other regions to 39.2%, mainly due to the integration of certain retail assets from

¹ Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

TotalEnergies SE, which have a different product mix than our operations in Europe and other regions. Excluding this impact, our gross margin¹ in Europe and other regions would have been stable.

Road transportation fuel gross profit

In the fourth quarter of fiscal 2024, our road transportation fuel gross profit was \$1.3 billion, a decrease of \$117.8 million, or 8.4%, compared with the corresponding quarter of fiscal 2023. The decrease was mainly driven by the decline in road transportation fuel gross margin¹ in the United States, and the impact of one less week in the fourth quarter of fiscal 2024 compared with the fourth quarter of fiscal 2023, partly offset by the impact from acquisitions, which amounted to approximately \$138.0 million. The translation of our foreign currency operations into US dollars had no impact on gross profit. In the United States, our road transportation fuel gross margin¹ was 38.79¢ per gallon, a decrease of 6.55¢ per gallon, in Europe and other regions, it was US 8.30¢ per liter, a decrease of US 2.30¢ per liter, while in Canada, it was CA 13.68¢ per liter, an increase of CA 1.55¢ per liter. In the United States, road transportation fuel gross margins¹ experienced a decline in the first half of the quarter, primarily due to reduced volatility in road transportation fuel prices, but returned to a more usual level towards the end of the quarter. In Europe and other regions, our road transportation fuel gross margin¹ was impacted by changes in our wholesale activities, which had a negative impact of approximately US 0.60¢ per liter on road transportation fuel margin¹, as well as by low retail prices in some regions.

Other revenues gross profit

In the fourth quarter of fiscal 2024, other revenues gross profit was \$51.6 million, an increase of \$11.3 million, or 28.0%, compared with the corresponding period of fiscal 2023, mainly attributable to the contribution from acquisitions, which amounted to approximately \$15.0 million. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$1.0 million.

Operating, selling, general and administrative expenses (“expenses”)

For the fourth quarter of fiscal 2024, expenses increased by 1.7%, compared with the corresponding quarter of fiscal 2023. Normalized decrease in expenses¹ was 7.1%, as shown in the table below:

	12-week period ended April 28, 2024	13-week period ended April 30, 2023
Growth of expenses, as reported	1.7%	8.8%
Adjusted for:		
Increase from incremental expenses related to acquisitions	(9.9%)	(1.3%)
Decrease (increase) from changes in electronic payment fees, excluding acquisitions	1.1%	(0.4%)
Increase from changes in acquisition costs recognized to earnings	—	(0.2%)
Decrease from the net impact of foreign exchange translation	—	2.0%
Cloud computing transition adjustment	—	1.0%
Normalized (decrease in) growth of expenses¹	(7.1%)	9.9%

Normalized decrease in expenses¹ for the fourth quarter was mainly driven by the impact of one less week in the fourth quarter of fiscal 2024 compared with the fourth quarter of fiscal 2023, as well as by the continued strategic efforts to control our expenses, including labor efficiency in our stores. Our control of expenses remains evidenced by our normalized decrease in expenses¹ as disciplined cost control more than compensated the inflationary pressures, the impact of costs from rising minimum wages, as well as incremental investments to support our strategic initiatives.

Earnings before interest, taxes, depreciation, amortization and impairment (“EBITDA¹”) and adjusted EBITDA¹

During the fourth quarter of fiscal 2024, EBITDA stood at \$1.1 billion, a decrease of \$180.6 million, or 13.7%, compared with the corresponding quarter of fiscal 2023. Adjusted EBITDA for the fourth quarter of fiscal 2024 decreased by \$180.3 million, or 13.6%, compared with the corresponding quarter of fiscal 2023, mainly due to lower road transportation fuel gross profit¹, the impact of one less week during the fourth quarter of fiscal 2024 compared with the fourth quarter of fiscal 2023, as well as softness in traffic as low income consumers remain impacted by challenging economic conditions, while being partly offset by the contribution from acquisitions, which amounted to approximately \$98.0 million, and strong control in operating expenses. The translation of our foreign currency operations into US dollars had a negative impact of approximately \$1.0 million.

¹ Please refer to the “Non-IFRS Accounting Standards Measures” section for additional information on performance measures not defined by IFRS Accounting Standards.

Depreciation, amortization and impairment (“depreciation”)

For the fourth quarter of fiscal 2024, our depreciation expense increased by \$102.9 million compared with the fourth quarter of fiscal 2023. The translation our foreign currency operations into US dollars had a net favorable impact of approximately \$1.0 million. The remaining increase of \$104.0 million, or 26.7%, is mainly driven by the impact from investments made through business acquisitions, the replacement of equipment, the go-live of several technology projects, as well as the ongoing improvement of our network, partly offset by the impact of one less week during the fourth quarter of fiscal 2024 compared with the fourth quarter of fiscal 2023.

Net financial expenses

Net financial expenses for the fourth quarter of fiscal 2024 were \$139.9 million, an increase of \$40.9 million, compared with the corresponding period of fiscal 2023. A portion of the variation is explained by certain items that are not considered indicative of future trends, as shown in the table below:

(in millions of US dollars)	12-week period ended	13-week period ended	
	April 28, 2024	April 30, 2023	Variation
Net financial expenses, as reported	139.9	99.0	40.9
Explained by:			
Net foreign exchange (loss) gain	(5.2)	0.4	(5.6)
Change in fair value of financial instruments and amortization of deferred differences	1.1	(0.1)	1.2
Loss on convertible promissory notes recorded at fair value through earnings or loss prior to their maturity	—	(26.4)	26.4
Remaining variation	135.8	72.9	62.9

The remaining variation of the fourth quarter of fiscal 2024 is mainly driven by higher average short-term and long-term debt in connection with our recent acquisitions, as well as higher interest rates, partly offset by higher interest revenue.

Income taxes

The income tax rate for the the fourth quarter of fiscal 2024 was 10.2% compared with 19.2% for the fourth quarter of fiscal 2023. The income tax rate includes a net tax benefit derived from an internal reorganization, which had a favorable impact of 6.5% on the income tax rate. The remaining decrease of 2.5% is mainly stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate.

Net earnings attributable to shareholders of the Corporation and adjusted net earnings attributable to shareholders of the Corporation¹

Net earnings attributable to shareholders of the Corporation for the fourth quarter of fiscal 2024 were \$453.0 million, compared with \$670.7 million for the fourth quarter of fiscal 2023, a decrease of \$217.7 million, or 32.5%. Diluted net earnings per share stood at \$0.47, compared with \$0.68 for the corresponding quarter of the previous fiscal year. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$1.0 million on net earnings attributable to shareholders of the Corporation for the fourth quarter of fiscal 2024.

Adjusted net earnings attributable to shareholders of the Corporation for the fourth quarter of fiscal 2024 were approximately \$461.0 million, compared with \$698.0 million for the fourth quarter of fiscal 2023, a decrease of \$237.0 million, or 34.0%. Adjusted diluted net earnings per share¹ were \$0.48 for the fourth quarter of fiscal 2024, compared with \$0.71 for the corresponding quarter of fiscal 2023, a decrease of 32.4%.

¹ Please refer to the “Non-IFRS Accounting Standards Measures” section for additional information on performance measures not defined by IFRS Accounting Standards.

Summary Analysis of Consolidated Results for Fiscal 2024

The following table highlights certain information regarding our operations for the 52-week period ended April 28, 2024, the 53-week period ended April 30, 2023, and the 52-week period ended April 24, 2022, and the results analysis in this section should be read in conjunction with this table. The results from our operations in Europe and Asia are presented together as Europe and other regions.

	52-week period ended April 28, 2024	53-week period ended April 30, 2023	52-week period ended April 24, 2022
<i>(in millions of US dollars, unless otherwise stated)</i>			
Statement of Operations Data:			
Merchandise and service revenues ⁽¹⁾ :			
United States	12,334.5	12,356.0	11,593.2
Europe and other regions	2,750.3	2,386.7	2,429.1
Canada	2,451.1	2,540.7	2,581.5
Total merchandise and service revenues	17,535.9	17,283.4	16,603.8
Road transportation fuel revenues:			
United States	31,531.1	35,232.1	30,115.0
Europe and other regions	13,581.1	11,837.7	9,892.0
Canada	5,911.0	6,342.6	5,344.4
Total road transportation fuel revenues	51,023.2	53,412.4	45,351.4
Other revenues ⁽²⁾ :			
United States	45.6	43.8	46.2
Europe and other regions	622.9	1,067.7	785.6
Canada	35.9	49.4	22.9
Total other revenues	704.4	1,160.9	854.7
Total revenues	69,263.5	71,856.7	62,809.9
Merchandise and service gross profit ⁽¹⁾⁽³⁾ :			
United States	4,192.6	4,172.4	3,904.5
Europe and other regions	1,079.3	925.2	927.4
Canada	833.5	841.8	830.2
Total merchandise and service gross profit	6,105.4	5,939.4	5,662.1
Road transportation fuel gross profit ⁽³⁾ :			
United States	4,152.5	4,375.6	3,626.4
Europe and other regions	1,103.7	1,034.4	1,057.7
Canada	560.7	546.6	493.0
Total road transportation fuel gross profit	5,816.9	5,956.6	5,177.1
Other revenues gross profit ⁽²⁾⁽³⁾ :			
United States	39.0	43.8	46.2
Europe and other regions	106.5	82.9	96.5
Canada	30.1	29.4	22.9
Total other revenues gross profit	175.6	156.1	165.6
Total gross profit⁽³⁾	12,097.9	12,052.1	11,004.8
Operating, selling, general and administrative expenses	6,525.2	6,361.8	5,884.5
Loss (gain) on disposal of property and equipment and other assets	2.4	(67.6)	(103.9)
Depreciation, amortization and impairment	1,760.1	1,525.9	1,545.7
Operating income	3,810.2	4,232.0	3,678.5
Net financial expenses	387.9	306.7	281.0
Net earnings	2,732.2	3,090.9	2,683.3
Net earnings attributable to non-controlling interests	(2.5)	—	—
Net earnings attributable to shareholders of the Corporation	2,729.7	3,090.9	2,683.3
Per Share Data:			
Basic net earnings per share (dollars per share)	2.82	3.07	2.53
Diluted net earnings per share (dollars per share)	2.82	3.06	2.52
Adjusted diluted net earnings per share (dollars per share) ⁽³⁾	2.81	3.12	2.60
Cash dividend per share declared for fiscal year (CA cents per share)	66.50	53.00	41.75

	52-week period ended	53-week period ended	52-week period ended
	April 28, 2024	April 30, 2023	April 24, 2022
<i>(in millions of US dollars, unless otherwise stated)</i>			
Other Operating Data:			
Merchandise and service gross margin ⁽¹⁾⁽³⁾ :			
Consolidated	34.8%	34.4%	34.1%
United States	34.0%	33.8%	33.7%
Europe and other regions	39.2%	38.8%	38.2%
Canada	34.0%	33.1%	32.2%
Growth of (decrease in) same-store merchandise revenues ⁽⁴⁾⁽⁸⁾ :			
United States ⁽⁵⁾⁽⁶⁾	(0.1%)	4.3%	1.9%
Europe and other regions ⁽³⁾⁽⁷⁾	0.1%	3.1%	5.9%
Canada ⁽⁵⁾⁽⁶⁾	0.9%	1.2%	(3.4%)
Road transportation fuel gross margin ⁽³⁾ :			
United States (cents per gallon)	45.28	47.51	39.62
Europe and other regions (cents per liter)	8.73	9.98	9.86
Canada (CA cents per liter)	13.35	12.75	11.74
Total volume of road transportation fuel sold:			
United States (millions of gallons)	9,171.7	9,209.7	9,152.9
Europe and other regions (millions of liters)	12,640.5	10,365.7	10,722.7
Canada (millions of liters)	5,665.9	5,690.1	5,264.8
Growth of (decrease in) same-store road transportation fuel volumes ⁽⁵⁾⁽⁸⁾ :			
United States	(0.8%)	(1.9%)	4.0%
Europe and other regions ⁽⁷⁾	(1.5%)	(3.2%)	3.8%
Canada	1.6%	(0.1%)	6.1%

(in millions of US dollars, unless otherwise stated)

	As at April 28, 2024	As at April 30, 2023 ⁽⁹⁾	As at April 24, 2022
Balance Sheet Data:			
Total assets	36,942.1	29,058.4	29,591.6
Interest-bearing debt ⁽³⁾	14,471.7	9,473.6	9,439.9
Equity attributable to shareholders of the Corporation	13,189.2	12,564.5	12,437.6
Indebtedness Ratios⁽³⁾:			
Net interest-bearing debt/total capitalization	0.50 : 1	0.41 : 1	0.37 : 1
Leverage ratio	2.21 : 1	1.50 : 1	1.39 : 1
Returns⁽³⁾⁽⁹⁾:			
Return on equity	21.2%	24.7%	21.8%
Return on capital employed	13.3%	17.5%	15.4%

(1) Includes revenues derived from franchise fees, royalties, suppliers' rebates on some purchases made by franchisees and licensees, as well as from wholesale of merchandise. Franchise fees from international licensed stores are presented in the United States.

(2) Includes revenues from the rental of assets and from the sale of energy for stationary engines and aviation fuel.

(3) Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on our performance measures not defined by IFRS Accounting Standards, as well as our capital management measure.

(4) This measure represents the growth of (decrease in) cumulative merchandise revenues between the current period and comparative period for those stores that were open for at least 23 days out of every 28-day period included in the reported periods. Merchandise revenues are defined as Merchandise and service revenues excluding service revenues.

(5) For company-operated stores only.

(6) Calculated based on respective functional currencies.

(7) Growth of (decrease in) same-store merchandise revenues and growth of (decrease in) same-store road transportation fuel volumes for Europe and other regions do not include results from the acquisition of certain European retail assets from TotalEnergies SE.

(8) Presented on a comparable basis of 12 and 52 weeks.

(9) The information as at April 30, 2023, has been adjusted based on our final estimates of the fair value of assets acquired and liabilities assumed for True Blue Car Wash LLC and Big Red Stores acquisitions.

Revenues

For fiscal 2024, our revenues decreased by \$2.6 billion, or 3.6%, compared with fiscal 2023, mainly attributable to a lower average road transportation fuel selling price, the impact of one less week in fiscal 2024 compared with fiscal 2023, lower aviation fuel volumes sold as a result of a change in business model, as well as softness in traffic as low income consumers are impacted by challenging economic conditions, while being partly offset by the contribution from acquisitions, and higher revenues in our wholesale business. The translation of our foreign currency operations into US dollars had a net positive impact of approximately \$141.0 million on our revenues for fiscal 2024.

Merchandise and service revenues

For fiscal 2024, the growth in merchandise and service revenues was \$252.5 million, or 1.5%, compared with fiscal 2023, mainly attributable to the contribution from acquisitions, which amounted to approximately \$567.0 million, partly offset by the impact of one less week in fiscal 2024 compared with fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$3.0 million. Same-store merchandise revenues decreased by 0.1% in the United States, while they increased by 0.1% in Europe and other regions¹, impacted by constraints on discretionary spending due to challenging economic conditions for low income consumers, as well as the continuous decline in the cigarettes industry, partly offset by the growth in other nicotine products. Same-store merchandise revenues increased by 0.9% in Canada, driven by our diversified offer in the beverage category, as well as the continued growth of our *Fresh Food, Fast* program and private brands in the first-half of the year. The rest of the year was affected by similar reasons to those of our other regions.

Road transportation fuel revenues

For fiscal 2024, the road transportation fuel revenues decreased by \$2.4 billion compared with fiscal 2023. The translation of our foreign currency operations into US dollars had a net positive impact of approximately \$112.0 million. The remaining decrease of approximately \$2.5 billion, or 4.7%, is mainly attributable to a lower road transportation fuel selling price, which had a negative impact of approximately \$5.6 billion, the impact of one less week in fiscal 2024 compared with fiscal 2023, and softness in fuel demand, partly offset by the contribution from acquisitions, which amounted to approximately \$3.9 billion, as well as higher revenues in our European wholesale business activities following a change in our business model. Same-store road transportation fuel volumes decreased by 0.8% in the United States, and by 1.5% in Europe and other regions. During fiscal 2024, fuel demand in those regions remained unfavorably impacted by challenging economic conditions. Same store road transportation fuel volumes increased by 1.6% in Canada, favorably impacted by promotional activities.

The following table shows the average selling price of road transportation fuel of our company-operated stores in our various markets for the last eight quarters. The average selling price of road transportation fuel consists of the road transportation fuel revenues divided by the volume of road transportation fuel sold:

Quarter	1 st	2 nd	3 rd	4 th	Weighted average
52-week period ended April 28, 2024					
United States (US dollars per gallon)	3.52	3.76	3.18	3.40	3.44
Europe and other regions (US cents per liter)	98.02	108.87	112.53	125.90	113.64
Canada (CA cents per liter)	142.77	152.03	136.26	143.91	143.28
53-week period ended April 30, 2023					
United States (US dollars per gallon)	4.61	3.84	3.50	3.52	3.84
Europe and other regions (US cents per liter)	129.11	117.39	113.55	109.77	118.51
Canada (CA cents per liter)	179.15	149.55	143.32	137.66	151.49

Other revenues

For fiscal 2024, total other revenues were \$704.4 million, a decrease of \$456.5 million compared with fiscal 2023. The translation of our foreign currency operations into US dollars had a net positive impact of approximately \$32.0 million. The remaining decrease of approximately \$488.0 million, or 42.0%, is primarily driven by lower aviation fuel volumes sold as a result of a change in business model and lower average selling prices of our other fuel products, which had a minimal impact on gross profit¹, partly offset by the contribution from acquisitions, which amounted to approximately \$23.0 million.

¹ Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

Gross profit¹

For fiscal 2024, our gross profit increased by \$45.8 million, or 0.4%, compared with fiscal 2023, mainly attributable to the contribution from acquisitions, and organic growth in our convenience activities, while being partly offset by lower road transportation fuel gross margins¹, and the impact of one less week in fiscal 2024 compared with fiscal 2023. The translation of our foreign currency operations into US dollars had a net positive impact of approximately \$2.0 million.

Merchandise and service gross profit

During fiscal 2024, our merchandise and service gross profit was \$6.1 billion, an increase of \$166.0 million compared with fiscal 2023. The translation of our foreign currency operations into US dollars had a net negative impact of \$2.0 million. The remaining increase of approximately \$168.0 million, or 2.8%, is mainly attributable to the contribution from acquisitions, which amounted to approximately \$235.0 million, and organic growth in our convenience activities, partly offset by the impact of one less week in fiscal 2024 compared with fiscal 2023. Our merchandise and service gross margin¹ increased by 0.2% to 34.0% in the United States, by 0.4% in Europe and other regions to 39.2%, and by 0.9% in Canada to 34.0%, all impacted favorably by a change in product mix.

Road transportation fuel gross profit

During fiscal 2024, our road transportation fuel gross profit was \$5.8 billion, a decrease of \$139.7 million compared with fiscal 2023. The translation of our foreign currency operations into US dollars had a net positive impact of approximately \$4.0 million. The remaining decrease of \$144.0 million, or 2.4%, is mainly driven by the decline in road transportation fuel gross margin¹ in the United States, and the impact of one less week in fiscal 2024 compared with fiscal 2023, partly offset by the impact from acquisitions, which amounted to approximately \$244.0 million. In the United States, our road transportation fuel gross margin¹ was 45.28¢ per gallon, a decrease of 2.23¢ per gallon, and in Europe and other regions, it was US 8.73¢ per liter, a decrease of US 1.25¢ per liter, mostly driven by the volatility of the global fuel market. Notwithstanding the decline from previous levels, fuel gross margins¹ remained healthy throughout our network for most of the year. In Canada, our road transportation fuel gross margin¹ was CA 13.35¢ per liter, an increase of CA 0.60¢ per liter.

The road transportation fuel gross margin¹ of our company-operated stores in the United States and the impact of expenses related to electronic payment modes for the last eight quarters, were as follows:

(US cents per gallon)

Quarter	1st	2nd	3rd	4th	Weighted average
52-week period ended April 28, 2024					
Before deduction of expenses related to electronic payment modes	51.26	51.15	44.38	39.28	46.38
Expenses related to electronic payment modes ⁽¹⁾	6.13	6.04	5.77	6.03	5.98
After deduction of expenses related to electronic payment modes	45.13	45.11	38.61	33.25	40.40
53-week period ended April 30, 2023					
Before deduction of expenses related to electronic payment modes	50.95	51.11	48.39	46.43	49.13
Expenses related to electronic payment modes ⁽¹⁾	7.21	6.53	6.20	6.17	6.50
After deduction of expenses related to electronic payment modes	43.74	44.58	42.19	40.26	42.63

- (1) Expenses related to electronic payment modes are determined by allocating the portion of total electronic payment modes, which are included in Operating, selling, general and administrative expenses, deemed related to our United States company-operated stores road transportation fuel transactions.

The road transportation fuel gross margin¹ of our network in Europe and other regions and in Canada for the last eight quarters, were as follows:

Quarter	1st	2nd	3rd	4th	Weighted average
52-week period ended April 28, 2024					
Europe and other regions (US cents per liter)	8.21	10.20	8.56	8.30	8.73
Canada (CA cents per liter)	13.25	13.63	12.99	13.68	13.35
53-week period ended April 30, 2023					
Europe and other regions (US cents per liter)	12.26	9.76	8.01	10.60	9.98
Canada (CA cents per liter)	14.04	12.55	12.52	12.13	12.75

Generally, road transportation fuel margins can be volatile from one quarter to another but tend to be more stable over longer periods. In Europe and other regions, fuel margin volatility is impacted by a longer supply chain due to a more integrated model. In Europe and other regions and in Canada, expenses related to electronic payment modes are not as volatile as in the United States.

¹ Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

Other revenues gross profit

During fiscal 2024, other revenues gross profit was \$175.6 million, an increase of \$19.5 million, or 12.5%, compared with fiscal 2023, mainly attributable to the contribution from acquisitions, which amounted to approximately \$19.0 million. The translation of our foreign currency operations into US dollars had a net positive impact of approximately \$1.0 million.

Operating, selling, general and administrative expenses (“expenses”)

For fiscal 2024, expenses increased by 2.6% compared with fiscal 2023. Normalized decrease in expenses¹ was 1.1%, as shown in the table below:

	52-week period ended April 28, 2024	53-week period ended April 30, 2023
Growth of expenses, as reported	2.6%	8.1%
Adjusted for:		
Increase from incremental expenses related to acquisitions	(4.7%)	(1.0%)
Decrease (increase) from changes in electronic payment fees, excluding acquisitions	1.1%	(1.7%)
Increase from changes in acquisition costs recognized to earnings	(0.1%)	(0.1%)
Decrease from the net impact of foreign exchange translation	—	2.7%
Cloud computing transition adjustment	—	0.3%
Normalized (decrease in) growth of expenses¹	(1.1%)	8.3%

Normalized decrease in expenses¹ for fiscal 2024 is mainly driven by our disciplined cost control, as well as the impact of one less week in fiscal 2024 compared with fiscal 2023, partly offset by incremental investments to support our strategic initiatives. Our control of expenses remains evidenced by our normalized decrease in expenses¹ as disciplined cost control more than compensated the inflationary pressures and the impact of costs from rising minimum wages, as well as the continued strategic efforts to control our expenses, including labor efficiency in our stores.

Earnings before interest, taxes, depreciation, amortization and impairment (“EBITDA¹”) and adjusted EBITDA¹

During fiscal 2024, EBITDA stood at \$5.6 billion, a decrease of \$165.6 million, or 2.9%, compared with fiscal 2023. Adjusted EBITDA for fiscal 2024 decreased by \$161.2 million, or 2.8%, compared with fiscal 2023, mainly due to lower road transportation fuel gross profit¹ and the impact of one less week in fiscal 2024 compared with fiscal 2023, while being partly offset by the contribution from acquisitions, which amounted to approximately \$200.0 million. The translation of our foreign currency operations into US dollars had a net positive impact of approximately \$1.0 million.

Depreciation, amortization and impairment (“depreciation”)

For fiscal 2024, our depreciation expense increased by \$234.2 million compared with fiscal 2023. The translation of our foreign currency operations into US dollars had a net favorable impact of approximately \$2.0 million. The remaining increase of approximately \$236.0 million, or 15.5%, is mainly driven by the impact from investments made through business acquisitions, the replacement of equipment, the go-live of several technology projects, as well as the ongoing improvement of our network, partly offset by the impact of one less week in fiscal 2024 compared with fiscal 2023, and by the impact of the impairment on our investment in Fire & Flower Holdings Corp. of \$23.9 million in the comparable year.

¹ Please refer to the “Non-IFRS Accounting Standards Measures” section for additional information on performance measures not defined by IFRS Accounting Standards.

Net financial expenses

Net financial expenses for fiscal 2024 were \$387.9 million, an increase of \$81.2 million compared with fiscal 2023. A portion of the variation is explained by certain items that are not considered indicative of future trends, as shown in the table below:

	52-week period ended	53-week period ended	
(in millions of US dollars)	April 28, 2024	April 30, 2023	Variation
Net financial expenses, as reported	387.9	306.7	81.2
Explained by:			
Reclassification adjustment of gain on forward starting interest rate swaps	32.9	—	32.9
Change in fair value of financial instruments and amortization of deferred differences	(10.7)	0.8	(11.5)
Net foreign exchange gain (loss)	6.2	(0.7)	6.9
Loss on convertible promissory notes recorded at fair value through earnings or loss prior to their maturity	—	(26.4)	26.4
Remaining variation	416.3	280.4	135.9

The remaining variation of fiscal 2024 is mainly driven by higher average short-term and long-term debt in connection with our recent acquisitions, as well as higher interest rates, partly offset by higher interest revenue.

Income taxes

The income tax rate for fiscal 2024 was 20.8% compared with 21.3% for fiscal 2023. The income tax rate include a tax benefit derived from an internal reorganization, which had a favorable impact of 1.0%. The remaining increase of 0.5% is mainly stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate.

Net earnings attributable to shareholders of the Corporation and adjusted net earnings attributable to shareholders of the Corporation¹

For fiscal 2024, net earnings attributable to shareholders of the Corporation stood at \$2.7 billion, a decrease of \$361.2 million, or 11.7%, compared with fiscal 2023. Diluted net earnings per share stood at \$2.82, compared with \$3.06 for the previous fiscal year. The translation of our foreign currency operations into US dollars had a net positive impact of approximately \$4.0 million on net earnings attributable to shareholders of the Corporation for fiscal 2024.

Adjusted net earnings attributable to shareholders of the Corporation for fiscal 2024 stood at \$2.7 billion, a decrease of \$436.0 million, or 13.8%, compared with fiscal 2023. Adjusted diluted net earnings per share¹ were \$2.81 for fiscal 2024, compared with \$3.12 for fiscal 2023, a decrease of 9.9%.

Financial Position as at April 28, 2024

As shown by our indebtedness ratios included in the “Summary Analysis of Consolidated Results Fiscal 2024” section and our net cash provided by operating activities, our financial position remains healthy.

Our total consolidated assets amounted to \$36.9 billion as at April 28, 2024, an increase of \$7.9 billion over the balance as at April 30, 2023, primarily due to our business acquisitions, including the acquisition of certain European retail assets from TotalEnergies SE and sites operating under the MAPCO brand.

For the 52-week period ended April 28, 2024, and the 53-week period ended April 30, 2023, we recorded a return on capital employed¹ of 13.3% and 17.5%, respectively. The decrease is mostly driven by the business acquisitions closed during this period.

Significant balance sheet variations are explained as follows:

Accounts receivable

Accounts receivable increased by \$630.9 million, from \$2.3 billion as at April 30, 2023, to \$2.9 billion as at April 28, 2024. The increase stems mainly from our business acquisitions, partly offset by the weakening of the European currencies against the US dollar, which had an impact of approximately \$31.0 million.

¹ Please refer to the “Non-IFRS Accounting Standards Measures” section for additional information on performance measures not defined by IFRS Accounting Standards.

Other short-term financial assets

Other short-term financial assets amounted to \$559.2 million as at April 28, 2024, an increase of \$464.2 million over the balance as at April 30, 2023, mainly due to a new investment in term deposits.

Property and equipment

Property and equipment increased by \$2.1 billion, from \$11.8 billion as at April 30, 2023, to \$13.9 billion as at April 28, 2024, mainly attributable to the investments we made in our network and through our business acquisitions, partly offset by depreciation and amortization expense and disposals, as well as the weakening of the European currencies against the US dollar, which had an impact of approximately \$101.0 million.

Right-of-use assets

Right-of-use assets increased by \$570.3 million, from \$3.4 billion as at April 30, 2023, to \$4.0 billion as at April 28, 2024, mainly as a result of our business acquisitions, the addition of new leases and changes in estimates, partly offset by depreciation and amortization expense, as well as the weakening of the European currencies against the US dollar, which had an impact of approximately \$38.0 million.

Intangible assets

Intangible assets increased by \$413.3 million, from \$772.5 million as at April 30, 2023, to \$1.2 billion as at April 28, 2024, mainly attributable to business acquisitions, partly offset by depreciation and amortization expense as well as the weakening of the European currencies against the US dollar, which had an impact of approximately \$17.0 million.

Goodwill

Goodwill increased by \$2.9 billion, from \$6.6 billion as at April 30, 2023, to \$9.6 billion as at April 28, 2024, mainly as a result of the preliminary purchase price allocation for the acquisition of certain European retail assets from TotalEnergies SE and sites operating under the MAPCO brand, partly offset by the weakening of the European currencies against the US dollar, which had an impact of approximately \$96.0 million.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities increased by \$1.5 billion, from \$4.5 billion as at April 30, 2023, to \$6.0 billion as at April 28, 2024. The increase is mainly attributable to business acquisitions, higher road transportation fuel costs and greater fuel purchases, partly offset by the weakening of the European currencies against the US dollar, which had an impact of approximately \$32.0 million.

Long-term debt and Short-term debt and current portion of long-term debt

Short-term debt and current portion of long-term debt amounted to \$1.1 billion as at April 28, 2024, an increase of \$1.1 billion over the balance as at April 30, 2023, due to the issuance of unsecured commercial paper notes and the reclassification of Canadian-dollar-denominated senior unsecured notes maturing in July 2024 from Long-term debt to Short-term debt and current portion of long term debt, partly offset by the net impact of approximately \$19.0 million from the weakening of the Canadian dollar against the US dollar.

Long-term debt amounted to \$9.2 billion as at April 28, 2024, an increase of \$3.3 billion over the balance as at April 30, 2023, due to the issuance of senior unsecured notes, partly offset by the reclassification of Canadian-dollar-denominated senior unsecured notes maturing in July 2024 from Long-term debt to Short-term debt and current portion of long term debt, as well as the net impact of approximately \$12.0 million from the weakening of the Canadian dollar, the Euro and the Norwegian krone against the US dollar.

Lease liability

Lease liability increased by \$528.3 million, from \$3.1 billion as at April 30, 2023, to \$3.7 billion as at April 28, 2024, mainly as a result of our business acquisitions, the addition of new leases and changes in estimates, partly offset by payments of principal elements, as well as the weakening of the European currencies against the US dollar, which had an impact of approximately \$37.0 million.

Equity attributable to shareholders of the Corporation

Equity amounted to \$13.2 billion as at April 28, 2024, an increase of \$624.7 million over the balance as at April 30, 2023, reflecting the impact of net earnings attributable to shareholders of the Corporation for fiscal 2024, partly offset by the share repurchase program, the dividends declared, as well as the initial recognition of the redemption liability. For the 52-week period ended April 28, 2024, and the 53-week period ended April 30, 2023, we recorded a return on equity¹ of 21.2% and 24.7%, respectively.

Liquidity and Capital Resources

Our principal sources of liquidity are our net cash provided by operating activities and borrowings available under our revolving unsecured credit facility or United States commercial paper program. Our principal uses of cash are to repay our debt, finance our acquisitions and capital expenditures, repurchase shares and pay dividends, as well as to provide for working capital. We expect that cash generated from operations and borrowings available under our term revolving unsecured operating credit facility or United States commercial paper program will be adequate to meet our liquidity needs in the foreseeable future.

Our credit facility and United States commercial paper program are detailed as follows:

Term revolving unsecured operating credit facility ("operating credit facility")

Credit agreement consisting of a revolving unsecured facility of a maximum amount of \$3.5 billion, including a first tranche of \$1.0 billion and a second tranche of \$2.5 billion, maturing in April 2026 and April 2028, respectively. As at April 28, 2024, the term revolving unsecured operating credit facility was not used, standby letters of credit in the amount of \$2.8 million were outstanding and we were in compliance with the restrictive covenants and ratios imposed by the credit agreement. Subsequent to the end of fiscal 2024, the maturity of the first and second tranches of the credit facility was extended to May 2027 and May 2029, respectively.

United States commercial paper program

Commercial paper program in the United States allowing us to issue unsecured commercial paper notes. The aggregate principal amount of unsecured commercial paper notes outstanding at any given time cannot exceed \$2.5 billion and our operating credit facility serves as a liquidity backstop for their repayment. As at April 28, 2024, a principal of issued unsecured commercial paper notes of \$551.3 million was outstanding. The weighted average effective interest rate of the outstanding unsecured commercial paper notes was 5.59%.

Available liquidities¹

As at April 28, 2024, when considering the outstanding principal of issued unsecured commercial paper notes, a total of approximately \$2.9 billion was available under our operating credit facility. Thus, at the same date, we had access to \$4.3 billion through our available cash and our operating credit facility.

¹ Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

Selected Consolidated Cash Flow Information

(in millions of US dollars)

Operating activities

Net cash provided by operating activities

Investing activities

Business acquisitions

Purchase of property and equipment, intangible assets and other assets

Investment in term deposits

Proceeds from disposal of investments in equity instruments and from repayments of loans granted to Fire & Flower

Purchase of equity instruments, other financial assets and investments and loans related to Fire & Flower

Proceeds from disposal of property and equipment and other assets

Settlement of currency forward contracts

Change in restricted cash

Investment in a joint venture

Net cash used in investing activities

Financing activities

Issuance of senior unsecured notes, net of financing costs

Increase in acquisition facility

Repayment of acquisition facility

Share repurchases

Net issuance of unsecured commercial paper notes

Principal elements of lease payments

Cash dividends paid

Exercise of stock options

Net proceeds (payments) on other debts

Repayment of debts on business acquisitions

Net cash provided by (used in) financing activities

Credit ratings

S&P Global Ratings – Corporate and Senior unsecured notes credit ratings

Moody's – Corporate and Senior unsecured notes credit ratings

	52-week period ended	53-week period ended	
	April 28, 2024	April 30, 2023	Variation
Net cash provided by operating activities	4,817.2	4,344.6	472.6
Business acquisitions	(4,297.2)	(847.9)	(3,449.3)
Purchase of property and equipment, intangible assets and other assets	(1,943.1)	(1,803.8)	(139.3)
Investment in term deposits	(520.9)	—	(520.9)
Proceeds from disposal of investments in equity instruments and from repayments of loans granted to Fire & Flower	167.6	194.2	(26.6)
Purchase of equity instruments, other financial assets and investments and loans related to Fire & Flower	(118.2)	(55.6)	(62.6)
Proceeds from disposal of property and equipment and other assets	87.1	262.1	(175.0)
Settlement of currency forward contracts	16.6	—	16.6
Change in restricted cash	4.2	5.5	(1.3)
Investment in a joint venture	—	(30.1)	30.1
Net cash used in investing activities	(6,603.9)	(2,275.6)	(4,328.3)
Issuance of senior unsecured notes, net of financing costs	3,894.5	—	3,894.5
Increase in acquisition facility	3,391.9	—	3,391.9
Repayment of acquisition facility	(3,385.3)	—	(3,385.3)
Share repurchases	(1,349.4)	(2,392.5)	1,043.1
Net issuance of unsecured commercial paper notes	549.6	—	549.6
Principal elements of lease payments	(478.9)	(438.9)	(40.0)
Cash dividends paid	(453.0)	(377.7)	(75.3)
Exercise of stock options	35.8	5.3	30.5
Net proceeds (payments) on other debts	0.2	(1.4)	1.6
Repayment of debts on business acquisitions	—	(144.5)	144.5
Net cash provided by (used in) financing activities	2,205.4	(3,349.7)	5,555.1
S&P Global Ratings – Corporate and Senior unsecured notes credit ratings	BBB+	BBB	
Moody's – Corporate and Senior unsecured notes credit ratings	Baa1	Baa2	

Operating activities

During fiscal 2024, net cash from our operations reached \$4.8 billion, up \$472.6 million compared with fiscal 2023, mainly due to changes in non-cash working capital, partly offset by lower cash earnings.

Investing activities

During fiscal 2024, investing activities were mainly related to the acquisition of 2,175 sites from TotalEnergies SE for a total cash consideration of approximately €3.4 billion (\$3.8 billion), including preliminary adjustments, and subject to post closing adjustments, and the acquisition of 112 sites operating under the MAPCO brand for a consideration of \$468.7 million. Purchase of property and equipment, intangible assets and other assets, net of Proceeds from disposal of property and equipment and other assets amounted to \$1.9 billion. These investments were primarily for the replacement of equipment in some of our stores in order to enhance our offering of products and services, for the addition of new stores, for the ongoing improvement of our network, as well as for strategic initiatives. In addition, during fiscal 2024, we invested in term deposits for an amount of \$520.9 million.

Financing activities

During fiscal 2024, we issued senior unsecured notes for an amount of \$3.9 billion, net of financing costs, which funds were used to repay our acquisition facility used during the year for \$3.4 billion, settled share repurchases for an amount of \$1.3 billion, issued \$549.6 million of unsecured commercial paper notes, paid \$478.9 million on the principal elements of our lease liabilities and paid dividends in the amount of \$453.0 million.

Contractual Obligations and Commercial Commitments

Set out below is a summary of our material contractual obligations as at April 28, 2024⁽¹⁾:

(in millions of US dollars)	2025	2026	2027	2028	2029	Thereafter	Total
Contractual obligations⁽²⁾							
Long-term debt	1,412.1	951.3	1,149.0	1,312.9	661.2	9,533.4	15,019.9
Lease liabilities	643.5	586.1	537.9	462.3	423.0	2,533.9	5,186.7
Cross-currency interest rate swaps payable	601.5	593.9	13.1	13.1	378.9	—	1,600.5
Cross-currency interest rate swaps receivable	(555.7)	(538.6)	(16.9)	(16.9)	(383.0)	—	(1,511.1)
Total	2,101.4	1,592.7	1,683.1	1,771.4	1,080.1	12,067.3	20,296.0

(1) The summary does not include the payments required under defined benefit pension plans.

(2) Based on spot rates, as at April 28, 2024, for balances for which the underlying currency differs from our reporting currency and for balances bearing interest at variable rates.

	2025	2026	2027	2028	2029	Thereafter	Total
Fuel Purchase Obligations							
United States (in millions of gallons)	1,541.5	1,538.6	1,538.6	1,538.6	152.6	158.6	6,468.5
Europe (in millions of liters)	7,168.4	—	—	—	—	—	7,168.4
Canada (in millions of liters)	3,272.2	3,272.2	3,272.2	3,009.7	2,200.0	16,133.3	31,159.6

Long-term debt. As at April 28, 2024, our long-term debt totaled \$10.3 billion, detailed as follows:

- i. Senior unsecured notes denominated in US-dollar totaling \$5.5 billion, in Canadian-dollar totaling CA \$2.7 billion, in Euro totaling €2.1 billion and in Norwegian-kroner totaling NOK 675.0 million, divided as follows:

Issuance date	Principal amount	Maturity	Coupon rate	Effective rate	Interest payment dates
July 26, 2017	CA \$700.0	July 26, 2024	3.06%	3.13%	July 26 th and January 26 th
June 2, 2015	CA \$700.0	June 2, 2025	3.60%	3.65%	June 2 nd and December 2 nd
February 18, 2016	NOK 675.0	February 18, 2026	3.85%	3.93%	April 20 th and October 20 th
May 6, 2016	€750.0	May 6, 2026	1.88%	1.94%	May 6 th
July 26, 2017	\$1,000.0	July 26, 2027	3.55%	3.64%	July 26 th and January 26 th
January 25, 2024	CA \$500.0	January 25, 2029	4.60%	4.70%	July 25 th and January 25 th
January 22, 2020	\$750.0	January 25, 2030	2.95%	3.03%	July 25 th and January 25 th
September 25, 2023	CA \$800.0	September 25, 2030	5.59%	5.70%	March 25 th and September 25 th
February 12, 2024	€700.0	May 12, 2031	3.65%	3.68%	May 12 th ⁽¹⁾
February 12, 2024	\$900.0	February 12, 2034	5.27%	5.31%	August 12 th and February 12 th
February 12, 2024	€650.0	February 12, 2036	4.01%	4.03%	February 12 th
May 13, 2021	\$650.0	May 13, 2041	3.44%	3.50%	May 13 th and November 13 th
July 26, 2017	\$500.0	July 26, 2047	4.50%	4.58%	July 26 th and January 26 th
January 22, 2020	\$750.0	January 25, 2050	3.80%	3.88%	July 25 th and January 25 th
May 13, 2021 Green Bonds	\$350.0	May 13, 2051	3.63%	3.69%	May 13 th and November 13 th
February 12, 2024	\$600.0	February 12, 2054	5.62%	5.69%	August 12 th and February 12 th

(1) The first interest payments of the €700.0 Euro-denominated senior unsecured notes are due on May 12, 2025.

- ii. Unsecured commercial paper notes of \$551.3 million.
- iii. Other debts of \$9.7 million, including various notes payable.

Lease liabilities. We lease mainly land, buildings, building components, motor vehicles and equipment. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease terms, for the majority of leases in North America, vary between 5 and 20 years, which include the initial base term and renewal option(s) when applicable. In Europe and Asia, the lease terms range from less than 12 months to contracts with maturities up to more than 50 years and also include options to renew at market prices when applicable. When contracts are determined to contain a lease, lease liabilities and related right-of-use assets are included in our consolidated balance sheets. Under certain leases, we are subject to additional rent based on revenues as well as future escalations in the minimum lease amount.

Fuel purchase obligations. We have entered into various fuel purchase agreements, which require us to purchase minimum volume of road transportation fuel annually. Failure to satisfy the minimum purchase requirements could result in termination of the contract, penalties for shortfall volumes, change in the pricing of the products, payment to the applicable providers of a predetermined percentage of the commitments and repayments of a portion of rebates received. We have generally exceeded such minimum requirements in the past and do not expect that any potential failure to meet those in the foreseeable future could lead to the materialization of any of the outcomes described above. As at April 28, 2024, our fuel purchase obligation

consisted of multiple contracts under which we have 6.5 billion gallons and 38.3 billion liters to be purchased over the next years.

Contingencies. Various claims and legal proceedings have been initiated against us in the normal course of our operations. Although the outcome of such matters is not predictable with assurance, we have no reason to believe that the outcome of any such current matter could reasonably be expected to have a materially adverse impact on our financial position, results of operations or our ability to carry on any of our business activities.

We are covered by insurance policies that have significant deductibles. At this time, we believe that we are adequately covered through the combination of insurance policies and self-insurance. Future losses which exceed insurance policy limits or, under adverse interpretations, could be excluded from coverage would have to be paid out of general corporate funds. In relation to workers' compensation policies, we issue letters of credit as collateral for certain policies.

Guarantees. We assigned a number of lease agreements for premises to third parties. Under some of these agreements, we retain a secondary responsibility to the landlord for payment of amounts under the lease agreements should the sub lessees, which assume primary responsibility, fail to pay. As at April 28, 2024, the total future lease payments under such agreements are approximately \$19.8 million and the fair value of the guarantee is not significant. Historically, we have not made any significant payments in connection with these contracts and we do not expect to make any in the foreseeable future.

We have also issued different form of guarantees, including financial guarantee commitments under car rental agreements and on behalf of retailers in Sweden and Ireland. The maximum undiscounted future payments related to those guarantees total \$16.4 million and the carrying amount and fair value of the guarantee commitments recognized in our consolidated balance sheet as at April 28, 2024, were not significant.

We also issue surety bonds for a variety of business purposes for our own operations, including surety bonds for taxes, lottery sales, wholesale distribution and alcoholic beverage sales. In most cases, a municipality or state governmental agency requires the surety bonds as a condition of operating a store in that area.

Other commitments. We have entered into various property purchase agreements, IT service agreements, as well as product purchase agreements, which require us to purchase minimum amounts or quantities of merchandise annually. Failure to satisfy the minimum purchase requirements could result in termination of the contracts, penalties for shortfall volumes, change in the pricing of the products, payments to the applicable providers of a predetermined percentage of the commitments and repayments of a portion of rebates received. We have generally exceeded such minimum requirements in the past and do not expect that any potential failure to meet those in the foreseeable future could lead to the materialization of any of the outcomes described above.

Off-Balance Sheet Arrangements

In the normal course of business, we had issued outstanding letters of credit for an amount of \$236.8 million as at April 28, 2024. Other than those letters of credit, we have no other off-balance sheet activities. Our future commitments are presented in the section "Contractual Obligations and Commercial Commitments".

Selected Quarterly Financial Information

Our 52-week reporting cycle is divided into quarters of 12 weeks each except for the third quarter, which comprises 16 weeks. When a fiscal year, such as fiscal 2023, contains 53 weeks, the fourth quarter comprises 13 weeks. The following is a summary of selected consolidated financial information derived from our interim consolidated financial statements for each of the eight most recently completed quarters.

<i>(in millions of US dollars, except per share data)</i>								
	52-week period ended April 28, 2024				53-week period ended April 30, 2023			
Quarter	4 th	3 rd	2 nd	1 st	4 th	3 rd	2 nd	1 st
Weeks	12 weeks	16 weeks	12 weeks	12 weeks	13 weeks	16 weeks	12 weeks	12 weeks
Revenues	17,592.7	19,622.0	16,425.6	15,623.2	16,264.4	20,055.1	16,879.5	18,657.7
Depreciation, amortization and impairment	492.5	537.5	369.6	360.5	389.6	463.2	353.9	319.2
Operating income	642.2	927.3	1,098.4	1,142.3	933.7	1,026.1	1,093.7	1,178.5
Share of earnings of joint ventures and associated companies	3.6	3.6	9.7	8.9	(4.4)	0.5	2.1	5.6
Net financial expenses	139.9	130.3	47.0	70.7	99.0	82.5	58.1	67.1
Net earnings	454.5	624.4	819.2	834.1	670.7	737.4	810.4	872.4
Net earnings attributable to non-controlling interests	(1.5)	(1.0)	—	—	—	—	—	—
Net earnings attributable to shareholders of the Corporation	453.0	623.4	819.2	834.1	670.7	737.4	810.4	872.4
Net earnings per share								
Basic	\$0.47	\$0.65	\$0.85	\$0.85	\$0.68	\$0.73	\$0.79	\$0.85
Diluted	\$0.47	\$0.65	\$0.85	\$0.85	\$0.68	\$0.73	\$0.79	\$0.85

The volatility of road transportation fuel gross margins, seasonality and changes in the exchange rates have an impact on the variability of our quarterly net earnings.

Analysis of Consolidated Results for the Fiscal Year Ended April 30, 2023

Revenues

For fiscal 2023, our revenues increased by \$9.0 billion, or 14.4%, compared with fiscal 2022, mainly attributable to a higher average road transportation fuel and other fuel products selling price, the impact of the 53rd week in fiscal 2023, the contribution from acquisitions, and organic growth of our convenience activities, while being partly offset by the net negative impact of approximately \$1.8 billion from the translation of our foreign currency operations into US dollars as well as lower fuel demand.

Merchandise and service revenues

For fiscal 2023, the growth in merchandise and service revenues was \$679.6 million compared with fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$341.0 million. The remaining increase of approximately \$1.0 billion, or 6.1%, is primarily attributable to organic growth, the impact of the 53rd week in fiscal 2023 as well as to the contribution from acquisitions, which amounted to approximately \$145.0 million. Same-store merchandise revenues increased by 4.3% in the United States, by 3.1% in Europe and other regions¹, and by 1.2% in Canada, driven by our diversified offer in the beverage category as well as the continued growth of our *Fresh Food, Fast* program and private brands partly offset by the continued softness of our cigarette and other nicotine products revenues from illicit competition and increased restrictions.

Road transportation fuel revenues

For fiscal 2023, the road transportation fuel revenues increased by \$8.1 billion compared with fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$1.4 billion. The remaining increase of approximately \$9.5 billion, or 20.9%, is attributable to a higher average road transportation fuel selling price, which had a positive impact of approximately \$9.2 billion, as well as the impact of the 53rd week in fiscal 2023. Same-store road transportation fuel volumes decreased by 1.9% in the United States, by 3.2% in Europe and other regions, and by 0.1% in Canada. During the year, road transportation fuel demand remained unfavorably impacted by the high retail prices driven by the increase in crude oil costs compared with fiscal 2022, and the continued work from home trends.

The following table shows the average selling price of road transportation fuel of our company-operated stores in our various markets for the last eight quarters. The average selling price of road transportation fuel consists of the road transportation fuel revenues divided by the volume of road transportation fuel sold:

Quarter	1 st	2 nd	3 rd	4 th	Weighted average
53-week period ended April 30, 2023					
United States (US dollars per gallon)	4.61	3.84	3.50	3.52	3.84
Europe and other regions (US cents per liter)	129.11	117.39	113.55	109.77	118.51
Canada (CA cents per liter)	179.15	149.55	143.32	137.66	151.49
52-week period ended April 24, 2022					
United States (US dollars per gallon)	2.97	3.08	3.28	3.94	3.31
Europe and other regions (US cents per liter)	79.09	86.29	96.66	120.84	95.89
Canada (CA cents per liter)	117.51	123.00	129.39	150.30	129.60

Other revenues

Total other revenues for fiscal 2023 were \$1.2 billion, an increase of \$306.2 million compared with fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$71.0 million. The remaining increase of approximately \$377.0 million, or 44.1%, is primarily driven by higher prices on our other fuel products, which had a minimal impact on gross profit¹.

Gross profit¹

For fiscal 2023, our gross profit increased by \$1.0 billion, or 9.5%, compared with fiscal 2022, mainly attributable to higher road transportation fuel gross profit, organic growth in our convenience activities, as well as the impact of the 53rd week in fiscal 2023, while being partly offset by the net negative impact from the translation of our foreign currency operations into US dollars of approximately \$293.0 million.

¹ Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

Merchandise and service gross profit

During fiscal 2023, our merchandise and service gross profit was \$5.9 billion, an increase of \$277.3 million compared with fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$132.0 million. The remaining increase of approximately \$409.0 million, or 7.2%, is primarily due to organic growth, the impact of the 53rd week in fiscal 2023 as well as the contribution of our acquisitions, which had an impact of approximately \$55.0 million. Our gross margin¹ in the United States increased by 0.1% to 33.8%, by 0.6% to 38.8% in Europe and other regions, and by 0.9% in Canada to 33.1%, all impacted favorably by a change in product mix.

Road transportation fuel gross profit

During fiscal 2023, our road transportation fuel gross profit was \$6.0 billion, an increase of \$779.5 million compared with fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$148.0 million. The remaining increase in our gross profit was approximately \$927.0 million, or 17.9%. The road transportation fuel gross margin¹ was 47.51¢ per gallon in the United States, an increase of 7.89¢ per gallon, CA 12.75¢ per liter in Canada, an increase of CA 1.01¢ per liter and in Europe and other regions, US 9.98¢ per liter, an increase of US 0.12¢ per liter. Fuel margins remained healthy throughout our network, due to favorable market conditions and the continued work on the optimization of our supply chain.

The road transportation fuel gross margin¹ of our company-operated stores in the United States and the impact of expenses related to electronic payment modes for the last eight quarters, were as follows:

(US cents per gallon)

Quarter	1 st	2 nd	3 rd	4 th	Weighted average
53-week period ended April 30, 2023					
Before deduction of expenses related to electronic payment modes	50.95	51.11	48.39	46.43	49.13
Expenses related to electronic payment modes ⁽¹⁾	7.21	6.53	6.20	6.17	6.50
After deduction of expenses related to electronic payment modes	43.74	44.58	42.19	40.26	42.63
52-week period ended April 24, 2022					
Before deduction of expenses related to electronic payment modes	37.58	37.68	41.02	47.55	40.87
Expenses related to electronic payment modes ⁽¹⁾	5.38	5.31	5.74	6.61	5.75
After deduction of expenses related to electronic payment modes	32.20	32.37	35.28	40.94	35.12

- (1) Expenses related to electronic payment modes are determined by allocating the portion of total electronic payment modes, which are included in Operating, selling, general and administrative expenses, deemed related to our United States company-operated stores road transportation fuel transactions.

Generally, during normal economic cycles, road transportation fuel margins in the United States can be volatile from one quarter to another, while in Europe and other regions and in Canada, fuel margins and expenses related to electronic payment modes are not as volatile.

Other revenues gross profit

During fiscal 2023, other revenues gross profit was \$156.1 million, a decrease of \$9.5 million compared with fiscal 2022. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$14.0 million.

¹ Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

Operating, selling, general and administrative expenses (“expenses”)

For fiscal 2023, expenses increased by 8.1% compared with fiscal 2022. Normalized growth of expenses¹ was 8.3%, as shown in the table below:

	53-week period ended April 30, 2023	52-week period ended April 24, 2022
Growth of expenses, as reported	8.1%	14.3%
Adjusted for:		
Decrease (increase) from the net impact of foreign exchange translation	2.7%	(0.3%)
Increase from higher electronic payment fees, excluding acquisitions	(1.7%)	(2.6%)
Increase from incremental expenses related to acquisitions	(1.0%)	(1.8%)
Prior year cloud computing transition adjustment	0.3%	(0.3%)
(Increase) decrease from changes in acquisition costs recognized to earnings	(0.1%)	0.1%
Normalized growth of expenses¹	8.3 %	9.4 %

Normalized growth of expenses¹ was mainly driven by the impact of the 53rd week in fiscal 2023, inflationary pressures, notably on energy costs in our European operations, costs from rising minimum wages, increased usage of software as a service solutions, and by incremental investments to support our strategic initiatives, while being partly offset by the impact of lower pressure in the employment market. When factoring in the estimated impact of the 53rd week in fiscal 2023, our normalized growth of expenses¹ remained lower than the average inflation observed throughout our network as we have continued to deploy strategic efforts in order to mitigate the impact of a higher inflation level and continued pressure on wages.

Earnings before interest, taxes, depreciation, amortization and impairment (“EBITDA¹”) and adjusted EBITDA¹

During fiscal 2023, EBITDA stood at \$5.8 billion, an increase of \$517.4 million, or 9.9%, compared with fiscal 2022. Adjusted EBITDA for fiscal 2023 increased by \$509.3 million, or 9.7%, compared with fiscal 2022, mainly attributable to higher road transportation fuel gross profit, organic growth in our convenience operations as well as to the impact of the 53rd week in fiscal 2023, partly offset by higher expenses as well as by the translation of our foreign currency operations into US dollars which had a net negative impact of approximately \$133.0 million.

Depreciation, amortization and impairment (“depreciation”)

For fiscal 2023, our depreciation expense decreased by \$19.8 million compared with fiscal 2022. The translation of our foreign currency operations into US dollars had a net favorable impact of approximately \$52.0 million. The remaining increase of approximately \$32.0 million, or 2.1%, is mainly driven by the impact of the impairment on our investment in Fire & Flower Holdings Corp. of \$23.9 million, the replacement of equipment, the ongoing improvement of our network, the impact from investments made through acquisitions as well as the impact of the 53rd week in fiscal 2023, partly offset by the impact of the deconsolidation and the impairment of our Russian subsidiaries of \$56.2 million and the impairment on our investment in Fire & Flower Holdings Corp. of \$33.7 million in the comparable fiscal year.

Net financial expenses

Net financial expenses for fiscal 2023 was \$306.7 million, an increase of \$25.7 million compared with fiscal 2022. A portion of the increase is explained by certain items that are not considered indicative of future trends, as shown in the table below:

	53-week period ended April 30, 2023	52-week period ended April 24, 2022	Variation
<i>(in millions of US dollars)</i>			
Net financial expenses, as reported	306.7	281.0	25.7
Explained by:			
Loss on convertible promissory notes recorded at fair value through earnings or loss prior to their maturity	(26.4)	—	(26.4)
Net foreign exchange (loss) gain	(0.7)	20.7	(21.4)
Change in fair value of financial instruments and amortization of deferred differences	0.8	8.9	(8.1)
Impact of the redemption notice of senior unsecured notes	—	(3.2)	3.2
Remaining variation	280.4	307.4	(27.0)

The remaining variation of fiscal 2023 is mainly driven by increased interest revenue due to a higher interest rate on available cash compared with fiscal 2022.

¹ Please refer to the “Non-IFRS Accounting Standards Measures” section for additional information on performance measures not defined by IFRS Accounting Standards.

Income taxes

The income tax rate for fiscal 2023 was 21.3% compared with 21.5% for fiscal 2022. The decrease is mainly stemming from the impact of a different mix in our earnings across the various jurisdictions in which we operate.

Net earnings and adjusted net earnings¹

For fiscal 2023, net earnings stood at \$3.1 billion, an increase of \$407.6 million, or 15.2%, compared with fiscal 2022. Diluted net earnings per share stood at \$3.06, compared with \$2.52 for the previous fiscal year. The translation of our foreign currency operations into US dollars had a net negative impact of approximately \$81.0 million on net earnings of fiscal 2023.

Adjusted net earnings for fiscal 2023 stood at \$3.2 billion, an increase of \$382.0 million, or 13.8%, compared with fiscal 2022. Adjusted diluted net earnings per share¹ were \$3.12 for fiscal 2023, compared with \$2.60 for fiscal 2022, an increase of 20.0%.

Internal Controls over Financial Reporting

We maintain a system of internal controls over financial reporting designed to safeguard assets and ensure that financial information is reliable. We also maintain a system of disclosure controls and procedures designed to ensure, in all material respects, the reliability, completeness and timeliness of the information we disclose in this MD&A and other public disclosure documents. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports filed with securities regulatory agencies is recorded and/or disclosed on a timely basis, as required by law, and is accumulated and communicated to our management, including our President and Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As at April 28, 2024, our management, following its assessment, certifies the design and operating effectiveness of the Corporation's controls and procedures.

We undertake ongoing evaluations of the effectiveness of our internal controls over financial reporting and implement control enhancements, when appropriate. As at April 28, 2024, our management and our external auditors reported that these internal controls were effective.

We exclude the acquisition of certain European retail assets from TotalEnergies SE from our evaluation of the overall effectiveness of our internal control over financial reporting. This is due to the size and timing of the transaction, which occurred on December 28, 2023 and on January 3, 2024. The limitation is primarily based on the time required to assess the controls over financial reporting of the acquisition of certain European retail assets from TotalEnergies SE and to confirm they are consistent with ours, as permitted by the Canadian Securities Administrator's National Instrument 52-109 for 365 days following an acquisition. We expect to finalize our assessment by the third quarter of fiscal 2025.

The results of the acquisition of certain European retail assets from TotalEnergies SE since the acquisition date are included in our consolidated financial statements and constituted approximately 16.3% of total consolidated assets and 12.7% of total consolidated liabilities as of April 28, 2024, and constituted approximately 5.2% of consolidated revenues and 0.6% of consolidated net earnings for the 52-week period ending on that date.

¹ Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

Critical Accounting Policies and Estimates

Estimates. This MD&A is based on the Corporation's consolidated financial statements, which have been prepared in accordance with IFRS Accounting Standards. These standards require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. On an ongoing basis, management reviews its estimates which are based on its best knowledge of current events and actions that the Corporation may undertake in the future. Actual results could differ from those estimates. The most significant accounting judgments and estimates that the Corporation has made in the preparation of the consolidated financial statements are discussed along with the relevant accounting policies or with the related notes to the consolidated financial statements when applicable and relate primarily to the following topics: useful lives of tangible and intangible assets, income taxes, provisions, impairment of tangible, intangible and other assets, impairment of goodwill and business combinations.

Useful lives of tangible and intangible assets. Property and equipment are depreciated over their estimated useful lives using the straight-line method based on the following periods:

Buildings and building components	3 to 40 years
Equipment	3 to 40 years
Leasehold improvements	Lesser of the lease term and useful life

Licenses and trademarks that are expected to provide economic benefits to the Corporation indefinitely have indefinite useful lives and are not amortized. Motor fuel supply agreements, franchise agreements, reacquired rights, licenses, trademarks and rights to use trademarks with finite lives are amortized using the straight-line method over the term of the agreements they relate to. Software, customer relationships and other intangible assets are amortized using the straight-line method over a period of 5 to 15 years.

The Corporation performs an annual evaluation of estimated useful lives used for tangible and intangible assets and any change resulting from this evaluation is applied prospectively by the Corporation.

Income taxes. The income tax expense recorded to earnings is the sum of the Deferred income taxes and Current income taxes that are not recognized in Other comprehensive income (loss) ("OCI") or directly in Equity.

The Corporation uses the balance sheet liability method to account for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the carrying amount and the tax base of assets and liabilities, using enacted or substantively enacted tax rates and laws, as appropriate, at the date of the consolidated financial statements for the years in which the temporary differences are expected to reverse. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Corporation is subject to income taxes in numerous jurisdictions and there could be certain positions for which the ultimate tax determination is uncertain. The Corporation recognizes provisions for uncertain tax positions on the basis of amounts expected to be paid to the tax authorities with respect to uncertain tax positions where it is not considered probable that the taxation authority will accept the Corporation's position. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Significant judgment is required in determining the worldwide provision for income taxes and assessing whether it is probable that a taxation authority will accept uncertain tax positions. As at April 28, 2024, no provision for uncertain tax positions were significant to the Corporation.

Environmental costs. The Corporation provides for estimated future site remediation costs to meet government or contractual standards for known site contaminations, when such costs can be reasonably estimated. Estimates of the anticipated future costs for remediation activities at such sites are based on the Corporation's prior experience with remediation sites and consideration of other factors such as the condition of the site's contamination, location of sites and experience of the contractors performing the environmental assessments and remediation work.

In most of the U.S. states in which the Corporation operates, with the exception of Alaska, California, Florida, Iowa, Maryland, New York, Oregon, Texas, Washington, West Virginia and Wisconsin, the Corporation participates in a state fund to cover the cost of certain environmental remediation activities after the applicable trust fund deductible is met, which varies by state. These state funds provide insurance for motor fuel facilities operations to cover some of the costs of cleaning up certain environmental contamination caused by the use of road transportation fuel equipment. Road transportation fuel storage tank registration fees and/or a motor fuel tax in each of the states finance the trust funds. The Corporation pays annual registration fees and remits sales taxes to applicable states. Insurance coverage differs from state to state.

Asset retirement obligations. Asset retirement obligations primarily relate to estimated future costs to remove road transportation fuel storage tanks and are based on the Corporation's prior experience in removing these tanks, estimated tank useful life, remaining lease terms for those tanks installed on leased properties, external estimates and governmental regulatory requirements. A discounted liability is recorded for the present value of an asset retirement obligation, with a

corresponding increase to the carrying value of the related long-lived asset at the time a storage tank is installed. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased to reflect the passage of time and then adjusted for variations in the current market-based discount rate or the scheduled underlying cash flows required to settle the liability.

Obligations related to general liability and workers' compensation. In the United States, Ireland and Canada, in particular, the Corporation is self-insured for certain losses related to general liability and workers' compensation. The expected ultimate cost for claims incurred as of the consolidated balance sheet date is discounted and is recognized as a liability. This cost is estimated based on an analysis of the Corporation's historical data and actuarial estimates.

Impairment of long-lived assets. The Corporation performs an annual evaluation of residual values, estimated useful lives and depreciation methods used for property and equipment and any change resulting from this evaluation is applied prospectively by the Corporation. Property and equipment are tested for impairment should events or circumstances indicate that their carrying amount may not be recoverable. The Corporation's evaluation of the existence of impairment indicators is based on market conditions and its operational performance. The variability of these factors depends on a number of conditions, including uncertainty about future events. These factors could cause the Corporation to conclude that impairment indicators exist and require that impairment tests be performed, which could result in determining that the value of certain long-lived assets is impaired, resulting in a write-down of such long-lived assets.

Goodwill and other intangible assets. Goodwill and other intangible assets with indefinite-life are evaluated for impairment annually, or more often if events or changes in circumstances indicate that the value of certain goodwill or intangibles may be impaired or if necessary due to the timing of acquisitions. For the purpose of this impairment test, management uses estimates and assumptions to establish the fair value of the Corporation's cash-generating units and intangible assets. If these assumptions and estimates prove to be incorrect, the carrying value of the cash generating unit or other intangible assets may be overstated. The annual impairment test is performed in the first quarter of each fiscal year.

Business combinations. Business combinations are accounted for using the acquisition method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations*, are recognized at their fair value at the acquisition date. Determination of the fair value of the assets acquired and liabilities assumed requires judgment and the use of assumptions that, if changed, may affect the consolidated statements of earnings and consolidated balance sheets.

Recently issued accounting policies but not yet implemented

Amendments to IAS 1 Presentation of financial statements

In January 2020, the International Accounting Standards Board ("IASB") issued *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. For the purpose of non-current classification, the amendments remove the requirement for a right to defer settlement of or roll over a liability for at least 12 months to be unconditional. Instead, such a right must have substance and must exist at the end of the reporting period. The amendments also clarify the definition of a settlement and provide situations which would be considered as a settlement of a liability. In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)*. These further amendments clarify how to address the effects on classification and disclosure of covenants which an entity is required to comply with on or before the reporting date and covenants which an entity must comply with only after the reporting date. On April 29, 2024, the Corporation will apply these amendments, which are not expected to have a significant impact on its consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures

In May 2023, the IASB issued *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)*. The amendments introduce new disclosure requirements related to supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. On April 29, 2024, the Corporation will apply these amendments. The Corporation expects to provide additional disclosures on its supplier finance arrangements.

Amendments to IFRS 7 Financial instruments: disclosures and IFRS 9 Financial instruments

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows and update the disclosures for equity instruments designated at fair value through OCI. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Corporation is currently evaluating the impact of these amendments on its consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued *IFRS 18 Presentation and Disclosure in Financial Statements*, which will replace *IAS 1 Presentation of financial statements*. The standard introduces a defined structure for the statement of earnings, composed of categories and required subtotals. The standard also introduces specific disclosure requirements related to management-defined performance measures and a reconciliation between these measures and the most similar specified subtotal in IFRS Accounting Standards, which will need to be disclosed in a single note. The standard is effective for annual reporting periods beginning on or after January 1, 2027 and retrospective application is required. The Corporation is currently evaluating the impact of this new standard on its consolidated financial statements.

A number of other new standards or amendments to standards and interpretations will be effective for the fiscal year beginning April 29, 2024 or after. The Corporation does not expect that these other new standards or amendments will have a significant impact on its consolidated financial statements.

Business Risks

We are constantly looking to control and improve our operations. In this perspective, identification and management of risks are key components of such activities. We have identified and assessed key risk factors that could negatively impact our objectives and their ensuing performance.

We manage risks on an ongoing basis and implement a series of measures designed to mitigate key risks described in the present section as well as their financial impact.

Changes in customer behaviour. In the road transportation fuel and convenience business sector, customer traffic is generally driven by consumer preferences and spending trends, growth of road traffic and trends in travel and tourism as well as working from home policies. A decline in the number of potential customers using our fuel stations and convenience stores due to changes in consumer preferences, changes in discretionary consumer spending or modes of transportation could adversely impact our business, financial condition and results of operations.

Our continued success depends on our ability to remain relevant with respect to consumer's needs and preferences for ways of doing business with us, particularly with respect to digital engagement, contactless transactions and other non-traditional ordering and delivery platforms. We continually work to develop, produce and market new products, optimize the offer of our food program and refine our approach as to how and where we market, sell and deliver our products. If we are unable to anticipate and respond to sudden challenges that we may face in the marketplace, trends in the market for our products and changing consumer demands, or to consistently execute our food program, it could have a material adverse effect on our business, financial condition and results of operations.

Information technology systems. We depend on information technology systems ("IT systems") to manage numerous aspects of our business transactions and to provide complete and reliable information to management. Our IT systems are an essential component of our business and growth strategies. The obsolescence of or a serious disruption to our IT systems, and our capacity to protect ourselves from cyber threats, could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption from power outage or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches, cyberattacks, computer viruses and laws and regulations necessitating mandatory upgrades and timelines with which we may not be able to comply. Any serious disruption could adversely affect our operations, our competitive position and/or reputation, our business continuity capacity, and could lead to claims that could have an adverse effect on profitability.

Legislative and regulatory requirements. Our operations are subject to extensive and evolving laws, regulations, by-laws and self-regulatory standards, including, but without limitation, laws and regulations relating to the sale and labeling of alcohol, cigarette and other nicotine products, and products containing cannabidiol (CBD), various food preparation, packaging, safety and product quality requirements, lottery and related products and other age-restricted products laws and regulations, minimum wage laws, overtime and other employment laws and regulations, data privacy laws, securities laws, competition laws, tax laws and regulations, and self-regulatory standards, including the Payment Card Industry Data Security Standards. In addition, convenience store operations are subject to numerous environmental laws and regulations that are discussed under "Environmental laws and regulations".

We currently incur substantial operating and capital costs for compliance with existing health, safety, environmental and other laws regulations and self-regulatory frameworks applicable to our operations. Such laws and regulations are subject to change and it is expected that, given the nature of our business, we will continue to be subject to increasingly stringent health, safety, environmental laws and regulations, and other laws and regulations that may increase the cost of operating our business above currently expected levels and require substantial future capital and other expenditures. As a result, there can be no assurance that the effect of any future laws and regulations or any changes to existing laws and regulations, or their current interpretation, on our business, financial condition and results of operations would not be material.

If we fail to comply with any laws and regulations or permit limitations or conditions, or fail to obtain any necessary permits or registrations, or to extend current permits or registrations upon expiry of their terms, or to comply with any restrictive terms contained in our current permits or registrations, we may be subject to, among other things, civil and criminal penalties, litigation and, in certain circumstances, the temporary or permanent curtailment or shutdown of a portion of our operations. Further, if we or our business partners fail to comply with the Payment Card Industry Data Security Standards or to adequately protect sensitive customer information, we may become subject to fines or limitations on our ability to accept credit or debit cards and litigation, which could adversely affect our sales, operating income, brand and reputation.

As we sell products containing cannabidiol ("CBD") derived from hemp, the U.S. Agricultural Improvement Act of 2018 (also known as the 2018 Farm Bill) enacted a number of changes to the legal status of hemp and products containing CBD derived from hemp, including removal from the statutory list of controlled substances. However, implementation of the 2018 Farm Bill is ongoing, and there is still significant uncertainty regarding the legal status of products containing CBD under U.S. law. For example, under U.S. federal law, products containing CBD may be unlawful if derived from cannabis (including hemp with a tetrahydrocannabinol (THC) concentration greater than 0.3% on a dry weight basis) or if derived from U.S. hemp cultivated in violation of the 2018 Farm Bill. Even after enactment of the 2018 Farm Bill, the U.S. Drug Enforcement Administration ("DEA") may not treat all products containing U.S. hemp-derived ingredients, including CBD, as exempt from the U.S. Controlled Substances Act. Furthermore, the Food and Drug Administration ("FDA") regulates human and animal food products and dietary supplements containing CBD and has stated that it interprets the Federal Food, Drug, and Cosmetic Act of 1938, as amended, to prohibit the sale of these products that contain CBD. Additionally, numerous states have enacted various state laws concerning the use of hemp and hemp derivatives like CBD, with some states expressly authorizing the use, some states expressly prohibiting the use, some states limiting the use to certain forms, and many states still remaining silent on the issue. While the FDA indicated for several years that it was reviewing the current regulatory framework and considering changes to allow for certain CBD-containing products, the FDA announced in January 2023 (and has reaffirmed its position in recent months) that it will defer any consideration of statutory and regulatory changes to the U.S. Congress. Unless and until such changes are enacted by the U.S. Congress, the DEA, the FDA and other federal and state regulatory authorities could take enforcement action to prevent the marketing of products with CBD, which could adversely impact our business, reputation, financial condition and results of operations or cause us to halt certain product sales altogether.

There is a risk that our interpretation of the U.S. legislation is inaccurate or that it will be successfully challenged by U.S. federal or state authorities. A successful challenge to such position by a U.S. state or federal authority could have an adverse impact on our operations and results, including as a result of civil and criminal penalties, damages, fines, the curtailment of a portion of our operations or asset seizures and the denial of regulatory applications, as well as on our reputation.

Recruitment and retention of employees. We are dependent on our ability to attract and retain a strong management team and key employees. If, for any reason, we are not able to attract and retain sufficient and appropriately skilled people, our business, our financial results and our ability to achieve our strategic objectives may be compromised. Furthermore, we are dependent on our ability to recruit and retain qualified employees in our stores, which is subject to many environmental factors, such as unemployment levels, wage rates and labor legislation in the various geographies in which we operate.

Economic conditions. Our revenues may be negatively influenced by changes in global, national, regional and/or local economic variables and consumer confidence. Changes in economic conditions, including inflationary pressures, and decisions taken by governments to manage economic matters, could adversely affect consumer spending patterns, travel and tourism in certain of our market areas.

Competition. The industries and geographic areas in which we operate are highly competitive and marked by a constant change in terms of the number and type of retailers offering the products and services found in our stores. We compete with other convenience store chains, independent convenience stores, gas station operators, large and small food retailers, quick service restaurants, local pharmacies and pharmacy chains and dollar stores. There can be no assurance that we will be able to compete successfully against our competitors. Our business may also be adversely affected if we do not sustain our ability to meet customer requirements relative to price, quality, customer service and service offerings.

Cigarette products and other nicotine products. Cigarette products and other nicotine products represent our largest product category of merchandise and service revenues. For fiscal 2024, cigarette products and other nicotine products revenues and gross profit¹ were \$6.4 billion and \$1.2 billion, respectively, representing approximately 37.0% and 20.0% of total merchandise and service revenues and gross profit¹, respectively. Significant increases in wholesale cigarette pricing, significant increases or structural changes in cigarette products related taxes, current and future legislation and national and local campaigns to discourage smoking, or prevent use of cigarette products or ban on specific products, competition of illicit trade and introduction of smoking alternatives may have an adverse impact on the demand for cigarette products, and may therefore adversely affect our revenues and profits in light of the competitive landscape and consumer sensitivity to the price of such products.

Acts of war, terrorism and geopolitical events. Acts of war and terrorism, political instability, armed conflict and sanctions imposed by countries could impact general economic conditions as well as supply chain and price of crude oil. Such events could adversely impact our business continuity capacity, financial condition and results of operations.

¹ Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

Road transportation fuel. Our results are sensitive to the changes in road transportation fuel prices and gross margin. Factors beyond our control such as market-driven changes in supply terms, road transportation fuel price fluctuations due to, among other things, general political and economic conditions, as well as the market's limited ability to absorb road transportation fuel prices fluctuations, are factors that could influence road transportation fuel selling price and related gross margin. During fiscal 2024, road transportation fuel revenues accounted for approximately 74.0%¹ of our total revenues, yet the road transportation fuel gross profit represented about only 48.0%¹ of our overall gross profit².

Climate change impact on regulations. Developments regarding climate change and the effects of greenhouse gas emissions on climate change and the environment may decrease the demand for our major product, petroleum-based fuel. Attitudes toward our product and its relationship to the environment and the green movement may significantly affect our sales and ability to market our product. New technologies developed to steer the public toward non-fuel dependent means of transportation may create an environment with negative attitude toward fuel, thus affecting the public's attitude toward our major product and potentially having a material effect on our business, financial condition and results of operations. Further, new technologies developed to improve fuel efficiency or governmental mandates to improve fuel efficiency may result in decreased demand for petroleum-based fuel, which could have a material effect on our business, financial condition and results of operations.

Our business may also be affected by laws and regulations addressing global climate change and the role played in it by fossil fuel combustion and the resulting carbon emissions. Some jurisdictions in which we operate have enacted measures to limit carbon emissions, and such measures increase the costs of petroleum-based fuels above what they otherwise would be and may adversely affect the demand for road transportation fuel. Similarly, adoption of other environmental protection measures affecting the petroleum supply chain, such as more stringent requirements applicable to the exploration, drilling, and transportation of crude oil and to the refining and transportation of petroleum products, may also increase the costs of petroleum-based fuels with similar effects on demand for road transportation fuel. The impact of such developments, individually or in combination, could adversely affect our sales of road transportation fuel and associated gross profit.

Dependence on third party suppliers. Our fuel business is dependent upon the supply of refined oil products from a relatively limited number of suppliers and upon a distribution network serviced principally by third party tanker trucks. Furthermore, we are also dependent on our suppliers and their manufacturers for convenience merchandise for resale and other raw materials. Political and economic instability, international conflicts, or other events may cause a disruption to our suppliers' supply chains, which can have a significant effect on our ability to receive refined oil products and merchandise for resale, or can result in us paying higher cost to obtain such products.

Acquisitions. Acquisitions have been and should continue to be a significant part of our growth strategy. Our ability to identify and complete strategic acquisitions in the future may be limited by different factors, including the number of attractive acquisition targets with motivated sellers, internal demands on our resources and, to the extent necessary, our ability to obtain regulatory approval and financing on satisfactory terms for larger acquisitions, if at all.

Achieving anticipated benefits and synergies of an acquisition will depend in part on whether the operations, systems, management and cultures of our Corporation and the acquired business can be integrated in an efficient and effective manner and whether the presumed bases or sources of synergies produce the benefits anticipated. We may not be able to achieve anticipated synergies and cost savings for an acquisition for many reasons, including contractual constraints, an inability to take advantage of expected synergistic savings and increased operating efficiencies, loss of key employees, or changes in tax laws and regulations. The process of integrating an acquired business may lead to greater than expected operating costs, significant one-time write-offs or restructuring charges, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, or suppliers). Failure to successfully integrate an acquired business may have an adverse effect on our business, financial condition and results of operations.

Although we perform a due diligence investigation of the businesses or assets that we acquire, there may be liabilities or expenses of the acquired business or assets that we do not uncover during our due diligence investigation and for which we, as a successor owner, may be responsible. The discovery of any material liabilities relating to an acquisition could have a material adverse effect on our business, financial condition and results of operations.

Sensitive information – data protection. In the normal course of our business as a fuel and merchandise retailer, we are in receipt of personal data from our customers as well as other sensitive information regarding our employees, business partners and vendors. While we have invested significant amounts in the protection of our information technology and maintain what we believe are appropriate security controls over individually identifiable customer, employee and vendor data provided to us, a breakdown or a breach in our systems that results in the unauthorized release of individually identifiable customer or other sensitive data could nonetheless occur and have a material effect on our reputation, operating results and financial condition. Such a breakdown or breach could also materially increase the costs we incur to protect against such risks. A material failure

¹ Please refer to the "Summary Analysis of Consolidated Results for Fiscal 2024" section for additional information of these performance measures.

² Please refer to the "Non-IFRS Accounting Standards Measures" section for additional information on performance measures not defined by IFRS Accounting Standards.

on our part to comply with regulations relating to our obligations to protect such sensitive data or to the privacy rights of our customers, employees and others could subject us to fines or other regulatory sanctions and potentially to lawsuits.

Environmental laws and regulations. Our operations, particularly those relating to the storage, transportation and sale of fuel products, are subject to numerous environmental laws and regulations in the countries in which we operate. These include laws and regulations governing the quality of fuel products, ground pollution and emissions and discharges into air and water, the implementation of targets regarding the use of certain bio-fuel or renewable energy products, the handling and disposal of hazardous wastes, the use of vapor reduction systems to capture fuel vapor, and the remediation of contaminated sites. Environmental requirements, and the enforcement and interpretation of these requirements, change frequently and have generally become more stringent over time. Under various national, provincial, state and local laws and regulations, we may, as the owner or operator, be liable for the costs of removal or remediation of contamination at our current or former sites, whether or not we knew of, or caused, the presence of such contamination. We may also be subject to litigation costs, fines and other sanctions as a result of our failure to comply with these requirements.

Tax incentives and other subsidies in different legislations in which we operate have also made renewable fuels as well as alternative powered and energy-efficient vehicles more competitive than they otherwise would have been, which may adversely impact our business, financial condition and results of operations.

Electronic payment modes. We are exposed to significant fluctuations in expenses related to electronic payment modes resulting from large changes in road transportation fuel retail prices, because the majority of this expense is based on a percentage of the retail prices of road transportation fuel. For fiscal 2024, a variation of 10.0% in our expenses associated with electronic payment modes would have had an impact of approximately \$0.06 on earnings per share on a diluted basis.

Tax laws and liabilities. We are subject to extensive tax obligations imposed by multiple jurisdictions, including direct and indirect taxes, payroll taxes, franchise taxes, foreign withholding taxes and property taxes. New or changes to existing tax laws and regulations, involve judgement, and could result in increased tax expenses or liabilities in the future and could materially and adversely impact our financial condition, results of operations and cash flows. Additionally, many tax obligations are subject to periodic audits by tax authorities which could result in penalties and interest payments.

Litigation. In the ordinary course of business, we are a defendant in a number of legal proceedings, suits, and claims common to companies engaged in our business and an adverse outcome in such proceedings could adversely affect our business, financial condition and results of operations. Effectively, convenience store businesses and other foodservices operators can be adversely affected by litigation and complaints from customers or government agencies resulting from food quality, illness, or other health or environmental concerns or operating issues stemming from one or more locations. Lack of fresh food handling experience among our workforce increases the risk of food borne illness resulting in litigation and reputational damage. Adverse publicity about these allegations may negatively potentially affect us, regardless of whether the allegations are true, by discouraging customers from purchasing fuel, merchandise or food at one or more of our convenience stores. We could also incur significant liabilities if a lawsuit or claim results in a decision against us. Even if we are successful in defending such litigation, our litigation costs could be significant, and the litigation may divert time and money away from our operations and adversely affect our performance or our ability to continue operating our stores.

Brand image and reputation. Trademarks and other proprietary rights are important to the Corporation's competitive position and we benefit from a well-recognized brand. If the Corporation is unsuccessful in protecting its intellectual property rights, or if another party prevails in litigation claiming any rights thereto, the value of the brand could be diminished, causing customer confusion and materially adversely impacting our business and financial results. Failure to maintain product safety and quality could materially adversely affect our brand image and reputation and lead to potential product liability claims (including class-action), government agency investigations and damages.

Seasonality and natural disasters. Weather conditions can have an impact on our revenues as historical purchase patterns indicate that our customers increase their transactions and also purchase higher margin items when weather conditions are favorable. We are exposed to severe weather conditions, mainly in the Southeast and West Coast regions of the United States and, although these regions are generally known for their mild weather, they are susceptible to severe storms, hurricanes, earthquakes and other natural disasters.

Indebtedness. Our current level of indebtedness could have important consequences, such as allocating a portion of cash flows from operations to the payment of interests on the indebtedness and other financial obligations, and thus making it unavailable for other purposes and potentially affecting the Corporation's ability to obtain additional financing. The credit arrangements contain restrictive covenants that may limit our ability to incur, assume or permit to exist additional indebtedness, guarantees or liens. They also require the Corporation to comply with certain coverage ratio tests which may prevent the Corporation from pursuing certain business opportunities or taking certain actions. Please refer to the sections "Contractual Obligations and Commercial Commitments" and "Liquidity and Capital Resources" for more information on the composition of our long-term debt and credit arrangements.

Hazards and risks associated with fuel products. Our operations expose us to certain risks, particularly at our terminals and other storage facilities, where large quantities of fuel are stored, and at our fuel stations. These risks include equipment failure, work accidents, fires, explosions, vapour emissions, spills and leaks at storage facilities and/or in the course of transportation to or from our or a third party's terminal, fuel stations or other sites. In addition, we are also exposed to the risk of accidents involving the tanker trucks used in our fuel product distribution system. These types of hazards and accidents may cause personal injuries or the loss of life, business interruptions and/or property, equipment and environmental contamination and damage. Further, we may be subject to litigation, compensation claims, governmental fines or penalties or other liabilities or losses in relation to such incidents and accidents and may incur significant costs as a result. Such incidents and accidents may also affect our reputation or our brands, leading to a decline in the sales of our products and services, and may adversely impact our business, financial condition and results of operations.

Pandemic, epidemic or outbreak of an infectious disease. The widespread outbreak of an illness or any other public health crisis, could adversely affect our business, results of operations and financial condition. Changes in general economic and other impacts in response to such outbreak, whether self-imposed or due to governmental or other authority, could materially impact financial results and may include temporary closures of facilities, temporary or long-term labor shortages or disruptions, temporary or long-term impacts on supply chains and distribution channels, temporary or long-term restrictions on cross-border commerce and travel, greater currency volatility, and increased risks to IT systems, networks and digital services.

Uncertain economic conditions resulting from a pandemic, epidemic or outbreak may, in the short or long term, adversely impact operations and the financial performance of the Corporation and each of its operating segments. These could include the loss of consumer confidence and spend, greater currency volatility, consequences on the financial condition of our customers, suppliers and other counterparties.

Interest rates. We are exposed to interest rate fluctuations associated with changes in the short-term interest rate. Borrowings under our credit facilities bear interest at variable rates, and other debt we incur could likewise bear interest at variable rates. As at April 28, 2024, our variable rate debt was not significant, which limits our interest rate risk. If market interest rates increase, variable-rate debt will create higher debt service requirements, which could adversely affect our cash flows. We do not currently use derivative instruments to mitigate this risk. We could also be exposed to a risk of change in cash flows due to changes in interest rates on future debt issuance. To mitigate this risk, we can enter into interest rate locks and/or forward starting interest rate swaps in order to hedge the interest rates on forecasted debt issuance.

Exchange rate. The functional currency of our parent Company is the Canadian dollar. As such, our investments in our U.S., European and Asian operations are exposed to net changes in currency exchange rates. Should changes in currency exchange rates occur, the amount of our net investment in our U.S., European and Asian operations could increase or decrease. From time to time, we use cross-currency interest rate swap agreements to hedge a portion of this risk.

We are also exposed to foreign currency risk with respect to our cash and cash equivalents denominated in currencies other than the respective functional currencies, debt denominated in US dollars, our Norwegian-krone and Euro-denominated senior unsecured notes, the cross-currency interest rate swaps and the currency forwards, a portion of which are designated as net investment hedges of our operations in the United States, Norway, Denmark and in the Eurozone. As we use the US dollar as our reporting currency, part of these impacts is compensated by the translation of the Canadian dollar consolidated financial statements into US dollars. For the long-term debt denominated in US dollars, Norwegian-krone and Euro, the cross-currency interest rate swaps which are designated as net investment hedges of foreign operations, as at April 28, 2024, a variation in those currencies would be offset by equivalent amounts from the hedged net investments in Other comprehensive income ("OCI"). For the cash and cash equivalent denominated in currencies other than the respective functional currencies and the US dollar / Canadian dollar currency forwards, as at April 28, 2024, and with all other variables held constant, a hypothetical variation of 5.0% of the various currencies other than the respective functional currencies would have had a net impact of \$30.1 million on Net earnings, which would be partially offset by a net impact of \$15.5 million from the portion of our long-term debt denominated in US dollars not designated as net investment hedges of foreign operations.

We use the US dollar as our reporting currency. As such, changes in currency exchange rates could materially increase or decrease our foreign currency-denominated net assets on consolidation which would increase or decrease, as applicable, shareholders' equity. In addition, changes in currency exchange rates will affect the translation of the revenues and expenses of our Canadian, European and Asian operations and will result in lower or higher net earnings than would have occurred had the exchange rate not changed.

In addition to currency translation risks, we incur a currency transaction risk whenever one of our subsidiaries enters into a contract with customer or supplier labelled in a different currency than its functional currency. Given the volatility of exchange rates, we may not be able to manage our currency transaction and/or translation risks effectively, and volatility in currency exchange rates could have an adverse effect on our business, financial condition and results of operations.

Credit risk. We are exposed to credit risk arising from the share units indexed deposits and from derivative financial instruments when the unsettled fair value is favorable to us. In accordance with our risk management policy, to reduce this risk, we have entered into these instruments with major financial institutions with a very low credit risk. In some European markets, customers can settle their purchases at our multiple points of sale or at any other merchants with a Circle K / MasterCard credit card. We have entered into agreements whereby the risks and rewards related to the credit cards, such as fee income, administration expenses and credit losses, are shared between us and the issuing banks. In light of accurate credit assessments and continuous monitoring of outstanding balances, we believe that the receivables do not represent any significant risk.

Liquidity. Liquidity risk is the risk that we will encounter difficulties in meeting our obligations associated with financial liabilities and lease liabilities. We are exposed to this risk mainly through our Long-term debt, United States commercial paper program, Accounts payable and accrued liabilities, lease liabilities and outflows associated with derivative financial instruments. Our liquidities are provided mainly by cash flows from operating activities and borrowings available under our credit facilities and United States commercial paper program.

Accounts receivable. We are exposed to risk related to the creditworthiness and performance of our customers, suppliers and contract counterparties. As at April 28, 2024, we had outstanding accounts receivable totaling \$2.9 billion. This amount primarily consists of receivables arising from credit card receivables, the sale of fuel and other products to independent franchised or licensed fuel station operators, receivables from other industrial and commercial clients, as well as amounts receivable from vendor rebates due from our suppliers. Contracts with longer payment cycles or difficulties in enforcing contracts or collecting accounts receivable could lead to material fluctuations in our cash flows and could adversely impact our business, financial condition and results of operations.

Insurance. We carry comprehensive liability, fire and extended coverage insurance on most of our facilities, with policy specifications and insured limits customarily carried in our industry for similar properties. There can be no assurance that we will be able to continue to obtain such insurance on favorable terms or at all. Some types of losses, such as losses resulting from wars, acts of terrorism, pandemics, or natural disasters, generally are not insured because they are either uninsurable or not economically practical.

Global operations. We have significant operations in multiple jurisdictions throughout the world. Some of the risks inherent in the scope of our international operations include: the difficulty of enforcing agreements and collecting receivables through certain foreign legal systems, more expansive legal rights of foreign labor unions and employees, foreign currency exchange rate fluctuations, the potential for changes in local economic conditions, potential tax inefficiencies in repatriating funds from foreign subsidiaries and foreign exchange controls and restrictive governmental actions, such as restrictions on transfer or repatriation of funds and trade protection matters, including prohibitions or restrictions on acquisitions or joint ventures. Any of these factors could materially and adversely affect our business, financial condition and results of operations.

Corporate structure. We are a holding company and essentially all of our assets consist of the capital stock of our material subsidiaries. We conduct substantially all of our business through our subsidiaries, which generate substantially all of our revenues. Consequently, our cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of our subsidiaries and the distribution of those earnings to us. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of our material subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those subsidiaries before us.

Outlook

We unveiled our *10 For the Win* five-year strategic plan designed to meet our customers' needs and making their lives a little easier every day. The strategic lighthouses outlined in our strategic plan include the following 5 areas: *Win in Food & Own Thirst; Gain Share in Fuel; Digital Acceleration; Fast, Friendly & In-Stock; and Lowest Cost Operator*. Despite challenging global economic conditions, we will remain focused on our convenience and mobility business by refining our *Fresh Food, Fast* program, pursuing opportunities to expand the flexibility in our supply chain, rolling out our new *Inner Circle* loyalty program and growing our electric vehicles offer to solidify our position as a global leader in the future of electric charging solutions. We are excited to begin the integration of our newly acquired European network and to unlock all of its synergistic opportunities. We stand ready to seek out additional acquisition opportunities and nurture the culture of discipline and entrepreneurship that has been our trademark over the past four decades. In this rapidly evolving environment, the roll out of the *Values We Live By* and actions taken toward them are proofs of our commitment into increasing employee engagement, diversity and inclusion as well as sustainability which will remain at the forefront of our priorities and a lens to the business.

Looking ahead, we will continue, as always, to look for and seize opportunities to grow the business and integrate all of our acquisitions into our network, always focusing on creating value for our employees, partners, and shareholders.

June 25, 2024