

# Q2 2024

**ALIMENTATION COUCHE-TARD INC.**

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 and 24-week periods ended October 15, 2023



## Consolidated Statements of Earnings

(in millions of US dollars, except per share amounts, unaudited)

For the periods ended	12 weeks		24 weeks	
	October 15, 2023	October 9, 2022	October 15, 2023	October 9, 2022
	\$	\$	\$	\$
<b>Revenues</b>	<b>16,425.6</b>	16,879.5	<b>32,048.8</b>	35,537.2
Cost of sales, excluding depreciation, amortization and impairment	<b>13,489.1</b>	14,019.3	<b>26,173.9</b>	29,794.2
Operating, selling, general and administrative expenses	<b>1,468.3</b>	1,433.0	<b>2,907.4</b>	2,831.1
Loss (gain) on disposal of property and equipment and other assets	<b>0.2</b>	(20.4)	<b>(3.3)</b>	(33.4)
Depreciation, amortization and impairment	<b>369.6</b>	353.9	<b>730.1</b>	673.1
<b>Operating income</b>	<b>1,098.4</b>	1,093.7	<b>2,240.7</b>	2,272.2
Share of earnings of joint ventures and associated companies	<b>9.7</b>	2.1	<b>18.6</b>	7.7
Financial expenses (Note 4)	<b>112.9</b>	83.4	<b>213.4</b>	159.5
Other financial items (Note 4)	<b>(59.6)</b>	(23.8)	<b>(89.7)</b>	(33.8)
Foreign exchange gain	<b>(6.3)</b>	(1.5)	<b>(6.0)</b>	(0.5)
<b>Net financial expenses</b>	<b>47.0</b>	58.1	<b>117.7</b>	125.2
Earnings before income taxes	<b>1,061.1</b>	1,037.7	<b>2,141.6</b>	2,154.7
Income taxes	<b>241.9</b>	227.3	<b>488.3</b>	471.9
<b>Net earnings</b>	<b>819.2</b>	810.4	<b>1,653.3</b>	1,682.8
Net earnings per share (Note 6)				
Basic	<b>0.85</b>	0.79	<b>1.70</b>	1.64
Diluted	<b>0.85</b>	0.79	<b>1.70</b>	1.64
Weighted average number of shares – basic (in millions)	<b>966.6</b>	1,021.1	<b>972.5</b>	1,023.3
Weighted average number of shares – diluted (in millions)	<b>968.1</b>	1,022.8	<b>974.1</b>	1,025.0
Number of shares outstanding at the end of period (in millions)	<b>963.9</b>	1,017.3	<b>963.9</b>	1,017.3

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

## Consolidated Statements of Comprehensive Income

(in millions of US dollars, unaudited)

For the periods ended	12 weeks		24 weeks	
	October 15, 2023	October 9, 2022	October 15, 2023	October 9, 2022
	\$	\$	\$	\$
<b>Net earnings</b>	<b>819.2</b>	810.4	<b>1,653.3</b>	1,682.8
<b>Other comprehensive loss</b>				
<b>Items that may be reclassified subsequently to earnings</b>				
<b>Translation adjustments</b>				
Change in cumulative translation adjustments <sup>(1)</sup>	(223.8)	(116.3)	(86.9)	(415.5)
Net changes in fair value and net interest on cross-currency interest rate swaps and currency forwards designated as a hedge of the Corporation's net investment in some of its foreign operations <sup>(2)</sup>	(76.4)	(53.6)	(19.8)	(86.2)
<b>Cash flow hedges</b>				
Change in fair value of financial instruments <sup>(2)</sup>	51.7	28.0	57.3	28.7
Gain realized on financial instruments transferred to earnings <sup>(2)</sup>	(1.7)	(1.1)	(2.6)	(1.5)
Reclassification adjustment (Note 5) <sup>(3)</sup>	(28.5)	—	(28.5)	—
<b>Items that will never be reclassified to earnings</b>				
Net actuarial (loss) gain <sup>(4)</sup>	(0.1)	2.6	12.5	16.4
Gain (loss) on investments in equity instruments measured at fair value through Other comprehensive loss <sup>(5)</sup>	6.0	(5.4)	7.0	(17.4)
Other comprehensive loss	(272.8)	(145.8)	(61.0)	(475.5)
<b>Comprehensive income</b>	<b>546.4</b>	664.6	<b>1,592.3</b>	1,207.3

- (1) For the 12 and 24-week periods ended October 15, 2023, these amounts include a loss of \$140.7 (net of income taxes of \$12.7) and a gain of \$5.8 (net of income taxes of \$0.4), respectively. For the 12 and 24-week periods ended October 9, 2022, these amounts include a loss of \$152.0 (net of income taxes of \$0.3) and a loss of \$206.0 (net of income taxes of \$8.5), respectively. These losses and gains arise from the translation of debts denominated in foreign currencies and designated as net investment hedges in some of the Corporation's foreign operations.
- (2) For the 12 and 24-week periods ended October 15, 2023, these amounts are net of income tax recoveries of \$7.6 and \$1.2, respectively. For the 12 and 24-week periods ended October 9, 2022, these amounts are net of income tax expenses of \$8.3 and \$11.8, respectively.
- (3) For each of the 12 and 24-week periods ended October 15, 2023, these amounts are net of income taxes of \$4.4.
- (4) For the 12 and 24-week periods ended October 15, 2023, these amounts are net of income tax (recoveries) expenses of \$(0.1) and \$3.3, respectively. For the 12 and 24-week periods ended October 9, 2022, these amounts are net of income tax expenses of \$0.6 and \$4.3, respectively.
- (5) For the 12 and 24-week periods ended October 15, 2023, these amounts are net of income tax expenses of \$1.0 and \$1.1, respectively. For the 12 and 24-week periods ended October 9, 2022, these amounts are net of income tax expenses (recoveries) of \$0.7 and \$(1.1), respectively.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

## Consolidated Statements of Changes in Equity

(in millions of US dollars, unaudited)

For the 24-week period ended	October 15, 2023				
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 7)	Equity
	\$	\$	\$	\$	\$
<b>Balance, beginning of period</b>	614.7	28.8	12,934.6	(1,013.6)	12,564.5
Comprehensive income:					
Net earnings			1,653.3		1,653.3
Other comprehensive loss				(61.0)	(61.0)
					<u>1,592.3</u>
Share repurchases (Note 8)	(11.5)		(891.4)		(902.9)
Dividends declared			(204.4)		(204.4)
Stock option-based compensation expense		3.3			3.3
Exercise of stock options	15.9	(3.9)			12.0
<b>Balance, end of period</b>	<b>619.1</b>	<b>28.2</b>	<b>13,492.1</b>	<b>(1,074.6)</b>	<b>13,064.8</b>

For the 24-week period ended	October 9, 2022				
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 7)	Equity
	\$	\$	\$	\$	\$
<b>Balance, beginning of period</b>	639.9	25.8	12,521.0	(749.1)	12,437.6
Comprehensive income:					
Net earnings			1,682.8		1,682.8
Other comprehensive loss				(475.5)	(475.5)
					<u>1,207.3</u>
Share repurchases	(9.9)		(673.3)		(683.2)
Dividends declared			(171.6)		(171.6)
Transfer of realized gain on investments in equity instruments measured at fair value through other comprehensive income			3.8	(3.8)	—
Stock option-based compensation expense		3.0			3.0
Exercise of stock options	1.2	(0.4)			0.8
<b>Balance, end of period</b>	<b>631.2</b>	<b>28.4</b>	<b>13,362.7</b>	<b>(1,228.4)</b>	<b>12,793.9</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

## Consolidated Statements of Cash Flows

(in millions of US dollars, unaudited)

For the periods ended	12 weeks		24 weeks	
	October 15, 2023	October 9, 2022	October 15, 2023	October 9, 2022
	\$	\$	\$	\$
<b>Operating activities</b>				
Net earnings	819.2	810.4	1,653.3	1,682.8
Adjustments to reconcile net earnings to net cash provided by operating activities				
Depreciation, amortization, impairment and amortization of financing costs	370.5	354.8	732.0	675.1
Changes in non-cash working capital	(308.5)	(65.5)	(136.9)	(114.1)
Net changes in commodity indexed deposits and fuel swaps (Note 10)	54.3	(38.7)	54.0	(115.5)
Reclassification adjustment (Note 5)	(32.9)	—	(32.9)	—
Deferred income taxes	6.7	28.9	22.0	46.6
Share of earnings of joint ventures and associated companies, net of dividends received	3.8	11.6	(4.7)	8.9
Non-operating foreign exchange loss	0.8	62.4	4.8	81.8
Loss (gain) on disposal of property and equipment and other assets	0.2	(20.4)	(3.3)	(33.4)
Other	19.7	15.6	34.7	35.6
<b>Net cash provided by operating activities</b>	<b>933.8</b>	<b>1,159.1</b>	<b>2,323.0</b>	<b>2,267.8</b>
<b>Investing activities</b>				
Investment in term deposits (Note 5)	(520.9)	—	(520.9)	—
Purchase of property and equipment, intangible assets and other assets	(418.5)	(319.2)	(713.1)	(660.0)
Purchase of equity instruments, other financial assets and investments and loans related to Fire & Flower (Notes 3 and 10)	(65.4)	(4.6)	(118.1)	(28.1)
Business acquisitions (Note 2)	(34.7)	(209.7)	(45.2)	(210.3)
Proceeds from disposal of property and equipment and other assets	15.8	65.1	37.6	79.5
Proceeds from repayments of loans granted to Fire & Flower (Note 3) and from disposal of investments in equity instruments	15.7	124.5	15.7	124.5
Change in restricted cash	3.6	12.7	8.1	11.7
Investment in a joint venture	—	—	—	(30.1)
<b>Net cash used in investing activities</b>	<b>(1,004.4)</b>	<b>(331.2)</b>	<b>(1,335.9)</b>	<b>(712.8)</b>
<b>Financing activities</b>				
Share repurchases (Note 8)	(672.9)	(188.4)	(902.9)	(723.1)
Issuance of Canadian-dollar-denominated senior unsecured notes, net of financing costs (Note 5)	591.9	—	591.9	—
Net (repayment) issuance of unsecured commercial paper notes (Note 5)	(169.3)	—	310.3	—
Principal elements of lease payments	(111.7)	(106.8)	(215.3)	(207.5)
Cash dividends paid	(100.3)	(171.6)	(204.4)	(171.6)
Exercise of stock options	8.8	—	12.0	0.8
Net payments on other debts	(0.5)	(52.5)	(0.2)	(52.8)
<b>Net cash used in financing activities</b>	<b>(454.0)</b>	<b>(519.3)</b>	<b>(408.6)</b>	<b>(1,154.2)</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(27.3)	(47.7)	(8.0)	(88.4)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(551.9)</b>	<b>260.9</b>	<b>570.5</b>	<b>312.4</b>
Cash and cash equivalents, beginning of period	1,956.6	2,195.4	834.2	2,143.9
Cash and cash equivalents, end of period	1,404.7	2,456.3	1,404.7	2,456.3
<b>Supplemental information:</b>				
Interest paid	113.8	96.2	204.4	161.0
Interest and dividends received	49.3	37.2	78.5	48.1
Income taxes paid, net	306.3	177.8	384.8	167.8

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

## Consolidated Balance Sheets

(in millions of US dollars, unaudited)

	As at October 15, 2023	As at April 30, 2023
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	1,404.7	834.2
Restricted cash	5.7	13.8
Accounts receivable	2,461.8	2,298.5
Inventories	2,204.2	2,176.0
Prepaid expenses	126.0	151.6
Other short-term financial assets (Notes 5 and 10)	698.4	95.0
Income taxes receivable	0.7	100.5
	<b>6,901.5</b>	5,669.6
Property and equipment	11,942.0	11,873.0
Right-of-use assets	3,312.5	3,385.1
Intangible assets	729.1	762.2
Goodwill	6,615.1	6,621.5
Other assets	357.5	330.5
Other long-term financial assets (Note 10)	286.7	172.9
Investments in joint ventures and associated companies	186.6	183.4
Deferred income taxes	66.6	51.0
	<b>30,397.6</b>	29,049.2
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	4,456.1	4,497.9
Short-term provisions	141.8	147.9
Other short-term financial liabilities (Note 10)	148.9	0.8
Income taxes payable	59.4	79.6
Short-term debt and current portion of long-term debt (Note 5)	823.4	0.7
Current portion of lease liabilities	431.2	438.1
	<b>6,060.8</b>	5,165.0
Long-term debt (Note 5)	5,921.4	5,888.3
Lease liabilities	3,078.8	3,138.8
Long-term provisions	651.0	647.7
Pension benefit liability	79.1	85.1
Other long-term financial liabilities (Note 10)	57.4	93.8
Deferred credits and other liabilities	186.8	182.1
Deferred income taxes	1,297.5	1,283.9
	<b>17,332.8</b>	16,484.7
<b>Equity</b>		
Capital stock (Note 8)	619.1	614.7
Contributed surplus	28.2	28.8
Retained earnings	13,492.1	12,934.6
Accumulated other comprehensive loss (Note 7)	(1,074.6)	(1,013.6)
	<b>13,064.8</b>	12,564.5
	<b>30,397.6</b>	29,049.2

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

# Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

## 1. CONSOLIDATED FINANCIAL STATEMENTS PRESENTATION

The unaudited interim condensed consolidated financial statements (the “interim financial statements”) have been prepared by the Corporation in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*.

These interim financial statements have been prepared in accordance with the same accounting policies and methods as the audited annual consolidated financial statements for the year ended April 30, 2023. The interim financial statements do not include all the information required for complete financial statements and should be read in conjunction with the audited annual consolidated financial statements and notes thereto in the Corporation’s 2023 Annual Report (the “fiscal 2023 consolidated financial statements”). The results of operations for the interim periods presented do not necessarily reflect results expected for the full fiscal year. The Corporation’s business follows a seasonal pattern. The busiest period is generally the first half-year of each fiscal year, which includes summer sales.

On November 28, 2023, the Corporation’s interim financial statements were approved by the Board of Directors.

## 2. BUSINESS ACQUISITIONS

### 2024

During the 24-week period ended October 15, 2023, the Corporation acquired 10 company-operated stores, for which it owns the building and the land for 7 sites and leases the building and the land for the other sites. These transactions were settled for a total consideration of \$45.2 using available cash and generated goodwill for an amount of \$19.3. These acquisitions were concluded in order to expand the Corporation’s market share and generated goodwill mainly due to the strategic value of the acquired stores for the Corporation. Since the date of acquisition, revenues and net earnings from these stores amounted to \$15.5 and \$1.0, respectively.

On November 1, 2023, subsequent to the end of the second quarter of fiscal 2024, the Corporation 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 \$471.0, subject to post closing adjustments, and was financed using the Corporation’s available cash and its United States commercial paper program. Considering the timing and the size of this acquisition, the available financial information as at the date of publication of these interim financial statements does not allow for disclosure of the preliminary estimates of the fair value of assets acquired and liabilities assumed for this acquisition.

For the 24-week period ended October 15, 2023, acquisition costs of \$7.7 in connection with these acquisitions and other unrealized and ongoing acquisitions are included in Operating, selling, general and administrative expenses.

### *Commitments for business acquisitions*

On July 7, 2023, the Corporation reached an agreement to acquire 2,193 sites from TotalEnergies SE for a total cash consideration of approximately €3,100.0 (\$3,400.0). The retail assets included in the transaction cover 1,195 sites located in Germany, 566 sites in Belgium, 387 sites in Netherlands, and 45 sites in Luxembourg, of which 1,495 sites are company-owned and 698 sites are dealer-owned. For the same sites included in the transaction, 12% are company-operated and 88% are dealer-operated. The transaction comprises 100% of TotalEnergies SE’s retail assets in Germany and Netherlands, as well as a 60% interest in the Belgium and Luxembourg entities. Subsequent to the end of the second quarter of fiscal 2024, the Corporation has received a decision from the European Commission not to oppose the acquisition. The Corporation expects the transaction to close before the end of calendar year 2023 and it remains subject to customary closing conditions. The transaction would be financed using available cash, existing credit facilities, including the United States commercial paper program, and new term loans. During the fiscal year ended April 30, 2023, to mitigate the currency fluctuation risk associated with the Euro, the Corporation entered into currency forward contracts with financial institutions for a portion of the consideration, representing €1,600.0. In April 2023, the Corporation obtained commitments for new term loans of €1,500.0 and \$1,750.0. The term loans are available exclusively to finance this transaction.

## Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

### 2023

Given the timing and the size of certain business acquisitions concluded during the fiscal year ended April 30, 2023, the Corporation has not yet completed its fair value assessment of the assets acquired, the liabilities assumed and the resulting goodwill and there were no changes to the preliminary estimates of the fair value of assets acquired and liabilities assumed presented in Note 4 of the fiscal 2023 consolidated financial statements. The preliminary estimates are therefore subject to adjustments to the fair value of the assets, liabilities and goodwill until the processes are completed, mainly relating to property and equipment, right-of-use assets, intangible assets and deferred income taxes.

### 3. INVESTMENTS IN FIRE & FLOWER HOLDINGS CORP. (“FIRE & FLOWER”)

On June 6, 2023, following the reception by Fire & Flower of an order for creditor protection under the *Companies’ Creditors Arrangement Act*, the Corporation executed a facility agreement with Fire & Flower pursuant to which it agreed to advance a CA \$9.8 (\$7.2) debtor-in-possession loan. On June 21, 2023, the Ontario Superior Court of Justice approved a Sales and Investment Solicitation Process (“SISP”) pursuant to which one of the Corporation’s wholly-owned subsidiaries was acting as stalking horse bidder. On August 15, 2023, an auction was held in accordance with the SISP and the Corporation’s 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 the debtor-in-possession loan and a CA \$11.0 (\$8.0) secured loan, which was granted to Fire & Flower, were repaid, and the Corporation’s ownership interest in Fire & Flower was cancelled. During the 12 and 24-week periods ended October 15, 2023, losses of \$2.0 and \$3.5, respectively, were recorded, bringing the carrying amount of the Corporation’s ownership interest in Fire & Flower to nil.

On June 30, 2023, the unsecured convertible debentures matured without being converted and the Series C Warrants expired without being exercised. As at October 15, 2023, the CA \$2.4 (\$1.8) outstanding principal of unsecured debentures had a carrying amount of nil.

### 4. FINANCIAL EXPENSES AND OTHER FINANCIAL ITEMS

For the periods ended	12 weeks		24 weeks	
	October 15, 2023	October 9, 2022	October 15, 2023	October 9, 2022
	\$	\$	\$	\$
Financial expenses				
Interest on short-term debt and long-term debt	75.8	55.6	143.7	105.7
Interest on lease liabilities	26.3	20.6	51.9	40.6
Accretion of provisions	6.8	4.2	13.6	8.4
Other finance costs	4.0	3.0	4.2	4.8
	<b>112.9</b>	<b>83.4</b>	<b>213.4</b>	<b>159.5</b>
Other financial items				
Interest on bank deposits and term deposits	(34.4)	(22.0)	(65.5)	(29.1)
Other financial revenues	(2.1)	(1.7)	(3.1)	(3.7)
Change in fair value of financial instruments classified at fair value through earnings or loss	9.8	(0.1)	11.8	(1.0)
Reclassification adjustment (Note 5)	(32.9)	—	(32.9)	—
	<b>(59.6)</b>	<b>(23.8)</b>	<b>(89.7)</b>	<b>(33.8)</b>

## Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

### 5. SHORT-TERM DEBT AND LONG-TERM DEBT

	As at October 15, 2023	As at April 30, 2023
	\$	\$
US-dollar-denominated senior unsecured notes, maturing from July 2027 to May 2051	3,970.4	3,969.5
Canadian-dollar-denominated senior unsecured notes, maturing from July 2024 to September 2030 <sup>(a)</sup>	1,603.9	1,025.2
Euro-denominated senior unsecured notes, maturing in May 2026	787.9	821.9
NOK-denominated senior unsecured notes, maturing in February 2026	61.6	62.7
Unsecured commercial paper notes, maturing from October to November 2023 <sup>(b)</sup>	311.4	—
Other debts	9.6	9.7
	<b>6,744.8</b>	<b>5,889.0</b>
Short-term debt and current portion of long-term debt	<b>823.4</b>	<b>0.7</b>
Long-term portion of long-term debt	<b>5,921.4</b>	<b>5,888.3</b>

#### (a) Canadian-dollar-denominated senior unsecured notes

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

Issuance date	Principal amount	Maturity	Coupon rate	Effective rate	Interest payment dates
September 25, 2023	CA \$800.0	September 25, 2030	5.59%	5.70%	March 25 <sup>th</sup> and September 25 <sup>th</sup>

The Corporation used the \$591.9 net proceeds from the issuance for corporate purposes as well as to invest an amount of CA \$700.0 (\$511.7 as at October 15, 2023) in term deposits with major financial institutions which meet the Corporation's minimum credit ratings requirements. The term deposits will mature on July 23, 2024, bear interest at a weighted average annual rate of 6.15%, and are classified in Other short-term financial assets on the consolidated balance sheet.

Following the issuance of those Canadian-dollar-denominated senior unsecured notes and in relation with the repayment of the Canadian-dollar-denominated senior unsecured notes and associated cross-currency interest rate swaps maturing on July 26, 2024, the Corporation has entered into currency forward contracts with the following terms:

Receive - Notional	Pay - Notional	Exchange rate (Canadian dollar per US dollar)	Maturity date	Fair value as at October 15, 2023 (Note 10)
\$260.6	CA \$350.0	From 1.3391 to 1.3481	July 2024	<b>\$3.5</b>

The changes in fair value of these currency forward contracts are recognized in the consolidated statements of earnings as foreign exchange gain or loss and they were classified in Other short-term financial assets on the consolidated balance sheet as at October 15, 2023.

As a result of the issuance of those Canadian-dollar-denominated senior unsecured notes, the Corporation 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. The Corporation had designated the following forward starting interest rate swaps as a cash flow hedge of its 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 from Other comprehensive loss to Other financial items in the consolidated statement of earnings.

Issuance year	Notional amount	Interest rate swaps terms	Rate	Maturity date
2022	\$275.0	10 years	From 2.06% to 2.26%	July 2024

Following the reclassification adjustment, the Corporation designated these forward starting interest rate swaps as a cash flow hedge of its interest rate risk related to the variability of the interest payments on the anticipated issuance of US-dollar-denominated senior unsecured notes in calendar year 2024.

#### (b) United States commercial paper program

As at October 15, 2023, the weighted average effective interest rate of the outstanding unsecured commercial paper notes was 5.63%.

## Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

### Term revolving unsecured operating credit facility

As at October 15, 2023, the operating credit facility was not used, and the Corporation was in compliance with the restrictive covenants and ratios imposed by the credit facility agreement.

## 6. NET EARNINGS PER SHARE

The following tables present the information for the computation of basic and diluted net earnings per share:

	12-week period ended October 15, 2023			12-week period ended October 9, 2022		
	Net earnings	Weighted average number of shares (in millions)	Net earnings per share	Net earnings	Weighted average number of shares (in millions)	Net earnings per share
	\$		\$	\$		\$
Basic net earnings	819.2	966.6	0.85	810.4	1,021.1	0.79
Dilutive effect of stock options	—	1.5	—	—	1.7	—
Diluted net earnings	819.2	968.1	0.85	810.4	1,022.8	0.79

  

	24-week period ended October 15, 2023			24-week period ended October 9, 2022		
	Net earnings	Weighted average number of shares (in millions)	Net earnings per share	Net earnings	Weighted average number of shares (in millions)	Net earnings per share
	\$		\$	\$		\$
Basic net earnings	1,653.3	972.5	1.70	1,682.8	1,023.3	1.64
Dilutive effect of stock options	—	1.6	—	—	1.7	—
Diluted net earnings	1,653.3	974.1	1.70	1,682.8	1,025.0	1.64

When they have an antidilutive effect, stock options must be excluded from the calculation of the diluted net earnings per share. For each of the 12 and 24-week periods ended October 15, 2023, 382,941 stock options were excluded (nil for each of the 12 and 24-week periods ended October 9, 2022).

## 7. ACCUMULATED OTHER COMPREHENSIVE LOSS

	Cumulative translation adjustments <sup>(a)</sup>	Net investment hedge <sup>(a)</sup>	Cash flow hedge <sup>(a)(c)</sup>	Cumulative net actuarial gain <sup>(b)</sup>	Investments in equity instruments measured at fair value through Other comprehensive income (loss) <sup>(b)</sup>	Accumulated other comprehensive loss
	\$	\$	\$	\$	\$	\$
<b>24-week period ended October 15, 2023</b>						
Balance, beginning of period	(764.4)	(341.6)	54.1	36.7	1.6	(1,013.6)
Other comprehensive (loss) income	(86.9)	(19.8)	26.2	12.5	7.0	(61.0)
<b>Balance, end of period</b>	<b>(851.3)</b>	<b>(361.4)</b>	<b>80.3</b>	<b>49.2</b>	<b>8.6</b>	<b>(1,074.6)</b>
24-week period ended October 9, 2022						
Balance, beginning of period	(522.5)	(292.4)	21.2	33.1	11.5	(749.1)
Other comprehensive (loss) income	(415.5)	(86.2)	27.2	16.4	(17.4)	(475.5)
Transfer of realized gain on investments in equity instruments measured at fair value through Other comprehensive income (loss)	—	—	—	—	(3.8)	(3.8)
<b>Balance, end of period</b>	<b>(938.0)</b>	<b>(378.6)</b>	<b>48.4</b>	<b>49.5</b>	<b>(9.7)</b>	<b>(1,228.4)</b>

(a) May be reclassified subsequently to earnings.

(b) Will never be reclassified to earnings.

(c) For the 24-week period ended October 15, 2023, includes a reclassification adjustment of \$28.5 (net of income taxes of \$4.4) in relation with a forecasted transaction no longer expected to occur (Note 5).

## Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

### 8. CAPITAL STOCK

#### Issued and outstanding shares

The table below presents the changes in the number of shares for the 24-week period ended October 15, 2023:

Common shares (in millions)	
Balance, beginning of period	981.3
Share repurchases <sup>(a)</sup>	(18.2)
Issuance of shares on stock options exercised <sup>(b)</sup>	0.8
Balance, end of period	<u>963.9</u>

#### (a) Share repurchase program

On April 26, 2023, the Toronto Stock Exchange approved the renewal of the Corporation's share repurchase program, which took effect on May 1, 2023. The renewed share repurchase program allows the Corporation to repurchase up to 49,066,629 shares, representing 5.0% of the shares outstanding as at April 20, 2023, and the share repurchase period will end no later than April 30, 2024. During the 12 and 24-week periods ended October 15, 2023, the Corporation repurchased 13,550,637 and 18,224,237 shares, respectively. These repurchases were settled for amounts of \$672.9 and \$902.9, respectively.

Subsequent to the end of the second quarter of fiscal 2024, the Corporation repurchased 292,900 shares for an amount of \$15.7.

When making such repurchases, the number of shares in circulation is reduced and the proportionate interest of all remaining shareholders in the Corporation's share capital is increased on a pro rata basis. 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 the Corporation's shares on its behalf within parameters established by the Corporation.

#### (b) Stock options

The table below presents the status of the Corporation's stock option plan as at October 15, 2023, and October 9, 2022, and the changes therein during the periods then ended:

For the 24-week periods ended	October 15, 2023	October 9, 2022
<b>Number of stock options (in thousands)</b>		
Outstanding, beginning of period	3,417.7	3,423.7
Granted	394.3	425.7
Exercised	(750.1)	(72.8)
Forfeited	(17.7)	(10.3)
Outstanding, end of period	<u>3,044.2</u>	<u>3,766.3</u>

The description of the Corporation's stock-based compensation plan is included in Note 28 of the fiscal 2023 consolidated financial statements.

# Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

## 9. SEGMENTED INFORMATION

The Corporation operates convenience stores in the United States, in Europe and Asia, which are presented together as Europe and other regions, and in Canada. It operates in one reportable segment, the sale of goods for immediate consumption, road transportation fuel and other products mainly through company-operated and franchised stores. The Corporation operates its convenience store chain under various banners, including Circle K, Couche-Tard, Holiday, and Ingo. Revenues from external customers mainly fall into three categories: merchandise and service, road transportation fuel and other.

Information on the principal revenue categories as well as geographic information is as follows:

	12-week period ended October 15, 2023				12-week period ended October 9, 2022			
	United States	Europe and other regions	Canada	Total	United States	Europe and other regions	Canada	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>External customer revenues<sup>(a)</sup></b>								
Merchandise and service	2,936.7	570.9	606.2	4,113.8	2,903.0	550.9	617.9	4,071.8
Road transportation fuel	8,062.7	2,587.2	1,506.0	12,155.9	8,236.0	2,837.5	1,453.1	12,526.6
Other	9.5	138.4	8.0	155.9	8.5	265.6	7.0	281.1
	<b>11,008.9</b>	<b>3,296.5</b>	<b>2,120.2</b>	<b>16,425.6</b>	<b>11,147.5</b>	<b>3,654.0</b>	<b>2,078.0</b>	<b>16,879.5</b>
<b>External customer revenues less Cost of sales, excluding depreciation, amortization and impairment</b>								
Merchandise and service	1,021.0	220.6	201.1	1,442.7	987.5	211.1	205.0	1,403.6
Road transportation fuel	1,064.4	252.8	137.4	1,454.6	1,058.0	241.8	124.9	1,424.7
Other	9.5	22.6	7.1	39.2	8.5	18.4	5.0	31.9
	<b>2,094.9</b>	<b>496.0</b>	<b>345.6</b>	<b>2,936.5</b>	<b>2,054.0</b>	<b>471.3</b>	<b>334.9</b>	<b>2,860.2</b>
	24-week period ended October 15, 2023				24-week period ended October 9, 2022			
	United States	Europe and other regions	Canada	Total	United States	Europe and other regions	Canada	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>External customer revenues<sup>(a)</sup></b>								
Merchandise and service	5,942.0	1,192.9	1,254.7	8,389.6	5,807.9	1,088.0	1,248.4	8,144.3
Road transportation fuel	15,584.9	4,850.9	2,955.3	23,391.1	17,917.4	5,813.4	3,114.9	26,845.7
Other	17.7	233.5	16.9	268.1	18.2	516.1	12.9	547.2
	<b>21,544.6</b>	<b>6,277.3</b>	<b>4,226.9</b>	<b>32,048.8</b>	<b>23,743.5</b>	<b>7,417.5</b>	<b>4,376.2</b>	<b>35,537.2</b>
<b>External customer revenues less Cost of sales, excluding depreciation, amortization and impairment</b>								
Merchandise and service	2,051.0	468.8	420.8	2,940.6	1,972.8	419.8	413.9	2,806.5
Road transportation fuel	2,139.0	450.4	274.5	2,863.9	2,089.4	522.5	257.3	2,869.2
Other	17.7	38.9	13.8	70.4	18.2	38.2	10.9	67.3
	<b>4,207.7</b>	<b>958.1</b>	<b>709.1</b>	<b>5,874.9</b>	<b>4,080.4</b>	<b>980.5</b>	<b>682.1</b>	<b>5,743.0</b>
<b>Total long-term assets<sup>(a)(b)(c)</sup></b>	<b>15,970.9</b>	<b>3,936.5</b>	<b>2,898.8</b>	<b>22,806.2</b>	<b>14,473.8</b>	<b>3,741.5</b>	<b>2,879.1</b>	<b>21,094.4</b>

(a) Geographic areas are determined according to where the Corporation generates operating income (where the sale takes place) and according to the location of the long-term assets.

(b) Excluding financial instruments, deferred tax assets and post-employment benefit assets.

(c) Comparative figures as at October 9, 2022 were adjusted from \$2,904.9 to \$2,879.1 for Canada to reflect the finalization of the estimates of the fair value of assets acquired and liabilities assumed for the acquisition of Cape D'Or Holdings Limited, Barrington Terminals Limited and other related holding entities.

## Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

### 10. FAIR VALUE

The fair value of trade accounts receivable, proprietary cards receivable and vendor rebates receivable, credit and debit cards receivable from payment-processing providers, term deposits, secured loan granted to Fire & Flower (as at April 30, 2023, Note 3), accounts payable and accrued liabilities and outstanding unsecured commercial paper notes is comparable to their carrying amounts given their short maturity.

The estimated fair value of each class of financial instruments, the methods and assumptions that were used to determine them and their fair value hierarchy are as follows:

*Financial instruments at fair value on the consolidated balance sheets:*

	Estimated fair value as at		Consolidated balance sheets classification	Methods and assumptions used	Fair value hierarchy
	October 15, 2023	April 30, 2023			
	\$	\$			
Share units total return swaps - Current	16.4	10.8	Other short-term financial assets	Fair market value of the Corporation's shares	Level 2
Share units total return swaps - Non-current	19.1	15.8	Other long-term financial assets		
Commodity indexed deposits	26.5	20.1	Other short-term financial assets	Market rates	Level 2
US dollar / Canadian dollar currency forwards	3.5	—	Other short-term financial assets	Market rates	Level 2
Euro / US dollar currency forwards	(52.7)	41.9	Other short-term financial assets (liabilities)	Market rates	Level 2
Forward starting interest rate swaps	131.8	—	Other short-term financial assets	Market rates	Level 2
Forward starting interest rate swaps	41.6	37.5	Other long-term financial assets	Market rates	Level 2
Forward starting interest rate swaps	—	(3.1)	Other long-term financial liabilities	Market rates	Level 2
Fuel swaps	8.5	19.7	Other short-term financial assets	Market rates	Level 2
Fuel swaps	(49.2)	—	Other short-term financial liabilities	Market rates	Level 2
Investments in equity instruments	146.2	30.0	Other long-term financial assets	Unadjusted quoted prices	Level 1
Investments in equity instruments	69.7	79.5	Other long-term financial assets	Latest transactions / Cessation of operations	Level 3
Investments in other financial assets	10.1	10.1	Other long-term financial assets	Latest transactions / Cessation of operations	Level 3
Currency put and call options	—	(0.8)	Other short-term financial liabilities	Market rates	Level 2
Cross-currency interest rate swaps	(43.8)	—	Other short-term financial liabilities	Market rates	Level 2
Cross-currency interest rate swaps	(57.4)	(90.7)	Other long-term financial liabilities	Market rates	Level 2
Other currency derivatives	(3.2)	0.5	Other short-term financial assets (liabilities)	Market rates	Level 2
Unsecured convertible debentures and common share warrants	—	2.1	Other short-term financial assets	Longstaff-Schwartz / Monte Carlo / Black-Scholes	Level 3

The table below shows the amounts related to the investments in equity instruments (Level 3) and investments in other financial assets (Level 3) presented on the consolidated balance sheets:

	Estimated fair value
	\$
<b>24-week period ended October 15, 2023</b>	
Balance, beginning of period	89.6
Loss recognized in Other financial items <sup>(1)</sup>	(9.8)
<b>Balance, end of period</b>	<b>79.8</b>

(1) Related to financial instruments still held by the Corporation as at October 15, 2023.

The valuations of these financial instruments were mainly based on prices for similar instruments stemming from larger private investments. Subsequently, in order to determine if any adjustments to their fair value is required, the Corporation performs an ongoing review of its investments. A number of factors are reviewed and monitored including, but not limited to, current operating performance of investees as well as changes in their respective market, economic and financing environment over time. As at October 15, 2023, following its review, the Corporation determined that sensitivity to unobservable inputs is not deemed to have a significant impact on the estimated fair value of those financial instruments given the limited impact of the few underlying assumptions used in their valuation.

## Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(in millions of US dollars, except per share and stock option data, or unless otherwise noted)

The Corporation performs the valuation of its financial instruments required for financial reporting purposes, including Level 2 and Level 3 fair values. Changes in Level 2 and Level 3 fair values are analyzed at the end of each reporting period by the Corporation and reports explaining the reasons for the fair value movements are presented to the Corporation's management.

*Financial instruments not at fair value on the consolidated balance sheets:*

The table below presents the fair value, which is based on unadjusted quoted prices (Level 1) or on observable market data (Level 2), and the carrying value of the Corporation's senior unsecured notes which are not measured at fair value on the consolidated balance sheets:

	As at October 15, 2023		As at April 30, 2023	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
US-dollar-denominated senior unsecured notes (Level 2)	3,970.4	3,063.6	3,969.5	3,309.2
Canadian-dollar-denominated senior unsecured notes (Level 1)	1,603.9	1,579.8	1,025.2	1,004.3
Euro-denominated senior unsecured notes (Level 2)	787.9	741.5	821.9	777.4
NOK-denominated senior unsecured notes (Level 2)	61.6	59.5	62.7	61.5

### 11. SUBSEQUENT EVENT

#### Dividends

During its November 28, 2023 meeting, the Board of Directors declared a quarterly dividend of CA 17.5¢ per share for the second quarter of fiscal 2024 to shareholders on record as at December 7, 2023, and approved its payment effective December 21, 2023. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).