

Q1 2024

ALIMENTATION COUCHE-TARD INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12-week period ended July 23, 2023



Consolidated Statements of Earnings

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

For the 12-week periods ended	July 23, 2023	July 17, 2022
	\$	\$
Revenues	15,623.2	18,657.7
Cost of sales, excluding depreciation, amortization and impairment	12,684.8	15,774.9
Operating, selling, general and administrative expenses	1,439.1	1,398.1
Gain on disposal of property and equipment and other assets	(3.5)	(13.0)
Depreciation, amortization and impairment	360.5	319.2
Operating income	1,142.3	1,178.5
Share of earnings of joint ventures and associated companies	8.9	5.6
Financial expenses (Note 4)	100.5	76.1
Other financial items (Note 4)	(30.1)	(10.0)
Foreign exchange loss	0.3	1.0
Net financial expenses	70.7	67.1
Earnings before income taxes	1,080.5	1,117.0
Income taxes	246.4	244.6
Net earnings	834.1	872.4
Net earnings per share (Note 6)		
Basic	0.85	0.85
Diluted	0.85	0.85
Weighted average number of shares – basic (in millions)	978.4	1,025.6
Weighted average number of shares – diluted (in millions)	980.0	1,027.2
Number of shares outstanding at the end of period (in millions)	976.9	1,022.1

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 12-week periods ended	July 23, 2023	July 17, 2022
	\$	\$
Net earnings	834.1	872.4
Other comprehensive income (loss)		
Items that may be reclassified subsequently to earnings		
Translation adjustments		
Change in cumulative translation adjustments ⁽¹⁾	136.9	(299.2)
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 ⁽²⁾	56.6	(32.6)
Cash flow hedges		
Change in fair value of financial instruments ⁽²⁾	5.6	0.7
Gain realized on financial instruments transferred to earnings ⁽²⁾	(0.9)	(0.4)
Items that will never be reclassified to earnings		
Net actuarial gain ⁽³⁾	12.6	13.8
Gain (loss) on investments in equity instruments measured at fair value through Other comprehensive income (loss) ⁽⁴⁾	1.0	(12.0)
Other comprehensive income (loss)	211.8	(329.7)
Comprehensive income	1,045.9	542.7

(1) For the 12-week periods ended July 23, 2023, and July 17, 2022, these amounts include a gain of \$146.5 (net of income taxes of \$13.1) and a loss of \$54.0 (net of income taxes of \$8.2), respectively. These gains and losses 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-week periods ended July 23, 2023, and July 17, 2022, these amounts are net of income tax expenses of \$6.4 and \$3.5, respectively.

(3) For the 12-week periods ended July 23, 2023, and July 17, 2022, these amounts are net of income tax expenses of \$3.4 and \$3.7, respectively.

(4) For the 12-week periods ended July 23, 2023, and July 17, 2022, these amounts are net of income tax expenses (recoveries) of \$0.1 and \$(1.8), 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 12-week period ended	July 23, 2023				
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 7)	Equity
	\$	\$	\$	\$	\$
Balance, beginning of period	614.7	28.8	12,934.6	(1,013.6)	12,564.5
Comprehensive income:					
Net earnings			834.1		834.1
Other comprehensive income				211.8	211.8
					<u>1,045.9</u>
Share repurchases (Note 8)	(2.9)		(227.1)		(230.0)
Dividends declared			(104.1)		(104.1)
Stock option-based compensation expense		2.3			2.3
Exercise of stock options	4.3	(1.1)			3.2
Balance, end of period	616.1	30.0	13,437.5	(801.8)	13,281.8

For the 12-week period ended	July 17, 2022				
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 7)	Equity
	\$	\$	\$	\$	\$
Balance, beginning of period	639.9	25.8	12,521.0	(749.1)	12,437.6
Comprehensive income:					
Net earnings			872.4		872.4
Other comprehensive loss				(329.7)	(329.7)
					<u>542.7</u>
Share repurchases (Note 8)	(6.8)		(471.2)		(478.0)
Dividends declared			(87.0)		(87.0)
Stock option-based compensation expense		2.2			2.2
Exercise of stock options	1.2	(0.4)			0.8
Balance, end of period	634.3	27.6	12,835.2	(1,078.8)	12,418.3

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 12-week periods ended	July 23, 2023	July 17, 2022
	\$	\$
Operating activities		
Net earnings	834.1	872.4
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation, amortization, impairment and amortization of financing costs	361.5	320.3
Changes in non-cash working capital	171.6	(48.6)
Deferred income taxes	15.3	17.7
Share of earnings of joint ventures and associated companies, net of dividends received	(8.5)	(2.7)
Non-operating foreign exchange loss	4.0	—
Gain on disposal of property and equipment and other assets	(3.5)	(13.0)
Net changes in commodity indexed deposits and fuel swaps (Note 10)	(0.3)	(76.8)
Other	15.0	20.0
Net cash provided by operating activities	1,389.2	1,089.3
Investing activities		
Purchase of property and equipment, intangible assets and other assets	(294.6)	(340.8)
Purchase of equity instruments, other financial assets and investments and loan related to Fire & Flower (Notes 3 and 10)	(52.7)	(23.5)
Proceeds from disposal of property and equipment and other assets	21.8	14.4
Business acquisitions (Note 2)	(10.5)	(0.6)
Change in restricted cash	4.5	(1.0)
Investment in a joint venture	—	(30.1)
Net cash used in investing activities	(331.5)	(381.6)
Financing activities		
Net issuance of unsecured commercial paper notes (Note 5)	479.6	—
Share repurchases (Note 8)	(230.0)	(534.7)
Cash dividends paid	(104.1)	—
Principal elements of lease payments	(103.6)	(100.7)
Exercise of stock options	3.2	0.8
Net proceeds (payments) on other debts	0.3	(0.3)
Net cash provided by (used in) financing activities	45.4	(634.9)
Effect of exchange rate fluctuations on cash and cash equivalents	19.3	(21.3)
Net increase in cash and cash equivalents	1,122.4	51.5
Cash and cash equivalents, beginning of period	834.2	2,143.9
Cash and cash equivalents, end of period	1,956.6	2,195.4
Supplemental information:		
Interest paid	90.6	64.8
Interest and dividends received	29.2	10.9
Income taxes paid (received), net	78.5	(10.0)

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 July 23, 2023	As at April 30, 2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,956.6	834.2
Restricted cash	9.3	13.8
Accounts receivable	2,267.5	2,298.5
Inventories	2,184.3	2,176.0
Prepaid expenses	139.1	151.6
Other short-term financial assets (Note 10)	109.3	95.0
Income taxes receivable	33.7	100.5
	6,699.8	5,669.6
Property and equipment	11,956.8	11,873.0
Right-of-use assets	3,392.8	3,385.1
Intangible assets	764.1	762.2
Goodwill	6,666.4	6,621.5
Other assets	341.5	330.5
Other long-term financial assets (Note 10)	258.5	172.9
Investments in joint ventures and associated companies	192.2	183.4
Deferred income taxes	53.8	51.0
	30,325.9	29,049.2
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	4,431.2	4,497.9
Short-term provisions	145.3	147.9
Other short-term financial liabilities (Note 10)	6.0	0.8
Income taxes payable	160.3	79.6
Short-term debt and current portion of long-term debt (Note 5)	480.6	0.7
Current portion of lease liabilities	437.6	438.1
	5,661.0	5,165.0
Long-term debt (Note 5)	5,939.2	5,888.3
Lease liabilities	3,154.5	3,138.8
Long-term provisions	659.1	647.7
Pension benefit liability	80.4	85.1
Other long-term financial liabilities (Note 10)	68.0	93.8
Deferred credits and other liabilities	193.1	182.1
Deferred income taxes	1,288.8	1,283.9
	17,044.1	16,484.7
Equity		
Capital stock (Note 8)	616.1	614.7
Contributed surplus	30.0	28.8
Retained earnings	13,437.5	12,934.6
Accumulated other comprehensive loss (Note 7)	(801.8)	(1,013.6)
	13,281.8	12,564.5
	30,325.9	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 September 6, 2023, the Corporation’s interim financial statements were approved by the Board of Directors.

2. BUSINESS ACQUISITIONS

2024

During the 12-week period ended July 23, 2023, the Corporation acquired four company-operated stores, for which it owns the building and the land for two sites and leases the building and the land for the other sites. These transactions were settled for a total consideration of \$10.5 using available cash and generated goodwill for an amount of \$5.8. Since the date of acquisition, revenues and net earnings from these stores were not significant to the Corporation.

For the 12-week period ended July 23, 2023, acquisition costs of \$3.5 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. The Corporation expects the transaction to close before the end of calendar year 2023 and it remains subject to customary closing conditions and regulatory approvals. 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.

On April 27, 2023, the Corporation entered into a binding agreement to acquire 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, for a total cash consideration of approximately \$459.0 subject to post-closing adjustments. The agreement also includes surplus property and a logistics fleet. The transaction would be financed using available cash and existing credit facilities, including the United States commercial paper program. The Corporation expects the transaction to close before the end of calendar year 2023 and it remains subject to customary closing conditions.

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. Subsequent to the end of the first quarter of fiscal 2024 and following an auction held on August 15, 2023, the Corporation’s wholly-owned subsidiary was selected as the back-up bidder and its back-up bid will remain valid until the closing of the transaction contemplated by the successful bid, in accordance with the SISP.

On June 30, 2023, the unsecured convertible debentures matured without being converted and the Series C Warrants expired without being exercised. As at July 23, 2023, the carrying amount of the CA \$2.4 (\$1.8) outstanding principal of unsecured debentures was nil.

4. FINANCIAL EXPENSES AND OTHER FINANCIAL ITEMS

For the 12-week periods ended	July 23, 2023	July 17, 2022
	\$	\$
Financial expenses		
Interest on short-term debt and long-term debt	67.9	50.1
Interest on lease liabilities	25.6	20.0
Accretion of provisions	6.8	4.2
Other finance costs	0.2	1.8
	<u>100.5</u>	<u>76.1</u>
Other financial items		
Interest on bank deposits	(31.1)	(7.1)
Other financial revenues	(1.0)	(2.0)
Change in fair value of financial instruments classified at fair value through earnings or loss	2.0	(0.9)
	<u>(30.1)</u>	<u>(10.0)</u>

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 July 23, 2023	As at April 30, 2023
	\$	\$
US-dollar-denominated senior unsecured notes, maturing from July 2027 to May 2051	3,969.9	3,969.5
Canadian-dollar-denominated senior unsecured notes, maturing from July 2024 to June 2025	1,060.7	1,025.2
Euro-denominated senior unsecured notes, maturing in May 2026	832.7	821.9
NOK-denominated senior unsecured notes, maturing in February 2026	67.0	62.7
Unsecured commercial paper notes, maturing in August 2023 ^(a)	480.0	—
Other debts	9.5	9.7
	6,419.8	5,889.0
Short-term debt and current portion of long-term debt	480.6	0.7
Long-term portion of long-term debt	5,939.2	5,888.3

(a) United States commercial paper program

As at July 23, 2023, the weighted average effective interest rate of the outstanding unsecured commercial paper notes was 5.55%.

Term revolving unsecured operating credit facility

As at July 23, 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 table presents the information for the computation of basic and diluted net earnings per share:

	12-week period ended July 23, 2023			12-week period ended July 17, 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	834.1	978.4	0.85	872.4	1,025.6	0.85
Dilutive effect of stock options	—	1.6	—	—	1.6	—
Diluted net earnings	834.1	980.0	0.85	872.4	1,027.2	0.85

When they have an antidilutive effect, stock options must be excluded from the calculation of the diluted net earnings per share. For the 12-week periods ended July 23, 2023, and July 17, 2022, 380,089 and 342,538 stock options were excluded, respectively.

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)

7. ACCUMULATED OTHER COMPREHENSIVE LOSS

	Cumulative translation adjustments ^(a)	Net investment hedge ^(a)	Cash flow hedge ^(a)	Cumulative net actuarial gain ^(b)	Investments in equity instruments measured at fair value through Other comprehensive income (loss) ^(b)	Accumulated other comprehensive loss
	\$	\$	\$	\$	\$	\$
12-week period ended July 23, 2023						
Balance, beginning of period	(764.4)	(341.6)	54.1	36.7	1.6	(1,013.6)
Other comprehensive income	136.9	56.6	4.7	12.6	1.0	211.8
Balance, end of period	(627.5)	(285.0)	58.8	49.3	2.6	(801.8)
12-week period ended July 17, 2022						
Balance, beginning of period	(522.5)	(292.4)	21.2	33.1	11.5	(749.1)
Other comprehensive (loss) income	(299.2)	(32.6)	0.3	13.8	(12.0)	(329.7)
Balance, end of period	(821.7)	(325.0)	21.5	46.9	(0.5)	(1,078.8)

(a) May be reclassified subsequently to earnings.

(b) Will never be reclassified to earnings.

8. CAPITAL STOCK

Issued and outstanding shares

As at July 23, 2023, the Corporation had 976,908,984 issued and outstanding Common shares (981,332,584 as at April 30, 2023), with each share comprising 1 vote.

The changes in the number of shares are as follows:

	12-week period ended July 23, 2023
Common shares (in millions)	
Balance, beginning of period	981.3
Share repurchases ^(a)	(4.7)
Issuance of shares on stock options exercised ^(b)	0.3
Balance, end of period	976.9

(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-week period ended July 23, 2023, the Corporation repurchased 4,673,600 shares, for an amount of \$230.0.

Subsequent to the end of the first quarter of fiscal 2024 and under the share repurchase program, the Corporation repurchased 10,820,837 shares through a private agreement, for an amount of \$529.7.

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.

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)

(b) Stock options

The table below presents the status of the Corporation's stock option plan as at July 23, 2023, and July 17, 2022, and the changes therein during the periods then ended:

For the 12-week periods ended	July 23, 2023	July 17, 2022
Number of stock options (in thousands)		
Outstanding, beginning of period	3,417.7	3,423.7
Granted	380.1	425.7
Exercised	(250.0)	(72.8)
Forfeited	—	(10.3)
Outstanding, end of period	<u>3,547.8</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.

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 July 23, 2023				12-week period ended July 17, 2022			
	United States	Europe and other regions	Canada	Total	United States	Europe and other regions	Canada	Total
	\$	\$	\$	\$	\$	\$	\$	\$
External customer revenues^(a)								
Merchandise and service	3,005.3	622.0	648.5	4,275.8	2,904.9	537.1	630.5	4,072.5
Road transportation fuel	7,522.2	2,263.7	1,449.3	11,235.2	9,681.4	2,975.9	1,661.8	14,319.1
Other	8.2	95.1	8.9	112.2	9.7	250.5	5.9	266.1
	<u>10,535.7</u>	<u>2,980.8</u>	<u>2,106.7</u>	<u>15,623.2</u>	<u>12,596.0</u>	<u>3,763.5</u>	<u>2,298.2</u>	<u>18,657.7</u>
External customer revenues less Cost of sales, excluding depreciation, amortization and impairment								
Merchandise and service	1,030.0	248.2	219.7	1,497.9	985.3	208.7	208.9	1,402.9
Road transportation fuel	1,074.6	197.6	137.1	1,409.3	1,031.4	280.7	132.4	1,444.5
Other	8.2	16.3	6.7	31.2	9.7	19.8	5.9	35.4
	<u>2,112.8</u>	<u>462.1</u>	<u>363.5</u>	<u>2,938.4</u>	<u>2,026.4</u>	<u>509.2</u>	<u>347.2</u>	<u>2,882.8</u>
Total long-term assets^(b)	<u>15,796.5</u>	<u>4,169.3</u>	<u>3,014.6</u>	<u>22,980.4</u>	<u>14,497.4</u>	<u>3,871.9</u>	<u>2,843.0</u>	<u>21,212.3</u>

(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.

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, secured loans granted to Fire & Flower (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
	July 23, 2023	April 30, 2023			
	\$	\$			
Share units total return swaps - Current	11.2	10.8	Other short-term financial assets	Fair market value of the Corporation's shares	Level 2
Share units total return swaps - Non-current	16.4	15.8	Other long-term financial assets		
Commodity indexed deposits	35.7	20.1	Other short-term financial assets	Market rates	Level 2
Currency forwards	52.0	41.9	Other short-term financial assets	Market rates	Level 2
Investments in equity instruments	80.7	30.0	Other long-term financial assets	Unadjusted quoted prices	Level 1
Investments in equity instruments	79.5	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
Forward starting interest rate swaps	71.8	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	9.2	19.7	Other short-term financial assets	Market rates	Level 2
Fuel swaps	(4.8)	—	Other short-term financial liabilities	Market rates	Level 2
Currency put and call options	(1.2)	(0.8)	Other short-term financial liabilities	Market rates	Level 2
Cross-currency interest rate swaps	(68.0)	(90.7)	Other long-term financial liabilities	Market rates	Level 2
Other currency derivatives	1.2	0.5	Other short-term financial assets	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

During the 12-week period ended July 23, 2023, there were no purchase, disposal or change in fair value related to the investments in equity instruments (Level 3) and investments in other financial assets (Level 3). The valuations of those 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 July 23, 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.

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.

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)

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 July 23, 2023		As at April 30, 2023	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
US-dollar-denominated senior unsecured notes (Level 2)	3,969.9	3,225.0	3,969.5	3,309.2
Canadian-dollar-denominated senior unsecured notes (Level 1)	1,060.7	1,030.9	1,025.2	1,004.3
Euro-denominated senior unsecured notes (Level 2)	832.7	784.7	821.9	777.4
NOK-denominated senior unsecured notes (Level 2)	67.0	64.4	62.7	61.5

11. SUBSEQUENT EVENT

Dividends

During its September 6, 2023 meeting, the Board of Directors declared a quarterly dividend of CA 14.0¢ per share for the first quarter of fiscal 2024 to shareholders on record as at September 15, 2023, and approved its payment effective September 29, 2023. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).