

Q2 2025

ALIMENTATION COUCHE-TARD INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 and 24-week periods ended October 13, 2024



CIRCLE K™



Consolidated Statements of Earnings

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

For the periods ended	12 weeks		24 weeks	
	October 13, 2024	October 15, 2023	October 13, 2024	October 15, 2023
	\$	\$	\$	\$
Revenues	17,405.3	16,425.6	35,682.8	32,048.8
Cost of sales, excluding depreciation, amortization and impairment	14,254.3	13,489.1	29,358.7	26,173.9
Operating, selling, general and administrative expenses	1,649.9	1,468.3	3,282.4	2,907.4
(Gain) loss on disposal of property and equipment and other assets	(5.1)	0.2	(43.4)	(3.3)
Depreciation, amortization and impairment	467.5	369.6	908.4	730.1
Operating income	1,038.7	1,098.4	2,176.7	2,240.7
Share of earnings of joint ventures and associated companies	8.9	9.7	17.3	18.6
Financial expenses (Note 3)	160.8	112.9	319.5	213.4
Other financial items (Note 3)	(34.0)	(59.6)	(75.4)	(89.7)
Foreign exchange gain	(9.0)	(6.3)	(11.2)	(6.0)
Net financial expenses	117.8	47.0	232.9	117.7
Earnings before income taxes	929.8	1,061.1	1,961.1	2,141.6
Income taxes	217.8	241.9	456.0	488.3
Net earnings	712.0	819.2	1,505.1	1,653.3
Net earnings attributable to non-controlling interests	(3.2)	—	(5.5)	—
Net earnings attributable to shareholders of the Corporation	708.8	819.2	1,499.6	1,653.3
Net earnings per share (Note 5)				
Basic	0.75	0.85	1.57	1.70
Diluted	0.75	0.85	1.57	1.70
Weighted average number of shares – basic (in millions)	948.2	966.6	952.4	972.5
Weighted average number of shares – diluted (in millions)	948.9	968.1	953.1	974.1
Number of shares outstanding at the end of period (in millions)	948.0	963.9	948.0	963.9

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 13, 2024	October 15, 2023	October 13, 2024	October 15, 2023
	\$	\$	\$	\$
Net earnings	712.0	819.2	1,505.1	1,653.3
Other comprehensive income (loss)				
Items that may be reclassified subsequently to earnings				
Translation adjustments				
Change in cumulative translation adjustments ⁽¹⁾	25.4	(223.8)	108.7	(86.9)
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⁾	(8.9)	(76.4)	(18.8)	(19.8)
Cash flow hedges				
Change in fair value of financial instruments ⁽²⁾	(6.9)	51.7	(18.1)	57.3
Gain realized on financial instruments transferred to earnings ⁽²⁾	(0.3)	(1.7)	(2.2)	(2.6)
Reclassification adjustment ⁽³⁾	—	(28.5)	—	(28.5)
Items that will never be reclassified to earnings				
Net actuarial gain (loss) ⁽⁴⁾	1.0	(0.1)	(4.8)	12.5
Gain on investments in equity instruments measured at fair value through Other comprehensive income (loss) ⁽⁵⁾	—	6.0	—	7.0
Other comprehensive income (loss)	10.3	(272.8)	64.8	(61.0)
Comprehensive income	722.3	546.4	1,569.9	1,592.3
Comprehensive income attributable to non-controlling interests	(3.6)	—	(7.6)	—
Comprehensive income attributable to shareholders of the Corporation	718.7	546.4	1,562.3	1,592.3

- (1) For the 12 and 24-week periods ended October 13, 2024, these amounts include a loss of \$48.1 (net of income tax expenses of \$8.7) and a loss of \$104.0 (net of income tax recoveries of \$10.3), respectively. For the 12 and 24-week periods ended October 15, 2023, these amounts include a loss of \$140.7 (net of income tax recoveries of \$12.7) and a gain of \$5.8 (net of income tax expenses of \$0.4), 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 13, 2024, these amounts are net of income tax recoveries of \$2.6 and \$11.8, respectively. 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.
- (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 13, 2024, these amounts are net of income tax expenses (recoveries) of \$0.3 and \$(1.2), respectively. 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.
- (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.

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	Attributable to shareholders of the Corporation						October 13, 2024
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 6)	Total	Non-controlling interests	Equity
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of period	644.7	23.2	13,616.9	(1,095.6)	13,189.2	120.2	13,309.4
Comprehensive income:							
Net earnings			1,499.6		1,499.6	5.5	1,505.1
Other comprehensive income				62.7	62.7	2.1	64.8
					1,562.3	7.6	1,569.9
Share repurchases (Note 7)	(5.9)		(518.0)		(523.9)		(523.9)
Dividends declared			(245.5)		(245.5)		(245.5)
Changes in redemption liability			(17.1)		(17.1)		(17.1)
Stock option-based compensation expense		3.4			3.4		3.4
Exercise of stock options	0.8	(0.2)			0.6		0.6
Balance, end of period	639.6	26.4	14,335.9	(1,032.9)	13,969.0	127.8	14,096.8

For the 24-week period ended	Attributable to shareholders of the Corporation						October 15, 2023
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 6)	Total	Non-controlling interests	Equity
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of period	614.7	28.8	12,934.6	(1,013.6)	12,564.5	—	12,564.5
Comprehensive income:							
Net earnings			1,653.3		1,653.3	—	1,653.3
Other comprehensive loss				(61.0)	(61.0)	—	(61.0)
					1,592.3	—	1,592.3
Share repurchases (Note 7)	(11.5)		(891.4)		(902.9)		(902.9)
Dividends declared			(204.4)		(204.4)		(204.4)
Stock option-based compensation expense		3.3			3.3		3.3
Exercise of stock options	15.9	(3.9)			12.0		12.0
Balance, end of period	619.1	28.2	13,492.1	(1,074.6)	13,064.8	—	13,064.8

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 13, 2024	October 15, 2023	October 13, 2024	October 15, 2023
	\$	\$	\$	\$
Operating activities				
Net earnings	712.0	819.2	1,505.1	1,653.3
Adjustments to reconcile net earnings to net cash provided by operating activities				
Depreciation, amortization, impairment and amortization of financing costs	470.2	370.5	912.1	732.0
Changes in non-cash working capital	95.9	(308.5)	(156.3)	(136.9)
Deferred income taxes	37.4	6.7	69.9	22.0
Share of earnings of joint ventures and associated companies, net of dividends received	(5.9)	3.8	(13.2)	(4.7)
(Gain) loss on disposal of property and equipment and other assets	(5.1)	0.2	(43.4)	(3.3)
Non-operating foreign exchange (gain) loss	(0.8)	0.8	(8.4)	4.8
Net changes in commodity indexed deposits and fuel swaps (Note 9)	0.3	54.3	(8.4)	54.0
Reclassification adjustment	—	(32.9)	—	(32.9)
Other	25.3	19.7	55.0	34.7
Net cash provided by operating activities	1,329.3	933.8	2,312.4	2,323.0
Investing activities				
Purchase of property and equipment, intangible assets and other assets	(511.0)	(418.5)	(911.6)	(713.1)
Settlement of (Investment in) term deposits	509.1	(520.9)	509.1	(520.9)
Decrease in restricted cash, including cash collateral related to letters of credit (Note 4)	119.4	12.4	122.8	21.0
Increase in restricted cash, including cash collateral related to letters of credit (Note 4)	(113.1)	(8.8)	(120.8)	(12.9)
Proceeds from disposal of property and equipment and other assets	24.4	15.8	93.5	37.6
Proceeds from disposal of investments in equity instruments (Note 9)	11.8	15.7	11.8	15.7
Business acquisitions (Note 2)	(3.0)	(34.7)	(12.4)	(45.2)
Purchase of equity instruments and other financial assets (Note 9)	—	(65.4)	(5.0)	(118.1)
Recovery of consideration related to business acquisitions (Note 2)	—	—	222.7	—
Net cash provided by (used in) investing activities	37.6	(1,004.4)	(89.9)	(1,335.9)
Financing activities				
Net issuance (repayment) of unsecured commercial paper notes (Note 4)	528.6	(169.3)	215.6	310.3
Share repurchases (Note 7)	(508.7)	(672.9)	(538.3)	(902.9)
Repayment of senior unsecured notes (Note 4)	(502.9)	—	(502.9)	—
Principal elements of lease payments	(127.0)	(111.7)	(235.4)	(215.3)
Cash dividends paid	(123.1)	(100.3)	(245.5)	(204.4)
Settlement of derivative instruments (Note 4)	(48.6)	—	(48.6)	—
Net payments on other debts	(3.5)	(0.5)	(0.4)	(0.2)
Issuance of senior unsecured notes, net of financing costs	—	591.9	—	591.9
Exercise of stock options	—	8.8	0.6	12.0
Net cash used in financing activities	(785.2)	(454.0)	(1,354.9)	(408.6)
Effect of exchange rate fluctuations on cash and cash equivalents	(25.2)	(27.3)	(13.6)	(8.0)
Net increase (decrease) in cash and cash equivalents	556.5	(551.9)	854.0	570.5
Cash and cash equivalents, beginning of period	1,606.5	1,956.6	1,309.0	834.2
Cash and cash equivalents, end of period	2,163.0	1,404.7	2,163.0	1,404.7
Supplemental information:				
Interest paid	190.2	113.8	295.4	204.4
Interest and dividends received	62.3	49.3	95.7	78.5
Income taxes paid, net	201.3	306.3	261.5	384.8

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 13, 2024	As at April 28, 2024 (adjusted, Note 1)
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,163.0	1,309.0
Restricted cash	9.0	9.6
Accounts receivable	2,834.8	3,138.7
Inventories	2,273.3	2,330.9
Prepaid expenses	178.2	144.1
Other short-term financial assets (Note 9)	64.0	559.2
Income taxes receivable	41.3	192.8
	7,563.6	7,684.3
Property and equipment	14,383.3	14,100.6
Right-of-use assets	3,919.3	3,974.9
Intangible assets	1,167.5	1,187.2
Goodwill	9,235.0	9,174.9
Other assets	454.3	424.4
Other long-term financial assets (Note 9)	99.0	146.6
Investments in joint ventures and associated companies	199.2	185.7
Deferred income taxes	87.9	98.0
	37,109.1	36,976.6
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	5,584.4	5,985.6
Short-term provisions	178.6	143.6
Other short-term financial liabilities (Note 9)	59.7	54.2
Income taxes payable	46.5	72.1
Short-term debt and current portion of long-term debt (Note 4)	1,276.9	1,066.8
Current portion of lease liabilities	502.1	503.6
	7,648.2	7,825.9
Long-term debt (Note 4)	8,756.1	9,226.5
Lease liabilities	3,649.5	3,686.6
Long-term provisions	828.4	820.0
Pension benefit liability	85.6	85.8
Other long-term financial liabilities (Note 9)	288.4	303.3
Deferred credits and other liabilities	205.0	220.1
Deferred income taxes	1,551.1	1,499.0
	23,012.3	23,667.2
Equity		
Capital stock (Note 7)	639.6	644.7
Contributed surplus	26.4	23.2
Retained earnings	14,335.9	13,616.9
Accumulated other comprehensive loss (Note 6)	(1,032.9)	(1,095.6)
Equity attributable to shareholders of the Corporation	13,969.0	13,189.2
Non-controlling interests	127.8	120.2
	14,096.8	13,309.4
	37,109.1	36,976.6

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 AND ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements (the “interim financial statements”) have been prepared by the Corporation in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) 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 28, 2024, except for the new accounting policies disclosed below. 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 2024 Annual Report (the “fiscal 2024 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 25, 2024, the Corporation’s interim financial statements were approved by the Board of Directors.

Comparative figures

During the 24-week period ended October 13, 2024, the Corporation has made adjustments to the consideration transferred and the fair value of assets acquired and liabilities assumed for the acquisitions of certain European retail assets from TotalEnergies SE and convenience retail and fuel sites operating under the MAPCO brand (Note 2). As a result, changes were made to the following consolidated balance sheet accounts as at April 28, 2024:

	As published	Adjustments for the acquisitions of		Adjusted
		Certain European retail assets from TotalEnergies SE	Convenience retail and fuel sites operating under the MAPCO brand	
	\$	\$	\$	\$
Assets				
Accounts receivable	2,929.4	209.3	—	3,138.7
Inventories	2,333.1	—	(2.2)	2,330.9
Property and equipment	13,923.8	144.2	32.6	14,100.6
Right-of-use assets	3,963.1	—	11.8	3,974.9
Intangible assets	1,185.8	1.4	—	1,187.2
Goodwill	9,568.2	(360.7)	(32.6)	9,174.9
Other assets	393.7	30.7	—	424.4
Liabilities				
Accounts payable and accrued liabilities	5,987.9	—	(2.3)	5,985.6
Lease liabilities	3,674.8	—	11.8	3,686.6
Long-term provisions	819.9	—	0.1	820.0
Deferred income taxes	1,482.1	16.9	—	1,499.0
Equity				
Non-controlling interests	112.2	8.0	—	120.2

These changes did not result in any changes to the consolidated statement of earnings for the fiscal year ended April 28, 2024.

New accounting policies adopted during the current fiscal year

Amendments to IAS 1 Presentation of financial statements

On April 29, 2024, the Corporation adopted *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)* and *Non-current Liabilities with Covenants (Amendments to IAS 1)*, which had no significant impact on its 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)

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

On April 29, 2024, the Corporation adopted *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)*. As a result, the Corporation will, if deemed significant, provide additional disclosures on its supplier finance arrangements in its annual consolidated financial statements.

2. BUSINESS ACQUISITIONS

The Corporation has made the following business acquisitions:

2025

During the 24-week period ended October 13, 2024, the Corporation acquired two company-operated store, for which it owns the building and the land. These transactions were settled for a total consideration of \$9.9 using available cash and generated goodwill for an amount of \$5.1. Since the date of acquisition, revenues and net earnings from these stores were not significant to the Corporation.

For the 24-week period ended October 13, 2024, acquisition costs of \$4.0 in connection with the ongoing work on realized and unrealized acquisitions are included in Operating, selling, general and administrative expenses.

Commitments for business acquisitions

On July 2, 2024, the Corporation entered into a binding agreement to acquire nine company-owned and operated convenience retail and fuel sites operating under the Texaco brand and located in Ireland. The transaction, which would be financed using the Corporation's available cash, is expected to close before the end of calendar year 2024 and is subject to customary closing conditions and regulatory approvals.

On August 16, 2024, the Corporation entered into a binding agreement to acquire 270 company-owned and operated convenience retail and fuel sites operating under the GetGo Café + Market ("GetGo") brand from supermarket retailer Giant Eagle Inc., for a purchase price of approximately \$1,600.0, subject to post-closing adjustments. GetGo sites are located in the states of Indiana, Maryland, Ohio, Pennsylvania and West Virginia, in the United States. The transaction, which would be financed using the Corporation's available cash and/or existing credit facilities, including its United States commercial paper program, is expected to close in calendar year 2025 and is subject to customary closing conditions and regulatory approvals.

Subsequent to the end of the second quarter of fiscal 2025, the Corporation entered into a binding agreement to acquire 20 company-owned and operated convenience retail and fuel sites operating under the Hutch's brand and 1 land bank, located in the states of Oklahoma and Kansas, in the United States. The transaction, which would be financed using the Corporation's available cash and/or existing credit facilities, including its United States commercial paper program, is expected to close in the first quarter of calendar year 2025 and is subject to customary closing conditions and regulatory approvals.

2024

Acquisition of certain European retail assets from TotalEnergies SE

On December 28, 2023 and January 3, 2024, the Corporation closed the acquisition of 2,175 sites from TotalEnergies SE for a cash consideration of €3,447.4 (\$3,801.0), subject to post-closing adjustments. During the 24-week period ended October 13, 2024 and under the post-closing adjustments process, the Corporation received an amount of €205.3 (\$222.7) from the seller, and an additional amount of €27.1 (\$29.7) was receivable as at October 13, 2024. 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"). The transaction was financed using the Corporation's available cash, United States commercial paper program and a non-revolving credit facility.

Given the timing and the size of this transaction, the Corporation has not yet completed its measurement assessment of the assets acquired, the liabilities assumed, the non-controlling interests and the goodwill related to this acquisition. The allocation of the purchase price to the different assets acquired and liabilities assumed is based on the fair value of those assets and

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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liabilities which are determined using preliminary information and therefore, during the measurement period, the fair values are subject to change, mainly relating to property and equipment, right-of-use assets, intangible assets, provisions, lease liabilities and deferred income taxes. Non-controlling interests at the acquisition date were measured based on the proportionate share of Circle K Belgium SA's identifiable net assets.

The preliminary estimates of the fair value of assets acquired and liabilities assumed for this acquisition based on the estimated fair value on the date of acquisition and available information as at the date of the publication of these interim financial statements are as follows:

	Preliminary estimate as at April 28, 2024	Changes	Adjusted preliminary estimate
	\$	\$	\$
Tangible assets acquired			
Cash and cash equivalents	118.4	—	118.4
Accounts receivable ^(a)	762.1	—	762.1
Inventories	170.6	—	170.6
Property and equipment	1,216.1	148.7	1,364.8
Right-of-use assets	636.6	—	636.6
Other assets	7.0	33.4	40.4
Total tangible assets	2,910.8	182.1	3,092.9
Liabilities assumed			
Accounts payable and accrued liabilities	1,342.1	—	1,342.1
Other short-term financial liabilities	52.1	—	52.1
Income taxes payable	16.4	—	16.4
Provisions	138.3	—	138.3
Lease liabilities	636.6	—	636.6
Pension benefit liability	5.2	—	5.2
Deferred credits and other liabilities	16.1	—	16.1
Deferred income taxes	87.5	17.5	105.0
Total liabilities assumed	2,294.3	17.5	2,311.8
Net tangible assets acquired	616.5	164.6	781.1
Intangible assets	479.4	(0.7)	478.7
Non-controlling interests	(112.0)	(8.0)	(120.0)
Goodwill	2,799.9	(371.4)	2,428.5
Total cash consideration to the seller	3,801.0	—	3,801.0
Consideration receivable	(40.8)	(215.5)	(256.3)
Basis adjustment for the Euro / Canadian dollar notional derivatives	23.6	—	23.6
Total consideration	3,783.8	(215.5)	3,568.3
Consideration receivable, including effect of foreign exchange rate fluctuations on consideration receivable settled	40.8	(7.2)	33.6
Cash and cash equivalent acquired, including bank overdrafts of \$52.1	(66.3)	—	(66.3)
Net cash flow for the acquisition	3,758.3	(222.7)	3,535.6

(a) Gross contractual amounts receivable of \$767.1, with an amount of \$5.0 not expected to be collected.

This acquisition was concluded in order to penetrate new strategic markets and generated goodwill mainly due to the strategic value of the locations acquired for the Corporation. The Corporation expects that all of the goodwill related to the German entities will be deductible for tax purposes, while it expects that none of the goodwill related to the Netherlands entities and Circle K Belgium SA will be deductible for tax purposes.

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

On November 1, 2023, 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 \$471.2, financed using the Corporation's available cash and its United States commercial paper program. The Corporation owns the building and the land for 84 sites and owns the building while leasing the land for 28 sites.

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)

During the 24-week period ended October 13, 2024, the Corporation has made adjustments and finalized its estimates of the consideration transferred and the fair value of assets acquired and liabilities assumed for this acquisition, which are as follows:

	Preliminary estimate as at April 28, 2024	Changes	Final estimate
	\$	\$	\$
Identifiable assets acquired			
Current assets			
Cash and cash equivalents	0.6	—	0.6
Accounts receivable	0.4	—	0.4
Inventories	16.7	(2.2)	14.5
	17.7	(2.2)	15.5
Property and equipment	271.3	32.6	303.9
Right-of-use assets	23.5	11.8	35.3
Intangible assets	0.8	—	0.8
Total identifiable assets	313.3	42.2	355.5
Liabilities assumed			
Current liabilities			
Accounts payable and accrued liabilities	17.1	(4.8)	12.3
Short-term provisions	2.5	—	2.5
Current portion of lease liabilities	2.1	—	2.1
	21.7	(4.8)	16.9
Lease liabilities	21.4	11.8	33.2
Long-term provisions	5.0	0.1	5.1
Total liabilities assumed	48.1	7.1	55.2
Net identifiable assets acquired	265.2	35.1	300.3
Goodwill	203.5	(32.6)	170.9
Total consideration	468.7	2.5	471.2
Cash and cash equivalents acquired	(0.6)	—	(0.6)
Net cash flow for the acquisition	468.1	2.5	470.6

This acquisition was concluded in order to expand the Corporation's market share and generated goodwill mainly due to the strategic value of the locations acquired for the Corporation. All of the goodwill related to this transaction was deductible for tax purposes.

3. FINANCIAL EXPENSES AND OTHER FINANCIAL ITEMS

For the periods ended	12 weeks		24 weeks	
	October 13, 2024	October 15, 2023	October 13, 2024	October 15, 2023
	\$	\$	\$	\$
Financial expenses				
Interest on short-term debt and long-term debt	115.5	75.8	229.5	143.7
Interest on lease liabilities	35.3	26.3	70.1	51.9
Accretion of provisions	8.4	6.8	15.8	13.6
Other finance costs	1.6	4.0	4.1	4.2
	160.8	112.9	319.5	213.4
Other financial items				
Interest on bank deposits and term deposits	(34.7)	(34.4)	(75.0)	(65.5)
Other financial revenues	(0.8)	(2.1)	(2.3)	(3.1)
Change in fair value of financial instruments classified at fair value through earnings or loss (Note 9)	1.5	9.8	1.9	11.8
Reclassification adjustment	—	(32.9)	—	(32.9)
	(34.0)	(59.6)	(75.4)	(89.7)

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)

4. DEBT

	As at October 13, 2024	As at April 28, 2024
	\$	\$
US-dollar-denominated senior unsecured notes, maturing from July 2027 to February 2054	5,460.3	5,459.5
Euro-denominated senior unsecured notes, maturing from May 2026 to February 2036	2,287.3	2,240.2
Canadian-dollar-denominated senior unsecured notes, maturing from June 2025 to September 2030 ^(a)	1,447.4	1,971.4
Unsecured commercial paper notes, maturing from October to November 2024 ^(b)	765.6	551.3
NOK-denominated senior unsecured notes, maturing in February 2026	62.8	61.2
Other debts	9.6	9.7
	10,033.0	10,293.3
Short-term debt and current portion of long-term debt	1,276.9	1,066.8
Long-term portion of long-term debt	8,756.1	9,226.5

(a) Senior unsecured notes

On July 26, 2024, the Corporation fully repaid, upon maturity, its CA \$700.0 Canadian-dollar-denominated senior unsecured notes issued on July 26, 2017. In the consolidated statement of cash flows for each of the 12 and 24-week periods ended October 13, 2024, the repayment of \$505.7 is reflected in part in operating activities, with respect to the financing costs paid on the issuance, and in financing activities, representing the net proceeds from the issuance.

In addition, on the same date, the Corporation settled, upon maturity, the following cross-currency interest rate swaps, which had an unfavorable fair value of \$51.7 at settlement:

Receive – Notional	Receive – Rate	Pay – Notional	Pay – Rate
CA \$700.0	3.06%	\$557.4	From 3.23% to 3.34%

(b) United States commercial paper program

As at October 13, 2024, the weighted average effective interest rate of the outstanding unsecured commercial paper notes was 4.98%.

Term revolving unsecured operating credit facility

As at October 13, 2024, the Corporation had a credit facility agreement consisting of a revolving unsecured facility of a maximum amount of \$3,500.0, including a first tranche of \$975.0 and a second tranche of \$2,525.0. During the 24-week period ended October 13, 2024, the maturity of the first and second tranches of the credit facility was extended to May 2027 and May 2029, respectively. As at October 13, 2024, 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.

New letter of credit facility

During the 24-week period ended October 13, 2024, the Corporation entered into a letter of credit facility with a financial institution which meets its minimum credit ratings requirements. The letter of credit facility allows the Corporation to issue letters of credit related to corporate and operating purposes for a maximum amount of CA \$150.0, and the amounts of issued letters of credits have to be secured by a cash collateral except during specific periods. As at October 13, 2024 and under this facility, the Corporation had an outstanding letter of credit of \$103.3 with no related cash collateral.

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. NET EARNINGS PER SHARE

The following table presents the information for the computation of basic and diluted net earnings per share:

For the periods ended	12 weeks		24 weeks	
	October 13, 2024	October 15, 2023	October 13, 2024	October 15, 2023
			\$	\$
Net earnings attributable to shareholders of the Corporation	708.8	819.2	1,499.6	1,653.3
Weighted average number of shares (in millions)	948.2	966.6	952.4	972.5
Dilutive effect of stock options (in millions)	0.7	1.5	0.7	1.6
Weighted average number of diluted shares (in millions)	948.9	968.1	953.1	974.1
Basic net earnings per share	0.75	0.85	1.57	1.70
Diluted net earnings per share	0.75	0.85	1.57	1.70

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 13, 2024, 333,585 stock options were excluded (382,941 for each of the 12 and 24-week periods ended October 15, 2023).

6. ACCUMULATED OTHER COMPREHENSIVE LOSS

	Attributable to shareholders of the Corporation					
	Cumulative translation adjustments ^(a)	Net investment hedge ^(a)	Cash flow hedge ^{(a)(c)}	Cumulative net actuarial gain ^(b)	Investments in equity instruments measured at fair value through Other comprehensive income (loss) ^(b)	Accumulated other comprehensive loss
	\$	\$	\$	\$	\$	\$
24-week period ended October 13, 2024						
Balance, beginning of period	(877.6)	(340.8)	67.2	55.6	—	(1,095.6)
Other comprehensive income (loss)	108.7	(18.8)	(20.3)	(4.8)	—	64.8
Other comprehensive income attributable to non-controlling interests	(2.1)	—	—	—	—	(2.1)
Balance, end of period	(771.0)	(359.6)	46.9	50.8	—	(1,032.9)
24-week period ended October 15, 2023						
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)
Balance, end of period	(851.3)	(361.4)	80.3	49.2	8.6	(1,074.6)

(a) May be reclassified subsequently to earnings.

(b) Will never be reclassified to earnings.

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

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. CAPITAL STOCK

Issued and outstanding shares

The table below presents the changes in the number of shares for the 24-week period ended October 13, 2024:

Common shares (in millions)	
Balance, beginning of period	956.7
Share repurchases ^(a)	(8.7)
Issuance of shares on stock options exercised ^(b)	—
Balance, end of period	<u>948.0</u>

(a) Share repurchase program

On April 26, 2024, the Toronto Stock Exchange approved the renewal of the Corporation's share repurchase program, which took effect on May 1, 2024. The renewed share repurchase program allows the Corporation to repurchase up to 78,083,521 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.

On June 20, 2024, a new legislation was enacted by the Canadian government to implement tax measures on share repurchases done by public issuers. Under this legislation, a public company must pay a 2% tax based on the fair market value of its repurchased shares and the resulting tax liability can be offset by the issuance of new shares during the same taxation year. This tax applies retroactively to repurchases and issuances of shares that occurred on or after January 1, 2024. The Corporation has complied with this new legislation and, as a result, taxes related to this new legislation are treated as part of the overall cost of the repurchases and are deducted from equity. During the 24-week period ended October 13, 2024, an amount of \$5.0 was recorded as a reduction of Retained earnings in relation with share repurchases from January 1, 2024 to April 28, 2024.

During the 12 and 24-week periods ended October 13, 2024, the Corporation repurchased 8,695,652 shares for an amount of \$518.9 (including an amount of \$10.2 related to taxes on share repurchases, which was recorded in Accounts payable and accrued liabilities as at October 13, 2024). In addition, the Corporation paid an amount of \$24.6 in relation with share repurchases made during fiscal 2024, which was recorded in Accounts payable and accrued liabilities as at April 28, 2024.

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 13, 2024, and October 15, 2023, and the changes therein during the periods then ended:

For the 24-week periods ended	October 13, 2024	October 15, 2023
Number of stock options (in thousands)		
Outstanding, beginning of period	1,850.0	3,417.7
Granted	319.4	394.3
Exercised	(19.3)	(750.1)
Forfeited	(11.8)	(17.7)
Outstanding, end of period	<u>2,138.3</u>	<u>3,044.2</u>

The description of the Corporation's stock-based compensation plan is included in Note 28 of the fiscal 2024 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)

8. 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 13, 2024				12-week period ended October 15, 2023			
	United States	Europe and other regions	Canada	Total	United States	Europe and other regions	Canada	Total
	\$	\$	\$	\$	\$	\$	\$	\$
External customer revenues^(a)								
Merchandise and service	2,951.2	855.0	580.7	4,386.9	2,936.7	570.9	606.2	4,113.8
Road transportation fuel	6,974.3	4,546.4	1,363.0	12,883.7	8,062.7	2,587.2	1,506.0	12,155.9
Other	12.6	114.0	8.1	134.7	9.5	138.4	8.0	155.9
	9,938.1	5,515.4	1,951.8	17,405.3	11,008.9	3,296.5	2,120.2	16,425.6
External customer revenues less Cost of sales, excluding depreciation, amortization and impairment								
Merchandise and service	998.0	326.3	195.1	1,519.4	1,021.0	220.6	201.1	1,442.7
Road transportation fuel	1,000.8	451.5	132.0	1,584.3	1,064.4	252.8	137.4	1,454.6
Other	10.0	29.6	7.7	47.3	9.5	22.6	7.1	39.2
	2,008.8	807.4	334.8	3,151.0	2,094.9	496.0	345.6	2,936.5
	24-week period ended October 13, 2024				24-week period ended October 15, 2023			
	United States	Europe and other regions	Canada	Total	United States	Europe and other regions	Canada	Total
	\$	\$	\$	\$	\$	\$	\$	\$
External customer revenues^(a)								
Merchandise and service	5,973.4	1,722.2	1,184.4	8,880.0	5,942.0	1,192.9	1,254.7	8,389.6
Road transportation fuel	14,434.0	9,304.6	2,801.7	26,540.3	15,584.9	4,850.9	2,955.3	23,391.1
Other	24.0	222.6	15.9	262.5	17.7	233.5	16.9	268.1
	20,431.4	11,249.4	4,002.0	35,682.8	21,544.6	6,277.3	4,226.9	32,048.8
External customer revenues less Cost of sales, excluding depreciation, amortization and impairment								
Merchandise and service	2,017.1	671.3	405.1	3,093.5	2,051.0	468.8	420.8	2,940.6
Road transportation fuel	2,049.1	824.3	260.7	3,134.1	2,139.0	450.4	274.5	2,863.9
Other	18.7	62.8	15.0	96.5	17.7	38.9	13.8	70.4
	4,084.9	1,558.4	680.8	6,324.1	4,207.7	958.1	709.1	5,874.9
Total long-term assets^{(a)(b)(c)}	17,188.5	8,893.7	2,870.2	28,952.4	15,980.1	3,936.5	2,898.8	22,815.4

(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 15, 2023 were adjusted from \$15,970.9 to \$15,980.1 for the United States to reflect the finalization of the estimates of the fair value of assets acquired and liabilities assumed for the acquisition of True Blue Car Wash LLC.

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. FAIR VALUE

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, accounts payable and accrued liabilities and outstanding unsecured commercial paper notes is comparable to their carrying amounts given their short maturity. The fair value of the redemption liability is comparable to its carrying amount of \$264.3 as at October 13, 2024 (\$247.2 as at April 28, 2024) given it is reflective of the present value of the redemption amount.

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 13, 2024	April 28, 2024			
	\$	\$			
Share units total return swaps - Current	9.0	18.5	Other short-term financial assets	Fair market value of the Corporation's shares	Level 2
Share units total return swaps - Non-current	26.7	22.9	Other long-term financial assets		
Commodity indexed deposits	23.2	22.0	Other short-term financial assets	Market rates	Level 2
Currency forwards	—	4.0	Other short-term financial assets	Market rates	Level 2
Forward starting interest rate swaps	31.8	—	Other short-term financial assets	Market rates	Level 2
Forward starting interest rate swaps	—	42.7	Other long-term financial assets	Market rates	Level 2
Fuel swaps	—	1.8	Other short-term financial assets	Market rates	Level 2
Fuel swaps	—	(9.0)	Other short-term financial liabilities	Market rates	Level 2
Investments in equity instruments ^(a)	54.2	70.9	Other long-term financial assets	Latest transactions / Cessation of operations	Level 3
Investments in equity instruments	8.1	—	Other long-term financial assets	Unadjusted quoted price	Level 1
Investments in other financial assets ^(a)	10.0	10.1	Other long-term financial assets	Latest transactions / Cessation of operations	Level 3
Cross-currency interest rate swaps	(59.6)	(45.0)	Other short-term financial liabilities	Market rates	Level 2
Cross-currency interest rate swaps ^(b)	(24.1)	(56.1)	Other long-term financial liabilities	Market rates	Level 2
Other currency derivatives	—	0.4	Other short-term financial assets	Market rates	Level 2
Other currency derivatives	(0.1)	(0.2)	Other short-term financial liabilities	Market rates	Level 2

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.

(a) Investments in equity instruments and in other financial assets (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
	\$
24-week period ended October 13, 2024	
Balance, beginning of period	81.0
Purchases	5.0
Loss recognized in Other financial items ⁽¹⁾	(1.3)
Disposals	(20.5)
Balance, end of period	64.2

(1) Related to financial instruments no longer held by the Corporation.

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

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)

time. As at October 13, 2024, 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.

(b) New cross-currency interest rate swap agreements

During the 24-week period ended October 13, 2024, the Corporation entered into cross-currency interest rate swaps agreements, allowing it to synthetically convert its CA \$800.0 Canadian-dollar-denominated senior unsecured notes maturing on September 25, 2030 into Euros, with the following terms:

Receive – Notional	Receive – Rate	Pay – Notional	Pay – Rate	Maturity date
CA \$800.0	5.59%	€544.9	From 4.75% to 4.93%	September 25, 2030

The Corporation designates these cross-currency interest rate swaps as a foreign exchange hedge of its net investment in its Eurozone operations and changes in their fair value are recognized to Other comprehensive income (loss). They were classified in Other long-term financial liabilities on the consolidated balance sheet as at October 13, 2024.

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 13, 2024		As at April 28, 2024	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
US-dollar-denominated senior unsecured notes (Level 2)	5,460.3	4,892.9	5,459.5	4,717.4
Euro-denominated senior unsecured notes (Level 2)	2,287.3	2,279.6	2,240.2	2,201.0
Canadian-dollar-denominated senior unsecured notes (Level 1)	1,447.4	1,496.9	1,971.4	1,980.3
NOK-denominated senior unsecured notes (Level 2)	62.8	61.9	61.2	59.4

10. SUBSEQUENT EVENT

Dividends

During its November 25, 2024 meeting, the Board of Directors declared a quarterly dividend of CA 19.5¢ per share for the second quarter of fiscal 2025 to shareholders on record as at December 4, 2024, and approved its payment effective December 18, 2024. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).