

Q1 2025

ALIMENTATION COUCHE-TARD INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12-week period ended July 21, 2024



CIRCLE K



Consolidated Statements of Earnings

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

For the 12-week periods ended	July 21, 2024	July 23, 2023
	\$	\$
Revenues	18,277.5	15,623.2
Cost of sales, excluding depreciation, amortization and impairment	15,104.4	12,684.8
Operating, selling, general and administrative expenses	1,632.5	1,439.1
Gain on disposal of property and equipment and other assets	(38.3)	(3.5)
Depreciation, amortization and impairment	440.9	360.5
Operating income	1,138.0	1,142.3
Share of earnings of joint ventures and associated companies	8.4	8.9
Financial expenses (Note 3)	158.7	100.5
Other financial items (Note 3)	(41.4)	(30.1)
Foreign exchange (gain) loss	(2.2)	0.3
Net financial expenses	115.1	70.7
Earnings before income taxes	1,031.3	1,080.5
Income taxes	238.2	246.4
Net earnings	793.1	834.1
Net earnings attributable to non-controlling interests	(2.3)	—
Net earnings attributable to shareholders of the Corporation	790.8	834.1
Net earnings per share (Note 5)		
Basic	0.83	0.85
Diluted	0.83	0.85
Weighted average number of shares – basic (in millions)	956.7	978.4
Weighted average number of shares – diluted (in millions)	957.3	980.0
Number of shares outstanding at the end of period (in millions)	956.7	976.9

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 12-week periods ended	July 21, 2024	July 23, 2023
	\$	\$
Net earnings	793.1	834.1
Other comprehensive income		
Items that may be reclassified subsequently to earnings		
Translation adjustments		
Change in cumulative translation adjustments ⁽¹⁾	83.3	136.9
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⁾	(9.9)	56.6
Cash flow hedges		
Change in fair value of financial instruments ⁽²⁾	(11.2)	5.6
Gain realized on financial instruments transferred to earnings ⁽²⁾	(1.9)	(0.9)
Items that will never be reclassified to earnings		
Net actuarial (loss) gain ⁽³⁾	(5.8)	12.6
Gain on investments in equity instruments measured at fair value through Other comprehensive income ⁽⁴⁾	—	1.0
Other comprehensive income	54.5	211.8
Comprehensive income	847.6	1,045.9
Comprehensive income attributable to non-controlling interests	(4.0)	—
Comprehensive income attributable to shareholders of the Corporation	843.6	1,045.9

(1) For the 12-week periods ended July 21, 2024 and July 23, 2023, these amounts include a loss of \$55.9 (net of income taxes recoveries of \$19.0) and a gain of \$146.5 (net of income tax expenses of \$13.1), respectively. These losses and gains arise from the translation of debt 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 21, 2024 and July 23, 2023, these amounts are net of income tax (recoveries) expenses of \$(9.2) and \$6.4, respectively.

(3) For the 12-week periods ended July 21, 2024 and July 23, 2023, these amounts are net of income tax (recoveries) expenses of \$(1.5) and \$3.4, respectively.

(4) For the 12-week periods ended July 21, 2024 and July 23, 2023, these amounts are net of income tax expenses of nil and \$0.1, 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)

	Attributable to shareholders of the Corporation				Total	Non-controlling interests	Equity
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 6)			
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of period	644.7	23.2	13,616.9	(1,095.6)	13,189.2	112.2	13,301.4
Comprehensive income:							
Net earnings			790.8		790.8	2.3	793.1
Other comprehensive income				52.8	52.8	1.7	54.5
					843.6	4.0	847.6
Share repurchases (Note 7)			(5.0)		(5.0)		(5.0)
Dividends declared			(122.4)		(122.4)		(122.4)
Changes in redemption liability			(9.9)		(9.9)		(9.9)
Stock option-based compensation expense		2.3			2.3		2.3
Exercise of stock options	0.8	(0.2)			0.6		0.6
Balance, end of period	645.5	25.3	14,270.4	(1,042.8)	13,898.4	116.2	14,014.6

	Attributable to shareholders of the Corporation				Total	Non-controlling interests	Equity
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (Note 6)			
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of period	614.7	28.8	12,934.6	(1,013.6)	12,564.5	—	12,564.5
Comprehensive income:							
Net earnings			834.1		834.1	—	834.1
Other comprehensive income				211.8	211.8	—	211.8
					1,045.9	—	1,045.9
Share repurchases (Note 7)	(2.9)		(227.1)		(230.0)		(230.0)
Dividends declared			(104.1)		(104.1)		(104.1)
Stock option-based compensation expense		2.3			2.3		2.3
Exercise of stock options	4.3	(1.1)			3.2		3.2
Balance, end of period	616.1	30.0	13,437.5	(801.8)	13,281.8	—	13,281.8

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 12-week periods ended	July 21, 2024	July 23, 2023
	\$	\$
Operating activities		
Net earnings	793.1	834.1
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation, amortization, impairment and amortization of financing costs	441.9	361.5
Changes in non-cash working capital	(252.2)	171.6
Gain on disposal of property and equipment and other assets	(38.3)	(3.5)
Deferred income taxes	32.5	15.3
Net changes in commodity indexed deposits and fuel swaps (Note 9)	(8.7)	(0.3)
Non-operating foreign exchange (gain) loss	(7.6)	4.0
Share of earnings of joint ventures and associated companies, net of dividends received	(7.3)	(8.5)
Other	29.7	15.0
Net cash provided by operating activities	983.1	1,389.2
Investing activities		
Purchase of property and equipment, intangible assets and other assets	(400.6)	(294.6)
Recovery of consideration related to business acquisitions (Note 2)	222.7	—
Proceeds from disposal of property and equipment and other assets	69.1	21.8
Business acquisitions (Note 2)	(9.4)	(10.5)
Purchase of equity instruments and other financial assets (Note 9)	(5.0)	(52.7)
Change in restricted cash	(4.3)	4.5
Net cash used in investing activities	(127.5)	(331.5)
Financing activities		
Net (repayment) issuance of unsecured commercial paper notes (Note 4)	(313.0)	479.6
Cash dividends paid	(122.4)	(104.1)
Principal elements of lease payments	(108.4)	(103.6)
Share repurchases (Note 7)	(29.6)	(230.0)
Net proceeds on other debts	3.1	0.3
Exercise of stock options	0.6	3.2
Net cash (used in) provided by financing activities	(569.7)	45.4
Effect of exchange rate fluctuations on cash and cash equivalents	11.6	19.3
Net increase in cash and cash equivalents	297.5	1,122.4
Cash and cash equivalents, beginning of period	1,309.0	834.2
Cash and cash equivalents, end of period	1,606.5	1,956.6
Supplemental information:		
Interest paid	105.2	90.6
Interest and dividends received	33.4	29.2
Income taxes paid, net	60.2	78.5

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 21, 2024	As at April 28, 2024 (adjusted, Note 1)
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,606.5	1,309.0
Restricted cash	13.9	9.6
Accounts receivable	3,189.6	3,109.7
Inventories	2,361.5	2,333.1
Prepaid expenses	147.6	144.1
Other short-term financial assets (Notes 9 and 10)	588.6	559.2
Income taxes receivable	40.0	192.8
	7,947.7	7,657.5
Property and equipment	13,970.5	13,923.8
Right-of-use assets	3,935.2	3,963.1
Intangible assets	1,174.3	1,185.8
Goodwill	9,437.0	9,387.9
Other assets	403.6	393.7
Other long-term financial assets (Note 9)	104.4	146.6
Investments in joint ventures and associated companies	193.2	185.7
Deferred income taxes	105.1	98.0
	37,271.0	36,942.1
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	5,818.9	5,987.9
Short-term provisions	148.7	143.6
Other short-term financial liabilities (Note 9)	106.4	54.2
Income taxes payable	70.0	72.1
Short-term debt and current portion of long-term debt (Note 4)	1,263.3	1,066.8
Current portion of lease liabilities	501.8	503.6
	7,909.1	7,828.2
Long-term debt (Note 4)	8,748.8	9,226.5
Lease liabilities	3,672.7	3,674.8
Long-term provisions	833.0	819.9
Pension benefit liability	85.9	85.8
Other long-term financial liabilities (Note 9)	274.6	303.3
Deferred credits and other liabilities	225.5	220.1
Deferred income taxes	1,506.8	1,482.1
	23,256.4	23,640.7
Equity		
Capital stock (Note 7)	645.5	644.7
Contributed surplus	25.3	23.2
Retained earnings	14,270.4	13,616.9
Accumulated other comprehensive loss (Note 6)	(1,042.8)	(1,095.6)
Equity attributable to shareholders of the Corporation	13,898.4	13,189.2
Non-controlling interests	116.2	112.2
	14,014.6	13,301.4
	37,271.0	36,942.1

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 September 4, 2024, the Corporation’s interim financial statements were approved by the Board of Directors.

Comparative figures

During the 12-week period ended July 21, 2024, the Corporation has made adjustments to the consideration transferred for the acquisition of certain European retail assets from TotalEnergies SE (Note 2). As a result, changes were made to the following consolidated balance sheet accounts as at April 28, 2024: Accounts receivable increased by \$180.3 due to an increase in consideration receivable and Goodwill decreased by \$180.3.

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.

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 12-week period ended July 21, 2024, the Corporation acquired one company-operated store, for which it owns the building and the land. This transaction was settled for a total consideration of \$9.4 using available cash and generated goodwill for an amount of \$4.4. Since the date of acquisition, revenues and net earnings from this store were not significant to the Corporation.

For the 12-week period ended July 21, 2024, acquisition costs of \$1.1 in connection with the acquisition closed during this period and other unrealized and ongoing 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.

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)

Subsequent to the end of the 12-week period ended July 21, 2024, the Corporation entered into a binding agreement to acquire approximately 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.

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 12-week period ended July 21, 2024 and under the post-closing adjustments process, the Corporation received an amount of €205.3 (\$222.7) from the seller. 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 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
	\$	\$	\$
Total tangible assets	2,910.8	—	2,910.8
Total liabilities assumed	2,294.3	—	2,294.3
Net tangible assets acquired	616.5	—	616.5
Intangible assets	479.4	—	479.4
Non-controlling interests	(112.0)	—	(112.0)
Goodwill	2,799.9	(185.8)	2,614.1
Total cash consideration to the seller	3,801.0	—	3,801.0
Consideration receivable	(40.8)	(185.8)	(226.6)
Basis adjustment for the Euro / Canadian dollar notional derivatives	23.6	—	23.6
Total consideration	3,783.8	(185.8)	3,598.0
Consideration receivable settled, including effect of foreign exchange rate fluctuations	40.8	(36.9)	3.9
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

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.

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)

Other acquisitions

Given the timing and the size of certain business acquisitions concluded during the fiscal year ended April 28, 2024, including the acquisition of convenience retail and fuel sites operating under the MAPCO brand, the Corporation has not yet completed its measurement 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 2024 consolidated financial statements. The allocation of the purchase price to the different assets acquired and liabilities assumed is based on the fair value of those assets and 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 and lease liabilities.

3. FINANCIAL EXPENSES AND OTHER FINANCIAL ITEMS

For the 12-week periods ended	July 21, 2024	July 23, 2023
	\$	\$
Financial expenses		
Interest on short-term debt and long-term debt	114.0	67.9
Interest on lease liabilities	34.8	25.6
Accretion of provisions	7.4	6.8
Other finance costs	2.5	0.2
	<u>158.7</u>	<u>100.5</u>
Other financial items		
Interest on bank deposits and term deposits	(40.3)	(31.1)
Other financial revenues	(1.5)	(1.0)
Change in fair value of financial instruments classified at fair value through earnings or loss (Note 9)	0.4	2.0
	<u>(41.4)</u>	<u>(30.1)</u>

4. DEBT

	As at July 21, 2024	As at April 28, 2024
	\$	\$
US-dollar-denominated senior unsecured notes, maturing from July 2027 to February 2054	5,460.1	5,459.5
Euro-denominated senior unsecured notes, maturing from May 2026 to February 2036	2,277.3	2,240.2
Canadian-dollar-denominated senior unsecured notes, maturing from July 2024 to September 2030 ^(a)	1,963.1	1,971.4
Unsecured commercial paper notes, maturing in August 2024 ^(b)	236.7	551.3
NOK-denominated senior unsecured notes, maturing in February 2026	62.1	61.2
Other debts	12.8	9.7
	<u>10,012.1</u>	<u>10,293.3</u>
Short-term debt and current portion of long-term debt	1,263.3	1,066.8
Long-term portion of long-term debt	<u>8,748.8</u>	<u>9,226.5</u>

(a) Senior unsecured notes

On July 26, 2024, subsequent to the end of the 12-week period ended July 21, 2024, the Corporation fully repaid its CA \$700.0 Canadian-dollar-denominated senior unsecured notes issued on July 26, 2017, which were classified to Short-term debt and current portion of long-term debt on the consolidated balance sheet. In addition, on the same date, the Corporation settled the cross-currency interest rate swaps associated with the notes, which had an unfavorable fair value of \$51.7 at settlement.

(b) United States commercial paper program

As at July 21, 2024, the weighted average effective interest rate of the outstanding unsecured commercial paper notes was 5.55%.

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 July 21, 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 12-week period ended July 21, 2024, the maturity of the first and second tranches of the credit facility was extended to May 2027 and May 2029, respectively. As at July 21, 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 12-week period ended July 21, 2024, the Corporation entered into a letter of credit facility with a financial institution meeting 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 July 21, 2024 and under this facility, the Corporation had an outstanding letter of credit of \$103.7 with no related cash collateral.

5. NET EARNINGS PER SHARE

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

For the 12-week periods ended	July 21, 2024	July 23, 2023
	\$	\$
Net earnings attributable to shareholders of the Corporation	<u>790.8</u>	<u>834.1</u>
Weighted average number of shares (in millions)	956.7	978.4
Dilutive effect of stock options (in millions)	<u>0.6</u>	<u>1.6</u>
Weighted average number of diluted shares (in millions)	<u>957.3</u>	<u>980.0</u>
Basic net earnings per share	<u>0.83</u>	<u>0.85</u>
Diluted net earnings per share	<u>0.83</u>	<u>0.85</u>

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 21, 2024 and July 23, 2023, 333,585 and 380,089 stock options were excluded, respectively.

6. ACCUMULATED OTHER COMPREHENSIVE LOSS

	Attributable to shareholders of the Corporation					
	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 21, 2024						
Balance, beginning of period	(877.6)	(340.8)	67.2	55.6	—	(1,095.6)
Other comprehensive income (loss)	83.3	(9.9)	(13.1)	(5.8)	—	54.5
Other comprehensive income attributable to non-controlling interests	(1.7)	—	—	—	—	(1.7)
Balance, end of period	(796.0)	(350.7)	54.1	49.8	—	(1,042.8)
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)

(a) May be reclassified subsequently to earnings.

(b) Will never be reclassified to earnings.

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 12-week period ended July 21, 2024:

Common shares (in thousands)	
Balance, beginning of period	956,712.1
Issuance of shares on stock options exercised	19.3
Balance, end of period	<u>956,731.4</u>

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. During the 12-week period ended July 21, 2024, no shares were repurchased under the renewed share repurchase program and the Corporation paid an amount of \$24.6 in relation with share repurchases made during fiscal 2024, which were recorded in Accounts payable and accrued liabilities as at April 28, 2024.

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 12-week period ended July 21, 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.

Subsequent to the end of the first quarter of fiscal 2025 and under the share repurchase program, the Corporation repurchased 8,695,652 shares through a private agreement, for an amount of \$508.7.

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.

Stock options

The table below presents the status of the Corporation's stock option plan as at July 21, 2024, and July 23, 2023, and the changes therein during the periods then ended:

For the 12-week periods ended	July 21, 2024	July 23, 2023
Number of stock options (in thousands)		
Outstanding, beginning of period	1,850.0	3,417.7
Granted	319.4	380.1
Exercised	(19.3)	(250.0)
Outstanding, end of period	<u>2,150.1</u>	<u>3,547.8</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 July 21, 2024				12-week period ended July 23, 2023			
	United States	Europe and other regions	Canada	Total	United States	Europe and other regions	Canada	Total
	\$	\$	\$	\$	\$	\$	\$	\$
External customer revenues^(a)								
Merchandise and service	3,022.2	867.2	603.7	4,493.1	3,005.3	622.0	648.5	4,275.8
Road transportation fuel	7,459.7	4,758.2	1,438.7	13,656.6	7,522.2	2,263.7	1,449.3	11,235.2
Other	11.4	108.6	7.8	127.8	8.2	95.1	8.9	112.2
	10,493.3	5,734.0	2,050.2	18,277.5	10,535.7	2,980.8	2,106.7	15,623.2
External customer revenues less Cost of sales, excluding depreciation, amortization and impairment								
Merchandise and service	1,019.1	345.0	210.0	1,574.1	1,030.0	248.2	219.7	1,497.9
Road transportation fuel	1,048.3	372.8	128.7	1,549.8	1,074.6	197.6	137.1	1,409.3
Other	8.7	33.2	7.3	49.2	8.2	16.3	6.7	31.2
	2,076.1	751.0	346.0	3,173.1	2,112.8	462.1	363.5	2,938.4
Total long-term assets^{(a)(b)(c)}	16,961.7	8,898.0	2,882.4	28,742.1	15,805.7	4,169.3	3,014.6	22,989.6

(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 July 23, 2023 were adjusted from \$15,796.5 to \$15,805.7 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.

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(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 \$257.1 as at July 21, 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
	July 21, 2024	April 28, 2024			
	\$	\$			
Share units total return swaps - Current	16.9	18.5	Other short-term financial assets	Fair market value of the Corporation's shares	Level 2
Share units total return swaps - Non-current	30.1	22.9	Other long-term financial assets		
Commodity indexed deposits	23.5	22.0	Other short-term financial assets	Market rates	Level 2
Currency forwards	3.8	4.0	Other short-term financial assets	Market rates	Level 2
Forward starting interest rate swaps	34.1	—	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)	55.0	70.9	Other long-term financial assets	Latest transactions / Cessation of operations	Level 3
Investments in equity instruments	9.2	—	Other long-term financial assets	Unadjusted quoted price	Level 1
Investments in other financial assets ^(a)	10.1	10.1	Other long-term financial assets	Latest transactions / Cessation of operations	Level 3
Cross-currency interest rate swaps	(106.1)	(45.0)	Other short-term financial liabilities	Market rates	Level 2
Cross-currency interest rate swaps ^(b)	(17.5)	(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	(0.3)	(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
	\$
12-week period ended July 21, 2024	
Balance, beginning of period	81.0
Purchases	5.0
Loss recognized in Other financial items ⁽¹⁾	(0.4)
Disposals	(20.5)
Balance, end of period	65.1

(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

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

time. As at July 21, 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 12-week period ended July 21, 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. They were classified in Other long-term financial liabilities on the consolidated balance sheet as at July 21, 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 July 21, 2024		As at April 28, 2024	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
US-dollar-denominated senior unsecured notes (Level 2)	5,460.1	4,885.2	5,459.5	4,717.4
Euro-denominated senior unsecured notes (Level 2)	2,277.3	2,255.6	2,240.2	2,201.0
Canadian-dollar-denominated senior unsecured notes (Level 1)	1,963.1	1,997.6	1,971.4	1,980.3
NOK-denominated senior unsecured notes (Level 2)	62.1	60.8	61.2	59.4

10. SUBSEQUENT EVENTS

Dividends

During its September 4, 2024 meeting, the Board of Directors declared a quarterly dividend of CA 17.5¢ per share for the first quarter of fiscal 2025 to shareholders on record as at September 13, 2024, and approved its payment effective September 27, 2024. This is an eligible dividend within the meaning of the *Income Tax Act* (Canada).

Term deposits

On July 23, 2024, subsequent to the end of the 12-week period ended July 21, 2024, the CA \$700.0 (\$510.3 as at July 21, 2024) term deposits matured and the Corporation received the full amount of the deposits.