Parkland Fuel Corporation

Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2020

Parkland Fuel Corporation

Consolidated Balance Sheets
(Unaudited)

($ millions)	Note	**March 31, 2020**	December 31, 2019
Assets			
Current assets			
Cash and cash equivalents		**349**	244
Restricted cash		**35**	13
Accounts receivable		**1,015**	1,083
Income taxes receivable		**11**	—
Inventories	4	**543**	780
Risk management and other derivatives	11	**98**	25
Prepaid expenses and other		**109**	59
		2,160	2,204
Property, plant and equipment	5	**3,886**	3,747
Intangible assets	7	**999**	965
Goodwill	8	**1,909**	1,811
Long-term receivables		**85**	88
Other long-term assets	9	**213**	301
Deferred tax assets		**194**	167
		9,446	9,283
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**1,263**	1,358
Dividends declared and payable		**15**	15
Income taxes payable		**–**	52
Long-term debt – current portion	10	**113**	115
Provisions and other liabilities – current portion	13	**303**	345
Risk management and other derivatives	11	**26**	11
		1,720	1,896
Long-term debt	10	**4,269**	3,823
Provisions and other liabilities	13	**904**	956
Deferred tax liabilities		**314**	299
		7,207	6,974
Shareholders' equity			
Shareholders' capital	14	**2,397**	2,382
Contributed surplus		**35**	27
Accumulated other comprehensive income (loss)		**(20)**	(10)
Sol Put Option reserve	13	**(494)**	(494)
Retained earnings (deficit)		**(71)**	53
Non-controlling interest ("NCI")	15	**392**	351
		2,239	2,309
		9,446	9,283

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Fuel Corporation

Consolidated Statements of Income (Loss)
(Unaudited)

		Three months ended March 31,	
($ millions, unless otherwise stated)	Note	**2020**	2019
Sales and operating revenue	19	**4,359**	4,215
Expenses			
Cost of purchases		**3,799**	3,528
Operating costs		**286**	270
Marketing, general and administrative		**97**	92
Acquisition, integration and other costs	16	**21**	35
Depreciation and amortization	5, 7	**149**	135
Finance costs	17	**63**	75
Foreign exchange (gain) loss		**35**	(30)
(Gain) loss on asset disposals		**4**	—
(Gain) loss on risk management and other derivatives	11	**(48)**	(2)
Other (gains) and losses	18	**54**	(7)
Earnings (loss) before income taxes		**(101)**	119
Current income tax expense (recovery)		**(1)**	47
Deferred income tax expense (recovery)		**(26)**	(19)
Net earnings (loss)		**(74)**	91
Net earnings (loss) attributable to:			
Parkland		**(79)**	77
NCI	15	**5**	14
Net earnings (loss) per share ($ per share)	3		
Basic		**(0.53)**	0.53
Diluted		**(0.53)**	0.52
Weighted average number of common shares (000's of shares)	3	**148,375**	145,175
Weighted average number of common shares adjusted for the effects of dilution (000's of shares)	3	**148,375**	148,674

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Fuel Corporation

Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

		Three months ended March 31,	
($ millions)	Note	**2020**	2019
Net earnings (loss)		**(74)**	91
Other comprehensive income (loss):			
Items that may be reclassified to consolidated statements of income (loss) in subsequent periods:			
Exchange differences on translation of foreign operations		**154**	—
Exchange differences on USD-denominated debt designated as a hedge of the net investment in foreign operations ("Net Investment Hedge"), net of tax	10	**(128)**	(22)
Other comprehensive income (loss)		**26**	(22)
Total comprehensive income (loss)		**(48)**	69
Total comprehensive income (loss) attributable to:			
Parkland		**(89)**	54
NCI	15	**41**	15

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Fuel Corporation

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

($ millions)	Note	Shareholders' capital	Contributed surplus	Accumulated other comprehensive income (loss)	Sol Put Option reserve	Retained earnings (deficit)	NCI	Total shareholders' equity
As at January 1, 2020		**2,382**	**27**	**(10)**	**(494)**	**53**	**351**	**2,309**
Net earnings (loss)		**–**	**–**	**–**	**–**	**(79)**	**5**	**(74)**
Other comprehensive income (loss)		**–**	**–**	**(10)**	**–**	**–**	**36**	**26**
Dividends		**–**	**–**	**–**	**–**	**(45)**	**–**	**(45)**
Share incentive compensation		**–**	**8**	**–**	**–**	**–**	**–**	**8**
Issued under dividend reinvestment plan, net of costs	14	**14**	**–**	**–**	**–**	**–**	**–**	**14**
Issued under share option plan	14	**1**	**–**	**–**	**–**	**–**	**–**	**1**
As at March 31, 2020		**2,397**	**35**	**(20)**	**(494)**	**(71)**	**392**	**2,239**
As at January 1, 2019		1,886	18	49	—	(152)	—	1,801
Net earnings		—	—	—	—	77	14	91
Other comprehensive income (loss)		—	—	(23)	—	—	1	(22)
NCI acquired on Sol Transaction		—	—	—	—	—	418	418
Shares issued on Sol Transaction	16	423	—	—	—	—	—	423
Dividends		—	—	—	—	(43)	—	(43)
Share incentive compensation		—	2	—	—	—	—	2
Issued under dividend reinvestment plan, net of costs		15	—	—	—	—	—	15
Issued under share option plan	14	1	—	—	—	—	—	1
Sol Put Option	13	—	—	—	(494)	—	—	(494)
Reclassification of net gain on Sol Transaction Hedge		—	—	(26)	—	—	—	(26)
As at March 31, 2019		2,325	20	—	(494)	(118)	433	2,166

See accompanying notes to the interim condensed consolidated financial statements.

Parkland Fuel Corporation

Consolidated Statements of Cash Flows (Unaudited)

		Three months ended March 31,	
($ millions)	Note	**2020**	2019
Operating activities			
Net earnings (loss)		**(74)**	91
Adjustments for:			
Depreciation and amortization		**149**	135
(Gain) loss on asset disposals		**4**	—
Share incentive compensation		**3**	4
Change in risk management and other derivatives		**(53)**	(9)
Change in other liabilities and other assets		**21**	17
Change in fair value of Redemption Options	18	**105**	(27)
Change in redemption value of Sol Put Option	11, 18	**(13)**	32
Deferred tax expense (recovery)		**(26)**	(19)
Share of earnings from investment in associate	9, 18	**(2)**	(2)
Inventory write-down	4	**52**	—
Other operating activities		**(32)**	(24)
Net change in non-cash working capital related to operating activities	12	**124**	(62)
Cash generated from (used in) operating activities		**258**	136
Financing activities			
Net proceeds from (repayments of) the Credit Facility	10	**247**	1,175
Long-term debt repayments, excluding the Credit Facility	10	**(8)**	(3)
Proceeds from long-term debt, net of financing costs, excluding the Credit Facility		**–**	11
Payments on principal amount on leases	6	**(39)**	(26)
Change in provisions and other liabilities		**(119)**	54
Dividends paid to shareholders, net of dividend reinvestment plan		**(31)**	(27)
Net change in non-cash working capital related to financing activities	12	**–**	(60)
Cash generated from (used in) financing activities		**50**	1,124
Investing activities			
Sol Transaction, net of Sol Transaction Hedge and cash assumed	16	**–**	(948)
USA Acquisitions	16	**(64)**	—
Dividends received from investment in associate, net of contributions	9	**–**	7
Expenditures on property, plant and equipment and intangible assets		**(158)**	(89)
Change in long-term receivables and other long-term assets		**5**	(7)
Proceeds on asset disposals		**3**	2
Cash generated from (used in) investing activities		**(214)**	(1,035)
Increase (decrease) in net cash		**94**	225
Impact of foreign currency translation on cash		**33**	(1)
Net cash at beginning of period		**257**	40
Net cash at end of period		**384**	264
Represented by:			
Cash and cash equivalents		**349**	251
Restricted cash		**35**	13
Net cash		**384**	264
Supplementary cash flow information:			
Interest paid		**74**	49
Interest received		**(1)**	(1)
Income taxes paid		**67**	44

See accompanying notes to the interim condensed consolidated financial statements.

1. CORPORATE INFORMATION

Parkland Fuel Corporation ("Parkland") is an independent marketer, distributor and refiner of fuel and petroleum products and a convenience retailer. Parkland delivers refined fuels, propane and other high-quality petroleum products to motorists, businesses, consumers and wholesale customers across the Americas. Parkland exists under the Business Corporations Act (Alberta) in Canada and its corporate office is located at Suite 1800, 240 4 Ave SW, Calgary, Alberta, T2P 4H4, Canada. The interim condensed consolidated financial statements include the accounts of Parkland and its subsidiaries and any investments in associates and joint arrangements as at March 31, 2020.

2. BASIS OF PREPARATION

(a) Statement of compliance

Parkland's interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The interim condensed consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with Parkland's annual consolidated financial statements for the year ended December 31, 2019 (the "Annual Consolidated Financial Statements").

The consolidated statement of income (loss) for the three months ended March 31, 2019 was reclassified to conform to the presentation used in the current period and in the Annual Consolidated Financial Statements as follows:

- change in fair value of Redemption Options, change in redemption value of Sol Put Option and Change in estimates of environmental provision, which were formerly included in finance and other costs, are now included in other (gains) and losses; and
- share in earnings from investment in associate and other items formerly included in other income are now included in other (gains) and losses.

These interim condensed consolidated financial statements were approved for issue by the Board of Directors on May 6, 2020.

(b) Basis of measurement

Parkland's interim condensed consolidated financial statements are prepared on a historical cost basis, except for certain items recorded at fair value as detailed in the Annual Consolidated Financial Statements.

(c) Presentation and functional currency

The interim condensed consolidated financial statements are presented in Canadian dollars, which is Parkland's functional currency.

(d) Accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Annual Consolidated Financial Statements.

(e) Use of estimates and judgments

The preparation of Parkland's financial statements requires management to make estimates and use judgment that affect the reported amounts of revenue, expenses, assets, liabilities and accompanying disclosures. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Significant estimates and judgments used in the preparation of the financial statements are described in Parkland's Annual Consolidated Financial Statements.

(f) Change in segment presentation

Canada Retail and Canada Commercial, formerly presented separately as individual segments, are now combined as the Canada segment, reflecting a change in organizational structure in the first quarter of 2020. As a result of the change in organizational structure, the chief operating decision maker assesses performance, monitors results and allocates resources based on the combined Canada segment.

3. NET EARNINGS (LOSS) PER SHARE

	Three months ended March 31,	
	2020	2019
Net earnings (loss) attributable to Parkland	**(79)**	77
Weighted average number of common shares (000's of shares)	**148,375**	145,175
Effect of dilutive securities (000's of shares)	**–**	3,499
Weighted average number of common shares adjusted for the effects of dilution (000's of shares)	**148,375**	148,674
Net earnings (loss) per share ($ per share)		
Basic	**(0.53)**	0.53
Diluted	**(0.53)**	0.52

4. INVENTORIES

	March 31, 2020	December 31, 2019
Gas and diesel	**288**	461
Liquid petroleum gas	**14**	35
Other fuel and petroleum products	**89**	142
Lubricants	**89**	82
Convenience store and other non-fuel	**63**	60
	543	780

Other fuel and petroleum products include crude oil, aviation fuel, asphalt, fuel oils, gas oils, ethanol, and biodiesel. For the three months ended March 31, 2020, $3,606 (2019 - $3,345) of inventories was recognized within cost of purchases. Inventory write-downs recognized within expenses for the three months ended March 31, 2020 were $52 (2019 - nil), of which $39 relates to the Supply segment and $13 relates to the International segment.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	**Land**	**Land improvements**	**Buildings and structures**	**Plant and equipment**	**Right-of-use assets**	**Total**
Cost							
As at January 1, 2020		**975**	**155**	**633**	**2,458**	**614**	**4,835**
Additions		**–**	**6**	**25**	**118**	**42**	**191**
2020 USA Acquisition	16	**5**	**–**	**8**	**14**	**–**	**27**
Change in ARO costs		**(11)**	**(2)**	**(10)**	**(45)**	**(3)**	**(71)**
Disposals and other adjustments		**(5)**	**–**	**(1)**	**(6)**	**(19)**	**(31)**
Exchange differences		**29**	**4**	**20**	**58**	**32**	**143**
As at March 31, 2020		**993**	**163**	**675**	**2,597**	**666**	**5,094**
Depreciation							
As at January 1, 2020		**–**	**42**	**137**	**784**	**125**	**1,088**
Depreciation		**–**	**3**	**11**	**59**	**42**	**115**
Disposals and other adjustments		**–**	**–**	**–**	**(2)**	**(15)**	**(17)**
Exchange differences		**–**	**1**	**2**	**13**	**6**	**22**
As at March 31, 2020		**–**	**46**	**150**	**854**	**158**	**1,208**
Net book value							
As at March 31, 2020		**993**	**117**	**525**	**1,743**	**508**	**3,886**

($ millions, unless otherwise stated)

	Note	Land	Land improvements	Buildings and structures	Plant and equipment	Right-of-use assets[1]	Total
Cost							
As at December 31, 2018		668	113	418	1,746	7	2,952
IFRS 16 Adjustment		—	—	—	—	239	239
Adjusted balance as at January 1, 2019		668	113	418	1,746	246	3,191
Sol Transaction	16	298	25	128	379	172	1,002
Additions		10	19	87	332	239	687
2019 USA Acquisitions	16	15	3	11	21	4	54
Change in ARO costs and other acquisitions		—	—	—	18	—	18
Disposals and other adjustments		(7)	(3)	(4)	(20)	(44)	(78)
Exchange differences		(9)	(2)	(7)	(18)	(3)	(39)
As at December 31, 2019		975	155	633	2,458	614	4,835
Depreciation							
As at January 1, 2019		—	27	92	564	2	685
Depreciation		—	16	47	237	142	442
Disposals and other adjustments		—	(1)	(1)	(11)	(15)	(28)
Exchange differences		—	—	(1)	(6)	(4)	(11)
As at December 31, 2019		—	42	137	784	125	1,088
Net book value							
As at December 31, 2019		975	113	496	1,674	489	3,747

[1] The January 1, 2019 right-of use assets were adjusted to conform with IFRS 16, which replaces IAS 17 and related interpretations.

Included in property, plant and equipment as at March 31, 2020 are assets under construction of $423 (December 31, 2019 - $354), consisting primarily of construction and upgrades for the refinery within the Supply segment and for retail stations within the Canada, USA and International segments.

($ millions, unless otherwise stated)

6. LEASES

(a) Parkland as a lessee

The right-of-use assets carried as property, plant and equipment resulting from leases are presented below:

Right-of-use assets	Land, buildings and structures	Shipping vessels	Railcars	Equipment	Other	Total
Cost						
As at January 1, 2020	**306**	**124**	**90**	**8**	**86**	**614**
Additions	**25**	**15**	**–**	**1**	**1**	**42**
Change in ARO costs	**(3)**	**–**	**–**	**–**	**–**	**(3)**
Disposals and other adjustments	**(6)**	**(11)**	**(2)**	**–**	**–**	**(19)**
Exchange differences	**10**	**10**	**9**	**–**	**3**	**32**
As at March 31, 2020	**332**	**138**	**97**	**9**	**90**	**666**
Depreciation						
As at January 1, 2020	**39**	**41**	**24**	**2**	**19**	**125**
Depreciation	**11**	**17**	**8**	**1**	**5**	**42**
Disposals and other adjustments	**(2)**	**(11)**	**(2)**	**–**	**–**	**(15)**
Exchange differences	**1**	**4**	**1**	**–**	**–**	**6**
As at March 31, 2020	**49**	**51**	**31**	**3**	**24**	**158**
Net book value						
As at March 31, 2020	**283**	**87**	**66**	**6**	**66**	**508**

Right-of-use assets	Note	Land, buildings and structures	Shipping vessels	Railcars	Equipment	Other	Total
Cost							
As at January 1, 2019		187	—	37	4	18	246
Sol Transaction	16	59	83	—	—	30	172
Additions		86	58	55	4	36	239
2019 USA Acquisitions	16	—	—	—	—	4	4
Disposals and other adjustments		(28)	(15)	—	—	(1)	(44)
Exchange differences		2	(2)	(2)	—	(1)	(3)
As at December 31, 2019		306	124	90	8	86	614
Depreciation							
As at January 1, 2019		—	—	—	—	2	2
Depreciation		40	58	25	2	17	142
Disposals and other adjustments		(1)	(14)	—	—	—	(15)
Exchange differences		—	(3)	(1)	—	—	(4)
As at December 31, 2019		39	41	24	2	19	125
Net book value							
As at December 31, 2019		267	83	66	6	67	489

($ millions, unless otherwise stated)

(b) Amounts recognized in the consolidated statements of income (loss)

The consolidated statements of income (loss) include the following amounts relating to leases:

	Three months ended March 31,	
	2020	2019
Depreciation charge on right-of-use assets	**42**	31
Interest expense on lease liabilities[1]	**8**	7
Other lease expenses[2]	**26**	19
	76	57

[1] See Note 17.
[2] Other lease expenses include payments for short-term, low-value and/or variable lease payments not included in lease liabilities, but included within operating costs and marketing, general and administrative expenses on the consolidated statements of income (loss).

7. INTANGIBLE ASSETS

	Note	Customer relationships	Trade names	Other agreements	Software systems	Total
Cost						
As at January 1, 2020		**909**	**311**	**102**	**95**	**1,417**
Additions		**–**	**–**	**3**	**3**	**6**
Other adjustments		**–**	**–**	**–**	**3**	**3**
2020 USA Acquisition	16	**16**	**1**	**2**	**–**	**19**
Exchange differences		**36**	**8**	**4**	**1**	**49**
As at March 31, 2020		**961**	**320**	**111**	**102**	**1,494**
Amortization						
As at January 1, 2020		**320**	**54**	**38**	**40**	**452**
Amortization		**18**	**6**	**8**	**2**	**34**
Exchange differences		**7**	**1**	**–**	**1**	**9**
As at March 31, 2020		**345**	**61**	**46**	**43**	**495**
Net book value						
As at March 31, 2020		**616**	**259**	**65**	**59**	**999**

	Note	Customer relationships	Trade names	Other agreements	Software systems	Total
Cost						
As at December 31, 2018		654	250	61	67	1,032
IFRS 16 Adjustment		—	—	(3)	—	(3)
Adjusted balance as at January 1, 2019		654	250	58	67	1,029
Sol Transaction	16	256	59	29	—	344
Additions		1	—	—	28	29
2019 USA Acquisitions	16	9	5	6	—	20
Other Acquisitions		—	—	10	—	10
Exchange differences		(11)	(3)	(1)	—	(15)
As at December 31, 2019		909	311	102	95	1,417
Amortization						
As at January 1, 2019		239	36	19	24	318
Amortization		80	18	19	16	133
Exchange differences		1	—	—	—	1
As at December 31, 2019		320	54	38	40	452
Net book value						
As at December 31, 2019		589	257	64	55	965

($ millions, unless otherwise stated)

8. GOODWILL

	Note	**January 1, 2020 to March 31, 2020**	January 1, 2019 to December 31, 2019
Goodwill, beginning of period		**1,811**	1,305
Sol Transaction	16	**–**	505
USA acquisitions	16	**35**	21
Other Acquisitions		**–**	2
Exchange differences		**63**	(22)
Goodwill, end of period		**1,909**	1,811

9. OTHER LONG-TERM ASSETS

	Note	**March 31, 2020**	December 31, 2019
Investment in associate[1]		**165**	152
Redemption Options	11	**9**	109
Long-term prepaid expenses, deposits and other assets		**39**	40
		213	301

[1] Investment in associate includes an investment in Société Anonyme de la Raffinerie des Antilles ("SARA Refinery").

($ millions, unless otherwise stated)

10. LONG-TERM DEBT

	March 31, 2020	December 31, 2019
Credit Facility (a)	**910**	610
Senior Notes (b)		
5.50% Senior Notes, due 2021	**200**	200
6.00% Senior Notes, due 2022	**200**	200
5.75% Senior Notes, due 2024	**300**	300
5.625% Senior Notes, due 2025	**500**	500
6.00% US$500 Senior Notes, due 2026	**706**	648
6.50% Senior Notes, due 2027	**300**	300
5.875% US$500 Senior Notes, due 2027	**706**	648
Unamortized premium: Redemption Options	**26**	27
Unamortized discount: deferred financing costs	**(33)**	(35)
	2,905	2,788
Other notes	**14**	14
Credit Facility, Senior Notes, and Other notes	**3,829**	3,412
Lease obligations[1]	**553**	526
Total long-term debt	**4,382**	3,938
Less: current portion of Credit Facility, Senior Notes and Other notes	**(4)**	(3)
Less: current portion of Lease obligations	**(109)**	(112)
Long-term debt	**4,269**	3,823

[1] Parkland has included extension options in the calculation of the lease liabilities in limited circumstances where it has the right to extend a lease term at its discretion and is reasonably certain to exercise the extension option.

Estimated principal repayments of the Credit Facility, Senior Notes, and other notes are as follows:

	2020	**2021**	**2022**	**2023**	**2024**	**Thereafter**	**Interest included in minimum lease payments**	**Total**
Credit Facility (a)	–	–	–	**910**	–	–	–	**910**
Senior Notes (b)								
5.50% Senior Notes, due 2021	–	**200**		–	–	–	–	**200**
6.00% Senior Notes, due 2022	–	–	**200**	–	–	–	–	**200**
5.75% Senior Notes, due 2024	–	–	–	–	**300**	–	–	**300**
5.625% Senior Notes, due 2025	–	–	–	–	–	**500**	–	**500**
6.00% US Senior Notes, due 2026	–	–	–	–	–	**706**	–	**706**
6.50% Senior Notes, due 2027	–	–	–	–	–	**300**	–	**300**
5.875% US Senior Notes, due 2027	–	–	–	–	–	**706**	–	**706**
Other notes	**3**	**7**	**1**	**2**	**1**	–	–	**14**
Undiscounted Future Lease Payments	**122**	**123**	**95**	**78**	**56**	**252**	**(173)**	**553**
	125	**330**	**296**	**990**	**357**	**2,464**	**(173)**	**4,389**

(a) Credit Facility

On January 8, 2019, in connection with the Sol Transaction, the existing Credit Facility was amended and restated to expand the available facility and extend the maturity date (the "Credit Facility"). The Credit Facility includes a combined revolving facility amount of US$780 and $400 with a maturity date of January 8, 2023. The revolving facilities are extendible each year for a rolling four-year period at Parkland's option, subject to approval by the lenders.

($ millions, unless otherwise stated)

Details on the Credit Facility as at March 31, 2020 are as follows:

	Rate	Maturity date	Effective rate	Balance
$400 Canadian Syndicated Facility				
Canadian Prime Rate Loan	Prime + 0.70%	January 8, 2023	3.15%	**98**
LIBOR Loan	LIBOR + 1.70%	January 8, 2023	2.62% - 3.50%	**104**
US$780 US Syndicated Facility				
US Prime Rate Loan	Prime + 0.70%	January 8, 2023	3.95%	**269**
US LIBOR Loan	LIBOR + 1.70%	January 8, 2023	2.47% - 3.50%	**439**
Outstanding borrowings under the Credit Facility				**910**

Security on the Credit Facility consists of the assignment of insurance and a floating charge demand debenture, creating a first floating charge over all of Parkland's property and assets, except for those secured under the Intermediation Facility (see Note 11). Additionally, certain subsidiaries have provided security in connection with the Credit Facility.

Parkland provides guarantees on behalf of its subsidiaries in the form of letters of credit and surety bonds in the ordinary course of business. As at March 31, 2020, these guarantees amounted to $271 (December 31, 2019 - $272) and are not recognized in the interim condensed consolidated financial statements. Maturity dates for these guarantees vary and are up to and including June 29, 2021.

As at March 31, 2020, Parkland provided $2,657 (December 31, 2019 - $2,314) of unsecured guarantees to counterparties of commodities swaps and purchase and supply agreements of crude oil, fuel and other petroleum products.

(b) Senior Notes

The Senior Notes are unsecured obligations guaranteed by Parkland's subsidiaries, summarized as follows:

	Private placement date	Maturity date	Principal amount
5.50% Senior Notes	May 29, 2014	May 28, 2021	**200**
6.00% Senior Notes	November 21, 2014	November 21, 2022	**200**
5.75% Senior Notes	September 16, 2016	September 16, 2024	**300**
5.625% Senior Notes	May 9, 2017	May 9, 2025	**500**
6.00% US Senior Notes	March 23, 2018	April 1, 2026	**706**
6.50% Senior Notes	November 21, 2018	January 21, 2027	**300**
5.875% US Senior Notes	July 10, 2019	July 15, 2027	**706**
			2,912

The Senior Notes contain covenants that limit Parkland's ability to incur additional debt, make certain restricted payments and investments, create liens, enter into transactions with affiliates, and consolidate, merge, transfer or sell all or substantially all of its property and assets. Interest on the Senior Notes is paid semi-annually and is recorded in finance costs. See Note 17.

(c) Net Investment Hedge

Parkland has designated certain USD-denominated debt and payable balances as a net investment hedge to mitigate foreign exchange risk related to foreign operations ("Net Investment Hedge") for which the US dollar is the functional currency. During the three months ended March 31, 2020, Parkland recognized a foreign exchange loss, net of tax, of $128 (2019 - $22) on these balances, representing the effective portion of the hedge in other comprehensive income (loss), offsetting exchange differences on translation of foreign operations.

($ millions, unless otherwise stated)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES

Parkland's financial instruments consist of cash and cash equivalents, accounts receivable, long-term receivables, risk management and other derivative assets, substantially all accounts payable and accrued liabilities, dividends declared and payable, long-term debt, risk management and other derivative liabilities, and certain portions of other long-term assets and other liabilities.

(a) Fair value measurement hierarchy

The fair value hierarchy for Parkland's financial assets and liabilities measured at fair value is as follows:

		Fair value as at March 31, 2020			
	Note	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Risk management derivatives					
Commodities swaps, forwards and futures contracts		–	59	–	59
Other derivatives					
Emission credits and allowances		–	39	–	39
Risk management and other derivatives - assets		–	98	–	98
Risk management derivatives					
Commodities swaps, forwards and futures contracts		–	(7)	–	(7)
US dollar forward exchange contract		–	(1)	–	(1)
Other derivatives					
Emission credits and allowances		–	(18)	–	(18)
Risk management and other derivatives - liabilities		–	(26)	–	(26)
Other items included in other long-term assets					
Redemption Options (b)	9	–	9	–	9
Others		–	–	13	13
Other items included in other long-term assets		–	9	13	22
Other derivatives included in provisions and other liabilities					
Sol Put Option (c)	13	–	–	(516)	(516)
Other derivatives included in prepaid expenses and other					
Intermediation Facility Derivatives		–	41	–	41

($ millions, unless otherwise stated)

		Fair value as at December 31, 2019			
	Note	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Risk management derivatives					
Commodities swaps, forwards and futures contracts		—	1	—	1
Other derivatives					
Emission credits and allowances		—	24	—	24
Risk management and other derivatives - assets		—	25	—	25
Risk management derivatives					
Commodities swaps, forwards and futures contracts		—	(8)	—	(8)
Other derivatives					
Emission credits and allowances		—	(3)	—	(3)
Risk management and other derivatives - liabilities		—	(11)	—	(11)
Other items included in other long-term assets					
Redemption Options (b)	9	—	109	—	109
Others		—	—	13	13
Other items included in other long-term assets		—	109	13	122
Other items included in provisions and other liabilities					
Intermediation Facility Derivatives	13	—	(9)	—	(9)
Sol Put Option (c)	13	—	—	(486)	(486)

There were no transfers between fair value measurement hierarchy levels during the three months ended March 31, 2020.

(b) Redemption Options

The Senior Unsecured Notes contain optional redemption features that allow Parkland to redeem the notes prior to maturity at a premium (the "Redemption Options"). The Redemption Options are accounted for as embedded derivative financial instruments and carried at a fair value of $9 as at March 31, 2020 (December 31, 2019 - $109) within other long-term assets.

(c) Sol Put Option

The Sol Transaction includes a non-expiring call right for Parkland to acquire (the "Sol Call Option"), and a non-expiring put right for the non-controlling shareholders of SIL to sell (the "Sol Put Option") the remaining outstanding shares of SIL at a proportionate purchase price based on Sol's contractually-defined trailing-twelve-month adjusted EBITDA, multiplied by 8.5, and including other adjustments as defined in the Sol Business Combination Agreement (the "Sol Agreement"). Parkland will have the non-expiring right to refuse the exercise of the Sol Put Option on up to two occasions. The Sol Put Option is first exercisable after the release of Parkland's audited consolidated financial statements for the year ended December 31, 2021. The Sol Call Option has no separate value as it is exercisable at Parkland's discretion.

The Sol Put Option is carried at redemption value of $516 as at March 31, 2020. During the three months ended March 31, 2020, a change in redemption value of $13 (2019 - $30) was recorded within other (gains) and losses. See Note 18. Significant unobservable inputs and assumptions include: (i) a contractually-defined trailing-twelve-month adjusted EBITDA of Sol multiplied by 8.5; (ii) other adjustments as defined in the Sol Agreement; and (iii) a discount rate of 8.125% (December 31, 2019 - 5.125%). An increase in adjusted EBITDA would result in an increase to the liability associated with the Sol Put Option. A 1% change in the discount rate would decrease or increase the liability associated with the Sol Put Option by $6 (December 31, 2019 - $7).

(d) Other financial instruments

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and dividends declared and payable approximate their fair values as at March 31, 2020 due to the short-term nature of these instruments. The carrying value of long-term receivables approximates fair value as at March 31, 2020, as Parkland currently issues loans and advances to dealers and customers at market terms. The Senior Unsecured Notes have a carrying value of $2,912 and an estimated fair value of $2,704 as at March 31, 2020 (December 31, 2019 - $2,796 and $2,939 respectively). The carrying value of other long-term debt and other liabilities approximates fair value as at March 31, 2020, as the interest rate on the long-term debt is adjusted periodically or liabilities were recently incurred.

($ millions, unless otherwise stated)

(e) Offsetting

Parkland enters into enforceable netting arrangements that allow for the offsetting of financial assets and liabilities. The following financial assets and financial liabilities are subject to offsetting on the consolidated balance sheets:

	March 31, 2020			December 31, 2019		
	Gross Amount	**Amount Offset**	**Net**	Gross Amount	Amount Offset	Net
Risk management and other derivatives — assets	**107**	**(9)**	**98**	29	(4)	25
Risk management and other derivatives — liabilities	**(35)**	**9**	**(26)**	(15)	4	(11)

12. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital

(a) Operating activities

	Three months ended March 31,	
	2020	2019
Accounts receivable	**120**	(70)
Inventories	**226**	(111)
Prepaid expenses and other	**(6)**	(42)
Accounts payable and accrued liabilities	**(157)**	135
Income taxes payable	**(54)**	—
Income taxes receivable	**(11)**	21
Deferred revenue	**6**	5
Total net change in non-cash working capital related to operating activities	**124**	(62)

(b) Financing activities

	Three months ended March 31,	
	2020	2019
Accounts receivable	**–**	(60)
Total net change in non-cash working capital related to financing activities	**–**	(60)

($ millions, unless otherwise stated)

13. PROVISIONS AND OTHER LIABILITIES

	Note	**March 31, 2020**	December 31, 2019
Intermediation Facility (a)		**181**	302
Intermediation Facility Derivatives (a)		**—**	9
Asset retirement obligations - current (b)		**7**	12
Environmental provision - current		**1**	—
Deferred revenue		**30**	22
Short-term deposits, provisions and other		**84**	—
Provisions and other liabilities - current		**303**	345
Sol Put Option (c)	11	**516**	486
Asset retirement obligations - non-current (b)		**271**	324
Environmental provision - non-current		**45**	72
Employee benefits and other		**36**	34
Long-term deposits, provisions and other		**29**	28
DSU liability	14	**7**	12
Provisions and other liabilities - non-current		**904**	956

(a) Intermediation Facility Derivatives

In 2017, Parkland entered into an International Swaps and Derivatives Association ("ISDA") intermediation agreement with a financial institution (the "Intermediation Facility") to fund a portion of the working capital requirements of the Burnaby Refinery that includes a daily settlement feature, which is accounted for as a derivative financial instrument carried at fair value (the "Intermediation Facility Derivatives"). On December 14, 2019, the Intermediation Facility was amended to extend the expiry to December 31, 2021. The Intermediation Facility involves structured purchases and sales of crude oil, refined products and other hydrocarbons (collectively, "Hydrocarbons"). The Intermediation Facility has a funding limit of: (i) up to US$125 of accounts receivable balances; and (ii) the cost of Hydrocarbon inventory volumes up to 2,590 Mbbls. The Intermediation Facility is secured by Hydrocarbons and accounts receivable balances funded under the Intermediation Facility on a first-lien basis.

For the three months ended March 31, 2020, a realized gain of $55 (2019 - loss of $20) and an unrealized gain of $9 (2019 - loss of $14) relating to the Intermediation Facility Derivatives are included within cost of purchases on the consolidated statements of income (loss).

(b) Asset retirement obligations

	Note	**January 1, 2020 to March 31, 2020**	January 1, 2019 to December 31, 2019
Asset retirement obligations, beginning of period		**336**	219
Additional provisions made in the period		**4**	22
Sol Transaction and other acquisitions	16	**3**	102
Obligations settled during the period		**(1)**	(9)
Change due to passage of time, discount rate and inflation rate		**(74)**	6
Exchange differences		**10**	(4)
Asset retirement obligations, end of period		**278**	336
Current		**7**	12
Non-current		**271**	324
Asset retirement obligations, end of period		**278**	336

As at March 31, 2020, the inflation rate used to determine the value of future asset retirement costs ranged from 2.20% to 2.26% (December 31, 2019 - 2.20% to 2.26%) and the discount rates used to determine the present value of the future asset retirement costs ranged from 5.35% to 5.73% (December 31, 2019 - 3.43% to 3.86%). The total undiscounted estimated future cash flows required to settle Parkland's asset retirement obligations ("ARO") were $627 as at March 31, 2020 (December 31, 2019 - $601). These costs are expected to be paid up to 2068 (December 31, 2019 - 2068).

(c) Sol Put Option

	Note	**January 1, 2020 to March 31, 2020**	January 1, 2019 to December 31, 2019
Sol Put Option, beginning of period		**486**	—
Initial valuation, January 8, 2019		**–**	494
Change in redemption value of Sol Put Option	18	**(13)**	6
Exchange differences		**43**	(14)
Sol Put Option, end of period		**516**	486

See Note 11(c) for details.

14. SHAREHOLDERS' CAPITAL

(a) Shareholders' capital

Authorized capital of Parkland consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series without par value. There are no preferred shares outstanding. Changes to shareholders' capital are as follows:

	January 1, 2020 to March 31, 2020		January 1, 2019 to December 31, 2019	
	Number of common shares (000's)	**Amount ($ millions)**	Number of common shares (000's)	Amount ($ millions)
Shareholders' capital, beginning of period	**148,205**	**2,382**	133,668	1,886
Shares issued on Sol Transaction	**–**	**–**	12,231	423
Issued under dividend reinvestment plan, net of costs	**315**	**14**	1,524	62
Issued under share option plan	**45**	**1**	482	12
Issued on vesting of restricted share units	**–**	**–**	300	(1)
Shareholders' capital, end of period	**148,565**	**2,397**	148,205	2,382

(b) Share options, restricted share units, and deferred share units

Details of share options, restricted share units ("RSUs") and deferred share units ("DSUs") held by officers and employees are summarized as follows:

(000's)	**March 31, 2020**	December 31, 2019
Number of share options outstanding	**4,142**	3,610
Number of share options outstanding and exercisable	**2,399**	2,235
Number of RSUs outstanding	**1,784**	981
Number of DSUs outstanding	**279**	250

Expenses related to share options, RSUs and DSUs for the three months ended March 31, 2020 are $3 (2019 - $5). The liability recorded for DSUs in provisions and other liabilities as at March 31, 2020 is $7 (December 31, 2019 - $12).

(c) Base shelf prospectus

On July 17, 2018, Parkland filed a base shelf prospectus ("Shelf Prospectus") for common shares, preferred shares, subscription receipts, warrants, debentures, notes and other evidence of indebtedness, as well as units composed of one or more of the aforementioned (collectively, the "Securities") with an aggregate offering amount of up to $1,000. The Shelf Prospectus allows for the offering of the Securities from time to time in one or more offerings. Terms of the Securities, including, but not limited to, prices or maturity dates, will be determined at the date of issue. The Shelf Prospectus expires in August 2020. As at May 6, 2020, no Securities were issued under the Shelf Prospectus.

($ millions, unless otherwise stated)

15. NON-CONTROLLING INTEREST

Parkland's non-controlling interest ("NCI") represents a third party's 25% ownership interest in Sol. The businesses and assets included in Sol are predominantly located in the Caribbean and northern coast of South America. NCI is classified as a component of total equity.

Summarized financial information of Sol is provided below and is based on amounts before intercompany eliminations.

	March 31, 2020	December 31, 2019
Current assets	**794**	748
Non-current assets	**1,630**	1,541
Current liabilities	**(369)**	(382)
Non-current liabilities	**(494)**	(502)
Total equity	**1,561**	1,405
Attributable to Parkland	**1,169**	1,054
Attributable to NCI	**392**	351

	Three months ended March 31,	
	2020	2019
Sales and operating revenue	**1,228**	1,062
Cost of purchases	**1,099**	901
Adjusted gross profit[1]	**161**	157
Adjusted EBITDA attributable to NCI[1]	**23**	24
Net earnings attributable to NCI	**5**	14
Total comprehensive income attributable to NCI	**41**	15
Dividends paid to NCI	**—**	—

[1] See Note 20 for the calculation of Adjusted gross profit and Adjusted EBITDA attributable to NCI.

16. BUSINESS COMBINATIONS

(a) USA Acquisitions

Parkland successfully completed the acquisition of all of the issued and outstanding equity interests of Kellerstrass Enterprises, LLC, as well as equity interests and the assets of certain of its affiliates (collectively "Kellerstrass") on February 14, 2020 (the "2020 USA Acquisition"). Kellerstrass is based in Salt Lake City and is a regional retail dealer and commercial fuel business with branches in Utah, Idaho and Wyoming. In addition to highly efficient trucking, routing and distribution practices, Kellerstrass brings a strategic 17-car rail spur and storage assets, commercial card locks and an 84-location dealer business. The 2020 USA Acquisition was financed through cash flows from operations and the Credit Facility, and the purchase consideration was settled in cash. Parkland expects to finalize the purchase price allocation for the acquisition no later than one year from the acquisition date.

During the year ended December 31, 2019, Parkland successfully completed the acquisition of: (i) all of the issued and outstanding equity interests of Tropic Oil Company, Inc. as well as equity interest and the assets of certain of its affiliates (collectively "Tropic"); (ii) certain assets and liabilities of Ken Bettridge Distributing Inc. ("KB Oil"); and (iii) certain assets and liabilities of Mort Distributing Inc. ("Mort"), all of which were accounted for as individually separate business combinations (collectively the "2019 USA Acquisitions"). There were no changes to the fair values of the identifiable assets and liabilities of the 2019 USA Acquisitions and Parkland expects to finalize these amounts no later than one year from the respective acquisition dates.

($ millions, unless otherwise stated)

(b) Sol Transaction

Parkland successfully completed the acquisition of 75% of the outstanding shares of Sol Investments SEZC ("SIL", previously named as Sol Investments Limited) on January 8, 2019 (the "Sol Transaction") for purchase price consideration of $1,380, consisting of cash consideration of $960 net of estimated cash assumed, working capital adjustments of $9, gain on a US dollar currency hedge of $12 and fair value of share consideration of $423 (representing 12.2 million common shares calculated using the trading price of $34.56 per share) in respect of the purchase price under the Sol Agreement. The issuance of common shares resulted in the non-controlling shareholders of SIL owning 9.9% of the outstanding shares of Parkland immediately after closing. The cash consideration of the Sol Transaction was primarily financed through the Credit Facility (see Note 10).

The businesses and assets included in the Sol Transaction are predominantly located in the Caribbean and northern coast of South America and consisted of: (i) Sol's retail businesses, which include 268 company-owned or company-leased sites and 239 dealer-owned and dealer-operated sites under brands such as Shell, Esso and Sol; (ii) Sol's supply and distribution businesses, which include owned or leased infrastructure assets including 32 import terminals, 7 pipelines, 3 marine berths and 10 charter ships; (iii) Sol's commercial and industrial businesses, which supply gasoline, diesel, fuel oil, propane and lubricants; and (iv) Sol's aviation businesses, which operate in 13 countries. The Sol Transaction provides Parkland access to key markets in 23 countries and comprehensive supply infrastructure in the Caribbean and northern coast of South America.

In addition, the Sol Agreement includes the Sol Call Option and the Sol Put Option. See Notes 11(c) and 13(c) for details. There were no changes to the fair values of the identifiable assets and liabilities of the Sol Transaction presented in the Annual Consolidated Financial Statements which were finalized during the three months ended March 31, 2020.

(c) Other information

Details of acquisition, integration and other costs are as follows:

	Three months ended March 31,	
	2020	2019
Acquisition costs	**2**	5
Integration costs[1]	**2**	18
Restructuring and other costs	**17**	12
Acquisition, integration and other costs	**21**	35

[1] Restructuring and other costs for the three months ended March 31, 2020 include $22 in restructuring costs.

17. FINANCE COSTS

	Note	Three months ended March 31, 2020	2019
Interest on leases	6	**8**	7
Interest on long-term debt		**51**	48
Amortization, accretion and other finance costs		**4**	20
		63	75

18. OTHER (GAINS) AND LOSSES

	Note	Three months ended March 31, 2020	2019
Change in redemption value of Sol Put Option	13	**(13)**	30
Change in fair value of Redemption Options	11	**105**	(27)
Change in estimates of environmental provision		**(28)**	—
Share in earnings from investment in associate		**(2)**	(2)
Other		**(8)**	(8)
		54	(7)

($ millions, unless otherwise stated)

19. SALES AND OPERATING REVENUE

The following table presents Parkland's revenue disaggregated by product type, amount and segment:

	Supply		Canada[4]		International		USA		Consolidated	
For the three months ended March 31,	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Gas and diesel	**307**	341	**1,702**	1,909	**947**	811	**420**	227	**3,376**	3,288
Liquid petroleum gas[1]	**141**	133	**63**	72	**12**	11	**7**	4	**223**	220
Other fuel and petroleum products[2]	**236**	237	**—**	—	**226**	191	**3**	—	**465**	428
Fuel and petroleum product revenue	**684**	711	**1,765**	1,981	**1,185**	1,013	**430**	231	**4,064**	3,936
Convenience store	**—**	—	**81**	94	**4**	1	**27**	21	**112**	116
Lubricants	**—**	—	**11**	14	**16**	23	**86**	53	**113**	90
Other non-fuel[3]	**11**	9	**27**	26	**23**	25	**9**	13	**70**	73
Non-fuel revenue	**11**	9	**119**	134	**43**	49	**122**	87	**295**	279
Sales and operating revenue	**695**	720	**1,884**	2,115	**1,228**	1,062	**552**	318	**4,359**	4,215

(1) Liquid petroleum gas includes propane and butane.
(2) Other fuel and petroleum products include crude oil, aviation fuel, asphalt, fuel oils, gas oils, ethanol and biodiesel.
(3) Other non-fuel includes rent, freight, tanks and parts installation, cylinder exchanges, and other products and services.
(4) For comparative purposes, information for the three months ended March 31, 2019 was restated due to a change in segment presentation. Canada Retail and Canada Commercial, formerly presented separately as individual segments, are now combined as the Canada segment, reflecting a change in organizational structure in the first quarter of 2020.

20. SEGMENT INFORMATION

Parkland's reportable operating segments are differentiated by the nature of their products, services, and geographic boundaries. Parkland also reports activities not directly attributable to an operating segment under Corporate. As a result of a re-organization undertaken during the first quarter of 2020, the Canada Retail and Canada Commercial segments were combined to form the new Canada segment, with no changes to any other segment. The operations in each segment are defined as follows:

Supply
Supply is responsible for managing Parkland's fuel supply contracts, purchasing fuel from refiners, refining and marketing fuel, transporting and distributing fuel through ships, rail and highway carriers, storing fuel in owned and leased facilities, and serving wholesale and reseller customers. The profits are derived through refining, supply logistics management, aviation fuel sales, and wholesale fuel sales.

Canada
Canada (formerly "Canada Retail" and "Canada Commercial") supplies and supports a coast-to-coast network of retail gas stations, cardlock sites, bulk fuel, propane, heating oil, lubricants, and other related services to commercial, industrial, and residential customers. Canada operates under five key retail fuel brands: Ultramar, Esso, Fas Gas Plus, Chevron, and Pioneer. In addition, Canada operates a leading convenience store brand, On the Run / Marché Express, as well as other convenience store brands that will be migrated over time to the On the Run / Marché Express brand where appropriate. In addition, Canada serves its commercial customer base through a family of brands including Ultramar, Bluewave Energy, Pipeline Commercial, Chevron, Columbia Fuels, Sparlings Propane and PNE Propane.

International
International represents the contributions of the Sol business that was acquired on January 8, 2019, which includes operations in 23 countries predominantly located in the Caribbean and northern coast of South America. International operates and services a network of retail service stations under brands including Esso, Shell and Sol. International also serves commercial, industrial and aviation businesses.

USA
USA operates and services a network of retail service stations and delivers gasoline, distillates, propane and lubricating oils in the United States. Brands operated by USA include SPF Energy, Farstad Oil, Superpumper, Rhinehart, Tropic and Kellerstrass.

Corporate
Corporate includes centralized administrative services and expenses incurred to support operations. Due to the nature of these activities, these costs are not specifically allocated to Parkland's operating segments.

General information
Depreciation and amortization, finance costs, acquisition, integration and other costs, (gain) loss on risk management and other derivatives — unrealized, (gain) loss on foreign exchange — unrealized, other (gains) and losses and income taxes are not allocated to segments because they are not reviewed as part of segment information by the chief operating decision maker. Accordingly, there are certain asymmetries in the allocation of net earnings (loss) to segments with respect to these items.

The segregation of total assets and total liabilities is not practical, as the balance sheets of the reportable segments are not presented to or reviewed by the chief operating decision maker. Similarly, intersegment sales are not presented to or reviewed by the chief operating decision maker. Intersegment sales are eliminated from sales and operating revenue and cost of purchases of the selling segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

($ millions, unless otherwise stated)

Geographic information

Sales and operating revenue from external customers	**Three months ended March 31,**	
	2020	2019
Canada	**2,230**	2,486
United States	**1,020**	476
Other countries	**1,109**	1,253
Total	**4,359**	4,215

	March 31, 2020			
	Canada	**United States**	**Other countries**	**Consolidated**
Property, plant and equipment	**2,573**	**245**	**1,068**	**3,886**
Intangible assets	**565**	**120**	**314**	**999**
Goodwill	**1,154**	**204**	**551**	**1,909**
Total	**4,292**	**569**	**1,933**	**6,794**

	December 31, 2019			
	Canada	United States	Other countries	Consolidated
Property, plant and equipment	2,542	202	1,003	3,747
Intangible assets	572	92	301	965
Goodwill	1,165	151	495	1,811
Total	4,279	445	1,799	6,523

Segment information	**Supply**		**Canada[4]**		**International**		**USA**		**Corporate**		**Consolidated**	
For the three months ended March 31,	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Fuel and petroleum product volume (million litres)[1]	**1,585**	1,441	**2,360**	2,501	**1,396**	1,063	**634**	331	**–**	—	**5,975**	5,336
Sales and operating revenue[2]	**695**	720	**1,884**	2,115	**1,228**	1,062	**552**	318	**–**	—	**4,359**	4,215
Cost of purchases												
Fuel and petroleum product cost of purchases	**563**	493	**1,570**	1,763	**1,085**	882	**396**	216	**–**	—	**3,614**	3,354
Non-fuel cost of purchases	**6**	5	**72**	86	**14**	19	**93**	64	**–**	—	**185**	174
Cost of purchases	**569**	498	**1,642**	1,849	**1,099**	901	**489**	280	**–**	—	**3,799**	3,528
Adjusted gross profit												
Fuel and petroleum product adjusted gross profit, before the following:	**121**	218	**195**	218	**100**	131	**34**	15	**–**	—	**450**	582
Gain (loss) on risk management and other derivatives - realized	**16**	(2)	**–**	—	**24**	—	**–**	—	**–**	—	**40**	(2)
Gain (loss) on foreign exchange - realized	**(11)**	2	**–**	—	**(2)**	(4)	**–**	—	**(11)**	—	**(24)**	(2)
Other adjusting items[3]	**5**	14	**–**	—	**10**	—	**–**	—	**2**	—	**17**	14
Fuel and petroleum product adjusted gross profit	**131**	232	**195**	218	**132**	127	**34**	15	**(9)**	—	**483**	592
Non-fuel adjusted gross profit	**5**	4	**47**	48	**29**	30	**29**	23	**–**	—	**110**	105
Total adjusted gross profit	**136**	236	**242**	266	**161**	157	**63**	38	**(9)**	—	**593**	697
Operating costs	**87**	84	**117**	122	**47**	43	**35**	21	**–**	—	**286**	270
Marketing, general and administrative	**10**	9	**23**	28	**27**	22	**10**	6	**27**	27	**97**	92
Other adjusting items	**–**	—	**(1)**	(1)	**(3)**	(3)	**–**	—	**–**	—	**(4)**	(4)
Adjusted EBITDA including NCI	**39**	143	**103**	117	**90**	95	**18**	11	**(36)**	(27)	**214**	339
Adjusted EBITDA attributable to Parkland ("Adjusted EBITDA")	**39**	143	**103**	117	**67**	71	**18**	11	**(36)**	(27)	**191**	315
Attributable to NCI	**–**	—	**–**	—	**23**	24	**–**	—	**–**	—	**23**	24
Adjusted EBITDA including NCI	**39**	143	**103**	117	**90**	95	**18**	11	**(36)**	(27)	**214**	339
Depreciation and amortization											**149**	135
Finance costs											**63**	75
(Gain) loss on asset disposals											**4**	—
Acquisition, integration and other costs											**21**	35
(Gain) loss on risk management and other derivatives – unrealized											**(8)**	(4)
(Gain) loss on foreign exchange – unrealized											**11**	(32)
Other (gains) and losses											**54**	(7)
Other adjusting items[3]											**21**	18
Income tax expense (recovery)											**(27)**	28
Net earnings (loss)											**(74)**	91
Attributable to Parkland											**(79)**	77
Attributable to NCI											**5**	14
Property, plant and equipment and intangible asset additions	**105**	33	**19**	27	**22**	20	**4**	2	**5**	2	**155**	84
Property, plant and equipment, intangible asset and goodwill acquisitions[5]	**–**	—	**–**	—	**–**	1,679	**81**	—	**–**	—	**81**	1,679

[1] Fuel and petroleum product volume represents external volumes only. Intersegment volumes are excluded.
[2] See Note 19 for further details on sales and operating revenue.
[3] Other adjusting items primarily include a loss of $19 on inventory write-downs for which there are offsetting associated risk management derivatives with unrealized gains (2019 - nil) and an unrealized gain of $9 (2019 - unrealized loss of $14) on Intermediation Facility Derivatives within fuel and petroleum product cost of purchases.
[4] For comparative purposes, information for the three months ended March 31, 2019 was restated due to a change in segment presentation. Canada Retail and Canada Commercial, formerly presented separately as individual segments, are now combined as the Canada segment, reflecting a change in organizational structure in the first quarter of 2020.
[5] In the second and fourth quarters of 2019, Parkland revised the preliminary purchase price allocation of the Sol Transaction. These adjustments were applied retrospectively to the acquisition date, and the revised fair values of property, plant and equipment, intangible asset and goodwill acquisitions from the Sol Transaction are presented in the above table. These amounts were finalized during Q1 2020.

Canada

For comparative purposes, information for the prior periods reported in 2019 was retrospectively restated due to a change in segment presentation. Canada Retail and Canada Commercial, formerly presented separately as individual segments, are now combined as the Canada segment, reflecting a change in organizational structure in the first quarter of 2020. As a result of the change in organizational structure, the chief operating decision maker assesses performance, monitors results and allocates resources based on the combined Canada segment. The restated comparative information is as follows:

Segment information	Canada					
	2019[2]					2018[2]
	For the year ended	For the three months ended				For the year ended
	Dec 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Fuel and petroleum product volume (million litres)[1]	**9,926**	2,522	2,484	2,419	2,501	10,083
Sales and operating revenue						
Fuel and petroleum product revenue	**8,404**	2,114	2,127	2,182	1,981	9,171
Non-fuel revenue	**559**	130	145	150	134	622
Sales and operating revenue	**8,963**	2,244	2,272	2,332	2,115	9,793
Cost of purchases						
Fuel and petroleum product cost of purchases	**7,627**	1,911	1,938	2,015	1,763	8,358
Non-fuel cost of purchases	**359**	84	90	99	86	419
Cost of purchases	**7,986**	1,995	2,028	2,114	1,849	8,777
Adjusted gross profit						
Fuel and petroleum product adjusted gross profit	**777**	203	189	167	218	813
Non-fuel adjusted gross profit	**200**	46	55	51	48	203
Total adjusted gross profit	**977**	249	244	218	266	1,016
Other income	**(2)**	—	(1)	—	(1)	—
Operating costs	**479**	123	116	118	122	505
Marketing, general and administrative	**118**	37	26	27	28	102
Adjusted EBITDA	**382**	89	103	73	117	409

(1) Fuel and petroleum product volume represents external volumes only. Intersegment volumes are excluded.
(2) 2019 results reflect the adoption of IFRS 16 as of January 1, 2019. 2018 comparative figures reflect the accounting standards in effect for those years. Specifically, they are not restated to reflect the impact of IFRS 16, which is allowed under the modified retrospective approach for the adoption of IFRS 16.