

**Parkland Corporation**

Interim Condensed Consolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2021



**Parkland Corporation**  
Consolidated Balance Sheets  
(Unaudited)

(\$ millions)	Note	March 31, 2021	December 31, 2020
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		622	262
Restricted cash		50	34
Accounts receivable		959	790
Inventories		753	650
Income taxes receivable		9	36
Risk management and other derivatives	7	53	47
Prepaid expenses and other		59	59
		<b>2,505</b>	1,878
Property, plant and equipment		3,737	3,806
Intangible assets		921	949
Goodwill		1,885	1,864
Long-term receivables		80	80
Other long-term assets	5	286	354
Deferred tax assets		178	163
		<b>9,592</b>	9,094
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		1,396	1,212
Dividends declared and payable		16	16
Income taxes payable		38	19
Long-term debt - current portion	6	726	114
Provisions and other liabilities - current portion	8	41	233
Risk management and other derivatives	7	46	31
		<b>2,263</b>	1,625
Long-term debt	6	3,809	3,861
Provisions and other liabilities	8	961	1,036
Deferred tax liabilities		298	306
		<b>7,331</b>	6,828
<b>Shareholders' equity</b>			
Shareholders' capital	9	2,456	2,440
Contributed surplus		55	50
Accumulated other comprehensive income (loss)		(33)	(28)
Sol Put Option reserve	8	(494)	(494)
Retained earnings (deficit)		(65)	(49)
Non-controlling interest ("NCI")		342	347
		<b>2,261</b>	2,266
		<b>9,592</b>	9,094

See accompanying notes to the interim condensed consolidated financial statements.

## Parkland Corporation

### Consolidated Statements of Income (Loss) (Unaudited)

(\$ millions, unless otherwise stated)	Note	Three months ended March 31,	
		2021	2020
Sales and operating revenue	13	<b>4,233</b>	4,316
<b>Expenses</b>			
Cost of purchases		<b>3,530</b>	3,756
Operating costs		<b>244</b>	284
Marketing, general and administrative		<b>87</b>	99
Acquisition, integration and other costs		<b>5</b>	21
Depreciation and amortization		<b>154</b>	149
Finance costs	11	<b>83</b>	63
Foreign exchange (gain) loss		<b>(5)</b>	35
(Gain) loss on asset disposals		<b>(1)</b>	4
(Gain) loss on risk management and other derivatives		<b>50</b>	(48)
Other (gains) and losses	12	<b>42</b>	54
Earnings (loss) before income taxes		<b>44</b>	(101)
Current income tax expense (recovery)		<b>23</b>	(1)
Deferred income tax expense (recovery)		<b>(17)</b>	(26)
Net earnings (loss)		<b>38</b>	(74)
Net earnings (loss) attributable to:			
Parkland		<b>31</b>	(79)
NCI		<b>7</b>	5
Net earnings (loss) per share (\$ per share)			
Basic		<b>0.21</b>	(0.53)
Diluted		<b>0.20</b>	(0.53)
Weighted average number of common shares (000's of shares)		<b>150,237</b>	148,375
Weighted average number of common shares adjusted for the effects of dilution (000's of shares)		<b>151,756</b>	148,375

See accompanying notes to the interim condensed consolidated financial statements.

## Parkland Corporation

### Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(\$ millions, unless otherwise stated)	Note	Three months ended March 31,	
		2021	2020
Net earnings (loss)		38	(74)
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		(29)	154
Exchange differences on USD-denominated debt designated as a hedge of the net investment in foreign operations ("Net Investment Hedge"), net of tax	6	18	(128)
Other comprehensive income (loss)		(11)	26
Total comprehensive income (loss)		27	(48)
Total comprehensive income (loss) attributable to:			
Parkland		26	(89)
NCI		1	41

See accompanying notes to the interim condensed consolidated financial statements.

## Parkland 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, 2021		<b>2,440</b>	<b>50</b>	<b>(28)</b>	<b>(494)</b>	<b>(49)</b>	<b>347</b>	<b>2,266</b>
Net earnings (loss)		—	—	—	—	31	7	38
Other comprehensive income (loss)		—	—	(5)	—	—	(6)	(11)
Dividends		—	—	—	—	(47)	(6)	(53)
Share incentive compensation		—	6	—	—	—	—	6
Issued under dividend reinvestment plan, net of costs	9	15	—	—	—	—	—	15
Issued under share option plan	9	1	—	—	—	—	—	1
Issued on vesting of restricted share units	9	—	(1)	—	—	—	—	(1)
As at March 31, 2021		<b>2,456</b>	<b>55</b>	<b>(33)</b>	<b>(494)</b>	<b>(65)</b>	<b>342</b>	<b>2,261</b>
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	9	14	—	—	—	—	—	14
Issued under share option plan	9	1	—	—	—	—	—	1
As at March 31, 2020		2,397	35	(20)	(494)	(71)	392	2,239

See accompanying notes to the interim condensed consolidated financial statements.

## Parkland Corporation

### Consolidated Statements of Cash Flows (Unaudited)

(\$ millions)	Note	Three months ended March 31,	
		2021	2020
<b>Operating activities</b>			
Net earnings (loss)		38	(74)
Adjustments for:			
Depreciation and amortization		154	149
(Gain) loss on asset disposals		(1)	4
Share incentive compensation		7	3
Change in risk management and other derivatives		9	(53)
Change in other liabilities and other assets		14	21
Change in fair value of Redemption Options	12	59	105
Change in redemption value of Sol Put Option	7,8,12	(8)	(13)
Deferred tax expense (recovery)		(17)	(26)
Share of earnings from investment in associate	5,12	(2)	(2)
Inventory write-down		–	52
Other operating activities		10	(32)
Net change in non-cash working capital related to operating activities	4	(50)	124
Cash generated from (used in) operating activities		213	258
<b>Financing activities</b>			
Net proceeds from (repayments of) the Credit Facility	6	(28)	247
Long-term debt repayments, excluding the Credit Facility	6	(2)	(8)
Proceeds from long-term debt, net of financing costs, excluding the Credit Facility	6	594	–
Payments on principal amount on leases		(35)	(39)
Change in provisions and other liabilities	8	(194)	(119)
Dividends paid to shareholders, net of dividend reinvestment plan		(32)	(31)
Dividends paid to non-controlling interest		(6)	–
Cash generated from (used in) financing activities		297	50
<b>Investing activities</b>			
USA Acquisition and others	10	(81)	(64)
Dividends received from investment in associate, net of contributions	5	8	–
Expenditures on property, plant and equipment and intangible assets		(60)	(158)
Change in long-term receivables		–	5
Proceeds on asset disposals		5	3
Cash generated from (used in) investing activities		(128)	(214)
Increase (decrease) in net cash		382	94
Impact of foreign currency translation on cash		(6)	33
Net cash at beginning of period		296	257
Net cash at end of period		672	384
<b>Represented by:</b>			
Cash and cash equivalents		622	349
Restricted cash		50	35
Net cash		672	384
<b>Supplementary cash flow information:</b>			
Interest paid		(51)	(74)
Interest received		–	1
Income taxes refunded (paid)		23	(67)

See accompanying notes to the interim condensed consolidated financial statements.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2021

(\$ millions, unless otherwise stated)

## 1. CORPORATE INFORMATION

Parkland Corporation ("Parkland") is a convenience retailer and an independent marketer, distributor and refiner of fuel and petroleum products. 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, 2021.

Effective May 15, 2020, Parkland amended its articles to change its name from "Parkland Fuel Corporation" to "Parkland Corporation" and adopted "Corporation Parkland" as its French name.

## 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, 2020 (the "Annual Consolidated Financial Statements").

The consolidated statements of income (loss) for the three months ended March 31, 2020 were reclassified to conform to the presentation used in the current period and in the Annual Consolidated Financial Statements (See Note 13).

These interim condensed consolidated financial statements were approved for issue by the Board of Directors on May 3, 2021.

### (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, assumptions and judgments (including those affected by and related to the future effects of the COVID-19 pandemic) 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 interim condensed consolidated financial statements are described in Parkland's Annual Consolidated Financial Statements.

### (f) Change in segment presentation

The supply and trading business in the United States, formerly presented in the Supply segment, is now included in the USA segment, reflecting a change in organizational structure in the first three months of 2021. As a result of the change in organizational structure, the chief operating decision maker assesses performance, monitors results and allocates resources based on the reorganized segments.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2021

(\$ millions, unless otherwise stated)

#### Amended standards adopted by Parkland

##### Amendment to IFRS 7, IFRS 9, and IFRS 16 (Interest Rate Benchmark Reform)

In response to the interest rate benchmark (IBOR) reform (Phase 2), effective January 1, 2021, Parkland has adopted the new guidance issued by IASB that provides the use of a practical expedient to account for the change in the basis for determining the contractual cash flows as a result of the cessation of the London Interbank Offered Rate (LIBOR) benchmark. Some of the components of Parkland's existing Credit Facility are based on the LIBOR interest rate benchmark. As at March 31, 2021, Parkland has not yet transitioned to a different benchmark as the LIBOR benchmark is still being published. Parkland is in negotiations with the lenders to plan for the future transition. Upon the cessation of the LIBOR, Parkland will apply the new guidance to assess the impact of adopting the new interest rate benchmark on the financial statements.

### 3. NET EARNINGS (LOSS) PER SHARE

	Three months ended March 31,	
	2021	2020
Net earnings (loss) attributable to Parkland	31	(79)
Weighted average number of common shares (000's of shares)	150,237	148,375
Effect of dilutive securities (000's of shares)	1,519	—
Weighted average number of common shares adjusted for the effects of dilution (000's of shares)	151,756	148,375
Net earnings (loss) per share (\$ per share)		
Basic	0.21	(0.53)
Diluted	0.20	(0.53)

### 4. SUPPLEMENTAL CASH FLOW INFORMATION

#### Net change in non-cash working capital related to operating activities

	Three months ended March 31,	
	2021	2020
Accounts receivable	(179)	120
Inventories	(107)	226
Prepaid expenses and other	(1)	(6)
Accounts payable and accrued liabilities	195	(157)
Income taxes payable	20	(54)
Income taxes receivable	26	(11)
Deferred revenue	(4)	6
Total net change in non-cash working capital related to operating activities	(50)	124

### 5. OTHER LONG-TERM ASSETS

	Note	March 31, 2021	December 31, 2020
Investment in associate <sup>(1)</sup>		146	158
Redemption Options	7	100	156
Long-term prepaid expenses, deposits and other assets		40	40
		286	354

<sup>(1)</sup> Investment in associate includes an investment in Société Anonyme de la Raffinerie des Antilles ("SARA Refinery").



## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2021

(\$ millions, unless otherwise stated)

## 6. LONG-TERM DEBT

	March 31, 2021	December 31, 2020
Credit Facility (a)	655	686
Unamortized deferred financing costs	(8)	(2)
	<b>647</b>	684
Senior Notes (b)		
5.75% Senior Notes, due 2024 <sup>(1)</sup>	300	300
5.625% Senior Notes, due 2025 <sup>(1)</sup>	500	500
6.00% US\$500 Senior Notes, due 2026	629	638
6.50% Senior Notes, due 2027	300	300
5.875% US\$500 Senior Notes, due 2027	629	638
6.00% Senior Notes, due 2028	400	400
4.375% Senior Notes, due 2029 <sup>(3)</sup>	600	—
Unamortized premium: Redemption Options <sup>(1)(3)</sup>	52	30
Unamortized discount: deferred financing costs <sup>(1)</sup>	(40)	(32)
	<b>3,370</b>	2,774
Other notes	9	11
Credit Facility, Senior Notes and Other notes	<b>4,026</b>	3,469
Lease obligations <sup>(2)</sup>	509	506
Total long-term debt	<b>4,535</b>	3,975
Less: current portion of Credit Facility, Senior Notes and Other notes <sup>(1)</sup>	(623)	(6)
Less: current portion of Lease obligations	(103)	(108)
Long-term debt	<b>3,809</b>	3,861

<sup>(1)</sup> On March 10, 2021, Parkland gave notices for the full redemption of its 5.75% Senior Notes and partial redemption of its 5.625% Senior Notes, with redemption dates of April 9, 2021 and May 10, 2021, respectively. The related principal amounts, early redemption premium, and the unamortized deferred financing costs and unamortized premium on redemption options were reclassified to the current portion.

<sup>(2)</sup> 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.

<sup>(3)</sup> The Redemption Options related to the 2029 Senior Notes were ascribed a fair value of \$4 on initial recognition on March 25, 2021.

Estimated principal repayments of the Credit Facility, Senior Notes and other notes, and future lease payments as at March 31, 2021 are as follows:

	2021	2022	2023	2024	2025	Thereafter	Interest included in minimum lease payments	Total
Credit Facility (a)	—	—	—	—	—	655	—	655
Senior Notes (b)								
5.75% Senior Notes, due 2024	300	—	—	—	—	—	—	300
5.625% Senior Notes, due 2025	300	—	—	—	200	—	—	500
6.00% US Senior Notes, due 2026	—	—	—	—	—	629	—	629
6.50% Senior Notes, due 2027	—	—	—	—	—	300	—	300
5.875% US Senior Notes, due 2027	—	—	—	—	—	629	—	629
6.00% Senior Notes, due 2028	—	—	—	—	—	400	—	400
4.375% Senior Notes, due 2029	—	—	—	—	—	600	—	600
Other notes	5	2	2	—	—	—	—	9
Undiscounted Future Lease Payments	109	107	83	62	43	280	(175)	509
	<b>714</b>	<b>109</b>	<b>85</b>	<b>62</b>	<b>243</b>	<b>3,493</b>	<b>(175)</b>	<b>4,531</b>

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

#### For the three months ended March 31, 2021

(\$ millions, unless otherwise stated)

#### (a) Credit Facility

On March 25, 2021, Parkland's existing syndicated credit facility was amended to expand the available facility and extend the maturity date (the "Credit Facility"). The Credit Facility includes a combined revolving facility amount of \$1,715 and US\$155 with a maturity date of March 25, 2026. The revolving facilities are extendible each year for a rolling five-year period at Parkland's option, subject to approval by the lenders. Security on the Credit Facility consists of the assignment of insurance and priority interests on all present and future Parkland properties and assets. Additionally, certain subsidiaries have provided security in connection with the Credit Facility.

Details on the Credit Facility as at March 31, 2021 are as follows:

	<b>Maturity date</b>	<b>Effective rate<sup>(1)</sup></b>	<b>Balance</b>
\$1,715 Canadian Revolving Facility	March 25, 2026	1.99 %	<b>575</b>
US\$155 Revolving Facility	March 25, 2026	3.03 %	<b>80</b>
Outstanding borrowings under the Credit Facility			<b>655</b>

<sup>(1)</sup> The credit facility is subject to a floating interest rate.

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, 2021, these guarantees amounted to \$290 (December 31, 2020 - \$261) and are not recognized in the interim condensed consolidated financial statements. Maturity dates for these guarantees vary and are up to and including December 15, 2022.

As at March 31, 2021, Parkland provided \$2,692 (December 31, 2020 - \$2,601) 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 and 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 11.

#### 4.375% \$600 Senior Notes, due 2029

On March 25, 2021 Parkland completed the private offering of \$600 aggregate principal amount of senior unsecured notes due March 2029 (the "2029 Senior Notes"). The 2029 Senior Notes were priced at par and bear interest at a rate of 4.375% per annum, payable semi-annually in arrears beginning September 26, 2021. The net proceeds were used to repay the \$300 5.75% Senior Notes due 2024 on April 9, 2021 and will be used to repay \$300 of the \$500 5.625% Senior Notes due 2025 on May 10, 2021.

#### 5.75% Senior Notes and 5.625% Senior Notes

On March 10, 2021, Parkland gave conditional notices of redemption for the full redemption of the \$300 5.75% Senior Notes and partial redemption of the \$500 5.625% Senior Notes, with redemption dates of April 9, 2021 and May 10, 2021, respectively. The conditions for the redemption were met on March 25, 2021 and the related outstanding balances were reclassified as current. The \$300 5.75% Senior Notes were redeemed for 102.875% of the principal amount on April 9, 2021 and \$300 of the \$500 5.625% Senior Notes will be redeemed for 102.813% of the principal amount on May 10, 2021 using the proceeds from the 2029 Senior Notes. The loss on the exercise of the prepayment options was recorded in finance costs.

On March 29, 2021, Parkland gave conditional notice of redemption of the remaining \$200 of the \$500 5.625% Senior Notes, with a redemption date of May 10, 2021. The conditions for redemption were met on April 13, 2021. The Senior Notes will be redeemed for 102.813% of the principal amount using the proceeds from the 2029 USD Senior Notes (see Note 14).

#### 6.00% US Senior Notes

On March 29, 2021, Parkland gave notice for redemption of the US\$500 6.00% US Senior Notes, with a redemption date of April 14, 2021. The conditions for redemption were met on April 13, 2021. The Senior Note were redeemed at 104.5% of the principal amount using the proceeds from the 2029 USD Senior Notes (see Note 14).

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2021

(\$ millions, unless otherwise stated)

#### (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 for which the US dollar is the functional currency. During the three months ended March 31, 2021, Parkland recognized a foreign exchange gain, net of tax, of \$18 (2020 - loss, net of tax, of \$128) on these balances, representing the effective portion of the hedge in other comprehensive income (loss), offsetting exchange differences on translation of foreign operations.

## 7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES

Parkland's financial instruments consist of cash and cash equivalents, restricted cash, 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, other liabilities and prepaid expenses and other.

#### (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, 2021					
	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		–	2	–	2
Currency forward exchange contracts		–	10	–	10
Other derivatives					
Emission credits and allowances		–	41	–	41
<b>Risk management and other derivatives - assets</b>					
		–	53	–	53
Risk management derivatives					
Commodities swaps, forwards and futures contracts		–	(35)	–	(35)
Other derivatives					
Emission credits and allowances		–	(11)	–	(11)
<b>Risk management and other derivatives - liabilities</b>					
		–	(46)	–	(46)
Other items included in other long-term assets					
Redemption Options	5	–	100	–	100
<b>Other items included in other long-term assets</b>					
		–	100	–	100
Other items included in provisions and other liabilities					
Sol Put Option	8	–	–	(488)	(488)
<b>Other items included in provisions and other liabilities</b>					
		–	–	(488)	(488)

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2021

(\$ millions, unless otherwise stated)

Fair value as at December 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		—	3	—	3
Currency forward exchange contracts			12		12
Other derivatives					
Emission credits and allowances		—	32	—	32
<b>Risk management and other derivatives - assets</b>		<b>—</b>	<b>47</b>	<b>—</b>	<b>47</b>
Risk management derivatives					
Commodities swaps, forwards and futures contracts		—	(20)	—	(20)
Other derivatives					
Emission credits and allowances		—	(11)	—	(11)
<b>Risk management and other derivatives - liabilities</b>		<b>—</b>	<b>(31)</b>	<b>—</b>	<b>(31)</b>
Other items included in other long-term assets					
Redemption Options	5	—	156	—	156
Others	5	—	—	13	13
<b>Other items included in other long-term assets</b>		<b>—</b>	<b>156</b>	<b>13</b>	<b>169</b>
Other items included in provisions and other liabilities					
Intermediation Facility Derivatives	8	—	(5)	—	(5)
Sol Put Option	8	—	—	(503)	(503)
<b>Other items included in provisions and other liabilities</b>		<b>—</b>	<b>(5)</b>	<b>(503)</b>	<b>(508)</b>

There were no changes in the nature and characteristics of commodities swaps, forwards and futures contracts, currency forward exchange contracts and redemption options and there were no transfers between fair value measurement hierarchy levels during the three months ended March 31, 2021.

#### (b) Other financial instruments

The carrying values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities, and dividends declared and payable approximate their fair values as at March 31, 2021 due to the short-term nature of these instruments. The carrying value of long-term receivables approximates fair value as at March 31, 2021, as Parkland currently issues loans and advances to dealers and customers at market terms. The Senior Notes have a carrying value of \$3,358 and an estimated fair value of \$3,509 as at March 31, 2021 (December 31, 2020 - \$2,776 and \$2,947 respectively). The carrying value of other long-term debt and other liabilities approximates fair value as at March 31, 2021, as the interest rate on the long-term debt is adjusted periodically or liabilities were recently incurred.

#### (c) 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, 2021			December 31, 2020		
	Gross amount	Amount offset	Net	Gross amount	Amount offset	Net
Risk management and other derivatives — assets	57	(4)	53	54	(7)	47
Risk management and other derivatives — liabilities	(50)	4	(46)	(38)	7	(31)

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2021

(\$ millions, unless otherwise stated)

## 8. PROVISIONS AND OTHER LIABILITIES

	Note	March 31, 2021	December 31, 2020
Intermediation Facility (a)		–	194
Asset retirement obligations - current (b)		22	14
Environmental provision - current		2	2
Deferred revenue		15	19
Short-term deposits, provisions and other		2	4
<b>Provisions and other liabilities - current</b>		<b>41</b>	<b>233</b>
Sol Put Option (c)	7	488	503
Asset retirement obligations - non-current (b)		329	373
Environmental Provision - non-current		67	86
Employee benefits and other		40	39
Long-term deposits, provisions and other		25	23
DSU liability	9	12	12
<b>Provisions and other liabilities - non-current</b>		<b>961</b>	<b>1,036</b>

### (a) Intermediation Facility and 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"). The Intermediation Facility involved structured purchases and sales of crude oil, refined products and other hydrocarbons (collectively, "Hydrocarbons"). On February 26, 2021, the Intermediation facility was terminated and fully repaid with the loss on the early termination recorded in finance costs.

For the three months ended March 31, 2021, a realized loss of \$16 (2020 - gain of \$55) and an unrealized gain of nil (2020 - gain of \$9) 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, 2021 to March 31, 2021	January 1, 2020 to December 31, 2020
Asset retirement obligations, beginning of period		387	336
Additional provisions made in the period		5	12
USA and other acquisitions	10	3	7
Obligations settled during the period		(1)	(6)
Change due to passage of time, discount rate and inflation rate		(41)	40
Change due to foreign exchange		(2)	(2)
<b>Asset retirement obligations, end of period</b>		<b>351</b>	<b>387</b>
Current		22	14
Non-current		329	373
<b>Asset retirement obligations, end of period</b>		<b>351</b>	<b>387</b>

As at March 31, 2021, the inflation rate used to determine the value of future asset retirement costs ranged from 2.20% to 2.26% (December 31, 2020 - 2.20% to 2.26%) and the discount rates used to determine the present value of the future asset retirement costs ranged from 3.46% to 3.78% (December 31, 2020 - 2.64% to 2.99%). The total undiscounted estimated future cash flows required to settle Parkland's asset retirement obligations ("ARO") were \$608 as at March 31, 2021 (December 31, 2020 - \$603). These costs are expected to be paid up to the year 2070 (December 31, 2020 - 2070).

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

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#### (c) Sol Put Option

	Note	January 1, 2021 to March 31, 2021	January 1, 2020 to December 31, 2020
Sol Put Option, beginning of period		503	486
Change in redemption value of Sol Put Option	12	(8)	23
Exchange differences		(7)	(6)
Sol Put Option, end of period		488	503

As at March 31, 2021, significant unobservable inputs and assumptions used in the valuation of Sol Put Option 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 4.125% (December 31, 2020 - 3.375%). 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 \$4 (December 31, 2020 - \$4).

## 9. 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, 2021 to March 31, 2021		January 1, 2020 to December 31, 2020	
	Number of common shares (000's)	Amount (\$ millions)	Number of common shares (000's)	Amount (\$ millions)
Shareholders' capital, beginning of period	150,054	2,440	148,205	2,382
Shares issued on ConoMart Acquisition	–	–	48	1
Issued under dividend reinvestment plan, net of costs	349	15	1,251	47
Issued under share option plan	11	1	451	11
Issued on vesting of restricted share units	12	–	99	(1)
Shareholders' capital, end of period	150,426	2,456	150,054	2,440

#### (b) Base shelf prospectus and at-the-market equity finance program

On August 17, 2020, 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 convertible securities and units composed of one or more of the aforementioned (collectively, the "Securities") with an aggregate offering amount of up to \$2,000. 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 on September 17, 2022.

On March 25, 2021, Parkland established an at-the-market ("ATM") equity program, which allows Parkland to issue up to \$250 of common shares (the "Aggregate Offering Price") from treasury to the public at prevailing market prices. The common shares issuable under the ATM program are qualified for distribution under a prospectus supplement dated March 25, 2021 to the Shelf Prospectus. The ATM program will be effective until the Shelf Prospectus expires or common shares having aggregate gross proceeds equal to the Aggregate Offering Price have been issued, unless it is terminated prior to such date by Parkland or otherwise in accordance with the terms of the equity distribution agreement governing the ATM program. The volume and timing of sales, if any, will be determined by Parkland, subject to regulatory requirements. As at May 3, 2021, no Securities have been issued under the Shelf Prospectus and ATM program.

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2021

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## 10. BUSINESS COMBINATIONS AND OTHER ACQUISITIONS

### (a) USA Acquisitions

Parkland successfully completed the acquisition of the assets of Story Distributing Company and its affiliates (collectively "Story") on February 1, 2021 (the "2021 USA Acquisition"). Story is a retail and commercial fuel business based in Bozeman, Montana, which expands Parkland's presence in the Montana- and Idaho-based markets. The 2021 USA Acquisition was accounted for as a business combination and Parkland expects to finalize the purchase price allocation for the acquisition no later than one year from the acquisition date. The Story Acquisition was financed through cash flows from operations and the Credit Facility, and the purchase consideration was settled in cash.

### (b) Other asset acquisitions

Parkland completed the acquisition of two Midwest liquid petroleum gas ("LPG") terminals on January 22, 2021, expanding on the existing integrated logistics business and enhancing Parkland's overall LPG supply optionality. The acquisition was accounted for as an asset acquisition and was financed through cash flows from operations and the Credit Facility, and the purchase consideration was settled in cash.

## 11. FINANCE COSTS

	Three months ended March 31,	
	2021	2020
Interest on leases	8	8
Interest on long-term debt	46	51
Loss on modification of long-term debt <sup>(1)</sup>	24	—
Amortization, accretion and other finance costs	5	4
	<b>83</b>	<b>63</b>

<sup>(1)</sup> Includes early redemption premium of \$17 and amortization of deferred financing costs net of amortization of premium on redemption options of \$7 on the redeemed senior notes.

## 12. OTHER (GAINS) AND LOSSES

		Three months ended March 31,	
	Note	2021	2020
Change in redemption value of Sol Put Option	8	(8)	(13)
Change in fair value of Redemption Options	7	59	105
Change in estimates of environmental provision <sup>(1)</sup>	8	(19)	(28)
Share in earnings from investment in associate	5	(2)	(2)
Other		12	(8)
		<b>42</b>	<b>54</b>

<sup>(1)</sup> As at March 31, 2021, the inflation rate used to determine the value of future costs related to environmental activities ranged from 2.20% to 2.26% (December 31, 2020 - 2.20% to 2.26%) and the discount rates used to determine the present value of the future costs related to environmental activities ranged from 3.46% to 3.64% (December 31, 2020 - 2.64% to 2.86%).

## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

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(\$ millions, unless otherwise stated)

## 13. 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. The supply and trading business in the United States, formerly presented in the Supply segment, is now included in the USA segment, reflecting a change in organizational structure in the first quarter of 2021.

### Canada

Canada 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 and operates a leading convenience store brand, On the Run / Marché Express. Canada also serves its commercial customer base through a family of brands including Ultramar, Bluewave Energy, Pipeline Commercial, Chevron, Columbia Fuels, and Sparlings Propane.

### International

International includes operations in 23 countries and territories predominantly located in the Caribbean and northern coast of South America. International operates and services a network of retail service stations under brands including Sol, Esso and Shell. 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. USA also operates a supply and trading business managing Parkland's fuel supply contracts, purchasing fuel from refiners, transporting and distributing fuel through ships, pipelines, rail and highway carriers, storing fuel in owned and leased facilities, and serving wholesale and reseller customers. USA operates under several brands including Farstad Oil, Superpumper, Tropic Oil, Rhinehart Oil, Harts and On the Run.

### Supply

Supply consists of logistics, marketing, supply, distribution and a refinery located in Burnaby, British Columbia. 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.

### 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, (gain) loss on asset disposals 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.



## Parkland Corporation

### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2021

(\$ millions, unless otherwise stated)

Segment information For the three months ended March 31,	Canada		International		USA <sup>(6)</sup>		Supply <sup>(6)</sup>		Corporate		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Fuel and petroleum product volume (million litres)<sup>(1)</sup></b>	<b>2,104</b>	2,360	<b>1,229</b>	1,396	<b>1,036</b>	764	<b>1,167</b>	1,388	–	–	<b>5,536</b>	5,908
<b>Sales and operating revenue<sup>(2)</sup></b>	<b>1,809</b>	1,889	<b>1,001</b>	1,228	<b>815</b>	619	<b>608</b>	580	–	–	<b>4,233</b>	4,316
<b>Cost of purchases</b>	<b>1,564</b>	1,648	<b>832</b>	1,099	<b>736</b>	573	<b>398</b>	436	–	–	<b>3,530</b>	3,756
<b>Adjusted gross profit</b>												
Fuel and petroleum product adjusted gross profit, before the following:	<b>197</b>	195	<b>144</b>	100	<b>48</b>	16	<b>209</b>	141	–	–	<b>598</b>	452
Gain (loss) on risk management and other derivatives - realized	–	–	<b>(32)</b>	24	<b>(5)</b>	11	<b>(8)</b>	5	–	–	<b>(45)</b>	40
Gain (loss) on foreign exchange - realized	–	–	<b>3</b>	(2)	–	–	<b>2</b>	(11)	<b>4</b>	(11)	<b>9</b>	(24)
Other adjusting items to Adjusted gross profit <sup>(3)</sup>	–	–	–	10	–	7	–	(2)	<b>(2)</b>	2	<b>(2)</b>	17
Fuel and petroleum product adjusted gross profit	<b>197</b>	195	<b>115</b>	132	<b>43</b>	34	<b>203</b>	133	<b>2</b>	(9)	<b>560</b>	485
Non-fuel adjusted gross profit	<b>48</b>	46	<b>25</b>	29	<b>31</b>	30	<b>1</b>	3	–	–	<b>105</b>	108
Total adjusted gross profit	<b>245</b>	241	<b>140</b>	161	<b>74</b>	64	<b>204</b>	136	<b>2</b>	(9)	<b>665</b>	593
Operating costs <sup>(5)</sup>	<b>107</b>	117	<b>34</b>	47	<b>42</b>	35	<b>61</b>	85	–	–	<b>244</b>	284
Marketing, general and administrative <sup>(5)</sup>	<b>22</b>	23	<b>19</b>	27	<b>12</b>	13	<b>7</b>	9	<b>27</b>	27	<b>87</b>	99
Other adjusting items to Adjusted EBITDA <sup>(4)</sup>	–	(1)	<b>(3)</b>	(3)	–	–	–	–	–	–	<b>(3)</b>	(4)
<b>Adjusted EBITDA including NCI</b>	<b>116</b>	102	<b>90</b>	90	<b>20</b>	16	<b>136</b>	42	<b>(25)</b>	(36)	<b>337</b>	214
Adjusted EBITDA attributable to Parkland ("Adjusted EBITDA")	<b>116</b>	102	<b>67</b>	67	<b>20</b>	16	<b>136</b>	42	<b>(25)</b>	(36)	<b>314</b>	191
Attributable to NCI	–	–	<b>23</b>	23	–	–	–	–	–	–	<b>23</b>	23
Adjusted EBITDA including NCI	<b>116</b>	102	<b>90</b>	90	<b>20</b>	16	<b>136</b>	42	<b>(25)</b>	(36)	<b>337</b>	214
Acquisition, integration and other costs											<b>5</b>	21
Depreciation and amortization											<b>154</b>	149
Finance costs											<b>83</b>	63
(Gain) loss on foreign exchange - unrealized											<b>4</b>	11
(Gain) loss on asset disposals											<b>(1)</b>	4
(Gain) loss on risk management and other derivatives - unrealized											<b>5</b>	(8)
Other (gains) and losses											<b>42</b>	54
Other adjusting items <sup>(3)(4)</sup>											<b>1</b>	21
Income tax expense (recovery)											<b>6</b>	(27)
<b>Net earnings (loss)</b>											<b>38</b>	(74)
Attributable to Parkland											<b>31</b>	(79)
Attributable to NCI											<b>7</b>	5
Property, plant and equipment and intangible asset additions <sup>(7)</sup>	<b>11</b>	19	<b>11</b>	22	<b>9</b>	4	<b>6</b>	105	<b>4</b>	5	<b>41</b>	155
Property, plant and equipment, intangible asset and goodwill acquisitions <sup>(7)</sup>	–	–	–	–	<b>52</b>	81	<b>16</b>	–	–	–	<b>68</b>	81

<sup>(1)</sup> Fuel and petroleum product volume represents external volumes only. Inter-segment volumes are excluded.

<sup>(2)</sup> See sections (a) and (b) for further details on sales and operating revenue.

<sup>(3)</sup> Other adjusting items to Adjusted gross profit include the following: (i) Supply: nil (2020 - \$5 loss); Corporate: \$2 gain (2020 - \$2 loss) on foreign exchange on cash pooling arrangements within gain (loss) on foreign exchange - realized; (ii) International: nil (2020 - \$10 loss); USA: nil (2020 - \$7 loss); and Supply: nil (2020 - \$2 loss) on inventory write-downs for which there are offsetting associated risk management derivatives with unrealized gains; and (iii) Supply: an unrealized gain of nil (2020 - \$9) on Intermediation Facility Derivatives within fuel and petroleum product cost of purchases.

<sup>(4)</sup> Other adjusting items to Adjusted EBITDA include the following: (i) Canada: customer finance income of nil (2020 - \$1); and (ii) International: income from equity investments of \$3 (2020 - \$3).

<sup>(5)</sup> Operating costs and marketing, general and administrative expenses are both presented net of Canada Emergency Wage Subsidy of \$3 and \$3 respectively (2020 - \$3 and \$1). Operating costs are split as follows: Canada \$2 (2020 - \$2) and Supply \$1 (2020 - \$1). Marketing, general and administrative expenses are split as follows: Canada \$2 (2020 - \$1) and Corporate \$1 (2020 - nil).

<sup>(6)</sup> For comparative purposes, information for the three months ended March 31, 2020 was restated due to a change in segment presentation. The supply and trading business in the United States, formerly presented in the Supply segment, is now included in the USA segment, reflecting a change in organizational structure in the first three months of 2021. Additionally, certain amounts within fuel and petroleum product volumes, sales and operating revenue, and cost of purchases were restated and reclassified to conform to the presentation used in the current period.

<sup>(7)</sup> Property, plant and equipment additions and acquisitions do not include the right-of-use asset.

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### Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) For the three months ended March 31, 2021

(\$ millions, unless otherwise stated)

#### (a) Geographic information

Sales and operating revenue from external customers	March 31, 2021	March 31, 2020
Canada	2,132	2,229
United States	1,291	978
Other countries	810	1,109
Total	4,233	4,316

	March 31, 2021			
	Canada	United States	Other countries	Consolidated
Property, plant and equipment	2,479	292	966	3,737
Intangible assets	519	161	241	921
Goodwill	1,168	237	480	1,885
Total	4,166	690	1,687	6,543

	December 31, 2020			
	Canada	United States	Other Countries	Consolidated
Property, plant and equipment	2,535	266	1,005	3,806
Intangible assets	531	162	256	949
Goodwill	1,168	209	487	1,864
Total	4,234	637	1,748	6,619

#### (b) Sales and operating revenue by product

For the three months ended March 31,	Canada		International		USA <sup>(5)</sup>		Supply <sup>(5)</sup>		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Gas and diesel <sup>(5)</sup>	1,614	1,702	831	947	678	424	308	261	3,431	3,334
Liquid petroleum gas <sup>(1)</sup>	74	63	25	12	5	7	150	142	254	224
Other fuel and petroleum products <sup>(2)(5)</sup>	–	–	112	226	6	65	149	174	267	465
Fuel and petroleum product revenue	1,688	1,765	968	1,185	689	496	607	577	3,952	4,023
Convenience store <sup>(5)</sup>	85	81	3	4	32	24	–	–	120	109
Lubricants and other non-fuel <sup>(4)(5)</sup>	36	43	30	39	94	99	1	3	161	184
Non-fuel revenue	121	124	33	43	126	123	1	3	281	293
Sales and operating revenue	1,809	1,889	1,001	1,228	815	619	608	580	4,233	4,316

<sup>(1)</sup> Liquid petroleum gas includes propane and butane.

<sup>(2)</sup> Other fuel and petroleum products include crude oil, aviation fuel, asphalt, fuel oils, gas oils, ethanol and biodiesel.

<sup>(3)</sup> Convenience store revenue generated from Canada, International, and USA depends on the business model operated by each segment.

<sup>(4)</sup> Lubricants and other non-fuel include lubricants, rent, freight, tanks and parts installation, cylinder exchanges, royalties, emission allowances and other products and services.

<sup>(5)</sup> For comparative purposes, information for the three months ended March 31, 2020 was restated due to a change in segment presentation. The supply and trading business in the United States, formerly presented in the Supply segment, is now included in the USA segment, reflecting a change in organizational structure in the first three months of 2021. Additionally, certain amounts within sales and operating revenue were restated and reclassified to conform to the presentation used in the current period.

#### Changes in segment presentation

For comparative purposes, information for the prior periods reported in 2020 were retrospectively restated due to a change in segment presentation in the first three months of 2021 and reclassifications to conform to the presentation used in the current period and in the Annual Consolidated Financial Statements. The supply and trading business in the United States, formerly presented in the Supply segment, is now included in the USA segment, reflecting a change in organizational structure in the first three months of 2021. The restated comparative information for USA and Supply is as follows:

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(\$ millions, unless otherwise stated)

Segment information	USA					Supply				
	2020									
	For the year ended	For the three months ended				For the year ended	For the three months ended			
	Dec 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Dec 31	Sep 30	Jun 30	Mar 31
<b>Fuel and petroleum product volume (million litres)<sup>(1)</sup></b>	3,057	814	767	712	764	4,676	1,207	1,113	968	1,388
<b>Sales and operating revenue</b>										
Fuel and petroleum product revenue	1,621	418	378	329	496	1,841	463	474	327	577
Non-fuel revenue	488	116	127	122	123	9	6	—	—	3
Sales and operating revenue	2,109	534	505	451	619	1,850	469	474	327	580
<b>Cost of purchases</b>	1,872	478	441	380	573	1,260	314	283	227	436
<b>Adjusted gross profit</b>										
Fuel and petroleum product adjusted gross profit	136	28	29	45	34	564	149	192	90	133
Non-fuel adjusted gross profit	125	30	34	31	30	9	5	(1)	2	3
<b>Total adjusted gross profit</b>	261	58	63	76	64	573	154	191	92	136
Other adjusting items										
Operating costs	142	38	31	38	35	267	68	61	53	85
Marketing, general and administrative	47	12	11	11	13	24	5	6	4	9
<b>Adjusted EBITDA</b>	72	8	21	27	16	282	81	124	35	42

<sup>(1)</sup> Fuel and petroleum product volume represents external volumes only. Inter-segment volumes are excluded.

## 14. SUBSEQUENT EVENTS

### 4.50% US Senior Notes

On April 13, 2021, Parkland completed the private offering of US\$800 aggregate principal amount of senior unsecured notes due October 1, 2029 (the "2029 USD Senior Notes"). The 2029 USD Senior Notes were priced at par and bear interest at a rate of 4.50% per annum, payable semi-annually in arrears beginning October 1, 2021. The net proceeds from the offering were used to repay the US\$500 6.00% Senior Notes on April 14, 2020 and will be used to repay the remaining \$200 of the 5.625% Senior Notes on May 10, 2021.

### Conrad & Bischoff Inc.

Parkland completed the acquisition of Conrad & Bischoff Inc. and its related companies (collectively "C&B") on April 7, 2021. C&B is a well-established retail, commercial, wholesale and lubricants business and establishes Parkland's fourth U.S. Regional Operating Centre in Idaho Falls, Idaho. The acquisition includes retail sites comprising high-quality company-owned sites featuring proprietary-branded backcourts, dealer sites and terminal operations, which add significant supply optionality. The acquisition was financed through cash flow from operations and the Credit Facility, and the purchase consideration was settled in cash.

The preliminary fair values of the identifiable assets acquired and liabilities assumed as well as the purchase consideration transferred are presented below. Parkland expects to finalize these amounts no later than one year from the acquisition date:

<b>Assets (liabilities)</b>	
Net working capital	17
Property, plant and equipment	104
Intangible assets	43
Net deferred tax assets (liabilities)	(5)
Asset retirement obligation	(4)
Goodwill arising on acquisition	114
Fair value of purchase consideration transferred	269